

Document No: 320591**File No:** 037/042**Report To: Council****Meeting Date:** 26 November 2013**Subject:** **Deputation: Mr Aaron Scanes (Te Kuiti New World Supermarket) re Waitomo District Council's Provision Local Alcohol Policy**

Purpose

- 1.1 The purpose of this business paper is to advise Council that Mr Aaron Scanes of Te Kuiti New World will be in attendance at 9.00am to address the Council on his concerns with WDC's Provisional Local Alcohol Policy.
- 1.2 There is a business paper contained elsewhere in this Agenda on the "Provisional Local Alcohol Policy" which expands on Mr Scanes concerns.

Suggested Resolution

The Deputation: Mr Aaron Scanes (Te Kuiti New World Supermarket) re Waitomo District Council's Provision Local Alcohol Policy be received.

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

MICHELLE HIGGIE
EXECUTIVE ASSISTANT

Document No: 320992

File No: 037/051A

Report To: Council**Meeting Date:** 26 November 2013**Subject: Declaration of Members' Conflicts of Interest**

Purpose of Report

1.1 The purpose of this business paper is to provide information relating to conflicts of interest, both pecuniary and non-pecuniary, to enable Council Members to make informed decisions in the future relating to the declaration of possible conflicts of interest for items of business contained in this Agenda.

Note: The "Declaration of Members' Conflicts of Interest" will be a standing item on all future Order Papers for Council Agendas, without any supporting business paper.

1.2 As part of the 2013 Triennial Election Induction Package, all elected members were provided with copies of the Controller and Auditor-General's publications –

- "Guidance for members of local authorities about the law on conflicts of interest"
- "Managing conflicts of interest: Guidance for public entities" which are guides to the Act.

1.3 Those publications should be referred to if further information over and above that contained in this business paper is required.

Background

2.1 The Local Authorities (Members' Interests) Act 1968 (the Act)

2.2 The Act provides rules about members discussing or voting on matters in which they have a pecuniary interest and about contracts between members and the Council.

2.3 The Act has two main rules (referred to in Local Government as -

- 1 The Contracting Rule (in Section 3 of the Act)
- 2 The Participation Rule (Section 6 of the Act)

2.4 The Contracting Rule

2.5 This Rule **prevents a council member from having interests in contracts with the WDC that are worth more than \$25,000 in any one year**, unless the Auditor-General approves the contracts. Breach of this rule results in automatic disqualification from office.

2.6 The Participation Rule

- 2.7 This Rule prevents a council member from participating in a decision in which they have a financial interest, other than an interest in common with the public. Again, the Auditor-General can approve participation in limited circumstances and breach of this rule is a criminal offence, and conviction results in automatic disqualification from office.

2.8 Deemed Interests

- 2.9 The Act does not define when a person is “concerned or interested” in a contract (section 3 of the Act) or when they are interested “directly or indirectly” in a decision (section 6 of the Act). However the Act does set out two situations where a person is deemed to be concerned or interested in a contract, or interested directly or indirectly in a decision. These are broadly where –

- A person’s spouse or partner is “concerned or interested” in a contract or where they have a pecuniary interest in the decision; or
- A person or their spouse or partner is involved in a company that is concerned or interested in a contract or where the company has a pecuniary interest in the decision.

- 2.10 However, it is accepted that there are situations outside these two situations where a person can be concerned or interested in a contract or have a pecuniary interest in a decision, for example where a contract is between a council members’ family trust and the Council.

2.11 The Participation Rule

- 2.12 Council members are often faced with the question of whether or not they have a pecuniary interest in a decision and if so whether they should participate in discussion on that decision and vote.

- 2.13 The Act does not define pecuniary interest, however the Office of the Auditor-General uses the following test:

“Whether, if the matter were dealt with in a particular way, discussing or voting on that matter could reasonably give rise to an expectation of a gain or loss of money for the member concerned.”

- 2.14 In deciding whether or not you have a pecuniary interest, the following factors should be considered:

- **What is the nature of the decision being made?**
- **Do you have a financial interest in that decision i.e. do you have a reasonable expectation of gain or loss of money as a result of making that decision?**
- **Is your financial interest one that is in common with the public?**
- **Council you apply to the Auditor-General for approval to participate?**

2.15 The Contracting Rule

2.16 A council member is disqualified from office if he or she is concerned or interested in contracts with the council if the total payments made, or to be made, by or on behalf of the council exceed \$25,000 in any financial year. This limit includes GST and relates to the value of all payments made in respect of all contracts in which a council member is interested during the financial year. It does not apply separately to individual contracts, nor is it just the amount of profit a contractor expects to make or the portion of the payments to be personally received by a council member.

2.17 The Auditor-General can give prior approval, and in limited cases, retrospective approval for contracts that would otherwise disqualify a council member under the Act.

2.18 Non-Pecuniary Conflicts of Interest

2.19 It should also be noted that there are conflicts of interest which can occur outside the containment of the Act i.e. those conflicts of interest which are not pecuniary in nature.

2.20 These conflicts include the common law rules regarding bias. To determine if a bias exists, it is recommended that the following question should be considered:

"Is there a real danger of bias on the part of a council member, in the sense that he or she might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?"

2.21 This question is not limited to actual bias, but relates to the appearance or possibility of bias. The principle to be achieved is that justice should not only be done, but should be seen to be done. Whether or not an individual council member believes they are unbiased is irrelevant.

2.22 A council members' focus should be on the nature of the conflicting interest or relationship, and the risk it could pose for the decision-making process.

2.23 The most common risks of non-pecuniary bias are where:

- A members' statements or conduct indicates that they have predetermined a decision before hearing all relevant information i.e. that council member has a "closed mind"; or
- A member has a close relationship or involvement with an individual or organisation affected by the decision.

Commentary

3.1 It is important to note that while the matters of Members' Interests can be quite complex, and could have significant consequences in respect to possible disqualification of a council member, it is rare for any conflict of interest to be declared which cannot be dealt with inside the powers of the Act.

3.2 The consequences of enforcing the powers of the Local Authorities (Members' Interests) Act 1968 are more likely to occur if a conflict of interest is not declared by a council member, and is then discovered after the fact.

- 3.3 It is critical that council members do their utmost to be fully transparent at all times, to declare any matter which they think could possibly be seen as a conflict, and to seek assistance in determining whether or not the council member can discuss and vote on the issue.
- 3.4 It should also be noted however, that in seeking such assistance in determining a conflict, ultimately it is up to the individual council member to exercise their own judgment as to whether or not they consider they have a conflict of interest in any decision.
- 3.5 Best practice in determining a conflict of interest is of course that where there is any uncertainty, that the council member not participate in discussions or voting on the matter under consideration.
- 3.6 In line with Local Government best practice and in compliance with the Act, Council maintains a Register of Members' Interests. This Register is compiled of "Register of Interests for Elected Members" forms completed by council members' annually. This Form was distributed to Members' as part of the 2013 Triennial Election Induction Package and is available for downloading from the Councillors Intranet.
- 3.7 The Register of Interests for Elected Members form is predominantly for the declaration of any perceived pecuniary (participation or contracting) conflicts of interest.
- 3.8 Due to the often unforeseen nature of non-pecuniary (bias) conflicts of interest, these conflicts are often only declared at such time as they arise for discussion and consideration for decision making purposes, for this reason inclusion of a "Declaration of Members' Conflicts of Interest" will be included on all future Council Order Papers. Any such declarations by council members will also form part of the Register of Members' Interests.

Suggested Resolution

The business paper on Declaration of Members' Conflicts of Interest be received.



MICHELLE HIGGIE
EXECUTIVE ASSISTANT

November 2013

WAITOMO DISTRICT COUNCIL

**MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL
HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON
TUESDAY 19 OCTOBER 2013 AT 9.00AM**

PRESENT: Mayor Brian Hanna, Deputy Mayor Guy Whitaker, Council Members Phil Brodie, Terry Davey, Allan Goddard, Lorrene Te Kanawa and Sue Smith

IN ATTENDANCE: Chris Ryan, Chief Executive; Michelle Higgie, Executive Assistant and Kit Jeffries, Group Manager – Corporate Services

1. Council Prayer	File 037/003
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2. Making and Attesting of Declarations	File 037/003
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Council Member Te Kanawa made and attested her declaration pursuant to Clause 14 of Schedule 7 of the Local Government Act 2002.

There being no further business the meeting closed at 9.05am

Dated this 26th day of November 2013.

BRIAN HANNA
MAYOR

WAITOMO DISTRICT COUNCIL

MINUTES OF THE 9th TRIENNIUM INAUGURAL MEETING OF THE WAITOMO DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON THURSDAY 24 OCTOBER 2013 AT 9.00AM

PRESENT: Mayor Brian Hanna, Deputy Mayor Guy Whitaker, Council Members Phil Brodie, Terry Davey, Allan Goddard and Sue Smith

IN ATTENDANCE: **Public**
Five Family Members were in attendance for the witnessing of Member Declarations.

Staff
Chris Ryan, Chief Executive

1. Council Prayer

2. Apology	File 037/001
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Resolution

The apology from Councillor Te Kanawa be received and leave of absence granted.

Moved/Seconded .../... Carried

3. Making and Attesting of Declarations	File 037/003
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Mayor Hanna made and attested his declaration pursuant to Clause 14 of Schedule 7 of the Local Government Act 2002.

Council Members Brodie, Davey, Goddard, Smith and Whitaker made and attested their declarations pursuant to Clause 14 of Schedule 7 of the Local Government Act 2002.

The meeting adjourned for morning tea at 9.10am and reconvened at 9.35am.
The five family members left the meeting at 9.35am.

4. Appointment of Deputy Mayor	File 037/2/001
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Council considered a business paper advising that Mayor Hanna has elected to exercise the authority of Section 41A(3)(a) of the Local Government Amendment Act 2012 and has appointed Council Member Guy Whitaker as Deputy Mayor for the current triennium.

Resolution

- 1 The Business Paper on Appointment of Deputy Mayor be received
- 2 Council support Mayor Hanna's appointment of Member Guy Whitaker as Deputy Mayor.

Moved/Seconded Mayor Hanna/A Goddard Carried

5. Register of Interests and Conflicts of Interest File 037/2/001

Council considered a business paper informing Members of the requirement to declare any "interests" and "conflicts of interest" as per the Local Authorities (Members Interests) Act 1968 and the best practice guidelines produced by the Office of the Controller and Auditor-General.

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

Resolution

The business paper on Register of Interests and Conflicts of Interest be received.

Moved/Seconded A Goddard/S Smith Carried

6. General Legal Issues Facing Members of the Council File 037/2/001

Council considered a business paper presenting a general explanation, as required under Section 21 of Schedule 7 of the Local Government Act 2002, of:

- 1 The Local Government Official Information and Meetings Act 1987; and
- 2 Other laws affecting members including:
 - The appropriate provisions of the Local Authorities (Members Interests) Act 1968
 - Sections 99, 105 and 105A of the Crimes Act 1961; and
 - The Secret Commissions Act 1910; and
 - The Securities Act 1978

The Chief Executive expanded verbally on the business paper and advised that if any member finds themselves in a situation where they have concerns in respect to any of the above legislation they can approach him at any time.

Resolution

The business paper on General Legal Issues Facing Members of the Council be received.

Moved/Seconded P Brodie/G Whitaker Carried

6. Adoption of Standing Orders**File 037/2/001**

Council considered a business paper recommending that the new Council review the current Standing Orders for the conduct of its meeting and those of its committees.

Resolution

- 1 The business paper on Adoption of Standing Orders be received.
- 2 Council reconfirm Model Standing Orders for Meetings of the Waitomo District Council (including all Committees and Subcommittees) (Doc Number 238238) as circulated in the Induction Package.

Moved/Seconded S Smith/P Brodie Carried

6. Elected Member Roles and Responsibilities**File 037/2/001**

Council considered a business paper and supplementary business paper together with a Schedule of Roles and Responsibilities, recommended by the Mayor, assigning various roles and responsibilities to Elected Members for confirmation and adoption.

Mayor Hanna expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The supplementary business papers on Elected Member Roles and Responsibilities be received.
- 2 The allocation of Roles and Responsibilities for Elected Members be confirmed as documented in the schedule below.

Moved/Seconded A Goddard/T Davey Carried

Details	Membership	Mayor	Deputy Mayor	Cr Te Kanawa	Cr Davey	Cr Brodie	Cr Smith	Cr Goddard
Committees								
Hearings Committee The Mayor will appoint a Panel consisting of the Mayor and three RMA Accredited Councillors. The Mayor will convene a Hearings Committee from that Panel for each separate Hearing.	3 Members selected by the Mayor	√				√	√	√
Investment Representative Committee This Committee's delegated authority is to work with the Inframax Construction Ltd's Board of Directors to monitor the performance of Council's investment in the Company.	Mayor, Dep Mayor, CE + 1 Councillor	√	√					√

Details	Membership	Mayor	Deputy Mayor	Cr Te Kanawa	Cr Davey	Cr Brodie	Cr Smith	Cr Goddard
<p>Civil Defence Emergency Management Group (Mayors Joint Committee)</p> <p>Pursuant to the Civil Defence Act, Civil Defence throughout the Waikato Region is overseen at a political level by a Mayors Joint Committee, the Civil Defence Emergency Management Group (CDEMG) of which the Mayor is a member.</p>	<p>Cr Goddard Alternate - Mayor</p>	√						√
<p>Waikato Region Civil Defence Emergency Management Co-ordinating Executive Group</p> <p>At a Regional advisory level, Civil Defence for the Waikato Region is administered by a Co-ordinating Executive Group (CEG). This group is made up of senior Council representatives of the eleven councils. Waitomo District Council's representative is the Group Manager - Community Services.</p>	<p>Group Manager - Community Services</p>							
<p>Waitomo/Otorohanga/Waipā Civil Defence Emergency Management Committee</p> <p>As per the Shared Service Agreement, a Management Committee has been established with each of the Council's represented by a staff member nominated by each Council.</p>	<p>Group Manager - Community Services</p>							
Working Parties/Groups								
<p>Citizen Awards Working Party</p> <p>Council's Citizens Award Policy provides for a Citizens Award Working Party (CAWP) to be appointed consisting of community members who have a strong knowledge of the District community. The CAWP will have up to 4 community members plus one Council representative and be established each Triennium for a term of 3 years.</p>	<p>Mayor; M Lamb; R Alleman; R Symonds</p>	√						
<p>Railway Buildings Advisory Group Representatives</p> <p>To investigate and develop options for the development of the Te Kuiti Railway Buildings moving forward.</p>	<p>Mayor; 3 x Urban Councillors</p>	√	√	√	√	√		
<p>Economic Development Key Stakeholder Engagement Working Party</p> <p>The purpose of this Working Party is to work toward establishing and District Economic Development Board as an independent entity with a formal governance structure supported by a clear constitution and mandate. Any DEDB will act collaboratively with existing community development groups such as Project Piopio Development Trust, Tere Waitomo, Te Kuiti Development Inc and Benneydale Business Group and membership will be drawn from each of these groups together with industry and business representatives from around the District.</p>	<p>Mayor; Deputy Mayor; 1 Councillor</p>	√	√		√	√	√	
<p>Key Stakeholder Engagement Working Party</p>	<p>Mayor; Deputy Mayor</p>	√	√					
<p>Better Local Government Working Party (BLGWP)</p> <p>The role of the BLGWP will be to assist the development of a WDC position for, and/ or to, for proposals associated with structural change to any existing LG Governance arrangements.</p>	<p>Mayor; Deputy Mayor; 1 Councillor</p>	√	√					√

Details	Membership	Mayor	Deputy Mayor	Cr Te Kanawa	Cr Davey	Cr Brodie	Cr Smith	Cr Goddard
<p>Regional Transport Committee of the Waikato Regional Council</p> <p>This is a WRC Committee and its purpose is to plan and coordinate land transport, coordinate road safety and recommend WRC's policy on land transport. The Committee also prepares the Regional Land Transport Strategy and Regional Land Transport Programme.</p>	<p>Mayor / Alternate - Councillor</p>	√				√		
<p>Waikato River Authority</p> <p>A revised Deed of Settlement was made with Waikato-Tainui in relation to the Waikato River on 17 December 2009. Related co-management deeds were then negotiated with Raukawa, Te Arawa River Iwi, Ngati Tuwharetoa and Maniapoto. The signing of those Deeds set in motion a range of implementation tasks, including preparation for the establishment of a statutory body, the Waikato River Authority. The Minister for the Environment (in consultation with the Ministers of Finance, Local Government and Maori Affairs) was the appointing Minister for five members of the Authority from persons recommended by the relevant territorial authorities.</p>	<p>(Alan Livingston - Waipa)</p>							
<p>Waipa Joint Management Agreement</p> <p>In June 2012, Council resolved to enter a new era of co-management for the Waipa River between Council and the Maniapoto Maori Trust Board through the recently enacted Nga Wai o Maniapoto (Waipa River Act) 2012. The Act provides for a Joint Management Agreement (JMA) to be developed between Council and the Maniapoto Maori Trust Board as part of the co-management arrangements. To assist the JMA process the Nga Wai o Waipa Joint Committee was established involving all local authorities (whose boundaries fall within the legislated boundaries provided for in the Act) as a collective and the Maniapoto Maori Trust Board. This collective approach also satisfies Council's obligation to form a joint committee and provides for a holistic and collaborative co-governance model for the JMA.</p>	<p>Mayor / Alternate - Deputy Mayor</p>	√	√					
<p>Waipa Catchment Liaison Subcommittee</p> <p>The Waipa Catchment Liaison Subcommittee is a Subcommittee of the Waikato Regional Council's "Catchment Services Committee" which provides and maintains flood protection, soil conservation works, and drainage programmes and services, and also manages flood warning systems and flood control. The role of the Subcommittee is to assist the Committee in the implementation of river and catchment management services in the Waipa River catchment.</p>	<p>Councillor</p>					√		
<p>West Coast Zone Subcommittee</p> <p>The West Coast Zone Subcommittee is a Subcommittee of the Waikato Regional Council's "Catchment Services Committee" which provides and maintains flood protection, soil conservation works, and drainage programmes and services, and also manages flood warning systems and flood control. The role of the Subcommittee is to assist the Committee in the implementation of river and catchment management services in the West Coast</p>	<p>Councillor</p>						√	

Details	Membership	Mayor	Deputy Mayor	Cr Te Kanawa	Cr Davey	Cr Brodie	Cr Smith	Cr Goddard
Zone which stretches from just below Port Waikato to the regional boundary at Mokau.								
<p>Shore Futures Project Team</p> <p>Shore Futures is a Regional Council administered initiative in response to challenges facing communities within the Kawhia and Aotea catchments. The population is shrinking and people are concerned about the long-term viability of these communities. At the same time there is pressure to subdivide and develop housing in sensitive areas such as along the coast, and such development could put important natural features of the environment at risk. The purpose of the Shore Futures Project is to provide an overall framework within which all of these issues will be addressed. Details of how to implement this framework will be determined through forthcoming council plans. The Shore Futures Project team comprises staff and representatives from Waikato Regional Council, Otorohanga, Waikato and Waitomo district councils, Federated Farmers and the Department of Conservation. The project team also work with tangata whenua and other interest groups and agencies such as the Ministry of Fisheries and the Historic Places Trust.</p>						√		
<p>Communication Strategy</p> <p>Council's Communications Strategy provides a framework for how Council presents its work, vision and goals to its stakeholders including meeting any legislated requirements. Unlike commercial organisations, Council has legislated functions which grant monopoly powers within its community. Although this situation removes the need to compete (for revenue) commercially, it does not remove the need for Council to relate favourably with the community and its stakeholders. Communication is an essential part of good management and the effective delivery of Council services.</p>	Mayor / Deputy Mayor	√	√					
<p>Maniapoto Iwi Liaison</p>	Mayor / Councillor	√						
<p>Waikato Triennial Agreement</p> <p>Pursuant to Section 15 of the Local Government Act 2002, not later than 1 March after each triennial general election of members, all local authorities within each region must enter into an agreement containing protocols for communication and co-ordination among them during the period until the next triennial general election of members. The Mayor and Chief Executive represent Council on the Waikato Region Triennial Agreement Forum (the Forum). The Forum membership is made up of the Mayors and Chief Executive's of all those Council's located within the Waikato Regional Council's boundaries.</p>	Mayor / Chief Executive	√						
<p>Waikato Mayoral Forum</p> <p>The Waikato Mayoral Forum (WMF) is a group involving the Mayors and Chief Executives of local authorities within the Waikato Region (with the exception of Thames Coromandel District Council) and is aimed at achieving a collaborative and co-operative approach to local governance in the</p>	Mayor / Alternate - Deputy Mayor	√	√					

Details	Membership	Mayor	Deputy Mayor	Cr Te Kanawa	Cr Davey	Cr Brodie	Cr Smith	Cr Goddard
Region.								
<p>SH3 Working Party</p> <p>The SH3 Working Party was formed by the Taranaki Regional Council in 2002. The purpose of the Working Party is to liaise, monitor, co-ordinate, advocate and collate information on the section of State Highway 3 between Piopio and the SH3/3A junction north of New Plymouth, with a view to formulating recommendations to promote the integrity and security of this section of the state highway network in recognition of its strategic importance. WDC is represented on the Working Party by both an elected representative and a staff member.</p>	Councillor					√		
<p>North King Country Development Trust</p> <p>The NKCDT is registered as a Charitable Trust for the purpose of applying the Trust Fund for or toward charitable purposes and in particular Industrial development charitable purposes. Appointment of Trustees is as per the registered Deed of Trust. As per the Deed of Trust registered with the Companies Office, WDC in conjunction with Otorohanga and Taupo District Council's may appoint two Trustees. Trustees are appointed for a term of four years but are re-eligible for reappointment upon expiry of their term.</p>	Mayor	√						
<p>Community Youth Connections (Youth Council / SSTrials/Tuia Programme / MTFJ / Employment Partnerships)</p>	Mayor	√		√		√		
<p>Tere Waitomo Community Trust</p> <p>Tere Waitomo Community Trust is a Charitable Trust which was established for the purpose of facilitating community development by fostering a strong community spirit and common vision within the Waitomo Caves District.</p>	Councillor			√				
<p>Piopio Wastewater Community Liaison Group</p> <p>Pursuant to Clause 34 of the Environment Court "Order of Court", Council as the Consent Holder shall establish and service a Community Liaison Group to be known as the Piopio Wastewater Community Liaison Group.</p>	Mayor / Councillor	√				√		
<p>RURAL WARD</p> <p>The representation of these areas will include Councillor representation on all committee activities, attending all community events in these areas, and being the point of contact for these "Wards". Representation will include, but not be limited to the organisations listed beneath the relevant area.</p>								
<p>Rural North West (incorporating old Waitomo/Te Anga Rural Wards)</p> <p>Marokopa Recreation Ground Committee</p> <p>Rural Halls - Waitomo / Te Anga</p> <p>Maraes</p>	Rural Councillor					√		

Details	Membership	Mayor	Deputy Mayor	Cr Te Kanawa	Cr Davey	Cr Brodie	Cr Smith	Cr Goddard
<p>Rural South West (incorporating old Paemako/Tainui Wards)</p> <p>Piopio Retirement Board</p> <p>Piopio Wastewater Community Liaison Group</p> <p>Piopio Sports Club</p> <p>Mokau Residents and Ratepayers Association</p> <p>Tainui Waitere Domain Board</p> <p>Tainui Ratepayers</p> <p>Maraes</p>	Rural Councillor					√		
<p>Rural South East (incorporating old Aria/Mangaokewa Wards)</p> <p>Benneydale Residents and Ratepayers Association</p> <p>Benneydale Hall</p> <p>Mokauiti Hall</p> <p>Rangitoto Hall</p> <p>Maraes</p>	Rural Councillor							√
<p>URBAN WARD</p> <p>Community Support</p>								
<p>Te Kuiti Community House</p> <p>Te Kuiti Community House is a not for profit community organisation set up to provide educational, social and recreational services to the community. It offers support to local organisations, individuals and families and can help find services required for whatever your situation may be.</p>	1 Urban Councillor			√				
<p>Te Kuiti and District Historical Society</p> <p>In July 2011, the Historical Society wrote to Council advising they had a vacancy on their Committee and sought appointment of a WDC Representative. The general objects of the Society are to preserve, by photographic means, historical information including landmarks and buildings, to record historical research and to stimulate and guide public interest in matters of historical importance to the District.</p>	1 Urban Councillor				√			
<p>Creative Communities</p> <p>WDC administers a local Creative Communities Assessment Committee consisting of two Councillors and community representatives having knowledge of the arts in the Waitomo District, to join the Creative Communities Assessment Committee. The Committee meets twice yearly, in June and November, to distribute funds made available by Creative New Zealand to support community based arts activities in the Waitomo District.</p>	2 Urban Councillors			√	√			

Details	Membership	Mayor	Deputy Mayor	Cr Te Kanawa	Cr Davey	Cr Brodie	Cr Smith	Cr Goddard
DC Tynan Trust The DC Tynan Trust is a Council Controlled Organisation and was established for the purpose of making disbursements from a very generous bequest made to the Borough of Te Kuiti by the late Daniel Tynan. In terms of his will, it was Mr Tynan's wish that his bequest be utilised for such social, cultural, educational or recreational purposes within the Borough of Te Kuiti as the trustees think fit. The Trust is administered by four Trustees, three of which are the urban Councillors.	3 Urban Councillors		√	√	√			
Sport New Zealand The Sport New Zealand (SNZ) (formerly SPARC) Rural Travel Fund's objective is to help subsidise travel for junior teams participating in local sport competition. The allocation of the fund's based on a population density formula for territorial authorities that have fewer than 10 people per square kilometre. Council administers one SNZ Rural Travel funding round per year, usually in October. The SNZ Rural Travel Assessment Committee consists of two Council staff, two Councillors, one NZ Police representative and a Sport Waikato representative.	2 Urban Councillors			√	√			
Community Development								
Te Kuiti Development Incorporated TKDI is an Incorporated Society registered in April 2011 and was formed for the purpose of promoting the welfare of the business community of Te Kuiti and in particular to provide a forum for networking and collaboration of members.	3 Urban Councillors		√	√	√			
Te Kuiti Mainstreet Development	1 Urban Councillor		√		√			
Elderly Housing Liaison (Hillview/Redwood Flats/St Andrews Court) To build relationships with Elderly Housing providers and residents and to act as a Point of Contact in respect to Council related matters pertaining to Elderly Housing.	1 Urban Councillor				√			
Other Representation								
Waitomo/Otorohanga Road Safety Committee To oversee a combined, agreed upon, Road Safety work programme for both the Waitomo and Otorohanga Districts and to implement relevant projects with reference to the Road Safety Action Plan (RSAP) that improves the quality of road safety awareness in the Waitomo and Otorohanga Districts.	1 Councillor					√		
Waitomo Clean Air/Healthy Homes Working Party (EECA) The objectives of the Warm Homes and Clean Air Working Party are to support and promote public health action across the health, local government and other sectors engaged in housing insulation and clean heat and for territorial local authorities and regional councils to build collaborative approaches to public health and resource management issues.	1 Councillor							√

Details	Membership	Mayor	Deputy Mayor	Cr Te Kanawa	Cr Davey	Cr Brodie	Cr Smith	Cr Goddard
Waitomo/Tatsuno Sister City Committee Councils sister city relationship with Tatsuno in Japan was entered into in May 1995 with Council at that time believing that such a relationship had the potential to provide an enriched cultural experience for the residents of the Waitomo District. Signed agreements between Tatsuno and Waitomo are displayed in the Council chambers and confirm the purpose of the relationship is: "To encourage understanding and awareness of our separate cultures and to encourage the exchange of ideas and people ."	2 Councillors		√	√				
Portfolio Responsibilities								
Environment and Regulatory Policy and Development	Mayor; Deputy Mayor	√	√					
Aerodrome	1 Urban / 1 Rural Councillor		√					√

8. Meeting Schedule

File 037/2/001

Council considered a business paper requiring adoption of a Meeting Schedule for the remainder of the 2013 calendar year to best suit the Council's needs in respect to compliance with the Local Government Act 2002 (LGA) and the Local Government Official Information and Meetings Act 1987 (LGOIMA).

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

Resolution

- The business paper on Meeting Schedule be received.
- Council adopt the following Meeting Schedule for the remainder of the 2013 calendar year:

October 2013

24 October 2013 9.00am Inaugural Triennium Meeting

November 2013

26 November 2013 9.00am Ordinary Monthly Meeting

December 2013

10 December 2013 9.00am Ordinary Monthly Meeting

Moved/Seconded G Whitaker/A Goddard Carried

There being no further business the meeting closed at 10.00am.

Dated this 26th day of November 2013.

BRIAN HANNA
MAYOR

Document No: 320405		File No: 037/005A	
Report To:		Council	
	Meeting Date:	26 November 2013	
	Subject:	Verbal Reports: Individual Councillor Roles and Responsibilities	

Purpose of Report

- 1.1 The purpose of this business paper is to enable individual Council Members to report back to the full Council, on a needs basis, in respect to their Roles and Responsibilities as agreed at the inaugural Council meeting on 24 October 2013.

Note: For future Agendas, this item will be included on the Order Paper without any supporting business paper. A copy of the Roles and Responsibilities Schedule will be made available to council members on their Intranet.

Commentary

- 1.1 Set out below are details of Council the Roles and Responsibilities as agreed at the inaugural Council meeting on 24 October 2013.

