

**Document No:** A339567

**Report To:**

**Council**



**Meeting Date:** 28 February 2017

**Subject:** **Quarterly Financial and Non-Financial Report for the Period ended 31 December 2016**

**Type:** **Information Only**

## Purpose of Report

- 1.1 The purpose of this business paper is to present the Quarterly Financial and Non-Financial results for the period ended 31 December 2016.

## Background

- 1.2 The period covered by this report is 1 July 2016 to 31 December 2016.
- 1.3 The order of the report is as follows:
- **Summary Income Statement** with comments detailing significant variances to budget on Council's operating performance for the period ended 31 December 2016.
  - **Summary Balance Sheet** with comments detailing significant balance sheet movements from 1 July 2016 to 31 December 2016.
  - **Capital Expenditure** summary with commentary on material variances of expenditure for the period compared with the EAP 2016/17.
  - **Summary Treasury Management** which reports on the Public Debt position, cash reserves and significant treasury transactions.
  - **Cost of Service Statement** Summary and Cost of Service Statements for Council's ten significant activities are presented in **Appendix 1**.
  - **Balance Sheet** as at 31 December 2016 is presented in **Appendix 2**.
  - **Treasury Management Report** from Bancorp Treasury Services Limited, Councils treasury management advisors is enclosed as **Attachment 1**.
  - **Performance Management Report** on the Levels of Service and Key Performance Indicators is enclosed as **Attachment 2**.
- 1.4 All figures in the tables, except percentages, are expressed in thousands of dollars (\$000s).

## Financial Report to 31 December 2016

### 3.1 INCOME STATEMENT HIGHLIGHTS

- 3.2 Set out below is the summary of financial information for the period to 31 December 2016. Detailed Cost of Service Statements are attached as **Appendix 1**.

<b>FINANCIAL HIGHLIGHTS</b> <b>(Amounts in \$000's)</b>	<b>Actual</b> <b>2015/16</b>	<b>EAP</b> <b>2016/17</b>	<b>YTD</b> <b>Budget</b> <b>Dec 2016</b>	<b>YTD</b> <b>Actual</b> <b>Dec 2016</b>	<b>Variance</b> <b>Dec 2016</b>	<b>%</b> <b>Variance</b>
<b>Total Expenditure</b>						
- Direct Operating	13,778	14,731	7,237	7,204	(33)	
- Indirect Operating	11,941	12,861	6,439	5,695	(744)	
<b>Total Expenditure</b>	<b>25,719</b>	<b>27,592</b>	<b>13,676</b>	<b>12,899</b>	<b>(777)</b>	<b>-6%</b>
<b>Total Revenue</b>						
- Operating Revenue	(10,613)	(10,961)	(4,368)	(4,106)	262	
- Rates Revenue	(18,700)	(19,546)	(9,972)	(9,938)	34	
<b>Total Revenue</b>	<b>(29,313)</b>	<b>(30,507)</b>	<b>(14,340)</b>	<b>(14,044)</b>	<b>296</b>	<b>-2%</b>
<b>Net Operating Cost/(Surplus)</b>	<b>(3,594)</b>	<b>(2,915)</b>	<b>(664)</b>	<b>(1,145)</b>	<b>(481)</b>	<b>72%</b>
<b>Other Comprehensive Revenue and Expense</b>						
- Revaluation of Property, plant and equipment	0	(4,620)	0	0	0	
- (Gains)/Losses from Cash Flow Hedges	1,828	0	0	0	0	
- Revaluation of available for sale assets	(1,900)					
<b>Total Other Comprehensive Revenue and Expense</b>	<b>(72)</b>	<b>(4,620)</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Comprehensive Revenue and Expense</b>	<b>(3,666)</b>	<b>(7,535)</b>	<b>(664)</b>	<b>(1,145)</b>	<b>(481)</b>	<b>72%</b>

3.3 **Net Operating Surplus:** The net operating surplus of \$1,145,000 was \$481,000 more than budget for the period ended 31 December 2016. The Cost of Service Statements for each activity are included as Appendix 1.

3.4 **Operating Expenditure** was 6% (\$777,000) less than budget forecast for the period ended 31 December 2016.

- **Direct operational expenditure** was \$33,000 less than budget. The main contributors to this variance in order of magnitude are:
  - Roads and Footpaths: \$231,000 more than budget mainly due to expenditure for emergency reinstatement, environmental maintenance, network and asset management and professional services costs.

These have been offset by:

- Sewerage: \$182,000 less than budget mainly due to expenditure for electricity and WSU (plant operators costs) tracking less than budget.
  - Water Supply: \$38,000 less than budget mainly due to expenditure for electricity, chemicals and WSU tracking less than budget.
  - Community Development: \$30,000 less than budget due to Telecommunications initiatives, district promotions and Timber Trail costs are currently tracking less than budget.
- **Indirect expenditure** was \$744,000 less than budget:
    - Allocated Costs: \$415,000 less than budget due to staff costs, corporate services costs and human resources costs tracking less than budget.

- **Interest:** \$215,000 less than budget. The budgeted interest cost was based on 1 July 2016 projected public debt of \$48.3 million while the actual public debt at that date was \$44.8 million.
- **Depreciation:** \$114,000 less than forecast due to a variance in capital works in 2015/16 (on which depreciation was based) from budget, mainly for water supply assets.

3.5 **Total Revenue** was 2% (\$296,000) less than budget for the period ended 31 December 2016.

- **Operating revenue** \$262,000 less than budget. The main contributors to this variance are:
  - **Roads and Footpaths:** \$255,000 less than budget due to capital expenditures being less than the year to date budget, therefore NZTA subsidy is also less.
  - **Sewerage:** \$139,000 less than budget due to Trade Waste revenue being less than forecast due to reduced volume and nutrient concentration of discharge.
  - This was offset by:
    - **Community Service:** \$22,000 more than budget due to rental revenue and cemetery revenue being more than budget.
    - **Community Development:** \$38,000 more than budget due to receipt of a funding contribution for the Timber Trail Marketing initiative and grant funding for youth projects.
- **Rates revenue** was \$34,000 less than budget mainly due to less metered water rates and less rates penalties than budgeted for, being received.

### 3.6 **BALANCE SHEET HIGHLIGHTS**

3.7 Balance Sheet highlights presented below show the movement in Council's financial position from 30 June 2016 to 31 December 2016. The full Balance Sheet is attached as **Appendix 2**.

<b>BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)</b>	<b>Actual Position 30 Jun 2016</b>	<b>Actual Position 31 Dec 2016</b>	<b>Movement from 30 Jun 2016</b>
<b>Assets</b>			
- Cash and cash equivalents	174	754	580
- Receivables	6,045	5,600	(445)
- Other current assets	116	116	(1)
- Other financial assets	5,286	5,286	1
- Non-current assets	331,925	331,871	(54)
<b>TOTAL ASSETS</b>	<b>343,546</b>	<b>343,627</b>	<b>81</b>
<b>Liabilities</b>			
- Other Liabilities	5,297	4,272	(1,025)
- Total Borrowings	44,786	44,747	(39)
- Derivative financial instruments	2,716	2,716	0
<b>Total Liabilities</b>	<b>52,799</b>	<b>51,735</b>	<b>(1,064)</b>
<b>Equity</b>			
- Equity	290,747	291,892	1,145
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>343,546</b>	<b>343,627</b>	<b>81</b>

3.8 **Total Assets** have increased from \$343.55 million to \$343.63 million.

- Cash and cash equivalents have increased by \$580,000 from \$174,000 to \$754,000.
- Receivables decreased by \$445,000 from \$6.05 million to \$5.60 million due to a decrease in NZTA subsidy receivable and GST refund receivable being reduced to nil at 31 December 2016. This is offset by receivables increases in rates and metered water revenue and Ministry of Health subsidy.
- Non-current assets have decreased by \$54,000. The decrease is due to the net effect of asset additions of \$2.804 million, less depreciation of \$2.776 million and a gain on disposal of \$82,000.

3.9 **Total Liabilities** have decreased from \$52.8 million to \$51.7 million.

- Other Liabilities decreased by \$1,025,000 due to a general decrease in Payables at 31 December 2016.
- Total Borrowings decreased by \$39,000 from \$44.786 million to \$44.747 million.

3.10 **Equity** increased from \$290.747 million by \$1,145,000 to \$291.892 million which equals the total comprehensive revenue and expense for the period.

### 3.11 **CAPITAL EXPENDITURE**

3.12 Set out below is the Capital Expenditure budget for the year compared to actual expenditure for the period ended 31 December 2016.

<b>CAPITAL EXPENDITURE SUMMARY (Amounts in \$000's)</b>	<b>EAP 2016/17</b>	<b>YTD Actual Dec 2016</b>	<b>Variance 2016/17</b>
<b>Governance: Leadership and Investments</b>			
- Investments	115	0	(115)
<b>Community Service</b>			
- Parks and Reserves	132	46	(86)
- Housing and Other Property	372	363	(9)
- Recreation and Culture	226	171	(55)
- Public Amenities	410	36	(374)
- Safety	10	0	(10)
<b>Community Development</b>			
- District Development	40	0	(40)
<b>Solid Waste Management</b>			
- Landfill Management	146	77	(69)
<b>Stormwater</b>			
- Te Kuiti Stormwater	272	54	(218)
- Rural Stormwater	5	0	(5)
<b>Sewerage</b>			
- Te Kuiti Sewerage	769	134	(635)
- Te Waitere Sewerage	32	0	(32)
- Benneydale Sewerage	54	6	(48)
- Piopio Sewerage	37	4	(33)

<b>CAPITAL EXPENDITURE SUMMARY (Amounts in \$000's)</b>	<b>EAP 2016/17</b>	<b>YTD Actual Dec 2016</b>	<b>Variance 2016/17</b>
<b>Water Supply</b>			
- Te Kuiti Water	2,205	558	(1,647)
- Mokau Water	48	353	305
- Piopio Water	76	4	(72)
- Benneydale Water	0	0	0
<b>Roads and Footpaths</b>			
- Subsidised Roads	6,500	581	(5,919)
- Unsubsidised Roads	330	30	(300)
<b>Corporate Support</b>			
- Corporate Support	521	347	(174)
- Internal Services Unit	41	40	(1)
<b>TOTAL CAPITAL EXPENDITURE</b>	<b>12,341</b>	<b>2,804</b>	<b>(9,537)</b>

3.13 **Capital Expenditure** was \$2.804 million for the period ended 31 December 2016, of which \$915,000 (33%) related to Water Supply, \$616,000 (22%) related to Community Service and \$611,000 (22%) related to Roads.

3.14 Capital expenditure budgets are listed in the table above and major projects detailed in the commentary below. It should be noted that "Unspecified" renewal or upgrade budgets are for expenditure that will be incurred on an as needed basis only.

### **3.15 Governance: Leadership and Investments**

#### **Investments:**

- No expenditure to date on safety improvements capital works at a number of Council owned quarries required due to new requirements of the Health and Safety Act (Budget \$115,000).

### **3.16 Community Service**

#### **Parks and Reserves:**

- Plans to address long deferred maintenance needs for the Centennial Park (ex-Albion Soccer) clubrooms are currently underway (Carryover budget of \$65,000 from last year), however no expenditure to date has been booked.
- Minor expenditure spend to date on Brook Park development and other park renewals in Passive Reserves (Budget \$33,000).
- The pontoons at Te Waitere Wharf have been replaced after some minor damage occurred (Coastal Reserves renewals budget \$63,000 and carryover budget of \$32,000 from prior year).
- The playground at Waitomo Village has been completed for a total cost of \$42,000, of which \$30,000 was budgeted for in the 2015/16 year (Playground upgrades budget \$36,000 and carryover budget of \$30,000 from prior year).

#### **Housing and Other Property:**

- Expenditure to date has been for Elder Persons Housing, expenditures incurred in relation to recently laid storm water connection from manhole (Community Halls, Elder Persons Housing and Other Building Assets budget

# 6

\$29,000). Other Building Assets expenditure has been for remedial work of the river bank next to the newly installed Pedestrian bridge in Benneydale and minor expenditure at the dog pound.

- No expenditure to date on renewals and upgrades of existing camp ground assets (Budget \$52,000).
- Work has started on the Plaza area next to the Railway Station Buildings with \$23,000 spent to date. Development of the community space in the northern building and I-site linkage upgrade project is in its final stages of completion and expenditure for this period is \$295,000.
- Railway Station Platform safety upgrade work has been started with \$27,000 expenditure to date. This work was not budgeted for but was found to be necessary.

## **Recreation and Culture:**

- Expenditure to date on Library collection renewals is \$22,000 and is ongoing (Budget \$52,000).
- Expenditure to date on Aquatic Centre renewals is \$11,000 (Budget \$20,000).
- Expenditure to date of \$119,000 has been incurred on Les Munro Centre building renewals - upgrade of the court yard and \$19,000 on replacement kitchen appliances (Budget \$154,000).

## **Public Amenities:**

- \$2,000 has been spent to date on the Toilet replacement at Marokopa (Budget \$225,000); the project is expected to be completed this financial year.
- \$5,000 has been spent to date on design costs for the Toilet replacement at Benneydale (Carryover budget from last year \$217,000). The contract has been awarded with the expected start date to be confirmed.
- No expenditure to date on unspecified Public Toilet renewals (Budget \$22,000).
- Te Kuiti Cemetery Development Plan (Budget \$51,000): No expenditure to date.
- No expenditure to date on Cemetery access way upgrades and Cemetery signage and mapping (Budget \$14,000).
- Te Kuiti railway pedestrian over-bridge renewals and security camera upgrades (Budget \$82,000 and carryover budget of \$100,000 from prior year): Some expenditure has been made on Security cameras upgrade, however the expense is booked in January 2017.
- Some expenditure to date on supplies for Te Kuiti main street garden upgrade and bollards.
- The Waitomo Sports Centre carpark has been resealed for a total cost of \$22,000. This expenditure was not budgeted for.

**Safety:**

- No expenditure to date on signage for Civil Defence initiatives (Budget \$10,000).

**3.17 Community Development**

- No expenditure to date on capacity for a Motor Home Friendly District Initiative (Budget \$40,000 plus carryover budget from last year of \$40,000), however planning is well underway.

**3.18 Solid Waste Management**

- \$5000 expenditure to date for earthwork shaping of the high wall at Landfill (Budget \$70,000).
- Expenditure to date for purchase of carbon credits required under the Emissions Trading Scheme of \$72,000 (Budget \$72,000). Advice had been received that where possible carbon credits should be purchased to satisfy the total future obligations for operation of the landfill given the rising costs of the NZUs, however there continues to be uncertainty of how the carbon credit market will operate and there is risk around the future value of carbon credits purchased, hence only the budgeted amount has been purchased to date.
- Transfer station Portacom building (Budget \$4,000): No expenditure to date.

**3.19 Stormwater**

- Expenditure to date of \$45,000 has been for pipe replacements at George Street and Elizabeth Street (Unspecified minor stormwater renewals budget \$67,000).
- Taupiri Street stormwater pipe rehabilitation (Budget \$44,000): There has been little expenditure to date and this is a contingency budget that could have been required for development of the New World complex, which is unlikely to be needed.
- Planned Stormwater Rehabilitation (Budget \$107,000): Little or no expenditure to date, however establishment of pipe rehabilitation at Edward St and pipe re-routing at Hill St projects is underway.
- Stormwater asset risk minimisation (Budget \$42,000): \$8,000 expenditure to date for a risk assessment survey of the network.
- Unspecified stormwater renewals for rural communities budget of \$5,000: No expenditure to date.

**3.20 Sewerage**

- Expenditure to date of \$79,000 has been incurred for minor improvements and improvements for the aeration system at the Te Kuiti Waste Water Treatment Plant. Work has also started on the bunded chemical tank and the base structure for the sludge removal process (Budget \$320,000).
- Te Kuiti Reticulation and Pump Station renewals (Budget \$316,000): Expenditure to date of \$9,000 for minor reticulation renewals. Tenders are approved for three separate pipe renewal projects and work will commence soon.

- Te Kuiti Ingress and Infiltration investigation and rehabilitation (Budget \$133,000): Expenditure to date of \$45,000, manholes along Taupiri St have been installed. Piping connecting the manholes is still to be completed.
- Te Waitere unspecified renewals, pump station renewals and resource consent renewal (Budget \$32,000): No expenditure to date, scope of the work has been planned but not scheduled to proceed as yet.
- Benneydale treatment plant and reticulation renewals (Budget \$54,000): Expenditure to date has been for replacement of the Wetland liner for \$6,000.
- Piopio unspecified minor treatment plant, reticulation and separator tank renewals (Budget \$37,000): Expenditure to date is for \$4,000.

### **3.21 Water Supply**

- Te Kuiti Water Treatment Plant Upgrade including UV treatment, filter upgrades, electrical and SCADA upgrades and repositioning the raw water intake structure (Budget \$1,832,000): Expenditure to date of \$543,000 for design work, the filter replacement and new building for the intake structure.
- Te Kuiti Reservoir seismic strengthening investigation (Budget \$21,000): Scoping of work required is still to be done and is expected to be carried out towards the end of the financial year.
- Te Kuiti reticulation and pump station renewals including installation of water backflow preventers at connection points to the network (Budget \$352,000): Expenditure to date is \$16,000. Tenders process has commenced for three pipe renewal projects for Hetet St, Awakino Road (near Blackmans) and the Henderson and Earl Street loop.
- Mokau Water reticulation renewals including the installation of backflow preventers (Budget \$48,000): Expenditure to date of \$353,000 has been for installation of the of the main reticulation line down State Highway 3 in Mokau and dam upgrades for safety requirements. Amounts budgeted in future years in 2015-25 LTP have been brought forward for this work.
- Piopio Water reticulation renewals including the installation of backflow preventers (Budget \$76,000): Expenditure to date has been for design work for the reservoir. Work to install the Tui Street – State Highway 3 link and the water bridge at Kuritahi Street is planned but not scheduled as yet.

### **3.22 Roads and Footpaths**

#### **Subsidised Roads**

- Maraeroa Road seal extension (Budget \$505,000): Expected expenditure will be \$843,000, as a result of the tendering process and contract works started in February. The additional cost over budget will be funded by reduced expenditure in other work categories during the year..
- Minor improvements and preventative maintenance (Budget \$675,000): Expenditure to date \$53,000. There are a number of projects being planned under this work category including car parking at Te Kuiti Primary School (\$110,000) and remedial works along the Kawhia Harbour Road (\$150,000).



These projects are at various stages of progress from design work to about to be started. This budget also partly funds Maraeroa Road seal extension.

- Drainage renewals (Budget \$400,000): Expenditure to date \$107,000 with \$84,000 earmarked for Maraeroa Rd.
- Pavement rehabilitation (Budget \$1,400,000): Expenditure to date \$15,000. Work to be completed under this category is currently in the contract award stage.
- Sealed road surfacing (Budget \$1,300,000): Expenditure to date of \$123,000 was for resealing work planned for last financial year resealing programme but carried out this financial year due to weather delays. This expenditure will be included in the budget allocation for the current year. Contract has been awarded.
- Structures component replacements and bridge maintenance (Budget \$300,000): Expenditure to date \$22,000. A contract is currently being prepared for tender for the structural maintenance of various components of a number of bridges.
- Traffic services renewals (Budget \$120,000): Expenditure to date \$16,000, with approximately half the budget used for road marking, which will be carried during the last quarter of the financial year and the remaining budget used for sign replacements on an as needed basis only.
- Unsealed road metaling (Budget \$600,000): Expenditure to date \$183,000. This work stream is carried out during spring and autumn and the work planned for spring is completed. More work to follow during autumn.
- Emergency reinstatement (Budget \$820,000): Expenditure to date \$48,000
- Oparure Road structures reinstatement (Budget \$380,000): No expenditure to date, however Phase I of this project, which is for a retaining structure, is currently being designed.

### **Unsubsidised Roads**

- Footpath renewals (Budget \$120,000): Expenditure to date \$29,000.
- Unspecified retaining wall renewals and road improvements not eligible for subsidy (Budget \$210,000): No expenditure to date, however a retaining wall in Hetet Street is being constructed. This work will not be eligible for subsidy because it does not impact directly on the street.

### **3.23 Corporate Support**

- Corporate Support (Budget \$521,000): Expenditure to date of \$347,000 has been for replacement motor vehicles, office furniture, the electronic document management system, aerial photography and minor computer hardware.
- One of the mowers has been replaced for the budgeted amount of \$40,000.

### **4.1 TREASURY REPORT**

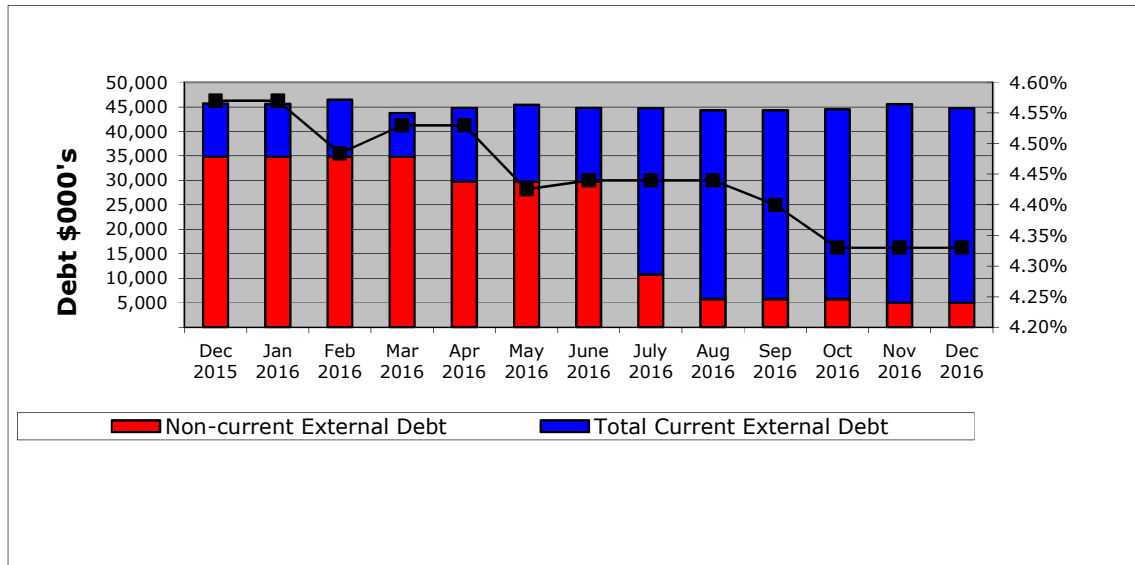
- 4.2 Set out in the following sections is the Treasury Report which provides more information on Council's public debt position and debt financing costs.

### 4.3 CASH POSITION

4.4 Council's cash position at 31 December 2016 was \$754,000 in funds, at 30 June 2016 it was \$174,000.

### 4.5 SUMMARY OF PUBLIC DEBT POSITION

4.6 Set out below is a chart recording trends in Council's current and non-current debt for the period ended December 2016. The trend line overlaid is the effective weighted average interest rate currently being paid on all loans.



4.7 At 31 December 2016 the effective weighted average interest rate for all loans excluding finance leases, accrued interest and advance facility cost was 4.33%. At 30 June 2016 it was 4.44%.

### 4.8 PUBLIC DEBT POSITION COMPARISON TO BUDGETS

4.9 Forecasted public debt at 30 June 2017 as per the Exceptions Annual Plan 2016/17 is expected to be \$51,971,000. Actual public debt at 31 December 2016 was \$44,747,000 however the capital programme is still to be completed for the year and direct comparison can only be made at 30 June 2017.

### 4.10 WHOLESALE ADVANCE FACILITIES (Term Advance and Call Advance Facilities)

4.11 The Term Advance and Call Advance Facilities are credit facilities held with Westpac (to the value of \$36,000,000) which forms part of Council's debt funding mix and providing working capital requirements over the year. A total of \$28,560,000 was drawn against this facility at 31 December 2016, leaving available a line of credit of \$7,440,000.

4.12 The facility limit was increased to \$36,000,000 on the 24 August 2016 to provide funding for the FRN that was maturing and required repayment on the 30 August 2016, whilst maintaining appropriate credit headroom.

4.13 A Line of Credit fee of 0.30% (\$108,000 p.a.) of the facility balance applies to this credit facility.

- 4.14 This facility is used to finance capital expenditure prior to a loan draw down, (such as a Floating Rate Note or Term Advance) or to meet Council's working capital requirements between each of the quarterly rates instalments.

#### 4.15 DETAILS OF LOAN PORTFOLIO

- 4.16 The following table records the public debt position and the key terms and conditions for each loan as at 31 December 2016. The classification of current and non-current loans is based when repayment is due. Current loans being those that are due for refinancing or repayment within 12 months of the balance sheet date (of this report).

	Loan Start Date	Loan Maturity Date	Effective Interest Reprice Date	Loan Balance	Effective Interest Rate
<b>Current Loans</b>					
Finance Leases				23,892	0.00%
Accrued Interest				413,284	0.00%
Call Advance		01-07-17		3,560,000	2.75%
Floating Rate Notes	06-08-14	06-08-17	07-02-17	5,000,000	2.62%
Floating Rate Notes (Hedged)	18-04-12	18-04-17	20-04-20	5,000,000	5.82%
Term Advance (Hedged)		01-07-17	17-05-21	6,000,000	5.70%
Term Advance (Hedged)		01-07-17	20-04-20	3,000,000	5.12%
Term Advance (Hedged)		01-07-17	11-09-17	5,000,000	4.68%
Term Advance (Hedged)		01-07-17	24-01-17	5,000,000	4.75%
Term Advance (Hedged-ICL)		01-07-17	24-01-24	6,000,000	4.40%
Westpac Term Loan (ICL)	24-11-11	24-11-17	16-02-17	750,000	5.20%
<b>Total Current Loans</b>				<b>39,747,176</b>	
<b>Non-current Loans</b>					
Floating Rate Notes	24-08-15	24-08-18	24-02-17	5,000,000	2.55%
<b>Total Non-current Loans</b>				<b>5,000,000</b>	
<b>Total Public Debt</b>				<b>44,747,176</b>	<b>4.33%</b>
<b>Cash &amp; Liquid Investments</b>					
Term Deposits				0	
Cash				753,900	
<b>Total Cash &amp; Liquid Investments</b>				<b>753,900</b>	
<b>Public Debt Net of Investments</b>				<b>43,993,276</b>	

- 4.17 Total public debt was \$44,747,176 and cash assets were \$753,900 at 31 December 2016 giving a net debt position of **\$43,993,276**.

#### 4.18 TREASURY EVENTS SINCE 31 DECEMBER 2016

- 4.19 This treasury report portrays the debt position of Council at 31 December 2016.
- 4.20 Since that date to the date of this report the Board of the LGFA (Local Government Funding Agency) have formally approved Council can be a borrower from the Agency. In order to give effect to this arrangement, Council's Debenture

Trust Deed needs to be altered, which is a legal process and is currently underway.

#### 4.21 INTEREST COSTS

4.22 The total actual interest paid for the period was \$1,121,000 against the year to date budget of \$1,336,000; \$215,000 (or 16%) less. Interest paid as a portion of total revenue is 8%; Council's Treasury Policy requires that this amount not exceed 15%.

#### 4.23 FINANCIAL DERIVATIVES AND HEDGE ACCOUNTING

4.24 Included in the balance sheet are valuation amounts for Derivative Financial Instruments (interest rate swaps). The valuation amount is componentised into current and non-current liabilities held at balance date. At 30 June 2016 the value of the swaps was a total net liability of \$2,716,000. At 31 December 2016 their net value was a liability of \$1,485,000. The improvement in value is mainly due to medium and longer term floating interest rates increasing from 30 June 2016 values.

4.25 The change in valuation at 31 December 2016 is not included in the financial statements due to the requirement to componentise into current and non-current parts and the valuation provided here is for information purposes only. Due to Council's use of hedge accounting, this change in value of the swaps will be shown as "Other Comprehensive Revenue and Expense" at year end rather than included in the Net Operating Cost/(Surplus) result and will be transferred directly to a reserve within equity.

#### 5.1 DEBTORS AND OTHER RECEIVABLES

5.2 Set out in the table is summary of Debtors and Other Receivables (i.e. unpaid rates and other debtor amounts owing) as at 31 December 2016 with comparatives from last year. Rates receivables exclude rates paid in advance (to give a more accurate picture of the receivables owing).

