

## WAITOMO DISTRICT COUNCIL

### MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL MEETING HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 29 JULY 2025 AT 9.00AM

**PRESENT:** Mayor John Robertson  
Deputy Mayor Allan Goddard  
Dan Tasker  
Eady Manawaiti  
Gavin Todd  
Janene New  
Janette Osborne

**IN ATTENDANCE:** Janis MacDonald and 16 Others (Waitomo Sister City)

**MEDIA:** Chris Gardner (Good Local Media)

**STAFF:** Chief Executive, Ben Smit  
Manager – Governance Support, Michelle Higgie  
General Manager – Community Services, Helen Beever  
Manager – Community Development, Sarah McElroy  
Chief Financial Officer, Tina Hitchen  
General Manager – Infrastructure Services, Shyamal Ram  
Manager – Strategy and Policy, Charmaine Ellery  
General Manager – Strategy and Environment, Alex Bell  
Graduate Policy Advisor, Rajeshwari Mahadevappa  
Property and Facilities Manager, Liz Riley  
Roading Manager, Darren Laycock  
Customer Services Team Leader, Louise Wells

#### 1. Karakia Tuwhera

#### 2. Apologies

No apologies were received.

#### 3. Declarations of Member Conflicts of Interest

Declarations were made as follows:

Name	Item of Business	Reason for Declaration
Cr Janene New	Deputation: Waitomo Sister City	Member
Cr Janette Osborne	Deputation: Waitomo Sister City	Member

#### 4. Confirmation of Minutes: 30 June 2025

##### Resolution

The Minutes of the Waitomo District Council meeting of 13 June 2025 be confirmed as a true and correct record.

Robertson/Manawaiti

Carried

<b>5. Mayor's Report – July 2025</b>
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Council considered the Mayor's Report for July 2025.

The Mayor expanded verbally on the business paper and answered Members questions, including a verbal update on the official opening of the Lawrence Street development and the proposed Te Nehenehenui development at the Esplanade.

**Resolution**

The Mayor's Report – July 2025 be received.

Robertson/Todd Carried

<b>6. Bi-Monthly Activity Report – Community and Partnerships</b>
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Council considered a business paper providing an update on activities that form part of the Community and Partnerships Group including a range of Recreation Services and activities.

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

**Resolution**

The Bi-Monthly Activity Report: Community and Partnerships be received.

Robertson/New Carried

<b>7. Documents Signed under Council's Common Seal</b>
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Council considered a business paper informing of documents signed under the Common Seal of the Council.

The Manager – Governance Support expanded verbally on the business paper and answered Members questions.

**Resolution**

The business paper on Documents Signed under Council's Common Seal be received.

Goddard/Osborne Carried

17 Waitomo Sister City representatives entered the meeting at 9.17am.

<b>8. Deputation: Waitomo Sister City</b>
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Council received a deputation from Waitomo Sister City representatives Janis MacDonald, three Te Kūiti Primary School students and Kingi Turner who recently travelled to Tatsuno, Japan as part of the Waitomo Sister City relationship.

Chris Gardner (Good Local Media) entered the meeting at 9.20am.

**Resolution**

1 The Deputation from Waitomo Sister City Incorporated be received.

Robertson/New Carried

17 Waitomo Sister City representatives left the meeting at 9.36am.

The General Manager – Community Services and Manager – Community Development left the meeting at 9.36am.

The Chief Financial Officer entered the meeting at 9.37am

<b>9. Sensitive Expenditure Policy - Amendment to align with Remuneration Authority Determination 2025-2026</b>
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Council considered a business paper presenting a recommended amendment to the Sensitive Expenditure Policy (including Elected Members Allowances and Recovery of Expenses) in line with the Remuneration Authority's inclusion of a Home Security System Allowance in the Local Government Elected Members (2025/26) Determination 2025

The Manager – Governance Support expanded verbally on the business paper and answered Members questions.

**Resolution**

- 1 The business paper on Sensitive Expenditure Policy – Amendment (to align the Remuneration Authority's Local Government Elected Members (2025/26) Determination 2025) be received.
- 2 The Sensitive Expenditure Policy (including Elected Members Allowances and Recovery of Expenses) be amended to include provision for a Home Security System Allowance under Section 9 – Elected Members Reimbursement, as provided for in the Remuneration Authority's Local Government Elected Members (2025/26) Determination 2025.

Osborne/Goddard                      Carried

Chris Gardner (Good Local Media) left the meeting at 9.40am.

<b>10. Co-Lab – Adoption of Statement of Intent 2025/2026</b>
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Council considered a business paper presenting for consideration and adoption the Co-Lab Statement of Intent for 2025/2026.

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

**Resolution**

- 1 The business paper on Co-Lab: Adoption of Statement of Intent 2025/2026 be received.
- 2 Council adopt the Co-Lab Statement of Intent for the year ended 30 June 2026.
- 3 The Co-Lab Statement of Intent for the year ended 30 June 2026 be published on Council's website.

Robertson/Manawaiti                      Carried

<b>11. Inframax Construction Limited – Adoption of Statement of Intent 2025/2026</b>
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Council considered a business paper presenting for consideration and adoption the Inframax Construction Limited Statement of Intent for the year ending 30 June 2026.

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

**Resolution**

- 1 The business paper on Inframax Construction Limited – Adoption of Statement of Intent 2025/2026 be received
- 2 Council adopt the Inframax Construction Limited Statement of Intent for year ended 30 June 2026.
- 3 The Statement of Intent for Inframax Construction Limited be published on Council's website.

Robertson/Goddard                      Carried

<b>12. Local Government Funding Agency – Receipt of Statement of Intent 2025/2026</b>
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Council considered a business paper presenting the NZ Local Government Funding Agency Statement of Intent 2025-2028.

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

**Resolution**

- 1 The business paper on Local Government Funding Agency Limited – Statement of Intent 2025-2028 be received.
- 2 Council note the Local Government Funding Agency Limited – Statement of Intent 2025- 2028 and accompanying letter.

Robertson/Osborne                      Carried

The General Manager – Infrastructure Services entered the meeting at 9.50am.  
The Manager – Strategy and Policy entered the meeting at 9.51am.

<b>13. Financial Report for the period ending 31 May 2025</b> (including Civic Financial Services Ltd Annual Report 2024)
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Council considered a business paper providing an overall progress report on WDC's financial activities for the period ended 31 May 2025 and present the Civic Financial Services Limited Annual Report 2024.

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

**Resolution**

- 1 The business paper on the Financial Report for the period ended 31 May 2025 be received.
- 2 The Civic Financial Services Limited Annual Report 2024 be received.

Tasker/Todd                      Carried

<b>14. Adoption of Water Services Delivery Plan</b>
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Council considered a business paper presenting for consideration and adoption the Water Services Delivery Plan – Waitomo District Council for water, wastewater and stormwater.

The Manager – Strategy and Policy, Chief Financial Officer and Chief Executive expanded verbally on the business paper and answered Members questions.

The General Manager – Strategy and Environment entered the meeting at 10.12am.

Mayor Robertson briefed the Council on the first shareholder meeting of Waikato Waters Ltd convened yesterday (Monday 28 July 2025) and progress with appointing of Directors to the Council Controlled Organisation.

**Resolution**

- 1 The business paper on Water Services Delivery Plan be received.
- 2 Council adopts the Water Services Delivery Plan – Waitomo District Council as presented with/or without amendments.
- 3 The Chief Executive be authorised to make any final editorial amendments to the Water Services Delivery Plan – Waitomo District Council.

Robertson/Osborne                      Carried

The Chief Executive thanked the Chief Financial Officer and the rest of the Team for their input into preparation of the Water Services Plan, noting the significant amount of work it has taken over and above business as usual workloads.

The meeting adjourned for morning tea at 10.38am.

The Chief Financial Officer left the meeting at 10.38am.

The meeting reconvened at 10.53am.

The Property and Facilities Manager and Roading Manager entered the meeting at 10.53am.

#### **15. Bi-Monthly Activity Report – Infrastructure Services**

Council considered a business paper providing an update on activities that form part of the Infrastructure Services Group.

The General Manager - Infrastructure Services, Roading Manager and Property and Facilities Manager expanded verbally on the business paper and answered Members questions.

##### **Resolution**

The Bi-Monthly Activity Report: Infrastructure Services be received.

Robertson/Osborne Carried

The Property and Facilities Manager and Roading Manager left the meeting at 11.28am.

#### **16. Dog Control Policy and Practices Report 2024/2025**

Council considered a business paper presenting for consideration and adoption the Waitomo District Council Dog Control Policy and Practices Report 2024/2025.

The General Manager – Strategy and Environment expanded verbally on the business paper and answered Members questions.

The Graduate Policy Advisor entered the meeting at 11.29am.

The General Manager – Community Services and Customer Services Team Leader entered the meeting at 11.32am

##### **Resolution**

- 1 The business paper on 2024/2025 Annual Report on Waitomo District Council Dog Control Policy and Practices be received.
- 2 The 2024/2025 Annual Report on Waitomo District Council Dog Control Policy and Practices be adopted.

Robertson/Tasker Carried

#### **17. Resident Survey 2025**

Council considered a business paper presenting the results of the Resident Survey for 2025.

Council noted that verbatim comments to the Survey have been distributed separate to the Agenda and will be discussed in the public excluded portion of the meeting to protect the privacy of persons.

The General Manager – Strategy and Environment, Manager – Strategy and Policy and Graduate Policy Advisor expanded verbally on the business paper and answered Members questions.

**Resolution**

- 1 The business paper on the Resident Survey 2025 be received.
- 2 Council authorise the release of the Resident Survey Report 2025 for public information but not release the verbatim comments which will remain confidential.

Robertson/Tasker      Carried

<b>18. Motion to Exclude the Public</b>
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Council considered a business paper enabling Council to consider whether or not the public should be excluded from the consideration of Council business.

**Resolution**

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

General Subject	Reason for passing this resolution	Section 48(1) grounds for the passing of this resolution
1. 4-6 Moa Street, Piopio	Section 7(2) (h) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	Section 48(1) (d) The exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies.
2. Discussion: Resident Survey 2025 – Verbatim Comments	Section 7(2) (a) To protect the privacy of natural persons, including that of deceased natural persons.	Section 48(1) (d) The exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies.

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

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
General Manager – Strategy and Environment	Portfolio Holder
General Manager – Infrastructure Services	Portfolio Holder
Manager – Strategy and Policy	Portfolio Holder
Graduate Policy Advisor	Portfolio Holder
General Manager – Customer Services	Portfolio Holder
Customer Services Team Leader	Portfolio Holder

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

Robertson/Tasker

Carried

<b>19. Public Excluded Items to be made public following Council's decision taking</b>
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**Resolution**

Following Council's consideration and decision taking of the public excluded items -

**1 Discussion: Resident Survey 2025 – Verbatim Comments**

Resolution 1 be made public as follows:

***Resolution***

*1 The verbatim comments to the Resident Survey 2025 be received.*

**2 4–6 Moa Street, Piopio**

Resolution 1 be made public as follows:

***Resolution***

*1 The business paper on 4-6 Moa Street, Piopio be received.*

Robertson/Manawaiti

Carried

There being no further business the meeting closed at 12.25pm

Dated this       day of       2025

JOHN ROBERTSON  
**MAYOR**

Confidential



Confidential

## WAITOMO DISTRICT COUNCIL Audit and Risk Committee

### MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 19 AUGUST 2025 AT 9.00AM

**PRESENT:** Independent Chair Jaydene Kana  
Deputy Mayor Allan Goddard  
Gavin Todd  
Janene New  
Janette Osborne  
Mayor John Robertson (*apology for lateness*)

**STAFF:** Chief Executive, Ben Smit  
Manager – Governance Support, Michelle Higgie  
General Manager – Community Services, Helen Beever  
Health and Safety Coordinator, Tanchia Pitts-Brown  
General Manager – Infrastructure Services, Shyamal Ram  
Three Waters Manager, David Karrol  
Roading Manager, Darren Laycock  
General Manager – Strategy and Environment, Alex Bell  
Chief Financial Officer, Tina Hitchen  
Asset Accountant, Wayne La Roche  
Manager – Strategy and Policy, Charmaine Ellery  
Graduate Policy Advisor, Rajeshwari (Raj) Mahadevappa

#### 1. Karakia Tuwhera

#### 2. Apologies

The Committee noted that due to other Council commitments, Mayor Robertson may not make it to this meeting, and if so will be late.

##### Resolution

The apology from Mayor John Robertson be received.

Kana/Todd

Carried

#### 3. Declarations of Member Conflicts of Interest

No declarations made.

#### 4. Amendment to Items on Order Paper

The Independent Chair advised that following discussion with the Chief Executive it is recommended that the public excluded item be moved into the public part of the meeting.

##### Resolution

The Public Excluded Item - Progress Report: Audit Findings for year ended 2024 be moved into the public part of the meeting.

Kana/New

Carried

<b>5. Confirmation of Minutes: 13 May 2025</b>
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**Resolution**

The Minutes of the Waitomo District Council Audit and Risk Committee meeting held on Tuesday 13 May 2025 be confirmed as a true and correct record.