Details	Membership
Committees	
<p>Civil Defence Emergency Management Group (Mayors Joint Committee)</p> <p>Pursuant to the Civil Defence Act, Civil Defence throughout the Waikato Region is overseen at a political level by a Mayors Joint Committee, the Civil Defence Emergency Management Group (CDEMG) of which the Mayor is a member.</p>	<p>Mayor Alternate – Councillor Goddard</p>
<p>Hearings Committee</p> <p>The Mayor will appoint a Panel consisting of the Mayor and three RMA Accredited Councillors. The Mayor will convene a Hearings Committee from that Panel for each separate Hearing.</p>	<p>Mayor Councillor Brodie Councillor Goddard Councillor Smith</p>
<p>Investment Representative Committee</p> <p>This Committee's delegated authority is to work with the Inframax Construction Ltd's Board of Directors to monitor the performance of Council's investment in the Company.</p>	<p>Mayor Deputy Mayor Councillor Goddard Chief Executive</p>
<p>Waikato Region Civil Defence Emergency Management Co-ordinating Executive Group</p> <p>At a Regional advisory level, Civil Defence for the Waikato Region is administered by a Co-ordinating Executive Group (CEG). This group is made up of senior Council representatives of the eleven councils. Waitomo District Council's representative is the Group Manager - Community Services.</p>	<p>Group Manager - Community Services</p>
<p>Waitomo/Otorohanga/Waipā Civil Defence Emergency Management Committee</p> <p>As per the Shared Service Agreement, a Management Committee has been established with each of the Council's represented by a staff member nominated by each Council.</p>	<p>Group Manager - Community Services</p>

Details	Membership
Working Parties/Groups	
<p>Better Local Government Working Party (BLGWP)</p> <p>The role of the BLGWP will be to assist the development of a WDC position for, and/ or to, for proposals associated with structural change to any existing LG Governance arrangements.</p>	<p>Mayor Deputy Mayor Councillor Goddard</p>
<p>Citizen Awards Working Party</p> <p>Council's Citizens Award Policy provides for a Citizens Award Working Party (CAwp) to be appointed consisting of community members who have a strong knowledge of the District community. The CAwp will have up to 4 community members plus one Council representative and be established each Triennium for a term of 3 years.</p>	<p>Mayor M Lamb R Alleman R Symonds</p>
<p>Communication Strategy</p> <p>Council's Communications Strategy provides a framework for how Council presents its work, vision and goals to its stakeholders including meeting any legislated requirements. Unlike commercial organisations, Council has legislated functions which grant monopoly powers within its community. Although this situation removes the need to compete (for revenue) commercially, it does not remove the need for Council to relate favourably with the community and its stakeholders. Communication is an essential part of good management and the effective delivery of Council services.</p>	<p>Mayor Deputy Mayor</p>
<p>Community Youth Connections</p> <ul style="list-style-type: none"> • Youth Council • Social Sector Trials • Tuia Programme • Mayor's Taskforce for Jobs • Employment Partnerships 	<p>Mayor Councillor Te Kanawa Councillor Brodie</p>
<p>Economic Development Key Stakeholder Engagement Working Party</p> <p>The purpose of this Working Party is to work toward establishing and District Economic Development Board as an independent entity with a formal governance structure supported by a clear constitution and mandate. Any DEDB will act collaboratively with existing community development groups such as Project Piopio Development Trust, Tere Waitomo, Te Kuiti Development Inc and Benneydale Business Group and membership will be drawn from each of these groups together with industry and business representatives from around the District.</p>	<p>Mayor Deputy Mayor Councillor Davey Councillor Brodie Councillor Smith</p>
<p>Key Stakeholder Engagement Working Party</p>	<p>Mayor Deputy Mayor</p>
<p>Maniapoto Iwi Liaison</p>	<p>Mayor</p>
<p>North King Country Development Trust</p> <p>The NKCDT is registered as a Charitable Trust for the purpose of applying the Trust Fund for or toward charitable purposes and in particular Industrial development charitable purposes. Appointment of Trustees is as per the registered Deed of Trust. As per the Deed of Trust registered with the Companies Office, WDC in conjunction with Otorohanga and Taupo District Council's may appoint two Trustees. Trustees are appointed for a term of four years but are re-eligible for reappointment upon expiry of their term.</p>	<p>Mayor</p>
<p>Piopio Wastewater Community Liaison Group</p> <p>Pursuant to Clause 34 of the Environment Court "Order of Court", Council as the Consent Holder shall establish and service a Community Liaison Group to be known as the Piopio Wastewater Community Liaison Group.</p>	<p>Mayor Councillor Brodie</p>

Details	Membership
<p>Railway Buildings Advisory Group Representatives</p> <p>To investigate and develop options for the development of the Te Kuiti Railway Buildings moving forward.</p>	<p>Mayor Deputy Mayor Councillor Te Kanawa Councillor Davey Councillor Brodie</p>
<p>Regional Transport Committee of the Waikato Regional Council</p> <p>This is a WRC Committee and its purpose is to plan and coordinate land transport, coordinate road safety and recommend WRC's policy on land transport. The Committee also prepares the Regional Land Transport Strategy and Regional Land Transport Programme.</p>	<p>Mayor Alternate – Councillor Brodie</p>
<p>Shore Futures Project Team</p> <p>Shore Futures is a Regional Council administered initiative in response to challenges facing communities within the Kawhia and Aotea catchments. The population is shrinking and people are concerned about the long-term viability of these communities. At the same time there is pressure to subdivide and develop housing in sensitive areas such as along the coast, and such development could put important natural features of the environment at risk. The purpose of the Shore Futures Project is to provide an overall framework within which all of these issues will be addressed. Details of how to implement this framework will be determined through forthcoming council plans. The Shore Futures Project team comprises staff and representatives from Waikato Regional Council, Otorohanga, Waikato and Waitomo district councils, Federated Farmers and the Department of Conservation. The project team also work with tangata whenua and other interest groups and agencies such as the Ministry of Fisheries and the Historic Places Trust.</p>	<p>Councillor Smith</p>
<p>SH3 Working Party</p> <p>The SH3 Working Party was formed by the Taranaki Regional Council in 2002. The purpose of the Working Party is to liaise, monitor, co-ordinate, advocate and collate information on the section of State Highway 3 between Piopio and the SH3/3A junction north of New Plymouth, with a view to formulating recommendations to promote the integrity and security of this section of the state highway network in recognition of its strategic importance. WDC is represented on the Working Party by both an elected representative and a staff member.</p>	<p>Councillor Brodie</p>
<p>Tere Waitomo Community Trust</p> <p>Tere Waitomo Community Trust is a Charitable Trust which was established for the purpose of facilitating community development by fostering a strong community spirit and common vision within the Waitomo Caves District.</p>	<p>Councillor Te Kanawa</p>
<p>Waikato Mayoral Forum</p> <p>The Waikato Mayoral Forum (WMF) is a group involving the Mayors and Chief Executives of local authorities within the Waikato Region (with the exception of Thames Coromandel District Council) and is aimed at achieving a collaborative and co-operative approach to local governance in the Region.</p>	<p>Mayor Alternate - Deputy Mayor</p>
<p>Waikato River Authority</p> <p>A revised Deed of Settlement was made with Waikato-Tainui in relation to the Waikato River on 17 December 2009. Related co-management deeds were then negotiated with Raukawa, Te Arawa River Iwi, Ngati Tuwharetoa and Maniapoto. The signing of those Deeds set in motion a range of implementation tasks, including preparation for the establishment of a statutory body, the Waikato River Authority. The Minister for the Environment (in consultation with the Ministers of Finance, Local Government and Maori Affairs) was the appointing Minister for five members of the Authority from persons recommended by the relevant territorial authorities.</p>	<p>(Alan Livingston - Waipa)</p>

Details	Membership
<p>Waikato Triennial Agreement</p> <p>Pursuant to Section 15 of the Local Government Act 2002, not later than 1 March after each triennial general election of members, all local authorities within each region must enter into an agreement containing protocols for communication and co-ordination among them during the period until the next triennial general election of members. The Mayor and Chief Executive represent Council on the Waikato Region Triennial Agreement Forum (the Forum). The Forum membership is made up of the Mayors and Chief Executive's of all those Council's located within the Waikato Regional Council's boundaries.</p>	<p>Mayor Chief Executive</p>
<p>Waipa Catchment Liaison Subcommittee</p> <p>The Waipa Catchment Liaison Subcommittee is a Subcommittee of the Waikato Regional Council's "Catchment Services Committee" which provides and maintains flood protection, soil conservation works, and drainage programmes and services, and also manages flood warning systems and flood control. The role of the Subcommittee is to assist the Committee in the implementation of river and catchment management services in the Waipa River catchment.</p>	<p>Councillor Brodie</p>
<p>Waipa Joint Management Agreement</p> <p>In June 2012, Council resolved to enter a new era of co-management for the Waipa River between Council and the Maniapoto Maori Trust Board through the recently enacted Nga Wai o Maniapoto (Waipa River Act) 2012. The Act provides for a Joint Management Agreement (JMA) to be developed between Council and the Maniapoto Maori Trust Board as part of the co-management arrangements. To assist the JMA process the Nga Wai o Waipa Joint Committee was established involving all local authorities (whose boundaries fall within the legislated boundaries provided for in the Act) as a collective and the Maniapoto Maori Trust Board. This collective approach also satisfies Council's obligation to form a joint committee and provides for a holistic and collaborative co-governance model for the JMA.</p>	<p>Mayor Alternate - Deputy Mayor</p>
<p>West Coast Zone Subcommittee</p> <p>The West Coast Zone Subcommittee is a Subcommittee of the Waikato Regional Council's "Catchment Services Committee" which provides and maintains flood protection, soil conservation works, and drainage programmes and services, and also manages flood warning systems and flood control. The role of the Subcommittee is to assist the Committee in the implementation of river and catchment management services in the West Coast Zone which stretches from just below Port Waikato to the regional boundary at Mokau.</p>	<p>Councillor Smith</p>

Details	Membership
<p>Rural Ward</p> <p>The representation of these areas will include Councillor representation on all committee activities, attending all community events in these areas, and being the point of contact for these "Wards". Representation will include, but not be limited to the organisations listed beneath the relevant area.</p>	
<p><u>Rural North West</u> (incorporating old Waitomo/Te Anga Rural Wards)</p> <p>Marokopa Recreation Ground Committee Rural Halls - Waitomo / Te Anga Maraes</p>	<p>Councillor Smith</p>

Details	Membership
<p><u>Rural South East</u> (incorporating old Aria/Mangaokewa Wards) Benneydale Residents and Ratepayers Association Benneydale Hall Mokauiti Hall Rangitoto Hall Maraes</p>	Councillor Goddard
<p><u>Rural South West</u> (incorporating old Paemako/Tainui Wards) Piopio Retirement Board Piopio Sports Club Mokau Residents and Ratepayers Association Tainui Waitere Domain Board Tainui Ratepayers Maraes</p>	Councillor Brodie

Details	Membership
Urban Ward	
Community Support	
<p>Creative Communities WDC administers a local Creative Communities Assessment Committee consisting of two Councillors and community representatives having knowledge of the arts in the Waitomo District, to join the Creative Communities Assessment Committee. The Committee meets twice yearly, in June and November, to distribute funds made available by Creative New Zealand to support community based arts activities in the Waitomo District.</p>	Councillor Te Kanawa Councillor Davey
<p>DC Tynan Trust The DC Tynan Trust is a Council Controlled Organisation and was established for the purpose of making disbursements from a very generous bequest made to the Borough of Te Kuiti by the late Daniel Tynan. In terms of his will, it was Mr Tynan's wish that his bequest be utilised for such social, cultural, educational or recreational purposes within the Borough of Te Kuiti as the trustees think fit. The Trust is administered by four Trustees, three of which are the urban Councillors.</p>	Deputy Mayor Councillor Te Kanawa Councillor Davey
<p>Sport New Zealand The Sport New Zealand (SNZ) (formerly SPARC) Rural Travel Fund's objective is to help subsidise travel for junior teams participating in local sport competition. The allocation of the fund's based on a population density formula for territorial authorities that have fewer than 10 people per square kilometre. Council administers one SNZ Rural Travel funding round per year, usually in October. The SNZ Rural Travel Assessment Committee consists of two Council staff, two Councillors, one NZ Police representative and a Sport Waikato representative.</p>	Councillor Te Kanawa Councillor Davey
<p>Te Kuiti Community House Te Kuiti Community House is a not for profit community organisation set up to provide educational, social and recreational services to the community. It offers support to local organisations, individuals and families and can help find services required for whatever your situation may be.</p>	Councillor Te Kanawa

Details	Membership
<p>Te Kuiti and District Historical Society</p> <p>In July 2011, the Historical Society wrote to Council advising they had a vacancy on their Committee and sought appointment of a WDC Representative. The general objects of the Society are to preserve, by photographic means, historical information including landmarks and buildings, to record historical research and to stimulate and guide public interest in matters of historical importance to the District.</p>	Councillor Davey
Community Development	
<p>Elderly Housing Liaison (Hillview/Redwood Flats/St Andrews Court)</p> <p>To build relationships with Elderly Housing providers and residents and to act as a Point of Contact in respect to Council related matters pertaining to Elderly Housing.</p>	Councillor Davey
<p>Te Kuiti Development Incorporated</p> <p>TKDI is an Incorporated Society registered in April 2011 and was formed for the purpose of promoting the welfare of the business community of Te Kuiti and in particular to provide a forum for networking and collaboration of members.</p>	Deputy Mayor Councillor Te Kanawa Councillor Davey
<p>Te Kuiti Main Street Development</p>	Deputy Mayor Councillor Davey

Details	Membership
Other Representation	
<p>Waitomo Clean Air/Healthy Homes Working Party (EECA)</p> <p>The objectives of the Warm Homes and Clean Air Working Party are to support and promote public health action across the health, local government and other sectors engaged in housing insulation and clean heat and for territorial local authorities and regional councils to build collaborative approaches to public health and resource management issues.</p>	Councillor Goddard
<p>Waitomo/Otorohanga Road Safety Committee</p> <p>To oversee a combined, agreed upon, Road Safety work programme for both the Waitomo and Otorohanga Districts and to implement relevant projects with reference to the Road Safety Action Plan (RSAP) that improves the quality of road safety awareness in the Waitomo and Otorohanga Districts.</p>	Councillor Brodie
<p>Waitomo/Tatsuno Sister City Committee</p> <p>Councils sister city relationship with Tatsuno in Japan was entered into in May 1995 with Council at that time believing that such a relationship had the potential to provide an enriched cultural experience for the residents of the Waitomo District. Signed agreements between Tatsuno and Waitomo are displayed in the Council chambers and confirm the purpose of the relationship is: "To encourage understanding and awareness of our separate cultures and to encourage the exchange of ideas and people ."</p>	Deputy Mayor Councillor Te Kanawa

Details	Membership
Portfolio Responsibilities	
<p>Aerodrome</p>	Deputy Mayor Councillor Goddard
<p>Environment and Regulatory - Policy and Development</p>	Mayor Deputy Mayor

Suggested Resolutions

The Verbal Reports from Elected Members be received.

A handwritten signature in blue ink, appearing to read 'Michelle Higgie', written in a cursive style.

MICHELLE HIGGIE
EXECUTIVE ASSISTANT

Document No: 320443

File No: 037/2/001

Report To: Council Workshop**Meeting Date:** 26 November 2013**Subject:** Elected Member - Code of Conduct Review**Purpose of Report**

- 1.1 The purpose of this business paper is to provide Council the opportunity to consider and review its Code of Conduct following the 2013 Triennial Election.

Background

- 2.1 A Code of Conduct is a statutory requirement under the Local Government Act 2002 (LGA) setting out expectations adopted by the Council in respect to the manner in which members may conduct themselves while acting in their capacity as elected members.

2.2 Legislative Requirement

- 2.3 Clause 15 of Schedule 7 of the Local Government Act 2002 created the legal requirement for each local authority to adopt a code of conduct for its elected members.

- 2.4 Clause 15 of Schedule 7 of the Local Government Act 2002 reads as follows:

15 Code of conduct

- (1) *A local authority must adopt a code of conduct for members of the local authority as soon as practicable after the commencement of this Act.*
- (2) *The code of conduct must set out—*
- (a) *understandings and expectations adopted by the local authority about the manner in which members may conduct themselves while acting in their capacity as members, including—*
- (i) *behaviour toward one another, staff, and the public; and*
- (ii) *disclosure of information, including (but not limited to) the provision of any document, to elected members that—*
- (A) *is received by, or is in the possession of, an elected member in his or her capacity as an elected member; and*

(B) *relates to the ability of the local authority to give effect to any provision of this Act; and*

(b) *a general explanation of—*

(i) *the Local Government Official Information and Meetings Act 1987; and*

(ii) *any other enactment or rule of law applicable to members.*

(3) *A local authority may amend or replace its code of conduct, but may not revoke it without replacement.*

(4) *A member of a local authority must comply with the code of conduct of that local authority*

(5) *A local authority must, when adopting a code of conduct, consider whether it must require a member or newly elected member to declare whether or not the member or newly elected member is an undischarged bankrupt.*

(6) *After the adoption of the first code of conduct, an amendment of the code of conduct or the adoption of a new code of conduct requires, in every case, a vote in support of the amendment of not less than 75% of the members present.*

(7) *To avoid doubt, a breach of the code of conduct does not constitute an offence under this Act.*

2.5 Existing Code of Conduct

2.6 The existing Code of Conduct was originally developed and adopted by the Council of the day, on 18 December 2007 (for the 2007-2010 triennium) following a comprehensive review completed to replace the Code of Conduct in place prior to that time.

2.7 That review included a Council Workshop where Council considered the “Good Practice Guide for Local Authority Codes of Conduct” prepared by the Office of the Controller and Auditor-General and copies of various other local authority Codes of Conduct.

2.8 The Council of the last triennium (2010-2013) reviewed the Code of Conduct in November 2010 and adopted the Code without change.

Commentary

3.1 Pursuant to Clause 15 of Schedule 7 of the Local Government Act 2002, once a Code of Conduct is adopted there is no set timeframe for any review, however it is deemed prudent following an election to provide the new Council with the opportunity to review and take ownership of the Code of Conduct.

3.2 A copy of the Code of Conduct as adopted on 18 December 2007, updated to reflect the Local Government Act 2002 Amendments, is attached to and forms part of this business paper.

- 3.3 The amendments made in pursuance to the LGA Amendment Acts are minor and are contained to Paragraphs 3.2 and 3.3 relating to Mayoral Powers, and correction of LGA extracts in Appendix A.
- 3.4 It should be noted that whilst Clause 15(7) of Schedule 7 of the LGA2002 states that any amendment to an existing Code of Conduct requires a vote in support of the amendment of not less than 75% of the members present, the previous Council tightened this even further by requiring five out of the seven elected members of the Council to vote affirmation of an amendment.

Recommendation

- 4.1 As no issues have arisen over the last two trienniums with the current Code of Conduct, it is recommended that the Code of Conduct be adopted as presented.

Suggested Resolutions

- 1 The business paper on Elected Member Code of Conduct Review be received.
- 2 Council adopt the Code of Conduct as presented.

OR

Council adopt the Code of Conduct subject to the following amendments:

...



MICHELLE HIGGIE
EXECUTIVE ASSISTANT

14 November 2013

Attachment: Code of Conduct (Doc No. 320470)



Code of Conduct

Adopted on 18 December 2007
Reconfirmed on 30 November 2010
Reviewed on 26 November 2013

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1.0 Introduction

This Code has been adopted by the Waitomo District Council to comply with Section 40 (1) (e) and Clause 15 of Schedule 7 of Local Government Act 2002.

The Code of Conduct complements the Waitomo District Council's Standing Orders.

The Code of Conduct provides guidance on the standards of behaviour that are expected from elected members of the Waitomo District Council in their dealings with:

- each other
- the Chief Executive Officer
- staff employed by the Chief Executive Officer on behalf of the Council
- Contractors undertaking work or commissions on behalf of the Council
- the media
- the general public.

The objectives of this Code are to enhance:

- The effectiveness of the Waitomo District Council as an autonomous local authority with statutory responsibility for good local government in the Waitomo District.
- The credibility and accountability of the Waitomo District Council within its community.
- Mutual trust, respect and tolerance among elected members as a group, and those people with whom members may deal in the course of their duties as members.

The Code can also be of value as:

- An orientation tool for new Councillors;
- A guide to prospective candidates;
- A resource support for existing Councillors;
- An aid for the public to enable them to evaluate appropriate behaviour in any interaction with the Council.

2.0 Principles of Governance

In the exercise of their governance responsibilities elected members will observe the following principles:

- **Public Interest** - Members must serve the interests of the District as a whole. Their primary duty is to the interests of the entire district, not just the ward that elected them. Members should never improperly confer an advantage or disadvantage on any one person.
- **Honesty and Integrity** - Members must not place themselves in situations where their honesty and integrity may be questioned or is in doubt.

- **Objectivity** - Members must make decisions on merit, including making appointments, awarding contracts, or recommending individuals for rewards or benefits.
- **Accountability** - Members must be accountable to the public for their actions and the manner in which they carry out their responsibilities.
- **Openness** - Members must be open about their actions and those of the Council, and be prepared to justify their actions.
- **Conflicts of Interest** - Members are responsible for disclosing conflicts of interest.
- **Personal Judgment** - Members can and will take account of the views of others, but must reach their own conclusions on the matters before them.
- **Respect for Others** - Members must promote equality by treating people with respect, regardless of ethnicity, nationality, age, religion, gender, sexual orientation, or disability.
- **Duty to Uphold the Law** - Members must uphold the law, and on all occasions act in accordance with the law and the trust the public places in them.
- **Stewardship** - Members must ensure that the Council uses its resources prudently and for lawful purposes, and that the Council maintains sufficient resources to meet its statutory obligations to both present and future generations.
- **Leadership** - Members are leaders in their community and must at all times provide leadership by example.

3.0 Roles and Responsibilities

3.1 ELECTED MEMBERS

Members, acting as the Council, are responsible for:

- The development and adoption of Council policy;
- Determining the expenditure and funding requirements of Council through the processes for developing the Annual Plan, the Long Term Council Community Plan and the Funding Policy;
- Monitoring the performance of the Council against its stated objectives, policies and identified community outcomes;
- Prudent stewardship of Council resources;
- Employment and appraisal of the Chief Executive Officer's performance and monitoring the implementation of policy by him/her;
- Representing the interests of the residents and ratepayers of the entire Waitomo District, not just those within the Ward of election;
- Ensuring overall compliance by the Council with its obligations and responsibilities under the Local Government Act 2002 and all other legislation which prescribe statutory duties for territorial authorities;
- Promoting good relationships with neighbouring local authorities.

Members, as individuals, must:

- Comply with the requirements of this Code of Conduct.
- Ensure they are informed about the roles, functions and processes of the Waitomo District Council;
- Ensure that they become aware of the statutory obligations imposed on elected members and on councils;
- Comply with those enactments and other rules of law applicable to the conduct of members. (Note - extracts from, or brief explanations of, those enactments are set out in Appendix C on legislative responsibilities).
- Be adequately prepared for meetings, including reading agendas and other relevant material prior to attendance, and if appropriate and where possible putting forward questions to the relevant officer in advance;
- Undertake appropriate professional development;
- On entering into a term of office, declare whether the member is an undischarged bankrupt;
- Recognise that they have no personal power to commit Council to any particular policy or course of action unless they have delegated authority from council or the appropriate committee to do so;
- Ensure the privacy of individual staff members is preserved and not comment publicly on the management or staff of the Council by identification or by general reference;
- Ensure that any public statement giving a point of view contrary to a Council decision is identified as a personal, minority view.

Members, in fulfilling their role, will focus on:

- Acting in a proper manner in accordance with the legislative framework and statutory requirements for Local Government;
- Providing community leadership;
- Consulting with, facilitating discussions with and representing the community;
- Contributing to the collective decision making of Council;
- Ensuring accountability and sound financial management;
- Reporting Council to the community.

3.1.1 Statutory Declaration

The Mayor and Councillors declare the following oath on taking office:

"I, AB, declare that I will faithfully and impartially, and according to the best of my skill and judgment, execute and perform, in the best interest of the District of Waitomo, the powers, authorities, and duties vested in, or imposed upon, me as (Mayor or Member) of the Waitomo District Council by virtue of the Local Government Act 2002, the Local Government Official Information and Meetings Act 1987 or any other Act."

3.2 THE MAYOR

The Mayor is elected by the District as a whole. In addition to those matters contained in 3.1, the Mayor is the ceremonial head of the Council and is often the first and/or only point of contact for ratepayers and interest groups on political matters. The Mayor is also responsible for:

- Providing leadership to the other members of the territorial authority; and the people in the district of the territorial authority;
- Leading the development of the territorial authority's plans (including the long term plan and the annual plan), policies, and budgets for consideration by the members of the territorial authority;
- Appointing the deputy mayor;
- Establishing committees of the territorial authority;
- Appointing the chairperson of each committee and may appoint himself or herself as chairperson of a committee;
- Presiding at Council meetings and ensuring the conduct of meetings is in accordance with standing orders;
- Keeping Council informed of matters brought to his/her attention and formally presenting to Council those matters that need to be considered;
- Advocacy on behalf of the community. This role may involve promoting the community and representing its interests. Such advocacy will be most effective where it is carried out with the knowledge and support of the Council;
- Providing leadership and feedback to other elected members on teamwork, information sharing and chairmanship;
- Assuming the role of Justice of the Peace (while the Mayor holds office).

3.3 THE DEPUTY MAYOR

The Deputy Mayor is appointed by the Mayor at the first meeting of the Council.

The Deputy Mayor exercises the same role as any other members. If the Mayor is on a leave of absence or incapacitated, the Deputy Mayor must perform all of the responsibilities and duties of the Mayor, and may exercise the powers of the Mayor. The Deputy Mayor may be removed from office by resolution of the Council.

3.4 COMMITTEE CHAIRPERSONS

A Committee Chairperson exercises the same role as any other member, but has responsibility to preside over all meetings of the relevant Committee and to ensure that the Committee acts within the powers delegated to it by the Council.

3.5 THE CHIEF EXECUTIVE OFFICER

The Chief Executive Officer is appointed by the Council in accordance with section 42 of the Local Government Act 2002. The Chief Executive Officer is responsible for implementing and managing the Council's policies and objectives within the budgetary constraints established by the Council. In terms of section 42 of the Local Government Act 2002 the responsibilities of the Chief Executive Officer are:

- Implementing the decisions of the Council;
- Providing advice to the Council and community boards;
- Ensuring that all responsibilities, duties and powers delegated to him or her, or to any person employed by the local authority, or imposed or conferred by an Act, regulation or bylaw, are properly performed or exercised;
- Managing the Council's activities effectively and efficiently;
- Maintaining systems to enable effective planning and accurate reporting of the financial and service performance of the Council;
- Providing leadership for the staff of the Council;

- Employing staff on behalf of the Council (including negotiation of the terms of employment for the staff of the local authority)

Under section 42 of Local Government Act 2002, the Chief Executive Officer employs all other staff on behalf of the local authority.

4.0 Decision Making

4.1 PREDETERMINATION OR BIAS

The Council must apply the principles of administrative law and natural justice when making decisions. In decision-making, the Council must act within lawful authority, according to lawful procedure and produce rational results. This includes decisions of the Council, whether made by the elected members in a formal meeting of the Council or its Committees and also decisions of officers of the Council to whom the power of decision making has been delegated. The overriding obligation is to act in accordance with the law and to act in a fair and reasonable manner.

Elected members are expected to approach decision making with an open mind ("faithfully and impartially"). This process requires elected members to listen carefully to competing advice and to weigh up the pros and cons before making their decision. Where Council or a Standing Committee is hearing formal submissions at a hearing, elected members should carefully avoid prior public comments, which may indicate a predetermined bias or non flexible attitude.

4.2 DELEGATION

Decisions are made at various levels within the Council. Effective governance occurs when an organisation's structure and operating principles recognise, through effective delegation, the empowerment of both elected members and staff to make decisions at levels appropriate to their role.

The legal provisions that apply to delegation are set out in Clause 32 of Schedule 7 of Local Government Act 2002.

4.3 REQUIREMENTS IN RELATION TO DECISIONS

The Local Government Act 2002 sets out the purpose of local government and the role of local authorities. Refer to Appendix A of this Code for details of the legislation.

Every decision made by a local authority must be made in accordance with sections 77, 78, 80, 81 and 82 of the Local Government Act 2002. Refer to Appendix A for the process the Council must follow during the course of the decision making process.

4.4 CONSULTATION

The Council is required to make decisions that take into account and balance the various needs and preferences of its residents. Section 82 of the Local Government Act 2002 sets out the principles of consultation, which Council must undertake in relation to any decision. Section 82 is set out in Appendix A of this Code.

4.5 STAFF REPORTS

Given the obligations on the Council in regard to decision-making, the Council should only make decisions at Council meetings on those matters that are accompanied by staff reports as appropriate.

While the Council may hear submissions and depositions, and, within the limits of the legislation, discuss matters raised from the meeting, no decisions should be made unless the matter is accompanied by a written staff report.

While the Council is ultimately accountable, its function is not to make detailed decisions on operational matters. The Council, Committee structures and members day to day dealings with the Chief Executive Officer should recognise the statutory responsibilities of the Chief Executive Officer for the effective management of the staff and for implementing the decisions of the Council.

Elected members who have questions relating to staff reports contained in Agendas, should seek clarification and answers prior to the meeting to which the report relates, by way of email to the Chief Executive and/or the Executive Assistant.

5.0 Relationships and Behaviours

5.1 RELATIONSHIPS WITH OTHER MEMBERS

All elected members shall in their dealings with each other, management, the public and the media, show respect and behave in a manner consistent with the dignity of their office. Elected members should act in good faith (that is, honestly, for the proper purpose and without exceeding their powers) in the interests of the Council and the community.

Successful teamwork is a critical element in the success of any organisation. No team will be effective unless mutual respect exists between members. Members must conduct their dealings with each other in ways that:

- Maintain public confidence in the office to which they have been elected;
- Are open and honest;
- Focus on issues rather than personalities;
- Avoid conduct which is aggressive, offensive or abusive or which may constitute unlawful or inappropriate behaviour (including sexual harassment).

5.2 CONDUCT AT MEETINGS

In order to develop and maintain an atmosphere of mutual respect and to facilitate good decision making, the following conduct is expected at meetings:

- Members should aim to be punctual so that meetings start on time;
- Members must be prepared to discuss issues at meetings;
- Members are encouraged, whenever practical, to make requests for additional information or clarification of items prior to the meeting so that staff have time to undertake the necessary research and prepare answers;
- All discussions at meetings are to be directed through the Chairperson;
- Silence when someone else is speaking;

- Debate policies, not personalities;
- If any Members conduct is deemed to be unacceptable, the Chairperson will invoke provisions contained in Standing Orders;
- Standing Orders and the Code of Conduct will be observed;
- Members are expected to vote on every issue unless they have declared a conflict of interest;
- Members who have declared a Member's Interest must leave the meeting for the duration of the item in which they have declared an interest;
- Members should endeavour to attend all meetings for the full duration of the meeting;
- Members who are aware that they will be unable to attend meetings of the Council are encouraged to seek leave of absence in advance.

5.3 RELATIONSHIPS WITH STAFF

An effective working relationship between elected members and officers is critical to the success of any Council. Mutual respect between employees of the Council and elected members is essential to good government.