Receivables (Amounts in \$000's)	As at 31-Dec-15	As at 31-Dec-16	Inc/Dec \$	Inc/Dec %
Rates Receivable	2,810	2,648	-162	-6%
Rates Penalties	1,593	1,659	66	4%
<b>Rates and Penalties Receivable</b>	<b>4,403</b>	<b>4,307</b>	<b>-96</b>	<b>-2%</b>
Extraordinary Water Charges	126	472	346	275%
<b>Total Rates receivable</b>	<b>4,528</b>	<b>4,779</b>	<b>250</b>	<b>6%</b>
NZ Transport Agency Subsidy	1,163	961	-202	-17%
Ministry of Health Subsidy	0	1,087	1,087	0%
Other Receivables	1,094	537	-557	-51%
<b>Other Receivables</b>	<b>2,258</b>	<b>2,585</b>	<b>328</b>	<b>15%</b>
<b>Gross Receivables</b>	<b>6,786</b>	<b>7,364</b>	<b>578</b>	<b>9%</b>
Less Provision for Doubtful Debts	(1,608)	(1,764)	157	10%
<b>Total Receivables</b>	<b>5,178</b>	<b>5,600</b>	<b>421</b>	<b>8%</b>

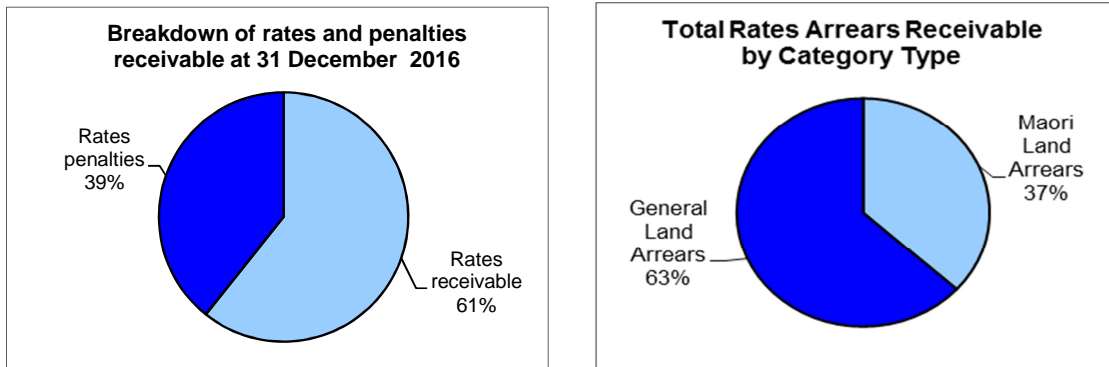
## 5.3 RATES AND PENALTIES RECEIVABLE

### 5.4 Current year rates

5.5 At 31 December 2016, the first and second rates instalments had been issued and was due and payable by August and November respectively. The collection percentage on the instalments was 94% (2015: 95%).

### 5.6 Overall Rates Receivables (excluding metered water rates)

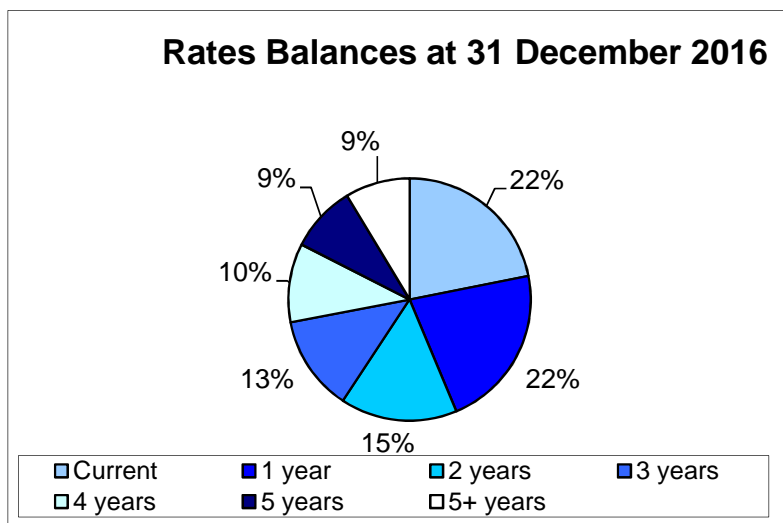
5.7 There was \$4,306,958 of rates and penalties outstanding at 31 December 2016 (2015: \$4,403,205). This amount excludes rates paid in advance on future instalments. This total is made up of rates of \$2,648,211 (2015: \$2,810,581) and penalties of \$1,658,748 (2015: \$1,592,623).



5.8 Rates and penalties receivable decreased by \$96,246 from 31 December 2015. Of this decrease, rates receivable decreased by \$162,371 and rates penalties increased by \$66,125.

5.9 A total of \$142,121 in rates and penalty remissions have been granted against a full year budget of \$285,000.

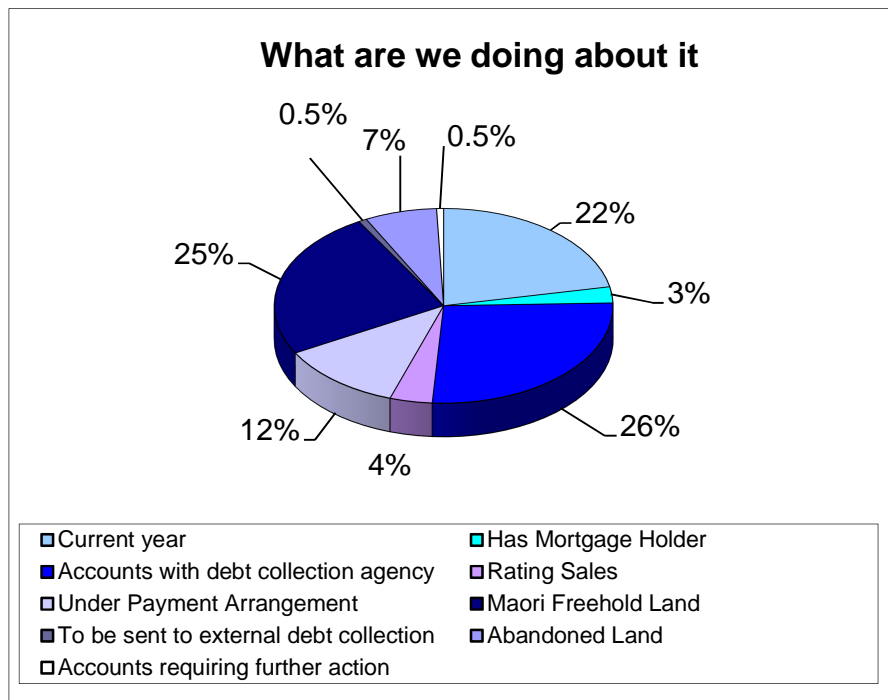
5.10 The following graph illustrates the ageing of the rates receivable balance. Of the outstanding balance of \$4,306,958, \$942,031 (22%) relates to current year, \$938,954 (22%) for the 2015/16 year rates and the balance spread across the remaining years in a diminishing fashion.



- 5.11 The outstanding balance of rates is being actively managed through a variety of collection methods including lump sum payments, approved payment arrangements, demands on mortgage holders, placement of arrears with external debt collection agency and initiating properties for abandoned land and rating sale processes.
- 5.12 The following table illustrates the reduction in rates arrears that has been achieved through the various collection methods undertaken.

Rates Arrears \$000's	2016	2015	2014	2013
<b>Total arrears at 1 July</b>	<b>3,969</b>	<b>3,973</b>	<b>3,824</b>	<b>3,455</b>
Reduction in arrears	(604)	(508)	(442)	(450)
<b>Arrears at 31 December</b>	<b>3,365</b>	<b>3,466</b>	<b>3,382</b>	<b>3,005</b>
Current year rates receivables	593	563	587	632
Current year penalties receivables	349	375	373	331
<b>Total Rates owing at 31 December</b>	<b>4,307</b>	<b>4,403</b>	<b>4,342</b>	<b>3,968</b>

- 5.13 In the six months to 31 December 2016, arrears have been **reduced** by \$604,261 (15%) of the \$3,969,189 that was outstanding at 30 June 2016. There has been a positive trend in arrears reduction when comparing current year to the previous three years with \$96,000 more collected compared to the same period last year.
- 5.14 Recovery of arrears with the bank or financial institution that hold the mortgage over a property is available for General Land properties, where there is a mortgage registered on the title. There are currently 37 properties totaling \$117,118 in this recovery process at 31 December, with the final demands due in January.
- 5.15 The action being taken on outstanding balances is shown in the following graph:



- 5.16 Of the total arrears as at 31 December 2016 –
  - \$3,364,927 of rates arrears are non-current of which \$1,236,414 relate to Maori freehold land (\$176,598 of these accounts are on payment arrangement or transferred to external debt collection).

- \$1,142,614 have been placed with an external debt collection agency for collection
- \$508,837 are under some form of payment arrangement
- In addition to this, there are \$296,460 of arrears relating to 21 properties that meet the criteria for abandoned land and are being progressed through the abandoned land process – 15 properties were advertised in December and many enquiries were received by people interested in purchasing some of the properties. The next step in the process is to apply for a court order to sell or lease.
- A further \$31,926 of arrears has been identified to be placed with an external debt collection in the next quarter. These are properties where there is no mortgage registered against the property and communications with the ratepayers have not resulted in payment arrangements being entered into or payments being received to clear the arrears.

### 5.17 Other Debtors Receivable

5.18 At 31 December 2016 'Other Receivables' totalled \$2,481,000 of which \$50,221 was due and owing for more than three months. The three month and over receivables includes building and resource consent debtors, dog registrations and infringements and other sundry debtors.

## Suggested Resolution

The business paper on Financial and Non-Financial Report for the period ended 31 December 2016 be received.

VIBHUTI CHOPRA  
**GROUP MANAGER – CORPORATE SERVICES**

20 February 2017

Attachment 1 Treasury Report for Waitomo District Council For the quarter ended 31 December 2016 (Bancorp Treasury Services Limited)(A341765)

Attachment 2 Statements of Service Performance Report on Levels of Service and Key Performance Indicators (A339634)

## Appendix 1: Combined Cost of Service Statements

Summary Cost of Service (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Dec 2016	YTD Actual Dec 2016	Variance Dec 2016	% Variance
<b>Direct Operating Expenditure</b>						
- Leadership	654	1,080	310	304	(6)	
- Community Service	1,899	2,176	1,072	1,063	(9)	
- Community Development	711	813	433	403	(30)	
- Regulation	128	136	58	53	(5)	
- Solid Waste Management	1,061	1,191	532	522	(10)	
- Stormwater Drainage	142	171	77	86	9	
- Resource Management	59	61	27	34	7	
- Sewerage	1,916	1,866	975	793	(182)	
- Water Supply	1,976	1,711	883	845	(38)	
- Roads and Footpaths	5,233	5,526	2,870	3,101	231	
<b>Total Direct Operating Expenditure</b>	<b>13,778</b>	<b>14,731</b>	<b>7,237</b>	<b>7,204</b>	<b>(33)</b>	<b>0%</b>
<b>Indirect Expenditure</b>						
- Allocated Costs	4,128	4,386	2,213	1,798	(415)	
- Interest	2,174	2,695	1,336	1,121	(215)	
- Depreciation	5,639	5,780	2,890	2,776	(114)	
<b>Total Indirect Expenditure</b>	<b>11,941</b>	<b>12,861</b>	<b>6,439</b>	<b>5,695</b>	<b>(744)</b>	<b>-12%</b>
<b>TOTAL EXPENDITURE</b>	<b>25,719</b>	<b>27,592</b>	<b>13,676</b>	<b>12,899</b>	<b>(777)</b>	<b>-6%</b>
<b>Operating Revenue</b>						
- Leadership	(147)	(231)	(68)	(71)	(3)	
- Community Service	(529)	(449)	(219)	(241)	(22)	
- Community Development	(113)	(60)	(26)	(64)	(38)	
- Regulation	(424)	(420)	(298)	(298)	0	
- Stormwater Drainage	0	0	0	(3)	(3)	
- Resource Management	(74)	(76)	(38)	(41)	(3)	
- Solid Waste Management	(1,029)	(944)	(472)	(533)	(61)	
- Sewerage	(1,291)	(1,166)	(583)	(444)	139	
- Water Supply	(982)	0	0	(2)	(2)	
- Roads and Footpaths	(6,024)	(7,615)	(2,664)	(2,409)	255	
<b>Total Operating Revenue</b>	<b>(10,613)</b>	<b>(10,961)</b>	<b>(4,368)</b>	<b>(4,106)</b>	<b>262</b>	<b>-6%</b>
<b>Rates Revenue</b>						
- General Rate	(3,327)	(3,597)	(1,798)	(1,811)	(13)	
- UAGC	(3,033)	(3,213)	(1,606)	(1,620)	(14)	
- Targeted Rate	(11,148)	(11,571)	(5,786)	(5,810)	(24)	
- Rates Penalties	(480)	(490)	(444)	(386)	58	
- Metered Water Rates	(712)	(675)	(338)	(311)	27	
<b>Total Rates Revenue</b>	<b>(18,700)</b>	<b>(19,546)</b>	<b>(9,972)</b>	<b>(9,938)</b>	<b>34</b>	<b>0%</b>
<b>TOTAL REVENUE</b>	<b>(29,313)</b>	<b>(30,507)</b>	<b>(14,340)</b>	<b>(14,044)</b>	<b>296</b>	<b>-2%</b>
<b>Net Operating Cost/(Surplus)</b>	<b>(3,594)</b>	<b>(2,915)</b>	<b>(664)</b>	<b>(1,145)</b>	<b>(481)</b>	<b>72%</b>

The reasons for variance have been set out in sections 3.4 and 3.5 in the main body of the report and further details are also contained in the COSS for each activity that follows.



## Governance: Leadership and Investments

<b>GOVERNANCE: LEADERSHIP AND INVESTMENTS</b>	<b>Actual</b>	<b>EAP Budget</b>	<b>YTD Budget</b>	<b>YTD Actual</b>	<b>Variance</b>	<b>%</b>
<b>(Amounts in \$000's)</b>	<b>2015/16</b>	<b>2016/17</b>	<b>Dec 2016</b>	<b>Dec 2016</b>	<b>Dec 2016</b>	<b>Variance</b>
<b>Direct Expenditure</b>						
- Representation	305	300	178	178	0	
- Planning & Policy & Monitoring	183	287	27	28	1	
- District and Urban Development	12	135	10	8	(2)	
- Investments	143	348	95	90	(5)	
- Treasury Management and Overhead Accounts	11	10	0	0	0	
<b>Total Direct Expenditure</b>	<b>654</b>	<b>1,080</b>	<b>310</b>	<b>304</b>	<b>(6)</b>	<b>-2%</b>
- Allocated Costs	1,102	1,125	580	489	(91)	
- Interest	309	364	183	162	(21)	
- Depreciation	423	436	218	213	(5)	
<b>Total Operating Expenditure</b>	<b>2,488</b>	<b>3,005</b>	<b>1,291</b>	<b>1,168</b>	<b>(123)</b>	<b>-10%</b>
<b>Operating Revenue</b>						
- Representation	(19)	(20)	(15)	(13)	2	
- Investments	(92)	(201)	(48)	(43)	5	
- Treasury Management and Overhead Accounts	(36)	(10)	(5)	(15)	(10)	
<b>Total Operating Revenue</b>	<b>(147)</b>	<b>(231)</b>	<b>(68)</b>	<b>(71)</b>	<b>(3)</b>	<b>4%</b>
<b>Net Operating Cost/(Surplus)</b>	<b>2,341</b>	<b>2,774</b>	<b>1,223</b>	<b>1,097</b>	<b>(126)</b>	<b>-10%</b>

The budget for Representation operating revenue excludes rates penalties revenue which is disclosed as part of rates revenue in the Combined Cost of Service Statement on the previous page.

**Net Operating Cost** for the Governance Activity was 10% (\$126,000) less than budget for the period ended 31 December 2016.

**Total Direct Expenditure** was 2% (\$6,000) less than budget for the period and is expected to be on budget for the full financial year.

**Total Indirect Expenditure** was 10% (\$123,000) less than budget for the period mainly due to less than budgeted staff costs.

**Operating Revenue** was 4% (\$3,000) more than budget for the period.

## Community Service

<b>COMMUNITY SERVICE</b> <b>(Amounts in \$000's)</b>	<b>Actual</b> <b>2015/16</b>	<b>EAP</b> <b>Budget</b> <b>2016/17</b>	<b>YTD</b> <b>Budget</b> <b>Dec 2016</b>	<b>YTD</b> <b>Actual</b> <b>Dec 2016</b>	<b>Variance</b> <b>Dec 2016</b>	<b>%</b> <b>Variance</b>
<b>Direct Expenditure</b>						
- Parks and Reserves	392	453	210	203	(7)	
- Housing and Other Property	376	469	265	282	17	
- Recreation and Culture	467	500	253	231	(22)	
- Public Amenities	595	581	271	310	39	
- Safety	69	173	73	37	(36)	
<b>Total Direct Expenditure</b>	<b>1,899</b>	<b>2,176</b>	<b>1,072</b>	<b>1,063</b>	<b>(9)</b>	<b>-1%</b>
- Allocated Costs	727	854	427	291	(136)	
- Interest	99	210	105	73	(32)	
- Depreciation	819	881	441	400	(41)	
<b>Total Operating Expenditure</b>	<b>3,544</b>	<b>4,121</b>	<b>2,045</b>	<b>1,827</b>	<b>(218)</b>	<b>-11%</b>
<b>Operating Revenue</b>						
- Parks and Reserves	(12)	(2)	(1)	(4)	(3)	
- Housing and Other Property	(312)	(266)	(133)	(144)	(11)	
- Recreation and Culture	(138)	(126)	(57)	(56)	1	
- Public Amenities	(67)	(55)	(28)	(37)	(9)	
- Safety	0	0	0	0	0	
<b>Total Operating Revenue</b>	<b>(529)</b>	<b>(449)</b>	<b>(219)</b>	<b>(241)</b>	<b>(22)</b>	<b>10%</b>
<b>Net Operating Cost/(Surplus)</b>	<b>3,015</b>	<b>3,672</b>	<b>1,826</b>	<b>1,586</b>	<b>(240)</b>	<b>-13%</b>

**Net Operating Cost** was 13% (\$240,000) below budget for the period.

**Direct Expenditure** was 1% (\$9,000) less than budget for the period.

- Parks and Reserves: Direct costs were less than budget for tree maintenance, turf maintenance, weed and pest control.
- Housing and Other Property: Costs were more than budget for rates and insurance paid on Council properties.
- Recreation and Culture: Repairs and maintenance are only undertaken when required resulting in less than budgeted expenditure. Annual subscription for library software was also less than budget.
- Public Amenities: Additional expenditure on internal services costs for mowing and gardening partly offset by repair and maintenance costs being less than budget.
- Safety: No costs have been incurred for rural fire fighting. Costs for Emergency Management preparedness and training are planned for the second half of the year.

**Operating Revenue** was 10% (\$22,000) more than budget for the period.

- Additional leased revenue has been recognised for Parks and Reserves.
- Rental revenue from commercial operators, residential properties and Elderly Persons Housing, which are included in Housing and Other Property is currently tracking more than budget.
- Revenue for cemeteries, which is included in Public Amenities, is also currently tracking more than budget.

## Community Development

COMMUNITY DEVELOPMENT (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Dec 2016	YTD Actual Dec 2016	Variance Dec 2016	% Variance
<b>Direct Expenditure</b>						
- Community Support	525	510	329	327	(2)	
- District Development	186	303	104	76	(28)	
- Agencies	0	1	0	0	0	
<b>Total Direct Expenditure</b>	<b>711</b>	<b>813</b>	<b>433</b>	<b>403</b>	<b>(30)</b>	<b>-7%</b>
- Allocated Costs	556	631	315	237	(78)	
- Interest	1	2	1	0	(1)	
- Depreciation	5	6	3	3	0	
<b>Total Expenditure</b>	<b>1,273</b>	<b>1,452</b>	<b>752</b>	<b>643</b>	<b>(109)</b>	<b>-14%</b>
<b>Operating Revenue</b>						
- Community Support	(53)	(4)	0	(15)	(15)	
- District Development	(38)	(34)	(15)	(39)	(24)	
- Agencies	(22)	(22)	(11)	(10)	1	
<b>Total Operating Revenue</b>	<b>(113)</b>	<b>(60)</b>	<b>(26)</b>	<b>(64)</b>	<b>(38)</b>	<b>146%</b>
<b>Net Operating Cost/(Surplus)</b>	<b>1,160</b>	<b>1,392</b>	<b>726</b>	<b>579</b>	<b>(147)</b>	<b>-20%</b>

**Net Operating Cost** for the Community Development Activity was 20% (\$147,000) less than budget for the period ended 31 December 2016.

**Direct Expenditure** was 7% (\$30,000) less than budget for the period.

- Telecommunications initiatives are currently tracking less than budget due to ongoing timeline extensions for UFB2, RBI2 and Mobile Blackspot funding announcements.
- District promotions and timber trail costs were less than forecast for the period.
- I-site relocation costs, repairs and maintenance, and advertising costs were tracking ahead of budget for the period.

**Operating Revenue** was 146% (\$38,000) more than budget for the period.

- Grant funding was received last financial year from the Ministry of Social Development to spend on Youth projects in the District, specifically the Youth Achievement Awards, and has been carried forward to this financial year. The Awards were held in December 2016.
- Funding contribution from Ruapehu District Council for the Timber Trail Marketing initiative was received in December.
- The revenue received from both these initiatives is expected to be spent during this financial year.
- NZ Lottery Grant Board funding of \$6,800 received for World War 1 commemorations has been carried over to 16/17 year for the Piopio Cenotaph. This work is expected to be commenced in the near future subject to resource availability and a further extension for the grant funding may be required.

## Regulation

REGULATION (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Dec 2016	YTD Actual Dec 2016	Variance Dec 2016	% Variance
<b>Direct Expenditure</b>						
- Regulation	128	136	58	53	(5)	
<b>Total Direct Expenditure</b>	<b>128</b>	<b>136</b>	<b>58</b>	<b>53</b>	<b>(5)</b>	<b>-9%</b>
- Allocated Costs	679	700	350	324	(26)	
- Interest	1	1	1	1	0	
- Depreciation	4	4	2	2	0	
<b>Total Expenditure</b>	<b>812</b>	<b>841</b>	<b>411</b>	<b>380</b>	<b>(31)</b>	<b>-8%</b>
<b>Operating Revenue</b>						
- Regulation	(424)	(420)	(298)	(298)	0	
<b>Total Operating Revenue</b>	<b>(424)</b>	<b>(420)</b>	<b>(298)</b>	<b>(298)</b>	<b>0</b>	<b>0%</b>
<b>Net Operating Cost/(Surplus)</b>	<b>388</b>	<b>421</b>	<b>113</b>	<b>82</b>	<b>(31)</b>	<b>-27%</b>

**Net Operating Cost** for the Regulation Activity was 27% (\$31,000) less than budget for the period ended 31 December 2016.

**Direct Expenditure** was 9% (\$5,000) less than budget for the period.

- Expenditure for the afterhours animal control contractor has been less than budget for the period. This may well change by year end, depending on the demand for service.

**Operating Revenue** was equal to budget for the period.

- Animal and Dog Control, and Alcohol Licencing revenue are tracking more than budgeted, however this is offset by reduced Building Control revenue. Building consent revenue received for the six months to December was \$71,000 from 61 processed consents, which was slightly higher for the same period last year from 91 processed consents.

## Resource Management

RESOURCE MANAGEMENT (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Dec 2016	YTD Actual Dec 2016	Variance Dec 2016	% Variance
<b>Direct Expenditure</b>						
- District Plan Administration	59	61	27	34	7	
<b>Total Direct Expenditure</b>	<b>59</b>	<b>61</b>	<b>27</b>	<b>34</b>	<b>7</b>	<b>26%</b>
- Allocated Costs	128	129	64	63	(1)	
<b>Total Expenditure</b>	<b>187</b>	<b>190</b>	<b>91</b>	<b>97</b>	<b>6</b>	<b>7%</b>
<b>Operating Revenue</b>						
- District Plan Administration	(74)	(76)	(38)	(41)	(3)	
<b>Total Operating Revenue</b>	<b>(74)</b>	<b>(76)</b>	<b>(38)</b>	<b>(41)</b>	<b>(3)</b>	<b>8%</b>
<b>Net Operating Cost/(Surplus)</b>	<b>113</b>	<b>114</b>	<b>53</b>	<b>56</b>	<b>3</b>	<b>6%</b>

**Net Operating Cost** for the Resource Management Activity was 6% (\$3,000) more than budget for the period ended 31 December 2016.

**Direct Expenditure** was 26% (\$7,000) more than budget for the period.

- Both legal and consultant fees are tracking more than budgeted.

**Operating Revenue** was 8% (\$3,000) more than budget for the period.

- Resource consent application revenue is less than forecast however is offset by an increase in LIM revenue. There have been 96 LIM's processed for the first half of the year.

## Solid Waste Management

SOLID WASTE MANAGEMENT (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Dec 2016	YTD Actual Dec 2016	Variance Dec 2016	% Variance
<b>Direct Expenditure</b>						
- Collection	279	296	143	134	(9)	
- Landfill Management	782	895	389	388	(1)	
<b>Total Direct Expenditure</b>	<b>1,061</b>	<b>1,191</b>	<b>532</b>	<b>522</b>	<b>(10)</b>	<b>-2%</b>
- Allocated Costs	390	346	173	147	(26)	
- Interest	248	283	129	111	(18)	
- Depreciation	91	73	36	35	(1)	
<b>Total Expenditure</b>	<b>1,790</b>	<b>1,893</b>	<b>870</b>	<b>815</b>	<b>(55)</b>	<b>-6%</b>
<b>Operating Revenue</b>						
- Collection	(144)	(134)	(67)	(63)	4	
- Landfill Management	(885)	(810)	(405)	(470)	(65)	
<b>Total Operating Revenue</b>	<b>(1,029)</b>	<b>(944)</b>	<b>(472)</b>	<b>(533)</b>	<b>(61)</b>	<b>13%</b>
<b>Net Operating Cost/(Surplus)</b>	<b>761</b>	<b>949</b>	<b>398</b>	<b>282</b>	<b>(116)</b>	<b>-29%</b>

**Net Operating Cost** for the Solid Waste Management Activity was 29% (\$116,000) less than budget for the period ended 31 December 2016.

**Direct Expenditure** was 2% (\$10,000) less than budget for the period.

**Operating Revenue** was 13% (\$61,000) more than budget for the period.

- Revenue received at the landfill is tracking more than budget.

## Stormwater Drainage

STORMWATER DRAINAGE (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Dec 2016	YTD Actual Dec 2016	Variance Dec 2016	% Variance
<b>Direct Expenditure</b>						
- Te Kuiti Stormwater	124	145	68	81	13	
- Rural Stormwater	18	26	9	5	(4)	
<b>Total Direct Expenditure</b>	<b>142</b>	<b>171</b>	<b>77</b>	<b>86</b>	<b>9</b>	<b>12%</b>
- Allocated Costs	94	86	43	37	(6)	
- Interest	4	6	3	2	(1)	
- Depreciation	169	183	92	91	(1)	
<b>Total Expenditure</b>	<b>409</b>	<b>446</b>	<b>215</b>	<b>216</b>	<b>1</b>	<b>0%</b>
<b>Operating Revenue</b>						
- Te Kuiti Stormwater	0	0	0	(3)	(3)	
<b>Total Operating Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(3)</b>	<b>(3)</b>	<b>0%</b>
<b>Net Operating Cost/(Surplus)</b>	<b>409</b>	<b>446</b>	<b>215</b>	<b>213</b>	<b>(2)</b>	<b>-1%</b>

**Net Operating Cost** for the Stormwater Drainage Activity was 1% (\$2,000) less than budget for the period ended 31 December 2016.

**Direct Expenditure** was 12% (\$9,000) more than budget for the period.

- Expenditure for Te Kuiti storm water was more than budget due to increased operational tasks carried out in first half of the year and expenditure for the collection of stormwater asset data including CCTV scanning of some drains.

**Operating Revenue** was \$3,000 more than budget for the period.

- Revenue was received for connection fees during the period.

## Sewerage and Treatment and Disposal of Sewage

SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Dec 2016	YTD Actual Dec 2016	Variance Dec 2016	% Variance
<b>Direct Expenditure</b>						
- Te Kuiti	1,652	1,555	812	690	(122)	
- Te Waitere	29	32	16	12	(4)	
- Benneydale	120	138	73	42	(31)	
- Piopio	115	141	74	49	(25)	
<b>Total Direct Expenditure</b>	<b>1,916</b>	<b>1,866</b>	<b>975</b>	<b>793</b>	<b>(182)</b>	<b>-19%</b>
- Allocated Costs	206	242	122	95	(27)	
- Interest	468	556	278	233	(45)	
- Depreciation	750	781	391	374	(17)	
<b>Total Expenditure</b>	<b>3,340</b>	<b>3,445</b>	<b>1,766</b>	<b>1,495</b>	<b>(271)</b>	<b>-15%</b>
<b>Operating Revenue</b>						
- Te Kuiti	(1,285)	(1,160)	(580)	(419)	161	
- Benneydale	(1)	(1)	0	(1)	(1)	
- Piopio	(5)	(5)	(3)	(24)	(21)	
<b>Total Operating Revenue</b>	<b>(1,291)</b>	<b>(1,166)</b>	<b>(583)</b>	<b>(444)</b>	<b>139</b>	<b>-24%</b>
<b>Net Operating Cost/(Surplus)</b>	<b>2,049</b>	<b>2,279</b>	<b>1,183</b>	<b>1,051</b>	<b>(132)</b>	<b>-11%</b>

**Net Operating Cost** for the Sewerage Activity was 11% (\$132,000) below budget for the period ended 31 December 2016.

**Direct Expenditure** was 19% (\$182,000) less than budget for the period.

- Expenditure for internal Water Services Unit (WSU), power and consent compliance costs for Te Kuiti are currently tracking less than budget. This is partly offset by increased chemicals, and mechanical costs.
- Operations and maintenance costs are also tracking less than budget for Benneydale and Piopio schemes.

