

PROGRESS REPORT

FOR THE PERIOD ENDING 31 MARCH 2021



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INTRODUCTION

The 2018-28 10 Year Plan (10YP) was adopted in June 2018. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Within each group of activity outlined in the 10YP, we have outlined the levels of service we intend to deliver.

Council also uses Activity/Asset Management Plans to outline the detailed work programme and further communicate an annual programme of work at a high level through the Exception Annual Plan 2020/21.






Progress on the Exceptions Annual Plan is reported back to the community at the year-end through Council's Annual Report.

The purpose of this report is to provide high-level updates of these Council activities for the months of July 2020 to March 2021. The report covers progress on groups of activities (i.e., as outlined in the 10YP and reported annually through the Annual Report). The progress update includes:

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

Keys

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

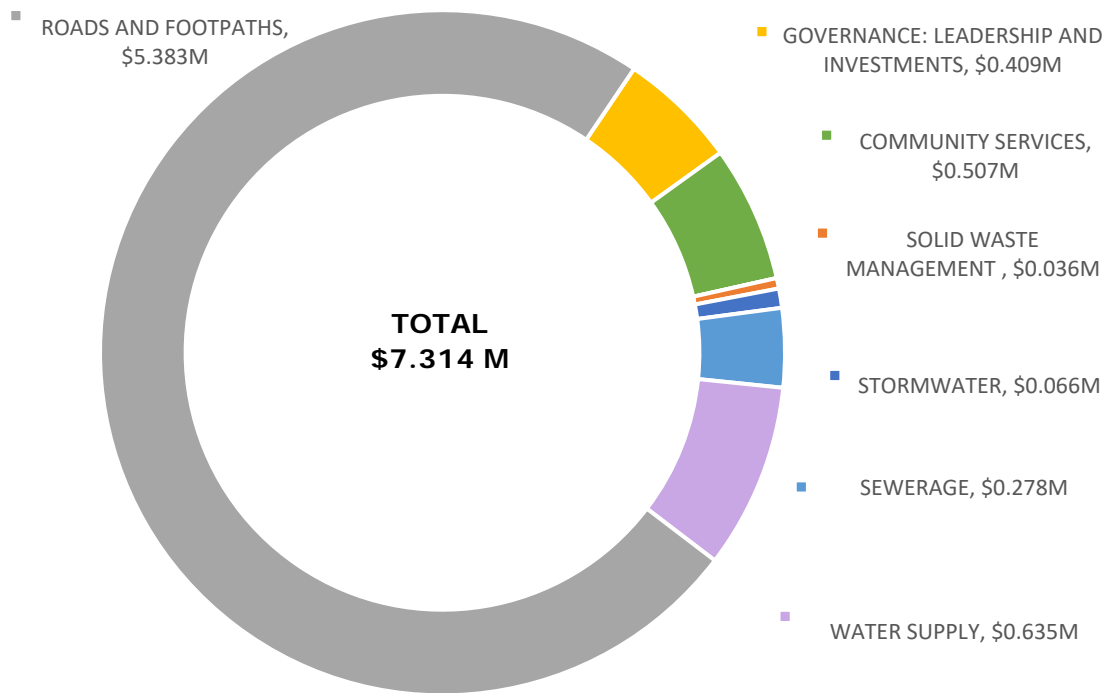
Project/ Programme status	
	Suggests that risks are present that require the intervention of the project team to resolve in order to deliver the project successfully.
	Usually indicates that there are issues and potential risks that may get the project schedule off track and need early intervention to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

Performance Measure Status

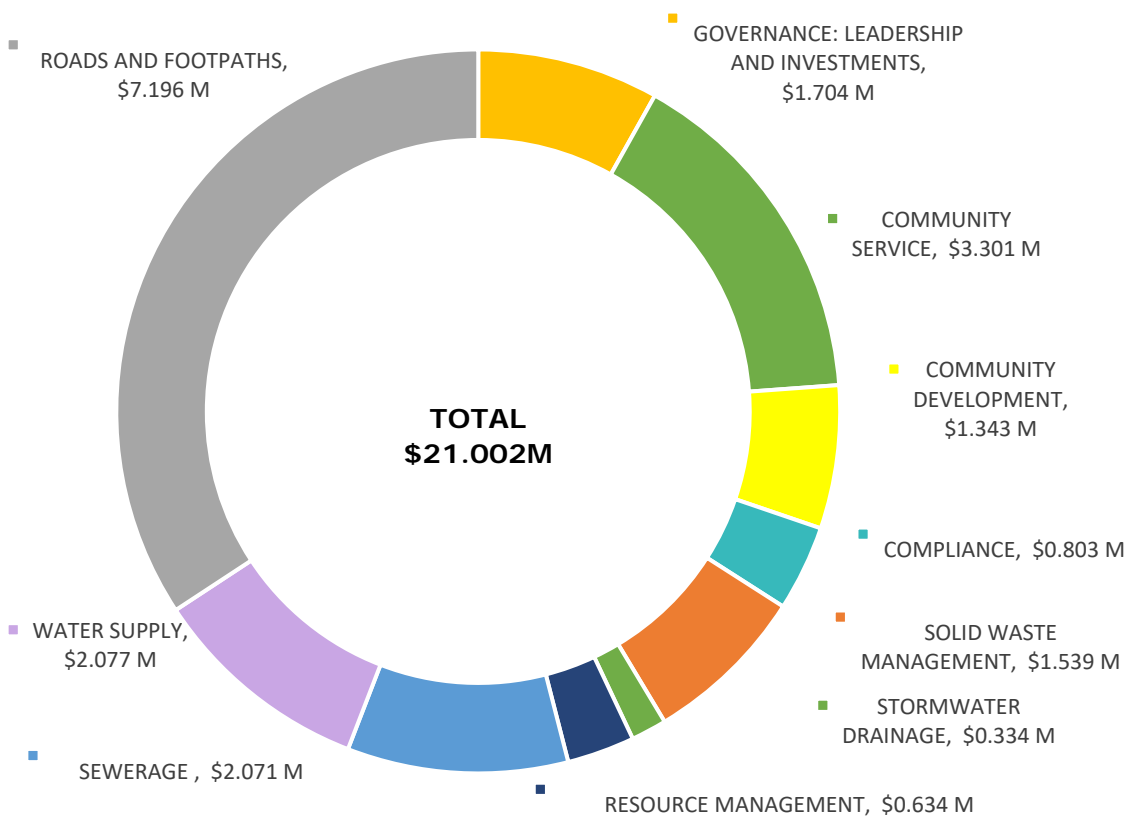
 Not Achieved	 Off track	 Achieved	 On track	 Data not available
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SUMMARY

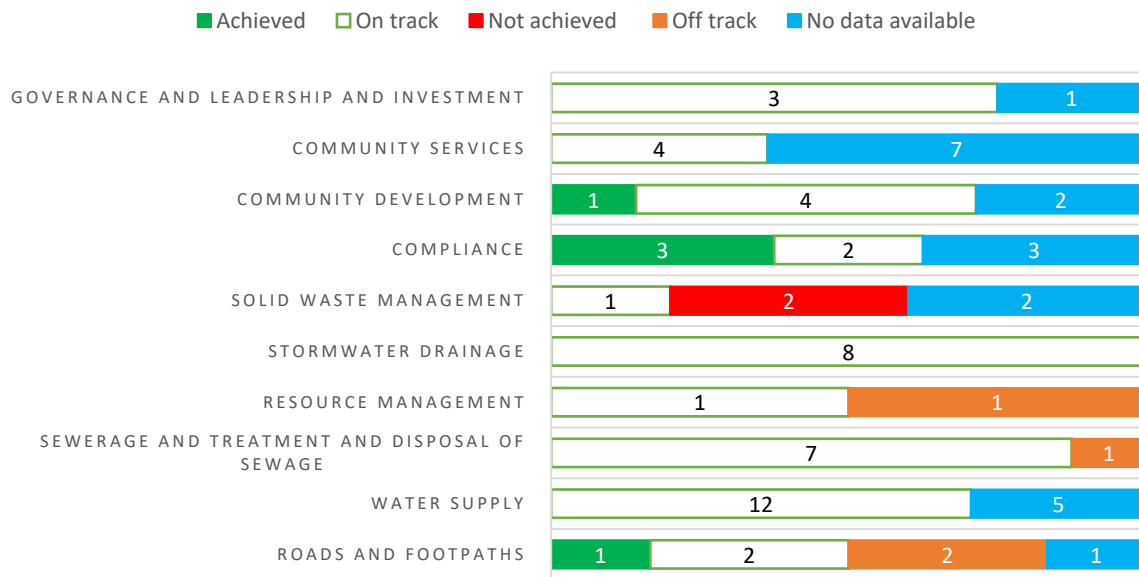
CAPITAL EXPENDITURE SUMMARY AS AT 31 MARCH 2021



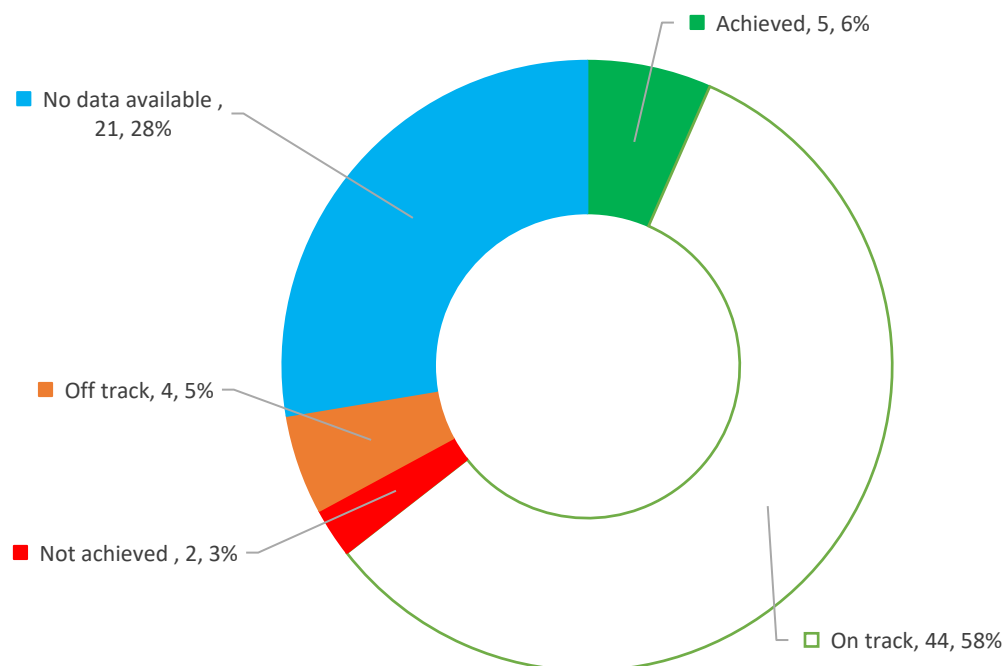
OPERATIONAL EXPENDITURE SUMMARY AS AT 31 MARCH 2021



SERVICE PERFORMANCE SUMMARY 31 MARCH 2021 | Q3



Of the 76 key performance indicators measured, 44 (58%) are on track, 5 (6%) achieved, 4 (5%) off track, 4 (5%) not achieved and 21 (28%) no data available.



FINANCIALS

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

INCOME STATEMENT HIGHLIGHTS

Set out below is the summary of financial information for the period ended 31 March 2021 (Detailed Cost of Service Statements can be found within each Group of Activities).

FINANCIAL HIGHLIGHTS (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	Budget YTD Mar 2021	Actual Mar 2021	Variance Mar 2021	% Variance
Total Expenditure						
- Direct Operating	15,832	18,888	13,468	11,281	(2,187)	
- Indirect Operating	12,701	13,161	9,785	9,721	(64)	
Total Expenditure	28,533	32,049	23,253	21,002	(2,251)	-10%
Total Revenue						
- Operating Revenue	(12,967)	(14,166)	(10,716)	(11,204)	(488)	
- Rates Revenue	(20,183)	(20,854)	(15,558)	(15,569)	(11)	
Total Revenue	(33,150)	(35,020)	(26,274)	(26,773)	(499)	2%
Net (Surplus)/Deficit	(4,617)	(2,971)	(3,021)	(5,771)	(2,750)	91%
Other Comprehensive Revenue and Expense						
- Revaluation of Property, plant and equipment	16,004	(4,291)	0	0	0	
- Gains)/Losses from Cash Flow Hedges	(420)	0	0	0	0	
- Revaluation of available for sale assets	(2,610)	0	0	0	0	
Total Other Comprehensive Revenue and Expense	12,974	(4,291)	0	0	0	
Total Comprehensive Revenue and Expense	8,357	(7,262)	(3,021)	(5,771)	(2,750)	91%

Net Operating Surplus: The net operating surplus of \$5.771 million was \$2.750 million more than budget for the period ended 31 March 2021.

Total Expenditure was \$2.251 million less than budget for the period ended 31 March 2021.

- **Roads and Footpaths:** \$554,000 less due to expenditures for Sealed and Unsealed Pavement Maintenance, Professional services and Roding Business Unit (RBU) costs being less than budget.
- **Resource Management:** \$529,000 less as legal and consultants' fees for the District Plan Review were less than budget due to timing of this project.
- **Leadership:** \$296,000 less than budget for risk management due to timing of project implementation and the remuneration for RMA Commissioner for District Plan hearings was not spent during the period.
- **Community Services:** \$291,000 less than budget for repairs and maintenance and electricity and gas.
- **Sewerage:** \$206,000 less than budget for electricity, operations and maintenance and sludge disposal.

Total Revenue was \$499,000 more than budget for the period ended 31 March 2021.

- **Community Development:** \$250,000 was received for the Mayors Taskforce for Jobs (MTFJ) community recovery programme grant.
- **Community Services:** \$229,000 more than budget for Responsible Camping initiatives funding over peak season and the gain on sale of surplus land.

BALANCE SHEET HIGHLIGHTS

Balance Sheet highlights presented below show the movement in Council's financial position from 30 June 2020 to 31 March 2021.