To ensure that the required level of co-operation and trust is maintained, Members must:

- Recognise that the Chief Executive Officer is the employer (on behalf of Council) of all staff. Only the Chief Executive Officer may hire or dismiss, or instruct or censure, an employee;
- Make themselves aware of the obligations that Council and the Chief Executive has as employers and observe those requirements at all times;
- Understand that employees have a statutory right to a safe work environment free from both physical harm and mental harm caused by work related stress;
- Acknowledge that any actions (or statements) by elected members which may in any way harm an employee (including mental harm) may result in the Council being liable under the Health and Safety in Employment Act 1992;
- Treat all staff with courtesy and respect, avoiding conduct which is aggressive, offensive or abusive or may constitute unlawful or inappropriate harassment;
- Observe any guidelines the Chief Executive puts in place regarding contact with employees;
- Not do anything which compromises or could be seen to be compromising the impartiality of an employee;
- Avoid personal criticism of a staff member in public in any way that reflects on the competence and/or integrity of the staff member;
- Preserve the anonymity of individual officers and not comment publicly on the management of staff of the Council;
- Raise concerns about staff only with the Chief Executive Officer;
- Raise concerns regarding management or operational matters with the Chief Executive for discussion and resolution;
- Raise concerns about the Chief Executive Officer only with the Mayor.
- Should an elected member have a concern and not be satisfied with the response of the Chief Executive, the matter should be raised with Council to address the concern.

Elected Members should be aware that failure to observe this portion of the Code may compromise the Council's obligations to act as a good employer and may expose the Council to civil litigation and audit sanctions, and individual elected members being exposed to responsibility for loss under section 46 of the Local Government Act 2002.

5.4 RELATIONSHIPS WITH THE COMMUNITY

- Members must not act so as to bring unfair criticism upon Council in the Community.
- Members must act in a manner that encourages and values community involvement in local democracy.
- The views of members of the public must be accorded respect with members listening to and deliberating on concerns carefully and patiently.
- Members must avoid aggressive or abusive behaviour towards members of the public.

5.5 CONTACT WITH COUNCIL CONTROLLED ORGANISATIONS, COUNCIL ORGANISATIONS AND SHARED SERVICE PROVIDERS (CCO, CO and SSP)

Council is concerned to ensure that its various relationships with CCOs, COs and SSP are maintained in a professional and responsible manner.

Council will from time to time establish formal arrangements for the maintenance of those relationships. Those arrangements include the appointment of elected members to oversee relationships and delegation of that role through the Chief Executive.

Elected members must observe and comply with those agreed points of contact and lines of communication, and must not engage with or seek information or services from individual staff or appointed members of the CCOs, Cos and SSP.

If an elected member has an issue to address, or requires information or has any other need in respect of Council related CCOs, COs or SSP then that issue or information request is to be taken up with the Mayor or Chief Executive.

5.6 CONTACT WITH THE MEDIA

The media plays an important role in the effective operation of local government. In order to fulfil this role the media needs access to accurate, timely information about the affairs of Council.

The following rules apply for media contact on behalf of Council:

- Elected members remain free to express a personal view in the media at any time BUT any comments made must observe all requirements of this Code and must state that:
 - (a) the comments represent a personal view only; and
 - (b) (if the comment is contrary to a Council decision or Council policy) the comment is a minority view.
- The Mayor is the first point of contact for the Council view on any policy issue. The Mayor is authorised to make statements accurately reporting decisions of Council meetings. If the Mayor is absent, or unable to act, a matter may be referred to the Deputy Mayor or to the relevant committee chairperson for a response.
- The Mayor may refer any matter to the relevant committee chairperson, a member or to the Chief Executive Officer for comment.

- Committee Chairpersons are authorised to make statements accurately reporting decisions of their committees
- The Chief Executive Officer is responsible for reporting to the media on operational matters.

Elected members public statements expressing their opinion on matters before the Council shall not criticise the conduct of the Council, other elected members or officers of the Council.

The Mayor may deal with the news media and make public statements relevant to the non-statutory role as a community leader. Where the views expressed are the Mayor's own and are not made on behalf of the Council, this must be clearly stated. No statements made in this capacity shall undermine any existing policy or decision of the Council.

5.7 CONTACT WITH OTHER ORGANISATIONS

- Council is concerned to ensure that its various relationships with community organisations are maintained in a professional and responsible manner.
- Members must not act so as to bring unfair criticism upon Council.
- If Council has a formal arrangement for the maintenance of a relationship with any community organisation, elected members must observe and comply with those agreed points of contact and lines of communication.
- Elected members remain free to express a personal view at any time BUT any comments made must observe all requirements of this Code and must state that:
 - a. The comments represent a personal view only; and
 - b. If the comment is contrary to a Council decision or Council policy – the comment is a minority view.

5.8 CONFIDENTIAL INFORMATION

In the course of their duties, elected members will receive information that is confidential. This will generally be Council information that is either commercially sensitive or is personal to a particular individual or organisation.

Members must not use or disclose confidential information for any purpose other than the purpose for which the information was supplied to the Member. Any failure to observe these provisions may affect the Council's performance, by inhibiting information flows and undermining public confidence in the Council.

The disclosure of confidential information also pertains to the Council's rates records. Section 38 of the Local Government (Rating) Act 2002 provides details of those limited persons who may legally inspect the rates record for a rating unit.

Failure to observe these provisions may expose the Council to prosecution under the Privacy Act 1993 or civil litigation, and may expose individual members to responsibility for loss under section 46 of the Local Government Act 2002.

From time to time elected members may become aware of personal information about members of the community. It is vital that elected members respect the confidentiality of such information.

Occasionally an elected member may believe that there is genuine public interest in a public excluded item. A member holding such a belief may:

- Firstly move at the appropriate Council meeting that the matter be moved into public business.
- Secondly, if the elected member is unsuccessful with that motion and still believes that the information should be made public, then the correct process is to seek release under the Local Government Official Information and Meetings Act 1987 as follows:
 - (a) The elected member makes an official information request to the Chief Executive Officer seeking the release of that information.
 - (b) If the Chief Executive Officer declines to release the information, then the elected member can apply to the Office of the Ombudsman for that information to be released.
 - (c) If the Chief Executive Officer decides to release information at the request of an elected member, the Chief Executive Officer would advise the Mayor and Councillors of the release.

By following this process, elected members will ensure that the rights of all parties potentially affected by the release of confidential information have been given proper consideration.

6.0 General Protocols

6.1 ACCEPTING GIFTS/HOSPITALITY/EXPENSES

There is the possibility that the acceptance of gifts, favours or hospitality could be construed as a bribe or perceived as undue influence. Elected members need to treat with caution any offer, gift, favour or hospitality made to them personally, to avoid the risk of damage to public confidence in local government.

Sister City gift exchanges can be considered differently. Gifts made to the Mayor from a Sister City are accepted as gifts made to the Office of the Mayor and remain as property of the Council. It is also appropriate for elected members to accept small gifts made to them personally, for example, in appreciation for home hosting delegates from a Sister City.

The Council has a register of gifts made to the Council. When an elected member receives a gift in their official capacity, the gift should be reported to the Chief Executive Officer for recording in the Gift Register.

6.2 EXPENSES AND ALLOWANCES

An elected member is entitled to claim expenses and allowances in connection with their duties. Rules for reimbursement of elected members' expenses as approved by the Remuneration Authority are attached to this Code. (Refer Doc No.s 109403 and 143305)

6.3 DRESS CODE

Elected members should maintain an appropriate standard of dress at meetings of Council and Council Committees. It is recognised that the standard of dress will be in accordance with the level of formality of the meeting they are attending. Some principles for guidance are:

- Casual dress is appropriate at workshops;
- Committee meetings involve engaging with members of the public, therefore a neat and tidy standard of dress is appropriate;

- Council meetings are a formal occasion therefore a more formal standard of dress is appropriate (for example, jacket, tie and dress trousers for men and more formal attire for women). No jeans for either men or women.

6.4 USE OF FACILITIES

- The Mayoral Suite (excluding the Mayor's Office) is primarily intended for the use of elected members.
- Pool cars are available for travelling to seminars and conferences.
- Photocopying in relation to Council business will be provided by the Executive Assistant. Personal photocopying is to be paid for by the Member.
- Members may not use Council resources for personal business (including campaigning).

6.5 PROCEDURES FOR RAISING OPERATIONAL MATTERS

Elected members may be contacted by the public regarding routine service requests, eg, leaking water tobies. These service requests need to be forwarded to the customer service officers. Alternatively the elected members could relay operational matters directly to the Chief Executive Officer or Departmental Manger.

Council officers recognise that when an elected member has been asked by a member of the public to deal with a matter that the outcome of the matter needs to be reported back to the elected member. This is so that the elected member is aware of what action has been taken when next approached by the member of the public.

While elected members should refrain from getting involved in the "hands on" role of staff, they should approach the Chief Executive Officer if they have concerns that matters they have drawn to staff attention are not attended to promptly or properly.

6.6 PROCEDURES FOR RAISING POLICY MATTERS

The options for raising a policy matter for consideration by the Council are as follows:

- (a) Liaise with the Mayor or with the Chairperson of the appropriate Committee. If it is agreed that the matter is one for political consideration, then the Mayor or Chairperson will request the Chief Executive Officer to have the appropriate report compiled.
- (b) Follow the procedure for submitting a Notice of Motion. The procedure is outlined in the Council's Standing Orders.

6.7 RESPONDING TO RATEPAYER APPROACHES REGARDING POTENTIAL OR ACTUAL LITIGATION AGAINST THE COUNCIL

When responding to approaches from citizens or the media on such matters, elected members should:

- Listen to concerns.
- Seek clarification.
- Refer the person to the appropriate agency, e.g. Chief Executive Officer, Solicitor, Consultants, Disputes Tribunal, etc.
- Relay information to the Chief Executive Officer of the Council.

- Notify the Chief Executive Officer where notice of intention to make a claim against the Council is given, or there are facts present that involve the assertion of action against the Council.

Elected members should take care not to:

- Admit liability.
- Settle or make or promise any payment.
- Do anything that may prejudice the Insurers' defence of litigation.
- Disclose any information that the elected member has received by way of confidential briefings on a litigation matter.

The Council has to notify its insurers of any occurrence that may give rise to a claim. Elected members should notify the Chief Executive Officer when they are given notice of intention by a citizen to make a claim against the Council, or an elected member is made aware of the presence of facts that directly or indirectly involve the assertion of a claim against the Council.

The Council is not permitted under the conditions of indemnity to admit liability or to settle a claim. Therefore elected members need to be aware that when engaging in conversation where a claim has been made or threatened, they should not give any undertaking, promise or opinion that may be construed as an admission of liability, nor make any offer to settle or do any act that may prejudice in any way the Insurers' later defence of the claim in litigation.

7.0 Legislative Responsibilities

7.1 LOCAL AUTHORITIES (MEMBERS' INTERESTS) ACT 1968

The phrase "*Conflicts of Interest*" is used to describe three distinct and separate circumstances where there is or may be a conflict between the personal interests, or the conduct of a member, and that member's duties as an elected member.

The statutory and common law rules relating to conflicts of interest are part of the rules of natural justice. They reflect the expectation of the community that, when making decisions on behalf of the community, members will act impartially and in a manner appropriate to the nature of the decision. Members performing their duties will on occasion be making political decisions (for example when making policy or adopting planning documents) and on other occasions be acting in a judicial or semi judicial capacity (for example when considering resource consent applications). There is some limited scope for flexibility in respect of political decisions, but absolutely no scope for flexibility in relation to judicial or semi judicial decisions.

The three classes of conflict of interest are:

- (a) a pecuniary interest in the matter before the Council, which gives rise to a presumption that there is a conflict with the member's duties. The pecuniary interest may be direct or indirect and involve either financial gain or financial loss.
- (b) non-pecuniary interest, which may give rise to a perception of conflict between interest and duty. These may be interests or relationships arising out of kinship, marriage, domestic relationships, wider family relationships, employment or membership of community organisations.

- (c) demonstrated bias, that is the circumstances where a member by words or action has indicated a commitment to a particular view in respect of an issue such that it is unlikely that the member may approach the consideration of a decision on that issue with an open mind.

If the Member is in any doubt as to whether or not a particular course of action (including a decision to take no action) raises a conflict of interest, then the member should seek guidance from the Chief Executive Officer immediately.

Members may also contact the Office of the Controller and Auditor General for guidance as to whether that member has a pecuniary interest. If there is a pecuniary interest, the member may seek an exemption to allow that member to participate or vote on a particular issue in which they may have a pecuniary interest. The latter must be done before the discussion or vote. Contact details for the Office of the Controller and Auditor General - Phone (04) 917 1500 email: reception@oag.govt.nz, website www.oag.govt.nz.

Failure to observe the requirements of the Local Authorities (Members' Interests) Act 1968 could potentially invalidate the particular decision made, or the action taken, by Council. Failure to observe these requirements could also leave the elected member open to prosecution under the Local Authorities (Members' Interests) Act 1968. In the event of a conviction elected members can be ousted from office.

In a case of doubt, a member should withdraw. Members withdrawing:

- must leave the meeting room;
- should (in protection of their own and the Council's interests) ensure that their actions are appropriately recorded in the Minutes

The issue of conflicts of interest is a difficult one for members. Commonly issues may arise on short notice. Matters which seem straightforward at the outset can also commonly become less clear as a matter progresses. Vigilance by members is required. While the decision to disqualify is ultimately a matter for the member alone, members are encouraged to seek guidance and assistance from the Mayor, other Councillors or the Chief Executive Officer.

7.1.1 Register of Interests

The Council has adopted the suggestion of the Office of the Controller and Auditor General and requested all elected members to make a written declaration of their personal and financial interests that may at times conflict with their roles. This information will be kept in a "Register of Interests". Members are responsible for keeping their written declarations up to date.

7.2 STANDING ORDERS

Standing Orders are a set of rules of debate that provide greater formality in the way that a Council conducts its meetings. Standing Orders are also a means of recording the Council's agreed principles of behaviour within meetings. Using Standing Orders as a guide to the way that the Council conducts its meetings helps to promote teamwork by:

- allowing structured discussion of topics;
- ensuring respect for the opinions of others;
- ensuring tact and appropriate language is used in resolving conflict;
- promoting the use of persuasion and influencing skills to gain a team outcome

Members must abide by the Standing Orders adopted by Council. A copy of the Standing Orders is provided to each member and after the adoption of the first Standing Orders, an amendment of the Standing Orders or the adoption of a new set of Standing Orders requires in every case a vote of not less than 75% of the members present. The Council or Committee may temporarily suspend Standing Orders during a meeting by a vote of not less than 75% of the members present and voting, and the reason for the suspension must be stated in the resolution of suspension.

7.3 DISQUALIFICATION OF MEMBERS FROM OFFICE

The Local Government Act 2002 and Standing Orders provide for disqualification of Members from office for example, if they:

- Are convicted of a criminal offence punishable by two or more years imprisonment;
- Cease to be an elector or becomes disqualified for registration as an elector under the Electoral Act 1993;
- Breach the Local Authorities (Members' Interests) Act 1968;
- Are absent without leave from the Council from four consecutive ordinary meetings of the Council.

7.4 DECLARATION OF BANKRUPTCY

Under the Local Government Act 2002 local authorities, when adopting a code of conduct, must consider whether or not they will require members to declare whether they are an undischarged bankrupt. The Council requires elected members who are undischarged bankrupts when elected or are declared bankrupt during the term of office, to notify the Mayor and the Chief Executive Officer as soon as practicable after being declared bankrupt and record the fact in the Register of Interests.

7.5 LEGISLATION BEARING ON THE ROLE AND CONDUCT OF ELECTED MEMBERS

Refer to Appendix C for a summary of the legislation requirements that has some bearing on the duties and conduct of elected members which includes:

- Local Government Official Information and Meetings Act 1987
- Liability of Elected Members under the Public Finance Act 1977
- Secret Commissions Act 1910
- Securities Act 1978
- The Crimes Act 1961
- Health and Safety in Employment Act 1992

8.0 Compliance and Review

NB: The following legislative responsibilities apply to all elected members. However, any alleged breach of any legislative responsibility by any elected member or by any member of staff will not constitute a breach of this Code of Conduct but will be processed in accordance with the relevant legislative provisions.

8.1 COMPLIANCE

The Local Government Act 2002 Schedule 7 of the Local Government Act 2002 requires each local authority to adopt a Code of Conduct.

The Local Government Act 2002 requires elected members to comply with the provisions of this Code of Conduct (Schedule 7, Clause 15(4)):

"A member of a local authority must comply with the code of conduct of that local authority."

However, the Act also states (Schedule 7, Clause 15(7)):

"To avoid doubt, a breach of the code of conduct does not constitute an offence under this Act."

8.2 BREACHES OF LEGISLATION

The exact nature of the action the Council may take depends on the nature of the issue and whether there are statutory provisions dealing with the issue. If there are statutory provisions dealing with the issue then it will not be considered to constitute a breach of this Code of Conduct and will be addressed in accordance with the relevant statutory provisions. In the case of a breach of the provisions of this Code of Conduct it will be dealt with in accordance with the procedure set out herein. In addition to the provisions of this Code, Members are also bound by the Local Government Act 2002, the Local Authorities (Members' Interests) Act 1968, the Local Government Official Information and Meetings Act 1987, the Secret Commissions Act 1910, the Crimes Act 1961, the Securities Act 1978, and the Health and Safety in Employment Act 1992. The Chief Executive Officer will ensure that an explanation of these Acts is made at the first meeting after each triennial election and that copies of the Acts are freely available to elected members. Explanations of the obligations that each of these has with respect to conduct of elected members is set out in Appendix C.

Where there are statutory provisions,

- issues relating to members interests render members liable for prosecution by the Auditor General under the Local Authorities (Member's Interests) Act 1968 and if convicted the Member can be removed from office;
- issues which result in the Council suffering financial loss or damage may be reported on by the Auditor General under the Local Government Act 2002, which may result in the member having to make good the loss or damage;
- issues relating to the commission of a criminal offence may leave the elected member liable for criminal prosecution.

8.3 COMPLIANCE WITH THIS CODE

Please refer to the flow chart further on in this document for a diagrammatic view of the processing of alleged breaches of the code.

Dealing with issues in respect to compliance with this Code, by members, will be undertaken by the full Council.

All alleged breaches of the Code must be reported to the Chief Executive Officer in writing, making a specific allegation of a breach of the Code called the "complaint", and providing corroborating evidence. Once the Chief Executive Officer has received a complaint, he/she will immediately acknowledge, in writing, the receipt of the complaint to the person making the complaint, called the "Complainant" and to the person who is the subject of the complaint, called the "Subject".

The Chief Executive Officer will then determine the nature of the complaint and if there are any statutory provisions dealing with the issue it will not be considered

to constitute a breach of the Code of Conduct and will be dealt with in accordance with the relevant statutory provisions.

If the Chief Executive Officer determines that a breach of the Code of Conduct may have occurred, and is not covered by a statutory provision, the full Council will be informed, and the Chief Executive will ask the Subject to decide if they wish the complaint to be heard by the Council or by an Independent Investigator.

If the complaint is dealt with by the Council, the Subject will have an opportunity to respond to the complaint and/or attend the Council meeting where the complaint is being considered, but shall have no voting rights at such meeting. If no resolution can be reached between the Subject and the Council, the Subject may choose to have the complaint dealt with by an Independent Investigator.

If the Subject chooses to have the complaint dealt with by an Independent Investigator, the Chief Executive Officer will appoint an Independent Investigator (from a list of those previously approved by the Council) to investigate the complaint. The Investigator will investigate the circumstances of the complaint, and in doing so will allow the Subject of the complaint to have the same rights as they would have should the complaint have been investigated by the full Council. He/she will ascertain the facts and make a judgement about the complaint. The Independent Investigator shall report their findings and decision on the validity (or otherwise) of the complaint and on what action was taken as a result of the investigation to the Council.

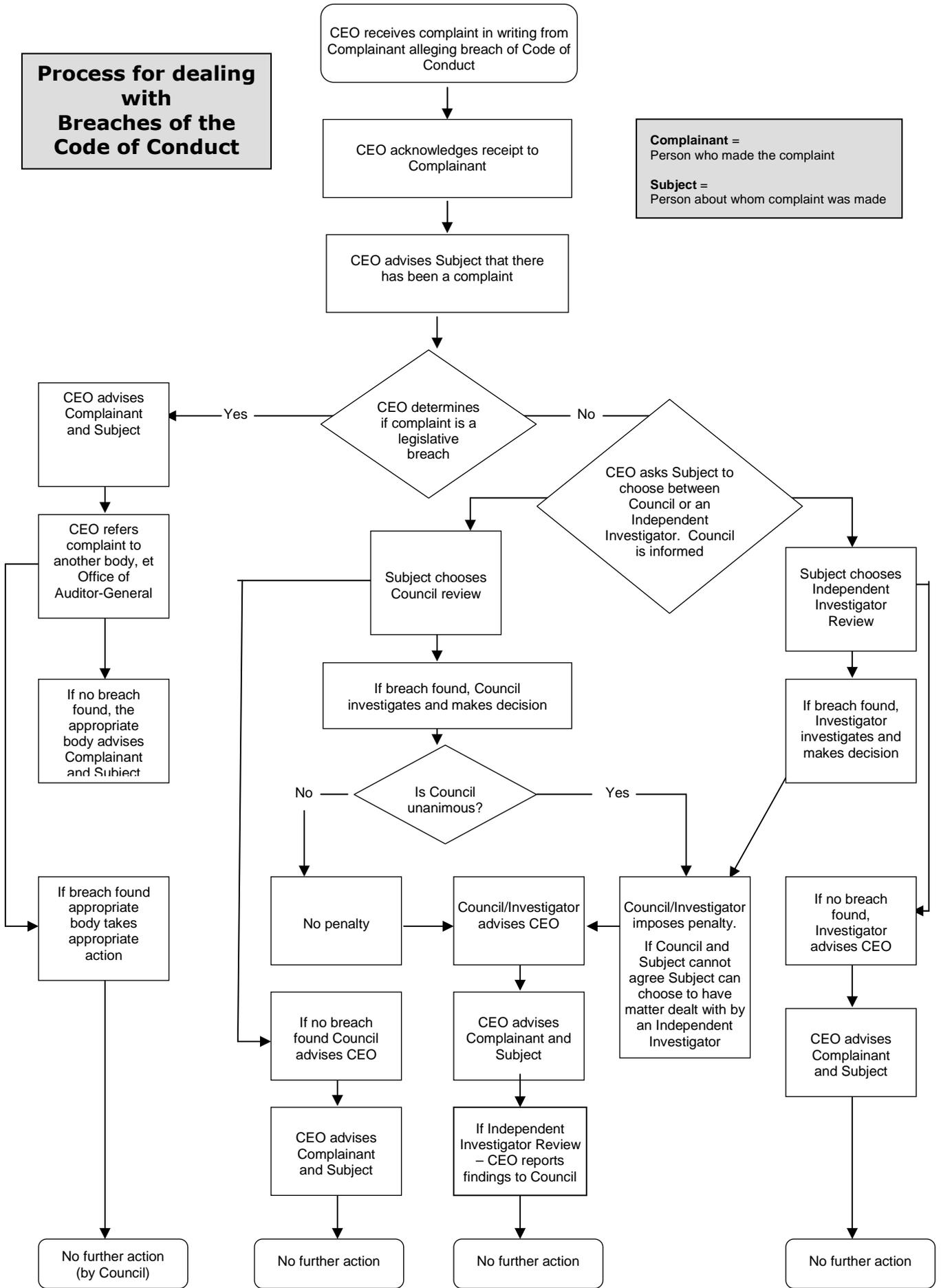
The Council or an Independent Investigator shall enquire into and deliberate upon, all complaints and investigations in private.

If no breach of the Code of Conduct is deemed to have occurred the Complainant and the Subject will be advised and the Council will not be informed.

Process for dealing with Breaches of the Code of Conduct

Complainant =
Person who made the complaint

Subject =
Person about whom complaint was made



8.4 CONSEQUENCES OF A BREACH

Where the Council agrees that a member has breached the Code of Conduct, and the breach does not involve an offence against any statute, the Council may impose such penalty as it deems appropriate on the member concerned.

Where an independent investigator determines that a member has breached the Code of Conduct, and the breach does not involve an offence against any statute, the independent investigator may impose such penalty as they deem appropriate on the member concerned.

Any form of any penalty that the investigator or the Council may apply will depend on the nature of the breach, and may include the following:

- Censure of the member, by letter and/or in open meeting;
- Withdrawal of representation rights in outside organisations;
- Withdrawal of membership of a Committee or Sub-committee;
- If it appears that a breach of the Code also constitutes a statutory offence then the Council shall refer the circumstances of that breach to the relevant body for further action.

All decisions of the Council and the independent investigator shall be reported in an open part of a Council meeting, except where the alleged breach relates to the misuse of confidential information, or which would otherwise be exempt from public disclosure under the Local Government Official Information and Meetings Act 1987.

A decision by the Council or independent investigator that a breach of the Code has occurred, and/or recording the penalty to be applied, will be final and binding on the member to whom that decision relates and all other members. With the exception only of an allegation of a breach of the rules of natural justice, no member shall seek to review or challenge the outcome under standing orders, the Local Government Act 2002, or by judicial process.

8.5 REVIEW OF THE CODE OF CONDUCT

Once adopted, the Code of Conduct continues in force until amended by the Council. The code can be amended at any time, but cannot be revoked unless the Council replaces it with another Code. Once adopted, amendments to the Code of Conduct require five out of the seven elected members of the Council to vote affirmation for an amendment to be effective.

To be completed by Members and witnessed by the Chief Executive Officer.

As a member of the Waitomo District Council, I hereby agree to uphold and abide by Council's Code of Conduct as adopted by Council on the 18th day of December 2007.

Signed: Witness:
Mayor Brian Hanna **Chris Ryan, Chief Executive**

Date: Date:

Signed: Witness:
Deputy Mayor Guy Whitaker **Chris Ryan, Chief Executive**

Date: Date:

Signed: Witness:
Councillor Phil Brodie **Chris Ryan, Chief Executive**

Date: Date:

Signed: Witness:
Councillor Terry Davey **Chris Ryan, Chief Executive**

Date: Date:

Signed: Witness:
Councillor Allan Goddard **Chris Ryan, Chief Executive**

Date: Date:

Signed: Witness:
Councillor Sue Smith **Chris Ryan, Chief Executive**

Date: Date:

Signed: Witness:
Councillor Lorrene Te Kanawa **Chris Ryan, Chief Executive**

Date: Date:

APPENDIX A

Local Government Act 2002 Purpose of Local Government and Role of Local Authorities - Decision Making and Consultation

1.0 PURPOSE OF LOCAL GOVERNMENT

The Local Government Act 2002 states the purpose of Local Government is:

- *"to enable democratic local decision-making and action by, and on behalf of, communities; and*
- *to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses."*

2.0 ROLE OF LOCAL AUTHORITIES

The Local Government Act 2002 also states that the role of local authorities is to:

- *"give effect in relation to its district or region, to the purpose of local government; and*
- *perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment."*

The Local Government Act 2002 further states that a local authority should:

- *"conduct its business in an open, transparent, and democratically accountable manner; and*
- *give effect to its identified priorities and desired outcomes in an efficient and effective manner*
- *make itself aware of and have regard to the views of all its communities;*
- *when making a decision take account of the diversity of the community and the various community's interests; the interests of future as well as current communities and the likely impact of any decision*
- *provide opportunities for Maori to contribute to its decision-making process*
- *collaborate and cooperate with other local authorities and bodies*
- *undertake commercial transactions in accordance with sound business practices*
- *ensure prudent stewardship and efficient and effective use of its resources in the interests of the district*
- *take a sustainable development approach".*

3.0 DECISION MAKING PROCESS

Every decision made by a local authority must be made in accordance with Sections 77, 78, 80, 81 and 82 of the Local Government Act 2002. Specifically the Council must during the course of the decision making process:

- *"seek to identify all reasonably practicable options for the achievement of the objective of a decision; and*

- *access those options by considering the benefits and costs both present and future interests of the Waitomo District;*
- *access those options by considering the extent to which community outcomes would be promoted or achieved in an integrated and efficient manner by each option and assess the impact of each option on the Council's capacity to meet present and future needs in relation to any statutory responsibility of the Council;*
- *identify those options which involve a significant decision in relation to land or a body of water, take into account the relationship of Maori and their culture and traditions with their ancestral land, water, sites, wahi tapu, valued flora and fauna and other taonga;*
- *give consideration to the views and preferences of persons likely to be affected by, or to have an interest in the matter;*
- *determine whether the matter is significant;*
- *identify whether the proposed decision would be significantly inconsistent with any existing policy or plan;*
- *establish and maintain processes to provide opportunities for Maori to contribute to the decision making process;*
- *consider ways in which the Council may foster the development of Maori capacity to contribute to the decision making process; and*
- *provide relevant information to Maori."*

4.0 CONSULTATION

The Council is required to make decisions that take into account and balance the various needs and preferences of its residents. Section 82 of the Local Government Act 2002 sets out the principles of consultation, which the Council must undertake in relation to any decision. Section 82 is set out as follows:

"(1) Consultation that a local authority undertakes in relation to any decision or other matter must be undertaken, subject to subsections (3) to (5), in accordance with the following principles:

- (a) that persons who will or may be affected by, or have an interest in, the decision or matter should be provided by the local authority with reasonable access to relevant information in a manner and format that is appropriate to the preferences and needs of those persons:*
- (b) that persons who will or may be affected by, or have an interest in, the decision or matter should be encouraged by the local authority to present their views to the local authority;*
- (c) that persons who are invited or encouraged to present their views to the local authority should be given clear information by the local authority concerning the purpose of the consultation and the scope of the decisions to be taken following the consideration of views presented:*
- (d) that persons who wish to have their views on the decision or matter considered by the local authority should be provided by the local authority with a reasonable opportunity to present those views to the local authority in a manner and format that is appropriate to the preferences and needs of those persons:*

- (e) *that the views presented to the local authority should be received by the local authority with an open mind and should be given by the local authority, in making a decision, due consideration:*
 - (f) *that persons who present views to the local authority should be provided by the local authority with information concerning both the relevant decisions and the reasons for those decisions.*
- (2) *A local authority must ensure that it has in place processes for consulting with Maori in accordance with subsection (1).*
- (3) *The principles set out in subsection (1) are, subject to subsection (4) and (5), to be observed by a local authority in such manner as the local authority considers, in its discretion, to be appropriate in any particular instance.*
- (4) *A local authority must, in exercising its discretion under subsection (3), have regard to -*
 - (a) *the requirements of section 78; and*
 - (b) *the extent to which the current views and preferences of persons who will or may be affected by, or have an interest in, the decision or matter are known to the local authority; and*
 - (c) *the nature and significance of the decision or matter, including its likely impact from the perspective of the persons who will or may be affected by, or have an interest in, the decision or matter; and*
 - (d) *the provisions of Part I of the Local Government Official Information and Meetings Act 1987 (which Part, among other things, sets out the circumstances in which there is good reason for withholding local authority information); and*
 - (e) *the costs and benefits of any consultation process or procedure.*
- (5) *Where a local authority is authorised or required by this Act or other enactment to undertake consultation in relation to any decision or matter and the procedure in respect of that consultation is prescribed by this Act or any other enactment, such of the provisions of the principles set out in sub-section (1) as are inconsistent with specific requirements of the procedures so prescribed are not to be observed by the local authority in respect of that consultation".*

APPENDIX B

Rules for Reimbursement of Elected Members' Expenses

(Refer Doc No.s 319919 and 316085 – copies attached)

APPENDIX C

Legislative Responsibilities

1.0 LOCAL AUTHORITIES (MEMBERS' INTERESTS) ACT 1968

The Local Authorities (Members' Interests) Act 1968 deals with the positions of elected members who may have an interest in contracts to be let by the Council. It also prohibits elected members from voting or taking part in any matter in which they have a direct or indirect financial interest.