Kana/Osborne Carried

<b>6. Chair Report – August 2025</b>
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The Committee considered a business paper presenting the Chair's Report for August 2025.

The Independent Chair expanded verbally on her report and answered Members questions.

**Resolution**

The Chair Report – August 2025 be received.

Kana/Goddard Carried

<b>7. Mastercard Expenditure Report: April – June 2025</b>
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The Committee considered a business paper presenting details of expenditure incurred via WDC issued Corporate Mastercard for the period April – June 2025.

The Manager – Governance Support expanded verbally on the business paper and answered Members questions.

Cr New noted that elected member claim forms are not made publicly available and noting that the current Mayor does not holding a corporate mastercard queried whether elected member claim forms should be presented to the Committee for public transparency purposes.

The Manager – Governance Support advised that a request had been made recently where elected member claims forms were provided to the requester, so the information is in the public arena.

Cr Osborne recommended that members be provided with LGOIMA requests. The Manager – Governance Support will provide elected members with a copy of the LGOIMA spreadsheet detailing requests received and if elected members wish to see more information they can request it accordingly.

**Resolution**

The Mastercard Expenditure Report: April – June 2025 be received.

Kana/Todd Carried

<b>8. Review of Audit and Risk Committee Terms of Reference</b>
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The Committee considered a business paper presenting the result of an inhouse review of the Committee's Terms of Reference as requested by the Committee at its meeting on 15 October 2024 (as part of the Chair Report for that meeting)

The Manager – Governance Support expanded verbally on the business paper and answered Members questions.

Cr Osborne noted that Council changed the membership which excluded elected members who are on the Te Raanga Whakakaupapa Koorero Committee and agreed to amend the Terms of Reference membership – Clause 4.2 to read: Committee shall comprise all of the elected members of Council and such independent member(s) as the Council may resolve from time to time.

The Independent Chair recommended that self-evaluations be considered for inclusion in the Terms of Reference going forward.

The Chair undertook to include consideration topics in her next Chair report so the Committee can make recommendations for consideration by the new Council following the Elections.

### **Resolution**

- 1 The business paper on Review of Audit and Risk Committee Terms of Reference be received.
- 2 The Committee approve the minor amendments relating to the current staff structure of Waitomo District Council and removing the words "all of the" from Clause 4.2 relating to membership and recommend to Council that the amended Terms of Reference be adopted.

Kana/Osborne      Carried

The General Manager – Community Services and Health and Safety Coordinator entered the meeting at 9.47am

## **9. Risk Management and Mitigation**

The Committee considered a business paper providing an update on progress implementing the Risk Management Framework.

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

### **Resolution**

The business paper on Risk Management and Mitigation be received.

Kana/Osborne      Carried

## **10. Progress Report: Health and Safety**

The Committee considered a business paper providing a brief on Waitomo District Council's health and safety performance during quarter four of the 2024/2025 year.

The General Manager – Infrastructure Services entered the meeting at 9.57am.

The General Manager – Community Services, Health and Safety Coordinator and General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.

### **Resolution**

The Progress Report: Health and Safety be received.

Kana/New      Carried

The General Manager – Community Services and Health and Safety Coordinator entered the meeting at 10.05am.

## **11. Progress Report: Procurement Summary Schedule (April 2025 – July 2025)**

The Committee considered a business paper providing a summary of the procurements made in the period 1 April 2025 to 30 June 2025 in accordance with Waitomo District Council's Procurement Policy.

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

The Three Waters Manager entered the meeting at 10.08am.  
Mayor Robertson entered the meeting at 10.11am.

**Resolution**

The Progress Report: Procurement Summary Schedule (April 2025 – July 2025) be received.

Kana/Goddard Carried

<b>12. Progress Report: WDC Resource Consents – Compliance Monitoring (April to June 2025)</b>
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The Committee considered a business paper providing a brief on compliance reporting against Resource Consent conditions, due during the fourth quarter (2024/2025).

The General Manager – Infrastructure Services expanded verbally on the business paper, advising that a time extension has been granted for activating the new resource consent for the Waitomo District Landfill out to 2028 and answered Members questions.

The Roading Manager entered the meeting at 10.17am.

The General Manager – Strategy and Environment entered the meeting at 10.18am.

**Resolution**

The Progress Report: WDC Resource Consents – Compliance Monitoring (April to June 2025) be received.

Kana/Osborne Carried

The Chief Financial Officer entered the meeting at 10.35am.

The Three Waters Manager left the meeting at 10.35am.

<b>13. New Zealand Transport Agency – Procedural Audit 2025</b>
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The Committee considered a business paper informing the Committee of the results and actions from the recent New Zealand Transport Agency Procedural Audit for Roading.

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

**Resolution**

The business paper on New Zealand Transport Agency – Procedural Audit 2025 be received.

Kana/Robertson Carried

<b>14. Treasury Management Report for the period ended 30 June 2025</b>
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The Committee considered a business paper providing an update on Council's debt position and compliance with borrowing limits for the period ended 30 June 2025.

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

The Assets Accountant, Manager Strategy and Policy and Graduate Policy Advisor entered the meeting at 10.40am.

**Resolution**

The business paper on Treasury Management Report for the period ended 30 June 2025 be received.

Kana/Todd Carried

The Assets Accountant left the meeting at 10.45am.

**15. Progress Report: Key Performance Indicators for the period ended 30 June 2025**

The Committee considered a business paper presenting Waitomo District Council's delivery performance on non-financials for the 2024/2025 financial year for the period ending 30 June 2025 (Quarter 4)

The Three Waters Manager entered the meeting at 10.47am.

The Manager Strategy and Policy and Graduate Policy Advisor expanded verbally on the business paper and answered Members questions.

**Resolution**

The Progress Report: Key Performance Indicators for the period ended 30 June 2025 be received.

Kana/Goddard Carried

The Graduate Policy Advisor and Three Waters Manager left the meeting at 11.09am.

**16. Progress Report: Audit Findings for year ended 2024**

Note: This item was moved from the public excluded section of the Agenda.

The Committee considered a business paper providing an update on Waitomo District Council's progress on the audit findings from the audit conducted by Deloitte Limited for the year ending 30 June 2024 and as contained in Deloitte's confidential Audit Report considered by the Audit and Risk Committee on 15 October 2024.

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

**Resolution**

The Progress Report: Audit Findings for year ended 2024 be received.

Kana/New Carried

**17. Karakia Whakamutunga**

There being no further business the meeting closed at 11.17am.

Dated this       day of

JAYDENE KANA  
**INDEPENDENT CHAIR**

**WAITOMO DISTRICT COUNCIL**  
**Appointments and Chief Executive Relationship Committee**

**MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL  
 APPOINTMENTS AND CHIEF EXECUTIVE RELATIONSHIP COMMITTEE HELD IN  
 THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 19 AUGUST  
 2025 AT 1:00PM**

**PRESENT:** Mayor John Robertson  
 Deputy Mayor Allan Goddard  
 Gavin Todd  
 Janette Osborne  
 Dan Tasker

**IN ATTENDANCE:** Manager – Governance Support, Michelle Higgle

<b>1.</b>	<b>Apologies</b>
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**Resolution**

The apology from Councillors Manawaiti and New be received and leave of absence granted.

Robertson/Goddard      Carried

<b>2.</b>	<b>Confirmation of Minutes: 13 May 2025</b>
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**Resolution**

The Minutes of the Waitomo District Council Appointments and Chief Executive Relationship Committee meeting of 13 May 2025 be confirmed as a true and correct record.

Robertson/Todd      Carried

<b>3.</b>	<b>Inframax Construction Limited – Board Governance (Succession Planning)</b>
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The Committee considered a business paper noting the verbal recommendation from the Interview Working Party established by the Committee at its 13 May 2025 meeting on an appointment to fill the pending vacancy on the Board of Directors of Inframax Construction Limited.

The Mayor and Deputy Mayor expanded on the business paper and answered Members' questions relating to the process of shortlisting and interviewing of applicants and recommending the appointment of Jonathan Kay to the pending vacancy.

The Committee noted the recommendation from the Mayor and Director Hugh Goddard that the appointment be effective from 1 November 2025.

**Resolution**

- 1      The business paper on Inframax Construction Limited – Board Governance (Succession Planning) be received.
- 2      The Committee note the recommendation of the Interview Working Party.

- 3 The Committee recommend to Council the appointment of Jonathan Kay to fill the pending vacancy on the Inframax Construction Limited Board of Directors and for the appointment to be effective from 1 November 2025.

Robertson/Goddard

Carried

There being no further business the meeting closed at 1.10pm.

Dated this                      day of                      2025

JOHN ROBERTSON  
**MAYOR**

Unconfirmed  
Minutes



**Document ID:** 905629**Report To: Council**

**Meeting Date:** 26 August 2025

**Subject:** **Mayor's Report – August 2025**

**Type:** Information Only

**Author(s):** John Robertson  
Mayor

**1. Purpose of Report**

- 1.1 The purpose of this business paper is to present the Mayor's report for the current month.

**2. Suggested Resolution**

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.
- 1 The Mayor's Report – August 2025 be received.

**3. Commentary**

- 2.2 Those who study organisational culture and development note that the culture of an organisation is heavily influenced by its chief executive.
- 2.3 It is also known that the governance team influences this. We choose the chief executive, set strategy, set policy. At the local government level Mayors can be especially influential – I think of Auckland Mayors Sir Dove Myer Robinson and Sir Barry Curtis, and in Waitomo's case Les Munro.
- 2.4 The influence over culture by governance here in Waitomo was no better portrayed than recently, when King Country News published an article detailing the costs incurred by a group of local Councils attending the LGNZ AGM and conference in July.
- 2.5 Cost for Waitomo, \$5,486. Cost for Otorohanga, \$17,540. Cost for Waipa \$17,900. Cost for Waikato District \$18,292.
- 2.6 During my tenure as Mayor we have agreed that a maximum of two people should attend LGNZ conferences to represent us all. This is an unwritten policy, but an important one.
- 2.7 Our culture is one of frugality yet effectiveness in Waitomo, something decidedly appropriate. Many of our constituents have cost of living challenges. Rates affordability is front of mind around this table.
- 2.8 In the scheme of our Council's multi-million dollar budgets, the approximately \$12,000 difference between Waitomo and other Councils in our region attending this conference may not seem much. But being tight on discretionary expenditure like this adds up. Little things matter.
- 2.9 And importantly, the standards we set send a message throughout our organisation about the need to be careful about spending.
- 2.10 At the governance table we also scrutinize other expenditure. The way we set Annual Plans and budgets is rigorous and demanding. So too is the way we look for wasteful expenditure, the way we challenge business as usual, the way we apply the principle of exacerbator pays.

- 2.11 Not all around this table always agree with this approach to spending, nor indeed my leadership through the rate setting process. That is fine. I follow the law in terms of process, am of Scottish ancestry, and it seems frugality is part of my DNA!
- 2.12 On the occasions we have disagreed debate has taken place, whether at a workshop or a vote taken at this table. All elected members are given the opportunity to speak their minds.
- 2.13 Differing views aired during the Annual Plan workshops on the rate increase come to mind, as do those over closing down Te Kuiti's Holiday Park.
- 2.14 As the chair I try to find consensus, but when consensus cannot be achieved a vote decides the matter. That is the way democracy works.

Document ID: 905641

**Report To: Council****Meeting Date:** 26 August 2025**Subject:** Chief Executive's Report – August 2025**Type:** Information Only**Author(s):** Ben Smit  
Chief Executive**1. Purpose of Report**

- 1.1 The purpose of this business paper is to provide the Chief Executive's oversight of the organisation and its progress toward achieving its vision, outcomes, and priorities.

**2. Suggested Resolutions**

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.

- 1 The Chief Executive Report – August 2025 be received.

**3. Commentary**

- 3.1 The Chief Executive's oversight report follows. Financial oversight information to follow.