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2020	Actual Position 31 Mar 2021	Movement from 30 June 2020
Assets			
- Cash and cash equivalents	4,243	5,991	1,748
- Receivables	4,138	4,291	153
- Other current assets	133	133	0
- Other financial assets	9,355	9,397	42
- Non current assets	362,802	365,030	2,393
TOTAL ASSETS	380,506	384,842	4,336
Liabilities			
- Other Liabilities	4,794	6,375	1,581
- Total Borrowings	37,260	34,244	(3,016)
- Derivative financial instruments	2,941	2,941	0
Total Liabilities	44,995	43,560	(1,435)
Equity			
- Equity	335,676	341,282	5,771
TOTAL LIABILITIES AND EQUITY	380,506	384,842	4,336

Total Assets have increased from \$380.51 million to \$384.84 million.

- Cash and cash equivalents have increased by \$1.748 million from \$4.243 million to \$5.991 million.
- Receivables increased by \$153,000 since 30 June 2020 from \$4.14 million to \$4.29 million mostly due to rates receivables and prepayments accounts which were partly offset by an increase in sundry debtors and water debtors.
- Non-current assets have increased by \$2.393 million. The increase is due to the net effect of asset additions of \$7.314 million less depreciation of \$4.796 million and asset revaluation and disposal of \$125,000.

Total Liabilities decreased from \$45.00 million to \$43.56 million.

- Other Liabilities increased by \$1.581 million due to an increase in Payables compared to June 2020, as a portion of the Three Waters Reform stimulus funding received is recognised as Deferred Revenue until the expenditure on these projects has been incurred.
- Total Borrowings decreased by \$3.016 million from \$37.26 million to \$34.24 million.

Total equity increased by \$5.771 million to \$341.28 million, which was the total comprehensive revenue and expense for the period.

CAPITAL EXPENDITURE

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

CAPITAL EXPENDITURE SUMMARY (Amounts in \$000's)	EAP 2020/21	EAP 2020/21 plus carryovers plus 3 water stimulus funding	Projected Spend at 30 June 2021	Actual to Mar 2021	Variance Actual to Projected Spend at 30 June 2021
GOVERNANCE	723	1,342	731	409	(322)
COMMUNITY SERVICES	786	1,575	1,000	507	(493)
COMMUNITY DEVELOPMENT	0	50	0	0	0
SOLID WASTE MANAGEMENT	1,181	1,181	100	36	(64)
STORMWATER	133	133	70	66	(4)
SEWERAGE	378	738	485	278	(207)
WATER SUPPLY	1,046	2,070	674	635	(39)
ROADS AND FOOTPATHS	6,968	10,484	9,188	5,383	(3,805)
TOTAL CAPITAL EXPENDITURE	11,215	17,573	12,248	7,314	(4,934)

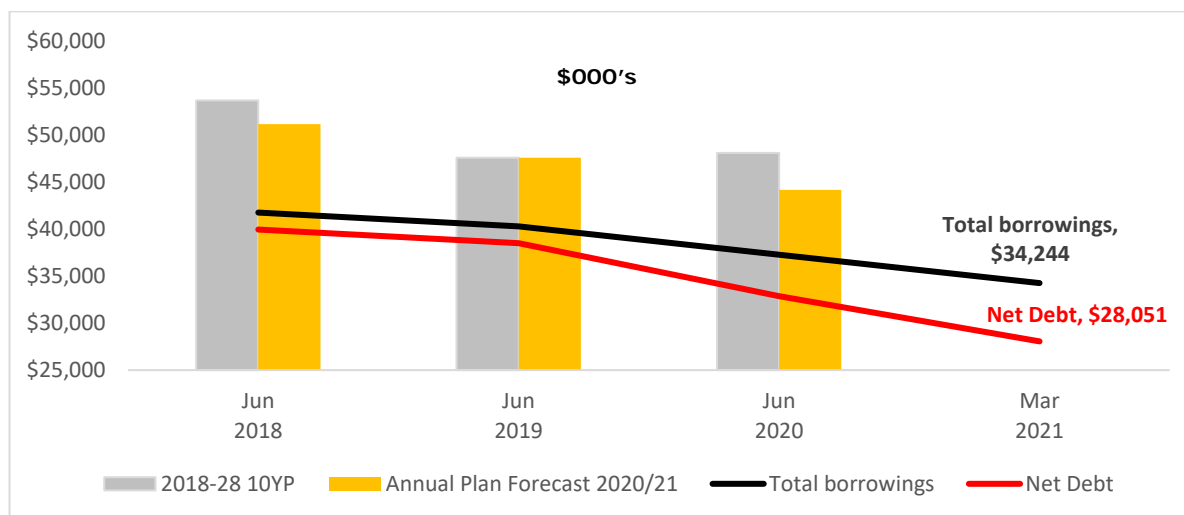
Capital Expenditure was **\$7.314 million** for the period ended 31 March 2021, of which \$5.383 million (74%) relates to Roads, \$635,000 (9%) relates to Water Supply, and \$507,000 (7%) relates to Community Services.

TREASURY MANAGEMENT HIGHLIGHTS

At 31 March 2021 public debt was \$34.24 million and net debt was \$28.05 million. At 30 June 2020 it was \$37.26 million and net debt was \$32.9 million.

Across the debt portfolio the effective interest rate applicable was **3.52%**, which was marginally above the assumed interest rate used in the EAP 2020/21. (The rate excludes credit facility fee applicable to the Westpac Call Advance Facility).

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



Of the borrowing limits set in the Finance Strategy, the following can be measured.

	Limit	Actual Jun 2020	Actual Mar 2021
Total borrowing cost/total revenue	<10%	4%	3%
Total borrowing/total assets	<20%	10%	9%
Net borrowings/total revenue	<170%	64%	Measured at year end
Net interest/total revenue	<20%	4%	3%
Net interest/annual rates	<20%	7%	6%

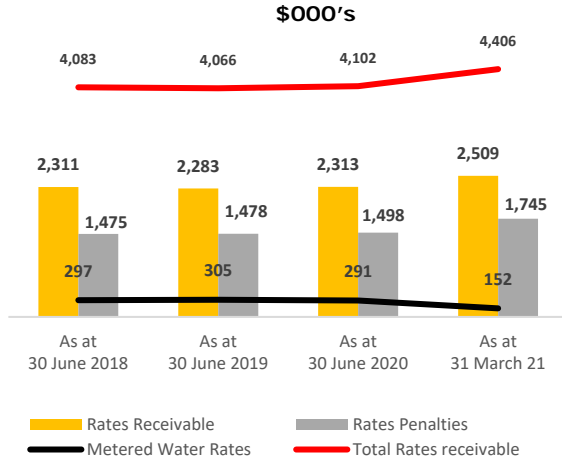
A standby credit facility with Westpac bank with a credit limit of \$10 million is in place. At report date none of this facility was drawn from.

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

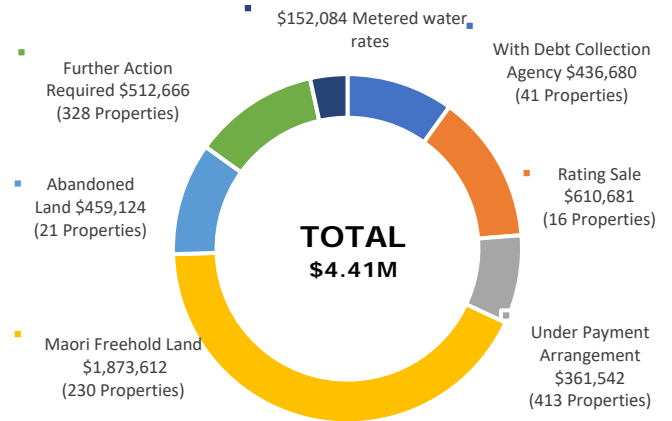
RATES RECEIVABLES

TOTAL RATES RECEIVABLE

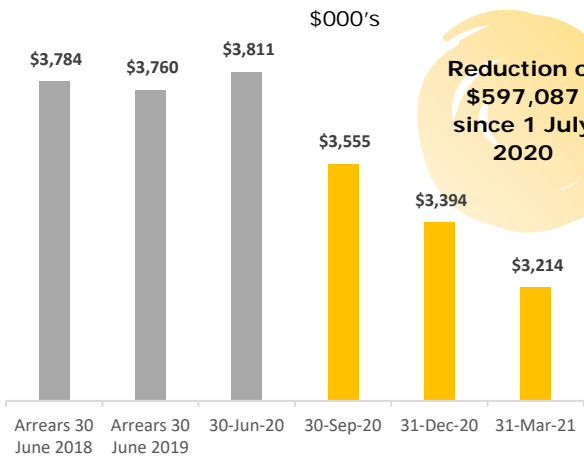
Set out below is the summary of Rates Receivables as at 31 March 2021.



RATES RECEIVABLES SUMMARY AS AT 31 MARCH 2021

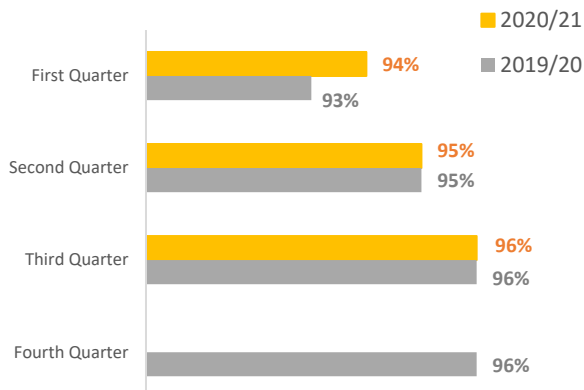


PREVIOUS YEARS RATES ARREARS SUMMARY*



*excludes metered water rates

RATES INSTALMENT COLLECTION TRACKER



Progress:

11 properties were publicly notified in March 2021 as being potentially abandoned.

For 6 of these properties, no communication or enquiry was received as a result of the public notice. External debt collectors will now proceed to apply to the court for authorisation for Council to sell these properties.

For the remaining properties, contact was made with family members and these will now be worked through to resolve the outstanding arrears.

The Rating of Whenua Māori Amendment Bill received Royal Assent on 12 April 2021. The intention of this Bill is to support the development and provision of housing on Māori land and to modernise rating legislation affecting Māori Land. Accordingly, there will be changes to the rating of some Maori land moving forward and also requires the write off of some outstanding rates which cannot be reasonably recovered.

Staff are currently analysing the impact of these changes on the Rating Information Database and the outstanding arrears. A briefing on the key changes and impact of the amended rating legislation will be provided at the Council meeting in May 2021.

SUMMARY OF COST OF SERVICE STATEMENT

SUMMARY (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Mar 2021	YTD Actual Mar 2021	Variance Mar 2020	% Variance
Direct Operating Expenditure						
- Leadership	674	1,097	726	430	(296)	
- Community Services	2,289	2,602	2,101	1,810	(291)	
- Community Development	836	2,109	889	832	(57)	
- Compliance	231	311	249	172	(77)	
- Solid Waste Management	1,639	1,756	1,093	1,028	(65)	
- Stormwater Drainage	114	134	125	112	(13)	
- Resource Management	198	891	711	182	(529)	
- Sewerage	1,319	1,661	1,282	1,076	(206)	
- Water Supply	1,629	1,704	1,338	1,239	(99)	
- Roads and Footpaths	6,903	6,623	4,954	4,400	(554)	
Total Direct Operating Expenditure	15,832	18,888	13,468	11,281	(2,187)	-16%
Indirect Expenditure						
- Allocated Costs	5,246	5,627	4,133	4,007	(126)	
- Interest	1,435	1,425	1,070	918	(152)	
- Depreciation	6,020	6,109	4,582	4,796	214	
Total Indirect Expenditure	12,701	13,161	9,785	9,721	(64)	-1%
TOTAL EXPENDITURE	28,533	32,049	23,253	21,002	(2,251)	-10%
Operating Revenue						
- Leadership	(672)	(582)	(483)	(512)	(29)	
- Community Services	(857)	(577)	(449)	(678)	(229)	
- Community Development	(31)	(34)	(27)	(269)	(242)	
- Compliance	(497)	(465)	(389)	(432)	(43)	
- Solid Waste Management	(22)	0	0	(15)	(15)	
- Stormwater Drainage	(303)	(165)	(124)	(108)	16	
- Resource Management	(1,382)	(1,551)	(1,163)	(1,064)	99	
- Sewerage	(992)	(821)	(618)	(740)	(122)	
- Water Supply	(31)	0	0	(121)	(121)	
- Roads and Footpaths	(8,180)	(9,971)	(7,463)	(7,265)	198	
Total Operating Revenue	(12,967)	(14,166)	(10,716)	(11,204)	(488)	5%
Rates Revenue						
- General Rate	(4,496)	(5,280)	(3,960)	(3,968)	(8)	
- UAGC	(3,352)	(3,558)	(2,669)	(2,674)	(5)	
- Targeted Rate	(11,439)	(11,124)	(8,342)	(8,348)	(6)	
- Metered Water Rates	(896)	(892)	(587)	(579)	8	
Total Rates Revenue	(20,183)	(20,854)	(15,558)	(15,569)	(11)	0%
TOTAL REVENUE	(33,150)	(35,020)	(26,274)	(26,773)	(499)	2%
Net (Surplus)/Deficit	(4,617)	(2,971)	(3,021)	(5,771)	(2,750)	91%

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

GOVERNANCE: LEADERSHIP AND INVESTMENTS

This group comprises Representation, Planning and Policy and Monitoring, Investments and Treasury Management and Organisational Overhead activities and service groups.

- **Leadership** includes preparation of policies guiding strategic direction and strategic financial decisions.
- **Investments** includes investment in Waikato Local Authority Shared Services (WLASS), Inframax Construction Ltd (ICL), Council owned quarries and investment in Civic Financial Services Ltd.

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

Annual Report 2019/20

Project Summary: The Annual Report captures the financial and non-financial performance of Waitomo District Council for the year ended 30 June 2020.

Project Stage Completed ●

End date: 27 October 2020

10 Year Plan 2021-2031 Development Project

Project Summary: The purpose of the 10 Year Plan (10YP) is to pull together a large number of complex 'building blocks' to produce an integrated 10YP with a complete and accurate base of underlying financial, asset and performance information. It requires considerable resourcing capacity and careful sequencing of tasks. This project will deliver the 10YP (process to development of the document).

Progress: Budget development completed, and a Consultation document has been developed alongside a communication and engagement plan.