The essence of the Act is to ensure that elected members follow high ethical standards in their public obligations so that the public can have confidence that their decisions are taken entirely properly, without any suspicion of improper interests influencing elected members' actions.

Details of these requirements are given in the guide to the legislation published by the Office of the Controller and Auditor General.

Elected members must be careful that they maintain a clear separation between their personal interests and their duties as elected members. This is also to ensure that people who fill positions of authority carry out their duties free from bias (whether real or perceived). Members therefore need to familiarise themselves with the provisions of the Local Authorities (Member's Interests) Act 1968 which concerns financial interests, and with other legal requirements concerning non-financial conflicts of interest.

The phrase "*Conflicts of Interest*" is used to describe three distinct and separate circumstances where there is or may be a conflict between the personal interests, or the conduct of a member, and that member's duties as an elected member. The statutory and common law rules relating to conflicts of interest are part of the rules of natural justice. They reflect the expectation of the community that, when making decisions on behalf of the community, members will act impartially and in a manner appropriate to the nature of the decision. Members performing their duties will on occasion be making political decisions (for example when making policy or adopting planning documents) and on other occasions be acting in a judicial or semi judicial capacity (for example when considering resource consent applications). There is some limited scope for flexibility in respect of political decisions, but absolutely no scope for flexibility in relation to judicial or semi judicial decisions.

The three classes of conflict of interest are:

- (d) a pecuniary interest in the matter before the Council, which gives rise to a presumption that there is a conflict with the member's duties. The pecuniary interest may be direct or indirect and involve either financial gain or financial loss.
- (e) non-pecuniary interest, which may give rise to a perception of conflict between interest and duty. These may be interests or relationships

arising out of kinship, marriage, domestic relationships, wider family relationships, employment or membership of community organisations.

- (f) demonstrated bias, that is the circumstances where a member by words or action has indicated a commitment to a particular view in respect of an issue such that it is unlikely that the member may approach the consideration of a decision on that issue with an open mind.

The Local Government Authorities (Members' Interests) Act 1968 provides that an elected member is disqualified from office, or from election to office, if that member is concerned or interested in contracts under which payments made by or on behalf of the local authority exceed \$25,000 in any financial year. The Chief Executive Officer must seek approval from the Audit Office for contractual payments to members, their spouses or their companies that exceed the \$25,000 annual limit.

Additionally, elected members are prohibited from participating in any Council discussions or vote on any matter in which they have a pecuniary interest, other than an interest in common with the general public. The same rules also apply where the member's spouse contracts with the authority or has a pecuniary interest. Members must declare their interests at Council meetings where matters in which they have a pecuniary interest arise.

If the Member is in any doubt as to whether or not a particular course of action (including a decision to take no action) raises a conflict of interest, then the member should seek guidance from the Chief Executive Officer *immediately*.

Members may also contact the Audit Office for guidance as to whether that member has a pecuniary interest. If there is a pecuniary interest, the member may seek an exemption to allow that member to participate or vote on a particular issue in which they may have a pecuniary interest. The latter must be done before the discussion or vote. Contact details for the Office of the Controller and Auditor General - Phone (04) 917 1500 email: reception@oag.govt.nz, website www.oag.govt.nz

Failure to observe the requirements of the Local Authorities (Members' Interests) Act 1968 could potentially invalidate the particular decision made, or the action taken, by Council. Failure to observe these requirements could also leave the elected member open to prosecution under the Local Authorities (Members' Interests) Act 1968. In the event of a conviction elected members can be ousted from office.

In a case of doubt a member should withdraw. Members withdrawing:

- must leave the meeting room;
- should (in protection of their own and the Council's interests) ensure that their actions are appropriately recorded in the Minutes

The issue of conflicts of interest is a difficult one for members. Commonly issues may arise on short notice. Matters which seem straightforward at the outset can also commonly become less clear as a matter progresses. Vigilance by members is required. While the decision to disqualify is ultimately a matter for the member alone, members are encouraged to seek guidance and assistance from the Mayor, other Councillors or the Chief Executive Officer.

2.0 LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

The Local Government Official Information and Meetings Act 1987 establishes procedures to provide for the admission of the public to meetings of Councils while providing for the protection of deliberations of Councils to the extent consistent with the public interest and the preservation of personal privacy. All of the Council's meetings are required to be open to the public, unless the public is expressly excluded. The public can only be excluded from a meeting on the grounds and in the manner outlined in Section 48 of the Local Government Official Information and Meetings Act 1987.

This Act requires Council to make all information relating to their operation public unless there is a good reason for withholding it. Good reasons for withholding information may include privacy of an individual, commercial sensitivity of a company, damage to the public interest, safety of an individual or that the maintenance of law may be prejudiced.

The decision on whether to withhold or release such information lies with the Chief Executive Officer. Members of the public may challenge any decision to withhold information, by making an Official Information Request to the Chief Executive Officer. If the Chief Executive Officer declines to release the information, then the member of the public can apply to the Office of the Ombudsman to have the information released.

The Act requires Councils to publish a list of all their meetings, their time and place in advance each month. Councils must also make the agendas and reports to be considered available for inspection by the public at least two working days before the meeting.

The Act requires the Chairperson of the meeting to maintain order at the meeting. The Chairperson has the ability to require members of the public to leave the meeting if the Chairperson believes the behaviour of any member of the public is likely to prejudice the orderly conduct of the meeting.

Under this Act it is unlawful for an elected member (or officer) to advise anyone to enter into a contract with a third person and receive a gift or reward from that third person as a result, or to present false receipts to Council.

If convicted of any offence under this Act a person can be imprisoned for up to two years, or fined up to \$1,000, or both. A conviction would therefore trigger the ouster provisions of the Local Government Act 2002 and result in the removal of the member from office.

3.0 LIABILITY OF ELECTED MEMBERS UNDER THE LOCAL GOVERNMENT ACT 2002

Section 46 of the Local Government Act 2002 makes elected members liable for loss both jointly and severally which is reported by the Auditor General.

Section 47 of the Local Government Act 2002 states that members may be required to pay costs of proceedings in certain cases.

4.0 SECURITIES ACT 1978

This legislation governs the raising of money by the offer to the public of the opportunity to invest through shares in an enterprise or to lend money to an organisation. Its application to Council would arise if Council wished to borrow money by public stock issues. In such a case, Council would be required to publish an investment statement and a prospectus. Where published documents relating to an issue of securities are found to contain untrue statements the

directors (in this case Elected Members) of the issuer may be held both criminally liable and civilly liable.

5.0 THE CRIMES ACT 1961

Under this Act it is unlawful for an elected member (or officer) to:

- accept or solicit for themselves (or anyone else) any gift or reward for acting or not acting in relation to the business of Council;
- use information gained in the course of their duties for their, or another person's, monetary gain or advantage.

These offences are punishable by a term of imprisonment of seven years or more. Elected members convicted of these offences will also be automatically ousted from office.

6.0 HEALTH AND SAFETY IN EMPLOYMENT ACT 1992

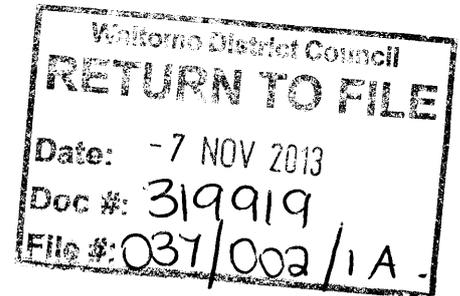
This Act imposes duties and responsibilities on the Council as an employer. The main object of the Act is to promote the prevention of harm to all persons at work. It requires employers to take all practicable steps to safeguard the health of employees. The Act requires employers to protect employees from physical and mental harm caused by work-related stress. This includes identifying potential hazards and monitoring the health of employees.

Should an employer fail to take all practical steps to ensure the safety of its employee, the employer could be found guilty of an offence and is liable on summary conviction to a fine of up to \$250,000 (or \$500,000 if serious harm is caused).

The Council is ultimately accountable for the actions of its Councillors and must ensure they do not behave in a way which is going to result in any of its employees being harmed (either physically or mentally). This could include, for example, any unfair or unwarranted comments or remarks by Councillors about a Council employee, which could foreseeably result in that employee suffering mental harm which may precipitate a claim by either the Department of Labour or an employee against the Council under this Act. Further the disaffected employee may also be able to bring a personal grievance claim under the Employment Relations Act 2000 if he or she is subjected to an unjustified attack or unjustifiable comments by Councillors.

A breach by a Councillor of obligations owed towards employees has serious implications for the Council and for an individual member.

31 October 2013



Ms Michelle Higgle
Executive Assistant
Waitomo District Council
P O Box 404
TE KUITI 3941

Dear Ms Higgle

Policy on Elected Members' Allowances and Recovery of Expenses

The Authority has determined to accept your Council's Policy on Elected Members' Allowances and Recovery of Expenses, and a signed copy of that document is attached.

Yours sincerely



for Angela Foulkes
Deputy Chairman



POLICY

ON

ELECTED MEMBERS'
ALLOWANCES AND
RECOVERY OF EXPENSES

REMUNERATION AUTHORITY

Signed: 

Date: 23/10/2013

24 September 2013



POLICY ON ELECTED MEMBERS' ALLOWANCES AND RECOVERY OF EXPENSES

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INTRODUCTION

This policy sets out rules on the claiming of expenses by elected members and the resources that will be available to them during their term of office.

Contact person for queries: Michelle Higgle (Executive Assistant)
 Email: michelleh@waitomo.govt.nz
 Phone: 07 878 0800

POLICY STATEMENTS

This policy covers the Mayor and Elected Members of the Council and for the purpose of reimbursement of expenses and mileage, any Council appointed representative acting on behalf of the Council.

Expenses relating to electioneering purposes will **not** be reimbursed.

REMUNERATION

The Mayor and Elected Members shall receive remuneration as determined by the Remuneration Authority.

AUTHENTICATION OF EXPENSE REIMBURSEMENTS AND ALLOWANCES

From time to time elected members incur expenses on the Council's behalf, which need to be reimbursed. This reimbursement and the use of council supplied resources apply only to elected members personally, and only while they are acting in their official capacity as elected members.

Costs for expenses must have a justifiable business purpose, be moderate and conservative having regard to the circumstances, and be appropriate in all respects. Transparency is achieved through the monthly publication on the Council's website of all expenses for elected members over the past month.

The process for reimbursement of claims includes the following principles:

- any expenses to be reimbursed must be on an actual and reasonable basis and in line with Council policy
- expense claims are approved by the Mayor and Executive Assistant, and full original receipts are required
- cost reimbursements will be made via the payroll system.

In the case of one-off expenditure such as travel to conferences, the process and prior approvals required are detailed in this policy.

In the case of vehicle mileage, travel time and communications, all limits set in this document do not exceed the Remuneration Authority's Determination.

The Council's internal audit work programme includes sampling expense claims and allowances paid to elected members and staff.

No allowances are paid without deduction of withholding tax.

All expenditure that falls under this policy is approved on the condition that it can be met within relevant budget provisions.

DEFINITIONS

"**Actual**" means as evidenced by the original receipt attached to the claim form.

"**Council**" shall mean the seven elected members that form the governing body (Council) of the Waitomo District Council.

"**Council business**" includes: formal council and community board meetings, committee meetings, workshops, seminars, statutory hearings, training courses, site visits, meetings with staff, meetings with community groups, meetings with members of the public. It does not include events where the primary focus is on social activity.

"**Expenses**" means actual and reasonable expenses including but not limited to; accommodation, rental car, air travel, taxis, meals and refreshments, entertainment (hospitality), parking, sundry vehicle costs, alternative travel options and other such costs directly related to the business of WDC.

"**Reasonable**" means that it is within the amount specified by this policy or as deemed reasonable by the Mayor/Regional Chairperson and/or Chief Executive.

"**Remuneration Authority**" is an independent body established by the Remuneration Authority Act 1977, with responsibilities under the Local Government Act 2002 to determine remuneration and expense/allowance rules for local authority members.

"**Waitomo District Council**" (**WDC**) shall mean the organisation established to administer Council affairs, conduct operations and bring effect to Council policy and strategies.

ALLOWANCES AND EXPENSES BY GROUP OF MEMBERS

Position	Expense/Allowance	Description
All Elected Members	Taxis	<p>Taxis may be used for council business in circumstances where an individual is away from the Waitomo District and where it is deemed to be the most appropriate form of transport. i.e. transport to and from an airport, transport between venues at out of District appointments.</p> <p>Taxis may not be used if significant travel distances mean that use of a taxi is not the most cost effective option.</p> <p>Taxi costs paid for directly by the individual for travel within New Zealand or for international travel will be reimbursed on presentation of actual receipts.</p>
	Travel and attendance at conferences/ seminars/training programmes	<p>All elected members are entitled to payment of actual and reasonable registration, travel, accommodation, meal and related incidental expenses (including travel insurance) incurred in attendance at these events, held both within New Zealand and overseas, subject to:</p> <ul style="list-style-type: none"> a) related expenditure being accommodated within existing budgets, and b) the appropriate approvals as outlined in this policy <p>and excluding reimbursement for purchases from hotel mini-bars and charges for in-room video or cable movies.</p> <p>All travel and accommodation arrangements for elected members are to be made by WDC staff, at the most economic cost available (when possible) at the time of booking, unless all travel costs are being met privately or by an outside party.</p>
	Exceptional circumstances for council related meetings	<p>Staff may arrange overnight accommodation when travel or business requirements do not allow for the return on the same day, e.g. if it is unreasonable for an elected member to travel to their home after a late meeting.</p>
	Domestic air travel	<p>All elected members are entitled to utilise domestic air travel for council related travel, generally where travel by air is the most cost effective travel option.</p>

Position	Expense/Allowance	Description
	International air travel	As a general policy all elected member international air travel is by way of economy class, where all or part of the costs of the fares are to be met by the Council. The approval of the Council is required for exceptions, e.g. where Premium Economy or the equivalent air travel is desirable for health or other compelling reasons.
	Air points	No airpoints accumulated while on council business can be utilised for personal use.
	Private accommodation provided by friends/relatives	Payment of \$50 per night when staying in private accommodation, to cover accommodation, breakfast and dinner. It is intended that at least a portion of this allowance is paid to the accommodation provider.
	Parking expenses	Reimbursement of casual carparking costs related to council business held at any council premises. This will be on receipt of a signed claim accompanied by a receipt.
Mayor	Car	In the event the Mayor is provided with a WDC vehicle, that vehicle will also be available for his/her private use. A deduction will be made from his/her salary as determined by the Remuneration Authority. The Mayor will not be able to claim for vehicle mileage.
	Travel and conferences, courses and seminars	<p>The prior approval of the Chief Executive is required for travel within New Zealand for: council business; attendance at conferences/courses/training events/seminars; other purposes associated with the position of mayor.</p> <p>The prior approval of the Council is required for all international travel, where costs or partial costs are paid for by council funds.</p> <p>Where the Mayor or the Mayor's authorised representative is accompanied by his/her partner on international travel, the Council will meet the cost of their travel, accommodation and incidental costs.</p> <p>The Council will only authorise such expenditure where the partner's involvement directly contributes to a clear business purpose.</p>
	Telephone costs	<p>Full payment by the WDC of:</p> <ul style="list-style-type: none"> a) home telephone line rental and associated toll charges, and b) cellphone based rental and all associated call charges.
	Airline club	Given frequent travel requirements for the role, payment of an Air New Zealand Koru Club subscription.

Position	Expense/Allowance	Description
	Entertainment and hospitality	<p>The Mayor holds a purchasing card to pay directly for any entertainment or hospitality expenses incurred while carrying out council business. Full receipts and details of the names of parties entertained and reasons for the entertainment are to be provided.</p> <p>All expenditure on this card is approved by the Executive Assistant (in line with the WDC Auditor recommendation).</p>
Mayor and Councillors	Car parking	Use of an assigned carpark in Civic Offices for use on council business.
	Rental Cars	Rental cars may be utilised when attending meetings or conferences in other centres, where this is the most cost-effective travel option.
	Communications equipment	<p>The Mayor and Councillors will be provided with a tablet for the purpose of receiving electronic information from WDC, including Council Agendas.</p> <p>Elected members will be provided with an annual allowance (paid monthly via the Payroll System) for the following equipment provided by the elected member, as follows:</p> <ul style="list-style-type: none"> i) \$150 for a PC ii) \$40 for a printer iii) \$60 for a telephone (mobile or handset)
	Stationery and consumables	Supply of reasonable amounts of paper and printer consumables for council business.
Councillors	Conferences, courses, seminars and training	<p>The conference, course, seminar or training event must contribute to the Councillor's ability to carry out Council business.</p> <p>Attendance at these events when held in New Zealand must be approved by both the Mayor (or the Deputy Mayor) and the Chief Executive.</p> <p>Attendance at these events when held overseas must be approved by the Council.</p>
	Entertainment and hospitality	Reimbursement of costs incurred while hosting official visitors to the council, or while travelling on council business. These costs can cover a range of items including, but not limited to, tea/coffee and catering including alcohol with meals.
	General community related expenses	From time to time councillors may have unforeseen costs arise for items relating to community events, e.g. payment of koha, or purchasing a wreath for attendance at a commemorative event. Reimbursement of such expenditure should be previously approved by the Mayor. The items should be appropriate to the occasion and expenditure should be moderate and conservative.

Position	Expense/Allowance	Description
	Vehicle mileage	<p>Vehicle mileage will be paid for all travel on council business that exceeds, in any one day, the relevant threshold distance.</p> <p>The threshold distance will be personal to each elected member. It will depend on the distance of a round commuting trip from the elected member's home to their nearest council office:</p> <ul style="list-style-type: none"> a) members living more than 15 kilometres away from their nearest office may claim the allowance for round trip distances travelled more than 30 kilometres in any one day b) members living less than 15 kilometres away from their nearest office may claim mileage for round trip distances travelled more than their round trip from home to their nearest council office, in any one day. <p>Mileage will be paid up to the maximum rate per kilometre as set out in the current Remuneration Authority Determination.</p> <p>Mileage will be paid to eligible members on receipt of a completed and signed mileage claim, and approved by the Mayor and Executive Assistant.</p>
	Mobile phone expenses	An allowance towards council generated calls, text and data through mobile phones of \$400 per annum (paid monthly via the Payroll System)
	Landline and broadband connection	An allowance toward connection/usage costs of \$250 per annum (paid monthly via the Payroll System)

Document No: 320583

File No: 092/015A

Report To: Council**Meeting Date:** 26 November 2013**Subject: Review of Waitomo District Council Citizens Awards Policy**

Purpose of Report

- 1.1 The purpose of this business paper is for Council to review its Citizens Awards Policy.

Background

- 2.1 In 2011, Council agreed that it wished to recognise the contribution that both individuals and community organisations make in the achievement of improved community well-being and positive community outcomes.
- 2.2 The Citizens Awards concept was identified as a way to recognise the significant contribution made to the Waitomo District by individuals within the community.
- 2.3 Council, at its meeting on 13 December 2011, adopted a Waitomo District Council Citizens Awards Policy. This Policy identifies two award types as follows:
1. **Lifetime Achievement:** it is envisioned that Recipients of the Lifetime Achievement Award would have, over a number of years, demonstrated an outstanding community spirit and through their involvement in community projects and initiatives, made a significant difference to the Waitomo District.
 2. **Citizen of the Year:** it is envisioned that Recipients of Citizen of the Year Award would have, over the relevant year, demonstrated an outstanding community spirit and been involved in projects and initiatives that have made a difference to the Waitomo District.
- 2.4 A copy of the Waitomo District Citizens Awards Policy is attached to and forms part of this business paper. A summary of the Policy is as follows:
- These Awards are to take place once per year.
 - Waitomo residents are nominated for these awards via a formal nomination process. (In order to assist the assessment of nominations specific information about the nominee is collected.)
 - This information includes:
 - Service History - associations/organisations involved and roles held
 - Key Projects
 - Key Achievements
 - Examples/Stories
 - Letters of Support for Nomination
- 2.5 Nominations for the awards are assessed by the Citizens Awards Working Party (CAWP). The CAWP is appointed by Council and made up of community members who have a strong knowledge of the District and its residents. The CAWP can have up to four community members plus one Council representative and is to serve a term of three years.

2.6 The current CAWP Members are: The Mayor, M Lamb, R Alleman and R Symonds.

2.7 Inaugural Review of Citizen Award Policy – December 2012

2.8 Section 4.0 of the Policy initially provided for an annual review. This provision was made to ensure that the inaugural Policy fully met the needs and intent of the Council and provided an opportunity for any identified amendments to be made prior to the second nomination round of the annual Citizen Awards.

2.9 From an administrative perspective, following completion of the inaugural Citizens Awards in line with the Policy, there were no issues identified which would be improved by amending the Policy.

2.10 As a result, Council resolved that Clause 4.1 of the Policy be amended so that rather than the Policy being reviewed annually, that reviews of the Policy be on a three yearly basis, with each review being in November immediately following a triennial election. This three yearly review enables any newly elected Council to take ownership of the Policy at that time.

Commentary

3.1 Triennial Review

3.2 Section 4.0 of the Policy provides –

"This policy comes into effect from 27 November 2012 and will be reviewed every three years, in November, following the triennial elections".

3.3 From an administrative perspective, no issues have been identified which would be improved by amending the Policy.

Recommendation

4.1 It is recommended that the Waitomo District Council Citizens Awards Policy be adopted without amendment.

Suggested Resolutions

1 The business paper on the Review of Waitomo District Council Citizens Awards Policy be received.

2 The Waitomo District Council Citizens Awards Policy be adopted without amendment.

DONNA MACDONALD
COMMUNITY DEVELOPMENT COORDINATOR

15 November 2013

Attachment: 1 Waitomo District Council Citizens Awards Policy (Doc 267639)



Waitomo District Council

Citizens Awards Policy

November 2012

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1.0 Background

- 1.1 Waitomo District Council recognises the contribution that both individuals and community organisations make in the achievement of improved community well-being and positive community outcomes.
- 1.2 To recognise the significant contribution made to the Waitomo District by individuals within the community, Waitomo District Council has created the Waitomo District Council Citizens Awards.
- 1.3 These awards will be held annually in May.

2.0 Introduction

- 2.1 The purpose of this policy is to establish and document the principles, that form the basis for the Waitomo District Council Citizens Awards, which celebrate the extraordinary contribution that Waitomo residents make to their community.
- 2.2 The policy outlines the parameters by which Waitomo District Council makes the presentation of awards to members of the community who have made a significant contribution to the achievement of positive community outcomes.
- 2.3 This policy will identify all areas of the Waitomo District Council Citizens Awards.
- 2.4 The area served by this policy is the Waitomo District.

3.0 Policy Objective

- 3.1 The objective of the Waitomo District Council Citizens Awards Policy is to ensure it is aligned to Waitomo District Councils Awards Criteria.

4.0 Commencement and Review of Policy

- 4.1 This policy comes into effect from 27 November 2012 and will be reviewed every three years, in November, following the triennial elections.

5.0 Scope

- 5.1 The Waitomo District Council Citizens Awards include the presentation of two types of awards; The Life-Time Achievement Award and Waitomo Citizen of the Year Award.
- 5.2 Waitomo residents are nominated for these awards via a formal nomination process.
- 5.3 Consideration is given to all nominees who demonstrate a clear contribution to the achievement of positive community outcomes and who have displayed exemplary community service within a specified timeframe.
- 5.4 All nominations for the awards are assessed by the Citizens Awards working party (CAwp).
- 5.5 If the CAwp does not consider nominations received within any year to be suitable, awards may not be allocated in that year.
- 5.6 All decisions made by the CAwp are final and no correspondence will be entered into once a decision has been made.

6.0 Citizens Awards Working Party (CAwp)

6.1 The CAwp is appointed by Council and is made up of community members who have a strong knowledge of the district. The working party can have up to 4 community members plus one Council representative.

6.2 The CAwp will serve a term of 3 years.

7.0 Nominee Categorisation

7.1 Each year nominations will be called for two types of awards.

1. **Lifetime Achievement:** Recipients of the Lifetime Achievement Award will, over a number of years, have demonstrated an outstanding community spirit and through their involvement in community projects and initiatives, made a significant difference to the Waitomo District.
2. **Citizen of the Year:** Recipients of Citizen of the Year Award have, over the relevant year, demonstrated an outstanding community spirit and been involved in projects and initiatives that have made a difference to the Waitomo District.

7.2 In order to assist the CAwp when assessing nominations, specific information is collected about the nominee.

7.3 This information includes:

- Service History - associations/organisations involved with and roles held
- Key Projects
- Key Achievements
- Examples/Stories
- Letters of Support for Nomination

8.0 Communication

8.1 Nominations are called via the following methods:

- WDC Website
- Local Media : Radio
- Waitomo News

9.0 Eligibility

9.1 Life Time Achievement Award

9.2 To be eligible the Life Time Achievement Award nominees should live within the Waitomo District and have displayed a strong community spirit and made significant community contributions over an extended period.

9.3 Exceptions

9.4 In exceptional circumstances, and on a case-by-case basis, nominees may be considered if they have moved away from the Waitomo district, but prior to that had lived within the district for a significant time and there is evidence of significant community contribution.

9.5 Waitomo District Citizen of the Year Award

- 9.6 To be eligible for the Waitomo District Citizen of the Year Award nominees must live within the Waitomo District and have displayed a strong community spirit and made significant community contributions over the last year.

10.0 Assessment of Nominations

- 10.1 The following information is required to enable the CAwp to adequately assess and evaluate the merits of the individual nomination.

- 10.2 Nominations are not considered for **Lifetime Achievement Award** unless the following information is provided:

- A completed Nomination Form
- Details of the nominees service history - associations/organisations involved with and roles held
- Details of key projects the nominee has been involved in
- Details of the nominees key achievements
- Further information to support the nomination i.e. any examples/stories/anecdotes that are applicable
- Referee/ reference details
- 2 Letters of support for the nomination

- 10.3 Nominations are not considered for the **Waitomo Citizen of the Year Award** unless the following information is provided:

- A completed Nomination Form
- Details of key projects the nominee has been involved over the last year
- The nominees key achievements over the last year
- Further information to support the nomination i.e. service history details/stories/ anecdotes that are applicable
- Referee/ reference details
- 1 Letter of support for the nomination

10.4 Incomplete Nominations

- 10.5 All incomplete nominations will be returned to the nominator for completion before consideration by the CAwp.

10.6 Accountability

- 10.7 Waitomo District Council and the CAwp expect all information contained within a nomination to be true and correct. The Nominator is expected to have made all reasonable investigations and enquires into the validity of information before it is submitted.

Waitomo District Council and the CAwp will undertake reasonable enquiry into the validity of the information submitted before presenting making the awards.

10.8 Conflicts of Interest

- 10.9 CAwp members are required to declare any direct or indirect conflict of interest in relation to any Nomination being considered.

Document No: 318882

File No: 100/004B

Report To: Council**Meeting Date:** 26 November 2013**Subject:** **2013 Audit Report on the Debenture Trust Deed between Council and Trustees Executors Limited****Purpose of Report**

- 1.1 The purpose of this business paper is to present the Audit Report on the Debenture Trust Deed between Waitomo District Council and Trustees Executors Limited for the year ended 30 June 2013.

Local Government Act S.11A Considerations

- 2.1 There are no considerations relating to Section 11A of the Local Government Act in regards to this business paper.
- 2.2 The purpose of this business paper is to provide financial oversight and accountability of Council's financial performance in delivering core services to the Waitomo District and community.

Background

- 3.1 In August 2010, Council entered into a Debenture Trust Deed arrangement which empowered the Council (subject to the Local Government Act 2002), *'to raise certain money or incur certain obligations from time to time in such amounts and upon such terms and conditions and for its lawful purposes as it considers it appropriate by mean of, or to be evidenced or secured by, stock to be constituted by this Deed.'*
- 3.2 Security in the form of a charge over rates revenue is held by a trustee for the benefit of Council's lenders. Prior to that, security was offered by way of a Deed of Charge in favour of Council's bank who was Council's sole lender at the time.
- 3.3 Trustees Executors Limited agreed to act as trustee under the Deed for the benefit of the Stockholders on the terms and conditions contained in the Deed.
- 3.4 By entering into this arrangement, Council was able to extend its loan financing options by creating and issuing Stock in such currencies on such terms and upon such conditions contained within the Deed.
- 3.5 All issue of Registered Stock is affected and evidenced by particulars of the Stock being entered into the Register by the Registrar on the instructions of the Council. Until a copy of the Stock Issuance Certificate in respect of the issue of that Stock has been delivered to the Trustee, Council shall not issue that Stock.
- 3.6 Council shall take all reasonable steps to procure that the Registrar establishes and maintains, in accordance with the Register and Paying Agency Agreement, a separate Register of Stock to be kept at such place in New Zealand as the Council and the Registrar may from time to time agree.

- 3.7 As a result of the Debenture Trust Deed arrangement, Council appointed Bancorp Treasury Services Ltd to provide advice on the various financial instruments available to the Council (e.g. swaps, forward rate notes, etc.), including advice on, and monitoring of, Council's Treasury Management Policy. Quarterly treasury reports are provided by Bancorp on Council's debt profile and interest rate exposures.