FINANCIAL		SIGNATURE PROJECTS	OPERATIONS	
<b>Net Operating Position YTD</b>	Available in July report	Report is a "Work in Progress" subject to development of the Project Management Framework	Leadership	Water Services transition to Waikato Waters
<b>Variance to Revised Budget</b>	Available in July report		Community/Partners	LTP Amendment and future state planning
<b>Capital Spend YTD % of Revised Budget</b>	Available in July report		Recreation/Property	District Plan
<b>Total YTD Capital Spend to</b>	Available in July report		Regulatory	Waitomo District Solid Waste contracting and planning
<b>Loan \$M at</b>	Available in July report		Resource Management	Te Kuiti Water Resilience project
			Solid Waste	Stormwater futures planning
			Stormwater	Roading Programme planning for next season
			Wastewater	
			Water	
			Roading	

KEY DECISIONS / DISCUSSIONS	TOP OF MIND
<p>To be made by Council   for input</p> <ul style="list-style-type: none"> <li>• Project carry-overs from 2024/25 to 2025/26</li> <li>• Stormwater future delivery</li> <li>• Inframax Director appointment</li> </ul>	<p>Areas of focus or concern for CEO</p> <ul style="list-style-type: none"> <li>• Development of Waikato Waters transition, LTP amendment and organisational change</li> <li>• Solid Waste management future planning</li> <li>• Stormwater mitigation planning</li> <li>• Stormwater future delivery</li> <li>• Opportunities for using Gen AI to improve productivity</li> <li>• Local government elections management</li> </ul>

BIG WINS / LEARNING
<ul style="list-style-type: none"> <li>• Completion of Water Services Delivery Plan and formation of Waikato Waters Limited.</li> </ul>

HEALTH & SAFETY
<p>Incidents, Accidents and Near Misses</p> <ul style="list-style-type: none"> <li>• Nothing significant to report.</li> </ul> <p>Staff Wellbeing</p> <ul style="list-style-type: none"> <li>• Busy year for staff so important to provide clarity of future and appropriate resources so that we can achieve our work programme.</li> <li>• Probably an increase in the level of anxiety from staff around the creation of and, transition to, Waikato Waters which is understandable.</li> <li>• Recruitment: Programme Lead Procurement, 3 Waters Engineer, Solid Waste Lead, Treatment Plant Technician.</li> </ul>

OTHER MATTERS REQUIRING ATTENTION
<p>Nil</p>

**Document ID:** 906346

## **Report To: Council**



**Meeting Date:** 26 August 2025

**Subject:** **Inframax Construction Limited – Board Governance (Succession Planning)**

**Type:** Decision Required

**Author(s):** Michelle Higgie  
Manager – Governance Support

### **1. Purpose of Report**

- 1.1 The purpose of this business paper is for the Appointments and Chief Executive Relationship Committee (the Committee) to provide a recommendation on an appointment to fill the pending vacancy on the Board of Directors of Inframax Construction Limited.

### **2. Suggested Resolutions**

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on Inframax Construction Limited – Board Governance (Succession Planning) be received.
  - 2 Council note the recommendation of the Appointments and Chief Executive Relationship Committee.
  - 3 Council appoint Jonathan Kay to fill the pending vacancy on the Inframax Construction Limited Board of Directors and for the appointment to be effective from 1 November 2025.
  - 4 The Mayor liaise with Jonathan Kay and Hugh Goddard to confirm Council's appointment.

### **3. Background**

- 3.1 Inframax Construction Limited (ICL) is a Council Controlled Organisation (CCO) in accordance with Section 6 of the Local Government Act 2002, with Waitomo District Council (WDC) having full ownership by way of a 100% shareholder investment.
- 3.2 In accordance with the Council's Policy on the Appointment of Directors to Council Controlled Organisations, the Appointments and Chief Executive Relationship Committee's Terms of Reference (ToR) and the ICL Constitution, the Committee is responsible for undertaking processes relative to the appointment of Directors to CCOs and to make recommendations to Council on such appointments.
- 3.3 At the 2024 ICL AGM the current Chair, Earl Rattray, indicated his intention to retire from the BoD at the 2025 AGM and that WDC would need to make a new Director appointment either prior to, or at the 2025 AGM in order to retain a minimum of four Directors.
- 3.4 In line with the above advice, the Committee at its 13 May 2025 meeting resolved to complete the recruitment process and recommend to Council an appointment to fill the pending vacancy.
- 3.5 At the 13 May 2025 Committee meeting the following timeline for the recruitment and appointment process was agreed and a Working Party consisting of the Mayor, Deputy Mayor and current Board Director Hugh Goddard was established to complete the shortlisting and interviewing of candidates and to make a recommendation to the Committee.

Action	Dates
Advertising of Directors Position	5 June to 4 July 2025
Short listing of applications	7 July to 11 July 2025
Interviewing of shortlisted candidates	14 July to 25 July 2025
Selection of preferred candidate	28 July to 1 August 2025
Complete negotiations with preferred candidate	4 August to 8 August 2025
<b>Committee Meeting:</b> Recommend preferred candidate to Council	19 August 2025
<b>Council Meeting:</b> Appointment of Director	26 August 2025

#### 4. Commentary

- 4.1 The Working Party completed its process and made recommendations to the Committee at its meeting on 19 August 2025.
- 4.2 The Committee at that meeting resolved as follows:
- 1 The business paper on Inframax Construction Limited – Board Governance (Succession Planning) be received.
  - 2 The Committee note the recommendation of the Interview Working Party.
  - 3 The Committee recommend to Council the appointment of Jonathan Kay to fill the pending vacancy on the Inframax Construction Limited Board of Directors and for the appointment to be effective from 1 November 2025.

#### 5. Analysis of Options

- 5.1 Council resolved at its 29 October 2024 meeting that the size of the BoD be a minimum of 4 and a maximum of 6.
- 5.2 The current Chairperson has advised that he will be retiring at the 2025 ICL AGM. If Council does not make a Director appointment prior to the 2025 ICL AGM, the size of the BoD will be outside that resolved by the Council.

#### 6. Considerations

##### 6.1 **RISK**

- 6.2 There is no risk to WDC in appointing a new Director(s). The risk in not making an appointment is as outlined in section 5 above.

##### 6.3 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

- 6.4 Appointment of a new Director(s) to the ICL Board is consistent with Council's Policy on the Appointment of Directors to Council Controlled Organisations and the process undertaken is consistent with the Committee's ToR and the ICL Constitution.

##### 6.5 **SIGNIFICANCE AND COMMUNITY VIEWS**

- 6.6 Appointment of Directors is not considered significant in accordance with Council's Significance and Engagement Policy.

**Document ID:** 906995

## **Report To: Council**



**Meeting Date:** 26 August 2025

**Subject:** **Review of Audit and Risk Committee Terms of Reference**

**Type:** Decision Required

**Author(s):** Michelle Higgie  
Manager – Governance Support

### **1. Purpose of Report**

- 1.1 The purpose of this business paper is to consider a recommendation from the Audit and Risk Committee to make minor amendments the Committee's Terms of Reference.

### **2. Suggested Resolutions**

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they might be adopted by resolution.
- 1 The business paper on Review of Audit and Risk Committee Terms of Reference be received.
  - 2 Council approve the minor amendments to the Audit and Risk Committee Terms of Reference as presented.

### **3. Background**

- 3.1 The Audit and Risk Committee (the Committee) Chair Report for October 2024 noted that the next scheduled review of the Committee's Terms of Reference (ToR) was November 2025 (or sooner if required) and sought the Committee's consideration and discussion as to whether or not there is a need for a review prior to November 2025.
- 3.2 As part of the Chair Report discussion at that meeting, it was requested that staff present the ToR to the Committee's August 2025 meeting for consideration and review ahead of the 2025 October Elections.

### **4. Commentary**

- 4.1 An inhouse desktop review of the Committee's ToR was completed, and minor changes to align with the latest WDC staff structure were identified.
- 4.2 The Committee also noted that Clause 4.2 of the ToR relating to membership needed to be updated to reflect Council's decision of 30 May 2023 where the membership of the Committee was reviewed so as to share the workload of elected members more evenly between Council's committees.
- 4.3 A copy of the ToR with track changes highlighting the proposed amendments is attached to this business paper.

### **5. Analysis of Options**

- 5.1 The Committee has two options available to it -

**5.2    OPTION ONE – STATUS QUO**

- 5.3**    The Committee may note that there are only minor amendments to the Terms of Reference required relating to the current staff structure which are non-critical and could wait until the scheduled November 2025 review following the 2025 Elections.

**5.4    OPTION TWO – AMEND THE TERMS OF REFERENCE**

- 5.5**    The Committee may agree to support the minor amendments identified by staff and recommend that Council adopt the amended Terms of Reference ahead of the 2025 Elections.

**6.    Considerations****6.1    RISK**

- 6.2**    There is no risk with either Option One or Two.

**6.3    CONSISTENCY WITH EXISTING PLANS AND POLICIES**

- 6.4**    Reviewing of a Committee's Terms of Refence is consistent with Council's existing plans and policies.

**6.5    SIGNIFICANCE AND COMMUNITY VIEWS**

- 6.6**    Reviewing of the Committee's Terms of Reference is not significant in accordance with Council's Significance and Engagement Policy.

**7.    Recommendation**

- 7.1**    It is recommended that Council approve the minor amendments as recommended by the ARC.

**8.    Attachments/Separate Enclosures**

Attachments:

- 1       Terms of Reference - Audit and Risk Committee - DRAFT 2025 August (Doc #904263)



# Waitomo District Council

## **DRAFT** Audit and Risk Committee

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### **Terms of Reference**

<b>First Adopted:</b>	29 November 2022
<b>Review History:</b>	
<b>Date of Next Review:</b>	November 2025 (or sooner if required)
<b>Responsibility:</b>	<del>General Manager – Business Support</del> Manager – Governance Support
<b>Adopted by:</b>	Council

**CONTENTS**

1. PURPOSE AND SCOPE.....	4
2. RESPONSIBILITIES .....	4
3. DELEGATIONS .....	5
4. MEMBERSHIP .....	5
5. MEETINGS .....	5
6. REVIEW OF TERMS OF REFERENCE .....	5

DRAFT



## Audit and Risk Committee

### Terms of Reference

#### 1. PURPOSE AND SCOPE

1.1 The purpose of the Audit and Risk Committee (the Committee) is to provide guidance, assurance and assistance to Waitomo District Council on matters specific to risk, compliance, controls and external accountabilities by:

- 1 Overseeing that control mechanisms are in place that ensure compliance with standards, regulatory and legislative requirements
- 2 Ensuring appropriate management and monitoring processes in place to manage significant risks
- 3 Monitoring internal and external audits and the resolution of issues raised.
- 4 Provide clear line of communication between Council, Management and External and Internal Auditors; and
- 5 Seeking reasonable assurance regarding the integrity of Councils financial and non-financial planning and reporting

#### 2. RESPONSIBILITIES

##### 2.1 External Audit

- 2.6 To engage with Council's external auditors regarding the audit programme and agree the terms and arrangements for the external audit programme.
- 2.7 To review Council's Annual Report in depth and provide advice and recommendation to Council with respect to the integrity and appropriateness of the documents and disclosures and also recommend adoption.
- 2.8 To review matters raised in the audit reports and recommend organisational response priorities based on significance and risk.
- 2.9 To monitor the extent to which recommendations made in the audit report are implemented.

##### 2.10 Risk Management

- 2.11 To monitor Council's treasury management practices in order to provide assurance that policy limits are being adhered to. Recommendations should be made to Council when there are good reasons to exceed policy.
- 2.12 To review Council's insurance covers and limits on an annual basis for appropriateness.
- 2.13 To work in conjunction with the Chief Executive ~~and Group Manager – Business Support~~ in order to be satisfied with the existence and quality of appropriate cost effective financial risk management systems and processes and the proper application of these.
- 2.14 To recommend to Council any internal audit work or additional work streams required to strengthen Council's risk management framework.

- 2.15 To maintain an overview of the non-financial performance with a view to providing assurance that these are within parameters established in the Annual or Long Term Plans.
- 2.16 To consider all matters referred to the Committee by the Council.

### **3. DELEGATIONS**

- 3.1 The Council delegates to the Committee the following powers and duties:
  - 1 Recommend changes to its Terms of Reference to the Council for adoption
  - 2 Receive and consider staff reports on audit, internal controls, financial and risk management related matters
  - 3 Recommend new accounting and reporting requirements or changes to accounting policies
  - 4 Approve the engagement and arrangement letters of Auditors
  - 5 Make recommendations to Council on financial, internal control and risk management and financial policy and procedure matters as appropriate
  - 6 Recommend the adoption or non-adoption of the Annual Report
  - 7 The Audit and Risk Committee may not delegate any of its responsibilities, duties or powers.

### **4. MEMBERSHIP**

- 4.1 The Committee shall be appointed by resolution of Council.
- 4.2 The Committee shall comprise ~~all of the~~ elected members of Council and such independent member(s) as the Council may resolve from time to time.
- 4.3 An independent member will Chair the Committee.
- 4.4 All members of the Committee, including independent members, will have voting rights.
- 4.5 The Chief Executive ~~and General Manager – Business Support~~ shall attend all meetings in an advisory capacity but ~~are~~is not ~~a~~ members and has~~ve~~es no voting rights. Other staff as may be required will attend the meetings.

### **5. MEETINGS**

- 5.1 Meetings of the Committee shall be conducted in accordance with Standing Orders for Meetings of the Waitomo District Council.
- 5.2 The Committee will meet once every three months and at least four times in each financial year.
- 5.3 All minutes and recommendations of the Committee will be presented to the Council.

### **6. REVIEW OF TERMS OF REFERENCE**

- 6.1 These Terms of Reference will be reviewed by the Council no later than the November following a triennial election.

Document ID: 905644

**Report To: Council****Meeting Date:** 26 August 2025**Subject:** **Bi-Monthly Activity Report: Leadership/Governance, Finance and Information Technology****Type:** Information Only**Author(s):**Tina Hitchen  
Chief Financial OfficerSaeed Jouzdani  
Chief Information OfficerAdrian Lindsay  
Legal OfficerBen Smit  
Chief Executive**1. Purpose of Report**

- 1.1 The purpose of this business paper is to update Council on activities that form part of the Leadership/Governance Group including Finance and Information Services.