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

End date: 30 June 2021

Digitisation Project

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

Progress: Stage One of the Digitisation project, the Building Consent records and Resource Consent records were completely digitised by the end of February 2021.

Stage Two is the transfer of these digitised records into Council's records management system. Testing of the integration tool (WebTalk+) to allow upload directly into Council's electronic document management system, Objective, was required subsequent to a scheduled version upgrade undertaken and completed February 2021.

The WebTalk+ testing in early March 2021 encountered numerous problems with access to ports, and some potential certificate issues. These issues needed to be resolved by WDC IT and Objective. The digitisation provider (PBS) were able to access the system successfully early April 2021 and complete further testing. Bulk file upload of the digitised collection is anticipated in the near future.

It should be noted that the Digitisation project is off track due to capacity constraints and competing priorities.

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

End date: 28 February 2021 / new date 30 June 2021

Phone System upgrade

Project Summary: Replacement of old non-supported phone system to a Mitel phone system.

Project Stage	Q1	Q2
	Delivering 	Completed 

End date: 31 December 2020

Fibre Upgrade – remote locations

Project Summary: Currently there is a Radio network which connects all Councils remote sites such as the i-Site, library, landfill, wastewater treatment plant and Les Munro Centre. This project will upgrade the remote locations fibre connections, and upgrade security by installing new firewalls and routers.

Project scope update: Wastewater treatment plant has been removed from the scope of the project due the unfeasibility of the site for fibre (i.e., distance).

Progress:

Completed: Fibre has been installed and configured at i-SITE and the library.

Underway: Fibre has now been installed at the water treatment plant and is yet to be configured.

To Commence: Les Munro Centre will be upgraded next. *Short delay in commencing this site due to competing priorities and capacity constraints.*

Issues

We have investigated with Chorus the installation of fibre at the landfill and the wastewater treatment plant.

- Chorus have advised that the landfill could be completed at an estimated installation cost of (\$30k+). This approach has been reviewed and going forward the plan is to use VDSL instead fibre as it is seen fit for purpose for that site. This can be achieved with existing budget.
- Chorus have advised that the distance to the wastewater treatment plant is too far. Therefore fibre upgrades at this site are no longer feasible.

Both the landfill and wastewater treatment plant have VDSL available so these will be configured with the new firewalls.

Project Stage	Q1	Q2	Q3	Q4
	Delivering 	Delivering 	Delivering 	

End date: 31 March 2021. New end date: 30 June 2021

Review of Council's Risk Management Framework and Strategic Risks

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

Progress: Work is currently underway to review the risk framework including the criteria of assessments, following the feedback from Council's previous workshop. The plan is to reassess the identified key strategic risks on the new framework and understand the residual risk and risk appetite. A workshop has been planned in Q4 to discuss the new framework with the Audit Risk and Finance Committee.

Project Stage	Q1	Q2	Q3	Q4
	Delivering 	Delivering 	Delivering 	

End date: 31 December 2021

SERVICE PERFORMANCE MEASURES

Governance: Leadership and Investments	Overall result for GOA (as at 31 March 2021)					
You can expect	Measure	Q1	Q2	Target/Result	Q3	Commentary
Decision making in compliance with provisions of the Local Government Act 2002 (LGA).	Number of successful challenges to the decision-making process.			Target: 0 Result: On track		No challenges to the decision-making process as at end of Quarter 3.
Consultation is in accordance with the procedures outlined in LGA. 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.	Number of successful challenges to the decision-making process.			Target: 0 Result: On track		No challenges to the decision-making process as at end of Quarter 3.
Effective communication with the community.	Percentage of residents satisfied with the effectiveness and usefulness of Council Communications			Target: 90% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
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.			Target: 2 reports per year Result: 2		Year end report (July 2020) has been received and six-monthly reports from Inframax Construction Ltd and WLASS will be received by Council in Q4.

FINANCIAL UPDATE

OPERATING EXPENDITURE

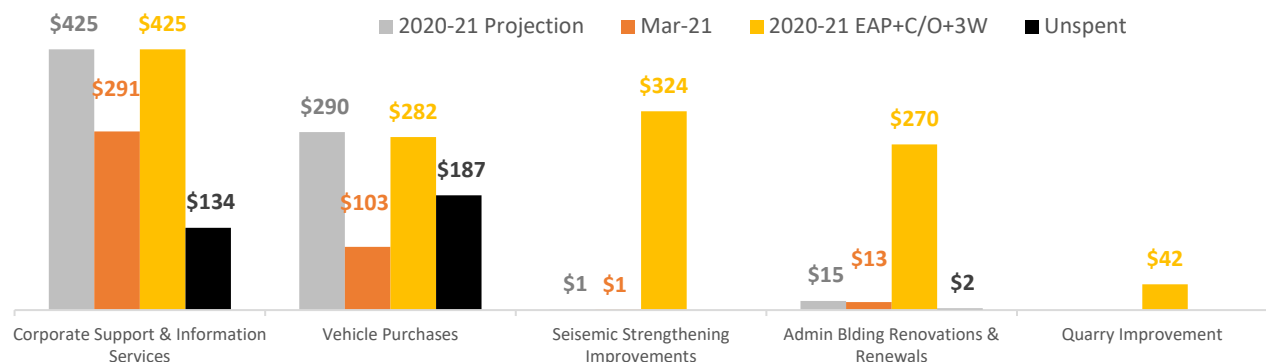
GOVERNANCE: LEADERSHIP AND INVESTMENT (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Mar 2021	YTD Actual Mar 2021	Variance Mar 2021	Var %/ Note Ref
Direct Expenditure						
- Representation	350	445	335	276	(59)	A
- Planning & Policy & Monitoring	102	568	327	87	(240)	B
- Investments	94	82	64	67	3	
- Treasury Management and Overhead Accounts	128	2	0	0	0	
Total Direct Expenditure	674	1,097	726	430	(296)	-41%
- Allocated Costs	1,017	1,219	826	881	55	
- Interest	95	148	112	18	(94)	C
- Depreciation	502	539	404	375	(29)	
Total Operating Expenditure	2,288	3,003	2,068	1,704	(364)	-18%
Operating Revenue						
- Representation	(465)	(461)	(425)	(401)	24	D
- Investments	(87)	(108)	(50)	(103)	(53)	E
- Treasury Management and Overhead Accounts	(120)	(13)	(8)	(8)	0	
Total Operating Revenue	(672)	(582)	(483)	(512)	(29)	6%
Net Operating Cost/(Surplus)	1,616	2,421	1,585	1,192	(393)	-25%

Variance comments:

- A Representation activity expenditure for elected members' remuneration was less as the budget includes remuneration for RMA Commissioners for the Proposed District Plan hearings. The Proposed District Plan hearings will be held in the 2021/22 year.
- B Planning, Policy and Monitoring expenditure is lower than expected due to the delivery and timing of two projects. The development of the policy based rationale for the ownership of Inframax was budgeted to be delivered by a consultant, however this project was predominantly delivered inhouse. The risk management project has been delayed due to the project lead being redirected to support the Three Waters Reform work.
- C Interest expense on the floating rate note for Investments activity borrowing was significantly less than the interest expense assumed in the budget.
- D Representation revenue was less than budget for rates penalties due to the reduction in penalty charge to 4% on the first instalment and less arrears penalties charged in January.
- E Investment revenue was more than budget for the quarry royalties.

CAPITAL EXPENDITURE

000's



Total expenditure for Q3 was \$409,000 against a projection (including carryovers) of \$731,000.

COMMUNITY SERVICES

This group comprises parks and reserves, housing and other properties, recreation and culture, public amenities and safety.

- **Parks and Reserves** involves the provision of parks and reserves for recreation, green places and landscapes that are restful and enhance the visual amenity of our communities.
- **Housing and other property** involves the provision of housing community facilities such as halls and housing.
- **Recreation and culture** involves the provision of recreation and cultural opportunities to support the health and well-being of the community.
- **Public amenities** involves the provision of cemeteries, public car parks, public toilets, street furniture and our CCTV system.
- **Safety** involves the administration of the Civil Defence Emergency Management function; to coordinate a response to an emergency, and to manage recovery in the District.

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

Lease Agreements

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

Progress: An initial investigation and assessment of the current status of existing lease and deed documentation has identified a range of administrative matters. Specialist legal advice has been sought to address issues and challenges.

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

BAU | Ongoing

Te Kuiti Aerodrome

Project Summary: Demolition of unsafe buildings as part of the agreed work programme - Stage 2.

Progress: The demolition of the two unsafe buildings is scheduled to be removed by the end of Q4.

	Q1	Q2	Q3	Q4
Project Stage	Scoping	Scoping	Scoping	

End date: 30 June 2021

Esplanade Reserves: Mokau

Project Summary: Maintaining beach access points in Mokau.

Progress: The contractor for project delivery has been notified to proceed. However, there has been a delay in the commencement of the project due to material supply issues and the contractor's other work commitments; resulting in the completion date extending to 30 June 2021.

	Q1	Q2	Q3	Q4
Project Stage	Delivering	Delivering	Delivering	

End date: 28 Feb 2021 / extended to 30 June 2021

Piopio Hall

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

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

Project Stage	Q1	Q2	Q3	Q4
	Planned to commence 	Delivering 	Delivering 	

End date: 31 March 2021. Project delay, new expected completion date: 30 April 2021

Public Toilet Counters

Project Summary: Information gathering initiative.

Progress: Toilet counters have been installed at the Piopio Toilets (Kara Park) and Mokau Hall Toilets. Counter numbers for the 15th and 16th of October 2020 are shown in the table.


Location of Public Toilet	Date	Count
Kara Park	15/10/2020	339
	16/10/2020	327
Mokau Hall toilets	15/10/2020	130
	16/10/2020	433

Project Stage Completed 

Mokau Peak Season Temporary Toilet Facilities

Project Summary: For the last two summers extra portaloos have been installed near the Mokau toilet block to address demand.

Progress: Four Portaloos at the Mokau Toilet block and two at Point Road have been installed. These portaloos will remain in place over the peak season until Easter.

Project Stage Completed 

Te Maika Jetty

Project Summary: Upgrading the Jetty by replacing the main deck and handrailing of the jetty and construction of a retaining wall along the high tide line to address erosion.

Progress: In late September 2020 the existing timber and concrete main jetty was removed and replaced with marine grade timber and a new concrete deck, along with new marine grade timber handrailing. The retaining wall along the high tide line has now been completed and no further work will be required on this jetty for many years.

Project Stage Completed 

Mokau Jetty

Project Summary: Replacing the floating pontoon, four poles and walkway to address health and safety concerns.

Progress: The walkway, pontoon and six poles have been replaced. The project is still underway, however progress has been delayed due to travel distance and tidal constraints.

Project Stage	Q1	Q2	Q3	Q4
	Delivering 	Delivering 	Delivering 	

End date: 30 April 2021

Motakiora / Brook Park Tree Planting

Project Summary: Matariki Tu Rakau is a partnership between Te Uru Rakau (Forestry New Zealand) and the community to plant native trees to recognise the service of New Zealander's who have made a significant difference to their community in their field of work. Council applied for this funding and funding was approved for \$11,673 (incl GST) for the trees and the drone spraying of the gorse. The funding agreement was signed 28th July 2020.

Progress: The drone spraying and spraying of the gorse has been completed and the tree planting is scheduled to be undertaken in the autumn of 2021.

Project Stage	Q1	Q2	Q3	Q4
	Planning	Delivering	Delivering	

End date: May 2021 / New date 30 June 2021

Library upgrades

Project Summary: Replacement of the carpets and new shelving in the storeroom.

Progress: Both the replacement of the carpets and new shelving in the storeroom has been completed.

Project Stage	Q1	Q2	Q3
	Scoping	Delivering	Completed

End date: 31 March 2021

Railway corridor fencing

Project Summary: New fencing along railway corridor between the Japanese Garden and south end of Railway Building 3.

Progress: The contract was awarded to contractor, waiting on a permit application to be granted by KiwiRail to work on the railway corridor.

Project Stage	Q1	Q2	Q3	Q4
	N/A	Delivering	Delivering	

End date: 30 June 2021

Te Kuiti New Cemetery Extension

Project Summary: Fencing the Te Kuiti New Cemetery extension and future development plan for berm layout and landscaping.

Progress: The gifted land has now been surveyed and amalgamated into the Te Kuiti New Cemetery. The fencing of the new boundary is due to progress in Q4.

Project Stage	Q1	Q2	Q3	Q4
	Scoping	Delivering	Delivering	

End date: 30 June 2021

Rental Properties and Elderly Pensioner Housing (EPH)

Project Summary: Upgrading of rental properties to comply with 'Healthy Homes' requirements.

Progress: An assessment was recently conducted on all Council rental properties including EPH. It was found that minor upgrades were required, mainly ventilation and draft sealing. One remaining property is still to be upgraded prior to be tenanted.

Project Stage	Q1	Q2	Q3	Q4
	N/A	N/A	Delivering	

End date: 30 June 2021

Civil Defence

Programme Summary: WDC provides Civil Defence and Emergency Management (CDEM) functions for the District as required by the Civil Defence and Emergency Management Act 2002. Emergency Management activities are assisted by the Emergency Management Operations Manager and Emergency Management Coordinator employed by Waipā

District Council to provide a shared service arrangement for Waitomo, Waipā and Ōtorohanga District Councils; jointly operating and collaborating as the Western Waikato Emergency Operating Area (WWEOA).

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

Progress:

Reduction

Waikato Regional Council Drought Reporting

Throughout February and March 2021 CDEM staff participated in the Waikato Regional Council Drought meeting group where Weather and Hydrology Situation Reports were provided and discussed. While this was an extremely dry period, fortunately rain arrived which avoided a drought declaration for the Waikato during this period.

Readiness

Training

Totals for the year for the Western Waikato area are 35 people for Foundation, 14 for Intermediate and 1 for Logistics.

Planning is underway to deliver a localised training exercise to take place prior to 30 June 2021. Planning is also underway for a joint exercise that will engage all Council's across the Waikato to be held on or around 4 November 2021. The exercise is expected to involve all of the Western Waikato EOC's where the scenario will test processes and procedures to manage the response.

Community Engagement

Staff attended the MPI Waikato Rural Cluster meeting at Karapiro with one of the main focus areas being wildfire and forest fires.