Reporting Covenants

- 4.1 In **Clause 10.2** of the Deed *'the Council covenants with the Trustee that it shall, subject to the Act and to its rights to withhold information pursuant to the Information and Meetings Act, at all times at which any Stock is outstanding, except as otherwise permitted by the Trustee:*

- 10.2.1 LTP, Annual Plan and Annual Report and Liability Management Policy:** *As soon as each is adopted by Council deliver to the Trustee within one month of each such adoption a copy of the Annual Plan and Annual Report for the forthcoming, and previous, financial years respectively and (where not already delivered to the Trustee) the most recent LTP and Liability Management Policy.*
- 10.2.2 Interim Financial Information:** *Promptly after such is prepared in each year, provide to the Trustee a copy of such financial information as the Council may have prepared for external dissemination as to its financial position as at the end of the first six months of each of its financial years.*
- 10.2.3 Amendments:** *As soon as Council has approved and adopted any material amendment to any such LTP or Liability Management Policy, provide details of that amendment to the Trustee.*
- 10.2.4 Reporting Certificate:** *As soon as reasonably practicable, but in any event no later than 4 months after the end of each of the Council's financial years and no later than 2 months after the end of each of Council's financial half-years, and within 21 days of receipt of a written request by the Trustee (which request may only be made where the Trustee certifies that it has reasonable grounds to believe that the Council is not complying with its obligations under the Deed), deliver to the Trustee a completed and signed Reporting Certificate.*
- 10.2.5 Information on Request:** *On request by the Trustee, provide to the Trustee, any agent of the Trustee or a Receiver, any information which the Trustee reasonably requires with respect to matters relating to the financial statements of the Council, other records of the Council, the Charged Assets and to the financial position of the Council.*
- 10.2.6 Auditors' Reports:**
- (a) *At the same time as it furnishes its Annual Report, provide a separate report by the Auditors addressed to the Trustees stating:*
 - (i) *whether or not in the performance of their duties as auditors they have become aware of any matter which in their opinion is relevant to the exercise or*

performance of the powers or duties conferred or imposed on the Trustee and if so, giving particulars thereof;

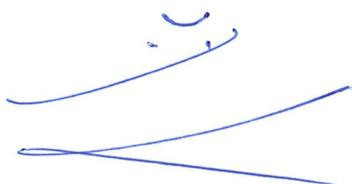
- (ii) whether or not their audit has disclosed any matter (and if so, particulars thereof) calling in their opinion for further investigation by the Trustee in the interests of the Stockholders;*
 - (iii) that they have perused the certificates (if any) given on behalf of the Council since their last report and that so far as matters which they have observed in the performance of their duties are concerned the statements made in such certificates are correct;*
 - (iv) whether or not the Council or its agents (including the Registrar) have duly maintained the Register in accordance with the provisions of the Deed; and*
 - (v) as at the end of each relevant year:*
 - (aa) the amount of the Stock showing separately how much is Security Stock and how much, if any, is Bearer Stock;*
 - (bb) the Principal Money owing or secured under the Stock, distinguishing between Security Stock and other Stock;*
 - (cc) whether or not from normal audit tests they have conducted they are satisfied that all Principal Money due and payable on the Stock has been paid or otherwise satisfied and that all interest due and payable on the Stock has been paid; and*
- (b) where the Securities Act applies in respect of any Stock:*
- (i) provide the Trustees with a copy of any report, financial statement or certificate which the Auditors have issued in respect of the Council;*
 - (ii) procure that, if the Auditors become aware of any matter that is relevant to the exercise or performance of the rights or the duties of the Trustee, the Auditors shall, within seven business days of becoming aware of the matter, report the matter to the Trustee; and*
 - (iii) on request of the Trustee provide to the Trustee all information relating to the Council relevant to the exercise of the Council's rights and duties in respect of the Deed.*

Audit Arrangements

- 5.1 Clause 4.2.8 of the Deed states that *'the Register shall be kept and audited to the satisfaction of the Trustee annually, or upon request in writing by the Trustee (which request shall only be made when the Trustee considers upon reasonable grounds that special circumstances relating to the maintenance of the Register warrant an audit, and so certifies in writing to the Council and the Registrar.'*
- 5.2 The audit of the Register (which is held in Auckland) is conducted by PricewaterhouseCoopers (PWC), Auckland in accordance with Section 51 of the Securities Act 1978 in relation to the maintenance of the register of bonds.
- A copy of the Auditors' Report on the maintenance of the register of bonds for the year ended 30 June 2013 is attached to, and forms part of this business paper.
- 5.3 The audit of the Reporting Covenants (as required in Clause 10.2.6(a) of the Deed as detailed in 4.1 above) is conducted by Deloitte, Hamilton. A copy of the Auditors' Report for the year ended 30 June 2013 is attached to, and forms part of this business paper.
- 5.4 For a better understanding of the scope of Deloitte's audit, their audit report should be read in conjunction with Waitomo District Council and the Group's audited financial statements for the year ended 30 June 2013.

Suggested Resolutions

1. The business paper on the 2013 Audit Report on the Debenture Trust Deed between Council and Trustees Executors Limited be received.
2. The audit reports for the year ended 30 June 2013, as received from PricewaterhouseCoopers (in relation to the maintenance of the Register of Bonds), and Deloitte (in relation to the Reporting Covenants set out in the Debenture Trust Deed and agreed upon procedures), be adopted.



C.E. (KIT) JEFFRIES
GROUP MANAGER – CORPORATE SERVICES

25 October 2013

- Attachments:
1. Audit Report for the year ended 30 June 2013 from PricewaterhouseCoopers
 2. Audit Report for the year ended 30 June 2013 from Deloitte



Independent Auditors' Report

To Waitomo District Council

Audit Report Pursuant to Section 51(6) & (8) of the Securities Act 1978

We have completed the assurance engagement on the register of bonds, maintained by Waitomo District Council ('the Council'), for compliance with the Section 51 of the Securities Act for the year ended 30 June 2013, which requires the Council to maintain a register of bonds.

Waitomo District Council's Responsibilities

The Council is responsible for maintaining a register of bonds that complies with the Section 51 of the Securities Act 1978 for the year ended 30 June 2013.

Auditors' Responsibilities

Our responsibility is to express an opinion on whether, with respect to the register for bonds, the council has complied, in all material respects, with the Section 51 of the Securities Act 1978 and report our opinion to you.

Our engagement has been conducted in accordance with ISAE (NZ) 3000 *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* and SAE 3100 *Compliance Engagements* to provide reasonable assurance that the Council has complied with the Section 51 of the Securities Act 1978. Our procedures included examining, on a test basis, evidence relevant to ascertaining whether the register for bonds has been properly kept and whether the Council has complied, in all material respects, with the Section 51 of the Securities Act 1978 for the period from 1 July 2012 to 30 June 2013.

Because of the inherent limitations of any internal control, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement were not performed continuously throughout the period and were undertaken on a test basis, our assurance engagement cannot be relied on to detect all instances where the Council may not have complied with the Section 51 of the Securities Act 1978. The opinion expressed in this report has been formed on the above basis.

We have no relationship with, or interests in, the Council other than in our capacities as auditors conducting this reasonable assurance engagement and tax advisors. These services have not impaired our independence as auditors of the Council.

Opinion

In our opinion, with respect to the register for bonds the Council has complied, in all material respects, with the Section 51 of the Securities Act 1978 for the year ended 30 June 2013.

This report has been prepared for the Council in accordance with the Section 51 of the Securities Act 1978 and is provided solely to assist you in establishing that compliance requirements have been met. Our report should not be used for any other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility for any reliance on this report to anyone other than the Council, or for any purpose other than that for which it was prepared. In addition, we disclaim any responsibility for reliance on this report other than the purpose for which it was prepared.

A handwritten signature in black ink, appearing to read 'P. Venetianopoulos'.

Chartered Accountants
3 September 2013

Auckland

Waitomo District Council

COPY

Date: 21/10/2013

Doc #: 318444

File #: 037/002

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17 October 2013

Councillors
Waitomo District Council
Queen Street
PO Box 404
TE KUITI 3941

Dear Councillors

TRUSTEE REPORTING - WAITOMO DISTRICT COUNCIL

The Auditor-General is the statutory auditor of Waitomo District Council ("the Council") and subsidiaries ("the Group"). The Auditor-General has appointed me, Bruno Dente, using the staff and resources of Deloitte, to carry out the annual audit of the Council and Group, on her behalf, for the year ended 30 June 2013. In our capacity as appointed auditor of Waitomo District Council we furnish this report in accordance with clause 10.2.6 (a) of the Debenture Trust Deed between Waitomo District Council and Trustees Executors Limited dated 6th August 2010 ("the Deed") based on our statutory audit of Waitomo District Council and Group for the year ended 30 June 2013.

We draw to your attention that we report to you as accountants, not lawyers, and accordingly, we are not aware of all the powers and duties of the Trustee which may exist within statute, regulation, case law or legal precedent or otherwise. We have read clause 10.2.6 (a) of the Deed. We therefore base our Report in respect of clause 10.2.6 (a) of the Deed solely on our reading of those duties as we are aware from this document.

Capitalised terms in this letter that are not defined have the same meaning as in the Deed dated 6th August 2010.

During the course of our audit we did not become aware of, and we have not subsequently become aware of: (NB When exceptions are noted these will be reported)

- 1 Any matter which in our opinion, is relevant to the exercise or performance of the powers or duties conferred or imposed on the Trustees by the Deed, or by law;
- 2 Any matter which in our opinion would require further investigation by the Trustee in the interests of the Stockholders;
- 3 Anything from our perusal of the Reporting Certificates given in respect of clause 10.2.4 for the period from 1 July 2012 to 30 June 2013 (which we confirm we perused) that, so far as matters observed in the performance of our duties as auditors was concerned, causes us to believe that any of the statements made in those certificates are incorrect;
- 4 Any matter that indicates Waitomo District Council or its agents (including the Registrar) has not duly maintained the Register during the year ended 30 June 2013 pursuant to clause 10.2.6 (a) (iv). We have not completed an audit of the Register but understand that it has been audited by PricewaterhouseCoopers.
- 5 Any matter to indicate that
 - (i) all Principal Money due and payable on the Stock has not been paid or otherwise satisfied; and
 - (ii) all interest due and payable on the Stock has not been paid.

Note that we have not tested that each individual Stock holder has received all monies due and payable to them.

We completed our audit of the consolidated financial statements, on behalf of the Auditor-General, for the year ended 30 June 2013 on 10 October 2013 and we expressed an unmodified opinion on that date.

We have not undertaken any additional audit work after signing our statutory audit report on the Waitomo District Council and Group's financial statements and we have not extended the scope of our statutory audit engagement letter dated 19th February 2013 to provide specific comfort on any aspect of the requirements listed in clause 10.2.6 (a) of the Deed.

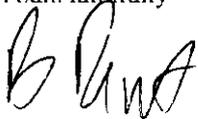
For a better understanding of the scope of our audit, on behalf of the Auditor-General, of Waitomo District Council and Group's financial position, financial performance and cash flows for the year ended 30 June 2013, this report should be read in conjunction with Waitomo District Council and Group's audited financial statements for that period.

The work performed by Deloitte, on behalf of the Auditor-General, for Waitomo District Council in current and prior financial periods was carried out in order to report to the readers of Waitomo District Council and Group financial statements in accordance with the Local Government Act 2002 and is subject to a separate engagement letter. The audit of Waitomo District Council's consolidated financial statements were not planned or conducted to address or reflect matters in which anyone other than the readers may be interested. In particular, the scope of the audit work was set and judgements made by reference to the assessment of materiality in the context of the audited financial statements taken as a whole rather than in the context of the Reporting Certificates. Deloitte has not expressed an opinion or other form of assurance on individual account balances, financial amounts, financial information or the adequacy of financial, accounting or management systems. Deloitte does not accept or assume responsibility to anyone other than Waitomo District Council for its audits.

We have also completed the Agreed Upon Procedures outlined in Appendix 1 and our findings are included therein.

This report is intended for the sole purpose of enabling the Councillors to meet the requirements of clause 10.2.6 (a) of the Deed between Waitomo District Council and Trustees Executors Limited dated 6th August 2010. We agree that a copy of this report may be provided to Trustees Executors Limited for their information in connection with this purpose but, we do not accept any duty, responsibility or liability to Trustees Executors Limited in relation to this report. This report is not to be used for any other purpose, copied or made available (in whole or in part) to, or recited or referred to in any document made available to, any other person without our prior written consent or except as may be required by law. We accept or assume no duty, responsibility or liability to any other party, other than you, in connection with this report or engagement including without limitation, liability for negligence in relation to the findings expressed or implied in this report. In addition, we take no responsibility for, nor do we report on, any part of the Deed not specifically mentioned in this report.

Yours faithfully



Bruno Dente

Appointed Auditor

On Behalf of the Auditor-General

Hamilton, New Zealand

Appendix 1 AGREED UPON PROCEDURES

Councillors have requested that we perform the following agreed upon procedure for the purpose of meeting the requirements of clause 10.2.6 (a) (v) (aa) & (bb) of the Deed dated 6 August 2010:

1. Obtain the definition of Security and Bearer stock in accordance with the Deed dated 6 August 2010.
2. Obtain the interpretation and definition of the following information from management and extract and report to Council the information in the audited financial statements for the year ended 30 June 2013 for reporting on clause 10.2.6 (a) (v) (bb) of the Deed:
 - The Principal Money owing or secured under the Stock, distinguishing between Security Stock and other Stock.
3. Extracting and reporting to you the following information from the audited financial statements for the year ended 30 June 2013 for reporting on clause 10.2.6 (a) (v) (aa) of the Deed:
 - The amount of the Stock showing separately how much is Security Stock and how much, if any, is Bearer Stock.

Factual Findings

1. The following definition of Security and Bearer stock in accordance with the Deed dated 6 August 2010 is:
 The definition of Security Stock, as defined by section 6.1.1 of the Trust Deed, is a continuing security for payment on demand or otherwise of any present or future debt. This is general security agreement to be used when amounts owed under it will fluctuate.

The definition of Bearer Stock is a stock issued that is not Security Stock.

2. Management provided the following interpretation of the Principal Money owing or secured under the Stock, distinguishing between Security Stock and other Stock-
 - a) In relation to Stock (other than Security Stock) the sum other than interest payable on redemption of the stock inclusive of the premium (if any) of the Stock payable in accordance with the condition of issue of that Stock; and
 - b) In relation to Security Stock any amounts secured by that Security Stock which are not in the nature of fees or interest on other amounts secured by that Security Stock.

Accordingly, the following information is extracted from audited financial statements for the year ended 30 June 2013 for reporting on clause 10.2.6 (a) (v) (bb) of the Deed:

The amount owing or secured under Security Stock	\$45,000,000
The amount owing or secured under other Stock	\$28,500,000

3. The following information is extracted from audited financial statements for the year ended 30 June 2013 for reporting on clause 10.2.6 (a) (v) (aa) of the Deed:

The amount of Security Stock	\$45,000,000
The amount of Bearer Stock	\$0

At the request and agreement of Waitomo District Council, we performed the above procedures. The scope of our work was limited solely to those procedures. Council is responsible for determining whether the scope of our work is sufficient for Council's purposes and we make no representations regarding the sufficiency of these procedures for Council's purposes. If we were to perform additional procedures, other matters might have come to our attention that would be reported to Council.

This report should not be taken to supplant any other enquiries and procedures that may be necessary to satisfy the requirements of the recipients of the report.

Our report on factual findings was completed on 17 October 2013 and our findings are expressed as at that date.

Appendix 2**AGREED UPON PROCEDURES**

Councillors have requested that we perform the following agreed upon procedure for the purpose of meeting the requirements of clause 10.2.6 (a) (v) (aa) & (bb) of the Deed dated 6 August 2010:

1. Obtain the definition of Security and Bearer stock in accordance with the Deed dated 6 August 2010.
2. Obtain the interpretation and definition of the following information from management and extract and report to Council the information in the audited financial statements for the year ended 30 June 2013 for reporting on clause 10.2.6 (a) (v) (bb) of the Deed:
 - The Principal Money owing or secured under the Stock, distinguishing between Security Stock and other Stock.
3. Extracting and reporting to you the following information from the audited financial statements for the year ended 30 June 2013 for reporting on clause 10.2.6 (a) (v) (aa) of the Deed:
 - The amount of the Stock showing separately how much is Security Stock and how much, if any, is Bearer Stock.

Document No: 317862

File No: 100/018A

Report To: Council**Meeting Date:** 26 November 2013**Subject:** **Quarterly Financial and Non-financial Report for period ending 30 September 2013**

Purpose of Report

1.1 The purpose of this business paper is to present:

- The Financial Report for the period ended 30 September 2013 and;
- Detail of non-financial performance of service performance (i.e. performance against key indicators) for the period to 30 September 2013.

Local Government Act S.11A Considerations

2.1 There are no considerations relating to Section 11A of the Local Government Act in regards to this business paper.

2.2 The purpose of this business paper is to provide financial oversight and accountability of Council's financial performance in delivering core services to the Waitomo District and community.

Background

3.1 The period covered by this report is 1 July 2013 to 30 September 2013.

3.2 The order of the report is as follows:

- **Income Statement** with high level comments on Council's operating performance for the three months to 30 September 2013.
- **Balance Sheet** with high level comments on changes from 1 July 2012 to 30 September 2013.
- **Capital Expenditure** summary with commentary on material variances of expected expenditure for the year compared with budget.
- **Cost of Service** Statement Summary and Cost of Service Statements for Council's ten significant activities are presented in **Appendix 1**.
- **Balance Sheet** as at 31 September 2013 is presented in **Appendix 2**.
- Treasury Management Report from Bancorp Treasury Services Limited, Council's treasury management advisors is presented in **Appendix 3**.
- Latest information from Westpac – Where to from here for the US dollar? Included as **Appendix 4**.
- Quarterly non-financial performance report for the period ending 30 September 2013 is presented as **Appendix 5**.

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

Financial Report to 30 September 2013

4.1 INCOME STATEMENT HIGHLIGHTS

- 4.2 Set out below is the summary of financial information for the three months to 30 September 2013. Detailed Summaries of Cost of Service Statements are attached as **Appendix 1**.

FINANCIAL HIGHLIGHTS (Amounts in \$1000's)	Actual 2012/13 <a>	EAP Budget 2013/14 	YTD Budget Sep 2013 <d>	YTD Actual Sep 2013	Variance Sep 2013 <e>	% Variance <f>
Total Revenue						
Operating Revenue	(12,033)	(11,041)	(1,903)	(2,340)	(437)	
Rates Revenue	(16,735)	(17,248)	(4,532)	(4,552)	(20)	
	(28,768)	(28,289)	(6,435)	(6,892)	(457)	2%
Direct Expenditure						
Operating Expenditure	23,169	24,539	5,632	5,741	109	
	23,169	24,539	5,632	5,741	109	0%
Net Operating Cost/(Surplus)	(5,599)	(3,750)	(803)	(1,151)	(348)	

- 4.3 **Net Operating Cost/ (Surplus):** The net operating surplus was \$348,000 more than budget for the first three months of the financial year.

- Included in the Net Operating Surplus is \$512,000 of subsidy revenue to fund asset renewal and improvement expenditure. Renewal and improvement expenditure is capital in nature and as such is not included in the Operating Expenditure figure in the income statement.

- 4.4 **Total Revenue** is 2% (\$457,000) above budget the year to date budget forecast for the YTD September 2013. More revenue has been received for the first quarter of the year, than budget due to;

- More subsidy revenue being received for Subsidised Roothing than forecast because of increased maintenance and capital expenditure for the first three months of the year, primarily due to carry-over expenditure, (i.e. expenditure that was budgeted to be undertaken last year but was delayed or rescheduled until current year), which is now coming to charge.

- 4.5 **Operating Expenditure** was \$109,000 more than budget forecast for the three months ended September 2013. The increase in expenditure compared with budget is due to the following;

- Operational expenditure on Subsidised Roads was more than budget due to catching up of unsealed roading grading which was deferred due to the summer drought last year.
- Indirect expenditure is \$92,000 less than budget and is made up of the following three components;
 - External Interest: \$124,000 less than forecast, due to interest rates being less than interest rate assumptions and public debt being less than forecast in the Exceptions Annual Plan 2013/14 (and Long Term Plan 2012-22).

- Depreciation: \$13,000 less than forecast, primarily due to changes in timing for capital expenditure and useful life estimates for capital additions being different to those in used in the Exceptions Annual Plan 2013/14.
- Allocated Costs: \$45,000 more than forecast for this quarter of the financial year.

5.1 **BALANCE SHEET HIGHLIGHTS**

- 5.2 Balance Sheet highlights presented below show the movement in Council's financial position from 30 June 2013 to 30 September 2013. The complete Balance Sheet is attached as **Appendix 2**.

BALANCE SHEET HIGHLIGHTS (Amounts in \$1000's)	Actual Position 30 June 2013 <g>	Actual Position 30 Sep 2013 <g>	Movement from 30 June 2013 <h>
Current Assets	5,809	4,115	(1,694)
Non-current Assets	315,845	316,242	397
Total Assets	321,654	320,357	(1,297)
Current Liabilities	18,091	25,152	7,061
Non-current Liabilities	33,038	23,528	(9,510)
Total Liabilities	51,129	48,681	(2,448)
Public Equity	270,525	271,676	1,151
Total Liabilities & Public Equity	321,654	320,357	(1,297)

- 5.3 **Current Assets** have decreased from \$5,809,000 to \$4,115,000.

- Debtors and Other Receivables decreased from \$5,593,000 to \$3,281,000 due to rates receivable and NZTA and Ministry of Health subsidy receivables being less than at 30 June 2013.
- Cash and cash equivalents increased by \$789,000 during the three month period.

- 5.4 **Non-current Assets** increased from \$315,845,000 to \$316,242,000.

- Property, plant and equipment have increased by \$397,000, being three month additions of \$1,789,000 less \$1,313,000 depreciation and \$79,000 disposal of assets.

- 5.5 **Current Liabilities** have increased from \$18,091,000 to \$25,152,000.

- Current portion of borrowings has increased by \$9,144,000 due to reclassification of some loans from non-current to current. Some borrowings were refinanced during the period which has extended the maturity dates of those loans.
- Specifically; a Term Advance of \$12,697,000 held under a credit facility with Westpac will mature on 1 July 2014 and is now classified as current. A further Term Advance of \$2,800,000 held under the same facility was consolidated with a Floating Rate Note (FRN) for \$3,500,000 and refinanced under a new FRN for \$6,000,000 with a maturity date of August 2016.
- Creditors and Other Payables have decreased by \$1,981,000.

- 5.6 **Non-current liabilities** decreased from \$33,038,000 to \$23,528,000.

- Non-current borrowings decreased by \$1,494,000 due to the re-classification and restructuring of debt between current and non-current liabilities, as detailed in 5.5 above.
- Part of Creditors and Other Payables is classified as non-current due to payments being expected to be made later than one year from the 30 September balance date. This liability is for Goods and Services Tax and is owed as a result of transitioning the accounting basis for GST from a payments basis to an invoice basis during 2012/13. Inland Revenue has agreed that the amount owed can be repaid monthly over six years commencing from 1 June 2013.

5.7 **Public Equity** has increased from \$27,525,000 to \$271,543,000 reflecting the net surplus of \$1,151,000 for the three months to 31 September 2013.

6.1 **CAPITAL EXPENDITURE**

6.2 Set out below is the Capital Expenditure Budget for the year compared to actual expenditure for the three months to 30 September 2013.

CAPITAL EXPENDITURE SUMMARY (Amounts in \$1000's)	EAP Budget 2013/14	Actual YTD Sep 2013	Variance 2013/14
Community Facilities			
Parks and Reserves	99	4	(95)
Housing and Other Property	722	17	(704)
Recreation and Culture	398	13	(385)
Public Amenities	233	6	(228)
Solid Waste Management			
Landfill and Transfer Stations	96	47	(50)
Stormwater			
Te Kuiti Stormwater	362	26	(336)
Rural Stormwater	5	0	(5)
Sewerage			
Te Kuiti Sewerage	671	338	(332)
Te Waitere Sewerage	10	0	(10)
Benneydale Sewerage	78	0	(78)
Piopio Sewerage	101	0	(101)
Water Supply			
Te Kuiti Water	3,242	99	(3,144)
Mokau Water	810	27	(784)
Piopio Water	41	0	(41)
Benneydale Water	3	0	(3)
Roads and Footpaths			
Subsidised Roads	4,435	1,103	(3,332)
Non Subsidised Roads	265	108	(157)
Corporate Support			
Corporate Support	230	0	(230)
	11,803	1,788	(10,015)

6.3 **Capital Expenditure** for all Council Activities was \$1,788,000 for the three months to 30 September 2013. Planning for major capital works is currently underway for the coming construction season.

6.4 **Community Facilities**

6.5 Parks and Reserves capital expenditure budget is for renewal work to be undertaken as required.

- 6.6 Capital expenditure for Housing and Other Property is mainly for renewal works for Elder Persons Housing, Community Halls and other building assets.
- 6.7 Restoration and revitalisation budget for the Railway building totaling \$579,000 has been included but is contingent on external funding being sourced.
- 6.8 Major projects planned for Recreation and Culture include an upgrade of the Library Entrance and front desk and renewal work to the Waitomo Arts and Culture Centre.
- 6.9 Piopio Public toilets, work on the Te Kuiti main street redesign and renewal of car parking around the Cottage and Culture Centre is planned as part of the Public Amenities activity.
- 6.10 **Solid Waste**
- 6.11 High wall shaping capital expenditure at the landfill has been provided for at a cost of \$51,600 has along with some minor renewal works for the Transfer Stations.
- 6.12 Capital expenditure for development of the next cell at the landfill has been brought forward. This expenditure was planned for the 2014/15 financial year in the Long Term Plan but it is now necessary to undertake this work sooner.
- 6.13 **Stormwater**
- 6.14 In addition to general renewal works and piping of open water drains, renewal projects have been identified as a priority for Duke and George Streets. Investigation works is also to be undertaken for Rora Street.
- 6.15 **Sewerage**
- 6.16 Te Kuiti WWTP construction is in the final stages of completion and commissioning.
- 6.17 The budget includes provision for reticulation and pump station renewals for Te Kuiti.
- 6.18 Renewals have been budgeted for Benneydale.
- 6.19 Upgrades have been budgeted for Piopio sewerage subject to meet growth demands of the village. At this stage it is envisioned, this expenditure will not be required.
- 6.20 **Water Supply**
- 6.21 A major upgrade is planned for the Te Kuiti Water Treatment plant. Expenditure to date has been focused on upgrade design.
- 6.22 Additional budgets have been provided for a new main pump station in Te Kuiti as well as reticulation renewals.
- 6.23 The Mokau Dam upgrade project is planned for completion during the year to improve security of supply. Consents have been lodged and construction is scheduled for early 2014.
- 6.24 **Roads and Footpaths**
- 6.25 Due to the drought experienced over the summer of 2013, unsealed roads grading and metalling programs were suspended. The additional costs of \$984,000 are expected to be carried over to this financial year.

7.1 TREASURY REPORT

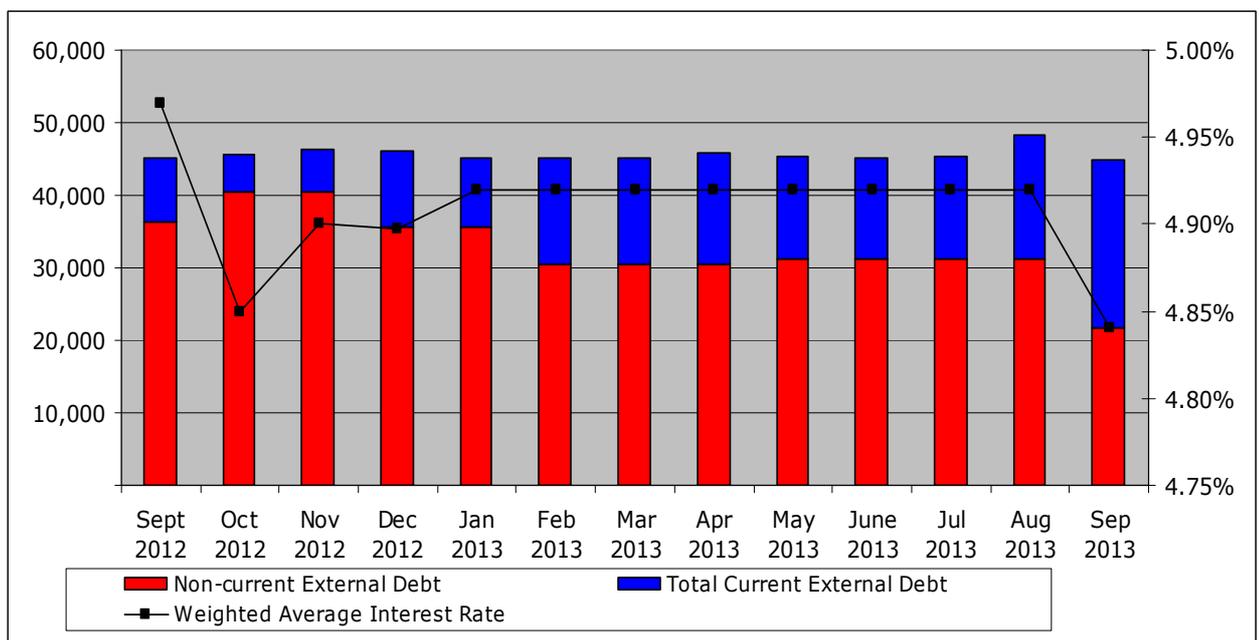
7.2 Set out below is the Treasury Report which provides more information on Council's public debt position and debt financing costs.

7.3 **Cash Position**

7.4 Council's cash position at 30 September 2013 was \$789,000 in funds. At the 30 June 2013 balance date the cash balance was \$171,000.

7.5 **Summary of Public Debt Position**

7.6 Set out below is a chart recording trends in Council's current and non-current debt for the year to 30 September 2013. The trend line overlaid is the weighted average interest rate currently being paid on all loans.



7.7 At 30 September 2013 the weighted average interest rate for all loans excluding Finance Leases, Accrued Interest and Loan Facility Line Fees was **4.89%**. The decrease from 4.92% at 1 September was due in part to \$3,500,000 of hedging fixed at a rate of 6.03% maturing on 30 August and being replaced with hedging at a rate of 4.70%.

7.8 **Public Debt Position Comparison to Budgets**

7.9 Forecasted public debt at 30 June 2014 as per the Long Term Plan 2012-2022 is \$49,890,000 and per the Exceptions Annual Plan is \$49,743,000. It is forecast therefore that new borrowings of between \$4,500,000 and \$5,000,000 will be needed during the financial year to fund Council's capital program which will be focused on water supply upgrades at Te Kuiti and Mokau and the wastewater network at Te Kuiti.