**Operating Revenue** was 24% (\$139,000) less than budget for the period.

- Trade waste revenue from the major commercial users in Te Kuiti is less than forecast, due to better pre-treatment and therefore reduced nutrient loads in their discharge. In addition to that volume of discharge is less for the first six months of the year compared with last year.
- Revenue in Piopio was well ahead of budget for the period due to an increase in connection revenue.



## Water Supply

<b>WATER SUPPLY</b> <b>(Amounts in \$000's)</b>	<b>Actual</b> <b>2015/16</b>	<b>EAP</b> <b>Budget</b> <b>2016/17</b>	<b>YTD</b> <b>Budget</b> <b>Dec 2016</b>	<b>YTD</b> <b>Actual</b> <b>Dec 2016</b>	<b>Variance</b> <b>Dec 2016</b>	<b>%</b> <b>Variance</b>
<b>Direct Expenditure</b>						
- Te Kuiti	1,347	1,146	593	492	(101)	
- Mokau	263	198	101	189	88	
- Piopio	271	257	127	112	(15)	
- Benneydale	95	110	62	52	(10)	
<b>Total Direct Expenditure</b>	<b>1,976</b>	<b>1,711</b>	<b>883</b>	<b>845</b>	<b>(38)</b>	<b>-4%</b>
- Allocated Costs	234	262	132	110	(22)	
- Interest	257	362	181	148	(33)	
- Depreciation	407	572	286	203	(83)	
<b>Total Expenditure</b>	<b>2,874</b>	<b>2,907</b>	<b>1,482</b>	<b>1,306</b>	<b>(176)</b>	<b>-12%</b>
<b>Operating Revenue</b>						
- Te Kuiti	(30)	0	0	(2)	(2)	
- Mokau	(7)	0	0	0	0	
- Piopio	0	0	0	0	0	
- Benneydale	0	0	0	0	0	
<b>Total Operating Revenue</b>	<b>(37)</b>	<b>0</b>	<b>0</b>	<b>(2)</b>	<b>(2)</b>	
<b>Subsidy Revenue</b>						
- Te Kuiti	(780)	0	0	0	0	
- Mokau	(165)	0	0	0	0	
<b>Total Subsidy Revenue</b>	<b>(945)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	
<b>Total Revenue</b>	<b>(982)</b>	<b>0</b>	<b>0</b>	<b>(2)</b>	<b>(2)</b>	
<b>Net Operating Cost/(Surplus)</b>	<b>1,892</b>	<b>2,907</b>	<b>1,482</b>	<b>1,304</b>	<b>(178)</b>	<b>-12%</b>

**Net Operating Cost** for the Water Supply Activity was 12% (\$178,000) less than budget for the period ended 31 December 2016.

**Direct Expenditure** was 4% (\$38,000) less than budget for the period.

- Expenditure for electricity, chemicals internal WSU expenditure and compliance costs are currently tracking less than budget for Te Kuiti, Piopio and Benneydale.
- Mokau direct expenditure was more than expected due to several bursts along the SH3 (North Street) main. These bursts gave rise to the replacement of this section of reticulation due to the poor condition of the Main.

**Total Revenue** was \$2,000 more than forecast for the period for water connections and toby locations.

- Metered water revenue is now included in the Summary Cost of Service Statement as Rates Revenue, rather than being included as Operating Revenue within the Water Supply activity. This revenue is levied under the Local Government (Rating) Act 2002.

## Roads and Footpaths

ROADS AND FOOTPATHS (Amounts in \$000's)	Actual 2015/16	EAP Budget 2016/17	YTD Budget Dec 2016	YTD Actual Dec 2016	Varianc e Dec 2016	% Varianc e
<b>Direct Expenditure</b>						
- Subsidised Roads	5,020	5,326	2,769	3,023	254	
- Unsubsidised Roads	213	200	101	78	(23)	
<b>Total Direct Expenditure</b>	<b>5,233</b>	<b>5,526</b>	<b>2,870</b>	<b>3,101</b>	<b>231</b>	<b>8%</b>
- Allocated Costs	13	14	7	5	(2)	
- Interest	787	910	455	391	(64)	
- Depreciation	2,969	2,842	1,421	1,455	34	
<b>Total Expenditure</b>	<b>9,002</b>	<b>9,292</b>	<b>4,753</b>	<b>4,952</b>	<b>199</b>	<b>4%</b>
<b>Operating Revenue</b>						
- Subsidised Roads	(5,898)	(7,537)	(2,625)	(2,350)	275	
- Unsubsidised Roads	(127)	(78)	(39)	(59)	(20)	
<b>Total Operating Revenue</b>	<b>(6,025)</b>	<b>(7,615)</b>	<b>(2,664)</b>	<b>(2,409)</b>	<b>255</b>	<b>-10%</b>
<b>Net Operating Cost/(Surplus)</b>	<b>2,977</b>	<b>1,677</b>	<b>2,089</b>	<b>2,543</b>	<b>454</b>	<b>22%</b>
Subsidised Roads Maintenance (Excluding losses on asset disposals)	5,032	5,226	2,769	3,023	254	
Subsidised Roads Capital	4,247	6,500	1,302	582	(720)	
<b>Combined Maintenance and Capital</b>	<b>9,279</b>	<b>11,726</b>	<b>4,071</b>	<b>3,605</b>	<b>(466)</b>	<b>-11%</b>
<b>Subsidy Revenue for Subsidised Roads</b>	<b>(5,745)</b>	<b>(7,387)</b>	<b>(2,565)</b>	<b>(2,290)</b>	<b>275</b>	<b>-11%</b>

**Net Operating Cost** for the Roads and Footpaths Activity was 22% (\$454,000) more than budget for the period ended 31 December 2016.

**Direct Expenditure** was 8% (\$231,000) more than budget for the period.

- The Emergency Re-instatement (first response) budget is spent for the year. This work is depending on unpredictable weather events and resulting damages.
- The Environmental maintenance budget is tracking ahead of year to date budget. This budget has been low and is now adjusted to provide a 'closer to actuals' budget from 2017/18 onwards.
- The Network and Asset Management budget is expected to overspend by about \$120,000 by the end of the financial year and due to the re-allocation of RAMM costs and increased RATA fees. Savings from other budgets are expected to help make up for this.
- The Professional Services budget is under severe pressure due to a lot of work required for various works.
- Generally where there is an overspend in one work category, expenditure in other categories is reduced so as to bring total expenditure within budget.
- Unsubsidised roads expenditure is less than budget for street cleaning.

**Operating Revenue** was 10% (\$255,000) less than budget for the period.

- Subsidy revenue is based on both maintenance and capital expenditure and for most work categories the subsidy rate is 63%. Subsidy revenue is less than budget due to pavement rehabilitation and Oparure Rd retaining structure work that had not commenced yet. The pavement rehabilitation work will be awarded to contractor in the near future. The Oparure Rd retaining structure work is currently in the design phase.
- Revenue for unsubsidised roads is more than budget for overweight permit applications.

## Appendix 2: Balance Sheet as at 31 December 2016

STATEMENT OF FINANCIAL POSITION	Actual Position	Actual Position	Movement from	Exceptions Annual Plan	Variance from EAP
(Amounts in \$000's)	30 Jun 2016	31 Dec 2016	30 Jun 2016	30 Jun 2017	
<b>Equity</b>					
- Accumulated Funds	207,602	208,747	1,145	213,356	4,609
- Other Reserves	10,352	10,352	0	6,451	(3,901)
- Revaluation Reserve	72,793	72,793	0	78,787	5,994
<b>TOTAL EQUITY</b>	<b>290,747</b>	<b>291,892</b>	<b>1,145</b>	<b>298,594</b>	<b>6,702</b>
<b>Current Assets</b>					
- Cash and Cash Equivalents	174	754	580	100	(654)
- Inventory	38	38	0	71	33
- Other Financial Assets	3	2	(1)	2	0
- Receivables (Non-exchange)	5,688	5,243	(445)	4,815	(428)
- Receivables (Exchange)	357	357	0	372	15
- Assets Held for Sale	78	78	0	67	(11)
- Derivative Financial Instruments	0	0	0	0	0
<b>Total Current Assets</b>	<b>6,338</b>	<b>6,472</b>	<b>134</b>	<b>5,427</b>	<b>(1,045)</b>
<b>Current Liabilities</b>					
- Payables and Deferred Revenue (Exchange)	2,811	1,871	(940)	3,338	1,467
- Payables and Deferred Revenue (Non-exchange)	719	719	0	702	(17)
- Current Portion of Borrowings	15,032	39,747	24,715	5,200	(34,547)
- Provisions	20	20	0	17	(3)
- Employee Entitlements	514	429	(85)	422	(7)
- Derivative Financial Instruments	561	561	0	317	(244)
<b>Total Current Liabilities</b>	<b>19,657</b>	<b>43,347</b>	<b>23,690</b>	<b>9,996</b>	<b>(33,351)</b>
<b>NET WORKING CAPITAL</b>	<b>(13,319)</b>	<b>(36,875)</b>	<b>(23,556)</b>	<b>(4,569)</b>	<b>32,306</b>
<b>Non Current Assets</b>					
- Property Plant and Equipment	329,837	329,783	(54)	346,130	16,347
- Intangible Assets	303	303	0	416	113
- Forestry Assets	0	0	0	0	0
- Investment Property	1,346	1,346	0	1,295	(51)
- Assets Held for Sale	439	439	0	278	(161)
- Other Financial Assets	783	784	1	758	(26)
- Investment in CCO	4,500	4,500	0	2,620	(1,880)
- Derivative Financial Instruments	0	0	0	153	153
<b>Total Non Current Assets</b>	<b>337,208</b>	<b>337,155</b>	<b>(53)</b>	<b>351,650</b>	<b>14,495</b>
<b>Non Current Liabilities</b>					
- Payables and Deferred Revenue (Non-exchange)	300	300	0	141	(159)
- Borrowings	29,754	5,000	(24,754)	46,771	41,771
- Employee Entitlements	0	0	0	0	0
- Provisions	933	933	0	879	(54)
- Derivative Financial Instruments	2,155	2,155	0	696	(1,459)
<b>Total Non Current Liabilities</b>	<b>33,142</b>	<b>8,388</b>	<b>(24,754)</b>	<b>48,487</b>	<b>40,099</b>
<b>NET ASSETS</b>	<b>290,747</b>	<b>291,892</b>	<b>1,145</b>	<b>298,594</b>	<b>6,702</b>

**Statements of Service Performance Report  
on  
Levels of Service and Key Performance Indicators**



Statements of Service Performance Report On  
Levels of Service and Key Performance Indicators

2016/17

(For the period ending 31 December 2016)

## Introduction

- 1.1 The purpose of this report is to record the detail of non-financial performance or service performance for different periods of the 2016/17 financial year. These service performance measures were adopted as part of the Long Term Plan 2015-25. Council uses service performance measures to measure performance in providing services to its Community.
- 1.2 The format of the report is in tabular form and the results are grouped under each major activity;
- Description of the **level of service**, which translates the high level strategic goal into measurable levels of service.
  - The **key performance indicator**, which is a description of the measure that will be monitored throughout the financial year and the life of the Long Term Plan 2015-25.
  - The **performance target**, which is the quantitative target Council will strive to achieve.
  - **Performance achieved** to 31 December 2016. The result is recorded, whether the target has been achieved and comments to further explain actual results to target result.

## Commentary

### 2.1 Structure of Groups of Activities

Council carries out a number of activities or functions in order to meet its statutory responsibilities and in response to the aspirations of its District community. Council's functions are arranged under ten Groups of Activities. These ten Groups of Activities are further organised under three main 'Sustainability Groups'.

<b>Sustainability Groups</b>			
<b>Groups of Activities</b>	<b>Community and Cultural Sustainability</b>	<b>Environmental Sustainability</b>	<b>Economic Sustainability</b>
	Governance: Leadership and Investments	Resource Management	Water Supply
	Community Service	Solid Waste Management	Roads and Footpaths
	Community Development	Stormwater	
	Regulation	Sewerage and the Treatment and Disposal of Sewage	

## 2.2 Performance Framework

### Purpose

In order to manage and monitor the performance of its activities and the work programmes undertaken by Council and to ensure that its efforts contribute to Council's purpose and Community Outcomes we have developed a Performance Framework. The two key functions of this framework are:

1. To guide Council's efforts and work streams such that the focus is on achievement Council's Purpose and Community Outcomes.
2. To demonstrate to the community what we are trying to achieve, and how our performance will be measured.

<b>PURPOSE OF LOCAL GOVERNMENT</b>
<i>'To meet the current and future needs of communities for good quality local infrastructure, local public services and performance of regulatory functions in a way that is most cost effective for households and businesses'</i>
<b>Waitomo District Community Outcomes</b>
<b>Council's Vision:</b> 'Creating a better future with vibrant communities and thriving business'
<b>Council's Focus Areas:</b> Facilitate economic development, encourage community connectivity and development, good stewardship of assets, and financial prudence and sustainability
<b>Council's Business – Groups of Activities</b>
<b>Council's Policy and Planning Framework</b> Council Policies, Bylaws, Activity Management Plans, Financial Strategy, Long Term Plan and Annual Plan.
<b>Levels of Service and Work Programmes</b> Monitoring and Reporting of achievement against Performance Targets

## 2.3 Elements of the Framework

As shown in the table above, at the highest level of the Performance Framework is Council's Purpose, followed by Community Outcomes.

The Vision statement describes Council's focus and the Guiding Principles aim to set the parameters under which planning will be carried out.

Council's Groups of Activities is the grouping of the various functions and activities that are carried out by Council. All activities need to demonstrate their contribution to the Community Outcomes.

The 'coal-face' of the Performance Framework are the –

**Levels of Service:** what can the community expect Council to provide.

**Performance Measures:** how will success or progress be measured.

**Performance Targets:** what is the level of performance that Council is aiming for.

## 2.4 Monitoring and Reporting

2.5 Progress against agreed performance targets is monitored monthly at a management level and reported quarterly at governance level. The annual achievement against performance targets is audited and communicated to the community and stakeholders in Council's Annual Report.

2.6 There have been a range of new measures introduced as per the LTP that was adopted by Council in June 2015.

2.7 For the period ending 30 December 2016, the performance results for all ten activities are as follows:

Activity	Total number of targets	Achieved or On Track	Not Achieved	No data available
Governance: Leadership and Investments	4			
Community Service	11	5		6
Community Development	7	3		4
Regulation	8	4		4
Solid Waste Management	8	2	2	4
Resource Management	3	2		1
Stormwater Drainage	8	8		
Sewerage and Treatment Disposal of Sewerage	8	6	2	
Water Supply	17	12	5	
Roads and Footpaths	6	1	1	4

### Performance Measures Key

	Achieved or on Track
	Not Achieved
	No Data Available



## Community and Cultural Sustainability Group

### Governance: Leadership and Investments

#### Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 December 2016	Commentary
Decision making in compliance with provisions of the Local Government Act 2002.	Number of successful challenges to the decision making process.	0	On track for achievement	No challenges received to date.
Consultation is in accordance with the procedures outlined in LGA 2002. Depending on the nature of the consultation, the procedure will either be the Special Consultative Procedure or a process that gives effect to the requirements of section 82 of the LGA 2002.	Number of successful challenges to the decision making process.	0	On track for achievement	No challenges received to date.
Effective communication with the community.	Customer satisfaction rating of effectiveness and usefulness of Council communications "good or better".	≥ 60%		Will be reported Annually once RSS is completed by June 2017.

 Achieved or On Track	 Not Achieved	 No data available
--	--	---

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 December 2016	Commentary
<b>Investments</b>				
Investments are managed prudently and in a manner that promotes the current and future interests of the community.	Analysis of investment financials and activity including investment company reporting statements are reported to Council and made available to the public as applicable.	2 reports per year	On track for achievement	Regular reports received on Investments.

	Achieved or On Track		Not Achieved		No data available
---	----------------------	---	--------------	---	-------------------

## Community Service

### Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 December 2016	Explanation
High quality Parks and Reserves will be provided.	Percentage of community satisfied with the quality of Parks and Reserves in annual and research surveys.	≥ 80%		Will be reported annually once RSS is completed by June 2017.
Provision and maintenance of Elderly Persons Housing that meets the needs of the tenants.	Percentage of tenants satisfied with the provision and maintenance of Elderly Persons Housing.	> 65%		Will be reported annually once the Elderly Persons Housing Satisfaction Survey is completed by June 2017.
Quality public amenities will be provided.	Percentage of community satisfied with the quality of public amenities (Public Toilets and Cemeteries).	≥ 82%		Will be reported annually once RSS is completed by June 2017.
Provision of effective pool facilities for the community.	Percentage of community satisfied with the quality of the pool facilities and service in the annual satisfaction survey and research survey results.	≥ 75%		Will be reported annually once RSS is completed by June 2017.
Provision of effective Arts and Culture facilities for the community.	Percentage of community satisfied with the quality of the Arts and Culture facilities and service in the annual satisfaction survey and research survey results.	≥ 79%		Will be reported annually once RSS is completed by June 2017.

Achieved or On Track	Not Achieved	No data available
----------------------	--------------	-------------------

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 December 2016		Explanation
Council's public facilities are provided to standards of fitness for use.	Current Building Warrant Of Fitness (BWOFF) for facilities with compliance schedules.	100%	Achieved		All public facilities have current BWOFF issued.
Pool is safe for use of pool patrons at all times.	Pool accreditation in place.	100%	Achieved		Pool accreditation in place until 30 April 2017.
	Number of pool non complying water quality readings per year.	< 5	On Track for Achievement		No non complying water quality readings have been received for the period ending 31 December 2016.
Community education and information provided to build community awareness and preparedness.	The number of residents who understand the need to plan for the ability to survive on their own for 3 days if there was an emergency event, as measured by the RSS.	≥45%			Will be reported annually once RSS is completed by June 2017.
WDC is resourced and staff trained to a level sufficient to efficiently operate the Civil Defence Headquarters during an emergency	One major training exercise involving Civil Defence HQ staff will be held per year	One exercise per year	Achieved		The National Civil Defence Exercise Tangaroa was held on 31 August 2016.
Playground equipment is safe to use for parks and reserves playground users	Number of accidents directly attributable to playground equipment failure	Nil accidents	On Track for Achievement.		No accidents have been recorded for the period ending 31 December 2016.

	Achieved or On Track		Not Achieved		No data available
--	----------------------	--	--------------	--	-------------------

## Community Development

### Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 December 2016	Explanation
Provide assistance for community support activities.	Advertisement and administration of all WDC Funding Rounds as per the Community Development Fund Policy.	100% Compliance	On track for achievement	The following funding rounds have been completed: <ul style="list-style-type: none"> <li>September Discretionary Grant</li> <li>December Discretionary Grant</li> </ul>
Support the positive development of youth within the District.	Youth Council makes one submission to Council per year.	1 per annum		Will be reported when completed within the year.
	Youth Council undertakes two youth related projects per year.	2 per annum		Will be reported when completed within the year.
Council will support major District events that build community pride and raise the District's profile.	Number of major District events held on time and to budget.	One Major event (the Muster) and one minor event (the Christmas Parade)	On track for achievement	The Waitomo District Christmas Parade was held on 9 December 2016.  The Muster is scheduled for 1 April 2017.

	Achieved or On Track		Not Achieved		No data available
--	----------------------	--	--------------	--	-------------------

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 December 2016	Explanation
Provision of comprehensive library facilities for the community.	Percentage of community satisfied with the quality of the library facilities and service in the annual satisfaction survey and research survey results.	≥ 85%		Will be reported annually once RSS is completed by June 2017.
Council through its membership of the Hamilton and Waikato Regional Tourism Organisation will ensure enhanced presence in national and international markets for the District.	Number of District Promotion opportunities taken in key publications and industry events.	> 4		Will be reported 6 monthly by HWT.
Council will encourage and support business expansion and sustainable economic development opportunities within the District.	Economic Development Action Plan developed and implemented.	Actions implemented as per Economic Development Action Plan.	On track for achievement	Implementation of Actions on track in accordance with the Economic Development Action Plan.

 <b>Achieved or On Track</b>	 <b>Not Achieved</b>	 <b>No data available</b>
---	---	--

## Regulation

### Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 December 2016		Explanation
All food and alcohol retail premises will be inspected and appropriately registered and licensed.	Percentage of registration or licensing of food and alcohol retail premises	100%	54% Food Premises 57% Alcohol Retail Premises		On track for achievement.
Provision of an effective environmental health service for the community.	Customer Satisfaction Survey Rating on Environmental Health Service.	> 50%			Will be reported annually once RSS is completed by June 2017.
Building consents and project information memoranda issued within 15 working days.	Percentage of building consents and project information memoranda issued within 15 working days.	90%	100%		All building consents / PIMs have been processed within the required timeframes.
Council will process, inspect and certify buildings work in the Waitomo District.	WDC maintains building control systems and process to meet IANZ Audit requirements.	BCA Accreditation achieved every 2 years.	Achieved		BCA Accreditation achieved in June 2016. The next assessment is due in June 2018.

Achieved or On Track	Not Achieved	No data available
----------------------	--------------	-------------------

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 December 2016		Explanation
Provision of an effective building control service to the community.	Customer Satisfaction Survey rating on Building Control.	> 50%			Will be reported annually once RSS is completed by June 2017.
Dog owners' properties will be inspected to ensure compliance with the Dog Control Act 1996 and Council's bylaws.	Percentage of dog owners' properties inspected per year.	Urban 100%	37%		On track for achievement.
		Rural 15%	31%		On track for achievement.
High level of customer satisfaction with animal control service.	Customer Satisfaction survey rating on Animal Control.	≥ 50%			Will be reported annually once RSS is completed by June 2017.
Dog Owners are well informed of their responsibilities and WDC Support.	Number of Dog/Owner Education initiatives.	≥ 2			Will be reported when completed within the year.

	Achieved or On Track		Not Achieved		No data available
--	----------------------	--	--------------	--	-------------------



## Environmental Sustainability Group

### Solid Waste Management

#### Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 December 2016		Explanation
Users find the recycling facilities safe to use.	Percentage of users rate the safety of Council's recycling facilities as satisfactory or better.	75%			Will be reported annually once RSS is completed by June 2017
Provision of effective waste service for the community.	Customer satisfaction survey rating on waste transfer stations.	60%			Will be reported annually once RSS is completed by June 2017
The solid waste management facilities feel safe to the user.	Percentage of users rate the District's waste transfer stations safe to use.	70%			Will be reported annually once RSS is completed by June 2017
Users find the landfill facility safe to use.	Percentage of users rate the safety of Council's landfill facility as satisfactory or better.	75%			Will be reported annually once RSS is completed by June 2017
The solid waste management facilities are open and accessible to users at advertised times.	Number of complaints per month due to facilities not being open at advertised times.	≤1	Achieved		No complaints were received due to facilities not being open at advertised times for the quarter ended 31 December 2016
Reduce quantity of recyclables like paper and plastics in bag collection that goes to landfill.	Percentage of reduction per annum leading to 10% reduction by 2016 and 15% by 2025 achieved through continual education (both measured against the 2014 Biennial Waste Audit).	2.0%	Not Achieved		The results from the 2016 Waste Audit identified a 1.57% reduction in recyclables against the 2014 Waste Audit. A 2% reduction was required to meet the performance target. This is however tracking in a downwards trend.

	Achieved or On Track		Not Achieved		No data available
--	----------------------	--	--------------	--	-------------------

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 December 2016		Explanation
Reduce the quantity of organic waste like food scraps etc in bag collection that goes to landfill.	Percentage of reduction per annum achieved through continual education leading to 10% reduction by 2025 (measured against the 2014 Biennial Waste Audit).	1.5%	Not Achieved		The results from the 2016 Waste Audit identified an almost 3% increase in putrescibles (organic/food waste) against the 2014 Waste Audit. A 1.5% reduction was required to meet this performance target. Reducing food waste is a key strategy for meeting the goals of the Waste Minimisation Act. WDC are involved in a collective of Councils throughout the country to implement a national 'Love Food, Hate Waste' campaign in an effort to reduce food waste sent to landfills.
Provision of an effective solid waste service for the community.	Average number of complaints received per month regarding solid waste activities.	≤ 10	Achieved		A total of 6 complaints were received for the quarter. Complaints ranged from non-collection of refuse, odour issue from nearby resident to the Te Kuiti Landfill, request for new rubbish bin by new BP on Awakino Road and three complaints on separate occasions for Piopio recycling bin overflowing.



	Achieved or On Track		Not Achieved		No data available
--	----------------------	--	--------------	--	-------------------

## Resource Management

### Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 December 2016	Explanation
Council will ensure that resource consents are processed in a timely and customer friendly manner so as to facilitate district wide development.	Percentage of notified consents processed within 80 working days of receipt.	90%	On track for achievement	No notified resource consents submitted.
	Percentage of non-notified consents processed within 20 working days.	90%	100%	All non-notified resource consents have been processed within 20 working days.
All premises where resource consents have been issued will be monitored at least biennially to ensure compliance.	Percentage of consented premises visited each year.	50%	100%	All resource consents requiring monitoring have been monitored.

 Achieved or On Track	 Not Achieved	 No data available
--	--	---

## Stormwater Drainage

### Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 December 2016	Commentary
Stormwater drainage system is adequate and is sufficiently maintained.	The number of flooding events that occur in the district in a financial year.	Nil (for less than 1 in 2 year event)	Achieved	No flooding events in the district for quarter ended 31 December 2016 (for less than 1 in 2 year event)
	For each flooding event the number of habitable floors affected in a financial year.	≤ 1 per 1000 properties	Achieved	No complaints received for quarter ended 31 December 2016 for the number of habitable floors affected by a flooding event (maximum allowable based on number of connections is 2 per annum)
Compliance with resource consent conditions for discharge from the Councils urban stormwater system that relate to environmental effects	Compliance with resource consents for discharge from its Stormwater system, measured by the number of the following (received by Council with a financial year):			
	abatement notices	0	Achieved	No abatement notices issued for quarter ended 31 December 2016
	infringement notices	≤2	Achieved	No infringement notices issued for quarter ended 31 December 2016
	enforcement orders	Nil	Achieved	No enforcement notices issued for quarter ended 31 December 2016
	successful prosecutions	Nil	Achieved	No successful prosecutions reported for quarter ended 31 December 2016

 Achieved or On Track	 Not Achieved	 No data available
--	--	---

The Council responds to failures and request for service in a prompt and efficient way	The median response time to attend a flooding event, (measured from the time that the notification is received to the time that service personnel reach the site)	≤ 180 minutes (3hrs)	Achieved	Median response time to attend a flooding event for quarter ended 31 December 2016 was less than 3 hours.
The Council provides a reliable stormwater collection service	The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	≤4 complaints per 1000 properties	Achieved	A total of 5 complaints were received about the performance of the Council's urban stormwater system per 1,000 properties connected (maximum allowable based on number of connections is 8 per annum). Cumulatively, there is 6 complaints year to date.

	Achieved or On Track	 Not Achieved	 No data available
---	----------------------	--	---

## Sewerage and Treatment and Disposal of Sewage

### Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What we do (level of service)	How we measure success (performance measure)	Performance Target	Progress to 31 December 2016	Commentary
Sewerage System is adequate and is sufficiently maintained.	Number of complaints received in a financial year about ; sewage odour, sewage system faults, sewage system blockages, and Council's response to issues with the sewage system.	Total complaints per 1000 connections ≤20(Total number of connections 1,779)	Not Achieved	<p>A total of 48 complaints were received for quarter ended 31 December 2016 for regarding:</p> <ul style="list-style-type: none"> <li>• sewage odour</li> <li>• sewage system faults</li> <li>• sewage system blockages</li> <li>• Councils response to issues with the sewage system</li> </ul> <p>Total allowable for the financial year is 20 or less per 1,000 connections or 36 total</p>
Environmental impacts of Sewerage systems will be managed effectively.	Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of the following ( <i>received by Council in a financial year</i> )			
	abatement notices	Nil	Achieved	No abatement notices issued for quarter ended 31 December 2016
	infringement notices	Nil	Achieved	No infringement notices issued for quarter ended 31 December 2016

Achieved or On Track	Not Achieved	No data available
----------------------	--------------	-------------------

	enforcement orders	Nil	Achieved	No enforcement notices issued for quarter ended 31 December 2016
	convictions received	Nil	Achieved	No convictions received for quarter ended 31 December 2016
Timely response and resolution for sewage overflows.	The median response times for attendance, in a year, measured from the time that the Council receives notification to the time that service personnel reach the site	≤180 minutes (3hrs)	Achieved	The median response times for attendance measured from the time that the Council receives notification to the time that service personnel reach the site for the quarter ended 31 December 2016 was <3 hours.
	The median response times for resolution, in a year, measured from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault	≤ 540 minutes (9hrs)	Achieved	The median response times for resolution measured from the time that the Council receives notification to the time that service personnel resolve the problem for the quarter ended 31 December 2016 was 5 hours.
Provision of effective and reliable sewerage systems and service to the community.	Number of dry weather sewage overflows from the Council's sewerage system in a financial year.	Total complaints per 1,000 connections ≤ 5 (Total number of connections 1,779)	Not Achieved	The number of dry weather sewage overflows from the Council's sewerage system for the quarter ending 31 December 2016 was 12. The cumulative number of complaints year to date is 19. The allowable amount is ≤ 5 per 1,000 connections or 9 per annum.