**2. Suggested Resolutions**

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.
- 1 The Bi-Monthly Activity Report: Leadership/Governance, Finance and Information Technology be received.

**3. Background**

- 3.1 This report incorporates commentary (on an as required basis) on activities including:
- Finance
  - Information Services
  - Information Technology
  - Leadership/Governance
  - Legal Matters (including official information requests)
  - Inframax Construction Limited
  - CoLab
  - Council Owned Quarries
  - Fleet

**4. Finance****4.1 CURRENT ACTIVITY**

- 4.2 The focus of the rates team has been on the preparation of the rates ledger in readiness of the rates strike, with rates invoices posted out in July, with the first instalment due 29 August. Customers were also advised of their new direct debit amounts for this rating year and final notices were sent out to our arrears customers. Finalising the ledgers for end of financial year has been the focus for the finance team.

#### 4.3 **LOOKING FORWARD – THE NEXT 3 MONTHS**

- 4.4 The development of the draft Annual Report and the associated audit is the significant workstream for team for the coming months, alongside the development of the draft budgets for the LTP amendment.

### **5. Information Technology**

#### 5.1 **CURRENT ACTIVITY**

#### 5.2 **CLOUD MIGRATION**

- 5.3 WDC's Geographic Information System (GIS) migration is progressing. Several modules have been completed with all their functionality. Other modules require further development. The aim is to go-live with the new cloud version of GIS by mid-2025.
- 5.4 There are 72 WDC forms that are used by our customers (i.e. dog registration, rates rebate, etc.) which are going to be developed into e-forms to provide easy access from anywhere at any time as long as the user has access to the internet. This work has started, and the IT Team has converted 18 of the forms already (i.e. LIM Report, Retention & Reconsolidation form, LGOIMA, etc.)
- 5.5 WDC's phone system (Micollab) is to move to cloud. A test environment has been setup and the first set of UAT has been successfully completed with the second set of testing to commence in the near future.
- 5.6 New Printers were moved to a cloud-based server successfully.

#### 5.7 **LOOKING FORWARD – THE NEXT 3 MONTHS**

- 5.8 The integration of Flowingly and MagiQ is a work in progress. This project is long-term and planned in phases, with the first phase focusing on LIM Report automation and integration. It will allow electronic forms to directly update our MagiQ applications. MagiQ and Flowingly are working together on the integration as this is a first. This is in the test phase.
- 5.9 AssetFinda Application (3 Waters Asset Management) needs to move from an on-premise (on our own server) version to a cloud version. It is planned to be a 'lift and shift' project which can be completed in a short period of time. This will be beneficial to the GIS project as well. This project is temporarily on hold due to a key staff member being on leave.

### **6. Leadership/Governance**

#### 6.1 **CURRENT ACTIVITY**

#### 6.2 **INFRAMAX CONSTRUCTION LIMITED – BOARD GOVERNANCE (SUCCESSION PLANNING)**

- 6.3 The appointment of a new director to fill the pending vacancy on the Inframax Board of Directors (as a result of current BoD Chair, Earl Rattray indicating his retirement at the upcoming 2025 AGM) is dealt with in a business paper elsewhere in this Agenda.

#### 6.4 **2025 TRIENNIAL ELECTIONS**

- 6.5 A contract is in place for the 2025 Triennial Elections with Electionz.com, who act as Electoral Officer for Waitomo District Council. Electionz.com are currently contracted as Electoral Officer for 45 councils and also provide electoral services to a further three councils.
- 6.6 Training for the inhouse role of Deputy Electoral Officer will be ongoing leading up to the Elections.
- 6.7 Workloads relating to the Elections has increased significantly and will continue to increase leading up to the Elections.

- 6.8 Additional WDC staff have completed the necessary declarations to act as Electoral Officers to assist the Deputy Electoral Officer leading up to the Elections. These staff will receive refresher/new training to assist with processing special votes, and other queries.
- 6.9 During the voting period the Deputy Electoral Officer will be based out of WDC's Customer and Visitor Hub on Rora Street. All electoral queries during that period, including special voting, will be carried out at the Hub.
- 6.10 Election protocols for WDC staff have been circulated and an additional session convened with all Activity Managers to reiterate the importance of all staff adhering to those protocols.
- 6.11 Additional precautions are also being undertaken inhouse to ensure neutrality is maintained due to a staff member indicating they will be standing at the Elections. It is important that WDC takes actions to ensure that all staff members have no more access to any electoral related information than other candidates have.
- 6.12 Currently, the Nomination process is complete and the final ratepayers electoral roll has been uploaded for printing. The entire election process is running smoothly and accordance with all time constraints.
- 6.13 Key Dates for the remainder of the Electoral Process are as follows:

9 September to 22 September	Delivery of Voting Documents
9 September to 11 October	Voting Period - Roll Scrutiny, Vote Processing, Special Voting Period
<b>11 October 2025 (Saturday)</b>	<b>Election Day (Voting Closes at Midday)</b> Progress Results available as soon as practicable after close of voting
11 – 16 October	Official Count – process special votes
<b>16 October (Thursday)</b>	<b>Official Result Declaration</b>
16 October to 19 October	Public Notice of Official Declaration of Election Results – on council websites

6.14 **LGOIMA REQUESTS**

- 6.15 Responding to requests for information made under the Local Government Official Information and Meetings Act 1987 (LGOIMA) can take up a significant amount of time.
- 6.16 The following table provides a year-on-year comparison of LGOIMA requests received:

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025 as at 15/08/25
25	35	73	96	85	75	70	50	86	85	51

Note: These numbers do not include media requests which are handled directly by Communications due to their nature and more often than not being time constrained.

6.17 **LOOKING FORWARD – THE NEXT THREE MONTHS**

6.18 **RISK MANAGEMENT**

- 6.19 Staff will continue working with the new Audit and Risk Chair and our representative from AON (David Dobson) to look at the current strategic risks and develop workstreams to consider the practical impact and mitigation of these risks. Currently an assurance review for IT/IS/IM is being developed

6.20 **ELECTED MEMBER INDUCTION PROGRAMME (POST ELECTIONS)**

- 6.21 Work is ongoing planning an Induction Programme for the new Council post the 2025 Triennial Elections which will also incorporate a "Regional" Induction Day (similar to what was coordinated by CoLab following the 2022 Triennial Elections) and the LGNZ Induction Sessions.



6.22 **SIGNIFICANT ORGANISATION-WIDE PROJECTS**

- 6.23 Waikato Waters transition (transition planning, Long Term Plan amendment and planning for the organisational change), Stormwater Planning, Waitomo District Landfill and waste management contracts, and development of the Annual Report 2024/25) continue to be a lot of work for the wider Senior Management Team.

**Document ID:** 907460

## **Report To: Council**



**Meeting Date:** 26 August 2025

**Subject:** **Interim Unaudited Financial Report for the period ended 30 June 2025**

**Type:** Information Only

**Author(s):** Tina Hitchen  
Chief Financial Officer

### **1. Purpose of Report**

- 1.1. The purpose of this business paper is to provide an overall progress report on WDC's financial activities for the period ended 30 June 2025.

### **2. Suggested Resolutions**

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on the Interim Unaudited Financial Report for the period ended 30 June 2025 be received.

### **3. Background**

- 3.1 The financial report provides financial oversight and accountability of Council's financial performance in delivering core services to the Waitomo District and community. It presents an overview of Council operations for the period including significant variance commentary against full year revised budget and updates on significant capital expenditure projects.
- 3.2 A copy of the Interim Unaudited Financial Report for the period ended 30 June 2025 is enclosed separately and forms part of this business paper (Attachment 1).
- 3.3 The interim unaudited results are subject to change as the draft annual report is finalised and the final audit is completed.

### **4. Commentary**

#### **4.1 INCOME STATEMENT HIGHLIGHTS**

- 4.2 The net operating surplus of \$6.7 million was less than the revised budget surplus of \$9.1 million for the period ended 30 June 2025.
- 4.3 Total revenue was \$3 million below revised budget for the period. The variance against revised budget was due mostly to:
- Subsidy revenue was below budget as the road renewal expenditure was less than forecast.
  - Interest revenue was more than budget, with favourable bank rates for cash held in the operating account and contracts retentions funds account.

- Fees and charges reflect lower charges for landfill revenue due to less waste deposited at the landfill, quarry royalties, property rental revenue and building control services. This was offset by increased revenue for trade waste and animal control services.
- Other revenue was more than forecast mostly due to waste minimisation levy revenue which funds waste minimisation programmes. Depreciation recovered on the sale of motor vehicles, and a dividend from Inframax Construction Ltd, have also been recognised during the period. Gains on the sale of properties were also recognised.

4.4 Total expenditure was \$0.6 million less than revised budget for the period. The variance against revised budget was due to:

- Other expenditure was below budget for the implementation of the property asset management programme costs, development of surplus land for residential sections, Les Munro Centre (LMC) revitalisation, sports development initiative, building services, sealed pavement maintenance, and district plan development expenditures. Partly offsetting these under expenditures were over expenditures for recreation and property maintenance and consultants' fees and wastewater costs.

#### **4.5 BALANCE SHEET HIGHLIGHTS**

4.6 Total assets have increased to \$719.9 million since June 2024, this is mostly due to an increase in non-current assets \$6.6 million.

4.7 Total borrowings were \$33.2 million at 30 June 2025 (2024: \$33.3 million).

#### **4.8 CAPITAL EXPENDITURE**

4.9 Capital expenditure was \$18.4 million (61%), against a full-year revised budget of \$30 million.

4.10 Total roads capital expenditure to 30 June 2025 was \$12.6 million, against a full year revised budget of \$14.9 million.

4.11 Several significant project budgets (totalling approximately \$8 million) were not spent during the year. The landfill cell development project is no longer proceeding as planned due to the decision not to expand the landfill. Te Kuiti water resilience project and Te Kuiti stormwater improvements (attenuation ponds) were not fully spent this year due to delays in both these projects, the budgets were re-sequenced as part of the 2025/26 Annual Plan.

4.12 Staff have identified potential carryovers for projects that were not fully complete by June 2025. These proposed carryovers are included in a separate paper in the agenda for Council's consideration.

4.13 Commentaries on the significant projects within the capital works program are included under each area in the attached Financial Report.

#### **4.14 ADJUSTMENTS AND OTHER CONSIDERATIONS FOR THE ANNUAL REPORT**

4.15 The following adjustments have yet to be made to the accounts and will be completed as part of development of the Annual Report.

4.16 Valuation of Council's Investment in Inframax Construction Limited: The annual valuation of the company is underway, awaiting the valuation report to be received from the valuers.

4.17 Valuations of water, wastewater, stormwater assets and land and buildings are in progress, awaiting the valuation reports to be received from valuers. Once reviewed and finalised these valuations will be processed into the asset ledger at 30 June 2025.

4.18 Provisions have been estimated for this report and once reviewed will be finalised.

4.19 Completion of the asset ledger which involves finalising asset additions, disposals and depreciation expense for the year and processing the revaluations.

- 4.20 Through finalising the annual report minor adjustments may be required. These changes may impact on the results reported in this interim report however are not expected to materially alter the financial result reported in this report.

#### **4.21 RISKPOOL UPDATE**

- 4.22 On 8 August 2025, a letter was received from Riskpool providing a further update on the winding up process. This letter is attached to, and forms part of, the business paper (Attachment 2).
- 4.23 The Riskpool Board have resolved to make a call on members to pay a contribution to fund deficits relating to nine fund years totalling \$3.7 million.
- 4.24 The amount of call attributable to WDC is \$19,574.37 + GST. This is an unbudgeted item that will be funded by operational reserves. From a cash perspective, we apply surplus cash funds from operational reserves to reduce the need to borrow externally, by drawing on the reserve to fund this expenditure it has the effect of increasing external borrowing.
- 4.25 The letter provides a summary of the process for finalising each fund year and includes:
- Continuing to operate until all claims are settled
  - Issuing further calls to members for fund years still in deficit, with the amount dependent on the outcome of outstanding claims and the reinsurers position.
  - Where fund years are in surplus, these funds will either be returned to members or used to offset later fund years in deficit.