7.10 **Wholesale Advance Facilities (Term Advance and Call Advance Facilities)**

7.11 The Term Advance and Call Advance Facilities are credit facilities with a limit of \$19,000,000 in place with Westpac bank and used to provide working capital and form a part of the funding mix of the debt portfolio. The limits on borrowing are contained in the Council's Financial Strategy which includes a requirement that lines of credits of at least 105% of external debt outstanding to be maintained at all times.

7.12 A Line of Credit fee of 0.5% (\$95,000 p.a.) of the facility limit applies to this credit facility.

7.13 As a general policy this facility will continue to be used to finance capital expenditure prior to a loan draw down or to meet Council's working capital requirements between each of the quarterly rates instalments.

7.14 As at the 30 September 2013 this facility was drawn by \$12,697,000 leaving an undrawn balance amount of \$6,303,000.

7.15 Details of Loan Portfolio

7.16 The following table records the public debt position and the key terms and conditions for each loan as at 30 September 2013. The classification of current and non-current loans is based on current loans being due for refinancing or repayment within 12 months of the balance sheet date of this report (i.e. 30 September 2014).

	Loan Start Date	Loan Maturity Date	Interest Reprice Date	Loan Balance	Interest Rate
Current Loans					
Finance Leases				59,657	0.00%
Accrued Interest				238,828	0.00%
Call Advance		1/07/2014		0	4.10%
Term Advance		1/07/2014	29/11/2013	12,697,000	4.05%
Floating Rate Notes (Hedged)	10/12/2010	10/12/2013	11/09/2017	5,000,000	5.53%
Floating Rate Notes (Hedged)	21/01/2011	21/01/2014	21/01/2014	5,000,000	5.28%
Total Current Loans				22,995,485	
Non-current Loans					
Finance Leases				71,189	0.00%
Westpac Term Loan (ICL)	24/11/2011	20/11/2015	19/11/2013	750,000	7.40%
Floating Rate Notes (Hedged)	31/08/2010	31/08/2015	29/11/2013	5,000,000	6.66%
Floating Rate Notes (Unhedged)	9/11/2012	9/11/2015	9/11/2013	5,000,000	3.74%
Floating Rate Notes (Hedged)	18/04/2012	18/04/2017	18/04/2017	5,000,000	4.99%
Floating Rate Notes (\$5M Hedged \$1M Floating, ICL)	30/08/2013	30/08/2016	2/12/2013	6,000,000	4.49%
Total Non-current Loans				21,821,189	
Total Public Debt				44,816,674	4.89%
Cash & Liquid Investments					
Cash				788,837	
Total Cash & Liquid Investments				788,837	
Public Debt Net of Investments				44,027,837	

7.17 Total public debt was \$44,817,000 and cash assets were \$789,000 at 30 September 2013 giving a net debt position of **\$44,028,000**

7.18 On 24 November 2011 an unsecured term loan of \$750,000 was drawn and advanced to Inframax Construction Limited. The term of the loan was initially for two years and interest resets quarterly, however the maturity of both the loan and the advance has been extended to November 2015.

7.19 Treasury Events at 30 September 2013

7.20 Work has started on becoming a borrower from the Local Government Funding Agency, in anticipation that approval will be granted (as part of the Exceptions Annual Plan process). Work involves assessing and demonstrating that Council will be able to meet the financial covenants stipulated by the Agency along with some minor changes to Council's Debenture Trust Deed.

7.21 On Wednesday 9 October I sat in on a conference call between NZ Financial Markets (Westpac), Auckland and Richard Franulovich, Chief Currency Strategist, Institutional FX, New York. The topic of conversation was the potential pending default of the US Treasury.

Richard described the problems with the US economy as a complex 'multi-headed beast' which manifested itself on 1 October with a shutdown of government agencies as funds dried up. This resulted in 800,000 workers being shut out of their respective workplaces possibly for up to a month.

The main battle is with the Republicans who:

- o want President Obama's medical insurance for all Americans repealed; and
- o oppose the President's proposal to increase the US Treasury's debt 'ceiling' of US\$17 trillion.

Business confidence is at the lowest levels seen for decades, and if extraordinary measures are exhausted by 17 October the Treasury will be unable to meet social security payments, payments to military personnel and debt repayments. The Treasury may be faced with having to prioritise payments in order to ensure bond holders get paid.

On 1 November \$55 billion is required for social security and government wages with \$400 billion of debt 'rolling-over' in mid-November – overseas investors will be requiring additional terms that recognise risk aversion.

The concern is that this situation will ultimately affect the long-term value of the US\$.

A compromise position was eventually reached at the 11th hour prior to the key date of 17 October – refer to Appendix 4. Only time will tell how this situation unfolds.

7.22 Interest Costs

7.23 The total actual interest paid to lenders to 30 September 2013 was \$560,000 against the YTD budget of \$685,000, **\$125,000** (or **18%**) less than forecast. Interest paid currently constitutes **8%** of total revenue; Council's Treasury Policy requires this amount does not exceed 40%.

7.24 Financial Derivatives and Hedge Accounting

7.25 Included in the balance sheet are valuation amounts for Derivative Financial Instruments. These are market valuations of interest rate swap contracts in place at balance date. The valuation amount is componentised into asset, liability, current and non-current parts and reflects the market view of future interests at balance date.

7.26 The net market value for interest rate swaps held in the balance sheet at 30 June 2013 was for a total net liability of \$151,000. Indicative valuation for the 30 September 2013 is a net asset of \$105,000. This valuation movement is mainly due to market changes with a small element of discount unwinding.

- 7.27 Council uses interest rate swaps to manage its interest rate exposure in accordance with its Treasury Management policy. The use of interest rate swaps is an accepted treasury management tool to manage interest rate exposure and in particular since the Global Financial Crisis, managing interest rate fluctuations through traditional debt instruments, such as term loans, for extended periods has become prohibitively expensive.
- 7.28 The contracts for interest rate swaps Council has entered into are "Receive Floating – Pay Fixed"; whereby in exchange for receiving an interest rate on a floating rate profile, Council has agreed to pay a fixed amount. By doing this there is certainty of the amount of interest payable over the life of the swap. These swaps are termed a 'Cash Flow Hedge'.
- 7.29 Council's accounting policy and IFRS require all financial instruments to be valued at balance date to reflect fair value. However if a set of agreed criteria are met then any change in fair value does not form part of the Net Surplus/(Deficit) figure and Hedge Accounting is applied. The change in value is then included in the Income Statement as part of Comprehensive Income alongside other items such as Property, Plant and Equipment revaluation Gains and Losses.
- 7.30 The reason for doing this is to remove volatility from the Income Statement that would otherwise be required is to reflect changes in the market place. During the life of the interest rate swap, certainty of interest cost is assured, however when the swap arrangement expires at maturity the arrangements have no value, as it had no value at its inception.
- 7.31 In the monthly financial reports, the fair value of the interest rate swaps has not been recorded in the balance sheet at report date because a calculation is required by Council's treasury advisors to componentise the fair value into either an asset or liability, current or non-current amounts.

8.0 **DEBTORS AND OTHER RECEIVABLES**

- 8.1 Set out below is summary of Debtors and Other Receivables (i.e. unpaid rates and other debtor amounts owing) as at 30 September 2013 with comparatives from the same period last year and 30 June 2013.

Debtor & Other Receivables (Amounts in \$1000's)	As at 30 Sep 2012	As at 30 Jun 2013	As at 30 Sep 2013	Var to 30 Sep 12		Var to 30 June 13	
				\$	%	\$	%
Rates Receivable	1,533	2,433	1,778	245	16%	(655)	-27%
Rates Penalties	1,161	1,022	1,292	131	11%	270	26%
Rates and Penalties Receivable	2,694	3,455	3,070	376	14%	-385	-11%
NZ Transport Agency	104	1,466	1,057	953	916%	(409)	-28%
Ministry of Health Subsidy	364	508	55	(309)	-85%	(453)	-89%
Extraordinary Water Charges	0	178	74	74		(104)	-58%
Other Trade Receivables	967	1,537	399	(568)	-59%	(1,138)	-74%
Other Trade Receivables	1,435	3,689	1,585	150	10%	-2,104	-57%
Gross Receivables	4,129	7,144	4,655	526	13%	-2,489	-35%
Less Provision for Doubtful Debts	(1,063)	(1,373)	(1,373)	(310)	29%	0	0%
Total Debtors & Other Receivables	3,066	5,771	3,282	216	7%	-2,489	-76%

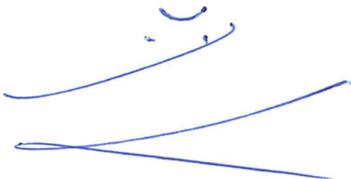
- 8.2 Comparison of Rates and Penalties receivables is best analysed on a year on year basis, because the collection cycle for rates is annually rather than quarterly or monthly. Comparison of all other debtor classes is better analysed on a monthly

basis to match the revenue cycle these receivables relate to, hence the comparison between 30 June 2012 and 30 June 2013.

- 8.3 Collection risk of revenue from NZ Transport Agency or the Ministry of Health is very low, because these are government agencies. Extraordinary Water Charges are deemed a rate under the Local Government (Rating) Act 2002 and so the risk of collection is similar to that of rates collection.
- 8.4 Rates receivables have increased by 16% (\$245,000) from 30 September 2012. This increase is partly due to an increase in rates levied (i.e. the level of unpaid rises exponentially with each increase in total rates levied), particularly those rates that are levied on a Uniform basis compared with rates charged on Capital Value.
- 8.5 Included in the above rate and rate penalties receivables are rates and penalties outstanding on freehold Maori land which may be eligible for rates remission. As at 30 September \$26,000 in rates remissions have been granted against a full year budget of \$244,000.
- 8.6 The rates arrears and penalties, including those owing on freehold Maori land, are substantially recognised in the Provision for Doubtful Debts figure.
- 8.7 At 30 September 2013 Other Trade Receivables totaled \$399,000 of which \$28,000 has been due and owing for more than three months.

Suggested Resolutions

The business paper on the Quarterly Financial Report for the Three Months to 30 September 2013 be received.



C.E. (KIT) JEFFRIES
GROUP MANAGER – CORPORATE SERVICES

15 October 2013

Appendix 1: Combined Cost of Service Statements

Summary Cost of Service (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Sep 2013	YTD Actual Sep 2013	Variance Sep 2013	% Variance
Operating Revenue						
Leadership	(125)	(193)	(36)	(21)	15	
Community Service	(591)	(599)	(89)	(113)	(24)	
Community Development	(255)	(232)	(40)	(78)	(38)	
Regulation	(342)	(409)	(221)	(211)	10	
Stormwater Drainage	(68)	0	0	0	0	
Resource Management	(73)	(80)	(20)	(8)	12	
Solid Waste Management	(885)	(1,111)	(273)	(213)	60	
Sewerage	(3,602)	(629)	(157)	(201)	(44)	
Water Supply	(801)	(2,117)	(127)	(127)	0	
Roads and Footpaths	(5,291)	(5,671)	(940)	(1,368)	(428)	
Total Operating Revenue	(12,033)	(11,041)	(1,903)	(2,340)	(437)	4%
Rates Revenue						
General Rate	(2,134)	(2,134)	(534)	(759)	(225)	
UAGC	(3,874)	(3,985)	(996)	(777)	219	
Targeted Rate	(10,327)	(10,729)	(2,682)	(2,691)	(9)	
Rates Penalties Revenue	(400)	(400)	(320)	(325)	(5)	
Less Council Rates						
Total Rates Revenue	(16,735)	(17,248)	(4,532)	(4,552)	(20)	0%
Direct Operating Expenditure						
Leadership	589	627	166	175	9	
Community Service	1,534	2,016	572	440	(132)	
Community Development	706	765	235	154	(81)	
Regulation	230	262	65	84	19	
Solid Waste Management	972	1,197	293	227	(66)	
Stormwater Drainage	185	111	49	56	7	
Resource Management	85	88	12	1	(11)	
Sewerage	1,091	1,368	345	283	(62)	
Water Supply	1,401	1,271	343	377	34	
Roads and Footpaths	4,606	4,978	708	1,192	484	
Total Direct Operating Expenditure	11,399	12,683	2,788	2,989	201	2%
Indirect Expenditure	11,770	11,856	2,844	2,752	(92)	-1%
Total Expenditure	23,169	24,539	5,632	5,741	109	0%
Net Operating Cost/(Surplus)	(5,599)	(3,750)	(803)	(1,151)	(348)	

Governance: Leadership and Investments

GOVERNANCE: LEADERSHIP AND INVESTMENTS (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Sep 2013	YTD Actual Sep 2013	Variance Sep 2013	% Variance
Operating Revenue						
Representation	(27)	(80)	(22)	(2)	20	
Investments	(98)	(113)	(14)	(19)	(5)	
	(125)	(193)	(36)	(21)	15	-71%
Direct Expenditure						
Representation	281	321	68	64	(4)	
Strategic Planning & Policy Development	69	62	9	20	11	
Monitoring & Reporting	135	137	12	12	0	
Investments	104	107	77	79	2	
Total Direct Expenditure	589	627	166	175	9	5%
Indirect Expenditure	1,743	1,851	341	418	77	
Total Expenditure	2,332	2,478	507	593	86	15%
Net Operating Cost/(Surplus)	2,207	2,285	471	572	101	21%

Net Operating Cost for the Leadership Activity was 21% (\$101,000) more than budget for the three months to 30 September 2013.

Operating Revenue was 71% (\$15,000) less than forecast for the period.

- External revenue was forecast to be received for contracting services provided by the Internal Services Unit; however for the first quarter no revenue has been received.

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

Community Service

COMMUNITY SERVICE (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Sep 2013	YTD Actual Sep 2013	Variance Sep 2013	% Variance
Operating Revenue						
Parks and Reserves	(9)	(11)	(4)	(2)	2	
Housing and Other Property	(421)	(420)	(53)	(60)	(7)	
Recreation and Culture	(117)	(114)	(19)	(26)	(7)	
Public Amenities	(33)	(54)	(13)	(17)	(4)	
Safety	(11)	0	0	(8)	(8)	
	(591)	(599)	(89)	(113)	(24)	21%
Direct Expenditure						
Parks and Reserves	323	455	108	85	(23)	
Housing and Other Property	293	404	165	162	(3)	
Recreation and Culture	424	457	119	75	(44)	
Public Amenities	432	545	138	95	(43)	
Safety	62	155	42	23	(19)	
Total Direct Expenditure	1,534	2,016	572	440	(132)	-30%
	1,652	1,486	372	393	21	
Total Expenditure	3,186	3,502	944	833	(111)	-13%
Net Operating Cost/(Surplus)	2,595	2,903	855	720	(135)	-16%

Net Operating Cost for the Community Services Activity was 26% (\$135,000) below budget for the three months to September 2013.

Operating Revenue was 21% (\$24,000) more than forecast for the period.

Direct Expenditure was 30% (\$132,000) less than budget for the period.

- Generally repairs and maintenance expenditure has not been spent as expected as this type of expenditure is carried out on an 'as needed' basis. In addition to that, operational costs on-charged from the Internal Services Unit are currently tracking less than budget.

Community Development

COMMUNITY DEVELOPMENT (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Sep 2013	YTD Actual Sep 2013	Variance Sep 2013	% Variance
Operating Revenue						
Community Support	(69)	0	0	0	0	
Youth Engagement	0	(62)	(1)	(71)	(70)	
Economic Development	(4)	0	0	0	0	
Regional Tourism	(163)	(150)	(34)	(3)	31	
Agencies	(19)	(20)	(5)	(4)	1	
	(255)	(232)	(40)	(78)	(38)	49%
Direct Expenditure						
Community Support	475	451	158	119	(39)	
Youth Engagement	0	64	16	10	(6)	
Economic Development	9	13	3	0	(3)	
Regional Tourism	222	237	58	25	(33)	
Agencies	0	1	0	0	0	
Total Direct Expenditure	706	765	235	154	(81)	-53%
Indirect Expenditure	481	427	107	111	4	
Total Expenditure	1,187	1,192	342	265	(77)	-29%
Net Operating Cost/(Surplus)	932	960	302	187	(115)	-38%

Net Operating Cost for the Community Development Activity was 38% (\$115,000) below budget for the three months to September 2013.

Operating Revenue was 49% (\$38,000) more than forecast for the period.

- The Youth Council has received \$70,000, including \$9,000 carried over from last year, from the Ministry of Social Development for Social Sector trails. This revenue is expected to be spent in this current financial year on youth initiatives, with any unspent monies carried forward to the following year.
- The Regional Tourism activity includes operation of the Visitor Information Centre. A review was undertaken as to the true nature of the revenue received by the I-site, as part of the GST accounting change and it was determined that the revenue was the commission part only on each ticket sale. As such the forecasts and budgets (which were based on gross sales and purchases) are overstated; forecast commissions for the year is expected to be \$13,000. For this quarter commissions received was \$3,000.

Direct Expenditure was 53% (\$81,000) less than budget for the period.

- Expenditure for annual grants and rates remissions are currently less than budgets for this quarter.
- In line with the change in accounting for Visitor Information Centre revenue, (discussed above), expenditure now does not include the purchase cost of tickets which are on sold.

Regulation

REGULATION (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Sep 2013	YTD Actual Sep 2013	Variance Sep 2013	% Variance
Operating Revenue						
Regulation	(342)	(409)	(221)	(211)	10	
	(342)	(409)	(221)	(211)	10	-5%
Direct Expenditure						
Regulation	230	262	65	84	19	
Total Direct Expenditure	230	262	65	84	19	23%
Indirect Expenditure	600	460	115	72	(43)	
Total Expenditure	830	722	180	156	(24)	-15%
Net Operating Cost/(Surplus)	488	313	(41)	(55)	(14)	34%

Net Operating Cost for the Regulation Activity was 34% (\$14,000) more than budget for the three months to September 2013.

Operating Revenue was 5% (\$10,000) less than forecast for the period.

Direct Expenditure was 23% (\$19,000) more than budget for the period.

- Animal control expenditure is more than budget due to the collection of Dog Registration fees by the contractor which occurs at the beginning of the year. It is expected that total expenditure will be near to budget by year end.

Resource Management

RESOURCE MANAGEMENT (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Sep 2013	YTD Actual Sep 2013	Variance Sep 2013	% Variance
Operating Revenue						
District Plan Administration	(73)	(80)	(20)	(8)	12	
	(73)	(80)	(20)	(8)	12	
Direct Expenditure						
District Plan Administration	85	88	12	1	(11)	
Total Direct Expenditure	85	88	12	1	(11)	
	142	110	28	16	(12)	
Total Expenditure	227	198	40	17	(23)	
Net Operating Cost/(Surplus)	154	118	20	9	(11)	-55%

Net Operating Cost for the Resource Management Activity was 55% (\$11,000) below budget for the three months to September 2013.

Operating Revenue was \$12,000 less than forecast for the period as a result of less than anticipated resource consent revenue.

Direct Expenditure was \$11,000 less budget for the period with budgeted costs for legal expenses and consultants fees not expended during the period.

Solid Waste Management

SOLID WASTE MANAGEMENT (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Sep 2013	YTD Actual Sep 2013	Variance Sep 2013	% Variance
Operating Revenue						
Collection	(115)	(100)	(25)	(31)	(6)	
Landfill Management	(770)	(1,011)	(248)	(182)	66	
	(885)	(1,111)	(273)	(213)	60	-28%
Direct Expenditure						
Collection	270	293	75	60	(15)	
Landfill Management	702	904	218	167	(51)	
Total Direct Expenditure	972	1,197	293	227	(66)	-29%
	619	650	163	119	(44)	
Total Expenditure	1,591	1,847	456	346	(110)	-32%
Net Operating Cost/(Surplus)	706	736	183	133	(50)	-27%

Net Operating Cost for the Solid Waste Management Activity was 27% (\$50,000) below budget for the three months to September 2013.

Operating Revenue was 28% (\$60,000) less than forecast for the period.

- Revenues from the sale of rubbish bags and recycle bins were \$6,000 more than budget for the period. Generally, however, reduced product sales and volumes of refuse entering the landfill have resulted in less than forecast revenue.

Direct Expenditure was 29% (\$66,000) less than budget for the period.

- Purchases of rubbish bags were \$3,500 below budget for the period. With reduced volumes entering the landfill, operating costs, including the Waste Minimisation Levy payable are also less than budgeted.

Stormwater Drainage

STORMWATER DRAINAGE (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Sep 2013	YTD Actual Sep 2013	Variance Sep 2013	% Variance
Operating Revenue						
Te Kuiti Stormwater	(68)	0	0	0	0	
	(68)	0	0	0	0	
Direct Expenditure						
Te Kuiti Stormwater	178	102	47	56	9	
Rural Stormwater	7	9	2	0	(2)	
Total Direct Expenditure	185	111	49	56	7	13%
	308	269	67	58	(9)	
Total Expenditure	493	380	116	114	(2)	-2%
Net Operating Cost/(Surplus)	425	380	116	114	(2)	-2%

Net Operating Cost for the Stormwater Drainage Activity was 1% (\$2,000) below budget for the three months to September 2013.

Direct Expenditure was 13% (\$7,000) more than budget for the period due mainly to the charging of insurance earlier than forecast. This will resolve itself during the next quarter.

Sewerage and Treatment and Disposal of Sewage

SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Sep 2013	YTD Actual Sep 2013	Variance Sep 2013	% Variance
Operating Revenue						
Te Kuiti	(992)	(627)	(157)	(199)	(42)	
Benneydale	(1)	(1)	0	(2)	(2)	
Piopio	0	(1)	0	0	0	
	(993)	(629)	(157)	(201)	(44)	
Subsidy Revenue						
Te Kuiti	(2,250)	0	0	0	0	
Benneydale	0	0	0	0	0	
Piopio	(359)	0	0	0	0	
	(2,609)	0	0	0	0	
	(3,602)	(629)	(157)	(201)	(44)	22%
Direct Expenditure						
Te Kuiti	922	1,234	307	257	(50)	
Te Waitere	16	16	4	6	2	
Benneydale	79	65	19	14	(5)	
Piopio	74	53	15	6	(9)	
Total Direct Expenditure	1,091	1,368	345	283	(62)	-22%
	1,091	1,624	406	321	(85)	
Total Expenditure	2,182	2,992	751	604	(147)	-24%
Net Operating Cost/(Surplus)	(1,420)	2,363	594	403	(191)	-32%

Net Operating Cost for the Sewerage Activity was 32% (\$191,000) below budget for the three months to September 2013.

Operating Revenue was 22% (\$44,000) more than forecast for the period.

- Trade Waste revenue and sewer connection fees are currently tracking \$44,000 more than forecast for the first quarter.

Direct Expenditure was 22% (\$62,000) less than budget for the period.

- Routine maintenance costs at Te Kuiti and Piopio and electricity costs for Te Kuiti are tracking less than budget for this first quarter.

Water Supply

WATER SUPPLY (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Sep 2013	YTD Actual Sep 2013	Variance Sep 2013	% Variance
Operating Revenue						
Te Kuiti	(625)	(507)	(127)	(128)	(1)	
Mokau	(25)	(4)	0	0	0	
Piopio	(25)	(16)	0	1	1	
Benneydale	(22)	(2)	0	0	0	
	(697)	(529)	(127)	(127)	0	
Subsidy Revenue						
Te Kuiti	0	(780)	0	0	0	
Mokau	(25)	(808)	0	0	0	
Piopio	(50)	0	0	0	0	
Benneydale	(29)	0	0	0	0	
	(104)	(1,588)	0	0	0	
	(801)	(2,117)	(127)	(127)	0	0%
Direct Expenditure						
Te Kuiti	883	852	225	253	28	
Mokau	183	180	53	48	(5)	
Piopio	273	169	45	59	14	
Benneydale	62	70	20	17	(3)	
Total Direct Expenditure	1,401	1,271	343	377	34	9%
	905	892	223	194	(29)	
Total Expenditure	2,306	2,163	566	571	5	1%
Net Operating Cost/(Surplus)	1,505	46	439	444	5	1%

Net Operating Cost for the Water Supply Activity was 1% (\$5,000) more than budget for the three months to September 2013.

Operating Revenue was equal to forecast for the period.

Direct Expenditure was 9% (\$34,000) more than budget for the period.

- Additional reticulation repairs have been undertaken in Te Kuiti and Piopio.
- Chemicals have been purchased for the Piopio Water Treatment Plant.

Roads and Footpaths

ROADS AND FOOTPATHS (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Sep 2013	YTD Actual Sep 2013	Variance Sep 2013	% Variance
Operating Revenue						
Subsidised Roads	(5,217)	(5,611)	(938)	(1,365)	(427)	
Non Subsidised Roads	(74)	(60)	(2)	(3)	(1)	
	(5,291)	(5,671)	(940)	(1,368)	(428)	31%
Direct Expenditure						
Subsidised Roads	4,427	4,832	675	1,156	481	
Non Subsidised Roads	179	146	33	36	3	
Total Direct Expenditure	4,606	4,978	708	1,192	484	41%
Capital Expenditure						
All Roothing	4,229	4,087	1,022	1,050	28	
Total Expenditure	8,835	9,065	1,730	2,242	512	23%
Net Operating Cost/(Surplus)	3,544	3,394	790	874	84	11%
Subsidised Roads Maintenance	4,427	4,832	675	1,156	481	
Subsidised Roads Capital	4,030	4,435	841	1,103	262	
Combined Maintenance and Capital	8,457	9,267	1,516	2,259	743	
Subsidy Revenue for Subsidised Roads	(5,085)	(5,470)	(905)	(1,330)	(425)	

Net Operating Cost for the Roads and Footpaths Activity was \$11,000 more than budget for the three months to September 2013.

Operating Revenue was 31% (\$428,000) more than forecast for the period due to additional NZTA subsidies received on works carried over from the 2012/13 financial year.

Direct Expenditure was 41% (\$484,000) more than budget for the period.

- Due to the drought experienced over the summer of 2013, the unsealed roads grading and metalling programmes were suspended. The additional costs are related to \$984,000 of capital expenditure carried over into the 2013/14 financial period.
- The high expenditure is related to the emergency works capital reinstatement projects in the district, particularly Gribbon Road, Taharoa Road and Mokau Beach Wall, and also the extensive grading and metalling programme on the unsealed network. This programme is nearing completion, which will see the quarterly inputs drop somewhat.
- However it must be noted that overall the 2013/14 financial year will reflect an over spend of the carryover amount of \$984,000. Operating revenues will also reflect higher levels associated with the Financial Assistant Rates (FAR) applicable to the carryover amounts.
- \$47,500 was also carried over in the non-subsidised roading budget to effect repairs on Massey Street and other retaining walls. This cost centre will show an over spend at the end of the financial year when all costs are brought to charge.

Appendix 2: Balance Sheet as at the 30 September 2013

BALANCE SHEET (Amounts in \$1000's)	Actual Position 30 June 2013	Actual Position 30 Sep 2013	Long Term Plan 30 Jun 2014	Variance from 30 June 2013	Variance from LTP
Public Equity					
Retained Earnings	196,865	198,016	201,880	1,151	3,864
Other Reserves	5,277	5,277	2,729	0	(2,548)
Revaluation Reserve	68,383	68,383	50,265	0	(18,118)
Total Public Equity	270,525	271,676	254,874	1,151	(16,802)
Current Assets					
Cash and Cash Equivalents	171	789	100	618	(689)
Inventory	43	43	37	0	(6)
Land Subdivision Inventory	0	0	1,067	0	1,067
Other Financial Assets	2	2	2	0	0
Debtors and Other Receivables	5,593	3,281	4,791	(2,312)	1,510
Total Current Assets	5,809	4,115	5,997	(1,694)	1,882
Current Liabilities					
Creditors and Other Payables	3,490	1,509	3,748	(1,981)	2,239
Current Portion of Borrowings	13,851	22,995	5,200	9,144	(17,795)
Provisions	15	15	51	0	36
Employee Entitlements	461	359	471	(102)	112
Derivative Financial Instruments	274	274	118	0	(156)
Total Current Liabilities	18,091	25,152	9,588	7,061	(15,564)
Net Working Capital	(12,282)	(21,037)	(3,591)	(8,755)	17,446
Non Current Assets					
Property, Plant and Equipment	312,979	313,376	302,515	397	(10,861)
Intangible Assets	76	76	80	0	4
Forestry Assets	44	44	39	0	(5)
Investment Properties	653	653	657	0	4
Assets Held for Sale and Discontinued Operations	1,063	1,063	0	0	(1,063)
Other Financial Assets	791	791	839	0	48
Derivative Financial Instruments	239	239	54	0	(185)
Total Non Current Assets	315,845	316,242	304,184	397	(12,058)
Non Current Liabilities					
Creditors and Other Payables	790	790	0	0	(790)
Borrowings	31,331	21,821	44,690	(9,510)	22,869
Employee Entitlements	60	60	63	0	3
Provisions	741	741	928	0	187
Derivative Financial Instruments	116	116	38	0	(78)
Total Non Current Liabilities	33,038	23,528	45,719	(9,510)	22,191
Net Assets	270,525	271,676	254,874	1,151	(16,802)

Appendix 4

Where to from here for the USD?

Richard Franulovich, Westpac

A deal has been reached to reopen the US government and raise the debt ceiling. We doubt the USD will have legs for anything more than a short term relief rally.

8:11AM, 17 Oct 2013

A deal has been reached to reopen the US government and raise the debt ceiling.

The key points:

- The deal will reopen the US government through to Jan 15 and lift the debt ceiling through to Feb 7.
- A combined Senate and House conference will be set up to negotiate long term fiscal reforms by Dec 13.
- The deal preserves the Treasury's ability to use "extraordinary measures" to manage its finances when the debt ceiling approaches, suggesting the ceiling may not actually be hit again until perhaps March/April 2014.
- The Affordable Care Act has been left mostly untouched save for tougher income verification requirements for those seeking subsidies through health care exchanges.
- At the time of writing the deal has yet to be voted upon by Congress but the near unanimous expectation is that smooth passage through both chambers is assured, with Republican House Leader Boehner likely to lean heavily on Democratic support to assure passage in the House.

This deal guarantees another round of confrontations in early 2014. However, it's not clear that the level of brinkmanship will match the last several weeks. For one, intense electoral opposition to shutting down the government and threatening default suggests the Republican led House may not be as eager to pursue the same strategy to achieve policy aims. It's not clear that the conference due to report by Dec 13 will have any real teeth either and in all probability will fail to produce any real results (unlike earlier this year when failure to reach a fiscal deal triggered automatic cuts).

So where to from here for the USD?