	Achieved or On Track		Not Achieved		No data available
--	----------------------	--	--------------	--	-------------------

## Economic Sustainability Group

### Water Supply

#### Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 December 2016	Commentary
Water supply system is adequate and sufficiently maintained for public health purposes.	The extent to which WDC's drinking water supplies comply with Part 4 of NZ Drinking-water Standards 2005 (revised 2008) (bacteria compliance criteria)	100%	Not Achieved	<ul style="list-style-type: none"> <li>• Te Kuiti Water Treatment Plant is currently undergoing a major upgrade in order to meet these requirements.</li> <li>• Mokau Water Treatment Plant requires upgrading to meet requirements.</li> <li>• Benneydale Water Treatment Plant requires minor upgrade to be carried out to meet requirements.</li> <li>• Piopio Water Treatment Plant meets requirements.</li> </ul>
	The extent to which WDC's drinking water supplies comply with Part 5 of NZ Drinking-water Standards 2005 (revised 2008) (protozoal compliance criteria)	100%*	Not Achieved	
Water Supply networks are being maintained adequately.	Percentage of real water loss from the Council's networked reticulation system in a financial year in: ( <i>'Water Losses'</i> includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft. This does not include unauthorised consumption)			
	Te Kuiti	≤ 25%	Achieved	The percentage of real water loss from the Council's networked reticulation system in the quarter ended 31 December 2016 for the Te Kuiti Scheme was 15%.

	Achieved or On Track		Not Achieved		No data available
--	----------------------	--	--------------	--	-------------------



What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 December 2016	Commentary
	Mokau	≤ 25%	Achieved	The percentage of real water loss from the Council's networked reticulation system in quarter ended ended 31 December 2016 for the Mokau scheme was 20%. A major burst and subsequent breaks in the watermain causing all Mokau reservoirs supply to empty resulted in a major water loss. This had July and August sitting at 20%, September and October sitting at 40% and November and December at 10% giving a median of 20%. On a quarterly basis this has not been achieved, however this target is measured on an annual median basis and in that case has achieved YTD.
	Piopio	≤ 25%	Achieved	The percentage of real water loss from the Council's networked reticulation system in a financial year for the quarter ended December 2016 for the Piopio Scheme was 10%.
	Benneydale	≤ 15%	Achieved	The percentage of real water loss from the Council's networked reticulation system in a financial year for the quarter ended December 2016 for the Benneydale Scheme was 5%.
Timely response and resolution of service requests.	The median response times for attendance for urgent call-outs in a financial year*	≤ 180 minutes (3 hrs)	Achieved	The median response time for attendance for urgent call outs in a financial year for the quarter ended December 2016 was < 2 hours.
	The median resolution time of urgent call-outs in a financial year**	≤ 540 minutes (9hrs)	Achieved	The median resolution time of urgent call outs in a financial year for the quarter ended December 2016 was 9 hours.
	The median response times for attendance for non-urgent call outs in a financial year*	≤ 660 Minutes (11hrs)	Achieved	The median response time for attendance for non-urgent call outs in a financial year for the quarter ended December 2016 was < 8 hours.

	Achieved or On Track		Not Achieved		No data available
--	----------------------	--	--------------	--	-------------------

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 December 2016	Commentary
	The median resolution time of non-urgent call-outs in a financial year**	≤ 850 minutes (14.1hrs)	Not Achieved	The median resolution time of non-urgent call outs in a financial year for the quarter ended December 2016 was < 24 hours, resulting in the non-achievement of this target.
	<p><b>* from the time that the Council receives notification to the time that the service personnel reach the site.</b>  <b>** from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption</b></p>			
Provision of effective and reliable water supply system to the community.	The total number of complaints received by Council in a year for:			
	drinking water clarity	≤ 5 per 1000 connections	Achieved	There were 2 complaints received for drinking water clarity for quarter ended December 2016. There are 6 complaints YTD. The allowable number of complaints based on number of connections to a Council water scheme is 13.
	drinking water taste	≤ 5 per 1000 connections	Achieved	No complaints were received for the quarter ended December 2016 for drinking water taste. The allowable number of complaints based on number of connections to a Council water scheme is 13.
	drinking water odour	≤ 5 per 1000 connections	Achieved	No complaints were received for the quarter ended December 2016 for drinking water odour. The allowable number of complaints based on number of connections to a Council water scheme is 13.

	Achieved or On Track		Not Achieved		No data available
--	----------------------	--	--------------	--	-------------------

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 December 2016	Commentary
	drinking water pressure flow	≤ 5 per 1000 connections	Not Achieved	The number of complaints received for the quarter ended December 2016 for drinking water pressure flow was 6. This is however a significant reduction in complaints in comparison to the previous quarter which had 48 in total. The allowable number of complaints based on number of connections to a Council water scheme is 13. (YTD 54)
	continuity of supply	≤ 5 per 1000 connections	Not Achieved	The number of complaints received for the quarter ended December 2016 for continuity for supply was 4. This is however another significant reduction in complaints in comparison to the previous quarter which had 44 in total. The allowable number of complaints based on number of connections to a Council water scheme is 13. (YTD 48)
	Median response time to any of these issues within a year.	≤ 180 minutes	Achieved	The median response time for any of the issues within a year for the quarter ended December 2016 was < 3 hours.
Efficient management of demand for water for the community.	Average consumption of drinking water per day per resident within the district.	≤ 400 litres per person per day	Achieved	The average consumption of drinking water per day per resident within the district for the quarter ended December 2016 was 90 Litres.

	Achieved or On Track		Not Achieved		No data available
--	----------------------	--	--------------	--	-------------------

## Roads and Footpaths

### Statement of Service Performance

The Levels of Service and Key Performance Indicators for this Group of Activities are:

What We Do (Level Of Service)	How We Measure Success (Performance Measure)	Performance Target	Progress to 31 December 2016	Explanation
Monitor safety of local roads to assist in planning and prioritising works required to upgrade, maintain or change the condition of the roading environment in order to reach and maintain a specified level of safety.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	1 (or maintain at 0)	Achieved	No fatalities or serious injury crashes have been reported for the quarter ended 31 December 2016 (nil year to date).
Maintain the overall condition of local roads to a specified adequate standard  *NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort	The average quality of ride on a sealed local road network, measured by smooth travel exposure, in a financial year. (Percentage of measured sealed road lane kilometres not exceeding a NAASRA* roughness count rating of 150 to be at least 90%.)  *NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort.	90%		No data available - Measured against biennial NAASRA results 2015/16 - <b>93.6%</b>
Maintain the overall condition of the unsealed roads to a specified adequate standard.	Percentage of unsealed road metalled each year.	15% (of total)		No data available – measured annually
Maintain the overall condition of sealed roads to a specified adequate standard.	Percentage of the sealed local road network that is resurfaced each year.	7% (of total)		No data available – measured annually

	Achieved or On Track		Not Achieved		No data available
--	----------------------	--	--------------	--	-------------------

Maintain the overall condition of footpaths to a specified adequate standard.	The percentage of footpath network that falls within a condition rating of 3	90%		No data available – measured annually
Manage the timeliness and appropriateness of responses to problems and service requests.	The percentage of customer service requests relating to roads and foot paths responded to within 10 working days.	95%	Not Achieved	<p>A total of 89 service requests were received for the quarter ended 31 December 2016, of which 62 (70%) were responded to within 10 working days.</p> <p>A majority of the reasons for these complaints were for: corrugations on rural roads, potholes, stock/animal waste on both rural roads and urban roads/footpaths referred to as detritus, vegetation issues that pose a visual danger to the road users and there were a significant amount of damaged or displaced road signage, all in urban areas.</p>

\* NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort.



**TREASURY REPORT**

**FOR**



**FOR THE QUARTER ENDED 31 DECEMBER 2016**



**BANCORP**

**BANCORP TREASURY SERVICES LIMITED**

AUCKLAND • WELLINGTON • CHRISTCHURCH

# CONTENTS

<b>1. MARKET ENVIRONMENT.....</b>	<b>1</b>
1.1 GLOBAL MARKETS OVERVIEW (AS AT 31 DECEMBER 2016).....	1
1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 31 DECEMBER 2016).....	2
1.3 LOCAL AUTHORITY SECTOR.....	3
1.4 CREDIT SPREADS.....	4
<b>2. DEBT AND HEDGING.....</b>	<b>5</b>
2.1 DEBT.....	5
2.2 HEDGING.....	7
2.3 DEBT AND HEDGING PROFILE.....	7
2.4 POLICY COMPLIANCE (AS AT 31 DECEMBER 2016).....	8

This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.

# 1. MARKET ENVIRONMENT

## 1.1 GLOBAL MARKETS OVERVIEW (AS AT 31 DECEMBER 2016)

The December quarter was dominated by the lead-up to, and the outcome of, the US Presidential election on 8 November, its influence growing as the election date approached to the point where it usurped the influence on financial markets from central banks and worries about the European banking sector.

As far as reaction to the election was concerned, prior to 8 November there was talk of a Brexit type market reaction in the unlikely event that Donald Trump would win, i.e. US bond yields would fall sharply, with a flow on effect around the world. But, when reality hit that Trump had been elected President no one could really believe it. Sentiment changed during the vote counting and even during Trump's victory speech with expectations of a large fiscal stimulus programme pushing US bond yields sharply higher.

The US 10 year Treasury bond yield opened the quarter at 1.60%, but climbed sharply to a high of 2.64% in mid December amid concerns about the inflationary effects of Trump's fiscal policies and expectations of an impending series of rate hikes from the US Federal Reserve ("Fed"). Global bond yields followed the US lead, the German 10 year bund shaking off its sub-zero status in early October, climbing to a high of 0.41% in mid December before retreating to close the month at 0.20%. To put the global bond sell off into perspective scale, more than USD2.0 trillion was wiped off global bond values after Donald Trump's win.

The Fed meeting in December as expected raised the Fed Funds rate by 25 basis points. However, what took the markets by surprise were the projections from the Fed officials on future monetary policy action which indicated another three hikes in 2017, whereas in September they had only projected two hikes and then another three hikes in 2018 which was unchanged. The Fed expects the Fed Funds rate to peak at 3.00% in 2019 which is only 10 basis points higher than the September projection.

The Italians voted a decisive 'no' in the referendum on constitutional reform, marking another significant global protest vote. The result prompted Prime Minister Matteo Renzi to resign, and some are now questioning the future of the Eurozone - as the third largest economy in the Eurozone, an exit by Italy would put a massive strain on the single currency. However the process which Italy would need to pursue to exit the Eurozone is considerably more onerous than the United Kingdom's. But the vote will embolden other nationalistic parties in Europe who have already gained increased support after the Brexit and the Trump victories.





## 1.2 NEW ZEALAND MARKET OVERVIEW (AS AT 31 DECEMBER 2016)

	OCR	90 day	2 year swap	3 year swap	5 year swap	7 year swap	10 year swap
30 Sep 16	2.00%	2.20%	2.02%	2.04%	2.16%	2.31%	2.49%
31 Dec 16	1.75%	1.99%	2.50%	2.76%	3.11%	3.34%	3.54%
Change	-0.25%	-0.21%	+0.48%	+0.72%	+0.95%	+1.03%	+1.25%

From an economic perspective, New Zealand still seemingly stands out as one of the shining lights of the global economy. Fonterra's forecast dairy payout is now \$6.00 per kilogram of milk solids for the 2017 season and may even go higher if the current upward trend continues. Economic growth as measured by GDP is one of the highest of the developed economies, the labour market is strong, inward net migration is near record levels, tourism continues to boom and projected government surpluses are increasing. It is little wonder that some commentators are attaching the 'Rock Star Economy Version 2' tag to New Zealand at present.

However, the headline numbers hide ongoing poor productivity growth and stagnant export volumes. Per capita GDP is weak with growth increasingly dependent on the sugar rush of massive immigration lows. At 70,000 per annum on a percentage basis, immigration inflows are double those of the UK, one of the key factors that led to the Brexit vote being successful. The weak underbelly of the economy and the massive pressure on infrastructure to meet population growth will be key factors as we approach the general election later this year.

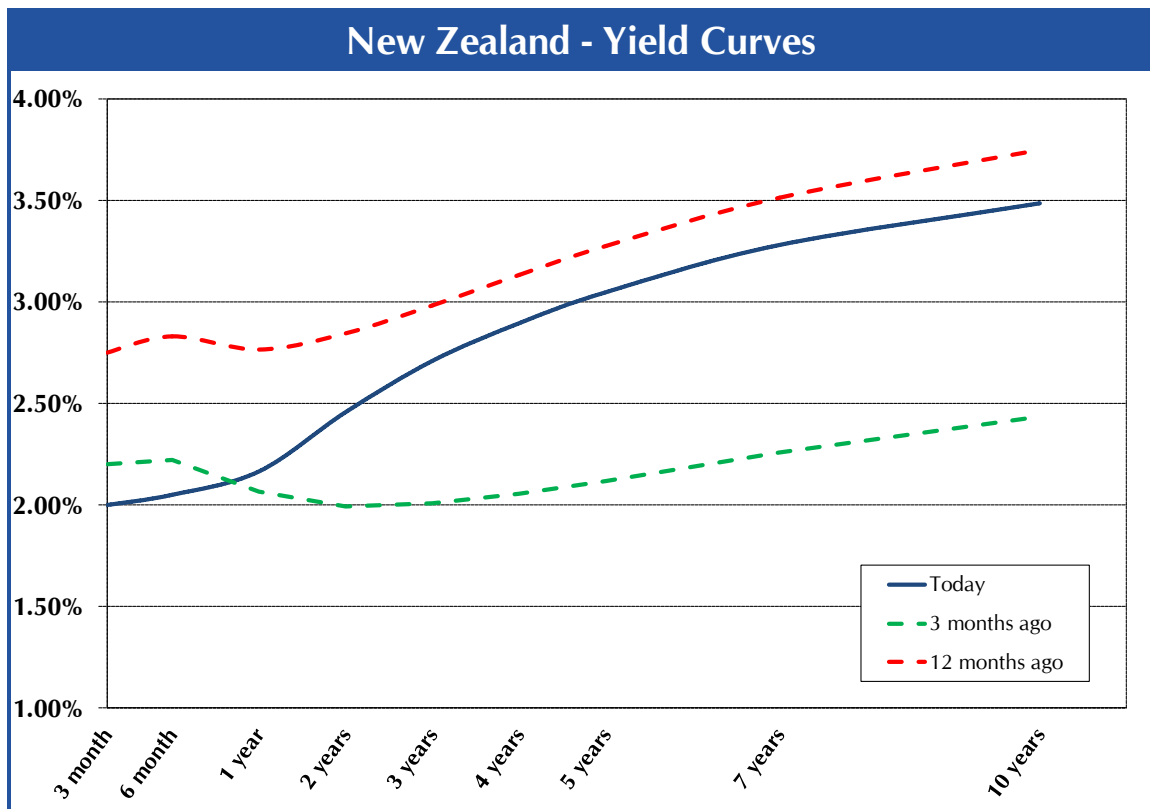
For the financial markets, the Reserve Bank of New Zealand's ("RBNZ") *Monetary Policy Statement*, released the day after the US election, seemed little more than an afterthought. The RBNZ delivered an Official Cash Rate ("OCR") cut to 1.75% and an assessment in line with market expectations. The RBNZ clearly indicated that, subject to its projections and assumptions, 1.75% will be the floor for the OCR in this cycle but the plan is to keep the rate there for the next three years, or more. Since then however local market pricing implies at least one cash rate hike this year as analysts' factor in higher global inflation driven by increased oil prices after the OPEC deal on production cuts and the potential impact of a Trump stimulus package.

Bond yields and swap rates in New Zealand, already moving higher before the US Presidential election, climbed sharply once news of the Trump victory had been digested. On an open to close basis the 10 year swap rate climbed 1.25% during the quarter, and with shorter term swap rates not subject to the same upward pressure as longer term rates, the yield curve has steepened sharply. The market indicator 2 years to 10 years swaps spread increased from 47 basis points at the beginning of the quarter to 104 basis points by the end of December.



The sentiment that has so far produced Brexit and the Trump victory, specifically an anti-establishment backlash, characterised by a move away from globalisation and the attendant free movement of labour and trade across borders could well be mirrored in other countries, notably those in Europe. This will no doubt heighten the risk of “idiosyncratic shocks” to the New Zealand economy, due to our reliance on global trade, and thus create more volatility in medium and longer term interest rates in particular.

The chart below shows the change in the shape of the yield curve over the past three months and one year, with the sharp up-move in the December quarter clearly visible.

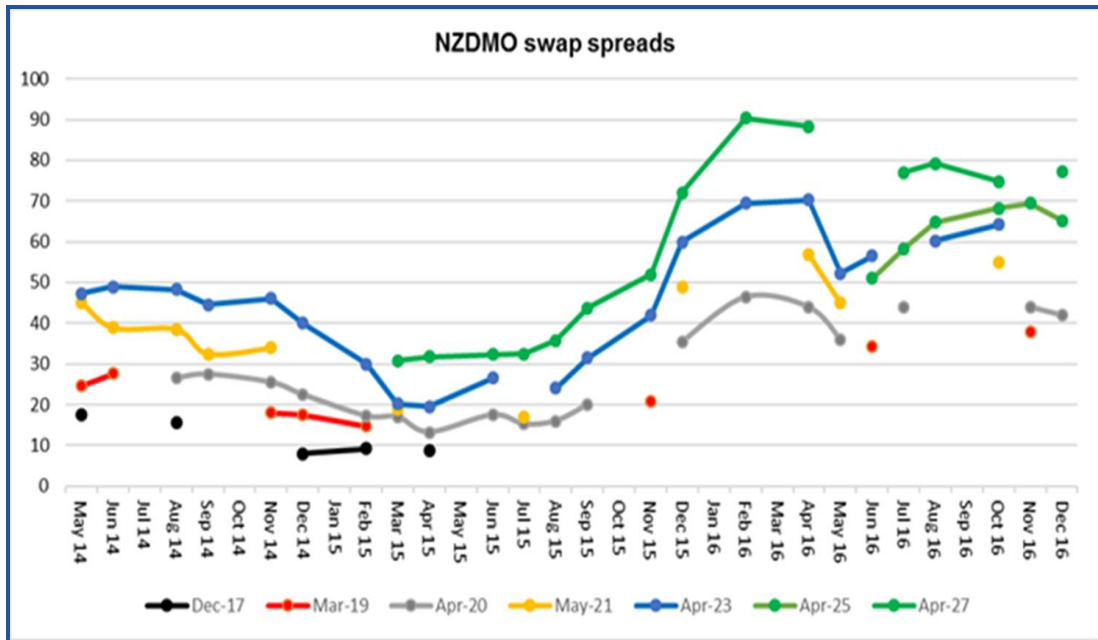


### 1.3 LOCAL AUTHORITY SECTOR

The Local Government Funding Agency (“LGFA”) held its last tender for the quarter on 14 December 2016. In total, \$170 million of bonds and Floating Rate Notes (“FRNs”) were issued. A total of \$527 million of bids were received, equating to a bid to issuance ratio of 3.1. Details of the tender were as follows:

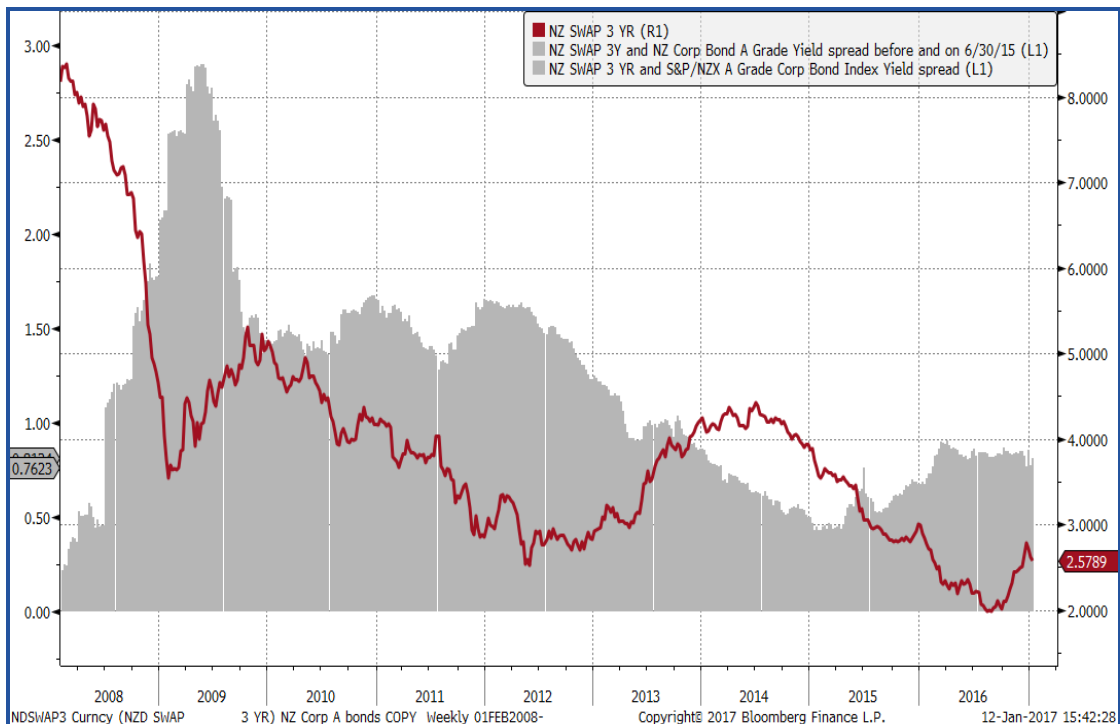
- 15 April 2020 maturity - \$25 million issued at a margin of 61 basis points over swap for an ‘A+’ rated borrower.
- 15 April 2025 maturity - \$100 million issued at a margin of 88 basis points over swap for an ‘A+’ rated borrower.
- 15 April 2027 maturity - \$45 million issued at a margin of 96 basis points over swap for an ‘A+’ rated borrower.

The chart below depicts the swaps spreads for the varying LGFA maturity dates going back to May 2014 and shows the relative stability of LGFA issuance spreads over the last few months, a period that has been notable for significant increases in the margins applying to bank debt.



1.4 CREDIT SPREADS

The chart on the following page shows credit spreads for the S&P/NZX Corporate 'A' Grade Bond index (the grey shaded area) and the three year swap rate (red line) dating back to 2008. At the end of September 2016, the average credit spread of the index was 83 basis points. It climbed slightly to end December at 86 basis points.



## 2. DEBT AND HEDGING

### 2.1 DEBT

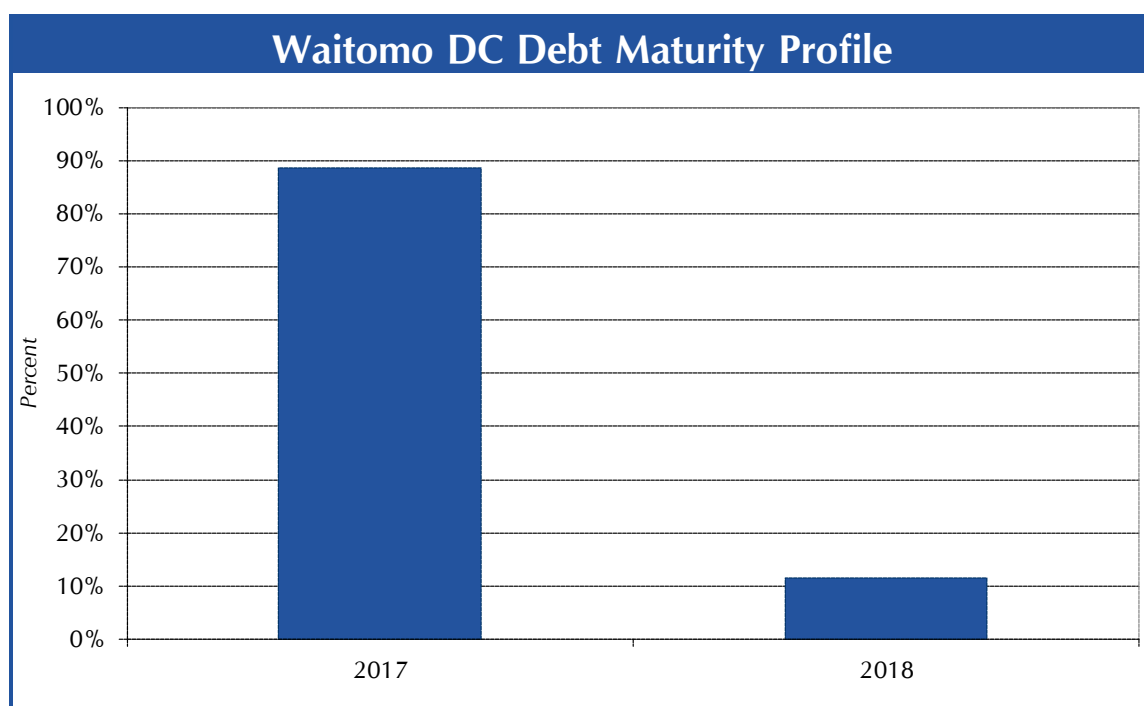
As at 31 December 2016, Waitomo District Council ("WDC") had \$44,310,000 of external debt. Of this, \$28,560,000 was provided by Westpac Bank, drawn on the Wholesale Advance Facility ("WAF") and a Term Loan of \$750,000 which was on-lent to Inframax. In addition, WDC has \$15,000,000 of FRNs outstanding. A breakdown of the funding profile is contained in the table below:

Loans			
Value Date	Reprice/Maturity	Base Rate	Amount
<b>Advance Facility</b>			
20-Oct-2016	20-Jan-2017	2.1730%	5,000,000
07-Oct-2016	06-Jan-2017	2.2300%	5,000,000
20-Oct-2016	20-Jan-2017	2.1730%	3,000,000
16-Nov-2016	16-Feb-2017	2.1150%	6,000,000
05-Nov-2016	05-Jan-2017	1.9500%	3,560,000
30-Nov-2016	28-Feb-2017	2.0900%	6,000,000
<b>Term Loan</b>			
14-Nov-2016	13-Feb-2017	5.2000%	750,000
<b>FRNs</b>			
28-Aug-2015	28-Aug-2018	2.0250%	5,000,000
18-Apr-2012	18-Apr-2017	2.1250%	5,000,000
06-Aug-2014	06-Aug-2017	2.1200%	5,000,000
<b>TOTAL</b>			<b>44,310,000</b>

The term loan of \$750,000 that has been on-lent to Inframax has interest rate resets every three months. The current rate is 5.20%, with the next reset due on 13 February 2017.

The maturity profile of WDC's debt is depicted in the graph on the following page. It includes the \$15,000,000 of FRNs on issue and the \$28,560,000 of bank debt (including the Inframax loan). 88.52% of WDC's debt matures in 2017 - along with the bank debt, there are \$10,000,000 of FRNs maturing in that year.

Section 7.2 of the Liability Management Policy states *"To avoid a concentration of debt maturity dates Council will, where practicable, aim to have no more than 50% of debt subject to refinancing in any 12 month period."* This is an objective, not an actual requirement, so the 88.52% of debt maturing in 2017 does not constitute a breach of the Treasury Policy.



WDC has been successful in its application to join the LGFA, with the process expected to be completed before the end of the March 2017 quarter. This will result in the bank facility with Westpac being reduced to around \$5.0 million. When WDC draws down the LGFA debt, we will incorporate a range of maturities in the debt profile which will significantly reduce WDC's funding concentration risk in 2017. Also, the LGFA debt will reduce WDC's weighted average cost of funds and lengthen its debt maturity profile.