<h2><b>5. Attachments/Separate Enclosures</b></h2>
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Attachments:

- 1 Interim Unaudited Financial Report for the period ended 30 June 2025 (907057)
- 2 Letter from Riskpool – Notification of call to Members (907898)

# INTERIM UNAUDITED FINANCIAL REPORT

FOR THE PERIOD 1 JULY 2024 TO 30 JUNE 2025



## TABLE OF CONTENTS

<b>INTRODUCTION</b> .....	<b>3</b>	<b>RESOURCE MANAGEMENT</b> .....	<b>15</b>
<b>SUMMARY</b> .....	<b>3</b>	FINANCIAL UPDATE .....	15
<b>FINANCIALS</b> .....	<b>3</b>	PROJECTS AND PROGRAMME UPDATES .....	15
INCOME STATEMENT HIGHLIGHTS.....	4	<b>SOLID WASTE</b> .....	<b>16</b>
CAPITAL EXPENDITURE.....	6	FINANCIAL UPDATE .....	16
RATES RECEIVABLES .....	7	<b>STORMWATER</b> .....	<b>18</b>
<b>LEADERSHIP</b> .....	<b>10</b>	FINANCIAL UPDATE .....	18
FINANCIAL UPDATE .....	9	<b>WASTEWATER</b> .....	<b>20</b>
<b>COMMUNITY AND PARTNERSHIPS</b> ..	<b>11</b>	FINANCIAL UPDATE .....	19
FINANCIAL UPDATE .....	11	<b>WATER SUPPLY</b> .....	<b>22</b>
<b>RECREATION AND PROPERTY</b> .....	<b>12</b>	FINANCIAL UPDATE .....	22
FINANCIAL UPDATE .....	12	<b>ROADS AND FOOTPATHS</b> .....	<b>24</b>
<b>REGULATORY SERVICES</b> .....	<b>14</b>	FINANCIAL UPDATE .....	23
FINANCIAL UPDATE .....	14		

## INTRODUCTION

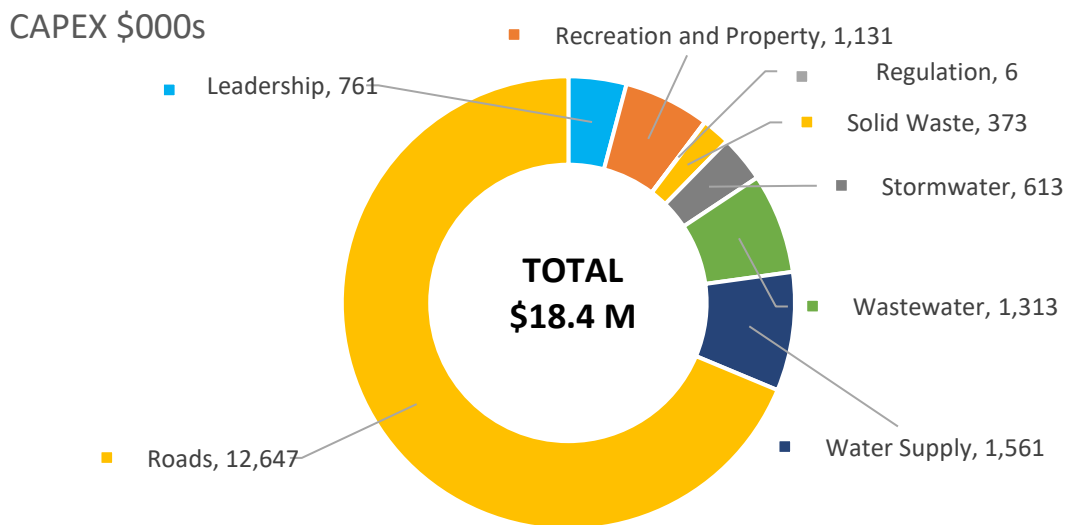
The 2024-34 Long Term Plan (LTP) was adopted in June 2024. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Council also uses Activity/Asset Management Plans to outline the detailed work programme and further communicate an annual programme of work at a high level through Annual Plans.

Progress on the LTP and Annual Plans are reported back to the community at the year-end through Council's Annual Reports.

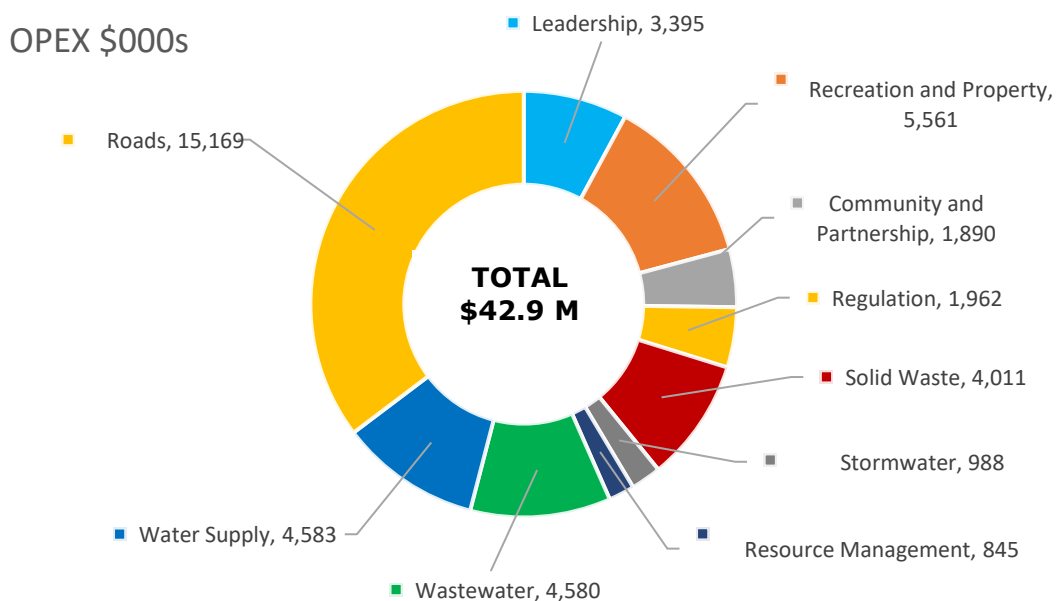
The purpose of this report is to provide high-level financial update of these Council activities for the period July 2024 to June 2025.

## SUMMARY

### CAPITAL EXPENDITURE SUMMARY AS AT 30 JUNE 2025 \$'000'S



### OPERATIONAL EXPENDITURE SUMMARY AS AT 30 JUNE 2025 \$'000'S





## FINANCIALS

All figures in the tables, except percentages, are expressed in thousands of dollars (\$000s). Budgets referred to as revised includes the 2024/25 budget, carryovers and any additional budgets approved. All figures are the **interim unaudited financial results and are subject to change** as the draft annual report is finalised and through the audit process.

### INCOME STATEMENT HIGHLIGHTS

Set out below is the summary of financial information for the period ending 30 June 2025 (A cost of service statement and commentary on significant variances can found within each Group of Activities).

WHOLE OF COUNCIL \$000's	Actual 2023/24	Annual Plan	Revised Budget	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
<b>Revenue</b>						
Rates	(22,502)	(25,058)	(25,058)	(24,992)	(66)	A
Subsidies and Grants	(20,154)	(15,700)	(22,461)	(18,895)	(3,566)	B
Interest Revenue	(148)	(66)	(66)	(198)	132	C
Fees and Charges	(4,386)	(4,850)	(4,850)	(4,847)	(3)	D
Other Revenue incl Gains/Losses	(728)	(334)	(334)	(797)	462	E
<b>Total Revenue</b>	<b>(47,918)</b>	<b>(46,008)</b>	<b>(52,769)</b>	<b>(49,728)</b>	<b>(3,041)</b>	<b>6%</b>
<b>Operating Expenditure</b>						
Other Expenditure	22,976	24,068	24,427	23,515	913	F
Depreciation	9,447	10,018	10,015	9,983	32	
Finance Costs	1,633	1,622	1,622	1,588	34	
Loss on Disposal	0	0	0	466	(466)	G
Salary Expenditure	7,248	7,788	7,572	7,431	141	
<b>Total Operating Expenditure</b>	<b>41,304</b>	<b>43,496</b>	<b>43,637</b>	<b>42,983</b>	<b>654</b>	<b>1%</b>
<b>Net (Surplus)/Deficit</b>	<b>(6,614)</b>	<b>(2,512)</b>	<b>(9,132)</b>	<b>(6,745)</b>	<b>(2,387)</b>	<b>26%</b>

**Net Operating result:** The net operating surplus of \$6.7 million is less than the revised budgeted surplus of \$9.1 million for the year ended 30 June 2025.

**Total Revenue** was below revised budget by \$3 million due to:

- A Rates revenue was less than forecast for metered water charges.
- B Subsidy revenue was below budget mostly for NZTA subsidy as road renewal expenditure was less than forecast so the related subsidy revenue was also less.
- C Interest revenue was more than forecast, with favourable bank rates for cash held in the operating account and contract retention funds account.
- D Fees and Charges reflect lower charges for landfill revenue due to less waste deposited at the landfill, quarry royalties, property rental revenue and building control services. This was offset by increased revenue for trade waste and animal control services.
- E Other revenue was more than forecast mostly due to waste minimisation levy revenue which funds waste minimisation programmes. Depreciation recovered on the sale of motor vehicles, and a dividend from Inframax Construction Ltd, have also been recognised during the period. Gains on the sale of properties at 4 and 8 Jennings Street and 59 Esplanade were also recognised.

**Total Operating Expenditure** was less than revised budget by \$0.6 million

- F Other expenditure was below budget for the implementation of the property asset management programme costs, development of surplus land for residential sections, Les Munro Centre (LMC) revitalisation, sports development initiative, building services, sealed pavement maintenance, and district plan development expenditures. Partly offsetting these



under expenditures were over expenditures for recreation and property maintenance and consultants' fees and wastewater costs.

- G Losses on disposal were recognised for renewal of water, wastewater and stormwater reticulation and property assets.

## BALANCE SHEET HIGHLIGHTS

Balance Sheet highlights presented below shows the movement in Council's financial position from 1 July 2024 to 30 June 2025.

BALANCE SHEET HIGHLIGHTS (Amounts in \$'000's)	Actual 30 Jun 2024	Interim Unaudited Actual 30 June 2025	Movement from 30 Jun 2024
<b>Assets</b>			
- Cash and cash equivalents	3,093	3,004	(89)
- Receivables	6,998	9,251	2,253
- Other current assets	120	125	5
- Other financial assets	13,624	13,910	286
- Derivative Financial Instruments	381	18	(363)
- Non-current assets	687,057	693,620	6,563
<b>TOTAL ASSETS</b>	<b>711,273</b>	<b>719,929</b>	<b>8,655</b>
<b>Liabilities</b>			
- Other Liabilities	8,389	10,762	2,373
- Total Borrowings	33,333	33,235	(98)
- Derivative financial instruments	45	519	474
<b>Total Liabilities</b>	<b>41,767</b>	<b>44,517</b>	<b>2,749</b>
<b>Equity</b>			
- Equity	669,506	675,412	5,906
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>711,273</b>	<b>719,929</b>	<b>8,655</b>

Total Assets have increased from \$711.3 million to \$719.9 million.

- Receivables at 30 June 2025 increased by \$2.2 million reflecting the NZTA subsidy receivable for May and June. The NZTA subsidy for the month of May was received on 1 July.
- Other financial assets increased by \$0.3 million for borrower notes.
- Non current assets increased by \$6.6 million (Total additions were \$18.4 million less depreciation of \$10 million and asset disposals of \$1.8 million).
- Other liabilities have increased from \$8.4 million to \$10.8 million, represented by an increase in general payables and landfill aftercare provision.
- Derivative financial instruments increased by \$0.5 million. This is due to the revaluations of interest rate swaps at 30 June 2025. The change from an asset last year to a liability this year reflects that the cash outflows under the fixed rate payable are expected to be more than the floating rate embodied in the valuation of the swap instruments.

Total equity increased from \$669.5 million to \$675.4 million, which equals the net surplus of \$6.7 million less the movement recognised for cashflow hedge reserve.

## CAPITAL EXPENDITURE

Set out below is the Capital Expenditure summary for the year ended 30 June 2025.

(Amounts in \$000's)	Annual Plan 2025	Plus Carryover from prior year	Less \$ moved to Opex	Plus Additional Approvals by Council Resolution	Plus Rephased BoF Projects	External funded projects & other	Revised Budget	Interim Unaudited Actual June 2025	Var to Revised Budget
Leadership	707	278			0		985	761	224
Recreation and Property	1,094	438		38	(333)	293	1,530	1,131	399
Community and Partnerships	3	0			0		3	0	3
Regulation	10	0			0		10	6	4
Solid Waste	3,141	112			0		3,253	373	2,880
Stormwater	1,788	0			0		1,788	613	1,174
Wastewater	493	966		78	0	(27)	1,510	1,313	197
Water Supply	5,399	100	(92)	188	0	404	5,999	1,561	4,438
Roads	8,906	4,170			0	1,867	14,943	12,647	2,296
<b>Total</b>	<b>21,541</b>	<b>6,064</b>	<b>(92)</b>	<b>304</b>	<b>(333)</b>	<b>2,537</b>	<b>30,020</b>	<b>18,405</b>	<b>11,615</b>

### Total revised budget

The total revised capital expenditure budget 2024/25 is \$30 million including carryovers from the 2023/24 year of \$6.06 million and re-phasing of the Better Off projects of \$333,000, additional external funded projects (Dovi and wet weather repairs, speed management improvements, Carroll St reticulation renewals, Centennial Park funding) totalling \$2.5 million have also been added.

The significant project budgets carried over from the prior year includes emergency reinstatement and Cyclone Dovi renewals of \$4.17 million, Te Kuiti wastewater reticulation renewals \$351,000 and sludge improvements of \$506,000 and \$438,000 of Recreation and Property projects.