The USD index is looking undeniably more constructive on the charts. However, we suspect it will not have legs for anything more than a short term relief rally, for a few reasons:

- Most US economic data in coming weeks will be weak and corrupted due to the dysfunction in Washington. At a minimum the government shutdown and the uncertainty created by the impasse assure a weaker round of confidence surveys. A Yellen led Fed and a couple months of corrupted data warn that tapering may not be a serious chance until well into 2014, possibly Q2 at the absolute earliest. Even in the unlikely event that US labour market shows substantial improvement in early 2014 there is every chance the Fed may want to sit on the sidelines amid another potential round of Washington brinkmanship early in the New Year, just as they did in September.
- There is no obvious alternative to the USD but surely the currency has sustained some long term damage by the unedifying spectacle in Washington. The 16 day shutdown marks the fifth governance crisis in Washington over the last 2 and 1/2 years. The US government came within a hare's breath of shutting down in Feb 2011, politicians narrowly avoided breaching the debt ceiling in Aug 2011, Washington almost sent the

economy over a fiscal cliff in Jan 2013 and a couple months later were unable to make a deal to avert automatic budget cuts known as the sequester. There is potentially another Washington fight over funding the government and raising the debt ceiling early next year as well. Markets have been increasingly conditioned to expect brinkmanship and a last minute deal. Yet, with Washington arguably in a permanent state of dysfunction and unpredictability surely the odds of an accident are higher than say 5 or 10 years ago? Even if long term reserve managers are unfazed by recent events, Washington's dysfunction nonetheless acts as a brake on US growth, damaging the economy both directly and indirectly via confidence channels.

- The contours of a USD negative multi week surge in risk appetite through to year's end are coming together. A long list of important tail risks have been negotiated in recent months. Italy is a lot less combustible with Berlusconi effectively removed from the Italian political scene. Anti-euro sentiment threatened to alter German politics and upend the policy response to the peripheral debt crisis, but that risk was averted. China's hard landing risk has been well and truly put to the sidelines. The tail risk of a US debt default has now been averted too. There is still the outstanding matter of another bailout for Greece and the German Constitutional Court ruling on the legality of the ECB's OMT but neither event seems likely to significantly upset the apple cart. The bottom line is that multiple tail risks have been averted and the coast looks clear for a solid rally in risk assets into year's end, a backdrop that typically does not favour the USD.

We can see the USD index testing its Feb 2012 lows of 78.1, almost 3% lower than current levels. We struggle to see the USD much lower than that however, despite the aforementioned laundry list of negatives, for a couple reasons:

- Strength in currencies such as EUR/USD and AUD/USD towards 1.40 and 1.00 respectively would be self-defeating and likely see the both ECB and the RBA strengthen their easing bias.
- Pessimism on the US growth picture is bound to be overstated in coming weeks, setting up the pre-conditions for a turnaround.

Westpac US data surprise index will surely take another leg lower in coming weeks but at 38.9% it is already not that far from entering the "reversal zone".

NZD/USD 1 day: Momentum remains positive, a push higher to 0.8455 expected next.

NZD/USD 1-3 month: The Fed's surprising delay in tapering QE should support NZD/USD during the next few months. NZ fundamentals push in the same direction so NZD/USD towards 0.86 is expected.

NZ swap yields 1 day: In response to changes in US and Australian bond yields overnight (see above) the 2yr should open down 3bp at 3.59% and the 10yr should open down 5bp at 5.08%.

NZ swap yields 1-3 month: The up-trends since June 2012 remain intact. By Dec-2013 the 2yr could reach 3.80% based on NZ's improving fundamentals and eventual RBNZ tightening in 2014.



Appendix 5

**Quarterly non-financial performance report for the
period ending 30 September 2013**



2013/14

Quarterly non-financial performance report
(For the Period Ending 30 September 2013)

Introduction

- 1.1 The purpose of this business paper is to record the detail of non financial performance or service performance for the 2013/14 financial year. These service performance measures were adopted as part of the Long Term Plan 2012-2022. Council uses service performance measures to measure performance in providing services to its Community.
- 1.2 The format of the report is in tabular form and the results are grouped under each major activity;
- The **strategic goals** summarise Council's contribution to furthering Community Outcomes as identified in the Long Term Plan 2012-2022.
 - Description of the **level of service**, which translates the high level strategic goal into measurable levels of service.
 - The **key performance indicator**, which is a description of the measure that will be monitored throughout the financial year and the life of the Long Term Plan 2012-2022.
 - The **performance target**, which is the quantitative target Council will strive to achieve.
 - **Performance achieved** to 30 September 2013. The result is recorded, whether the target has been achieved and comments to further explain actual results to target result.
- 1.3 The following is provided for each strategic goal within a significant activity;
- **Summary of performance** for the strategic goal to provide context for the measure and the result.

Community and Cultural Sustainability Group

Governance: Leadership and Investments

Statement of Service Performance

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

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANCE TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013	
Leadership				
Decision making in compliance with provisions of the Local Government Act 2002.	Number of challenges to the decision making process.	0	On track for achievement. No challenges to the decision making process as at 30 September 2013.	(a)
Consultation is in accordance with the Special Consultative Procedure outlined in LGA 2002.	Number of challenges to the decision making process.	0	On track for achievement. No challenges to the decision making process, in regards to the special consultative procedured, as at September 2013.	(b)
Effective communication with the community.	Customer satisfaction rating of effectiveness and usefulness of Council communications "good or better".	≥ 50%	This target will be reported against following the 2014 Resident Satisfaction Survey.	(c)
Investments				
Investments contribute to economic and social well-being.	Analysis of investment financials and activity including investment company reporting statements are reported to Council and made available to the public as applicable.	2 reports per year	On track for achievement.	(d)

Summary of Service Performance

The overall performance for Governance Leadership and Investment Activity for the quarter ended 30 September 2013 was very good with three of the four targets on track for achievement and one measurable in 2014.

Community Service

Statement of Service Performance

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

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANCE TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013	
High quality Parks and Reserves will be provided.	Percentage of community satisfied with the quality of Parks and Reserves in annual and research surveys.	≥ 80%	Not measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(a)
Provision and maintenance of Elderly Persons Housing that meets the needs of the tenants.	Percentage of users satisfied with the provision and maintenance of Elderly Persons Housing in the User Survey.	> 55%	Not measurable at this time. A User Survey will be undertaken in June 2014.	(b)
Quality public amenities will be provided.	Percentage of community satisfied with the quality of public amenities (Public Toilets and Cemeteries).	≥ 80%	Not Measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(c)
Provision of comprehensive library facilities for the community.	Percentage of community satisfied with the quality of the library facilities and service in the annual satisfaction survey and research survey results.	≥ 85%	Not Measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(d)
Provision of effective pool facilities for the community.	Percentage of community satisfied with the quality of the pool facilities and service in the annual satisfaction survey and research survey results.	≥ 60%	Not Measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(e)
Provision of effective Arts and Culture facilities for the community.	Percentage of community satisfied with the quality of the Arts and Culture facilities and service in the annual satisfaction survey and research survey results.	≥ 75%	Not Measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(f)
Council's public facilities are provided to standards of fitness for use.	Current Building Warrant Of Fitness (BWOFF) for facilities with compliance schedules.	100%	On track for achievement. All BWOFF's for facilities are current.	(g)

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANCE TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013	
Pool is safe for use of pool patrons at all times.	Pool accreditation in place.	100%	On track for achievement. Pool accreditation in place to April 2014.	(h)
	Number of pool non complying water quality readings per year	< 5	Not measurable at this time. Pool facility closed.	(i)
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.	35%	Not Measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(j)
Council will ensure that staff are equipped and trained to efficiently man the Civil Defence headquarters in an emergency	One major training exercise involving Civil Defence headquarters staff will be held per year	One exercise per year	Not measurable at this time. No exercise undertaken to date.	(k)
Playground equipment is safe to use for parks and reserves playground users	Number of accidents directly attributable to playground equipment failure	Nil accidents	On track for achievement. Nil accidents recorded.	(l)

Summary of Service Performance

The overall performance for Community Services for the quarter ended September 2013 was satisfactory with the expectation that all performance targets will be achieved for the financial year 2013/14.

Community Development

Statement of Service Performance

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

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANCE TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013	
Provide assistance for community support activities.	Advertisement and administration of all WDC Funding Rounds as per the Community Development Fund Policy.	100%	On track for achievement. All funding rounds advertised in Waitomo News, WDC Website and Facebook.	(a)
Support the positive development of youth within the District.	Youth Council makes one submission to Council per year.	1 per annum	Achieved. The Youth Council made a submission to the draft Local Alcohol Policy.	(b)
	Youth Council undertakes two youth related projects per year.	2 per annum	On track for achievement. The Youth Council hosted Waitomo's Got Talent in August 2013.	(c)
Council will support major District events that build community pride and raise the District's profile.	Number of major District events held on time and to budget.	One Major event (the Muster) and one minor event (the Christmas Parade)	On track for achievement. The Christmas Parade will be held 13 December 2013. Planning is underway for The Muster which is scheduled for 29 March 2014.	(d)
Council through its membership of the Hamilton and Waikato Regional Tourism Organisation will ensure enhanced presence in national and international markets for the District.	Number of District Promotion opportunities taken by the Hamilton and Waikato Regional Tourism Organisation in key publications and industry events.	> 4	Not measurable at this time. HWRTO will provide WDC with promotions undertaken as part of their 1 July 2013 – 31 December 2013 reporting.	(e)
Council will support business expansion and diversification, and encourage the development of work-based skills.	District Economic Development Board Strategy developed and implemented.	District Economic Development Board Strategy developed and approved by Council	Not measurable at this time. Scoping project will commence in October 2013.	(f)

Summary of Service Performance

The overall performance for Community Development for the quarter ended 30 September 2013 was satisfactory with one performance target being achieved and two being not measurable at this time.

Regulation

Statement of Service Performance

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

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANCE TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013	
All food and liquor retail premises will be inspected and appropriately registered and licensed.	Percentage of registration or licensing of food and liquor retail premises inspected annually.	100%	On track for achievement. To date 28% of food and liquor retail premises have been inspected.	(a)
Provision of an effective environmental health service for the community.	Customer satisfaction survey rating on Environmental Health Service.	> 50%	Not measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(b)
Building consents and project information memoranda issued within 15 working days.	Percentage of building consents and project information memoranda issued within 15 working days.	90%	Not currently achieved. 88% of building consents processed within 15 working days.	(c)
Council will ensure that consented building works adhere to the Building Code.	Percentage of consented buildings under construction (inspected) to ensure code compliance.	100%	Achieved 100% of consented buildings under construction are inspected.	(d)
Provision of an effective building control service to the community.	Customer satisfaction survey rating on Building Control.	> 50%	Not measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(e)
Dog owners' properties will be inspected to ensure compliance with the Dog Control Act 1996 and Council's bylaws.	Percentage of dog owners' properties inspected per year.	Urban 100% Rural 10%	Not measurable at this time. Inspection round has not commenced.	(f)
High level of customer satisfaction with animal control service.	Customer satisfaction survey rating on Animal Control.	≥ 50% good or above	Not measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(g)

Summary of Service Performance

The overall performance for Regulation Activity for the quarter ended 30 September 2013 was satisfactory with the expectation that all performance targets will be achieved by the financial year 2013/14.

Environmental Sustainability Group

Solid Waste Management

Statement of Service Performance

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

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANCE TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013	
Users find the recycling facilities safe to use.	Percentage of users rate the safety of Council's recycling facilities as satisfactory or better.	75%	Not Measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(a)
Provision of effective waste service for the community.	Customer satisfaction survey rating on waste transfer stations.	60%	Not Measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(b)
The solid waste management facilities feel safe to the user.	Percentage of users rate the District's waste transfer stations safe to use.	70%	Not Measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(c)
Users find the landfill facility safe to use.	Percentage of users rate the safety of Council's landfill facility as satisfactory or better.	75%	Not Measurable at this time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(d)
The solid waste management facilities are open and accessible to users at advertised times.	Number of complaints per month due to facilities not being open at advertised times.	<1	Achieved. No complaints received to 30 September 2013.	(e)
Reduce quantity of recyclables like paper and plastics in bag collection that goes to landfill.	Percentage of reduction per annum leading to 10% reduction by 2016 and 15% by 2022. (both measured against the 2012 Waste Audit).	2%	This target will be measured following the 2014 Waste Audit.	(f)
Reduce the quantity of organic waste like food scraps etc in bag collection that goes to landfill.	Percentage of reduction per annum achieved through continual education leading to 10% reduction by 2022 (measured against the 2012 Waste Audit).	1.5%	This target will be measured following the 2014 Waste Audit.	(g)

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANCE TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013	
Provision of an effective solid waste service for the community.	Number of complaints received per month regarding solid waste activities.	≤ 10	Achieved. Two service request complaints were received to 30 September 2013.	(h)

Summary of Service Performance

The overall performance for the Solid Waste Management for the quarter ended 30 September 2013 was very good.

Two Performance Targets were achieved and six were not measurable at this time, (these results will be available following the 2014 Resident Satisfaction Survey and the 2014 Waste Audit).

Stormwater Drainage

Statement of Service Performance

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

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANCE TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013	
Threats to public health and property will be limited.	Percentage of urgent requests dealt with within one working day.	90%	On track for achievement. Thirteen service request received for the three months all completed within one working day.	(a)
Service requests and complaints are processed as they come in.	Completion time (working days following receipt) for customer follow up on outstanding requests/complaints.	< 5 days	On track for achievement. No service requests received.	(b)
Stormwater quality will be managed effectively.	Percentage of stormwater pollution incidents are corrected within time frames agreed with Waikato Regional Council.	100%	On track for achievement. No service requests received.	(c)
	Response time for investigation of all reported pollution incidents associated with stormwater discharge following notification.	<12 hours	On track for achievement. No service requests received.	(d)
	Number of stormwater abatement notices issued.	Nil	On track for achievement. No service requests received.	(e)

Summary of Service Performance

The overall performance for Stormwater Drainage for the quarter ended 30 September 2013 was good, with all performance targeted expected to be achieved for 2013/14.

Resource Management

Statement of Service Performance

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

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANCE TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013	
Council will ensure that resource consents are processed in a timely and customer friendly manner so as to facilitate district wide development.	Percentage of notified consents processed within 80 working days of receipt.	90%	On Track for achievement. No notified resource consents have been processed to date.	(a)
	Percentage of non-notified consents processed within 20 working days.	90%	On track for achievement. 100% of non notified resource consents processed within 20 working days.	(b)
All premises where resource consent have been issued will be monitored at least biennially to ensure compliance.	Percentage of consented premises visited each year.	50%	On track for achievement. All premises where resource consents have been issued have been monitored.	(c)

Summary of Service Performance

The overall performance for Resource Management for the quarter ended 30 September 2013 was very good with all performance targeted expected to be achieved for 2013/14.

Sewerage and Treatment and Disposal of Sewage

Statement of Service Performance

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

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANCE TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013	
Sewage treatment is managed without adversely affecting the quality of the receiving environment.	Number of complaints regarding receiving water quality as a result of effluent discharge as measured in Request for Service (RFS) system.	≤ 2	Achieved No service requests received	(a)
Sewage is managed without risk to public health.	Number of sewage overflows into habitable buildings due to faults in the wastewater system (measured by RFS system).	≤ 1	Not Achieved Three service request received	(b)
A reliable removal and treatment service is provided.	Number of sewage overflow events per year at any one wastewater scheme.	≤ 2	Not Achieved	(c)
Resource Consent for TKWWTP is renewed and complied with	Percentage compliance with renewed TKWWTP Resource Consent	N/A	Not measurable as at 30 September 2013.	(d)

Summary of Service Performance

The overall performance for Sewerage and Treatment and Disposal of Sewage for the quarter ended 30 September 2013 was below average. One performance target was achieved, two were not achieved and one was not measurable at this time.	
(b)	<p>The target of '≤ 1 complaint regarding number of sewage overflows into habitable buildings due to faults in the wastewater system (measured by RFS system)' was not achieved with three complaints being received all relating to the Te Kuiti scheme. Two complaints were in regards to sewer blockages, with one of those complaints having a low drainage rate from the toilet after flushing and a low drainage rate when the shower waste water drains away. Two of the service requests were in August and the other in September. These particular incidents have occurred due to an increase in the inflow of water into the reticulation system as a result of heavy rainfall.</p> <p>The Council's contractor promptly attended to the clearance and disinfection of all of these service requests within 24 hours of first notification taking care and considering the public's health and safety.</p>
(c)	<p>The target of '≤ 2 sewage overflow events per year at any one wastewater scheme' was not achieved for the months of July and September. This was due to build-up of debris in sewer lines, resulting from severe and repetitive heavy rain events. A total of fourteen service request complaints were received for the quarter ended 30 September 2013. One event occurred at the Te Waitere scheme and the remainder occurred at the Te Kuiti scheme.</p> <p>Council has taken over the running of the waste water plants within the district and have qualified staff managing the plants. These particular incidents are unavoidable due to weather events.</p>

Economic Sustainability Group

Water Supply

Statement of Service Performance

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

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANCE TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013	
Water supply is adequate for public health purposes.	Percentage compliance with NZ Drinking water Standards 2005 as measured in Water Information New Zealand database.	95%	Not Achieved. 50% compliance with NZ Drinking Water Standards 2005 as measured in Water Information New Zealand database.	(a)
	Public Health Risk Management plans adopted and implemented.	100%	Achieved.	(b)
	Confirmed illnesses attributable to consumption of Council water supply services.	Nil	Achieved.	(c)
	Number of complaints per annum regarding water supply quality, at any supply scheme.	<10	Not Achieved. Number of complaints regarding water supply quality have already exceeded target: July (25), August (12), September (9).	(d)
	Percentage of customers who are satisfied with the quality of their drinking water as measured by Resident Satisfaction Survey.	75%	Not Measurable At This Time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(e)
Water resources are used efficiently and sustainably.	Percentage of the fire hydrants meeting bi-annual compliance test with the fire fighting standards.	75%	Achieved. 85 percent fire hydrants meet the fire fighting standards. Council is currently in progress of checking and repairing hydrants.	(f)
Water supply to customers is reliable.	Percentage of customers who are satisfied with the reliability of their water supply services as measured by Resident Satisfaction Survey.	75%	Not Measurable At This Time. Results for the performance target will be provided following the 2014 resident satisfaction survey.	(g)

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANCE TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013
Failures and service requests are responded to promptly.	Percentage of supply disruptions restored within 4 hours after first notification.	90%	Not Achieved. Supply disruptions not restored with four hour timeframe: July 84%, August 42%, September 33%. (h)

Summary of Service Performance

<p>The overall performance for Water Supply for the quarter ended 30 September 2013 was good. Three out of eight performance targets were achieved, three were not achieved, and two were not measurable at this time. These results will be available following the 2014 Resident Satisfaction Survey.</p>	
(a)	<p>The performance target of '95% compliance with NZ Drinking water Standards 2005 as measured in Water Information New Zealand database' was not achieved. Waitomo District Council is still in the process of upgrading water plants to comply with the Drinking Water Standards 2005. Waikato District Health Board confirms that council compliance is running one year behind.</p>
(d)	<p>The performance target of '<10 complaints per annum regarding water supply quality, at any supply scheme' was not achieved.</p> <p>This non-achievement was caused due to fourteen major water leaks, seven due to contract works and minor toby leaks over the three month period. Most of the complaints were from the Te Kuiti water supply scheme; however there has been an increase in the number of complaints from Piopio and Mokau.</p> <p>Weekly contract meetings are held between council water services division and Veolia Water. Minutes of the meetings are recorded and any issues that are unresolved and new are discussed at the following weeks meeting.</p>
(h)	<p>The performance target of '90% of supply disruptions restored within 4 hours after first notification' was not achieved. This was due to 67 percent of service requests for the three months being non-urgent with contractor having to wait for parts, therefore not restored within four hours of notification.</p> <p>These issues are also discussed in the weekly contract meetings. There has also been staffing issues with the contractor causing lack of human resource in recent months.</p>

Roads and Footpaths

Statement of Service Performance

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

WHAT WE DO (LEVEL OF SERVICE)	HOW WE MEASURE SUCCESS (PERFORMANCE MEASURE)	PERFORMANC E TARGET	OUR PERFORMANCE TO 30 SEPTEMBER 2013	
The rideability of the roading network is maintained in good condition and is 'fit for purpose'.	The number of service complaints from ratepayers in any one month regarding the condition of the roading surface.	<4 / month	Not Achieved.	(a)
	Sealed road lane kilometres exceeding a NAASRA* roughness count rating of 150. Measured on a bi-annual basis.	<8%	Achieved. No service requests received.	(b)
The network's traffic marking and signage facilities are up to date, in good condition and 'fit for purpose'.	Number of service complaints per month regarding missing, damaged or inaccurate road signage.	<3 / month	Achieved. On service request was received for the months of August and September. Both service requests were due to vandalism of the network's traffic markings/or signage.	(c)
The roading network is open and accessible to users.	The number of road closures per month due to weather events (defined as bank slippages or blockages or flood events) lasting more than 24 hours.	≤1** / month	Achieved. One service request for the month of September, due to high winds.	(d)
	The number of complaints per month regarding damaged footpaths.	<3	Not Achieved.	(e)
	Time of response to reported defects and faults.	Within 24 hours	Achieved. Reported defects and faults of the roading network are responded to within 24 hours.	(f)

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

** The target has been slightly revised as sometimes severe weather events can happen causing excess damage and the resolution can be delayed. Resourcing to meet these rare events is considered financially impractical and hence the slight revision in target.

Summary of Service Performance

<p>The overall performance for Roads and Footpaths for the quarter ended 30 September 2013 was good. Four out of the six performance targets were achieved and two were not achieved.</p>	
<p>(a)</p>	<p>The performance target of '<4 / month service complaints from ratepayers in any one month regarding the condition of the roading surface' was not achieved. The poor performance is due to the heavy rainfall and high winds experienced over the months of August and September 2013. 33 service requests complaints were received for the quarter. These were mostly due to heavy rainfall and high winds experienced over the months of August and September and occurred on loose metal rural roads within the district. Weather related incidents are unavoidable, however the councils contractors are efficient in getting these issues rectified promptly.</p>
<p>(e)</p>	<p>The performance target of '<3 complaints per month regarding damaged footpaths' was not achieved. The majority of these service request complaints were due to Rora Street cobblestones becoming loose and uneven.</p> <p>The target was not achieved for the months of July (2) and August (3) due to complaints regarding the Rora Street cobblestones.</p> <p>Other complaints included access over footpath to home, and a health and safety issue on a Mokau footpath outside the public toilets where a visitor tripped on an uneven surface of a footpath resulting in an injury. Most complaints were for the Te Kuiti area.</p> <p>The Council's roading contractor is efficient in attending to all service requests where possible and when resources allow. Weekly contract meetings are held between the Council's roading division and the contractors to discuss any unresolved and new issues. The minutes of these meetings are recorded and referred to in the following week to ensure that the ratepayers are being supplied with an efficient and satisfactory service.</p> <p>The target was achieved for the month of September with no service request complaints received.</p>

Document No: 319705

File No: 100/018A

Report To: Council**Meeting Date:** 26 November 2013**Subject:** **Financial Report for period ending 31 October 2013**

Purpose of Report

- 1.1 The purpose of this business paper is to present the Financial Report for the period ended 31 October 2013.

Local Government Act S.11A Considerations

- 2.1 There are no considerations relating to Section 11A of the Local Government Act in regards to this business paper.
- 2.2 The purpose of this business paper is to provide financial oversight and accountability of Council's financial performance in delivering core services to the Waitomo District and community.

Background

- 3.1 The period covered by this report is 1 July 2013 to 31 October 2013.
- 3.2 The order of the report is as follows:
- **Summary Income Statement** with comments detailing significant variances to Exceptions Annual Plan 2013/14 on Council's operating performance for the four months to 31 October 2013.
 - **Summary Balance Sheet** with comments detailing significant balance movements from 1 July 2012 to 31 October 2013.
 - **Capital Expenditure** summary with commentary on material variances of expected expenditure for the year compared with budget.
 - **Cost of Service** Statement Summary and Cost of Service Statements for Council's ten significant activities are presented in **Appendix 1**.
 - **Balance Sheet** as at 31 October 2013 is presented in **Appendix 2**.
- 3.3 All figures in the tables, except percentages, are expressed in thousands of dollars ('\$000s).

Financial Report to 31 October 2013
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4.1 INCOME STATEMENT HIGHLIGHTS

4.2 Set out below is the summary of financial information for the four months to 31 October 2013. Detailed Summaries of Cost of Service Statements are attached as **Appendix 1**.

FINANCIAL HIGHLIGHTS (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Oct 2013	YTD Actual Oct 2013	Variance Oct 2013	% Variance
Total Expenditure						
- Direct Operating	11,399	12,683	3,695	4,118	423	
- Indirect Operating	11,772	11,854	3,775	3,619	(156)	
Total Expenditure	23,171	24,537	7,470	7,737	267	4%
Total Revenue						
- Operating Revenue	(12,033)	(11,041)	(2,508)	(3,117)	(609)	
- Rates Revenue	(16,735)	(17,248)	(8,744)	(8,769)	(25)	
Total Revenue	(28,768)	(28,289)	(11,252)	(11,886)	(634)	6%
Net Operating Cost/(Surplus)	(5,597)	(3,752)	(3,782)	(4,149)	(367)	10%

4.3 **Net Operating Cost/ (Surplus):** The net operating surplus was 10% (\$367,000) more than budget for the first four months of the financial year.

- Included in the Net Operating Surplus is \$831,000 of subsidy revenue to fund asset renewal and improvement expenditure. Renewal and improvement expenditure is capital in nature and as such is not included in the Operating Expenditure figure in the income statement.

4.4 **Operating Expenditure** was 4% (\$267,000) more than budget forecast for the four months ended October 2013.

- Direct Operational expenditure was \$423,000 more than budget. The main contributors to this variance in order of magnitude are;
 - **Roads and Footpaths:** \$834,000 more than budget. More expenditure on first response emergency maintenance expenditure and unsealed pavement maintenance work being carried out.
 - **Community Services:** \$156,000 less than budget. Repairs and maintenance expenditure which is carried out on an 'as needed' basis is currently tracking less than budget and operational costs on-charged from the Internal Services Unit are also tracking less than budget.
 - **Sewerage:** \$98,000 less than budget. Electricity costs are tracking less than budget as are ordered maintenance costs due to a two month delay in submission of contract claims from Council's service provider. As such operational expenditure for the last two months of this reporting period includes only the fixed part of the contract payment.
 - **Community Development:** \$90,000 less than budget. Processing of rates remissions and distribution of Annual Grants are tracking less than budget, but are expected to be brought to charge in due course.

In addition to that, the basis on which sales of tourism related services are accounted for at the Visitor Information Centre has been changed - i.e. only the commission earned is included as revenue on a net basis, whereas the budgets provided for gross sales and purchases to be shown.

- Indirect expenditure is \$155,000 less than budget and is made up of the following three components:
 - **Allocated Costs:** \$63,000 more than forecast for this quarter of the financial year.
 - **External Interest:** \$184,000 less than forecast, due to interest rates being less than interest rate assumptions and public debt being less than forecast in the Exceptions Annual Plan 2013/14 (and Long Term Plan 2012-22).
 - **Depreciation:** \$34,000 less than forecast, primarily due to changes in timing for capital expenditure and useful life estimates for capital additions being different to those used in the Exceptions Annual Plan 2013/14.

4.5 **Total Revenue** is 6% (\$634,000) more than forecast for the four months to October 2013.

- Operating Revenue was \$609,000 more than forecast. The main contributors to this variance in order of significance are;
 - **Roads and Footpaths:** \$631,000 more than forecast. More subsidy revenue assistance has been received than forecast due to increased maintenance and capital expenditure being carried out during the last four months due in part due to work carried over from last year.
 - **Solid Waste Management:** \$84,000 less than forecast. Generally reduced product sales and refuse volumes resulting in less than forecast revenue.

5.1 **BALANCE SHEET HIGHLIGHTS**

5.2 Balance Sheet highlights presented below show the movement in Council's financial position from 30 June 2013 to 31 October 2013. The complete Balance Sheet is attached as **Appendix 2**.

BALANCE SHEET HIGHLIGHTS (Amounts in \$1000's)	Actual Position 30 June 2013	Actual Position 31 Oct 2013	Movement from 30 June 2013
Assets			
- Cash and cash equivalents	171	1,015	844
- Debtors and Other Receivables	5,593	7,033	1,440
- Other current assets	45	45	0
- Other financial assets	791	791	0
- Non-current assets	314,815	315,240	425
- Derivative financial instruments	239	239	0
TOTAL ASSETS	321,654	324,363	2,709

BALANCE SHEET HIGHLIGHTS (Amounts in \$1000's)	Actual Position 30 June 2013	Actual Position 31 Oct 2013	Movement from 30 June 2013
Liabilities			
- Other Liabilities	5,557	4,438	(1,119)
- Total Borrowings	45,182	44,861	(321)
- Derivative financial instruments	390	390	0
Total Liabilities	51,129	49,689	(1,440)
Public Equity			
- Public Equity	270,525	274,674	4,149
TOTAL LIABILITIES AND EQUITY	321,654	324,363	2,709

5.3 **Total Assets** have increased from \$321,654,000 to \$324,363,000

- Cash and cash equivalents have increased by \$844,000.
- Debtors and Other Receivables increased from \$5,593,000 to \$7,033,000. The increase is due to billing for the 2nd instalment of rates, which is due on 30 November. Offsetting this, debtors owing has decreased for NZTA and Ministry of Health subsidies and other debtors.
- Non-current assets have increased by \$425,000. The increase is due to asset additions of \$2,252,000, less depreciation of \$1,750,000 and asset disposal of \$78,000, including a section in Parkside Subdivision.

5.4 **Total Liabilities** have decreased from \$51,129,000 to 49,690,000.

- Other Liabilities have decreased by \$1,118,000. The decrease is due to Creditors and Other Payables and Employee Entitlements being \$1,023,000 and \$95,000 less respectively than at the 30 June.
- Generally the decrease in liabilities at this time of year reflects the very early stage of the work programme for this financial year.
- Total Borrowings have decreased by \$321,000. This is due to \$300,000 of loans (funding Council's investment in Inframax Construction Limited) being repaid as part of a consolidation of this specific tranche of debt. In addition to that the Call Advance facility of \$50,000 and Finance Leases of \$17,000 were repaid but Accrued Interest has increased by \$46,000.