## 2.2 HEDGING

As at 31 December 2016, WDC had ten interest rate swaps to convert a portion of the floating rate exposures associated with the FRNs and bank debt into a fixed rate. Six of the interest rate swaps are current and four are forward starting. Details of the interest rate swaps are contained in the table below:

Start Date	Maturity Date	Swaps Rate	Amount	Market Value
21-Jan-2014	21-Jan-2017	3.950%	5,000,000	(\$23,784)
10-Sep-2012	10-Sep-2017	3.880%	5,000,000	(\$66,859)
30-Aug-2013	30-Aug-2019	3.900%	3,500,000	(\$119,628)
30-Aug-2013	30-Aug-2019	3.900%	1,500,000	(\$51,269)
18-Oct-2013	18-Apr-2020	4.315%	8,000,000	(\$300,892)
31-Mar-2014	17-May-2021	4.900%	6,000,000	(\$504,184)
<b>Total current hedging</b>			29,000,000	
<b>Forward starting swaps</b>				
24-Jan-2017	24-Jan-2024	3.840%	5,000,000	(\$175,565)
11-Sep-2017	11-Sep-2020	3.780%	5,000,000	(\$107,480)
18-Apr-2017	18-Apr-2023	3.950%	3,000,000	(\$113,006)
20-Apr-2020	20-Apr-2025	3.930%	5,000,000	(\$22,061)
				<b>(\$1,484,729)</b>

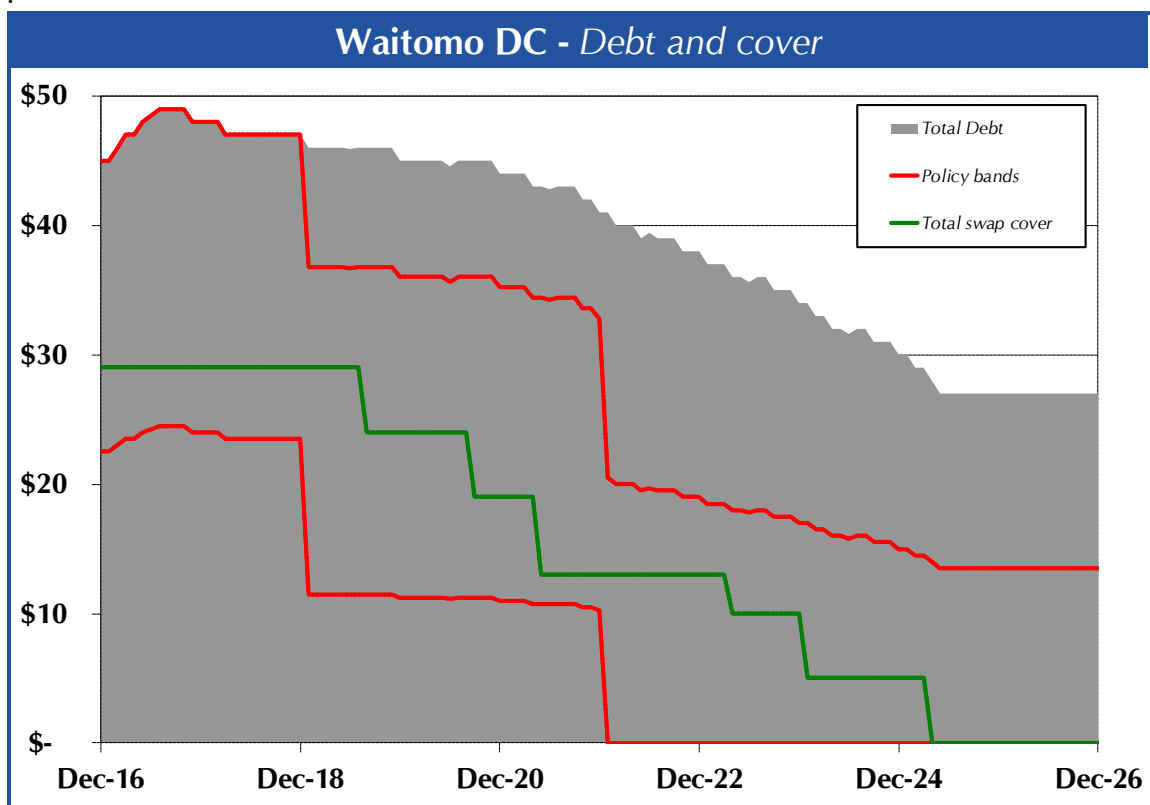
There were no new interest rate swaps entered into during the December quarter, as none were required for policy compliance purposes, with WDC currently sitting comfortably within its hedging bands.

The 'marked to market' revaluation on the swap portfolio improved markedly from minus \$2,953,936 at the end of September to minus \$1,484,729 at the end of December. This improvement fall was a result of the significant rise in medium and longer term interest rates during the quarter.

### 2.3 DEBT AND HEDGING PROFILE

WDC manages its debt under the fixed rate hedging parameters detailed in the table below. The debt profile incorporating these parameters, and the fixed rate swaps and using projected debt figures supplied by WDC are depicted in the graph below the table. This indicates that, as at 31 December 2016, WDC was policy compliant.

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate	Maximum Fixed Rate
0 – 2 years	50%	100%
2 – 5 years	30%	80%
5 – 10 years	0%	50%



WDC's weighted average cost of funds as at 31 December 2016, including the bank line fee and margin, was 4.57%, down from 4.64% at the end of September. WDC's cost of funds still compares very favourably with many of its peers, all of whom would have a higher explicit or implicit credit rating, which all things being equal should give them a lower cost of funds. The fact that WDC has a lower cost of funds demonstrates the success of WDC's funding and interest rate risk management activities over the past few years.

#### 2.4 POLICY COMPLIANCE (AS AT 31 DECEMBER 2016)

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

This document has been prepared by Bancorp Treasury Services Limited ("BTSL"). Whilst all reasonable care has been taken to ensure the facts stated are accurate and the opinions given are fair and reasonable, neither BTSL nor any of its directors, officers or employees shall in any way be responsible for the contents. No liability is assumed by BTSL, its directors, officers or employees for action taken or not taken on the basis of this document.

**Document No:** A341770

**Report To:**

**Council**



**Meeting Date:** 28 February 2017

**Subject:** **2016 Christmas Parade Management Report**

**Type:** Information Only

### **Purpose of Report**

- 1.1 The purpose of this business paper is to provide Council with a briefing on the outcome of the Waitomo District Christmas Parade 2016.

### **Background**

- 2.1 The Waitomo District Christmas Parade is held annually in Te Kuiti.
- 2.2 The 2016 Christmas Parade was held on Friday 9 December 2016.

### **Commentary**

- 3.1 The theme for the 2016 Waitomo District Christmas Parade was "All I want for Christmas is..".
- 3.2 Celebrations commenced at 6:30pm with the Te Kuiti Highland Pipe Band once again leading the parade.
- 3.3 Weather conditions were good on the day and the start time of 6.30pm was well received by participants as the heat of the day had passed.
- 3.4 Twenty one floats participated in the parade. Participants included schools, community groups and local businesses.
- 3.5 The quality and creativeness of the floats was very good and the effort that was put into each float was evident.
- 3.6 First, second and third placeholders were:
  - 1<sup>st</sup> Place: WDC Roding/Inframax Team
  - 2<sup>nd</sup> Place: Number 12
  - 3<sup>rd</sup> Place: Imperious Dance Company
- 3.7 TKDI supported the event once again by providing Santa and his sleigh.
- 3.8 The Journey Church Band entertained the general public prior to the parade commencing. The band was set up beside the i-SITE in the bus shelter playing for approximately 1 hour.



- 3.9 Following the parade staff received numerous enquiries from community groups regarding next year's theme so they could be well prepared.
- 3.10 The theme for 2017 Christmas Parade will be confirmed and socialised with the community within the next two months.

**Suggested Resolutions**

- 1. The business paper on the 2016 Christmas Parade Management Report be received.



HELEN BEEVER  
**GROUP MANAGER – COMMUNITY SERVICES**

February 2017

**Document No: A341799**

**Report To:**

**Council**



**Meeting Date: 28 February 2017**

**Subject: Progress Report: Civil Defence Emergency Management Joint Committee Minutes**

## Purpose of Report

- 1.1 The purpose of this business paper is to provide Council with information relating to the Civil Defence Emergency Management (CDEM) Joint Committee meeting of 3 November 2016.

## Background

- 2.1 The Waikato Civil Defence Emergency Management (CDEM) Group is a consortia of local authorities, emergency services, lifeline utilities, welfare organisations, Government departments and non-government organisations.
- 2.2 The role of the group is to work in partnership with communities ensuring effective and efficient delivery of emergency management within the Waikato region.
- 2.3 The Waikato CDEM Group boundary is based largely on Waikato Regional Council's boundary. The CDEM Group area covers approximately 24,000 square kilometres of the central North Island extending from Mt Ruapehu in the south to Port Jackson (at the tip of the Coromandel Peninsula) in the north.
- 2.4 Eleven local authorities within the Waikato region have joined together to establish a CDEM Joint Committee. Each council is represented by one elected member who is the Mayor/Chair or delegated elected representative.
- 2.5 The Joint Committee works together to minimise the potential effects of emergencies, prepare the people to respond to emergencies and help the community to recover as quickly as possible following an emergency.
- 2.6 The members of the Waikato CDEM Joint Committee are:
  1. Councillor Hugh Vercoe (Chair) (Waikato Regional Council)
  2. Councillor Leo Tooman (Dep. Chair) (Hamilton City Council)
  3. Mayor Phillip Buckthought (Hauraki District Council)
  4. Councillor Brian Hunter (Matamata-Piako District Council)
  5. Councillor Annette Williams (Rotorohanga District Council)
  6. Councillor Thomas Lee (South Waikato District Council)
  7. Councillor Anna Park (Taupo District Council)
  8. Councillor Rex Simpson (Thames-Coromandel District Council)
  9. Councillor Jacqui Church (Waikato District Council)
  10. Councillor Judy Bannon (Waipa District Council)
  11. Councillor Allan Goddard (Waitomo District Council)

- 2.7 The Co-ordinating Executive Group (CEG) for Civil Defence has requested that all minutes for the CDEMG and CEG be circulated to Council Members in an endeavour to increase the profile of Civil Defence in our Region.

### Commentary

- 3.1 Attached to and forming part of this business paper are the confirmed minutes of the Committee meetings convened on 3 November 2016.

### Suggested Resolution

The Progress Report: Civil Defence Emergency Management Joint Committee Minutes be received.



HELEN BEEVER  
**GROUP MANAGER – COMMUNITY SERVICES**

February 2014

Attachment: 1 Joint Committee Minutes – 3 November 2016

---

## Waikato Civil Defence Emergency Management Joint Committee OPEN MINUTES

---

Minutes of a meeting of the Waikato Civil Defence Emergency Management Joint Committee held in Council Chamber, 401 Grey Street, Hamilton East on Monday 28 November 2016 at 1.00pm.

### **Present**

<b>Hamilton City Council</b>	Cr L Tooman
<b>Hauraki District Council</b>	Cr P Buckthought
<b>Matamata Piako District Council</b>	Cr B Hunter
<b>Otorohanga District Council</b>	Cr A Williams
<b>South Waikato District Council</b>	Cr T Lee
<b>Taupo District Council</b>	Cr A Park
<b>Thames Coromandel District Council</b>	Cr R Simpson (from 1.06pm)
<b>Waikato District Council</b>	Cr N Smith
<b>Waikato Regional Council</b>	Cr H Vercoe (Chair from 1.01pm)
<b>Waipa District Council</b>	Cr J Bannon
<b>Waitomo District Council</b>	Cr A Goddard

### **In Attendance:**

<b>South Waikato District Council</b>	Mayor J Shattock
<b>Hamilton City Council</b>	Cr J Casson
<b>Waikato Regional Council</b>	Cr A Livingston

### **Staff**

L Cavers – CEG Chair  
 L Hazelwood – Waikato CDEM Group Controller/GEMO Manager  
 V McDonald – Team Leader Strategy and Planning  
 S Ward – Waikato CDEM Group PIM  
 D Mehrstens – Emergency Management Coordinator – Community Engagement  
 S Gibson - Emergency Management Coordinator - Administration  
 Jennie Cox – Democracy Advisor

### Welcome and Introductions

The members were welcomed to the meeting by CEG Chair (L Cavers).

### Election of Waikato Civil Defence Emergency Management Joint Committee Chair

(Agenda Item 2) Doc # 9518733

Presented by L Cavers (CEG Chair) the item sought for the Committee to elect a Chair and Deputy Chair for the triennium as provided for under Section 15 of the CDEM Act 2002

Cr Bannon nominated Cr Vercoe for the position of Chair and the motion was seconded by Cr Park. Cr Vercoe accepted the nomination.

There being no further nominations Cr Vercoe was declared the Chair.

Cr J Bannon moved/Cr A Park seconded.

CD16/26

- 1. THAT the report "Election of Waikato CDEM Group Chair and Deputy Chair" (Doc #9518733 dated 15 November 2016) be received, and**
- 2. THAT the Waikato Civil Defence Emergency Management Joint Committee appoint Cr Hugh Vercoe as Waikato CDEM Group Chair to hold office following the 2016 local authority triennial elections.**

**The motion was put and carried (CD16/26)**

The Chair Cr Vercoe assumed the Chair for the meeting from 1.01pm.

The Chair called for nominations for the position of Deputy Chair.

Cr Hunter nominated Cr Tooman for the position and Cr Bannon seconded the nomination. Cr Tooman Accepted the nomination.

There being no further nominations Cr Tooman was declared the Deputy Chair.

Cr B Hunter moved/Cr J Bannon seconded.

CD16/27

- THAT the Waikato Civil Defence Emergency Management Joint Committee appoint Cr Leo Tooman of Hamilton City Council as Waikato CDEM Group Deputy Chair to hold office following the 2016 local authority triennial elections.**

**The motion was put and carried (CD16/27)**

### Apologies

Due to Civil Defence response occurring in Kaikoura and Canterbury, an apology was received from Suzanne Vowles of MCDEM

The apologies were accepted by the Joint Committee.

The Chair invited the members and staff to complete introductions.

*Cr Simpson arrived at 1.06 pm (with apologies).*

### **Confirmation of Agenda**

(Agenda Item 4)

The agenda was accepted with no additions.

### **Disclosures of Interest**

(Agenda Item 5)

There were no disclosures of interest.

### **Minutes of Previous Meeting**

File: 03 04 18 (Agenda Item #6) Doc #9010236

Cr B Hunter moved/Cr L Tooman seconded.

CD16/28

**THAT the Minutes of the Waikato Civil Defence Emergency Management Joint Committee meeting of 5 September 2016 be received.**

**The motion was put and carried (CD16/28)**

### **Hazards in the Waikato**

File: 32 90 50 (Agenda Item #7) Doc # 9584980

Presented by Rick Liefing (Senior Regional Hazards Advisor) the Committee were provided with an update from the Waikato Regional Council Regional Hazards Team. (Presentation # 9584980).

During questions, answers and related discussion the following points were noted:

- It was noted that there was general confusion around the return period (frequency of an event) and the Annual Exceedance Probability (AEP) (the probability that an event will be exceeded in any one year). It was noted that these were statistical methods and based on measured historical information. Analysis to determine the statistics were done up to a certain date.
- 1% AEP is generally used as a benchmark statistic for Insurance and planning.
- The committee noted that the images of water in the urban area of Thames and Kaiaua were the result of a king tide and not a flooding event. There was concern over the effects of a storm or flooding event coinciding with a king tide in these areas as the effects go upstream quite a way.
- Members were advised that there would be new guidelines provided to territorial authorities and regulatory authorities from the Ministry for the Environment that would provide a sea level projections and guidelines for consideration when reviewing building consents including in coastal areas.
- A collaborative approach should be taken with the community to indicate tipping points as to what level of risk was appropriate for the community and what needed

to be mitigated in terms of the effects of climate change and flooding issues. Guidelines from Central Government would make the decisions easier, but it was noted that Council could make the decision and put the line in the sand.

- The Joint Committee has a responsibility to look at and provide submissions to territorial or regulatory authorities on matters of consents. The members were assured that staff across all the authorities had a close working relationship at the technical level especially around vulnerable coastal and river areas.

Cr R Simpson moved/Cr T Lee seconded.

CD16/29

**THAT the verbal report on Hazards in the Waikato be received.**

**The motion was put and carried (CD16/29)**

**Introduction to Waikato Civil Defence Emergency Management**

File: 40 20 10 20 (Agenda Item #8) Doc #9533281, 9499494

Presented by L Hazelwood (Group Controller) the report provided the Committee with an introduction to Civil Defence Emergency Management and an overview of the current "State of the Nation".

The members were advised that the Committee was a Joint Committee of all Councils as required under legislation. The Group Controller took his instruction from the Joint Committee. The advisory role lay with the Coordinating Executives Group (CEG) in the form of the Chair (L Cavers). The Regional Council provide administrative support to the Joint Committee, and ensure the rate for Civil Defence was collected on behalf of all members of the Joint Committee.

During questions, answers and related discussion the following points were noted:

- There were a number of staff from Waikato Civil Defence assisting as part of the earthquake deployment, to include welfare and working in the area of logistics focusing on the road as a lifeline while it is open and closed due to landslides. A full assessment of the deployment would be provided to the Joint Committee at the next meeting.
- Legal clarity was sought as to whether the deputy mayors had similar powers to that of the mayor when declaring an emergency.
- It was noted for members that for Local CDEM Operations and Delivery, there was a group under Western Waikato, a group under Thames Valley. Hamilton City and Waikato District worked in with the Civil Defence Emergency Management Group. It was further noted that while South Waikato and Taupo operate on their own, there is a Memorandum of Understanding between the two councils and Rotorua.
- Local controllers are selected through a vigorous process and it was noted that the CEG members were accountable for the delivery or integration of decisions within their council.
- Communication is regular between the local controllers and the group controller, and the relationship between them changed depending on the nature of the response required for an emergency.

Cr A Park moved/Cr N Smith seconded.

CD16/30 **THAT the report “Introduction to CDEM” (Doc #9533281 dated 17 November 2016) be received for information only.**

**The motion was put and carried (CD16/30)**

**Ministry of Civil Defence Emergency Management Update**

File: 03 04 18 (Agenda Item #9)

Due to the apology received from Suzanne Vowles, the Committee did not receive an update.

**Summarised CEG Minutes**

File: 40 20 10 02 (Agenda Item #10) Doc #9519181

Presented by L Cavers (CEG Chair) the Committee were provided with a summary of the matters raised and discussed at the last Coordinating Executive Group meeting of 3 November 2016.

During questions, answers and related discussion the following points were noted:

- A number of the recommendations noted in the minutes were captured within the Group Plan, however there was no implementation programme in place at the time of the meeting.

Cr J Bannon moved/Cr A Williams seconded.

CD16/31 **THAT the report “Summarised CEG minutes” (Doc #9519181 dated 3 November 2016) be received for information only.**

**The motion was put and carried (CD16/31)**

**GEMO Report**

File: 40 02 01 02 (Agenda Item #11) Doc #9526033

Presented by L Hazelwood (Group Controller) the report provided the Committee with an update regarding the management and governance arrangements for the Waikato Civil Defence Emergency Management Group.

During questions, answers and related discussion the following points were noted:

- The building that the GEMO would be moving in to was to be the only IL4 building in Hamilton and would house Genesis. Members were assured that it was a new building and not an upgrade of a building.
- As there was a large cost to install antenna with the temporary accommodation at Deloittes it was noted that the back-up option at mystery creek was still available in an emergency.



Cr A Goddard moved/Cr P Buckthought seconded.

CD16/32

**THAT the report “GEMO Report” (Doc #9526033 dated 16 November 2016) be received for information only.**

**The motion was put and carried (CD16/32)**

**Waikato Civil Defence Emergency Management Group Plan**

File: 40 02 01 02 (Agenda Item #12) Doc #9523874, 9275397, 9276293

Presented by L Hazelwood (Group Controller) the report provided the Committee with an overview of the Waikato Civil Defence Emergency Management Group Plan.

During questions, answers and related discussion the following points were noted:

- It was noted for members that no comments were made by the Ministry about the Group Plan. It was noted this indicated the close working relationship the GEMO had with the Ministry in developing the plan.
- The Chair, the former joint committee members and staff were commended on the comprehensive plan and it was noted the new challenge would be the implementation.

Cr A Park moved/Cr T Lee seconded.

CD16/33

**1. THAT the report “Waikato CDEM Group Plan” (Doc #9523874 dated 16 November 2016) be received,**

**and**

**2. THAT the Waikato Civil Defence Emergency Management Joint Committee adopt the Proposed Waikato CDEM Group Plan in accordance with s.52(1)(e) of the CDEM Act 2002.**

**The motion was put and carried (CD16/33)**

**Proposed 2017/2018 GEMO Work Programme**

File: 40 02 01 02 (Agenda Item #13) Doc #9523210

Presented by L Hazelwood (Group Controller) the report sought approval of the proposed 2017/2018 Group Emergency Management Office work programme and budget.

During questions, answers and related discussion the following points were noted:

- The budget for the Group goes to Waikato Regional Council’s Annual Plan for budget approval. The budget is fixed and the Group can come in under budget to build reserves but is not able to go over the budget. The Regional Council manage the budget with the Group but do not influence the budget.
- The reality of the budget for the group was that labour costs would remain within the budget, direct costs within the budget but overheads may be variable.

- The GEMO complete the role structure and templates for training but the cost of training lays with Councils at a local level. When Council gets to the next Long Term Plan the GEMO would be in a better place to estimate costs.

Cr L Tooman moved/Cr B Hunter seconded.

CD16/34

1. **THAT the report “Proposed 2017/2018 GEMO work programme” (Doc #9523210 dated 17 November 2016) be received, and**
2. **THAT the Waikato Civil Defence Emergency Management Joint Committee approve the proposed “Proposed 2017/2018 GEMO work programme and budget” to be presented to the Waikato Regional Council.**

**The motion was put and carried (CD16/34)**

### **Overview on new GECC facility**

File: 03 04 18 (Agenda Item #14)

Presented by L Hazelwood (Group Controller) the update provided the Committee with an overview on the new GECC facility.

It was noted for members that the lease was about to be signed and the final decision on square meters had been sorted prior to the meeting. The Group Controller would meet with staff from Christchurch to discuss challenges they had faced from the set-up of the all hazards centre.

Cr A Williams moved/Cr J Bannon seconded.

CD16/35

**THAT the verbal report “Overview on new GECC Facility” be received.**

**The motion was put and carried (CD16/35)**

### **2017 Meeting Dates**

File: 03 04 18 (Agenda Item #15)

Dates for the 2017 meetings were provisionally advised to members as being:

Monday 6 March 2017  
Monday 26 June 2017  
Monday 4 September 2017  
Monday 27 November 2017

It was noted that meeting would be aligned with the Regional Transport Committee where possible but there had been some movement in dates to avoid members main Council meeting days.

**Items for next meeting**

File: 03 04 18 (Agenda Item #16)

The Group Controller sought agreement from the Joint Committee to ensure that all staff who had been deployed to Kaikoura receive sufficient recognition for their service. Following deployments for the Christchurch earthquakes, Police and Fire recognised their staff with medals, but most Civil Defence staff did not receive recognition.

Cr R Simpson moved/Cr H Vercoe seconded.

CD16/36

**THAT the Waikato Civil Defence Emergency Management Joint Committee support the recognition of all the members who were deployed to assist following the Kaikoura earthquakes.**

**The motion was put and carried (CD16/36)**

Doc #9572017

**Document No:**A341843

**Report To:**

**Council**



**Meeting Date:** 28 February 2017

**Subject:** **Progress Report – Mokaiti Hall Disposal**

**Type:** Decision Required

### **Purpose of Report**

- 1.1 The purpose of this business paper is to brief Council on the intended disposal of Mokaiti Hall and to seek resolution from Council as to the sale of assets and classification of land.

### **Background**

- 2.1 During the development of the Housing and Other Property Activity Management Plan and Waitomo District Council's 2012-2022LTP four halls were identified and consulted with the public for disposal, one of these was Mokaiti Hall.
- 2.2 Many factors came into account for the decision to dispose of the halls, such as the extent of outstanding maintenance work, poor heating, insurance costs, land ownership and poor utilization.
- 2.3 In October 2012 a request was sent to the Mokaiti Hall Committee seeking a meeting to elect three representatives to form a Working Group.
- 2.4 In December 2012 a community meeting was held attended by Councilor Digby and Group Manager - Community Services where the position on Mokaiti Hall was explained to the community.
- 2.5 From this meeting a committee was formed to work with WDC to investigate options for the hall moving forward.
- 2.6 The initial committee meeting was postponed, however, a verbal discussion was held which centered on the following:
  - The local community forming a governing body to take ownership of the hall.
  - WDC would assist in facilitating the formation of the governance group.
  - The need for compliance and minor maintenance to be undertaken by WDC before this could happen.
- 2.7 In 2015 the disposal process was defined by Russell Thomson and R W Barnaby (Curnow Tizard) with several legal steps required to complete the process under the Reserves Act by Council.

### **Commentary**

- 3.1 On 9 November 2016, Staff attended a meeting with representatives of the Mokaiti Hall Committee and Community Services where the current representatives indicated their willingness to take ownership of the hall.

- 3.2 The process to allow this to happen will involve Council resolving to sell the assets on the land and the creation of a lease of the land.
- 3.3 The land was purchased by the Waitomo County Council but currently holds no classification. Council will need to pass resolutions to allow a gazette notice to be obtained to classify the land as Local Purpose (public hall) Reserve.
- 3.4 WDC will need to address current maintenance and compliance issues before the hall ownership can be transferred. A quote received in 2013 indicated this would cost between \$4,500.00 – \$6,000.00. An updated quote is being obtained and the committee have agreed to help fund this cost.
- 3.5 The key points of the transfer as outlined in 2015 is the transfer of the improvements for \$1 and the necessary clauses for the transfer back to WDC should circumstances prevail that the Mokauiti Hall committee can no longer look after the improvements. The lease term for the land will be 33 years with a right of renewal and forfeiture of the lease should the improvements revert back to WDC.

### **Recommendation**

- 8.4 It is recommended that WDC meet 50% of the maintenance and compliance costs and WDC continue to work with Mokauiti Hall Committee to finalise the transfer of the asset and lease of the land.

### **Suggested Resolutions**

- 1 The Progress Report on Mokauiti Hall Disposal be received.
- 2 Pursuant to S.16(1) of the Reserves Act 1977, and a delegation from the Minister of Conservation dated 12 June 2013, the Mokauiti Hall property be classified as Local Purpose (public hall) Reserve.
- 3 Pursuant to S.12(2)(a) of the Local Government Act 2002, the improvements located on the Mokauiti Hall property be sold to Mokauiti Hall Committee for the sum of one dollar (\$1.00)
- 4 Pursuant to S.61(2A) of the Reserves Act 1977, the Mokauiti Hall property be leased to Mokauiti Hall Committee for a term of 33 years with one right of renewal, with the lease rental being one dollar (\$1.00) subject to other terms and conditions as identified in the lease document.

HELEN BEEVER  
**GROUP MANAGER – COMMUNITY SERVICES**

**Document No: A342319**

**Report To:**

**Council**



**Meeting Date: 28 February 2017**

**Subject: Progress Report: Major Capital Works Report**

## Purpose of Report

- 1.1 The purpose of this business paper is to inform Council of progress on major new and renewal projects as identified in Council's Activity Management Plans, or which have arisen during the course of normal maintenance and operation of the Roothing infrastructure, the three Waters and some projects in the Community Services area.

## Local Government Act S.11A Considerations

- 2.1 Waitomo District Council, in performing its role as a Local Authority, must have particular regard to the renewal of all its assets as determined through prudent asset management to consistently meet the needs of the community.