Of the revised budget of \$30 million, it is noted that the following significant projects will not be fully spent this financial year

- Te Kuiti stormwater improvements of \$278K were spent to date of the original planned Stormwater Improvements of \$1.24M. This project has been re-forecast to the following year as part of the financial forecasts for the 2025/26 Annual Plan.
- The major solid waste project for the Cell Development and gas flaring of \$3.01 million will not be going ahead following the 2025/26 Annual Plan decision on the on the landfill options.
- Te Kuiti water resilience budget for 2024/25 of \$4 million will not be spent and was re-forecast in the following year as part of the 2025/26 Annual Plan.

### Total spend to 30 June 2025

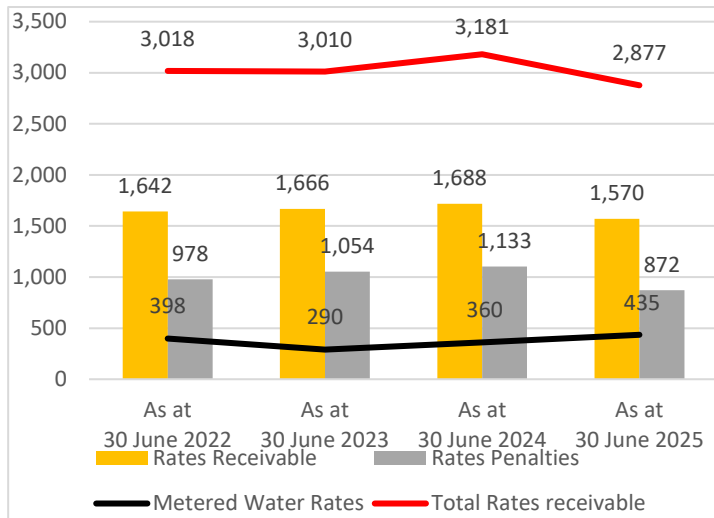
Overall, the capital spend year to date is \$18.4 million (2024: \$19.2 million), this represents 61% of the revised budget. Staff have identified potential carryovers for those projects that have been delayed or will not be fully complete by June 2025. These proposed carryovers are included in a separate paper for Council for consideration.

Further detail on the significant capital expenditure projects is included within each Group of Activities.

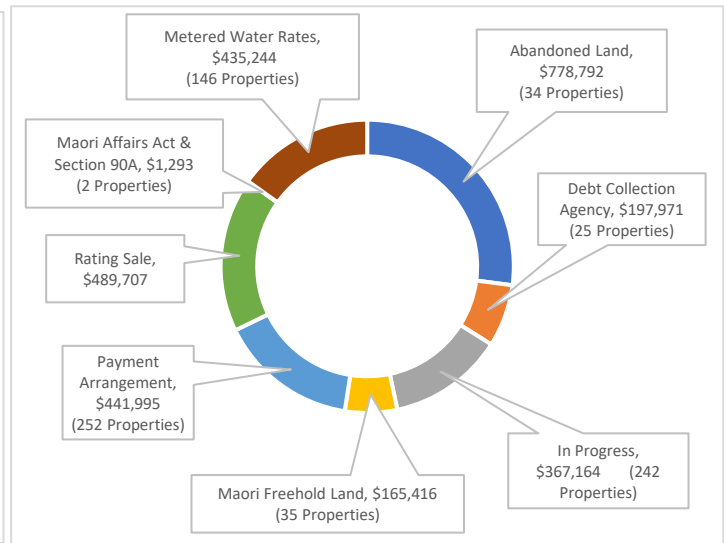
## RATES RECEIVABLES

### TOTAL RATES RECEIVABLES \$000's

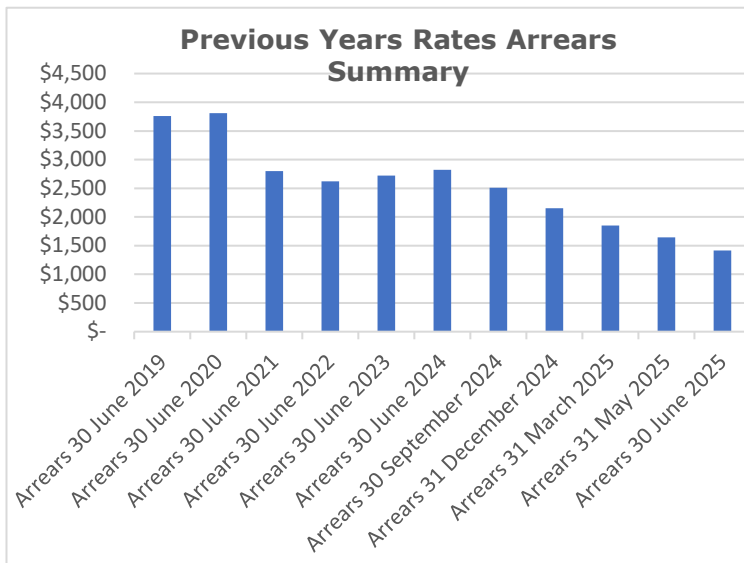
Set out below is the summary of Rates Receivables as at 30 June 2025.



### RATES OUTSTANDING AT 30 JUNE 2025



### PREVIOUS YEARS RATES ARREARS \$000's\*



\*Excludes metered water rates

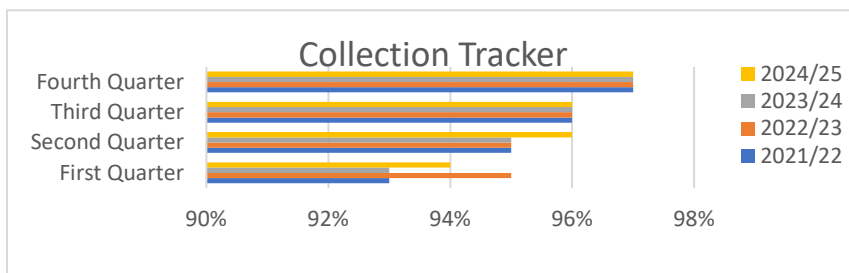
There has been an overall rates receivables decrease of approximately \$378,000 since 30 June 2024. (\$2.8 million to \$2.4 million). This reflects the concentrated efforts of the rates team over the past 12 months.

8 Properties were sold during the year (4 through the Rating Sale process and 4 through the Abandoned Land process).

June was a busy period for the rates team, completing amendments to the RID in readiness for the rates strike in July and processing rates remission applications.

Statute barred write offs totalling \$155,889 were processed in June (47 properties).

### RATES INSTALMENT COLLECTION



Rates Rebates 30/06/25	Rates Rebates 30/06/24
338	323

## Rates Remissions

A total of \$197,182 in rates and penalty remissions were granted against a full year budget of \$178,000. The breakdown per remission category is detailed in the following table:

Remission Category	24/25 Actual \$	24/25 No	23/24 Actual \$	23/24 No
Clubs, Societies and Community Organisations	72,646	24	65,464	24
Māori Freehold Land	16,965	22	15,494	17
Organisations providing care for the Elderly	43,993	2	30,884	2
Penalties	15,029	97	17,396	79
Properties used joint as a single unit	47,216	61	29,010	40
New residential subdivisions	0	0	0	0
Cases of genuine financial hardship	0	0	1,023	1
New Businesses	0	0	0	0
Natural Calamity	720	1	3,649	4
Abandoned Land Sale	0	0	0	0
<b>Total remissions under policy</b>	<b>196,569</b>	<b>207</b>	<b>162,920</b>	<b>174</b>
Remissions granted by Council resolution	613	1	534	1
<b>Total remissions granted</b>	<b>197,182</b>	<b>208</b>	<b>163,454</b>	<b>175</b>

The following clubs, societies and community organisations were granted rates remission during the 2024/25 year:

- Aria Toy Library
- Hamilton Tomo Group Incorporated
- Mahoenui Hall Committee
- Maniapoto Rugby Sub-Union Incorporated
- Otorohanga Club (Incorporated)
- Piopio Bowling Club Incorporated
- Piopio Lawn Tennis Club Incorporated
- Piopio-Aria Golf Club Incorporated
- Tainui Historical Society Incorporated
- Te Kuiti & District Historical Charitable Trust
- Te Kuiti Bowling Club Incorporated
- Te Kuiti Indoor Bowling Club Inc (part year)
- Te Kuiti Lyceum Club Incorporated
- Te Kuiti Motorcycle Club Incorporated
- Te Kuiti Pig Hunting Club Incorporated
- Te Kuiti Trapshooters Club
- Te Waitere Boating Club Incorporated
- The Order of St John Central Region Trust Board
- The Piopio Senior Citizens Club Inc
- Waikato Diocesan Trust Board
- Waitete Rugby Football Club Inc
- Waitomo Caves Museum Society Incorporated
- Waitomo Christian Fellowship Trust Board
- Awakino Bowling Club

## LEADERSHIP

## FINANCIAL UPDATE

LEADERSHIP \$000's	Actual 2023/24	Annual Plan	Revised Budget	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
<b>Revenue</b>						
Rates	(3,814)	(3,341)	(3,341)	(3,312)	(28)	
Subsidies and Grants	(262)	(270)	(270)	(59)	(211)	A
Interest Revenue	(148)	(66)	(66)	(198)	132	B
Fees and Charges	(27)	(105)	(105)	(24)	(81)	C
Other Revenue incl Gains/Losses	(76)	0	0	(338)	338	D
<b>Total Revenue</b>	<b>(4,327)</b>	<b>(3,781)</b>	<b>(3,781)</b>	<b>(3,931)</b>	<b>151</b>	<b>-4%</b>
<b>Operating Expenditure</b>						
Other Expenditure	3,429	2,746	2,529	2,292	237	E
Depreciation	679	777	777	718	60	F
Finance Costs	351	365	365	298	67	G
Loss on Disposal	0	0	0	87	(87)	H
<b>Total Operating Expenditure</b>	<b>4,459</b>	<b>3,889</b>	<b>3,672</b>	<b>3,395</b>	<b>277</b>	<b>8%</b>
<b>Net (Surplus)/Deficit</b>	<b>133</b>	<b>108</b>	<b>(109)</b>	<b>(537)</b>	<b>428</b>	<b>-393%</b>

**Variance Comments:**

- A The grant revenue was recognised for the implementation of the Joint Management Agreement.
- B Interest revenue was more than budget due to favourable bank interest rates for cash held in the main operating account and the contract retention funds account.
- C Fees and charges were below budget for royalties for council owned quarries due to less use of WDC owned quarries by lessee.
- D Other revenue was recognised for depreciation recovered on the sale of ten motor vehicles. The gain on sale will be added to the asset replacement reserve to fund future vehicle replacements. Dividend revenue was also received from Inframax Construction Ltd.
- E Other expenditure was below budget mostly for IT and cloud migration costs.
- F Depreciation is tracking less than budget as information services capital expenditure was less than forecast last year.
- G Finance costs are less than budget for Leadership as the Treasury Management activity also includes the recovery of internal interest from other groups. Overall interest cost for all council activities is within budget the period.
- H The loss on disposal related to the building and other minor renewals.

**CAPITAL EXPENDITURE**

LEADERSHIP \$000's	AP 2025	Revised Budget 2025	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
Quarry Safety Improvements	40	81	27	54	A
Information Systems Improvements	11	29	7	22	B
Information Systems Renewals	147	180	73	107	C
Aerial Photography	50	100	66	34	D
Fleet Replacements	419	470	482	(12)	E
Administration Building Renovations	0	85	82	3	F
Other Minor Renewals	41	41	25	15	G
<b>Total Capital Expenditures</b>	<b>707</b>	<b>985</b>	<b>761</b>	<b>224</b>	

**Variance Comments:**

The revised budget includes carryover budgets of \$278,000.

- A Includes a carryover of \$41,000 for quarry safety improvements. The quarry safety improvements project work commenced in June, with any unspent budget expected to be carried over.
- B Includes a carryover of \$18,000 for system improvements. This year's spend has been on security systems work.
- C Includes a carryover of \$33,000 for hardware replacement. The spend to date has been on replacement laptops.
- D Includes a carryover of \$50,000. The aerial photography project has commenced by WRC and will be completed in the 2025/26 year.
- E Includes a carryover of \$51,000. Fleet replacements for vehicles are complete as is the mower and other equipment replacement. Gains on the sale of old fleet partly fund the replacements vehicles.
- F A project for the administration building facility upgrades have been mostly completed as of June, with costs still to come in. The total approved budget for this project is \$85,000.
- G Minor renewals include have been for air conditioning upgrades and office equipment.