5.5 **Public Equity** increased from \$270,525,000 to \$274,673,000. The increase being equal to the Net Operating Surplus for the four months of \$4,148,000.

6.1 CAPITAL EXPENDITURE

6.2 Set out below is the Capital Expenditure Budget for the year compared to actual expenditure for the four months to 31 October 2013.

CAPITAL EXPENDITURE SUMMARY (Amounts in \$1000's)	EAP Budget 2013/14	Actual YTD Oct 2013	Variance 2013/14
Community Facilities			
- Parks and Reserves	99	28	(72)
- Housing and Other Property	722	48	(673)
- Recreation and Culture	398	19	(379)
- Public Amenities	233	8	(226)
Solid Waste Management			
- Landfill and Transfer Stations	96	47	(50)
Stormwater			
- Te Kuiti Stormwater	362	35	(327)
- Rural Stormwater	5	0	(5)
Sewerage			
- Te Kuiti Sewerage	671	450	(221)
- Te Waitere Sewerage	10	0	(10)
- Benneydale Sewerage	78	0	(78)
- Piopio Sewerage	101	0	(101)
Water Supply			
- Te Kuiti Water	3,242	129	(3,113)
- Mokau Water	810	30	(780)
- Piopio Water	41	0	(41)
- Benneydale Water	3	7	4
Roads and Footpaths			
- Subsidised Roads	4,435	1,352	(3,083)
- Non subsidised Roads	265	87	(179)
Corporate Support			
- Corporate Support	230	12	(217)
- Internal Services Unit	0	0	0
TOTAL CAPITAL EXPENDITURE	11,803	2,252	(9,551)

6.3 **Capital Expenditure** was \$2,252,000 for the four months to 31 October 2013, of which \$1,352,000 (60%) related to subsidised roads and \$450,000 (20%) Te Kuiti Sewerage. Planning for implementing major capital works is currently underway for the coming construction season.

- Community Facilities
- Parks and Reserves capital expenditure budget is for renewal work to be undertaken as required. Work on the Marokopa seawall is yet to commence.
- Capital expenditure for Housing and Other Property is mainly for renewal works for Community Halls and other building assets.
- Restoration and revitalisation budget for the Railway building totaling \$579,000 is yet to commence.
- Major projects planned for Recreation and Culture include an upgrade of the Library entrance and front desk, library roof renewal and renewal work to the Waitomo Arts and Culture Centre. The tender for the renewal work

of the main ceiling of the Culture Centre has been let, but work is yet to commence. The library work forms part of the relocation project for Te Kuiti Community House.

- Piopio Public toilets, Mokau Public Toilet Effluent Renewal, work on the Te Kuiti main street redesign and renewal of car parking around the Cottage and Culture Centre are planned as part of the Public Amenities activity. Land purchase for Mokau Toilets is being worked through and work on the Piopio toilets is yet to commence.

6.4 **Solid Waste**

- High wall shaping capital expenditure at the landfill has been provided for at a cost of \$51,600 along with some minor renewal works for the Transfer Stations.
- Capital expenditure for development of the next cell at the landfill has been brought forward. This expenditure was forecast for the 2014/15 financial year in the Long Term Plan but the actual operation experience confirms it is necessary to undertake this work sooner.

6.5 **Stormwater**

- In addition to general renewal works and piping of open water drains, renewal projects have been identified as a priority for Duke and George Streets. Investigation work is also to be undertaken for Rora Street.

6.6 **Sewerage**

- Te Kuiti WWTP construction is in the final stages of commissioning.
- The budget includes provision for reticulation and pump station renewals for Te Kuiti.
- Renewals have been budgeted for Benneydale.
- Upgrades have been budgeted for Piopio sewerage subject to meet growth demands of the village. At this stage it is envisioned, this expenditure will not be required.

6.7 **Water Supply**

- A major upgrade is planned for the Te Kuiti Water Treatment plant. Expenditure to date has been focused on upgrade design.
- Additional budgets have been provided for a new main pump station in Te Kuiti as well as reticulation renewals.
- The Mokau Dam upgrade project is planned for completion during the year to improve security of supply. Consents have been lodged and construction is scheduled for early 2014.

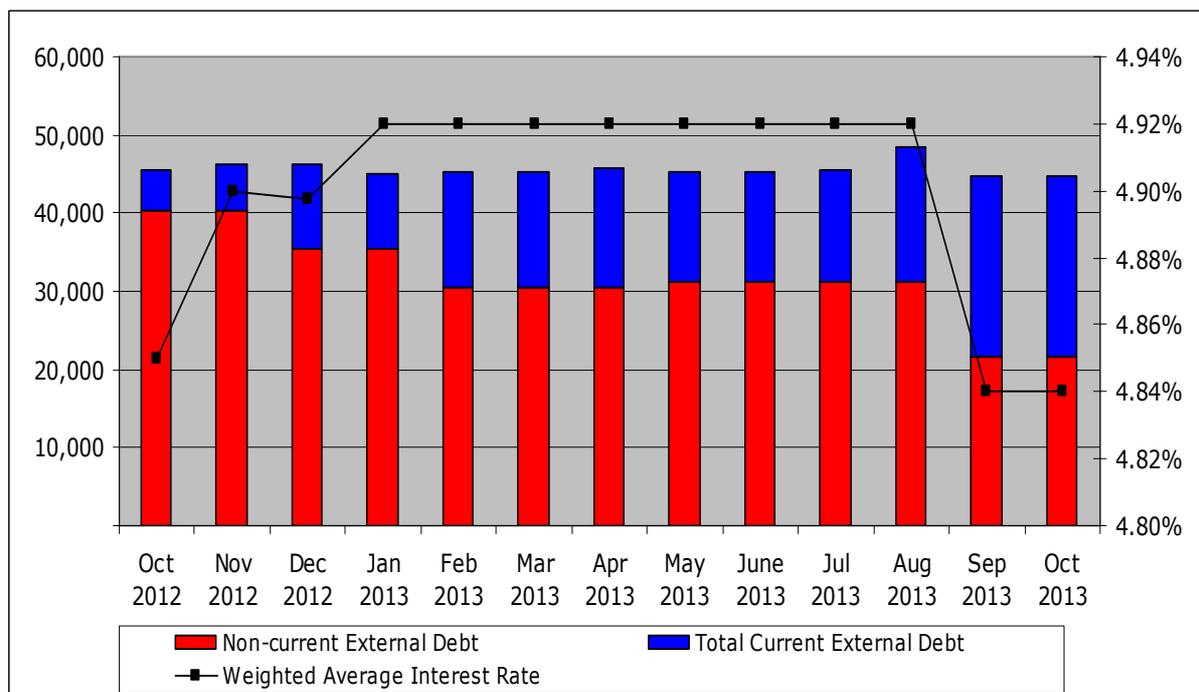
6.8 **Roads and Footpaths**

- Due to the drought experienced over the summer of 2013, unsealed roads grading and metalling programs were suspended.

- The Te Kuiti Stock Effluent Disposal facility contract was let however construction was deferred until the new construction season, with a carryover figure of \$ 130,000. 100% FAR (50% NZTA/ 50% WRC)
- The Drainage Renewals budget, sealed road surfacing, structures components replacement, associated improvements for renewals and Minor improvements for growth are also part of the overall carryover figure of \$ 695,800. Various FAR are applicable 59% and 69%
- \$47,500 was also carried over in the non-subsidised roading budget to effect repairs on Massey Street and other retaining walls.

SUMMARY TREASURY REPORT

Set out below is a chart showing the trend over the last twelve months of Council's current and non-current debt for the year to 31 October 2013. The trend line overlaid is the weighted average interest rate currently paid on all debt.

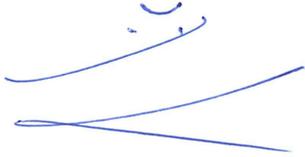


The decrease in weighted average interest rate from 4.92% to **4.84%** that occurred between August and September was due in part to a hedged interest rate at 6.03% for \$3,500,000 being replaced with a new rate of 4.70%.

A detailed Treasury Report was included in the Quarterly Financial Report for the Three Months Ended 30 September 2013. Since that date there have been no significant treasury events.

Suggested Resolution

The business paper on the Financial Report for the four months to 31 October 2013 be received.

A handwritten signature in blue ink, consisting of several fluid, overlapping strokes.

C.E. (KIT) JEFFRIES
GROUP MANAGER – CORPORATE SERVICES

Appendix 1: Combined Cost of Service Statements

Summary Cost of Service (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Oct 2013	YTD Actual Oct 2013	Variance Oct 2013	% Variance
Direct Operating Expenditure						
- Leadership	589	627	290	270	(20)	
- Community Service	1,534	2,016	696	540	(156)	
- Community Development	706	765	283	193	(90)	
- Regulation	230	262	87	114	27	
- Solid Waste Management	972	1,197	387	307	(80)	
- Stormwater Drainage	185	111	54	58	4	
- Resource Management	85	88	19	5	(14)	
- Sewerage	1,091	1,368	453	355	(98)	
- Water Supply	1,401	1,271	438	454	16	
- Roads and Footpaths	4,606	4,978	988	1,822	834	
Total Direct Operating Expenditure	11,399	12,683	3,695	4,118	423	11%
Indirect Expenditure						
- Allocated Costs	4,358	3,969	1,146	1,208	62	
- Interest	2,411	2,866	955	771	(184)	
- Depreciation	5,003	5,019	1,674	1,640	(34)	
Total Indirect Expenditure	11,772	11,854	3,775	3,619	(156)	-4%
TOTAL EXPENDITURE	23,171	24,537	7,470	7,737	267	4%
Operating Revenue						
- Leadership	(125)	(193)	(44)	(35)	9	
- Community Service	(591)	(599)	(128)	(143)	(15)	
- Community Development	(255)	(232)	(54)	(98)	(44)	
- Regulation	(342)	(409)	(250)	(232)	18	
- Stormwater Drainage	(68)	0	0	0	0	
- Resource Management	(73)	(80)	(27)	(15)	12	
- Solid Waste Management	(885)	(1,111)	(364)	(280)	84	
- Sewerage	(3,602)	(629)	(209)	(260)	(51)	
- Water Supply	(801)	(2,117)	(169)	(160)	9	
- Roads and Footpaths	(5,291)	(5,671)	(1,263)	(1,894)	(631)	
Total Operating Revenue	(12,033)	(11,041)	(2,508)	(3,117)	(609)	24%
Rates Revenue						
- General Rate	(2,134)	(2,134)	(1,067)	(1,517)	(450)	
- UAGC	(3,874)	(3,985)	(1,993)	(1,551)	442	
- Targeted Rate	(10,327)	(10,729)	(5,364)	(5,378)	(14)	
- Rates Penalties	(400)	(400)	(320)	(323)	(3)	
Total Rates Revenue	(16,735)	(17,248)	(8,744)	(8,769)	(25)	0%
Net Operating Cost/(Surplus)	(5,597)	(3,752)	(3,782)	(4,149)	(367)	10%

Governance: Leadership and Investments

GOVERNANCE: LEADERSHIP AND INVESTMENTS (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Oct 2013	YTD Actual Oct 2013	Variance Oct 2013	% Variance
Direct Expenditure						
- Representation	281	321	104	82	(22)	
- Strategic Planning & Policy Development	69	62	10	22	12	
- Monitoring & Reporting	135	137	98	82	(16)	
- Investments	104	107	78	84	6	
Total Direct Expenditure	589	627	290	270	(20)	-7%
- Allocated Costs	1,195	1,257	242	362	120	
- Interest	515	593	198	159	(39)	
Total Operating Expenditure	2,299	2,477	730	791	61	8%
Operating Revenue						
- Representation	(27)	(80)	(26)	(3)	23	
- Investments	(98)	(113)	(18)	(32)	(14)	
Total Operating Revenue	(125)	(193)	(44)	(35)	9	-20%
Net Operating Cost/(Surplus)	2,174	2,284	686	756	70	10%

Net Operating Cost for the Leadership Activity was 10% (\$70,000) more than budget for the four months to 31 October 2013.

Direct Expenditure was 7% (\$20,000) less than budget for the period.

Total Operating Expenditure was 8% (\$61,000) more than budget for the period.

- Pre paid insurances from last year which relate to the four months of this year have not been allocated out to relevant activities as yet, this will be carried out when insurance costs from the 1 November to 30 June are received and processed.

Operating Revenue was 20% (\$9,000) less than forecast for the period.

- External revenue was forecast to be received for contracting services provided by the Internal Services Unit; however for the first quarter no revenue has been received.

Community Service

COMMUNITY SERVICE (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Oct 2013	YTD Actual Oct 2013	Variance Oct 2013	% Variance
Direct Expenditure						
- Parks and Reserves	323	455	136	120	(16)	
- Housing and Other Property	293	404	177	168	(9)	
- Recreation and Culture	424	457	151	97	(54)	
- Public Amenities	432	545	181	130	(51)	
- Safety	62	155	51	25	(26)	
Total Direct Expenditure	1,534	2,016	696	540	(156)	-22%
- Allocated Costs	925	758	253	240	(13)	
- Interest	77	93	31	23	(8)	
- Depreciation	650	635	212	214	2	
Total Operating Expenditure	3,186	3,502	1,192	1,017	(175)	-15%
Operating Revenue						
- Parks and Reserves	(9)	(11)	(4)	(12)	(8)	
- Housing and Other Property	(421)	(420)	(71)	(73)	(2)	
- Recreation and Culture	(117)	(114)	(34)	(32)	2	
- Public Amenities	(33)	(54)	(19)	(18)	1	
- Safety	(11)	0	0	(8)	(8)	
Total Operating Revenue	(591)	(599)	(128)	(143)	(15)	12%
Net Operating Cost/(Surplus)	2,595	2,903	1,064	874	(190)	-18%

Net Operating Cost for the Community Services Activity was 18% (\$190,000) below budget for the four months to October 2013.

Direct Expenditure was 22% (\$156,000) less than budget for the period.

- Generally repairs and maintenance expenditure has not been required - this type of expenditure is carried out on an 'as needed' basis. In addition to that, operational costs on-charged from the Internal Services Unit are currently tracking less than budget.
- Within Recreation and Culture
 - Proposed expenditure for Aerodrome Management Plans (budget \$4,157) and, R & M at the Cultural & Arts Centre (budget \$8,740) and Library (budget \$3,668) was only partly used during the period under review. This reflects that although maintenance is planned, it can also be undertaken on an 'as needs' basis.
 - Swimming Pool - Internal Services Unit charges are under spent by \$11,000.
 - Budgeted operational expenditure at the Aerodrome (\$14,568) under spent during the period.
- Within Public Amenities
 - Cemeteries expenditure is under spent by \$13,000 as several items of work are yet to commence.
 - Reallocation of Internal Services Unit costs will bring overall expenditure within the Street Furniture activity into line with budget.
- Within Safety
 - Proposed operational expenditure (including training costs and payment to Waikato Valley Rural Fire Group) for Emergency Management and Rural Fires under spent by as the enlarged Rural fire proposal is yet to be implemented.

Operating Revenue was 12% (\$15,000) more than forecast for the period of which \$7,569 relates to a rural fire claim and \$10,000 to a donation received for Brook Park.

Community Development

COMMUNITY DEVELOPMENT (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Oct 2013	YTD Actual Oct 2013	Variance Oct 2013	% Variance
Direct Expenditure						
- Community Support	475	451	189	143	(46)	
- Youth Engagement	0	64	21	18	(3)	
- Economic Development	9	13	4	2	(2)	
- Regional Tourism	222	237	69	30	(39)	
- Agencies	0	1	0	0	0	
Total Direct Expenditure	706	765	283	193	(90)	-32%
- Allocated Costs	475	421	140	153	13	
- Interest	1	1	0	0	0	
- Depreciation	5	5	2	2	0	
Total Expenditure	1,187	1,192	425	348	(77)	-18%
Operating Revenue						
- Community Support	(69)	0	0	0	0	
- Youth Engagement	0	(62)	(2)	(87)	(85)	
- Economic Development	(4)	0	0	0	0	
- Regional Tourism	(163)	(150)	(45)	(6)	39	
- Agencies	(19)	(20)	(7)	(5)	2	
Total Operating Revenue	(255)	(232)	(54)	(98)	(44)	81%
Net Operating Cost/(Surplus)	932	960	371	250	(121)	-33%

Net Operating Cost for the Community Development Activity was 33% (\$121,000) below budget for the four months to October 2013.

Direct Expenditure was 32% (\$90,000) less than budget for the period.

- Expenditure for annual grants and rates remissions are currently less than budgets for this quarter.
- In line with the change in accounting for Visitor Information Centre revenue, (discussed above), expenditure now does not include the purchase cost of tickets which are on sold.

Operating Revenue was 81% (\$44,000) more than forecast for the period.

- Revenue of \$70,000, including \$9,000 carried forward from last year, has been received from the Ministry of Social Development to the Support Social Sector Trials project. This capacity is expected to be utilised in this current financial year on youth initiatives.
- The Regional Tourism activity includes operation of the Visitor Information Centre. A review was undertaken as to the true nature of the revenue received by the I-site, as part of the GST accounting change, and it was determined that the 'revenue' is the commission part only on each sale. As such both the original appropriate reporting treatment was to record forecasts and budgets, which were based on gross sales of \$116,600 and purchases of \$106,000, have been replaced with a forecast commissions budget of \$10,600. To date commissions earned were \$2,200, shop sales revenue was \$2,800 and Events Activity revenue \$800.

Regulation

REGULATION (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Oct 2013	YTD Actual Oct 2013	Variance Oct 2013	% Variance
Direct Expenditure						
- Regulation	230	262	87	114	27	
Total Direct Expenditure	230	262	87	114	27	31%
- Allocated Costs	597	457	152	103	(49)	
- Interest	2	1	0	0	0	
- Depreciation	2	2	1	1	0	
Total Expenditure	831	722	240	218	(22)	-9%
Operating Revenue						
- Regulation	(342)	(409)	(250)	(232)	18	
Total Operating Revenue	(342)	(409)	(250)	(232)	18	-7%
Net Operating Cost/(Surplus)	489	313	(10)	(14)	(4)	40%

Net Operating Cost for the Regulation Activity was 40% (\$4,000) more than budget for the four months to October 2013.

Direct Expenditure was 31% (\$27,000) more than budget for the period.

- Animal control expenditure is more than budget due to the collection of Dog Registration fees by the contractor which occurs at the beginning of the year. It is expected that total expenditure will be near to budget by year end.

Operating Revenue was 7% (\$18,000) less than forecast for the period.

- Building consent revenue is currently less than forecast. Building consent activity reflects lower cost projects which in turn affect consent revenue as actual lower application fees apply. To date 45 Building Consents have been issued with a project value of \$4.9 million, whereas for the same period last year 64 consents had been issued with a project value of \$6.5 million.

Resource Management

RESOURCE MANAGEMENT (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Oct 2013	YTD Actual Oct 2013	Variance Oct 2013	% Variance
Direct Expenditure						
- District Plan Administration	85	88	19	5	(14)	
Total Direct Expenditure	85	88	19	5	(14)	-74%
- Allocated Costs	142	110	37	24	(13)	
Total Expenditure	227	198	56	29	(27)	-48%
Operating Revenue						
- District Plan Administration	(73)	(80)	(27)	(15)	12	
Total Operating Revenue	(73)	(80)	(27)	(15)	12	-44%
Net Operating Cost/(Surplus)	154	118	29	14	(15)	-52%

Net Operating Cost for the Resource Management Activity was 52% (\$15,000) below budget for the four months to October 2013.

Direct Expenditure was 74% (\$14,000) less than budget for the period.

- Budgeted costs for legal expenses and consultants fees, which are usually on charged to resource consent applicants have not been expended during the period.

Operating Revenue was 44% (\$12,000) less than forecast for the period.

- Due to lower than expected resource consent applications being processed less revenue has been received.

Solid Waste Management

SOLID WASTE MANAGEMENT (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Oct 2013	YTD Actual Oct 2013	Variance Oct 2013	% Variance
Direct Expenditure						
- Collection	270	293	98	90	(8)	
- Landfill Management	702	904	289	217	(72)	
Total Direct Expenditure	972	1,197	387	307	(80)	-21%
- Allocated Costs	261	278	93	96	3	
- Interest	274	291	97	73	(24)	
- Depreciation	84	80	27	22	(5)	
Total Expenditure	1,591	1,846	604	498	(106)	-18%
Operating Revenue						
- Collection	(115)	(100)	(33)	(43)	(10)	
- Landfill Management	(770)	(1,011)	(331)	(237)	94	
Total Operating Revenue	(885)	(1,111)	(364)	(280)	84	-23%
Net Operating Cost/(Surplus)	706	735	240	218	(22)	-9%

Net Operating Cost for the Solid Waste Management Activity was 9% (\$22,000) below budget for the four months to October 2013.

Direct Expenditure was 21% (\$80,000) less than budget for the period.

- Purchase of rubbish bags for resale were \$3,500 below budget for the period. Refuse volumes entering the landfill is less than forecast therefore for operating costs, including the Waste Minimisation Levy payable are also less than budgeted.

Operating Revenue was 23% (\$84,000) less than forecast for the period.

- Revenues from the sale of rubbish bags and recycle bins were \$6,000 more than budget for the period. Generally, however, reduced product sales and volumes of refuse entering the landfill have resulted in less than forecast revenue.

Stormwater Drainage

STORMWATER DRAINAGE (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Oct 2013	YTD Actual Oct 2013	Variance Oct 2013	% Variance
Direct Expenditure						
- Te Kuiti Stormwater	178	102	51	58	7	
- Rural Stormwater	7	9	3	0	(3)	
Total Direct Expenditure	185	111	54	58	4	7%
- Allocated Costs	127	83	28	27	(1)	
- Interest	7	7	2	2	0	
- Depreciation	175	179	60	58	(2)	
Total Expenditure	494	380	144	145	1	1%
Operating Revenue						
- Te Kuiti Stormwater	(68)	0	0	0	0	
Total Operating Revenue	(68)	0	0	0	0	0%
Net Operating Cost/(Surplus)	426	380	144	145	1	1%

Net Operating Cost for the Stormwater Drainage Activity was 1% (\$1,000) more than budget for the four months to October 2013.

Direct Expenditure was 7% (\$4,000) more than budget for the period

- The increase in expenditure due mainly to the charging of insurance earlier than forecast. This will resolve itself over the next few months..

Sewerage and Treatment and Disposal of Sewage

SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE (Amounts in \$1000's)	Actual	EAP Budget	YTD Budget	YTD Actual	Variance	%
	2012/13	2013/14	Oct 2013	Oct 2013	Oct 2013	Variance
Direct Expenditure						
- Te Kuiti	922	1,234	404	313	(91)	
- Te Waitere	16	16	6	7	1	
- Benneydale	79	65	24	17	(7)	
- Piopio	74	53	19	18	(1)	
Total Direct Expenditure	1,091	1,368	453	355	(98)	-22%
- Allocated Costs	281	271	90	89	(1)	
- Interest	376	579	193	163	(30)	
- Depreciation	435	774	258	208	(50)	
Total Expenditure	2,183	2,992	994	815	(179)	-18%
Operating Revenue						
- Te Kuiti	(992)	(627)	(209)	(258)	(49)	
- Benneydale	(1)	(1)	0	(2)	(2)	
- Piopio	0	(1)	0	0	0	
Total Operating Revenue	(993)	(629)	(209)	(260)	(51)	24%
Subsidy Revenue						
- Te Kuiti	(2,250)	0	0	0	0	
- Benneydale	0	0	0	0	0	
- Piopio	(359)	0	0	0	0	
Total Subsidy Revenue	(2,609)	0	0	0	0	0%
Total Revenue	(3,602)	(629)	(209)	(260)	(51)	24%
Net Operating Cost/(Surplus)	(1,419)	2,363	785	555	(230)	-29%

Net Operating Cost for the Sewerage Activity was 29% (\$230,000) below budget for the four months to October 2013.

Direct Expenditure was 22% (\$98,000) less than budget for the period.

- Electricity costs are tracking less than budget as are ordered maintenance costs. The latter consideration reflects a two month delay in the submission of periodic claims for payment from the service provider. As such operational expenditure for the last two months of this reporting period is short stated and reflects only the fixed sum part of the contract payment.

Operating Revenue was 24% (\$51,000) more than forecast for the period.

- Trade Waste revenue and sewer connection fees are currently tracking \$44,000 more than forecast for the first quarter.

Water Supply

WATER SUPPLY (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Oct 2013	YTD Actual Oct 2013	Variance Oct 2013	% Variance
Direct Expenditure						
- Te Kuiti	883	852	290	294	4	
- Mokau	183	180	66	59	(7)	
- Piopio	273	169	57	74	17	
- Benneydale	62	70	25	27	2	
Total Direct Expenditure	1,401	1,271	438	454	16	4%
- Allocated Costs	355	268	89	91	2	
- Interest	170	221	74	60	(14)	
- Depreciation	380	403	134	140	6	
Total Expenditure	2,306	2,163	735	745	10	1%
Operating Revenue						
- Te Kuiti	(625)	(507)	(169)	(162)	7	
- Mokau	(25)	(4)	0	0	0	
- Piopio	(25)	(16)	0	1	1	
- Benneydale	(22)	(2)	0	1	1	
Total Operating Revenue	(697)	(529)	(169)	(160)	9	-5%
Subsidy Revenue						
- Te Kuiti	0	(780)	0	0	0	
- Mokau	(25)	(808)	0	0	0	
- Piopio	(50)	0	0	0	0	
- Benneydale	(29)	0	0	0	0	
Total Subsidy Revenue	(104)	(1,588)	0	0	0	0%
Total Revenue	(801)	(2,117)	(169)	(160)	9	-5%
Net Operating Cost/(Surplus)	1,505	46	566	585	19	3%

Net Operating Cost for the Water Supply Activity was 3% (\$19,000) less than budget for the four months to October 2013.

Direct Expenditure was 4% (\$16,000) more than budget for the period.

- Additional reticulation repairs have been undertaken in Te Kuiti and Piopio.
- Chemicals have been purchased for the Piopio Water Treatment Plant.

Operating Revenue was 5% (\$9,000) less than forecast for the period.

Roads and Footpaths

ROADS AND FOOTPATHS (Amounts in \$1000's)	Actual 2012/13	EAP Budget 2013/14	YTD Budget Oct 2013	YTD Actual Oct 2013	Variance Oct 2013	% Variance
Direct Expenditure						
- Subsidised Roads	4,427	4,832	944	1,769	825	
- Non Subsidised Roads	179	146	44	53	9	
Total Direct Expenditure	4,606	4,978	988	1,822	834	84%
- Allocated Costs	0	66	22	23	1	
- Interest	989	1,080	360	291	(69)	
- Depreciation	3,272	2,941	980	995	15	
Total Expenditure	8,867	9,065	2,350	3,131	781	33%
Operating Revenue						
- Subsidised Roads	(5,217)	(5,611)	(1,260)	(1,890)	(630)	
- Non Subsidised Roads	(74)	(60)	(3)	(4)	(1)	
Total Operating Revenue	(5,291)	(5,671)	(1,263)	(1,894)	(631)	50%
Net Operating Cost/(Surplus)	3,576	3,394	1,087	1,237	150	14%
Subsidised Roads Maintenance	4,427	4,832	944	1,769	825	
Subsidised Roads Capital	4,030	4,435	1,094	1,352	258	
Combined Maintenance and Capital	8,457	9,267	2,038	3,121	1,083	53%
Subsidy Revenue for Subsidised Roads	(5,085)	(5,470)	(1,217)	(1,839)	(622)	51%

Net Operating Cost for the Roads and Footpaths Activity was 14% (\$150,000) more than budget for the four months to October 2013.

Direct Expenditure was 84% (\$834,000) more than budget for the period.

- The expenditure reflects the scale of the emergency works initial reinstatement projects in the district and also the extensive grading and metalling programme catch-up across the unsealed network. This programme is nearing completion, which will see the quarterly inputs drop somewhat.

Operating Revenue was 50% (\$631,000) more than forecast for the period.

- NZTA subsidies received are above forecast due to an increase both maintenance and capital expenditure.

Appendix 2: Balance Sheet as at the 31 October 2013

BALANCE SHEET	Actual Position	Actual Position	Variance from	Long Term Plan	Variance from LTP
(Amounts in \$1000's)	30 June 2013	31 Oct 2013	30 June 2013	30 Jun 2014	
Public Equity					
- Retained Earnings	196,865	201,014	4,149	201,880	866
- Other Reserves	5,277	5,277	0	2,729	(2,548)
- Revaluation Reserve	68,383	68,383	0	50,265	(18,118)
TOTAL PUBLIC EQUITY	270,525	274,674	4,149	254,874	(19,800)
Current Assets					
- Cash and Cash Equivalents	171	1,015	844	100	(915)
- Inventories	43	43	0	37	(6)
- Land Subdivision Inventories	0	0	0	1,067	1,067
- Other Financial Assets	2	2	0	2	0
- Debtors and Other Receivables	5,593	7,033	1,440	4,791	(2,242)
- Derivative Financial Instruments	0	0	0	0	0
Total Current Assets	5,809	8,093	2,284	5,997	(2,096)
Current Liabilities					
- Creditors and Other Payables	3,490	2,466	(1,024)	3,748	1,282
- Current Portion of Borrowings	13,851	23,044	9,193	5,200	(17,844)
- Provisions	15	15	0	51	36
- Employee Entitlements	461	350	(111)	471	121
- Derivative Financial Instruments	274	274	0	118	(156)
Total Current Liabilities	18,091	26,149	8,058	9,588	(16,561)
NET WORKING CAPITAL	(12,282)	(18,057)	(5,775)	(3,591)	14,466
Non Current Assets					
- Property Plant and Equipment	312,979	313,442	463	302,515	(10,927)
- Intangible Assets	76	76	0	80	4
- Forestry Assets	44	44	0	39	(5)
- Investment Properties	653	653	0	657	4
- Assets Held for Sale and Discontinued Operations	1,063	1,025	(38)	0	(1,025)
- Other Financial Assets	791	791	0	839	48
- Derivative Financial Instruments	239	239	0	54	(185)
Total Non Current Assets	315,845	316,270	425	304,184	(12,086)
Non Current Liabilities					
- Trade and Other Payables	790	790	0	0	(790)
- Borrowings	31,331	21,817	(9,514)	44,690	22,873
- Employee Entitlements	60	76	16	63	(13)
- Provisions	741	741	0	928	187
- Derivative Financial Instruments	116	116	0	38	(78)
Total Non Current Liabilities	33,038	23,540	(9,498)	45,719	22,179
NET ASSETS	270,525	274,674	4,149	254,874	(19,800)