## Commentary

### 3.1 Roads

Location	Description	Action	Progress
Oparure Road	Rehabilitation	Tender	Awarded ICL
		Construction	Completed
Kawhia Harbour Road	13 points of erosion on sea side	Consent applied	Consent for 11 sites received
		Design & Contract documentation	Complete Tenders evaluated
		Construction	<b>Completed</b> Site handover 18 October 2016. Further erosion apparent which increase scope of work and cost
Totoro Road	RP 8.378 to RP11.316 Various slips – retreat into bank and improve drainage	Design & Contract documentation	<b>Completed</b>
		Tender	<b>Awarded - ICL</b>
		Construction	<b>Contractor on site - Construction period targeted February to May 2017.</b>
Kumara Road	RP 3.61 Ground water induced slip – retreat into bank and improve drainage	Tender Award	End March 2016
		Construction	Complete
Ramaroa Road	2016-17 Rehabilitation site	Pre Design process in progress	Awarded to GHD to design
Rangitoto Road	2016-17 Rehabilitation site	Pre Design process in progress	Awarded to GHD to design

Location	Description	Action	Progress
Mangatoa Road	RP 3.04 Very steep slope Slip encroaching sealed road surface	Design & documentation	BCD busy with Design
Te Waitere Road	RP 0.45 & two other Sea undermining road	Concept Designs	Alternative solutions identified and being developed
		Seashore Consent	To follow
Taharoa Road	RP 7.1 Hill side moving	Concept Designs	On hold while monitoring earth movement and maintain functionality by repairing slumping as and when required.
Maraeroa Road	Seal extension	Design & Contract documentation	Complete
		Construction	Contractor on site - Construction completion targeted early part of 2017 summer period

#### 4.1 Waters

Location	Description	Action	Progress
Te Kuiti Water Treatment Plant - <b>Phase 1</b>	Stage 1 - Buffer tanks		Complete
	Stage 2 - Building, high and low level pump stations, UV installation, chemical dosing, main electrical supply and associated pile work		Complete
	Filter pipe work renewal	Pipe work manufacture Installation - 2 stages	Complete Target dates Stage 1 - 4 to 8 April Stage 2 - Target completion April 2017
Te Kuiti Water Treatment Plant - <b>Additional work</b> that become apparent	Renewal of reservoir roof structure	Steel structure corrosion turned out much worse than original assessment	Complete
	Filter & clarifier backwash storage & disposal	"Healthy rivers"	Complete
	Structural failure of filters 1 & 2	Investigation	Complete
Te Kuiti Water Treatment Plant - <b>Phase 2</b>	Intake pump station renewal	Take Consent	Completed
		Prelim design and WRC construction Consent	Completed
		Final design & Tender documentation	Awarded
		Construction	January 2017 - May 2017 (Weather permitted)
Te Kuiti Water Treatment Plant - <b>Phase 3</b>	Clarifier super structure renewal	Concepts identified	
	Clarifier refurbishment	Design, documentation & Tender	January 2017 to August 2017
		Construction - 4 stages	September 2017 to June 2018
Te Kuiti Water Treatment Filter shells	Structural failure of shells of filters 1 & 2 (of 4)	Investigation	Floor settled Remedy - Grouted
	Installation of new filters 1 & 2	Demolish existing filter 1	Completed

Location	Description	Action	Progress
		Construct new filters Prefabricated stainless steel	
		Replacement of Filter 3	Complete
		Replacement of Filter 4	Complete
Mokau Upper Dam safety	Upgrade of dam walls and Over flow provision to meet Building Act	Design & Tender	Complete
		Construction	Completed

#### 4.2 Community Projects

Location	Description	Action	Progress
Railway Building - 1		Tender awarded	
		Construction	Complete
Railway Station platform Phase -1	Section from ramp between 1 & 2 to end of rubbish enclosure	Initial quote – patch with overlay	Specification for platform surfacing confirmed
		Quote for good finished preparation with concrete and or asphalt overlay	Received and approved
		Construction	Kiwi Rail site safety approval and sign off received Construction targeted for early December 2016 Complete
Security Fence	Behind I- site	Design	Complete
		Tender docs	Being finalised
		Tender & Railway approval	Approved
		Limited time construction	Alternative construction being investigated Require Kiwi Rail site safety approval and sign off.
		Construction & Kiwi Rail oversight	Temporary fencing installed. Permanent solution will form part of the over bridge upgrade project.
Over Bridge	At I- Site	Structural investigation	Complete
		Design - Tender & Railway approval	Complete Initial estimates of works exceeded budget capacity. Revised designs for safety railings are being investigated.
		Limited time construction	Require Kiwi Rail site safety approval and sign off.
		- Kiwi Rail oversight - Close proximity to high tension power	
TK Campground	New development	Preliminary concepts	Complete
		QS Rough Order of costs and Staging	Complete
		Feasibility study & business case	August 2016 Complete
		Funding	2016-17 EAP process A business paper was presented to Council in November 2016 outlining the findings of the Feasibility study. Further investigation is now being undertaken to inform LTP 2018-2028 considerations.



Location	Description	Action	Progress
Brook Park Entrance	Entrance Construction	Design & Tender documentation	Council approved at its meeting on 6 October 2016 to include the upgrade to the entrance as a strategic issue for the 2017/2018 EAP.
Benneydale Toilet	Toilet construction	Design and tender documentation	Complete The contract has been awarded and design is being finalised. Completion date is scheduled for late May 2017.

### Suggested Resolution

The Progress Report: Major Capital Works be received.



**KOBUS DU TOIT**  
**GROUP MANAGER – ASSETS**



**HELEN BEEVER**  
**GROUP MANAGER – CUSTOMER SERVICES**

**Document No:** A342449

**Report To:**

**Council**



**Meeting Date:** 28 February 2017

**Subject:** **Progress Report: Monthly Report for Water, Sewerage and Stormwater**

**Type:** Information Only

## 1.0 Purpose of Report

- 1.1 The purpose of this business paper is to provide a progress report on the three Waters activities, including contracted services.

## 2.0 Background

- 2.1 The three Waters activities (Water Supply, Wastewater and Stormwater) provide for the environmentally safe extraction, treatment and distribution of water. Collection, treatment and disposal of wastewater and the collection and disposal of storm water within Council's stated parameters.

- 2.2 Water Supply networks are provided by Council at:

- Te Kuiti
- Mokau
- Piopio
- Benneydale

- 2.3 Wastewater networks are provided by Council at:

- Te Kuiti
- Benneydale
- Piopio
- Te Waitere

- 2.4 WDC's only reticulated Stormwater disposal network is in Te Kuiti and any exceptions will be reported on for the other areas as these arise.

- 2.5 There are three activities under each of the three Waters activities:

- 1 **Planned Maintenance:** Operation and maintenance involves the planned servicing of the three waters infrastructure – reticulation, pump stations, cleaning reservoirs, replacing old water meters, hydrants and valves.

These activities are predominantly contracted out and at present are performed by Veolia Water by means of Schedule which is worked out in accordance with the operating instructions from the manufacturer or best practices.

- 2 **Emergency Repairs:** Emergency Repairs are dealt with as they occur. They are usually dealt with immediately, and at times this impacts on the delivery of Planned Maintenance and Service Requests, which is postponed to a later time.
- 3 **Service Requests:** Service Requests are initiated by Ratepayers or Businesses across the District and are phoned in, emailed or they could be provided to the Customer Services by means of walk-in. Service Requests

are logged and forwarded to the Water Services Unit to resolve with the Contractor as a resource as needed.

## **2.6 Capital Works**

2.7 Progress reporting on Capital Works will predominantly focus on Renewals and Upgrades.

## **2.8 Water Rates and Charges**

2.9 Residential and small business water rates are charged quarterly. Extraordinary water user meters are read half yearly. The two major Trade Wastewater user meters are read monthly and charged monthly.

## **3.0 Commentary**

### **3.1 Drinking Water Standards 2005 (Amended 2008)**

3.2 The Health (Drinking Water) Amendment Act 2007 amended the Health Act 1956. This impose a duty on all water suppliers to ensure their water is safe to drink.

3.3 Drinking water supplies must meet the standards as set out by the Drinking Water Standards 2005 (Amended 2008).

3.4 These Standards are to ensure a minimum safe standard for drinking water, appropriate for the level of population and compliance with statutory monitoring requirements.

### **3.5 Treatment Process and Log Reduction**

3.6 The supply of treated of drinking water is a process that takes place from the abstraction from the source through to the final consumption. To mitigate the risk for public health a number of barriers against risk of potential contaminant are introduced to eliminate, or at least minimise, the risk to acceptable levels.

3.7 There are 3 dominant levels of potential contaminants that may cause harm to public health, namely:

3.7.1 Protozoa with the standard organism determining the level of treatment being Cryptosporidium.

3.7.2 Bacteria with the standard organism determining the level of treatment being Escherichia Coli (E.Coli).

3.7.3 Pollutants that occur with specific treatment for the type of environmental, chemical or other pollutants.

*To take account of the additive effect of a series of cumulative treatment processes on the removal of protozoa, 'Log Credits' are used, Cryptosporidium being used as the reference organism. The level of treatment and the resultant "Log Credits" are detailed in the DWS NZ 2005 (2008). The log credit for a treatment process is related to the percentage of the protozoa the process can remove, by the expression:*

$$\text{log credit} = \log_{10}[1/\{1-(\text{percentage removal}/100)\}]$$

- 3.8 The Drinking Water Assessor appointed by the District Health Board assigns the Log Credits after an assessment is made of the raw water source and abstraction location.
- 3.9 The level of treatment is determined by the Log Reduction required with resulting Credits obtained to assign a score to the treatment barriers provided.
- 3.10 Treatment processes range from:
- Bores – secure, interim and non-secure.
  - Coagulation / flocculation – chemical treatment to settle out heavier contaminants by attracting particles together for easier removal.
  - Filtration - this can be through various types of filters with sand being the most common type.
  - Disinfection – can either be chemical (chlorine, ozone, etc) or by means of irradiation (ultra-violet light).
  - A combination of the above.
- 3.11 Each treatment process, or barrier, reduces the risk of harm to public health. To test for the effectiveness of the treatment, the water quality is tested and monitored for compliance both with operational and regulatory requirements. The regulatory compliance results are reported to the District Health Board.
- 3.12 The appropriate level of monitoring is determined by the population size of the drinking water scheme. The smaller the population the lower the risk of a major outbreak of disease with a resultant smaller impact. The drinking water schemes in the Waitomo District under Council's control fall in a small scale range:
- Te Kuiti – Minor (permanent population less than 5,000)
  - Benneydale – Small (permanent population less than 500)
  - Piopio – Small (permanent population less than 500)
  - Mokau – Small (permanent population less than 500)
- 3.13 The DWS NZ prescribes the number, frequency and maximum period of days between sampling for various compliance criteria. The test has to be performed to strict standards at an accredited laboratory. WDC currently send all compliance samples to Watercare Laboratories in Auckland. Operational sampling is done by means of portable analysers and on-line instrumentation.
- 3.14 **Te Kuiti Water Supply**
- 3.15 In accordance with the DWS NZ, the Te Kuiti water supply is classified as a Minor Water Supply due to Te Kuiti's permanent population being less than 5,000 residents.
- 3.16 At this time, the water treatment process cannot comply with the standard set for the Log 4 requirement due to a technicality (each water filter within the TKWTP (4) must be fitted with its own turbidity meter). Currently there is only one turbidity meter to measure the operation for the four filters, resulting in technical non-compliance for Protozoa treatment, although the physical barrier for protozoa removal is in place.

- 3.17 The Te Kuiti Water Treatment Plant upgrade project will address this in that each filter will have a separate turbidity meter. In addition the upgrade will introduce an additional contaminant barrier through the introduction of Ultra Violet disinfection to ensure protection for Protozoa contamination.
- 3.18 During the period under review the Te Kuiti treated reticulation water supply did not conform to bacteriological disinfection compliance.
- 3.19 The Te Kuiti water supply has been confirmed safe to drink and the supply is continuously monitored for compliance utilising on-line analysers for direct compliance reporting.
- 3.20 More sampling is done than the minimum required by the DWS NZ to manage any potential risk as a result of potential failure of one of the treatment processes.
- ~~3.21 Progress has resumed with the filter pipe work. A new valve was installed to isolate the WTP from the reticulation.~~
- ~~3.22 The new Filter 3 will be installed once the old concrete filter structure is demolished and is scheduled to be fully operational by 20 December 2016.~~
- ~~3.23 At that time the WTP will have 3 new filters operating with the old filter 4 also operating with new pipe work and discharging to the new WTP portion and will, in essence, be operating at full capacity.~~
- 3.21 After the Christmas shut down Filter 4 will be taken off line in January 2017 and will be demolished to make way for the new Filter 4. Filter 3 is complete and operational.
- 3.22 Filter 4 has been installed and the pipe work is undergoing installation. The filter will be operational in the first week of March 2017. After that the SCADA control will be programmed for full automated function.
- 3.23 Two low Free Available Chlorine (FAC) levels were recorded due to disinfection equipment failure. An investigation is under way to determine the cause. WDC are working with the supplier to resolve the issues experienced.
- 3.24 One of the low FAC incidents resulted in a positive E.Coli count in one of the samples. In terms of the New Zealand Drinking Water Standards the single E.Coli count does not warrant a Boil Water notice.
- 3.25 In addition all other samples were free of E.Coli and the follow up sample proved no E.Coli present in all samples.
- 3.26 The Waikato DHB has been informed of these incidents and all results from both incidents were made available to the Population Health Department and Drinking Water Assessor.

### ~~3.24~~ 3.27 Te Kuiti Wastewater

- 3.28 ~~A bypass pipe was installed to allow the waste water treatment plant to remain operational when the filters are shut down for maintenance or break downs.~~ The discharge from the Te Kuiti WWTP exceeded parameters for Nitrogen and E.Coli during December and January.
- 3.29 Remedial action was taken to correct the non-compliance immediately when the results came in. Operational adjustments were made to bring the Nitrogen within compliance limits.

3.30 The disinfection was compromised when a pipe split that went unnoticed until the E.Coli results showed up the non-compliance. This was corrected immediately when the fault was located.

~~3-253.31~~ Both non-compliance incidents were reported to the Waikato Regional Council.

~~3-263.32~~ There has been a non-compliance in the E.Coli component of the Resource Consent. This was reported to the Waikato Regional Council in the Resource Consent Report. This will be elaborated on in that business paper to Council. In terms of the Resource Consent granted by the WRC, Condition 20, the treatment plant has to be operated by a suitably qualified treatment plant operator. With the recent resignation of one of the Treatment Plant Operators WDC is non-compliance at the present time.

### ~~3-273.33~~ **Te Kuiti Stormwater**

~~3-283.34~~ No flooding incidents occurred during the reporting period.

### ~~3-293.35~~ **Piopio Water Supply**

~~3-303.36~~ The water source was assessed to require treatment to Log 4 (due to the raw water source being a river/stream with a certain level of contaminants and potential disease causing organisms) There have been no issues with the Piopio water supply and the water is safe to drink.

~~3-313.37~~ The Piopio Water Supply is classed as a Small Water Supply.

~~3-323.38~~ Piopio's treated reticulation water supply complies with the Log 4 treatment requirements.

~~3-333.39~~ The Piopio treated reticulation water supply is compliant with the bacteriological requirements and is safe to drink.

### ~~3-343.40~~ **Piopio Wastewater**

~~3-353.41~~ The Piopio Waste Water Treatment Plant Discharge Consent requires that the Ammoniacal Nitrogen levels remain below 10 mg/l throughout the year.

~~3-363.42~~ The parameters have stabilized below the threshold.

~~3-373.43~~ The Piopio WWTP discharge is compliant in terms of the Waikato Regional Council discharge consent.

~~3-383.44~~ All aspects of the WWTP are within expectations.

### ~~3-393.45~~ **Benneydale Water Supply**

~~3-403.46~~ The water source was assessed to require treatment to Log 3 (due to the raw water source being a river/stream with a certain level of contaminants and potential disease causing organisms).

~~3-413.47~~ The Benneydale Water Supply is classed as a Small Water Supply.

~~3-423.48~~ The current configuration of the treatment process does not allow this Log reduction to be achieved. WDC is in discussion with the Waikato District Health Board to address certain restrictions that currently prevent the Plants compliance with the required barrier arrangements. These restrictions are technical in nature that prevents log credits being obtained for treatment barriers in place.

~~3-433.49~~ The Benneydale reticulated treated water supply is compliant for bacteriological requirements and is tested safe to drink.

~~3-443.50~~ There were no problems with the Benneydale water supply.

### **~~3-453.51~~ Benneydale Wastewater**

~~3-463.52~~ Similar to the Piopio Waste Water Discharge Consent limits for Ammoniacal Nitrogen, Benneydale also showed an increase in the concentrations with the limits of 35 mg/l exceeded.

~~3-473.53~~ The operators also dosed soda ash here and the results have shown an improvement in the concentration limits.

~~3-483.54~~ Further dosing is required and the operators are monitoring progress.

~~3-493.55~~ This dosing process is still ongoing and dosing rates are being trialed to determine optimum results.

~~3-503.56~~ During the investigations of the high ammoniacal nitrogen concentrations in the effluent discharge it has become apparent that wetland treatment is in need of a renewal due to issues with the liner.

~~3.57~~ ~~A new liner is being installed and the plants are going to be renewed. This work is in progress~~The new liner has now been installed and the wetland is awaiting the installation of the floating docks for the specialist new plants.

3.58 The results, since the wetland has been improved, show that the Ammoniacal Nitrogen levels have returned to well below the limits and that the plant is again compliant.

~~3-513.59~~ The environmental impact has been very low due to the high unseasonal rainfall that is being experienced throughout the district. This dilutes the effluent and the values in the stream are well below environmental maximum allowable values.

### **~~3-523.60~~ Mokau Water Supply**

~~3-533.61~~ The water source was assessed to require treatment to Log 4 (due to the raw water source being a river/stream with a certain level of contaminants and potential disease causing organisms)

~~3-543.62~~ Water quality of Mokau is good and within limits of the Drinking Water Standards.

~~3-553.63~~ The Mokau Water Supply is classed as a Small Water Supply.

~~3-563.64~~ Although the WTP is currently non-compliant for Log 4 treatment, the plant incorporates both chlorine and Ultra-Violet disinfection treatment processes to disinfect the treated water that allows safe drinking water to the community. The source water has a high concentration of iron and the plant is not designed for iron removal. This causes the water to be aesthetically being affected by colour, taste and odour.

~~3-573.65~~ The Manager: Water Services is reviewing the treatment process to determine alterations, if required, to bring the WTP to comply with the Log 4 treatment requirements.

- ~~3.583.66~~ Price proposals have been obtained and a process engineer will be appointed in due course to investigate and report on the plant performance and how to be able to claim the log credits
- ~~3.593.67~~ The water in Mokau has shown an improvement in quality since chemical dosing is being trialed.
- ~~3.603.68~~ Investigation into providing a permanent solution to the Mokau water issue is being undertaken. This includes both the water quality and pressure issues.
- ~~3.69~~ ~~Prices have been obtained and a contractor will be employed in due course to start installing the high level reservoir tanks to improve the supply pressure to all residents.~~ The new high level water supply tanks are installed. Pipe work connecting the new tanks to the supply main has been completed.
- 3.70 The next phase is to install the new high lift pump supplying the new tanks from the existing reservoirs.
- 3.71 The ultra-sonic algae control devise has been installed permanently and is showing good results with the raw water in the dam clearing up.
- 3.72 The water quality has improved considerably since the remedial work has been started and residents spoken to have indicated that the water tastes and smells much better than before.
- 4.0 No further issues have been found with the reticulation and the midnight flow, an indication or inherent leaks, show that the leakage has slowed considerably.
- 4.1 Te Waitere Wastewater**
- 4.2 Te Waitere Wastewater pump stations operated without any faults and the pump operation is monitored remotely.
- ~~4.24.3~~ The Te Waitere Waste Water Discharge Consent is due for renewal and the process has begun to apply for this.



## 5.0 Capital Projects

### 1. Water

Description of Project	Estimate	Project Start	Progress	Current Expenditure
Water Treatment Plant Upgrade – Pipe Work Installation	\$850,000 (Engineer Estimate - \$737,311 original estimate) plus variations to date \$775,784	August 2015	<del>Work is delayed due to backwash pump issues and the unforeseen filter break down</del> Work has been delayed due to the replacement of the filters. This contract can now resume. The commissioning of the UV disinfection units is scheduled to be completed before the end of February 2017.	\$812,709.51
Water Treatment Plant Upgrade Electrical, SCADA & Telemetry	Tender plus variations \$1,324,379	April 2015	Progress is maintained as civil works progress	\$1,232,794.80
Hetet Street water main replacement	\$60,000	<del>January</del> May 2017	Tenders received and evaluation in progress.	\$3,005.00
Awakino / Blackmans water main replacement	\$35,000	<del>January</del> March 2017	Tenders received and evaluation in progress.	\$3,005.00
Henderson / Earl Street water ring main	\$35,000	<del>January</del> April 2017	Tenders received and evaluation in progress.	\$1,995.00

### 2. Wastewater

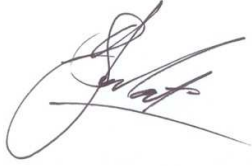
Description of Project	Estimate	Project Start	Progress	Current Expenditure
Te Kuiti River Crossing	\$95,000	March 2017	Tenders received and evaluation in progress.	\$8,079.00
Carroll Street Pipe Insertion	\$45,000	<del>February</del> April 2017	Tenders received and evaluation in progress	\$17,879.00
Nettie Street Pipe Reroute	18,000	March 2017	Tender received and evaluation in progress.	\$4,087.50
Benneydale Sewer Rehabilitation	\$35,000	Due to current work load this has been delayed and will be completed before the end of April 2017	One pipe bridge requires repairs and 3 minor faults are to be rectified	\$21,485.00

### 3. Stormwater

Description of Project	Estimate	Project Start	Progress	Current Expenditure
Edwards Street 450 mm	\$80,000	<del>January</del> March 2017	Tenders received and evaluation in progress.	\$5,292.50
Hill Street Storm Water	\$42,000	<del>January</del> April 2017	Tenders received and evaluation in progress	\$1,500.00

**Suggested Resolution**

The Progress Report: Monthly Report for Water, Sewerage and Stormwater be received.

A handwritten signature in black ink, appearing to read 'Kobus Du Toit', with a large, stylized flourish at the end.

KOBUS DU TOIT  
**GROUP MANAGER - ASSETS**

Document No: A342425

File No:qA551

**Report To:****Council****Meeting Date: 28 February 2017****Subject: Progress Report: WDC Resource Consent  
– Compliance Monitoring****Information Only**

## 1.0 Purpose of Report

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

## 2.0 Local Government Act S.11A Considerations

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

**11A Core services to be considered in performing role**

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

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

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

## 3.0 Risk Considerations

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

## 4.0 Commentary

- 4.1 WDC is required to report on Resource Consent compliance to the Waikato Regional Council (WRC) in accordance with the conditions that regulate the various Resource Consents held by WDC.
- 4.2 The following tables set out details of the compliance reporting requirements for WDC's Resource Consents.

RESOURCE CONSENT	REPORT DUE
<b>Monthly</b>	
No. 112639 - Te Kuiti Wastewater Treatment Plant Conditions 7 to 19 (Discharge) Condition 30 (Reasonable Mixing)	Monthly
No. 116844 - Benneydale Water Treatment Plant Condition 9 (Surface Water Take)	Monthly
No. 117290 - Piopio Wastewater Treatment Plant Condition 26 (Discharge)	Monthly
<b>Quarterly</b>	
No. 101753 - Rangitoto Quarry Landfill, William Street, Te Kuiti Condition 11 TEKLR 20	February, May, August, November
No. 124718 - Rangitoto Quarry Landfill, William Street, Te Kuiti Conditions 7 and 14 (SW2) TEKLR 32	February, May, August, November
<b>Six Monthly</b>	
No. 133317 - Te Kuiti Water Treatment Plant Condition 11 (Water Take)	January/July
No. 118813 - Benneydale Wastewater Treatment Plant Condition 16 to 23	January/July
No. 120048 - Te Kuiti Wastewater Treatment Plant Condition 6 (Groundwater b1 to b7)	February and August ( <i>also include in Annual Report 30th September</i> )
No. 117945 - Benneydale Water Treatment Plant (Backwash)	April/October
No. 124718 - Te Kuiti Landfill (William Street) Condition 6 and 14 DH2/3/4/7 (Oct to March, April to Nov)	April/October
No. 107477 - Piopio Water Treatment Plant Conditions 6 and 9 (Water Take) (Nov-April, May-Oct)	May/November
No. 107478 - Piopio Water Treatment Plant (Backwash) (Nov-April, May-Oct)	May/November
No. 101753 - Rangitoto Quarry Landfill, William Street, Te Kuiti Condition 10 TEKLR10 (*)	May/October

RESOURCE CONSENT	REPORT DUE
<b>Annually</b>	
No. 118813 - Benneydale Wastewater Treatment Plant Condition 23 (Discharge to Land and Water)	31st March
No. 124718 - William Street, Te Kuiti Conditions 7 & 14 (SW1,SW2, SW3, SW4, SW5)	April or May
No. 120340 - Mokau Closed Landfill Condition 3, 6 & 10	May
No. 113038 - Te Kuiti Water Treatment Plant Conditions 1 & 2 (Ground Water Take)	1st of May
No. 105054/55/56/57/58/59/60 - Waitomo Stormwater Schedule A (22) Conditions 4,5 & 6	31st May
No. 105054 - Te Kuiti Stormwater Condition 6	31st May
No. 116274 - Benneydale Water Treatment Plant Conditions 2, 3, 4 & 7 (Groundwater Take)	1st of June
No. 113544 - Mokau Water Treatment Plant (Water Take)	July
No. 113545 - Mokau Water Treatment Plant (Backwash)	July
No. 101753, 101754 and 124718 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Condition Schedule 1(5) and 13	1st August
No. 101753, 101754 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Consents Schedule 1 (6) <b>Independent Peer Reviewer</b>	1st September
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 20 (Discharge)	September 30th
No. 103287, 103288 and 103289 - Te Kuiti Walker Road - Closed Landfill Discharge to Land, Air and Divert (Nov, Jun)	November <i>(within two months of sampling)</i>
No. 103193 - Benneydale Closed Landfill SH30 Conditions 2, 3 and 5	November <i>(within two months of sampling)</i>
No. 103194 - Conditions 2 and 3	

RESOURCE CONSENT	REPORT DUE
No. 103196 - Piopio Closed Landfill Condition 2, 3 and 4	November ( <i>within two months of sampling</i> )
No. 103198 - Aria Closed Landfill Conditions 2 and 4	November ( <i>within two months of sampling</i> )
<b>Biennial</b>	
No. 120048 - Te Kuiti Wastewater Treatment Plant Condition 7 (Groundwater b1 to b7)	December 2016
No. 117290 - Piopio Wastewater Treatment Plant Condition No 7 and 9 (Discharge) (Operations and Management)	September 2014, 2016, 2018, etc.
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 24	June 2015 ( <i>and every two years after</i> )
No. 118813 - Benneydale Wastewater Treatment Plant Condition 27 (Management Plan Review)	from 2010 every two years
<b>Other</b>	
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 28 (after 3 years Fish Passage/Migration Barrier Assessment)	Monday, 18 December 2017
No. 133317 - Te Kuiti Water Treatment Plant Condition 10 (Telemeter)	1st July 2018

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

1. RC 112639 – Te Kuiti WWTP – Monthly Report for November 2016 (Doc A337525)
  - Compliance Achieved
2. RC 117290 – Piopio WWTP Effluent Discharge – November 2016 (Doc A337519)
  - Compliance Achieved
3. RC 116844 – Benneydale Water Supply – Surface Water Take (Doc A336982)
  - Compliance achieved
4. RC 103198 and 103199 – Aria Closed landfill – Discharge to land and air (Doc A337288)
  - Compliance achieved
5. RC 103193 and 103194 – Benneydale Closed landfill – Discharge to land and air (Doc A337289)
  - Compliance achieved
6. RC 103196 and 103197 – Piopio Closed landfill – Discharge to land and air (Doc A337290)
  - Compliance achieved
7. RC 103287, 103288 and 103289– Te Kuiti Closed landfill – Discharge to land and air (Doc A337288)
  - Compliance achieved
8. RC 107478 – Piopio Water Treatment Plant – Backwash discharge to water (Doc A339168)
  - The Piopio Water Treatment Plant did not comply with Conditions 7 and 9. The reason for these exceedances is the current resource Consent was designed for the old Piopio Water Treatment Plant and not the upgraded plant. WDC is in the process of changing the Resource Consent.
9. RC 107477 – Piopio Water Treatment Plant – Surface water take (Doc A339192)
  - There were numerous breaches to the 5.3 l/s water abstraction level during the current reporting period. WDC is in the process of changing the Resource Consent.
10. RC 112639 - Te Kuiti WWTP – Monthly Report for December 2016 (Doc A339123)
  - Total Nitrogen exceeded the trigger limits. A change of staff in the Operations team at the te Kuiti Wastewater Treatment Plant has resulted in uncertainty on set parameters in the Treatment process.

11. RC 117290 – Piopio WWTP Effluent Discharge – December 2016 (Doc A 338983)
  - Compliance achieved
12. RC 116844 – Benneydale Water Supply – Surface Water Take (Doc A338913)
  - Compliance achieved
13. RC 118813 – Benneydale Wastewater Treatment Plant (Doc 326234)
  - There were two breaches to Condition 7, the discharge limits were exceeded during the month of August 2016 probably due constant high rainfall during those days.
  - There were breaches to the trigger limits in Total Suspended Solids and Total Ammoniacal nitrogen during the months of October and November.
  - Waitomo District Council recently upgraded the final stage of the process, fully replacing the wetland with a brand new improved system with a new liner and new vegetation.
  - The effectiveness of the new upgraded wetland into the final discharge was immediate as per the high quality results obtained during last sampling in December 2016.
14. RC 133317 – Te Kuiti Water Treatment Plant – Water take (Doc A340344)
  - Compliance achieve
15. RC 116844 – Benneydale Water Supply – Surface Water Take - January 2017 (Doc A340808)
  - Compliance achieved

## **5.0 Non-Compliance Reporting**

- 5.1 WDC is required to report on non-compliance compliance to the Waikato Regional Council (WRC) and the Waikato District Health Board in accordance with the conditions that regulate the various activities held by WDC.
- 5.2 During this reporting period there was a prolonged period of low Free Available Chlorine (FAC) that resulted from the chlorine dosing pump failure. An incident report (Document A340792) was completed and the Waikato DHB was notified about this non-compliance.
- 5.3 During the non-compliance period WDC followed the standard procedures as set out to the satisfaction of the Drinking Water Assessor.
- 5.4 Copies of these Compliance Reports can be made available at Council's request.