A Community Response Plan was drafted for Piopio during this quarter and a review of the Marokopa Community Plan has been undertaken. A review of the Mokau Plan will be completed once the newly appointed Police Constable to Mokau has had the opportunity to settle in.

Response

On the morning of 5 March 2021 three separate tsunami threats were received following earthquakes. At 0240hrs a magnitude 7.3 earthquake occurred East of the North island of NZ. This was followed by a magnitude 7.4 earthquake near the Kermadec Islands of New Zealand at 0641hrs, and then a further magnitude 8.1 also centred near the Kermadec island.

The tsunami warning advised that New Zealand coastal areas were likely to experience strong and unusual currents and unpredictable surges at the shore. CDEM staff and Local Controllers moved to monitoring mode on receiving the earthquake and tsunami alert warnings throughout the morning working closely with the Regional GECC office.

National CDEM advice was that any effect on West Coast beaches would likely be no more than 0.3 – 1.0 m in tidal flow, however the precautionary messaging was passed through Community Response Plans and media warnings:

- Move out of the water, off beaches and shore areas and away from harbours, rivers and estuaries.
- Do not go to the coast to watch the unusual wave activity as there may be dangerous and unpredictable surges.
- Listen to local civil defence authorities and follow any instructions.
- Share this information with family, neighbours and friends.

There was no noticeable effect of these earthquakes or tsunami damage to the West Coast beaches and harbours on this occasion.

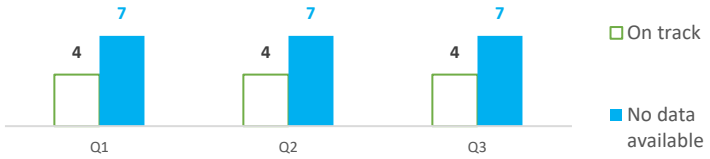
Recovery

To continue our recovery preparedness planning that is aligned to the Waitomo work-plan and the National Disaster Resilience Strategy, some 300 businesses across the District received a business continuity pack to support their preplanning activities.

An 'introduction to recovery' training schedule is being developed for WDC staff.

BAU | Ongoing 

SERVICE PERFORMANCE MEASURES

		Overall result for GOA (as at 31 March 2021)				
Community Services						
You can expect	Measure	Q1	Q2	Target/Result	Q3	Commentary
High quality Parks and Reserves will be provided.	Percentage of residents satisfied with the quality of Parks and Reserves.	●	●	Target: ≥ 80% Result: N/A	●	Performance will be reported in Q4 when the Resident Satisfaction Survey is undertaken (Survey is expected to be completed by June 2021).
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.	●	●	Target: > 80% Result: N/A	●	Performance will be reported in Q4 when the Elderly Persons Housing is undertaken.
Quality public amenities will be provided.	Percentage of residents satisfied with the quality of public amenities (Public Toilets and Cemeteries).	●	●	Target: ≥ 85% Result: N/A	●	Performance will be reported in Q4 when the Resident Satisfaction Survey is undertaken (Survey is expected to be completed by June 2021).
Provision of effective pool facilities for the community.	Percentage of residents satisfied with the quality of the pool facilities and service.	●	●	Target: ≥ 80% Result: N/A	●	Performance will be reported in Q4 when the Resident Satisfaction Survey is undertaken (Survey is expected to be completed by June 2021).
Provision of effective Arts and Culture facilities for the community.	Provision of effective Arts and Culture facilities for the community.	●	●	Target: ≥ 80% Result: N/A	●	Performance will be reported in Q4 when the Resident Satisfaction Survey is undertaken (Survey is expected to be completed by June 2021).
Council's public facilities are provided to standards of fitness for use.	Current Building Warrant Of Fitness (BWOFF) for facilities with compliance schedules.	○	○	Target: 100% Result: 100%	○	All BWOFF's have been received and are current.
Pool is safe for use of pool patrons at all times.	Pool accreditation in place.	○	○	Target: 100% Result: 100%	○	Poolsafe accreditation is in place until 31/03/2021.
	Number of pool non complying water quality readings per year.	○	○	Target: < 2 Result: 0	○	Readings undertaken shows that the pool water quality is compliant.

You can expect	Measure	Q1	Q2	Target/Result	Q3	Commentary
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.			Target: ≥ 75% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey is undertaken (Survey is expected to be completed by June 2021)
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.			Target: One exercise per year Result: N/A		Will be reported when completed within the year. Planning is currently underway.
Playground equipment is safe to use for parks and reserves playground users.	Number of accidents directly attributable to playground equipment failure.			Target: Nil Accidents Result: On track		No service requests or incident reports received.

FINANCIAL UPDATE

OPERATING EXPENDITURE

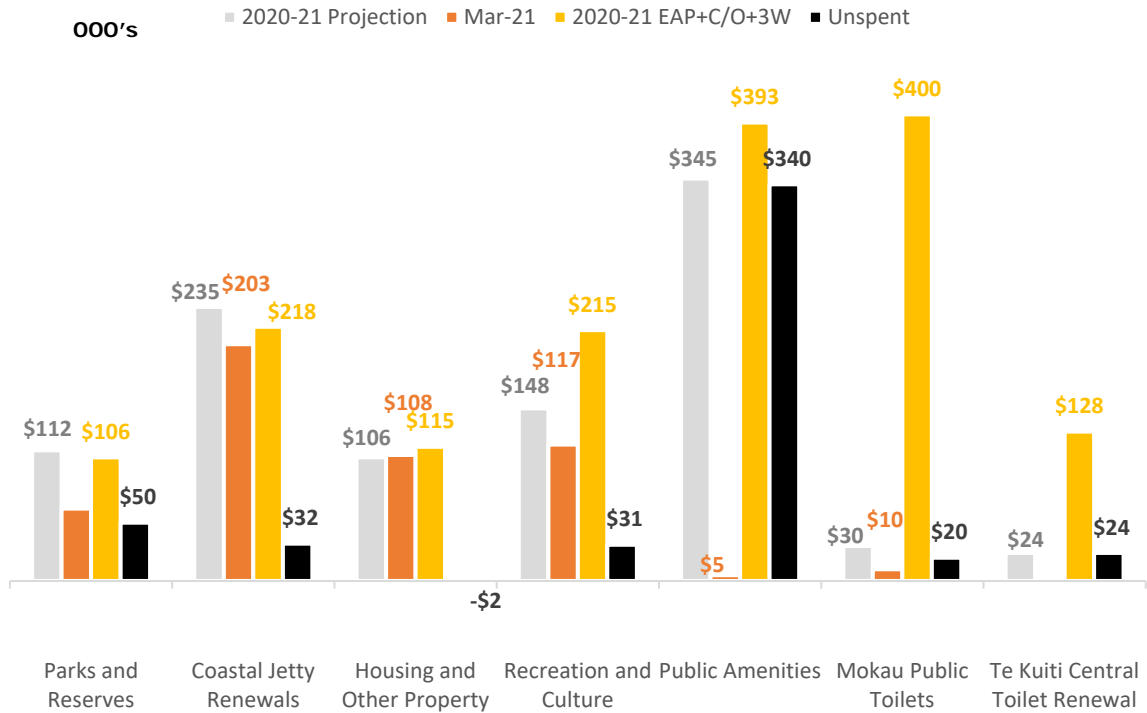
COMMUNITY SERVICE (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Mar 2021	YTD Actual Mar 2021	Variance Mar 2021	Var % Note Ref
Direct Expenditure						
- Parks and Reserves	481	591	427	340	(87)	A
- Housing and Other Property	502	467	435	419	(16)	
- Recreation and Culture	543	616	504	385	(119)	B
- Public Amenities	665	804	642	589	(53)	C
- Safety	98	124	93	77	(16)	
Total Direct Expenditure	2,289	2,602	2,101	1,810	(291)	-14%
- Allocated Costs	867	999	749	725	(24)	
- Interest	102	112	84	71	(13)	
- Depreciation	926	980	734	695	(39)	
Total Operating Expenditure	4,184	4,693	3,668	3,301	(367)	-10%
Operating Revenue						
- Parks and Reserves	(62)	(23)	(18)	(16)	2	
- Housing and Other Property	(384)	(329)	(247)	(215)	32	D
- Recreation and Culture	(104)	(147)	(119)	(87)	32	E
- Public Amenities	(307)	(78)	(65)	(360)	(295)	F
Total Operating Revenue	(857)	(577)	(449)	(678)	(229)	51%
Net Operating Cost/(Surplus)	3,327	4,116	3,219	2,623	(596)	-19%

Variance comments:

- A Parks and Reserves budgets for repairs and maintenance, tree maintenance and materials and supplies were not fully spent for the period.
- B Recreation and Culture activity expenditure was less for electricity and gas, and repairs and maintenance for the period. The underspent budget for the aerodrome repairs and maintenance will be utilised within the next quarter upon the completion of the new hangers.
- C Public amenities expenditure was less for repairs and maintenance and water billing charges for the period.
- D Housing and Other Property revenue was less than forecast. Included in the revenue budget is a capitation fee from a commercial licensee that is based on the volume of visitor numbers, as the number of visitors to the area have reduced due to the impact of the pandemic, associated revenue has also decreased.

- E Recreation and Culture revenue was less for both the Les Munro Centre hireage and Aquatic Centre.
- F Public Amenities revenue was more than budget due to the grant received for Responsible Camping initiatives to fund the costs of operating and maintaining tourism facilities over the peak season including the hireage of temporary toilets in Mokau. A gain on sale of surplus land (adjacent to the Te Kuiti Cemetery) was also recognised during the period.

CAPITAL EXPENDITURE



Total expenditure for Q3 was \$507,000 against a projection (including carryovers) of \$1m.

COMMUNITY DEVELOPMENT

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

- **Community support** seeks to improve social outcomes within Waitomo District by working closely with community and sporting groups within the District community.
- **Tourism development and district promotion** is delivered through a partnership between central government, local government and the tourism industry.
- **District development** involves the facilitation and support of initiatives that will enhance the District's economic sustainability.
- **Te Kuiti i-SITE Visitor Information Centre** provides a free, friendly and objective information service to visitors and the local community.

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

Vibrant Safe Waitomo (VSW)

Programme Summary: Council through the 10YP process agreed to the development and implementation of this strategy. The strategy is governed by a VSW Regional Coalition.

Progress: The 12-month Action Plan is currently being implemented with progress reporting against the 2020/2021 Action Plan. These actions are reviewed at the Regional Coalition meetings held each quarter. At the March 2021 meeting a deputation to the Coalition was made by Waitomo and Ōtorohanga Districts Suicide Prevention and Postvention Community Group. The Group presented on their Strategy and Action Plan. The Waipā Waitomo Women's Refuge and Violence Free Maniapoto also presented on family harm issues over the past year.

BAU| Ongoing 

Youth Liaison/ Waitomo District Youth Council

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

Progress: The Waitomo District Youth Council (WDYC) successfully delivered on their 2020 Work Programme for year ended December 2020.

An initial meeting to draw interest of rangatahi was hosted on 19 January 2021 and promoted as a Leaders Lunch. Young people were briefed on ways they could be involved within leadership positions and with youth project work. Presentations were made by the Waikato Regional Council, Tuia, NZ Police, Youth INtact and the WDYC.

A planning meeting was held with WDYC on 31 March 2021. The first event has been planned to coincide with Youth Week in May 2021.

The 2021 WDYC comprises of 7 young people.

BAU| Ongoing 

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

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

Progress: The Mayors' Taskforce for Jobs Agreement was confirmed in November 2020 and to date, over 90 young people have registered for assistance through the MTFJ programme. The March 2021 report indicates that 50 sustainable employment outcomes over a number of different industries have been secured. Delivery of the programme is ongoing.

Project Stage	Q1	Q2	Q3	Q4
	Delivering 	Delivering 	Delivering 	

Start date: 1 November 2020



End date: 30 June 2021

Novice Driving Training Programme

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

Target rate for learners (30 p.a.), restricted (50 p.a.) and full licence (30 p.a.).

Progress: A total of 150 young people have moved from one stage of their driver licence to the next in the past 9 months, confirming the success of this programme. The breakdown for the Waitomo District is 96 young people, of this number 39 achieved their learner licence, 39 achieved their restricted licence and 18 achieved their full driver licence during the period.

Project Stage	Q1	Q2	Q3	Q4
	Delivering 	Delivering 	Delivering 	

Start date: 1 July 2020

End date: 30 June 2021

Community Development Fund Policy

Programme Summary: The Community Development Fund Policy establishes funding policies and principles, which form the basis for the provision of funding grants to assist organisations and funding partners who provide projects, activities, services and facilities that benefit communities within the Waitomo District. The policy also captures the grants disbursed on behalf of the DC Tynan Trust and the Creative Communities New Zealand fund.

Progress:

One grant fund (Discretionary Grant Fund, Round 3) has been administrated between January and March 2021. No applications were received.

Planning has taken place with both Community Waikato and Te Kuiti Community House to deliver a Grants and Funding Expo to the Waitomo District community. The Expo provides an opportunity to socialise the new Community and Partnerships Fund Policy with the community groups it looks to service. This Expo is also an opportunity to connect external funders with WDC community groups.

BAU | Ongoing 

Community / Civic Events

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

Progress:

The nominations period for the Waitomo District Citizens Awards have now closed with 8 nominations received. The Award Ceremony will be held in the June 2021.