## COMMUNITY AND PARTNERSHIPS

### FINANCIAL UPDATE

COMMUNITY AND PARTNERSHIP \$000's	Actual 2023/24	Annual Plan	Revised Budget	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
<b>Revenue</b>						
Rates	(1,694)	(1,583)	(1,583)	(1,574)	(9)	
Subsidies and Grants	(599)	(735)	(785)	(536)	(249)	A
Fees and Charges	(16)	(4)	(4)	(11)	7	B
<b>Total Revenue</b>	<b>(2,308)</b>	<b>(2,323)</b>	<b>(2,373)</b>	<b>(2,121)</b>	<b>(252)</b>	<b>11%</b>
<b>Operating Expenditure</b>						
Other Expenditure	2,094	2,463	2,493	1,881	612	C
Depreciation	9	10	10	9	2	
Loss on disposal	50	0	0	0	0	
<b>Total Operating Expenditure</b>	<b>2,152</b>	<b>2,473</b>	<b>2,503</b>	<b>1,890</b>	<b>613</b>	<b>25%</b>
<b>Net (Surplus)/Deficit</b>	<b>(155)</b>	<b>150</b>	<b>130</b>	<b>(232)</b>	<b>362</b>	<b>278%</b>

#### Variance Comments:

- A Subsidies and grants revenue recognised during the period includes the Mayor's Taskforce for Jobs and BoF funding for the Rangatahi Pathways programme
- B Fees and charges were recognised for the Te Kuiti Muster and Te Kuiti Tech Step event.
- C Other expenditure was less as budgets for the development of surplus land for residential sections, LMC revitalisation and the sports development initiative were not fully spent. Expenditure was also less for district promotion and district development.

### CAPITAL EXPENDITURE

COMMUNITY PARTNERSHIPS \$000's	AP 2025	Revised Budget 2025	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
Minor Improvements	3	3	0	3	
<b>Total Capital Expenditures</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>3</b>	

## RECREATION AND PROPERTY

### FINANCIAL UPDATE

RECREATION AND PROPERTY \$000's	Actual 2023/24	Annual Plan	Revised Budget	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
<b>Revenue</b>						
Rates	(3,866)	(4,486)	(4,486)	(4,458)	(29)	
Subsidies and Grants	(851)	(547)	(464)	(452)	(12)	A
Fees and Charges	(530)	(614)	(614)	(556)	(58)	B
Other Revenue incl Gains/Losses	(320)	(53)	(53)	(125)	73	C
<b>Total Revenue</b>	<b>(5,567)</b>	<b>(5,700)</b>	<b>(5,617)</b>	<b>(5,591)</b>	<b>(26)</b>	<b>0%</b>
<b>Operating Expenditure</b>						
Other Expenditure	3,877	4,000	3,967	4,082	(114)	D
Depreciation	1,524	1,584	1,584	1,532	52	E
Finance Costs	149	132	132	147	(15)	F
Loss on Disposal	2	0	0	221	(221)	G
<b>Total Operating Expenditure</b>	<b>5,551</b>	<b>5,716</b>	<b>5,683</b>	<b>5,982</b>	<b>(299)</b>	<b>-5%</b>
<b>Net (Surplus)/Deficit</b>	<b>(16)</b>	<b>16</b>	<b>66</b>	<b>391</b>	<b>(325)</b>	<b>-493%</b>

#### Variance Comments:

- A Subsidies and grants revenue includes Better Off and Tourism Infrastructure Funding for demolition of the old schoolhouse at Marokopa, the Walkways project and Grass Roots funding for the Centennial Park upgrade project for the grandstand ablutions and cricket facilities.
- B Fees and charges revenue was less than budget for housing rentals (due to sale of properties during the year), aerodrome and campground revenue.
- C Other revenue includes the gain on the sale of properties at 4 and 8 Jennings Street and 59 Esplanade and contributions towards the operating costs and long-term maintenance of the Gallagher Recreation Centre.
- D Expenditure was more than forecast for consultants fees for the aerodrome (Council approved additional funding in the previous year for the development of the sustainability report), tree maintenance, water billing charges, electricity and gas and cleaning costs across the recreation and property activity. Costs spent to date on the Mokau seawall have also been expensed. Partly offsetting this were unspent budgets for the property asset management system implementation and contractor costs.
- E Due to the delay in the capital spend for last year and this year, depreciation on assets is less than budgeted. Depreciation is further decreased due to the sale of assets, being 4 and 8 Jennings St and 59 Esplanade.
- F Finance costs are attributed to activities based on the opening internal loan balances. As loans were not raised last year for some of the larger projects such as cell development and the water resilience project, the Recreation and Property activity attracted a greater proportion of interest than forecast.
- G The loss on disposals recognised were for Mokauiti Hall, Centennial Park grandstand, playgrounds, air conditioning units and elder person housing.



**CAPITAL EXPENDITURE**

<b>RECREATION AND PROPERTY \$000's</b>	<b>AP 2025</b>	<b>Revised Budget 2025</b>	<b>Interim Unaudited Actual June 2025</b>	<b>Var to Revised Budget</b>	<b>%Var and Note Ref</b>
Aquatic Centre Renewals	22	44	7	37	<b>A</b>
BoF Town Gateways	446	0	0	0	
BoF and TIF funded Walkways	0	113	78	36	<b>B</b>
Centennial Park Grandstand Ablutions and Changing Rooms Upgrade	0	269	304	(35)	<b>C</b>
Les Munro Centre Air Conditioning Renewal	12	202	231	(30)	<b>D</b>
Library Building and Book Renewals	68	68	69	(1)	
Mokau Seawall Renewal	32	106	4	102	<b>E</b>
Housing and Other Property Renewals	57	57	65	(8)	
Parks and Reserves Improvements and Renewals	134	230	109	121	<b>F</b>
Public Facilities Renewals	72	148	112	36	<b>G</b>
Te Kuiti Cemetery Improvements	50	50	11	39	<b>H</b>
Centennial Park Improvements	200	244	142	101	<b>I</b>
<b>Total Capital Expenditures</b>	<b>1,093</b>	<b>1,530</b>	<b>1,131</b>	<b>399</b>	

**Variance Comments:**

The revised budget includes carryover budgets, \$250,000 for Centennial Park ablutions and changing rooms updated (funded by Grassroots), \$43,000 additional budget for cricket equipment (funded by Grassroots and Northern Districts Cricket Association) and additional budget approved for LMC air conditioning.

- A Includes a carryover of \$22,000 for repairing the sand filter. This will need to be carried over to 2025/26.
- B Includes a re-sequenced budget of \$113,000. The major work to date has been along the Mangaokewa walkway.
- C The Centennial Park Grandstand Upgrade was completed at the end of February 2025.
- D Includes a carryover of \$151,000 for the replacement of air conditioning system installation and ducting and additional budget funding of \$38,000 approved by Council. The upgrade of the air conditioning at the Les Munro Centre has been completed.
- E Includes a carryover budget of \$74,000. Costs related to Mokau seawall were transferred to operating expenses with the project not going ahead. The remaining capital expenditure is for a set of steps that have been completed at Tokopapa St.
- F Includes a carryover of \$96,000 for revocation of reserve classifications and completion of subdivisions for Eketone Street, Mangarino Road, Esplanade, Moa Street; playground renewals and Motakiora/Brook Park renewals.
- G Includes a carryover of \$76,000 for skatepark and toilet renewals. The spend to date includes toilet renewals, tables and bins renewal and security camera renewals.
- H The budget is for the installation of berms, landscaping and fencing of the new plot at Te Kuiti cemetery. The budget for the development will need to be carried over to 2025/26.
- I The budget is for the Centennial Park project including improvements to the north field and oval. Installation of the cricket pitch and cages and rugby goals have been completed.

## REGULATORY SERVICES

### FINANCIAL UPDATE

REGULATORY SERVICES \$000's	Actual 2023/24	Annual Plan	Revised Budget	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
<b>Revenue</b>						
Rates	(878)	(1,420)	(1,420)	(1,411)	(9)	
Subsidies and Grants	(17)	0	0	0	0	
Fees and Charges	(520)	(713)	(713)	(768)	55	A
Other Revenue incl Gains/Losses	(19)	(17)	(17)	(13)	(4)	
<b>Total Revenue</b>	<b>(1,435)</b>	<b>(2,150)</b>	<b>(2,150)</b>	<b>(2,192)</b>	<b>42</b>	<b>-2%</b>
<b>Operating Expenditure</b>						
Other Expenditure	1,574	2,195	2,207	1,945	263	B
Depreciation	14	15	15	17	(2)	
<b>Total Operating Expenditure</b>	<b>1,588</b>	<b>2,211</b>	<b>2,223</b>	<b>1,962</b>	<b>261</b>	<b>12%</b>
<b>Net (Surplus)/Deficit</b>	<b>153</b>	<b>61</b>	<b>73</b>	<b>(230)</b>	<b>303</b>	<b>416%</b>

#### Variance Comments:

- A Additional revenue for animal control services from Otorohanga District Council for the period January to June 2024 and health licence fees. This additional revenue was partly offset by less revenue for building services as building consents applications were down as building activity in Waitomo district has followed the national trend of a reduction in building consent applications and activity.
- B Other expenditure was below budget for noise control, animal control contractor, consultant's fees and earthquake prone building expenditure.

#### CAPITAL EXPENDITURE

REGULATORY SERVICES \$000's	AP 2025	Revised Budget 2025	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
Dog Pound Renewals	10	10	6	4	
<b>Total Capital Expenditures</b>	<b>10</b>	<b>10</b>	<b>6</b>	<b>4</b>	

## RESOURCE MANAGEMENT

### FINANCIAL UPDATE

RESOURCE MANAGEMENT \$000's	Actual 2023/24	Annual Plan	Revised Budget	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
<b>Revenue</b>						
Rates	(418)	(445)	(445)	(442)	(3)	
Fees and Charges	(254)	(216)	(216)	(210)	(6)	
<b>Total Revenue</b>	<b>(671)</b>	<b>(661)</b>	<b>(661)</b>	<b>(652)</b>	<b>(9)</b>	<b>1%</b>
<b>Operating Expenditure</b>						
Other Expenditure	1,185	970	970	779	191	A
Finance Costs	55	67	67	65	1	
<b>Total Operating Expenditure</b>	<b>1,241</b>	<b>1,036</b>	<b>1,037</b>	<b>845</b>	<b>192</b>	<b>19%</b>
<b>Net (Surplus)/Deficit</b>	<b>569</b>	<b>375</b>	<b>376</b>	<b>192</b>	<b>183</b>	<b>49%</b>

#### Variance Comments:

- A Other expenditure was less during the period for legal and general expenses for the District Plan development. Due to the involved and complex nature of this project. It is not unexpected to have variations in the timing of expenditure.

### PROJECTS AND PROGRAMME UPDATES

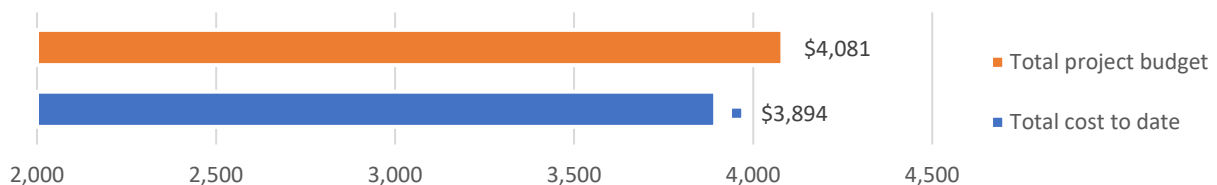


**Programme Summary:** A review of the Operative Waitomo District Plan in accordance with statutory requirements.

The Proposed Waitomo District Plan (PDP) must be legally robust and provide guidance for long term resource management issues in the District and is inherently complex with many associated workstreams. This project will continue through the 2024/25 period.

**Progress:** Decisions on the PDP were issued on 19 June 2025. The appeals period closed on 1 August 2025.

#### District Plan Development Total Project Costs to date (\$000's)



**Next steps:** Receive and review notices of appeal.  
**End date:** Appeals period closed on 1 August 2025.

## SOLID WASTE

### FINANCIAL UPDATE

SOLID WASTE \$000's	Actual 2023/24	Annual Plan	Revised Budget	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
<b>Revenue</b>						
Rates	(1,445)	(1,633)	(1,633)	(1,651)	18	
Subsidies and Grants	(56)	0	0	(10)	10	A
Fees and Charges	(1,692)	(2,237)	(2,237)	(1,863)	(373)	B
Other Revenue incl Gains/Losses	(185)	(125)	(125)	(186)	61	C
<b>Total Revenue</b>	<b>(3,378)</b>	<b>(3,994)</b>	<b>(3,994)</b>	<b>(3,710)</b>	<b>(284)</b>	<b>7%</b>
<b>Operating Expenditure</b>						
Other Expenditure	3,210	3,708	3,711	3,606	105	D
Depreciation	115	122	122	281	(160)	E
Finance Costs	130	124	124	124	0	
<b>Total Operating Expenditure</b>	<b>3,455</b>	<b>3,953</b>	<b>3,956</b>	<b>4,011</b>	<b>(55)</b>	<b>-1%</b>
<b>Net (Surplus)/Deficit</b>	<b>77</b>	<b>(41)</b>	<b>(38)</b>	<b>301</b>	<b>(339)</b>	<b>889%</b>

#### Variance Comments:

- A A grant payment was received from the Ministry for Environment (MfE) for the feasibility study of the kerbside organic collection. A shared project between MfE, Otorohanga District Council (ODC) and WDC where MfE contributes 75%, ODC 12.5% and WDC 12.5% of total costs.
- B Revenue received from the landfill was less for general refuse charges as waste volumes deposited at the landfill have reduced. The budget also assumed that dried sludge would be deposited at the landfill during the year. This is offset partly by increased revenue for green waste and special waste.
- C Other revenue was more than budget for Waste Minimisation Levy revenue which is used to fund waste minimisation programmes.
- D Other expenditure is below budget for waste minimisation levy and emissions trading scheme costs offset in part by increased contract costs for landfill operations, consultants' costs, recycling removal, landfill bin movements and kerbside collection and disposal costs.
- E The depreciation has been recognised on the increased landfill aftercare asset.