**Suggested Resolution**

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



KOBUS DU TOIT  
**GROUP MANAGER – ASSETS**

**Document No: A 341891**

**Report To:**

**Council**



**Meeting Date: 28 February 2017**

**Subject: Progress Report: Solid Waste Activity**

## **1.0 Purpose of Report**

1.1 The purpose of this business paper is to brief Council on Solid Waste operations, maintenance and capital development activities. This business paper is set out under the following headings:

- 1.0 Purpose of Report
- 2.0 Local Government Responsibilities
- 3.0 Risk Considerations
- 4.0 Introduction
- 5.0 Background
- 6.0 Service Requests / Complaints
- 7.0 Te Kuiti

## **2.0 Local Government Responsibilities**

- 2.1 The Waste Minimisation Act encourages a reduction in the quantity of waste generated and disposed of in landfills, with the aim of reducing the environmental harm of waste while providing economic, social and cultural benefits.
- 2.2 WDC is meeting its obligations under the 2008 Waste Minimisation Act and the Solid Waste (asset) Management and Minimisation Plan (SWaMMP), by providing a weekly Kerbside Refuse and Recyclables Collection Service and disposal thereof in parts of the district and Transfer station for the remainder of the district.

## **3.0 Risk Considerations**

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

## **4.0 Introduction**

- 4.1 This business paper focuses on the operations of the Solid Waste activity, refuse and recyclable collection and disposal, and the promotion of recycling.

## **5.0 Background**

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

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

### **5.3 Solid Waste Services**

5.4 WDC is meeting its obligation under the 2008 Waste Minimisation Act and SWaMMP by providing:

1 **Weekly Kerbside Refuse and Kerbside Recyclables Collection Services** for the communities of -

- Te Kuiti
- Piopio
- Mokau
- Waitomo Village
- that part of the Rural Ward between Te Kuiti and Waitomo Village

2 **Waste Transfer Stations** in the communities of -

- Benneydale
- Piopio
- Marokopa
- Kinohaku
- Mokau/ Awakino

3 **Street Side Recycling Stations** at -

- Waitomo Village
- Piopio
- Mokau
- Marokopa

### **5.5 Management of Solid Waste Services**

5.6 Collection Services (both Refuse and Recyclables) are carried out under contract. The present Contractor is Envirowaste.

5.7 Management of the refuse at **Te Kuiti Landfill** is carried out under contract. Envirowaste also holds this contract.

5.8 **Piopio Litter Bins** are serviced by WDC's Internal Services Unit on Mondays and Fridays.

5.9 **Te Kuiti and Waitomo Village Litter Bins** are serviced through WDC's Road Maintenance Contract.

5.10 **Mokau Litter Bins** are serviced under contract with a private person.

5.11 **Marokopa Litter Bins** are serviced by the Marokopa Community Trust under a long standing agreement with WDC.

5.12 **Benneydale Litter Bins** are serviced by the Council Transfer station operator.

## **6.0 Service Requests / Complaints**

6.1 Service requests are initiated by ratepayers or businesses across the District. The Service Requests are then followed up by WDC staff.

- 6.2 It must be noted that almost all Service Request complaints received for kerbside refuse or recyclables not being collected are due to the person placing the bag or recycle bin out too late.
- 6.3 Service Requests or complaints relating to Solid Waste operations and/or Solid Waste Assets for 2016/2017 include:

Description	Jul 2016	Aug 2016	Sep 2016	Oct 2016	Nov 2016	Dec 2016
Kerbside Refuse not collected	1	1	2	2	0	0
Landfill Complaint	0	0	0	2	0	0
Transfer Station Complaint	0	0	0	0	0	0
Litter Bins not being emptied	1	0	0	2	1	0
Request for additional service					1	0

Description	Jan 2017	Feb 2017	Mar 2017	Apr 2017	May 2017	Jun 2017
Kerbside Refuse not collected	0					
Landfill Complaint	0					
Transfer Station Complaint	0					
Litter Bins not being emptied	0					
Request for additional service	1					

- 6.4 During the month of November, two service requests were received relating to Solid Waste activities.
- 6.5 One request related to Roading and does not fall under the Solid Waste umbrella as it related to littering along a section of the roading network. The second request related to residents from Piopio who placed their refuse out later than the operational times and therefore was not collected.
- 6.6 No Solid Waste complaints were received for the month of December 2016.
- 6.7 During January one Service Request was received from a local resident advising that the Mokau supermarket had run out of official Council refuse bags and requesting additional bags.

## 7.0 Te Kuiti

- 7.1 The Waitomo District Landfill has a consented volume of 232,000 tonne and the Resource Consent expires in 2032.
- 7.2 Revenue for the Landfill is trending downward as a direct result of reduced levels of waste being deposited.
- 7.3 Emissions Trading Scheme**
- 7.4 The Government has started on a review of New Zealand's carbon footprint and this may have a more significant impact on the cost of disposing rubbish in the future.
- 7.5 Consideration should be given to forward purchasing NZU's for all of remaining consented volume.
- 7.6 The impact of this review will be taken into account during the assessment of the future of the Landfill in preparation of the next LTP.

## 7.7 Landfill Volumes

7.8 Landfill Consented Volume: 232,000 Tonnes

Description	Tonnes Deposited July 2016	Tonnes Deposited Aug 2016	Tonnes Deposited Sept 2016	Tonnes Deposited Oct 2016	Tonnes Deposited Nov 2016	Tonnes Deposited Dec 2016
Deposited to Date	172,293.78	173,114	173,970	174,823.41	175,694.21	176,536.76
WDC Bags Collected	1.95	1.94	1.98	1.72	1.51	2.70
Total over Weighbridge	806.91	890.68	933.01	912.02	913.80	899.43
Less Diverted Recycle	-21.53	30.40	52.67	30.14	33.44	38.68
Less Stock out Gate	-28.33	42.03	26.32	30.16	11.07	20.90
Total To Landfill	759.00	<b>820.19</b>	<b>856.00</b>	<b>853.44</b>	<b>870.80</b>	<b>842.55</b>
Tonnage Space Available	59,706.22	<b>58,886.03</b>	<b>58,030.03</b>	<b>57,176.59</b>	<b>56,305.79</b>	<b>55,463.24</b>

Description	Tonnes Deposited Jan 2017	Tonnes Deposited Feb 2017	Tonnes Deposited Mar 2017	Tonnes Deposited Apr 2017	Tonnes Deposited May 2017	Tonnes Deposited Jun 2017
Deposited to Date	177,341.75					
WDC Bags Collected	1.96					
Total over Weighbridge	936.41					
Less Diverted Recycle	120.17					
Less Stock out Gate	13.21					
Total To Landfill	804.99					
Tonnage Space Available	<b>54,658.25</b>					

## 7.9 Recyclables

Diverted recyclables = November 2016 - 33.14 tonnes

Diverted recycling = December 2016 - 38.68 tonnes

Diverted recycling = January 2017 - 120.17 tonnes. A large amount of concrete, bricks and timber contributed to this increase in recycling for the month.

## 7.10 Capital Projects

Description	Estimate / Budget	Actual July 2016	Actual August 2016	Actual September 2016	Actual October 2016
Development Cell 3	\$774,000.00	\$641,686.20	\$641,686.20	\$641,686.20	\$641,686.20
High Wall Safety Work	\$25,650	\$0.00	\$0.00	\$0.00	\$5,000.00
Recycling Shed	\$	\$	\$	\$	\$

Description	Estimate / Budget	Actual November 2016	Actual December 2016	Actual January 2017	Actual February 2017
Development Cell 3	\$774,000.00	\$641,686.20	\$641,686.20	\$641,686.20	
High Wall Safety Work	\$25,650	\$0.00	\$0.00	\$0.00	
Recycling Shed	\$	\$	\$	\$	

7.11 Development of the Cell 3

7.12 Development of Cell 3 is largely complete with only some remedial work outstanding. A total of \$41,580.00 excl. GST has been retained for repairs. This was included as an addendum to the practical completion certificate. The contract is now in the retention period. The retention amount is \$37,704.97 excl. GST.

7.13 The final contract value for this project was \$720,971.17 excl. GST.

7.14 High Wall Shaping

7.15 High wall shaping involves the removal and shaping of earth above the landfill space and is carried out for safety purposes to prevent landslides. Whilst this work has been completed and the desired outcomes have been achieved for now, the area remains unstable and future works are likely to be required to ensure ongoing safety.

7.16 Recycling Shed

7.17 In order to promote recycling and provide a customer friendly, all weather recycling service, a roof over the recycling area has been constructed.

7.18 This project has been completed and has been well received by the public utilising the facility.


<b>Suggested Resolution</b>
-----------------------------

The Progress Report: Solid Waste Activity be received.



KOBUS DU TOIT  
**GROUP MANAGER – ASSETS**

16 February 2017

<b>Document No: A342538</b>		<b>File No: qA551</b>	
<b>Report To:</b>		<b>Council</b>	
	<b>Meeting Date:</b>	<b>28 February 2017</b>	
	<b>Subject:</b>	<b>Progress Report: Monitoring Against 2015-2025 Long Term Plan – Land Transport</b>	
For Information			

## 1 Purpose of Report

- 1.1 The purpose of this business paper is –
- To brief Council on the implementation of the Work Plan for the Land Transport activity as contained in the current year of the 2015-2025 Long Term Plan (LTP)
  - To establish a framework for monitoring the on-going implementation of the 2015-25 LTP as part of the Road Map Work Programme.
- 1.2 This business paper is set out under the following headings:
- 1 Purpose of Report
  - 2 Local Government Act S.11a Considerations
  - 3 Risk Considerations
  - 4 Introduction
  - 5 Background
  - 6 Roading Subsidies
  - 7 2016/2017 Maintenance Expenditures Budget
  - 8 Road Safety Promotion
  - 9 2016/17 Operating Expenditure
  - 10 2016/17 Capital Expenditure
  - 11 Summary of Network Issues
  - 12 REG and the One Network Road Classification (ONRC)
  - 13 RATA (Road Asset Technical Accord)
  - 14 Streetlighting (LED)
  - 15 The Road Maintenance Contract – Progression Report

## 2 Local Government Act S.11a Considerations

- 2.1 Waitomo District Council, in performing its role as a Local Authority, must have particular regard to the contribution that the network infrastructure makes to the community.

- 2.2 The provision and maintenance of the roading infrastructure, is consistent with section 11A Local Government Act 2002 (including amendments).

### **3 Risk Considerations**

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

### **4 Introduction**

- 4.1 This business paper focuses on informing the Council on the operational and maintenance activities of the Roding division. The Roding capital works programme is reported separately, except for the Roding Capital Works budget, which is reported with this business paper.

### **5 Background**

- 5.1 The scope of Land Transport activities in the Waitomo District is almost entirely related to the roading assets. This includes:
- Roads (excluding state highways),
  - Footpaths, bridges,
  - Traffic services,
  - Street lights
- 5.2 There are no passenger transport services available other than the inter-regional bus connections operating on the state highway network.
- 5.3 The nature of Council's roading activity is:
- Managing and maintaining the District's road network.
  - Undertaking road rehabilitation and upgrading of the roading structure and ancillary systems such as street lights, signs and road markings.

### **6 Roding Subsidies**

- 6.1 New Zealand Transport Agency (NZTA), the national road funding authority, provides a financial assistance subsidy (currently at 63% FAR rate) for works that meet agreed criteria via the Land Transport Programme.
- 6.2 Commentaries detailing progress on activities currently subsidised by NZTA in the 2016/17 year of the LTP are provided below. (Please note that these budgets are current and differs from the budgets in the original 2012-22 LTP due to transfers from one budget to another as required.)

### **7 2016/2017 Maintenance Expenditures Budget**

- 7.1 The 2016/17 FY Maintenance budget is \$5,225,000 (excluding Loss on Asset Disposal) but including the total Road Safety Promotion budget of \$120,000 (The corresponding NZTA budget is \$130,000, which is the budget used for the current driver training program).



## 8 Road Safety Promotion

### 8.1 Introduction

8.2 Waitomo DC and Otorohanga DC are working together on this activity and share the allocated budget.

8.3 The Road Safety Promotion activities for 2015-18 are guided by the NZTA/Waikato Bay of Plenty Investment section.

8.4 At present there is no Road Safety coordinator for the Waitomo District Council. The Road Safety Action Plan is limited to the Driver License Training program. Otorohanga District Council has obtained the temporary use of a Road Safety Coordinator for specific activities they were committed to.

### 8.5 Road Safety Funding

8.6 The Road Safety Promotion activity started out at a higher FAR-rate funding than the rest of the NZTA funding. It started at 100% and was reduced each year until from 1 July 2015 it is at the WDC standard FAR rate (63% for 2016/17, but changing each year if the FAR rate changes). It is noted that the ODC FAR rate is not the same as for WDC.

### 8.7 Future Situation

8.8 Because the changes in the FAR funding rate required a higher local share, it was deemed opportune to review the future delivery model options in order to fit a delivery solution to best match the needs of the communities in the two councils.

- The following considerations forms part of this review: To bring all the stakeholders, both agencies and our local community together in developing a delivery plan.
- To establish stronger governance arrangements in developing programmes and in overseeing delivery.
- Assess opportunities to deliver part of the promotion effort through local providers and to target our local youth in particular.
- Assess opportunities to use a grants funding arrangement to encourage both local community engagement and targeted grass roots delivery.

8.9 WDC and ODC have developed a 3-year program with a primary focus on young driver training outcomes.

8.10 The proposal was developed by a joint WDC and ODC team, assisted by Hillary Karaitiana - the Social Sector Trials manager and also the NZTA. The primary objective is to reduce road accidents by creating the best practice model for driving training in rural New Zealand towns. A Service Delivery Agreement has been signed between the Te Kuiti Community House, WDC and ODC.

8.11 The Program is now on-going and quarterly reports will be provided by Community House as the WDC/ODC Contractor.

## 9 2016/17 Operating Expenditure

### 9.1 Budget Update

9.2 The over expenditure of some sub-categories in this Maintenance expenditure budget is balanced for by under expenditures on other Maintenance expenditure sub-categories. These budgets will have to be adjusted with the start of the next 3-Year GOP funding cycle. **The Projection of Expenditure column reflects the impact of the December 2016 budget cuts on both Maintenance and Capital budgets.**

DESCRIPTION OF SERVICE	2016/17 BUDGET	PROJECTION	EXPENDITURE TO DATE	COMMENTS
Total Maintenance Expenditures (excluding Loss on Asset Disposal)	<b>\$5,225,552</b>	<b>5,584,736</b>	<b>3,348,420</b>	Expenditure to date = 64.1% on original 2016/17 Budget. Expenditure to date = 60.0% on Projection Budget
Road Safety Promotion 431 - 433	\$120,000	130,000	75,833	Driver Training Program is delivered under contract by Community House for WDC and ODC.
Emergency First Response 106 (GL = 730 31 715)	\$180,000	250,000	301,080	Unforeseen weather events requiring emergency first response works under this category (include trees blown down, slips, and erosion).
Environmental Maintenance 121	\$300,000	428,000	314,347	The NZTA has changed their criteria. Emergency Work is now funded under this Environmental Category. Other work includes Hazardous Trees, Pest Plant Control, Mowing, etc.
Environmental Maintenance 121 For Stock Effluent Facility	\$30,000	42,000	10,718	On-going Maintenance of the Stock Effluent facility, including water, electricity and trade waste levies.
Level Crossings	\$15,000	15,000	2,383	Kiwi Rail determines repairs and does the work required and then invoices WDC.
RBU Unit Costs	\$719,440	730,192	462,218	Salaries, overheads and some consultant fees
Routine Drainage Maintenance 113	\$380,000	440,000	217,259	Water table maintenance and Culvert maintenance.
Sealed Pavement Maintenance 111	\$1,400,000	1,400,000	1,118,062	Pre-reseal repairs and general sealed pavement maintenance.
Structures Maintenance 114	\$133,000	170,000	100,349	Routine maintenance on guardrails and bridge decks.
Traffic Services Maintenance 122	\$50,000	150,000	25,774	District wide maintenance of signs and road furniture.
Street Lights Maintenance 122	\$320,000	320,000	151,256	Cyclic maintenance and electricity costs. The maintenance of street lights are affected by the amount of lights that has to be replaced.
Unsealed Pavement Maintenance 112	\$1,000,000	1,000,000	227,478	Re-metalling of unsealed roads.
Asset Management Plans	\$15,000	0	0	As required every 3 <sup>rd</sup> year.
Minor events: NZTA Budget		0	0	NZTA Budget item, not in WDC Budget
Administration Services for Roading	\$578,112	509,544	341,663	New item in budget.

### 9.3 **Spending and Budgeting Advisory**

- 9.4 In general, it is of note that the current budget falls within the 3-Year GOP budget grouping of 2015/16 to 2017/18. This means that the NZ Transport Agency allows flexibility in the budget so that funding can be carried over between the different financial years.
- 9.5 The current budget for Emergency First Response is \$180,000 with a "Projection budget" of \$250,000 and while the emergency works cannot be forecasted due to it being responsive to weather events, we expect to spend up to about \$400,000 by the end of this financial year based on historic requirements.
- 9.6 Current budget for Environmental Maintenance is only \$300,000 with a "Projection budget" of \$428,000 and we expect to spend up to about 560,000 by the end of this financial year due to the reason that works that previously qualified under Emergency works, now has to be done under this category. The shortfall will be funded from the unspent portion of other maintenance categories like Structures Maintenance and Unsealed Pavement Maintenance and any available Emergency funds.
- 9.7 The current budget for Stock Effluent is \$30,000 with a "Projection budget" of \$42,000 and we expect to spend up to about \$42,000 by the end of this financial year due to the fact that more trucks are using this facility than anticipated. The Regional Council contributes a maximum of \$15,000 to this and NZTA pays the FAR rate on the full amount.
- 9.8 The current budget for Level Crossings is \$15,000 and we expect to spend up to about \$27,000 by the end of this financial year due to Kiwirail costs for repairs which they pass on. The shortfall will be funded from the unspent portion of other maintenance categories like Structures Maintenance and Unsealed Pavement Maintenance.
- 9.9 The current budget for Routine Drainage Maintenance is \$380,000 with a "Projection budget" of \$440,000 and we expect to spend up to about \$440,000 by the end of this financial year due to having to do more culverts cleaning.
- 9.10 The current budget for Structures Maintenance is \$133,000 with a "Projection budget" of \$170,000 and we expect to spend up to about that amount on this activity by the end of this financial year.
- 9.11 The current budget for Street Lights is \$320,000 and we expect to spend up to about that amount on this activity by the end of this financial year.
- 9.12 The current budget for Unsealed Pavement Maintenance is \$1,000,000 and we expect to spend up to about \$600,000 by the end of this financial year due to this being rated as a relatively lower maintenance priority to allow for a balance to be used to fund other higher priority maintenance categories.

## **10 2016/17 Capital Expenditure**

- 10.1 The available Capital budget for 2016/17 is \$6,500,000 (including the budget of \$820,000 for Emergency Projects), with a "Projection budget" of \$5,450,700
- 10.2 It should be noted that although the Emergency Projects budget is fully subsidised, there are several conditions for this subsidy and the NZTA does not allocate a specific budget for the Emergency Works category. NZTA allows for subsidy of

such projects as and when they are approved upon applications received on a case by case basis for "qualifying" events.

- 10.3 The combined budget of \$345,000 for Minor Improvements is included here, but is noted that this is separately grouped under the NZTA budget. Also included, are the two budgets for the Maraeroa Road Seal Extension (\$505,000) and the Oparure Road Retaining Structure (\$380,000), but we have not received separate funding for these two projects from NZTA and these projects will have to be sharing NZTA FAR rate from other capital budgets.
- 10.4 There are a number of mismatches between the WDC budget items compared with the NZTA categories. In some cases the NZTA has changed the description slightly or the budget is different. This has occurred due to the fact that the WDC budgets were finalised more than six months before NZTA finalised their budget.
- 10.5 The over-expenditure of some sub-categories in this Capital expenditure budget is balanced for by under expenditures on other Capital expenditure sub-categories.
- 10.6 A separate report to Council serves to report progress details on the Major Capital Works projects. The Reseals Project has is now under way. Some work categories like Drainage Renewals, Traffic Services Renewals and Unsealed Road Metalling have also been delayed, mostly due to a NZTA funding agreement requirement.

DESCRIPTION OF SERVICE	2016/17 BUDGET	PROJECTION	EXPENDITURE TO DATE	COMMENTS
Total Capital Expenditures (excluding Capitalisable Overheads)	<b>\$6,500,000</b>	<b>5,450,700</b>	<b>1,212,916</b>	Expenditure to date = 18.7% on original 2016/17 Budget.. Expenditure to date = 22.3% on Projection Budget.
Minor Safety Improvements 341	\$240,000	208,960	51,500	Identified and NZTA approved minor projects to improve hazards like sharp curves, slip prone cuttings, etc.
Preventative Maintenance 241	\$250,000	0	0	
Associated Improvements for Renewals 231	\$80,000	0	1,244	In association with Rehabs or other projects.
Drainage Renewals 213	\$400,000	315,700	124,163	Upgrading of Network wide drainage issues.
Minor Improvements 341	\$105,000	0	-	In association with other projects.
Pavement Rehabilitation 214	\$1,400,000	1,200,000	14,936	The annual Pavement Rehabilitation Contract, Totoro Rd (km 8 to 11)
Sealed Road Surfacing 212	\$1,300,000	1,300,000	615,704	In process to be done before winter.
Structures Components Replacement 215	\$300,000	300,000	37,269	Annual replacing of structural bridge components on various bridges.
Traffic Services Renewals 222	\$120,000	120,000	16,685	Annual Traffic Signs replacement and the District wide Line Remark project.
Unsealed Road Metalling 211	\$600,000	193,040	183,432	Unsealed Road Metalling is done under the Maintenance Contract, during the wet season.
Emergency Reinstatements Projects 141	\$820,000	970,000	153,124	To be prioritised as they may happen.
Maraeroa Rd Seal Extension	\$505,000	0	14,589	ICL appointed to complete the seal extension this financial year.
Structures Maintenance - Oparure Rd Ret Wall	\$380,000	843,000	-	New item in budget

## 11 Summary of Network Issues

- 11.1 Kawhia Harbour Road Slip Sites: - Thirteen Slip sites have been identified along this section of road. All but two of them consist of both Underslips/Washouts on the lagoon side and Fretting/Over slips on the opposite side. These sites have been inspected and measured up and prioritised. Mass concrete blocks have been installed along some sections of the over slip sites in order to reduce the effects of continuing fretting from the cutting side. Further sections will be completed over time as funding allows. This method is proving to be effective in reducing the problem of small rocks and stones landing on the road with risk to the traffic. A slip repairs contract has been completed and is reported under the Major Capital Works Report.
- 11.2 Extreme weather over the last few summers resulted in an increased expenditure on our unsealed roading network due to more frequent pavement repairs, lost aggregate and dust. This work is on-going and is showing improvement in the general condition of unsealed roads.
- 11.3 Potentially hazardous trees are an issue. These are dealt with under the emergency reaction budget. Work is on-going on a priority basis as it is identified.
- 11.4 Consultant (McKay Consulting) has completed the Road Pavement Rehabilitation Forward Works Programme.
- 11.5 The Totoro Road pavement rehabilitation: Phase 1 was completed in 2014/15. Phase 2 was split in two separable portions, due to consent issues and budget considerations. This has now been resolved and Inframax has been appointed to complete both Separable Portion 1 (- between RP 8,378 and RP 9,800) and Separable Portion 2 (- between RP 9,800 and RP 11,316) as project 500/15/013.
- 11.6 The structural Bridge Maintenance Contract is underway.

## 12 REG and the One Network Road Classification (ONRC)

- 12.1 The Road Efficiency Group (REG) is a collaborative initiative by the road controlling authorities of New Zealand. Its goals are to drive value for money and improve performance in maintenance, operations and renewals throughout the country.
- 12.2 REG focuses on three key areas:
- A One Network Road Classification (ONRC) to standardize data and create a classification system which identifies the level of service, function and use of road networks and state highways
  - Best Practice Asset Management to share best practice planning and advice with road controlling authorities
  - Collaboration with the industry and between road controlling authorities to share information, staff and management practices.
- 12.3 The ONRC has three elements.
- The first element is classifying roads into categories based on their function in the national network. This was completed in December 2014.

- The second element is the Customer Levels of Service (CLoS), defining the “fit for purpose outcomes” for each category in terms of mobility, safety, accessibility and amenity.
  - The third element is the development of the performance measures and targets, which effectively determine how the categories and customer levels of service translate into specific maintenance, operational and investment decisions.
- 12.4 The process of applying performance measures to our network, meanwhile, is underway. WDC will need to consider the ONRC CLoS and performance measures when applied in the local context to the network, and assess current performance in relation to the REG provisional targets.
- 12.5 Definition and clarification around the meaning of "Fit for Purpose" is still being worked on by NZTA. It is expected to be implemented over the period 2015 – 2018.
- 12.6 A number of required actions have been identified over the coming three year period to ensure that the ONRC is embedded fully by 2018. This is in line with the expectation from REG that all funding applications for the 2018-2021 National Land Transport Plan will be based on a fully implemented ONRC - enabling investment in outcomes that are consistent and affordable throughout the country. The actions identified to be relevant for WDC have been documented into a preliminary “Transition Plan”.
- 12.7 **Financial Status**
- 12.8 As evaluated there are no specific financial implications on the current budget other than an administrative cost for managing all of the extra activities that is required by NZTA through the likes of REG. We are in the process to measure this additional time requirements.
- 12.9 The regional roading collaboration for strategic asset management (RATA - Road Asset Technical Accord) is supporting the work being undertaken to implement the ONRC within the Waikato. Various work items such as the development of Emergency Procedures and Response Plan(s), Network Resilience, Maintenance, Monitoring and Priority Improvement Plan(s), benchmarking of performance measure outcomes, are anticipated as being completed by RATA with support from each participating Council.
- 12.10 **Assessment of Significance and Engagement**
- 12.11 The issues discussed in this report have a medium degree of significance because this work will affect the delivery of future levels of service on the roading network. Community feedback will be gauged as a part of embedding the ONRC into the strategic and tactical asset management planning and delivery. The purpose of the ONRC is to develop consistent levels of service across the country. This will have to be communicated with the public in order to manage expectations. The final LoS may or may not be affordable or appropriate when applied in the local context.
- 12.12 **Maintenance and renewing sealed pavements under ONRC**
- 12.13 The customer focused service levels of the ONRC require a modified approach to traditional asset management if they are to be delivered effectively and efficiently. This is because they focus effort on customers and outcomes and not

on outputs, requiring outputs to be sufficient to minimise long term life cycle costs and meet service level targets.

- 12.14 The One Network Road Classification framework has customer levels of service related to:
- Effective access
  - Pavement safety
  - Ride comfort, and
  - Cost effective provision.
- 12.15 The level of service targets and performance measures essentially require that there should be no pavement defects that, at the operating speed :
- Impede access
  - Are unsafe
  - Are uncomfortable
  - And that Maintenance and renewal of the surface and pavement should be cost effective and efficient.

### **13 RATA (Road Asset Technical Accord)**

- 13.1 RATA (Road Asset Technical Accord) is the Centre of excellence for road asset planning in Waikato. It is the vehicle by which Waikato's councils co-operate over roading expenditure issues. Its work is carried out under the auspices of the Waikato Mayoral Forum, involving the region's mayors and regional chair.
- 13.2 WDC is participating in the RATA Multi-Party Data Collection contract for the core Services (Roughness Survey and RAMM Condition Rating Survey), as well as two additional Services, namely Footpath Condition Rating and Traffic Counting.
- 13.3 The RAPT report (report on road maintenance and renewal practices across the region) was first made available by January 2015. Good practical information was received based on best industry practices in road maintenance and pavement rehabilitation. A RAPT Tour was done on the 13 October 2016 with the intention to inspect our selection of roads identified for the upcoming Reseals programme and for the Pavement Rehabilitation programme. The discussions included a review of the business case approach for the selected treatments. Some recent projects were visited to "showcase" good examples of how we dealt with specific challenges.
- 13.4 In February 2015 a Road Asset manager's forum was formed under the auspices of RATA. The group is meeting once month to discuss RAMM, ONRC Transition Planning, ONRC Performance Measures (the Customer Outcome Measures, Technical Outcome Measures and Cost Efficiency Measures) and the Transition Plan. Monthly meetings are scheduled to share developments and learning about a range of topic including Seal age, ONRC, Forward Works Programmes, treatment selection decision making, Data use in asset management and RAMM.
- 13.5 WDC is participating in the RATA managed traffic counting program. This work is currently contracted to BECA. BECA has prepared program to include a list of specific sites that WDC requires to include quarry and logging sites.

- 13.6 The Business Case methodology, which the NZTA now requires the new Activity Management Plans to be prepared by mid-2017, is currently a main focus at RATA to develop understanding and best practice.
- 13.7 A new Multi-Party Funding Agreement for the next 3 Year is now in place.
- 13.8 RATA is now offering the option to WDC to join in with other Councils on a Bridge Inspections Tender/Contract. This option is now being assessed, as the proposed joint Bridge Inspections Contract does not cover all the outcomes that our current contract delivers. The current contract is up for renewal by 1 July 2017, so it is opportune to compare this now.