BAU | Ongoing 

SERVICE PERFORMANCE MEASURES

		Overall result for GOA (as at 31 March 2021)				
Community Development						
You can expect	Measure	Q1	Q2	Target/Result	Q3	Commentary
Provide assistance for community support activities.	Advertisement and administration of all WDC Funding Rounds as per the Community Development Fund Policy.			Target: 100% Compliance Result: 100%		<ul style="list-style-type: none"> Discretionary Grant Round 1,2,3 Community Partnership DC Tynan Trust Creative Communities Round 1
	Youth Council meet with Council once per year.			Target: 1 per annum Result: N/A		Performance will be reported in Q4
Support the positive development of youth within the District.	Youth Council undertakes two youth related projects per year.			Target: 2 per annum Result: 1		The WDYC co-hosted for the Maniapoto Arts Festival where photos were exhibited from the WDYC organised photo competition. This provided a youth component at the Arts Festival which was held 17 to 19 November 2020.
Council will support major District events that build community pride and raise the District's profile.	Council provide support for major district events.			Target: 2 per annum Result: 1		The Waitomo District Christmas Parade was held on 27 November 2020. The Great NZ Muster will be held on 10 April 2021.
Provision of comprehensive library facilities for the community.	Percentage of residents satisfied with the quality of the library facilities and service.			Target: ≥ 85% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
Council will encourage and support sustainable economic development opportunities within the District.	Enhance the promotion of the District with the support of Hamilton Waikato Tourism (HWT) through taking up District promotion opportunities in key publications and industry events.			Target: > 4 promotion opportunities taken up Result: 5		The Waitomo District was profiled in a range of key publications and industry events. Marketing initiatives included: <ul style="list-style-type: none"> Media hosting and familis profiling Waitomo - Bare Kiwi, Stuff.co.nz Roadie, NZ Herald Famil, Cuisine Summer 'Explore Your Own Backyard' Campaign. 'Open for Exploration' Campaign which ran across multiple social media and digital platforms. 2021 Hamilton and Waikato Regional Visitor Guide. Waitomo profiled through HWT's website and various social media profiles.
	Involvement in economic development initiatives alongside Waikato Means Business.			Target: 1 initiative per annum Result: N/A		Performance will be reported in Q4.

FINANCIAL UPDATE

OPERATING EXPENDITURE

COMMUNITY DEVELOPMENT (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Mar 2021	YTD Actual Mar 2021	Variance Mar 2021	Var % Note Ref
Direct Expenditure						
- Community Support	689	1,798	610	695	85	A
- District Development	147	311	279	137	(142)	B
Total Direct Expenditure	836	2,109	889	832	(57)	-6%
- Allocated Costs	755	765	573	501	(72)	
- Depreciation	13	13	10	10	0	
Total Operating Expenditure	1,604	2,887	1,472	1,343	(129)	-9%
Operating Revenue						
- Community Support	(10)	(2)	(2)	(258)	(256)	C
- District Development	(21)	(32)	(25)	(11)	14	D
Total Operating Revenue	(31)	(34)	(27)	(269)	(242)	896%
Net Operating Cost/(Surplus)	1,573	2,853	1,445	1,074	(371)	-26%

Variance comments:

- A Expenditure for the Community Support activity is currently tracking more than budget largely due to the expenditure for Mayors Taskforce For Jobs which is funded by grant revenue.
- B Expenditure for the District Development activity is tracking less than budget at the end of the 3rd quarter. Expenditure for the Te Kuiti Visitor Information Centre is under budget due to level of service changes as a result of COVID-19. District promotion initiatives have been delayed; work is programmed to be completed by the end of the financial year.
- C Revenue for the Community Support activity was \$256,000 more than budget. This is due to receipt of grant funding for the Mayors Taskforce For Jobs Community Recovery Programme and a funding contribution from Accident Compensation Corporation in support of Vibrant Safe Waitomo.
- D Revenue for the District Development activity is less than budget. Revenue for the Te Kuiti i-SITE Visitor Information Centre will be less than budget for the financial year due to the ongoing effects of the COVID-19 pandemic on the tourism sector.

COMPLIANCE

This group includes the regulatory functions devolved to Council by legislation including administering the necessary policies and bylaws to ensure a safe and nuisance free environment for all the residents and visitors of the District.

- **Building control** covers the processing and monitoring of building consents, and the issuing of Code of Compliance certificates pursuant to the Building Act 2004. This activity also covers the monitoring and enforcement of residential pools and earthquake-prone buildings requirements.
- **Alcohol licensing** oversees the administration of the Sale and Supply of Alcohol Act 2012 at a local level by way of the Waitomo District Licensing Committee.
- **Environmental health** involves the provision of environmental health services. This includes general public health inspections, licensing and inspection of food premises and hairdressers; and responding to noise and public health complaints.
- **Bylaw administration** involves managing a range of bylaws that Council has in place.
- **Animal and dog control** involve the registration and impounding of dogs, owner education, and implementing and enforcing our Dog Control Bylaw and Policy. This activity also covers wandering stock.

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

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

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

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

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

BAU | Ongoing 

SERVICE PERFORMANCE MEASURES

		Overall result for GOA (as at 31 March 2021)				
Compliance						
You can expect	Measure	Q1	Q2	Target/Result	Q3	Commentary
All food and liquor retail premises will be inspected and appropriately registered and licensed.	Percentage of food and alcohol premises that are licensed or registered.			Target: 100% Compliance Result: 100%		100% compliance
Provision of an effective environmental health service for the community.	Percentage of residents satisfied with the provision of the Environmental Health Service.			Target: > 85% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey is undertaken (Survey is expected to be completed by June 2021).
Building consents and project information memoranda (PIMs) processed within 20 working days.	Building consents and project information memoranda (PIMs) processed within 20 working days.			Target: 100% Result: 100%		100% of consents were processed within 20 working days for this period.
Council will process, inspect and certify building work in the Waitomo District.	WDC maintains building control systems and process to meet IANZ Audit requirements Target BCA Accreditation.			Target: BCA Accreditation achieved Result: Achieved		Accreditation achieved.
Provision of an effective building control service to the community.	Percentage of users satisfied with the provision of the Building Control Service.			Target: > 75% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey is undertaken (Survey is expected to be completed by June 2021).
Council meets its obligations under the Dog Control Act 1996.	Percentage of Special Owner Status properties (SOPs) inspected per year.			Target: 100% Result: 100%		Inspections have been completed.
Provision of an effective Animal Control Service.	Percentage of residents satisfied with the provision of the Animal Control Service.			Target: ≥ 75% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey is undertaken (Survey is expected to be completed by June 2021).
Dog Owners are well informed of their responsibilities and WDC Support.	Number of Dog/Owner Education initiatives.			Target: ≥ 2 Result: 2		2 initiatives have been undertaken to date.

FINANCIAL UPDATE

OPERATING EXPENDITURE

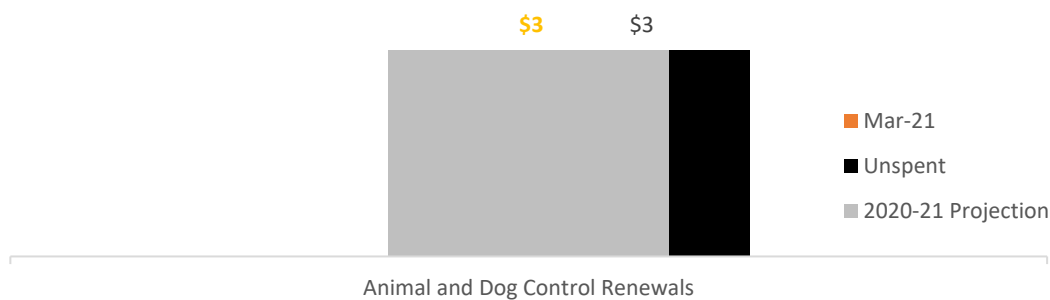
COMPLIANCE (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Mar 2021	YTD Actual Mar 2021	Variance Mar 2021	Var % Note Ref
Direct Expenditure						
- Compliance	231	311	249	172	(77)	A
Total Direct Expenditure	231	311	249	172	(77)	-31%
- Allocated Costs	881	928	696	626	(70)	
- Depreciation	7	8	6	5	(1)	
Total Operating Expenditure	1,119	1,247	951	803	(148)	-16%
Operating Revenue						
- Compliance	(497)	(465)	(389)	(432)	(43)	B
Total Operating Revenue	(497)	(465)	(389)	(432)	(43)	11%
Net Operating Cost/(Surplus)	622	782	562	371	(191)	-34%

Variance comments:

- A Expenditure for contractors' costs for animal control were less than budget. Contractor cost variations generally relate to timing of receipt of invoices. These costs are expected to be incurred in 2020/21. Expenditure for legal expenses for building control services is less than budget due to the resolution of the CHH litigation. Expenditure for earthquake prone buildings was less than budget due to project variances. District Licensing Committee expenditure was less than budget due to less alcohol licencing matters requiring hearings to date.
- B Building control revenue and accreditation levy revenue was more than budget for the period. This revenue is directly linked to the number of consents received. Alcohol licencing revenue was more than budget, directly linked to the number of applications received.

CAPITAL EXPENDITURE

\$000's



There was no expenditure for Q3 against a projection of \$3,000.

SOLID WASTE MANAGEMENT

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

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

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

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

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

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

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

Landfill

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

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

Progress:

Description	Quarter 1			Quarter 2		
	Tonnes Deposited July 2020	Tonnes Deposited Aug 2020	Tonnes Deposited Sep 2020	Tonnes Deposited Oct 2020	Tonnes Deposited Nov 2020	Tonnes Deposited Dec 2020
Total To Landfill	848.8	801.23	708.85	871.08	689.17	768.34
Description	Quarter 3			Quarter 4		
	Tonnes Deposited Jan 2021	Tonnes Deposited Feb 2021	Tonnes Deposited Mar 2021	Tonnes Deposited Apr 2021	Tonnes Deposited May 2021	Tonnes Deposited June 2021
Total To Landfill	707.51	606.15				

Diverted Material

- To date a total of 326.07 tonnes of recyclables has been diverted from the landfill for this financial year.
- To date a total of 1216.56 tonnes of recyclables have been collected from kerbside collections and transfer stations this financial year.

Waste minimisation promotion and educational programmes

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

Progress:

There were two waste minimisation workshops held during Q3. The first was a “Sustainable Living” chat and morning tea on 19th February 2021 which was held at the maternity resource centre. This workshop focused on the use of reusable menstrual products and nappies. A “Foodlovers Masterclass” was held at the Les Munro Centre and presented by Kate Meads on 25th February 2021. The focus of this workshop was around food waste, and how to interpret best before/best by dates and tips on how to prevent surplus food ending up in the rubbish. Attendees received a “goodie” bag with products to aid in reducing food waste such as beeswax wraps. This was a sell-out event with 38 guests in attendance.



BAU | Ongoing 

Development of the new cell

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

An investigation will be required to determine the method and costs involved to stabilise the highwall. Once completed in mid-2021, a decision will be made on whether it remains a viable option to extend the life of the landfill.



Progress: Following the installation of geotechnical monitoring instruments on the landfill highwall in early 2020, a quarterly monitoring programme to measure ground movements and groundwater levels has been carried out over the past 12 months. That data will ultimately inform a report, due mid-2021. The cost of mitigation measures required to protect against highwall slippage while progressive lining and landfilling takes place will then be compared with the alternative options of either divesting or accelerating the closure, capping and aftercare of the landfill and re-configuring the Te Kuiti waste transfer station suitable for long distance transport of waste to an alternative, out of district, landfill site. The latter option would trigger a significant variation to WDC’s Waste Management and Minimisation Plan, due for review in 2023/24.

Project Stage	Q1	Q2	Q3	Q4
	N/A	Scoping 	Delivering 	

Infrastructure maintenance and transfer station safety improvements

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

Progress: Assessments of asset condition required and is currently being scoped. Rainwater tanks have been installed for cleaning purposes along with hand sanitiser stations. Other safety improvements are being explored.

Project Stage	Q1	Q2	Q3	Q4
	N/A	Scoping 	Scoping 	

SERVICE PERFORMANCE MEASURES

Solid Waste Management		Overall result for GOA (as at 31 March 2021)				
You can expect	How we measure performance	Q1	Q2	Target/ Result	Q3	Commentary
Provision of safe solid waste facilities within District.	Percentage of users that rate the safety of the facilities (landfill and rural transfer service stations) as satisfactory or better.			Target: ≥ 85 Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey is undertaken (Survey is expected to be completed by June 2021).
Provision of effective solid waste management services for the community.	Average number of complaints received per month regarding solid waste activities.			Target: ≤ 10 Result: 4.67		Average number of complaints is 4.67/month. Most service requests were due to missed kerbside collection.
	Percentage of users satisfied with the provision of waste management facilities (Landfill and rural transfer stations).			Target: 80% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey is undertaken (Survey is expected to be completed by June 2021).
To work towards a waste minimisation outcome.	Percentage reduction per annum in quantity of recyclables (like paper and plastics) in bag collection that goes to landfill.			Target: 1.0% reduction Result: 0.6% increase		There was a 0.6% increase in recyclables found in kerbside rubbish bags in the 2020 waste audit to the 2018 waste audit. This may be due to lack of access, education or promotion around recycling.
	Percentage reduction per annum in quantity of organic waste (like food scraps) in bag collection that goes to landfill.			Target: 1.0% reduction Result: 4.7% increase		There was a 4.7% increase in food/organic waste found in kerbside rubbish bags in the 2020 waste audit compared to the 2018. Increasing amounts of food waste going to landfill is a national problem. Education and funding of initiatives will continue to address this issue.

FINANCIAL UPDATE

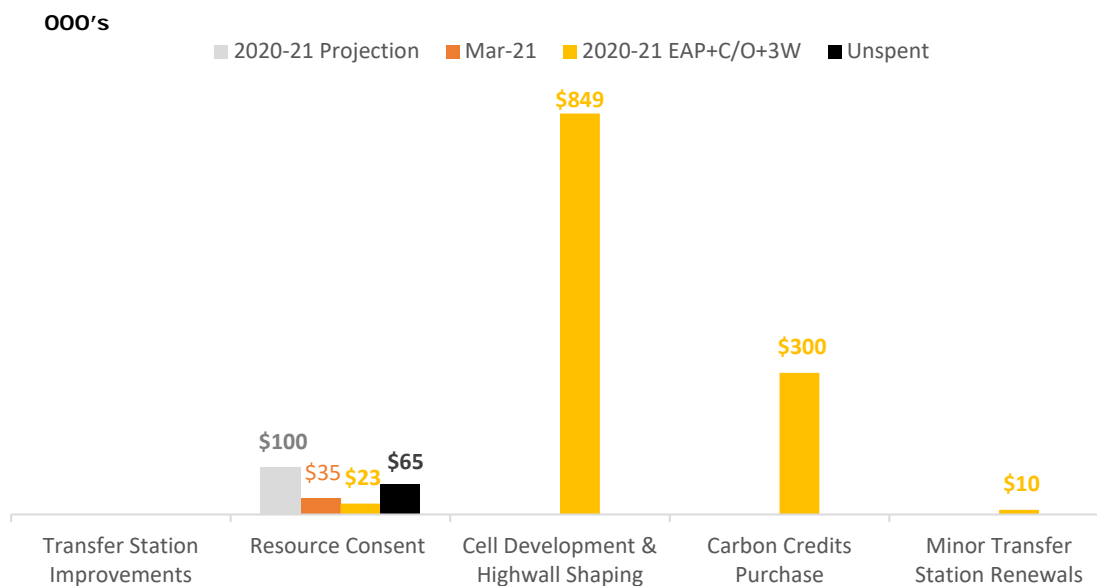
OPERATING EXPENDITURE

SOLID WASTE MANAGEMENT (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Mar 2021	YTD Actual Mar 2021	Variance Mar 2021	Var % Note Ref
Direct Expenditure						
- Collection	278	311	239	207	(32)	A
- Landfill Management	1,361	1,445	854	821	(33)	B
Total Direct Expenditure	1,639	1,756	1,093	1,028	(65)	-6%
- Allocated Costs	404	462	347	346	(1)	
- Interest	154	154	115	95	(20)	
- Depreciation	86	81	61	70	9	
Total Operating Expenditure	2,283	2,453	1,616	1,539	(77)	-5%
Operating Revenue						
- Collection	(135)	(147)	(110)	(105)	5	
- Landfill Management	(1,247)	(1,404)	(1,053)	(959)	94	C
Total Operating Revenue	(1,382)	(1,551)	(1,163)	(1,064)	99	-9%
Net Operating Cost/(Surplus)	901	902	453	475	22	5%

Variance comments:

- A Solid waste collection costs are less than budget for the purchase of rubbish bags and landfill disposal costs in Te Kuiti.
- B Landfill management costs are less than budget due to lower resource consent compliance expenditure, infrastructure maintenance costs and waste minimisation levy.
- C Revenue received at the landfill was less than budget due to a decrease in revenue from general refuse charges.

CAPITAL EXPENDITURE



Total expenditure for Q3 was \$36,000 against a projection of \$100,000. The cell development project has been re-sequenced and is incorporated into 2021-31 10YP. Refer to projects and programme updates section for progress on key capital projects.

STORMWATER DRAINAGE

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

The main activities of this group are:

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

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

Completion of Stormwater Catchment Plans

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

Progress: Draft Catchment Plans were received in late March. Work is currently underway to review the report with the intention of finalising the Plans after comments for change have been submitted.

Project Stage	Q1	Q2	Q3
	Planning	Delivering	Completed

Start date: 1 October 2020

End date: 31 March 2021

Completion of the annual renewals programmes based on conditions assessment

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

Progress: Work is underway preparing tender documents. There is a delay due to capacity constraints.

Issue: Currently there is limited capacity with competing priorities.

Project Stage	Q1	Q2	Q3	Q4
	Scoping/ planning	Scoping/ Planning	Scoping/ Planning	

Monitoring and maintenance of stormwater exit and entry points

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

Progress:

- Installed a grated cover onto a large open inspection point located on Queen St, Te Kuiti.
- Installed cover grates onto two small inspection points on Queen Street, Te Kuiti.
- Reattached culvert grates with shearing bolts at the end of a 1800mm pipe and are in the process of having new grates fabricated and fixed to the opposite end.

Project Stage: ongoing

SERVICE PERFORMANCE MEASURES

		Overall result for GOA (as at 31 March 2021)				
Stormwater Drainage						
You can expect	Measure	Q1	Q2	Target/Result	Q3	Commentary
Stormwater drainage system is adequate and is sufficiently maintained.	The number of flooding events* that occur in the district in a financial year.			Target: 0 Result: 0		There have been no flooding events in this quarter.
	For each flooding event* the number of habitable floors affected in a financial year.			Target: ≤ 1 per 1000 connections Result: 0		There have been no flooding events in this quarter.
Compliance with resource consent conditions for discharge from the Council's 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 within a financial year):					
	abatement notices			Target: 0 Result: 0		There have been no notices received.
	infringement notices			Target: ≤ 2 Result: 0		There have been no notices received.
	enforcement orders			Target: 0 Result: 0		There have been no enforcement orders.
	successful prosecutions			Target: 0 Result: 0		There have been no successful prosecutions.
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).			Target: ≤ 180 minutes (3hrs) Result: 0		There have been no flooding events in this quarter.
The Council provides a reliable stormwater collection service.	The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.			Target: ≤ 4 complaints per 1,000 properties (2,056 connections) Result: 0		There have been no flooding events in this quarter.

* A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. Habitable floor refers to the floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.

FINANCIAL UPDATE

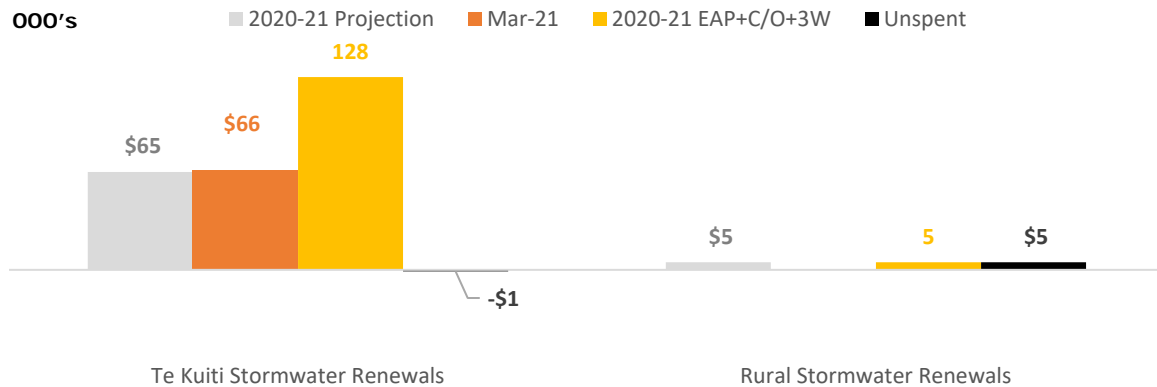
OPERATING EXPENDITURE

STORMWATER DRAINAGE (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Mar 2021	YTD Actual Mar 2021	Variance Mar 2021	Var % Note Ref
Direct Expenditure						
- Te Kuiti Stormwater	94	126	118	107	(11)	
- Rural Stormwater	20	8	7	5	(2)	
Total Direct Expenditure	114	134	125	112	(13)	-10%
- Allocated Costs	50	99	74	70	(4)	
- Interest	10	9	7	7	0	
- Depreciation	192	196	147	145	(2)	
Total Operating Expenditure	366	438	353	334	(19)	-5%
Operating Revenue						
- Te Kuiti Stormwater	(22)	0	0	(15)	(15)	A
Total Operating Revenue	(22)	0	0	(15)	(15)	0%
Net Operating Cost/(Surplus)	344	438	353	319	(34)	-10%

Variance comments:

A Connection fees were received for Te Kuiti.

CAPITAL EXPENDITURE



Total expenditure for Q3 was \$66,000 against a projection (including carryovers) of \$70,000. Refer to projects and programme updates section for progress on key capital projects.

RESOURCE MANAGEMENT

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

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

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

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

There have been delays to the monitoring of resource consents due to capacity limitations, with monitoring recommencing in quarter 4.

BAU | Ongoing

District Plan Review

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

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

Progress: The PDP is nearly ready for pre-notification to Iwi Authorities in accordance with the requirements of the Resource Management Act 1991. The section 32 (evaluation reports) are underway.

	Q1	Q2	Q3	Q4
Project Stage	Delivering	Delivering	Delivering	

SERVICE PERFORMANCE MEASURES

Resource Management		Overall result for GOA (as at 31 March 2021)				
		Q1	Q2	Target/Result	Q3	Commentary
You can expect	Measure	Q1	Q2	Target/Result	Q3	
Resource consents are processed consistently, efficiently and to a high standard.	The percentage of resource consent applications which are processed within statutory timeframes.			Target: 100% Result: 100%		All resource consents have been processed within statutory timeframes for this quarter.
Land use consents are monitored to ensure they comply with the conditions of consent.	All land use consents that require monitoring are monitored.			Target: 100% Result: currently tracking less than 100%		Consents are monitored when required by the consent conditions. Monitoring was behind schedule due to capacity limitations for this quarter. Monitoring will recommence in quarter 4.

FINANCIAL UPDATE

OPERATING EXPENDITURE

RESOURCE MANAGEMENT (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Mar 2021	YTD Actual Mar 2021	Variance Mar 2021	Var % Note Ref
Direct Expenditure						
- District Plan Administration	99	171	171	167	(4)	
- District Planning	99	720	540	15	(525)	A
Total Direct Expenditure	198	891	711	182	(529)	-74%
- Allocated Costs	622	638	478	428	(50)	
- Interest	25	38	29	24	(5)	
Total Operating Expenditure	845	1,567	1,218	634	(584)	-48%
Operating Revenue						
- District Plan Administration	(267)	(165)	(124)	(108)	16	
- District Planning	(36)	0	0	0	0	
Total Operating Revenue	(303)	(165)	(124)	(108)	16	-13%
Net Operating Cost/(Surplus)	542	1,402	1,094	526	(568)	-52%

Variance comments:

- A District Plan Development expenditure is less than budget for this period. This reduced expenditure is due to project timing variances affecting when expenditure was expected to be incurred. It is noted that the expenditure will still be required.

SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE

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

There are three activities under this Group, namely:

- Maintenance
- Renewals and replacements
- Improvements

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

Wastewater Treatment Plant Bulk Lime Silo

Project Summary: This project is to replace the lime dosing hopper and dosing system at the Te Kuiti Wastewater Treatment Plant, with caustic dosing; minimising potential health and safety issue.

Progress: Installation of pipework and integration with SCADA completed. Minor work still to be completed on the dosing line.

Project Stage	Q1	Q2	Q3	Q4
	Delivering	Delayed/delivering	Delivering	

Start date: 2018/19

End date: Early 2021 / extended to 30 June 2021

Reticulation Renewal - Minor

Project Summary: This project involves the replacement of manhole components and installation of a short length of pipe in the Te Kuiti Sewerage Network.

Progress: Replacement of 20m of pipe near Te Kuiti High School to resolve issues in flow has now been completed.

Project Stage	Q1	Q2
	Delivering	Completed

Treatment Plant Renewal – Minor, Te Kuiti

Project Summary: This project involves renewal of components of the aeration and mixers at the Te Kuiti Wastewater Treatment Plant (TKWWTP), to optimise the functionality of the treatment processes and to extend the useful life of the asset.

Progress: Renewal of mixer and aerator components located in the Reactor and Sludge pond at TKWWTP has been completed.

Project Stage	Q1	Q2
	Delivering	Completed

Te Kuiti Sewer Renewals

Programme Summary: Programme of work relating to renewal of our wastewater network in Te Kuiti.

Progress: Sewer realignment for Bayne Street was completed in August 2020. This was completion of a project that was delayed due to the COVID-19 pandemic. In quarter 2 a detailed design for the 2020/21 programme of




work was commissioned. We are currently awaiting engineering drawings to be priced by consultants and there is still capacity constraints relating to the procurement.

BAU | Ongoing 

Renew and Extend Soakage Field (Te Waitere)

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

Progress: Investigation into the performance was completed in Q2 and some remedial work was undertaken and a more detailed report was required for loading rates and soakage area necessary for compliance with discharge consent. The detailed report from consultant engineers has now been received. The report identifies a significant increase in soakage area is required. The current project will need to be rescope and a business case developed to request a change of scope and additional funding – this work is underway.


Project Stage	Q1	Q2	Q3	Q4
	Delivering 	Delivering 	Project is being rescope 	

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

Treatment Plant Renewal Minor (Maniaiti / Benneydale)

Project Summary: This project involves the installation of an outlet flow meter at the Benneydale Wastewater Treatment Plant.

Progress: Completed the installation of an outlet flow meter.

Project Stage: **Completed** 

End date: 2020

Riparian Planting at Te Kuiti

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

Progress: Waiting on Waikato Regional Council progressing planting plans and agreements with landowners.

Project Stage	Q1	Q2	Q3	Q4
	Halted	Halted	Halted	

SERVICE PERFORMANCE MEASURES

		Overall result for GOA (as at 31 March 2021)					
Sewerage and Treatment and Disposal of Sewage							
	You can expect	Measure	Q1	Q2	Target/Result	Q3	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.			Target: Total complaints per 1,000 connections ≤ 35 (Total number of connections 1,966) Result: 43.23		Q1:37, Q2:27 and Q3 21 making it a total of 85 complaints received. Majority of the complaints relate to overflow and blockages. Piopio has a high number of callouts with pumps failing at the same time (end of life)
	Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of the following (received by Council in a financial year)	Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of the following (received by Council in a financial year)					
	abatement notices			Target: 0 Result: 0		On track to achieve.	
	infringement notices			Target: 0 Result: 0		On track to achieve.	
	enforcement orders			Target: 0 Result: 0		On track to achieve.	
	convictions received			Target: 0 Result: 0		On track to achieve.	
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.			Target: ≤ 180 minutes (3hrs) Result: 1.09 hrs		On track to achieve.	
	The median response times for resolution, in a year, measured from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.			Target: ≤ 540 minutes (9hrs) Result: 8.48 hrs		On track to achieve.	
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.			Target: Total complaints per 1,000 connections ≤ 15 (Total number of connections 1,966) Result: 0.51		On track to achieve.	