#### **14 Streetlighting (LED)**

- 14.1 NZTA see LED lighting as a major potential cost saver. Indications gleaned from industry information are that the expected savings are being realized more and more as technology rapidly advances and more experience with LED Streetlighting becomes available. The whole argument is based on energy saving and lower maintenance costs. Feedback from contractors indicates promising performance levels with 5 year maintenance free operations from LED installations already recorded.
- 14.2 LED lights now have similar light intensity levels as the existing equipment and when correctly installed the electrical controls have shown to be quite robust and maintenance free for extended periods.
- 14.3 Most of the existing street light equipment in Waitomo is mounted on aging power poles, but the latest LED streetlight options could possibly utilize spacing and light fittings from existing lighting installations. Changing over to LED streetlights will not alter requirements for pole renewals.
- 14.4 WDC will access NZTA subsidies to convert to LED street lighting. Technology has reached the point where LED Street lighting could be the better choice offering reduced energy consumption and proven maintenance savings. A business case has been prepared for the conversion subsidy offered.
- 14.5 The current Street Light Maintenance Contract was signed with Alf Downs. This document was prepared to also accommodate the LED Replacement project scheduled over the next five years and incorporates an adjustment to allow for the expected reduced maintenance cost requirement of LED lights.
- 14.6 At the moment the proposal is to start the first batch of LED replacements at one of the smaller towns in the District in order to optimize the maintenance savings by not having to pay for maintenance crews to go out to remote small villages to do maintenance repairs.
- 14.7 In order to finalise the decision on the specific type of LED luminaire to use, we are busy with a business case investigation, which will be reported to Council by end of March 2016.
- 14.8 The proposed upgrading to LED technology over the next five years is expected to reduce costs significantly, both through reduced electricity consumption and reduced maintenance requirements. Calculations indicated a payback of the initial expense of the conversion of about five years. NZTA offers a support package to Councils to assist with the upgrades.



- 14.9 In order to access NZTA support, a business case is being developed by Power Solutions Limited (PSL) to identify costs and savings over a period of time appropriate for the project, with expected completion date of 28 February 2017. PSL has experience with similar business cases for other Councils. Further reporting will then follow.
- 14.10 Through co-operation with the Waikato LASS Energy Management Programme (part of the Energy Efficiency and Conservation Authority Collaboration Agreement) WDC can access funding to offset a part of the cost.
- 14.11 On Thursday 23 February 2017, NZTA confirmed that an enhanced Financial Assistance Rate (FAR) of 85% will be made available for a limited time frame, up to June 2018. This option is now being checked as part of the business case to confirm a new option to try and do all or most of the LED conversion within the 2017/18 financial year, instead of completing the LED conversion over the next five years.
- 14.12 This timing is out of step with the recently completed EAP development cycle. The implications of this opportunity will be investigated and reported to Council for consideration at the March Council meeting.

## **15 The Road Maintenance Contract – Progression Report**

- 15.1 The new maintenance contract started on the 1<sup>st</sup> of October 2015 with the entered agreement between Inframax Contractors Limited and Waitomo District Council.
- 15.2 The maintenance contract has been divided into 24 maintenance zones. The zonal maintenance work to give an equal distribution of ratepayer funding to the entire roading network. This ensures that there is a measure of attention given to general maintenance of the entire network
- 15.3 An annual routine (zonal) road maintenance programme is based on two complete maintenance cycles of the entire network per year.
- 15.4 Monthly routine maintenance programmes will be drawn from 24 roading zones of approximately 40km each (sealed and unsealed) based on geographical sequence and asset planning data.
- 15.5 Full compliance with all the zonal requirements was not achieved (the target threshold performance scores for October and November were not met.) The main issues being the new zonal requirements for full compliance rather than the historical general physical works outcomes. The indication so far is that the new zonal format is resulting in an improving outcome on the whole.
- 15.6 The contractor term sits at the nine month mark (by end of June 2016) and the evaluation to assess progress and performance levels is on-going. The new minimum performance level standards for the first four consecutive months have not been achieved. The technical performance in executing works is mostly acceptable, but an administrative issue such as late submission of programs and reports is a frustration. The start of the new form of contract (first six months period) was a settling in period for many new requirements and the first six months scores are not counted for the initial (Two years and six months) evaluation period. The target is a minimum average score of 400.

15.7 The Contractor has achieved an improved evaluation score over the last months. An average score of 400 over the next two and a half years will be required in order for the Contractor to qualify for an extension to the Contract term. They have caught up on the zonal works program and their Service Requests achievements have improved in terms of significantly reducing the number of overdue items. Some issues are still to be improved on, for example the safety maintenance of paved sidewalks, the depth control maintenance of side drains, etc.

15.8 The monthly scores are as follows:

October 2015 .....	305	
November 2015 .....	315	
December 2015 .....	330	
January 2016 .....	325	
February 2016.....	355	
March 2016.....	385	
April 2016.....	400	
May 2016 .....	400	
June 2016.....	410	
July 2016.....	410	
August 2016 .....	360	<i>(The lower score was a direct outcome of the funding uncertainty during this period)</i>
September 2016.....	460	
October 2016 .....	460	
November 2016 .....	460	
December 2016 .....	480	
January 2017.....	480	

15.9 The NZTA/Broadspectrum has asked if the WDC Road Maintenance Contractor could maintain the Kerb and Channel, the Sumps/catchpits and lead pipes and sweeping on State Highways inside the urban areas of the Waitomo District on their behalf and then WDC invoice them accordingly. A price for this work was requested from ICL.

15.10 NZTA is also working on a revised MOU Corridor Agreement to clarify the split of responsibilities for maintenance works on urban sections of State Highways. We have requested several changes to a draft document that they presented during a meeting at NZTA offices on 14/10/2016. NZTA is still working on the new MOU draft.

15.11 The Current Road Maintenance and Reseals Contract are coming to an end on 28 February 2017. A new Road Maintenance and Reseals contract 2017-2020 was successfully procured (December 2016), including the once off 2016/17 Reseals contract.

**Suggested Resolution**

The Progress Report: Monitoring Against 2015-2025 Long Term Plan – Land Transport be received.



KOBUS DU TOIT  
**GROUP MANAGER – ASSETS**

**Document No:** A341778

**Report To:**

**Council**



**Meeting Date:** 28 February 2017

**Subject: Resource Management Act 1991 Delegations**

## Purpose of Report

- 1.1 The purpose of this Business Paper is to seek a resolution from Council to adopt amended delegations for powers, functions and duties under the Resource Management Act 1991 (RMA).

## Background

- 2.1 In December 2016, Council resolved to delegate a range of Resource Management Act (RMA) powers, duties and functions to Council staff (and commissioners/consultants (as required)).
- 2.2 Since then, a Principal Planner has been appointed to undertake a lead role in the review of Council's District Plan. As a result, the RMA delegations need to be amended to provide the Principal Planner role with the appropriate powers, duties and functions to undertake the role effectively and efficiently.

## Commentary

- 3.1 Section 34A of the RMA enables Council to delegate to an employee (or hearings commissioner) any functions, powers or duties under the Act except the:
- Approval of a proposed policy statement or plan
  - The power of delegation under section 34A
- 3.2 Council may also delegate to any other person any other functions, powers or duties under the Act except:
- The approval of a proposed policy statement or plan
  - The decision on an application for resource consent
  - The making of a recommendation on the requirement for a designation
- 3.3 The proposed delegations (attached as Appendix 1) address all functions, powers and duties under the RMA that are required to be exercised by Council staff, commissioners or consultants (as required).
- 3.4 The only amendment to the delegations approved by Council in December 2016 are the additional delegations provided to the Principal Planner role.

**Suggested Resolutions**

1. The business paper on Resource Management Act delegations be received; and
2. Pursuant to section 34A of the Resource Management Act 1991, Council resolve to delegate the functions, powers and duties to the employees, hearings commissioners and consultants as set out in the Resource Management delegations schedule attached as Appendix 1 (A341779).



TERRENA KELLY  
**GROUP MANAGER – COMPLIANCE**

28 February 2017

Attachment: Resource Management Delegations Schedule (A341779)

## 1. Resource Management Act 1991

**Delegations made under the authority of sections 34 and 34A of the Resource Management Act as the case may be.**

**Note:**

- (1) A local authority may delegate to an employee, or hearings commissioners appointed by the local authority (who may or may not be a member of the local authority), any functions, powers or duties under the Resource Management Act 1991 except the following:
  - (a) The approval of a proposed policy statement or plan under clause 17 of Schedule 1;
  - (b) This power of delegation;
  
- (2) A local authority may delegate to any person any functions, powers or duties under this Act except the following:
  - (a) powers in subsection (1)(a) and (b);
  - (b) The decision of an application for a resource consent;
  - (c) the making of a recommendation on a requirement for a designation.

<b>Delegate's position title</b>	<b>Abbreviation</b>
Chief Executive	CE
Group Manager Assets	GMA
Group Manager Compliance	GMC
Principal Planner	PP
Environmental & Regulatory Services Leader	ERSL
Regulatory Administrator	RA
Monitoring and Compliance Officer	MCO

Section	Delegation	CE	GMC	PP	ERSL	RA	MCO	GMA
10	Extension of existing use rights	✓	✓	✓				
10A	Authority to allow certain existing activities (now made unlawful/not permitted) to continue while application for resource consent is pending.	✓	✓	✓				
10B	Authority to allow certain building work to continue where it has been subsequently made unlawful by a district plan	✓	✓	✓				
32	Duty to meet requirements for preparing s 32 reports and evaluations.	✓	✓	✓				
36(3) 36(3A) 36(5)	Authority to make decisions about additional administrative charges	✓	✓	✓				
37	Power to extend time periods as provided in this section	✓	✓	✓	✓			
37A	Requirement to consider matters before extending a time limit.	✓	✓	✓	✓			
38	Power to appoint and warrant enforcement officers	✓						
39B	Appointment of commissioner to hearings	✓	✓	✓				
41B 41C	Power to direct applicant to provide evidence before hearings; power to make directions about conduct of hearings	✓	✓	✓	✓	✓		
42	Power to make directions about hearings to protect sensitive information.	✓	✓	✓				
42A	Powers regarding the preparation, commissioning and provision of reports	✓	✓	✓	✓			
44A	Power to amend plans to address national environmental standards	✓	✓	✓				
55(2)	Duty to amend plan or proposed plan if directed by national policy statement.	✓	✓	✓				
86D	Ability to apply to Environment Court for a rule to have legal effect.	✓	✓	✓				
87E 87F 87G	Power to determine Council position on a request for direct referral, prepare reports and provide information to Environment Court.	✓	✓	✓				
88	Authority to receive consent applications and determine whether the information meets the minimum requirements of the Act.	✓	✓	✓	✓			
91	Power to determine not to proceed with a resource consent application on certain grounds.	✓	✓	✓	✓			
92 92A	Authority to request further information to be provided, or to commission a report	✓	✓	✓	✓			

Section	Delegation	CE	GMC	PP	ERSL	RA	MCO	GMA
95 95A 95B 95C 95D	Requirement to comply with time limit on notification. Authority to determine whether the adverse effects on the environment of an application will be minor. Requirement for notification or limited notification of the application where applicable.	✓	✓	✓	✓			
95E	Duty to determine which persons may be adversely affected by an application and to serve notice of the application on them if required.	✓	✓	✓	✓			
99	Power to call pre-hearing meetings and invite or require parties to attend and the duty to prepare a report of the meeting.	✓	✓	✓	✓			
99A	Power to refer parties who have made a resource consent application or submissions on the application to mediation	✓	✓	✓				
100	Authority to determine whether a hearing should be held in respect of any application for a resource consent	✓	✓	✓				
101	Authority to decide when and where a hearing is to be held within the constraints of section 37	✓	✓	✓	✓	✓		
102	Authority to determine issues concerning joint considerations by two or more consent applications in relation to the same proposal.	✓	✓	✓	✓			
103	Authority to determine issues concerning two or more consent authorities.	✓	✓	✓	✓			
104	Duty to take matters into consideration and to exclude other matters when considering an application	✓	✓	✓	✓			
104A to 104D, 105	Power to determine resource consent applications and impose conditions providing no submissions received in opposition	✓	✓	✓				
106	Power to decline subdivision consent	✓	✓	✓				
108	Power to impose conditions on resource consent.	✓	✓	✓				
108A	Power to impose a bond as one of the conditions.	✓	✓	✓				
109	Conditions relating to bonds; power to enter on to land to ensure work for which bond is given is being completed.	✓	✓	✓	✓		✓	
110	Power to refund financial contribution to consent holder where consent has lapsed.	✓	✓	✓				
113	Recording reasons for decisions on resource consent applications in writing.	✓	✓	✓	✓			
114	Authority to serve consent applicant and submitters with notice of the decision on an application	✓	✓	✓	✓			

Section	Delegation	CE	GMC	PP	ERSL	RA	MCO	GMA
116	Authority to consent to commencement of consent which is subject to Environment Court appeal	✓	✓	✓	✓			
120	Authority to lodge appeal on Council's behalf in Environment Court	✓	✓	✓				
124(2)	Power to allow a consent holder to continue to operate while applicant is seeking a new resource consent	✓	✓	✓				
125	Power to grant extension of period after which a consent will lapse	✓	✓	✓				
126	Power to cancel a resource consent by written notice	✓	✓	✓				
127	Power to change or cancel conditions imposed on a resource consent	✓	✓	✓				
128 129	Power to review a resource consent and to give notice of review.	✓	✓	✓				
132	Power to change the conditions of a resource consent on a review under s128, or to cancel resource consent	✓	✓	✓				
133A	Power to make minor changes or corrections to resource consent (within 20 working days of grant).	✓	✓	✓	✓			
138	Authority to issue a notice of acceptance of surrender of consent	✓	✓	✓				
139 139A	Authority to issue certificate of compliance, other powers and existing use certificates.	✓	✓	✓				
149B	Duty of local authority to provide EPA with all related information to a matter (where the Minister has called in a matter and the local authority has been served with a direction under s 149A).	✓	✓	✓	✓			
149E	Power to make a submission on behalf of Council on matter of national importance	✓	✓	✓				
149G	Duty to prepare a report commissioned by the EPA.	✓	✓	✓	✓			
149Q	Authority to receive report from EPA and to make comments on it.	✓	✓	✓	✓			
149T	Power to give notice on Council's behalf under s274 of matter referred directly to the Environment Court	✓	✓					
149V	Power to lodge appeal to the High Court on question of law on Council's behalf	✓	✓					
149ZD	Power to recover costs incurred by the Council from the applicant	✓	✓					
149W(2)(a) and (4)	Power to implement decision of Board or Court about proposed plan or change or variation.	✓	✓	✓				
168 168A	Duty to receive notice of requirement	✓	✓	✓				
168A	Authority to lodge notice of requirement on behalf of Council	✓	✓	✓				✓



Section	Delegation	CE	GMC	PP	ERSL	RA	MCO	GMA
168A	Power to determine whether to publicly notify Council's notice of requirement for a designation	✓	✓	✓				
168A	Power to make decision on Council's notice of requirement for a designation providing no submissions received in opposition	✓	✓	✓				
169	Power to request further information in relation to publicly notify notice of requirement for a designation	✓	✓	✓	✓			
169	Power to determine whether to publicly notify notice of requirement for designation	✓	✓	✓				
171	Power to consider and make recommendations on requirements for a designation providing no submissions received in opposition	✓	✓	✓				
173	Power to give notice of requiring authority's decision on designation	✓	✓	✓	✓	✓		
174	Power to appeal to Environment Court against requiring authority's decision on designation	✓	✓					✓
175	Authority to include a designation in district plan	✓	✓	✓				
176	Power to give written consent in relation to land subject to Council designation	✓	✓	✓				✓
176A	Power to request changes and to waive requirement for an outline plan	✓	✓	✓				
181	Power to receive application for alterations to designations	✓	✓	✓	✓	✓		
181	Power to determine applications for alteration of designations providing no submissions received in opposition	✓	✓	✓				
182	Authority to receive withdrawals of designations and to amend the District Plan accordingly	✓	✓	✓				
184	Power to extend designation which has not been given effect to	✓	✓	✓				
189	Duty to receive notice of requirement for heritage order	✓	✓	✓				
189A	Authority to lodge notice of requirement for a heritage order on behalf of Council	✓	✓	✓				
189A	Power to determine whether to publicly notify Council's notice of requirement for a heritage order	✓	✓	✓				
189A	Power to make decision on Council's notice of requirement for a heritage order	✓	✓	✓				
190	Power to request further information of notice of requirement for heritage order	✓	✓	✓				
190	Power to determine notification of notice of requirement for heritage order	✓	✓	✓				
191	Power to make recommendations on notice of requirement for heritage order	✓	✓	✓				
193	Authority to give written consent in relation to land protected by Council's heritage order	✓	✓	✓				

Section	Delegation	CE	GMC	PP	ERSL	RA	MCO	GMA
195	Power to appeal to Environment Court against heritage protection authority's decisions under sections 193 or 194	✓	✓					
195A	Power to receive application for alterations to heritage order	✓	✓	✓	✓	✓		
195A	Power to determine applications for alteration of heritage order providing no submissions received in opposition	✓	✓	✓				
196	Power to receive withdrawals of heritage orders and to amend the District Plan accordingly	✓	✓	✓				
220	Power to impose conditions on subdivision consents	✓	✓	✓	✓			
220(1)(a) and (2)(b)	Authority to undertake registration of certificates as authorised officer	✓	✓	✓				
221(2)	Authority to issue and sign a consent notice	✓	✓	✓				
221(3)	Authority to vary or cancel a condition specified in a consent notice	✓	✓	✓				
222	Powers related to the issues of completion certificates enabling the deposit of survey plan	✓	✓	✓				
223	Powers related to approval of survey plan as authorised officer	✓	✓	✓				
224 (c), (f)	Authority to certify compliance of survey plan as authorised officer	✓	✓	✓				
226(1)(e)	Authority to certify any plans of subdivision or copy thereof, which has not had a previous statutory approval.	✓	✓	✓				
234	Power to vary or cancel esplanade strips on application	✓	✓	✓				
235	Power to agree on Council's behalf to creation of esplanade strip	✓	✓	✓				
237	Power to approve a survey plan where esplanade reserves or strips are required	✓	✓	✓				
237B	Power to acquire an easement for access strip	✓	✓	✓				
237C	Authority to close access strips and give notice of closure	✓	✓	✓				
237D	Authority to agree to transfer of access strip to Crown or regional council	✓	✓	✓				
237H	Authority to object to compensation valuation determination	✓	✓	✓				
239	Authority to certify survey plans subject to specified interests and undertake online registration of certificates as authorised officer.	✓	✓	✓				
240	Authority to certify survey plans subject to covenants and undertake online registration of certificates as authorised officer	✓	✓	✓	✓			
241	Authority to deal with amalgamation conditions and undertake online registration of certificates as authorised officer.	✓	✓	✓				
243	Authority to deal with survey plans subject to grant or reservation of easements and undertake online registration of certificates as authorised officer	✓	✓	✓				

Section	Delegation	CE	GMC	PP	ERSL	RA	MCO	GMA
245	Authority to approve survey plan of reclamation	✓	✓	✓				
269 – 291	Authority to determine and direct Council involvement in Environment Court proceedings	✓	✓					
292	Authority to seek that Environment Court remedy defect in plan	✓	✓					
294	Authority to seek that Environment Court review a decision or rehear proceedings	✓	✓					
299 - 308	Authority to determine and direct Council involvement in High Court and Court of Appeal proceedings	✓	✓					
311 312	Authority to initiate declaration proceedings and take other necessary steps	✓	✓					
314 - 321	Authority to initiate enforcement order and interim enforcement order proceedings and take other necessary steps	✓	✓					
325	Authority to consent to a stay of abatement notice	✓	✓					
325A	Power to cancel abatement notice	✓	✓					
330	Power to take preventative or remedial action in emergency circumstances	✓	✓	✓				
331	Power to seek reimbursement of Council's costs for emergency works	✓	✓	✓				
336	Duty to return property seized under warrant or otherwise dispose of property if not claimed	✓	✓	✓				
338	Authority to commence prosecution for breach of the Act	✓	✓					
357D	Power to consider and determine objections providing there is agreement between the parties.	✓	✓	✓				
Sch 1 Cl 3, 3B	Duty to consult on proposed plan, including consultation with local iwi	✓	✓	✓				
Sch 1 Cl 3C	Authority to determine whether consultation has already occurred under other enactments	✓	✓	✓				
Sch 1 Cl 4	Duty to invite requiring authorities by written request on designations in proposed plans.	✓	✓	✓				
Sch 1 Cl 5	Authority to prepare s32 report and publicly notify proposed plan	✓	✓	✓				
Sch 1 Cl 6	Authority to make submissions on Council's behalf	✓	✓	✓				
Sch 1 Cl 7	Duty to give public notice of submissions on proposed plan	✓	✓	✓				
Sch 1 Cl 8, 8A	Authority to make further submissions on Council's behalf	✓	✓	✓				
Sch 1 Cl 8AA	Authority to invite submitters to meetings or refer matters to mediation	✓	✓	✓				
Sch 1 Cl 8B	Duty to give notice of hearings	✓	✓	✓	✓	✓		

Section	Delegation	CE	GMC	PP	ERSL	RA	MCO	GMA
Sch 1 CI 8C	Authority to determine whether hearing is required	✓	✓	✓				
Sch 1 CI 8D	Authority to withdraw proposed plan	✓	✓					
Sch 1 CI 9	Power to hear and make recommendations and decisions on requirements	✓	✓	✓				
Sch 1 CI 11	Duty to give notice of decisions	✓	✓	✓	✓	✓		
Sch 1 CI 14	Authority to lodge appeal with Environment Court	✓	✓					
Sch 1 CI 16(1)	Duty to amend proposed plan if directed by Court	✓	✓	✓				
Sch 1 CI 16(2)	Authority to amend proposed plan to correct minor errors	✓	✓	✓				
Sch 1 CI 20	Duty to give notice of plan becoming operative	✓	✓	✓				
Sch 1 CI 20A	Authority to amend operative plan to correct minor errors	✓	✓	✓				
Sch 1 CI 21	Authority to request change to regional plan or regional policy statement	✓	✓	✓				
Sch 1 CI 23	Power to seek further information relating to private plan change requests	✓	✓	✓	✓			
Sch 1 CI 24	Power to modify plan change request	✓	✓	✓				
Sch 1 CI 25	Power to determine how to proceed with plan change request, including power to reject request	✓	✓	✓				
Sch 1 CI 26	Authority to prepare and notify plan change request	✓	✓	✓				
Sch 1 CI 28	Power to withdraw plan change request	✓	✓	✓				
Sch 1 CI 29(2) and (5)	Duty to send submissions to person who made plan change request and serve copy of its decision	✓	✓	✓	✓	✓		
Sch 1 CI 29(9)	Power to vary plan change request	✓	✓	✓				
Sch 1 CI 32	Authority to certify material incorporated by reference	✓	✓	✓				
Sch 1 CI 34	Duty to consult on incorporation of material by reference	✓	✓	✓				
Sch 1 CI 35	Duty to make information available and give public notice regarding material incorporated by reference	✓	✓	✓				
General	To instruct counsel to represent the Council where the Council is a party in any proceedings before the Environment Court, as the case may be.	✓	✓	✓				

### Resource Management Act 1991 – Additional staff delegations

Authority is delegated to the following staff pursuant to **section 108 (power to impose conditions on a resource consent)** and **section 223 (powers related to approval of a survey plan as an authorised officer)**:

- Manager Water Services
- Manager Local Roads
- Manager Operations
- Group Manager Assets

Authority is delegated to the following staff pursuant to **section 330 (power to undertake preventative or remedial action in emergency circumstances):**

- Manager Water Services
- Asset Engineer Water Services
- Asset Engineer Roading
- Manager Local Roads
- Manager Operations
- Water Services Engineer
- Senior Treatment Plant Operator
- Treatment Plant Operator
- Roading Contracts Supervisor
- Roading Network Supervisor
- Environmental Monitoring Officer

## 2. Resource Management Commissioners

Delegation	CE	GMC	PP	Date Amended
Authority to make appointments of a commissioner(s) as required.	✓	✓	✓	

## 3. Resource Management Consultants

Authority is delegated to the Group Manager Compliance to maintain a list of approved consultants to undertake work for Council in relation to Resource Management applications, the list is document number A337292.

Pursuant to s 34A(2) of the Resource Management Act 1991:

The Planning Consultants listed in document number A337292 (with authority delegated to the Chief Executive and Group Manager Compliance to approve or remove at any time Planning Consultants from the list, and for the list to be updated accordingly), may carry out and undertake the following of Councils functions, powers and duties under the Act:

- (1) The processing of applications made to the Council for resource consent or for the change or cancellation of consent conditions;
- (2) The processing of requirement for designation or heritage orders;
- (3) The processing of the review of consent conditions;
- (4) The issuing of requests for information pursuant to section 92 of the Act;
- (5) The granting of waivers and extensions of time limits pursuant to section 37 of the Act;
- (6) All other matters related to processing resource consents except the granting of a consent;
- (7) Preparing reports and recommendations and presenting and speaking to those reports before Council or Hearings Commissioners.
- (8) Preparing reports and recommendations for plan changes, variations or proposed district plan matters.

In particular planning consultants Kathryn Drew and Andrew McFarlane from Bloxham, Burnett Olliver may carry out and undertake the following of Council's functions, powers and duties under the Act, when acting for Council:

- (1) Authority to sign certificates pursuant to sections 222,223,224C, 224f, 226(1)(e), 234(7), 240(1)(b), 241(4)(b), 243(f)(ii) of the Act;
- (2) Authority to sign covenants or consent notices pursuant to sections 240(3), 240(4) and 221 of the Act; and
- (3) Authority to sign Land Information Memorandums pursuant to s 44A of the Local Government Official Information and Meetings Act 1987.

**Document No:** A341823

**Report To:**

**Council**



**Meeting Date:** 28 February 2017

**Subject:** **Waikato Regional Council Plan Change 1 (Healthy Rivers) – Draft Submission**

## Purpose of Report

- 1.1 This business paper presents a draft submission on the Waikato Regional Council Proposed Plan Change 1 (Healthy Rivers) for consideration and endorsement (subject to any required amendments).

## Background

- 2.1 On 22 October 2016, Waikato Regional Council (WRC) publicly notified Proposed Plan Change 1 (PPC1), their response to addressing the complex issue of water quality facing the Waipa and Waikato rivers.
- 2.2 PPC1 was developed by WRC using a collaborative stakeholder group (CSG), established in 2014. The CSG was supported by a technical alliance (an impartial, advisory group of specialists).

## Commentary

- 3.1 While the intent of PPC1 is supported, there are issues with implementation and the cost-burden of some provisions on landowners and the community. In addition some rules lack clarity, and should be amended to ensure they are able to be implemented efficiently and effectively.
- 3.2 The draft submission addresses these concerns by providing, where possible, specific recommended amendments to ensure the plan provisions are able to be administered effectively by WRC; and more importantly, understood by affected landowners and the community.
- 3.3 Subject to any amendments, and with the Council's approval, the submission will be formally lodged with WRC on 8 March 2017.
- 3.4 The draft submission on Proposed Plan Change 1 (Healthy Rivers) will be circulated separately and form part of this business paper.

## Suggested Resolutions

1. The business paper on Resource Management Act delegations be received.
2. Council approve and authorise for submission to the Waikato Regional Council the submission on Proposed Plan Change 1 (Healthy Rivers).

A handwritten signature in blue ink, appearing to read "Terrena Kelly".

TERRENA KELLY  
**GROUP MANAGER – COMPLIANCE**

**To be circulated separately:** Draft Submission - Proposed Plan Change 1 (Healthy Rivers)



**Document No: A341958****Report To:****Council****Meeting Date: 28 February 2017****Subject: Motion to Exclude the Public for the Consideration of Council Business****Purpose of Report**

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

**Commentary**

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

**Suggested Resolutions**

- 1 The public be excluded from the following part of the proceedings of this meeting.
- 2 Council agree the following staff, having relevant knowledge, remain in attendance to assist Council with its decision making: ...
- 3 The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

<b>General Subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Section 48(1) grounds for this resolution</b>
1. CCTV Cameras – Te Kuiti Central Business District	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)
2. Progress Report: Health and Safety	7(2)(a) Protect the privacy of natural persons, including that of deceased natural persons;	48(1)(a)
3. Progress Report: Civil Defence Emergency Management Co-ordinating Executive Group Minutes	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for this resolution
1. CCTV Cameras – Te Kuiti Central Business District	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)
4. Progress Report: Investment Property Divestment	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)
5. Carter Holt Harvey Litigation	7(2)(g) Maintain legal professional privilege;	48(1)(a)
6. Progress Report: Waikato Mayoral Forum Work Streams – Waikato Plan	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)
7. Waikato Local Authority Shared Services – Six Monthly Report to Shareholders	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)
8. Civic Assurance – Draft 2017 Statement of Intent	7(2)(i) Enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	48(1)(a)

This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6, Section 7 or Section 9 of the Official Information Act 1982 as the case may require are listed above.



MICHELLE HIGGIE  
**EXECUTIVE ASSISTANT**