FINANCIAL UPDATE

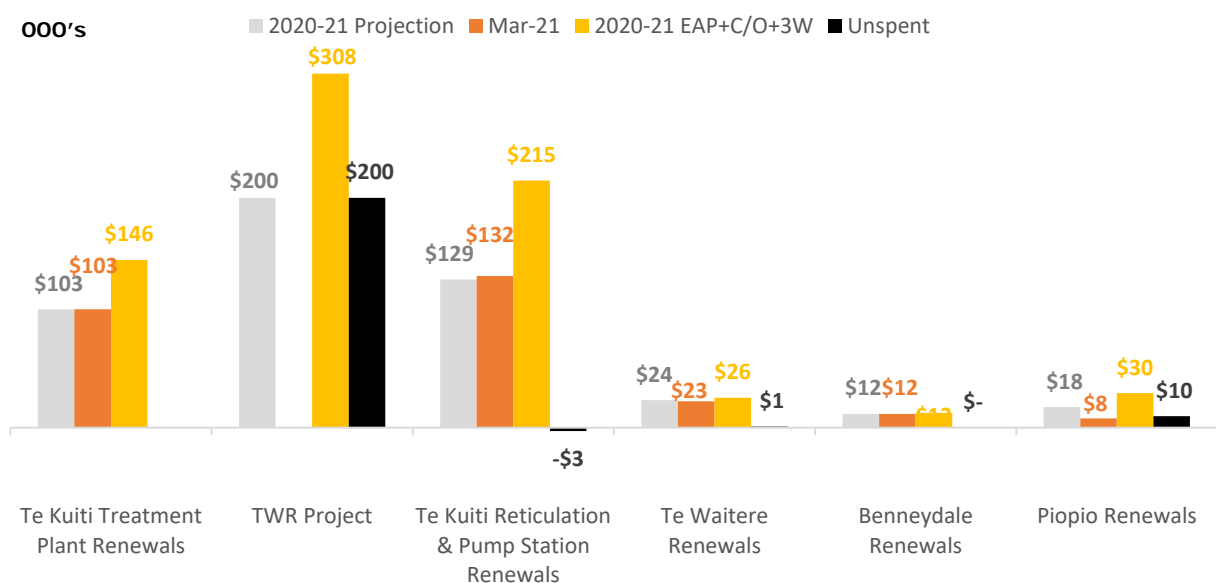
OPERATING EXPENDITURE

SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Mar 2021	YTD Actual Mar 2021	Variance Mar 2021	Var % Note Ref
Direct Expenditure						
- Te Kuiti	1,085	1,402	1,080	891	(189)	A
- Te Waitere	30	43	33	23	(10)	
- Maniaiti / Benneydale	73	85	68	66	(2)	
- Piopio	131	131	101	96	(5)	
Total Direct Expenditure	1,319	1,661	1,282	1,076	(206)	-16%
- Allocated Costs	250	254	191	192	1	
- Interest	278	253	190	186	(4)	
- Depreciation	822	828	621	617	(4)	
Total Operating Expenditure	2,669	2,996	2,284	2,071	(213)	-9%
Operating Revenue						
- Te Kuiti	(976)	(810)	(607)	(717)	(110)	B
- Te Waitere	(4)	0	0	0	0	
- Maniaiti / Benneydale	(1)	(1)	(1)	(9)	(8)	
- Piopio	(11)	(10)	(10)	(14)	(4)	
Total Operating Revenue	(992)	(821)	(618)	(740)	(122)	20%
Net Operating Cost/(Surplus)	1,677	2,175	1,666	1,331	(335)	-20%

Variance comments:

- A Expenditure for power, plant operations and reticulation maintenance, internal WSU costs, asset management plans, sludge disposal and sampling costs were less for Te Kuiti.
- B Revenue was more than budget for Te Kuiti for connection fees and trade waste revenue.

CAPITAL EXPENDITURE



Total expenditure for Q3 was \$278,000 against a projection (including carryovers and 3WR programme) of \$485,000. Refer to projects and programme updates section for progress on key capital projects.

WATER SUPPLY

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

There are three aspects of operations under this group:

- Maintenance
- Renewals and replacements
- Improvements

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

Te Kuiti Alternative water supply investigation

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

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

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

Stage 2 - Construction of a test/production bore

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

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

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

Progress: Quotations for Stage 2 were obtained and a contract let to McMillan's Drilling Ltd. Due to the unprecedented current high demand for groundwater drilling services in the region (and beyond), the contractor will not be available to start work until early July 2021, with a target finish date of late July 2021. The success of this next stage will inform the decision on whether to proceed with the Stage 3 consent application, necessary before WDC has the legal right to take groundwater for metropolitan purposes. The Stage 2 test bore would become a production bore at that point, forming part of the wellfield required to meet the design capacity of an alternative supply. If the groundwater quality is good, but the yield is low, WDC would then have the option of developing the source as a supplementary supply (as distinct from an alternative supply).

Project Stage	Q1	Q2	Q3	Q4
	Planning	Delivering	Delivering	

Installation of backflow preventers – Te Kuiti, Mokau, and Piopio

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

Progress: This work is ongoing; old tobies are replaced with new manifold backflow preventers (now also part of the Three Waters Reform delivery programme).

BAU | Ongoing

Access easement or purchase of land (where applicable) to secure assets

Project Summary: Purchase of land located at 5 Waitete Road Te Kuiti, for construction of inlet works at the Te Kuiti Water Treatment Plant.

Progress: Project is expected to be completed in April 2021

Project Stage	Q1	Q2	Q3	Q4
	Delivering		Delivering	Delivering

End date: 30 April 2021

Te Kuiti Supervisory control and data acquisition (SCADA)

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

Progress: Minor improvements have been delivered and work is ongoing as new instruments are installed (now also part of the Three Waters Reform delivery programme).

BAU | Ongoing

Mokau water-main renewals

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

Progress: The project is still in the planning phase and is currently at contract development stage. Delivery is expected to commence in the next quarter.

Project Stage	Q1	Q2	Q3	Q4
	Planning		Planning	Planning

New pumping line to reservoir (Piopio)

Project Summary: This project involves construction of a dedicated pumping line to the Piopio reservoir.

Progress: The project has been deferred due to budget constraints; and is proposed to be programmed for year five of the 10 Year Plan 2021-2031.

Project Stage: Halted and deferred to year 5 of the 10 Year Plan 2021-2031.

Additional monitoring and control – Maniaiti / Benneydale

Project Summary: This project includes an additional UV unit.

Progress: This project is currently on hold pending completion of the Mokau Water Plant upgrade.

Project Stage: on hold

Mechanical renewals – Te Kuiti

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

Progress: Quotes have now been received and work is being scheduled. Delivery of the project is expected to commence in Quarter 4.

Project Stage	Q1	Q2	Q3	Q4
	Planning		Planning	Planning




Treatment Plant renewals - Mokau

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

Progress:

Hydraulic profile has been completed with indicative placement of new equipment summarised. Currently waiting on a Piping and Instrument Diagram (P& ID) drawings to progress with civil construction requirements. The P& ID is expected to be received at the end of April 2021, with the civil contractor onsite during Q4.

The equipment has been ordered (subject to considerable supply delays – 14-15 weeks construction period).




Project Stage	Q1	Q2	Q3	Q4
	Planning 	Planning 	Delivering 	

End Date: 30 September 2021

Mechanical renewals - Piopio

Project Summary: This project is to carry out the installation of new pumps and flow meters at the Piopio Water Treatment Plant.

Progress: Project stalled due to other projects taking priority and staff capacity.

Project Stage	Q1	Q2	Q3	Q4
	Planning 	Planning 	Planning 	




Reticulation Renewals – Piopio and Te Kuiti

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

Te Kuiti: Tammadge street entire length due to known areas of degraded AC pipe, possibly looking to create a ring main under the river to have better pressure flow at north end of Te Kumi Road.

Te Kuiti sewer renewals: King Street west taking the sewer main away from the building that have been built over it.

Progress: Tender document is currently being prepared. The documents will be completed once the Engineering drawings have been received.

Project Stage	Q1	Q2	Q3	Q4
	Planning 	Planning 	Planning 	



End date: to be determined in Q4 once planning is completed.

Seismic strengthening of WDC reservoirs

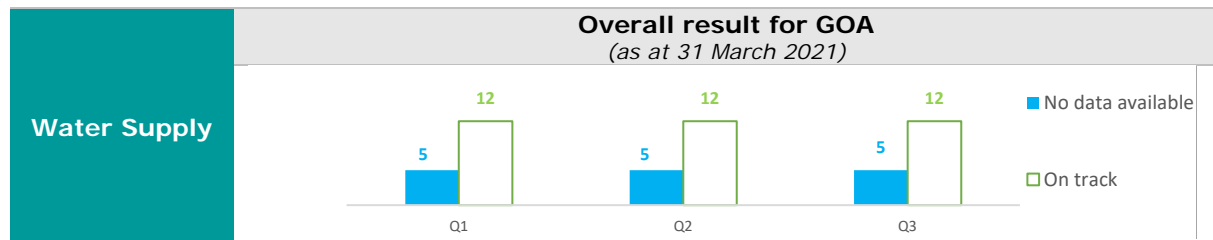
Project Summary: This project involves destructive testing when the reservoir is empty. This is not currently an option without significant project planning.

Progress: The survey undertaken was a general condition assessment of the reservoirs, not a seismic strengthening survey. A actual seismic survey is required to progress this strengthening programme.

The project has been put on hold until detailed project planning can be undertaken.

Project Stage	Q1	Q2	Q3	Q4
	Scoping 	Scoping 	On hold	

SERVICE PERFORMANCE MEASURES



You can expect	Measure	Q1	Q2	Target/Result	Q3	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).			Target: 100% Result: 100%		All WDC Water Treatment Plants and Zones (reticulation) have achieved bacterial compliance during the last quarter (January to March 2021).	
	The extent to which WDC's drinking water supplies comply with Part 5 of NZ Drinking-water Standards 2005 (revised 2008) (protozoal compliance criteria).			Target: 100% Result: N/A		Results will be available for reporting in Q4.	
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' includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft. This does not include unauthorised consumption).</i>						
	Te Kuiti			Target: ≤ 25% Result: N/A		The minimum night flow is measured June and July 2021 for the fiscal year of 2020-2021. Results will be reported in Q4,	
	Mokau			Target: ≤ 25% Result: N/A			
	Piopio			Target: ≤ 25% Result: N/A			
Maniaiti / Benneydale			Target: ≤ 15% Result: N/A				
Timely response and resolution of service requests.	The median response times for attendance for urgent call-outs in a financial year**			Target: ≤ 180 minutes (3hrs) Result: 2:00 hrs		On track to achieve.	
	The median resolution time of urgent call-outs in a financial year***			Target: ≤ 540 minutes (9 hrs) Result: 6:19		On track to achieve.	
	The median response times for attendance for non-urgent call outs in a financial year**			Target: ≤ 660 minutes (11 hrs) Result: 9:29hrs		On track to achieve.	
	The median resolution time of non-urgent call-outs in a financial year***			Target: ≤ 96 hours (4 days) Result: 24:28 hrs		On track to achieve	

You can expect	Measure	Q1	Q2	Target/Result	Q3	Commentary
	The total number of complaints received by Council in a year for: (Total number of connections (2623))					
Provision of effective and reliable water supply system to the community.	Drinking water clarity			Target: ≤ 5 per 1000 connections Result: 4.57		On track to achieve
	Drinking water taste			Target: ≤ 5 per 1000 connections Result: 0		On track to achieve
	Drinking water odour			Target: ≤ 5 per 1000 connections Result: 0		On track to achieve
	Drinking water pressure flow			Target: ≤ 30 per 1000 connections Result: 2.28		On track to achieve
	Continuity of supply			Target: ≤30 per 1000 connections Result: 3.42		On track to achieve
	Median response time to any of these issues within a year.			Target: ≤ 540 minutes (9hrs) Result: 2:23 hrs		On track to achieve
Efficient management of demand for water for the community.	Average consumption of drinking water per day per resident within the district.			Target: ≤ 400 litres per person per day Result: 295/day		On track to achieve
*Achievement will be based on timing of completion of the TeKuiti Water Treatment Plant Upgrade which is being carried out primarily to ensure compliance with New Zealand Drinking Water Standards requirements.						
** measured from the time that the local authority received notification to the time that service personnel reach the site.						
*** measured from the time that the local authority received notification to the time that service personnel confirm resolution of the fault or interruption.						

FINANCIAL UPDATE

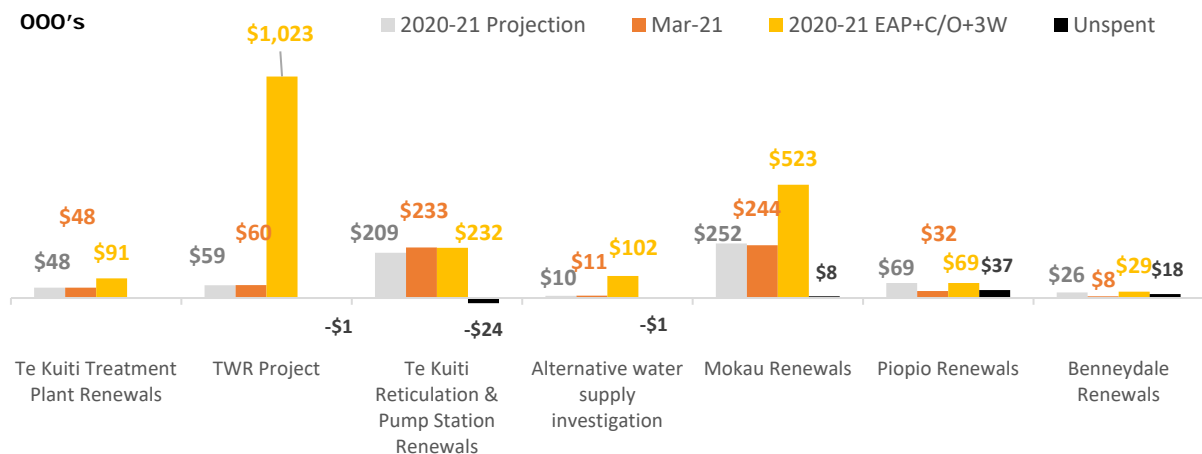
OPERATING EXPENDITURE

WATER SUPPLY (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Mar 2021	YTD Actual Mar 2021	Variance Mar 2021	Var % Note Ref
Direct Expenditure						
- Te Kuiti	1,078	1,158	911	857	(54)	A
- Mokau	254	193	151	146	(5)	
- Piopio	193	248	191	165	(26)	B
- Maniaiti / Benneydale	94	105	85	71	(14)	
- Waitomo Village	10	0	0	0	0	
Total Direct Expenditure	1,629	1,704	1,338	1,239	(99)	-7%
- Allocated Costs	245	247	186	196	10	
- Interest	319	300	225	218	(7)	
- Depreciation	566	626	470	424	(46)	
Total Operating Expenditure	2,759	2,877	2,219	2,077	(142)	-6%
Operating Revenue						
- Te Kuiti	(23)	0	0	(107)	(107)	C
- Mokau	(4)	0	0	(11)	(11)	
- Piopio	(2)	0	0	(3)	(3)	
- Maniaiti / Benneydale	(2)	0	0	0	0	
Total Operating Revenue	(31)	0	0	(121)	(121)	
Total Revenue	(31)	0	0	(121)	(121)	
Net Operating Cost/(Surplus)	2,728	2,877	2,219	1,956	(263)	-12%

Variance comments:

- A Te Kuiti scheme expenditure was less than budget for internal WSU costs, resource consent compliance, water sampling, and chemicals.
- B Piopio scheme expenditure was less than budget for internal WSU costs, chemicals and reticulation maintenance.
- C Three waters reform stimulus funding and connection fees were recognised.

CAPITAL EXPENDITURE



Total expenditure for Q3 was \$635,000 against a projection (including carryovers and 3WR programme) of \$674,000. Refer to projects and programme updates section for progress on key capital projects.

ROADS AND FOOTPATHS

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

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

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

Road and Footpath Maintenance

Programme Summary: The vast majority of road network maintenance activities in the Waitomo District are carried out under the current Roding Maintenance Contract, which started on the 1 March 2017. The incumbent Contractor is Inframax Construction Ltd (Contract 500/16/028).

Progress: Expenditure for the current financial year on road network maintenance activities is tracking as expected.

BAU | Ongoing

Sealed Road Pavement Rehabilitation

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

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

Progress: Road Rehabilitation 2019/20 and 2020/21 Physical Works Contract 500/19/004D was awarded to Inframax Construction Ltd on 18 September 2020. The physical works are completed with road markings still to be completed.

Road Rehab Site	Notes	% Complete
Somerville Rd	Completed	100%
Totoro Rd	Completed	100%
Taharoa Rd	Completed	100%
Hangatiki East Road	Completed	100%

Project Stage	Q1	Q2	Q3
	Delivering	Delivering	Completed

Start date: 18 September 2020 | **End date:** 30 June 2021

Sealed Road Resurfacing

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

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

Progress: The annual sealing programme of approximately 37km (8% of sealed network) was scheduled to begin in February 2021. Sealing delays were caused by the level 3 Auckland COVID-19 Lockdown 28 February 2021 to 6 March 2021 and the subsequent restrictions on mobilisation of the contractors plant and sealing equipment, and wet weather conditions. There were 8.9 km of reseals (2% of sealed network) completed as at the end of March 2021.

Programme Stage:

Project Stage	Q1	Q2	Q3	Q4
	Planning		Planning	Delivering

Start date: 1 July 2020 | **End date:** 30 June 2021

Bridge and Structural Renewals

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

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

Progress: Works are 60% complete. On schedule for completion by 30 June 2021.

Project Stage	Q1	Q2	Q3	Q4
	Planning		Planning	Delivering

Start date: 1 July 2020 | **End date:** 30 June 2021

Footpath Renewals

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

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

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

Progress: Footpaths and Associated Works for 2019/20 and 2020/21 Contract 500/19/005 was awarded to Inframax Construction Ltd. Works have been completed on Eketone St, Hospital Rd and Rora St. Planning and stakeholder interaction is underway for the proposed projects at Waitomo Village and Mokau Village. Progress has also been impacted by capacity within the Roding team.

Footpath Site	Notes	Q1 % Complete	Q2 % Complete	Q3 % Complete
Eketone St		100%	100%	100%
Hospital Rd	Bus bay to be sealed (waiting for it to dry out and cure before applying the final surface).	90%	100%	100%
Rora St	Linemarking to do	90%	100%	100%
Waitomo Village	Planning and stakeholder engagement (contractor not yet established on site)	10%	20%	20%
Mokau Village	Planning and stakeholder engagement (contractor not yet established on site)	5%	10%	20%

Project Stage	Q1	Q2	Q3	Q4
	Delivering		Delivering	Delivering

Start date: 24 June 2020
End date: 30 June 2021

Minor Improvements Local Roads




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

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

Taharoa Road Drainage (LCLR)

Project Summary: An open drain on the Taharoa Road 2019 road rehabilitation site was identified as requiring safety improvement. Designed and construction by Inframax Construction Ltd under Contract 500/16/028, this work is now complete.

Project Stage:

Project Stage	Q1	Q2	Q3
	Planning 	Planning 	Completed 

End date: 30 June 2021

Unsealed Road Metalling

Programme Summary: This programme of works is a seasonal activity and is best completed in the wet winter months. The recognised average life for metalling is about 30 years and depending on the actual need, the KPI target is to re-metal a minimum of 10% each year, which is about 83km or 348,000m² per year. Structural metalling is occasionally undertaken to strengthen the base-course of unsealed roads.

Unsealed Road Metalling is carried out by Inframax Construction Ltd under Contract 500/16/028.

Progress: Expenditure for the current financial year is tracking as expected. This expenditure is seasonal and best completed in the wet winter months.

BAU | Ongoing 

Te Ara Tika


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

Progress: Completion of the new pedestrian overbridge replacing the previous bridge across the rail corridor at Te Kuiti is well underway.

The work by contractor Fulton Hogan on Stage 1 started on site on 12 January 2021. Since then, removal of the old bridge has been completed, all foundation work constructed, and new columns installed ready for installation of the bridge superstructure (pre-stressed concrete beams and ramps and steel handrails/stairs).

The next period of work (Q4) will entail craning the new precast concrete bridge beams and ramps into position on top of the columns coordinated with the construction of the new basketball half-court alongside the existing skatepark, landscaping, picnic areas and a small carpark.

Project Stage:

Project Stage	Q1	Q2	Q3	Q4
	Planning 	Delivering 	Delivering 	



End Date: The initial end date has been extended to the end of July and the overall project remains on track for late July. Winter weather conditions may impact on that.

Marokopa Road-End Protection

Project Summary: The work entails maintenance repairs to the existing concrete block structure constructed in 2014 at the end of Marokopa Road, plus installation of a timber stairway. Project completion is scheduled for mid-June impacted on by tidal impacts and reduced daylight hours.

Progress: Consenting, design work and procurement stages have been completed. Physical repair works commenced early April 2021. Grouting above foundation beam and underpinning work completed.

Project Stage:

Project Stage	Q1	Q2	Q3	Q4
	Planning 	Delivering 	Delivering 	

SERVICE PERFORMANCE MEASURES

		Overall result for GOA (as at 31 March 2021)				
Roads and Footpaths						
You can expect	Measure	Q1	Q2	Target/Result	Q3	Commentary
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.			Target: 1 (or maintain at 0) Result: Serious Injury crashes YTD: 10 Fatal crashes YTD: 1 Change in serious injury: 3 Change in fatality: 1		There have been ten serious crashes and one fatal crash on the Waitomo District Council network this reporting year (Year to date at the same time last year: 7 "severe injury" and one fatal).
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%.)			Target: 90% (of total) Result: 91.92%		This is measured every three years. The latest NAASRA roughness count from 2019 was 91.92%. This is due to be re-measured in 2022
Maintain the overall condition of the unsealed roads to a specified adequate standard.	Percentage of unsealed road metalled each year.			Target: 10% (of total) Result: 7.53%		On track for achievement of 10%
Maintain the overall condition of sealed roads to a specified adequate standard	Percentage of the sealed local road network that is resurfaced each year			Target: 7% (of total) Result: 2%		8.9 km of reseals completed as of the end of March 2021. Sealing delays caused by L3 Auckland COVID-19 Lockdown 28 Feb - 6 Mar 2021 and subsequent wet weather.
Maintain the overall condition of footpaths to a specified adequate standard	The percentage of footpath network that falls within a condition rating of 3.			Target: 90% Result: N/A		Condition rating report is due to be undertaken prior to July 2021 – Results will be reported in Q4.
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.			Target: 85% Result: 94%		169 Roading related service requests were received this quarter. 13 were state highway related. Of the remaining 156 requests, 146 were responded to in 10 days or less, 10 were responded to in more than 10 days.

FINANCIAL UPDATE

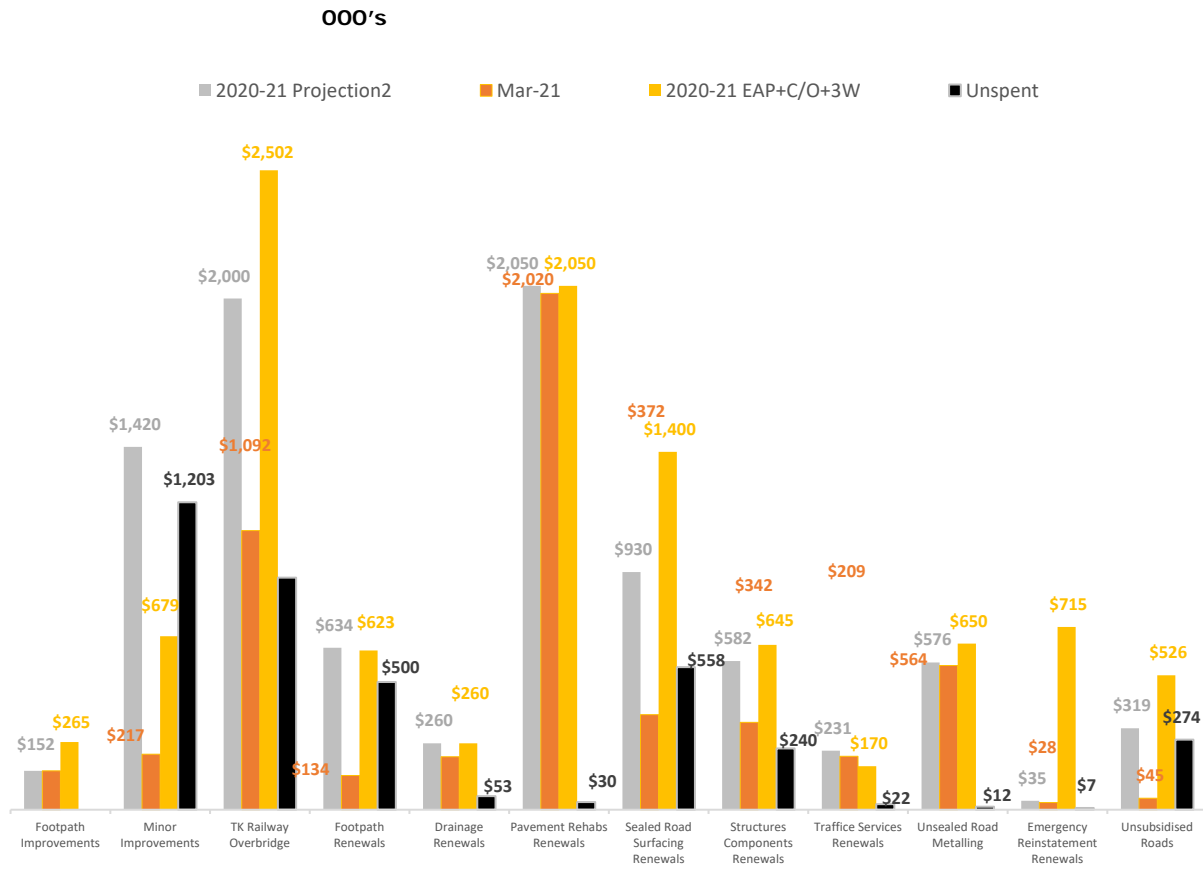
OPERATING EXPENDITURE

ROADS AND FOOTPATHS (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Mar 2021	YTD Actual Mar 2021	Variance Mar 2021	Var % Note Ref
Direct Expenditure						
- Subsidised Roads	6,841	6,492	4,869	4,314	(555)	A
- Unsubsidised Roads	62	131	85	86	1	
Total Direct Expenditure	6,903	6,623	4,954	4,400	(554)	-11%
- Allocated Costs	156	16	13	42	29	
- Interest	451	411	308	299	(9)	
- Depreciation	2,906	2,838	2,129	2,455	326	B
Total Operating Expenditure	10,416	9,888	7,404	7,196	(208)	-3%
Operating Revenue						
- Subsidised Roads	(8,078)	(9,871)	(7,403)	(7,197)	206	C
- Unsubsidised Roads	(102)	(100)	(60)	(68)	(8)	
Total Operating Revenue	(8,180)	(9,971)	(7,463)	(7,265)	198	-3%
Net Operating Cost/(Surplus)	2,236	(83)	(59)	(69)	(10)	31%
Subsidised Roads Maintenance (Excluding losses on asset disposals)	6,841	6,398	4,798	4,258	(540)	
Subsidised Road Capital	4,009	6,802	5,101	5,338	237	
Combined Maintenance and Capital	10,850	13,200	9,899	9,596	(303)	-3%
Subsidy Revenue for Subsidised Roads	(7,944)	(9,658)	(7,244)	(6,999)	245	-3%

Variance comments:

- A A significant proportion of the variance is caused by sealed and unsealed pavement maintenance spend being less than budget for the period. Significant quantities of sealed pavement maintenance are programmed for Q4. A number of smaller budgets (emergency reinstatement, footpath maintenance, traffic service maintenance) are spent in a reactionary manner, and lower than expected spend reflects network need. Professional services and roading business unit costs have low spend due to a temporary reduction in capacity in the roading team. These underspends are partly offset by an increase in routine drainage maintenance and environmental maintenance. The additional expenditure in environmental maintenance was required for an unexpected large number of hazardous trees identified and removed during Q2. A contributing factor of the variance is attributed to the ongoing impact of the COVID-19 lockdown catch up and capacity within the roading team.
- B Depreciation expense was more than budget due to the revaluation of roads assets at 30 June 2020. The year end forecast for depreciation will be higher than the full year budget. The reason for the increase in depreciation is due to two drivers; the unit rate for the sealed surface asset component increased significantly due to an increase in contract unit rates applicable to reseal work; and the increase in the size and quantity of rural road culverts being included in the valuation.
- C Subsidy revenue is based on both maintenance and capital expenditure and for most work categories the subsidy rate is 73%. As operational expenditures were less than budget, the subsidy associated was also less than budget.

CAPITAL EXPENDITURE



Total expenditure for Q3 was \$5.383 million against a projection of (including carryovers) of \$9.188 million. Refer to projects and programme updates section for progress on key capital projects.