#### CAPITAL EXPENDITURE

SOLID WASTE \$000's	AP 2025	Revised Budget 2025	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
Gas Flaring Equipment	165	165	0	165	A
New Cell Development	2,846	2,846	72	2,774	B
Landfill Aftercare Asset	0	0	280	(280)	C
Resource Consent Renewal	40	100	4	96	D
Te Kuiti Transfer Station Improvements	0	27	0	27	E
Transfer Station Renewals	90	116	9	107	F
NZU Emissions Trading Scheme	0	0	8	(8)	G
<b>Total Capital Expenditures</b>	<b>3,141</b>	<b>3,253</b>	<b>373</b>	<b>2,880</b>	

**Variance Comments:**

The revised budget included carryovers of \$112,000.

- A The gas flaring equipment project will not proceed following the decision not to continue with the cell development.
- B There was necessary work undertaken on the highwall overburden, the catchpits and culverts.
- C Due to the change in assumptions for the landfill, a landfill aftercare asset has been recognised with costs to close and cap the landfill cell to be recognised in the next two years.
- D Includes carryover of \$60,000 for delaying the consent activation date and to comply with new resource consent conditions
- E Includes carryover of \$27,000 for transfer station improvements.
- F Includes carryover of \$26,000 for transfer station renewals.
- G These costs are for carbon credits purchased to meet our future obligations.

## STORMWATER

### FINANCIAL UPDATE

STORMWATER \$000's	Actual 2023/24	Annual Plan	Revised Budget	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
<b>Revenue</b>						
Rates	(510)	(918)	(918)	(929)	11	
Subsidies and Grants	0	(719)	(722)	(15)	(707)	A
Fees and Charges	(7)	0	0	(26)	26	B
<b>Total Revenue</b>	<b>(517)</b>	<b>(1,637)</b>	<b>(1,640)</b>	<b>(969)</b>	<b>(670)</b>	<b>41%</b>
<b>Operating Expenditure</b>						
Other Expenditure	362	651	653	703	(50)	C
Depreciation	257	259	259	258	1	
Finance Costs	14	40	40	22	18	D
Loss on Disposal	42	0	0	5	(5)	
<b>Total Operating Expenditure</b>	<b>675</b>	<b>950</b>	<b>952</b>	<b>988</b>	<b>(35)</b>	<b>-4%</b>
<b>Net (Surplus)/Deficit</b>	<b>158</b>	<b>(687)</b>	<b>(688)</b>	<b>18</b>	<b>(706)</b>	<b>103%</b>

#### Variance Comments:

- A Subsidy revenue recognised relates to NZTA funding received for the Carroll Street SH3 project. The budget included Better Off funding for stormwater improvements which has not yet been spent.
- B Fees and charges revenue includes stormwater connection fees for Te Kuiti.
- C Consultants fees for the stormwater modelling programme were more than budget for the period. These costs have been offset by reduced costs for open drain maintenance and the stormwater inspection programme.
- D A loss on disposal was recognised for a small number of pipes have been identified as being redundant and have been removed from the asset register and pipe renewals.

#### CAPITAL EXPENDITURE

Storm Water \$000's	AP 2025	Revised Budget 2025	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
Stormwater Discharge Resource Consent Renewals	45	45	18	27	
Stormwater Improvements	1,240	1,240	355	885	A
Stormwater Renewals	503	503	241	261	B
<b>Total Capital Expenditures</b>	<b>1,788</b>	<b>1,788</b>	<b>613</b>	<b>1,174</b>	

#### Variance Comments:

- A The budget is for the attenuation ponds at Te Kuiti. Other spending was for continuing improvements work. This stormwater improvements and attenuation ponds project was re-sequenced as part of the 2025/26 Annual Plan.
- B Major works have been for the Carroll Street SH3 project (partly funded by NZTA), Hospital Road and Awakino Road being from this budget. Other works have been completed at Piopio and Mokau.

## WASTEWATER

### FINANCIAL UPDATE

WASTEWATER \$000's	Actual 2023/24	Annual Plan	Revised Budget	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
<b>Revenue</b>						
Rates	(2,378)	(2,713)	(2,713)	(2,729)	16	
Subsidies and Grants	0	0	(15)	(2)	(12)	
Fees and Charges	(1,083)	(796)	(796)	(1,101)	305	A
<b>Total Revenue</b>	<b>(3,461)</b>	<b>(3,510)</b>	<b>(3,524)</b>	<b>(3,833)</b>	<b>308</b>	<b>-9%</b>
<b>Operating Expenditure</b>						
Other Expenditure	2,701	3,213	3,047	3,255	(208)	B
Depreciation	1,043	1,088	1,088	1,037	50	C
Finance Costs	251	217	217	249	(32)	D
Loss on Disposal	56	0	0	39	(39)	E
<b>Total Operating Expenditure</b>	<b>4,051</b>	<b>4,518</b>	<b>4,352</b>	<b>4,580</b>	<b>(228)</b>	<b>-5%</b>
<b>Net (Surplus)/Deficit</b>	<b>590</b>	<b>1,008</b>	<b>827</b>	<b>748</b>	<b>80</b>	<b>10%</b>

#### Variance Comments:

- A Fees and charges were more than budget for trade waste revenue. Additional revenue was also recognised for wastewater connection fees for Te Kuiti.
- B Other expenditure was above budget for increased chemicals costs, reticulation maintenance and sampling costs. This was partly offset by lower electricity costs.
- C Due to the capital spend for 2023/24 being less than forecast, the depreciation on assets is less than budget.
- D Finance costs are attributed to activities based on the opening internal loan balances. As loans were not raised last year for some of the larger projects such as cell development and the water resilience project, the Wastewater activity attracted a greater proportion of interest than forecast.
- E A loss on disposal was recognised for a small number of pipes have been identified as being redundant and have been removed from the asset register and pipe renewals.

### CAPITAL EXPENDITURE

Wastewater \$000's	AP 2025	Revised Budget 2025	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
Pump Stations Improvements	75	75	65	10	A
Benneydale Resource Consent Renewals	30	133	134	(1)	B
Resource Consent Vegetation Planting and Wetland	0	26	18	8	
Reticulation Renewals	344	702	512	190	C
Sludge Removal improvements	0	485	530	(44)	D
Te Waitere Wastewater	7	18	6	12	
Treatment Plant Renewals	37	71	49	22	E
<b>Total Capital Expenditures</b>	<b>493</b>	<b>1,510</b>	<b>1,313</b>	<b>197</b>	

#### Variance Comments:

The revised budget includes carryover budgets of \$966,000 and additional budget approved for Benneydale wastewater consent, \$78,000.

- A Pump station improvements included the purchase and installation of pumps and equipment.
- B Includes carryover of \$25,000 and additional approved budget of \$78,000. The application was lodged in November however is now on hold due to changes in the national wastewater environmental performance standards and higher costs than anticipated in assessing the cultural impact report. Further clarification on the standards is expected in September 2025.
- C Includes a carryover of \$351,000 for reticulation renewals. Renewals projects are planned and ready to start with Te Kuiti plant mechanicals renewals to take place, Telemetry/Scada renewals approved and starting. Work has commenced on the major Mains renewal project and work on the Carroll Street SH3 projects is completed.
- D Includes a carryover of \$485,000 for sludge improvements. The capital spend for this project is now completed for this year.
- E Includes a carryover of \$60,000 for improvements to Te Kumi, Tammadge and Hillview pump stations by installation of new SCADA and renewal of old aerials at Redwood and the treatment plant sludge area. The balance of these projects will need to be carried over to 2025/26.



## WATER SUPPLY

### FINANCIAL UPDATE

WATER SUPPLY \$000's	Actual 2023/24	Annual Plan	Revised Budget	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
<b>Revenue</b>						
Rates	(3,006)	(3,714)	(3,714)	(3,680)	(33)	A
Subsidies and Grants	0	0	(383)	(366)	(16)	B
Fees and Charges	(34)	0	0	(29)	29	C
<b>Total Revenue</b>	<b>(3,040)</b>	<b>(3,714)</b>	<b>(4,096)</b>	<b>(4,076)</b>	<b>(21)</b>	<b>1%</b>
<b>Operating Expenditure</b>						
Other Expenditure	2,661	2,867	3,221	3,193	28	
Depreciation	935	954	954	952	2	
Finance Costs	317	377	377	324	53	D
Loss on Disposal	203	0	0	114	(114)	E
<b>Total Operating Expenditure</b>	<b>4,117</b>	<b>4,198</b>	<b>4,553</b>	<b>4,583</b>	<b>(30)</b>	<b>-1%</b>
<b>Net (Surplus)/Deficit</b>	<b>1,077</b>	<b>484</b>	<b>456</b>	<b>507</b>	<b>(51)</b>	<b>-11%</b>

#### Variance Comments:

- A Rates revenue was less for metered water charges for Te Kuiti and Mokau.
- B Subsidy revenue was recognised from NZTA for the Carroll Street SH3 project.
- C Fees and charges revenue were recognised for connection fees.
- D Finance costs allocated to Water Supply are tracking less than budget due to the delays in the resilience project resulting in a lower level of loan funding last year than was forecast.
- E The loss of disposal was recognised for pipes, tobies and meters.

### CAPITAL EXPENDITURE

Water Supply \$000's	AP 2025	Revised Budget 2025	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
SCADA Improvements and Renewals	65	92	36	56	A
WSP Improvements	277	277	79	198	B
Reticulation Renewals	366	931	966	(35)	C
Te Kuiti Water Resilience Project	4,250	4,345	302	4,043	D
Backflow Preventors and Bulk Monitoring Improvements	147	148	61	87	E
Treatment Plant Renewals	293	206	116	90	F
<b>Total Capital Expenditures</b>	<b>5,399</b>	<b>5,999</b>	<b>1,561</b>	<b>4,438</b>	

#### Variance Comments:

The total revised budget includes carryover budgets of \$100,000; a transfer of budget to operations for fencing at Mokau; additional capital budgets for reticulation renewals on Carroll Street (partly funded by NZTA).

- A The SCADA projects have been completed for this year with the balance to be carried forward to 2025/26.

- B Major parts of the Water Safety Plan have been approved and have started in June at Piopio and Mokau. The projects approved so far total \$85,000.
- C Projects have been approved and are underway. The major project this year was the recently completed Carroll Street SH3.
- D The Te Kuiti water resilience project has been approved and is underway.
- E The backflow preventors are being completed as required. The remaining budget may need to be carried forward.
- F A portion of the renewals budget has been transferred to operations for the contribution to fencing at Mokau.

## ROADS AND FOOTPATHS

### FINANCIAL UPDATE

ROADS AND FOOTPATHS \$000's	Actual 2023/24	Annual Plan	Revised Budget	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
<b>Revenue</b>						
Rates	(4,495)	(5,197)	(5,197)	(5,226)	29	
Subsidies and Grants	(18,369)	(13,429)	(19,822)	(17,454)	(2,368)	A
Fees and Charges	(222)	(165)	(165)	(259)	94	B
Other Revenue incl Gains/Losses	(127)	(140)	(140)	(134)	(6)	
<b>Total Revenue</b>	<b>(23,213)</b>	<b>(18,931)</b>	<b>(25,324)</b>	<b>(23,073)</b>	<b>(2,251)</b>	<b>9%</b>
<b>Operating Expenditure</b>						
Other Expenditure	8,775	9,438	9,593	9,631	(38)	C
Depreciation	4,871	5,206	5,206	5,179	27	D
Finance Costs	366	299	299	359	(60)	E
<b>Total Operating Expenditure</b>	<b>14,012</b>	<b>14,943</b>	<b>15,098</b>	<b>15,169</b>	<b>(71)</b>	<b>0%</b>
<b>Net (Surplus)/Deficit</b>	<b>(9,201)</b>	<b>(3,988)</b>	<b>(10,226)</b>	<b>(7,904)</b>	<b>(2,322)</b>	<b>23%</b>

#### Variance Comments:

- A Subsidies and grants revenue was less than budget as road renewals costs were less than forecast.
- B Capitation fees received towards road maintenance were more than budget.
- C Other expenditure was above budget for emergency reinstatement first response, network and asset management and drainage maintenance. This was partly offset by sealed pavement maintenance, professional services, allocated roading business unit costs, structures maintenance and unsealed pavement maintenance.
- D Depreciation is tracking less than budget as asset additions for the prior year were lower than forecast.
- E Finance costs are attributed to activities based on the opening internal loan balances. As loans were not raised last year for some of the larger projects such as cell development and the water resilience project, the Roads and Footpaths activity attracted a greater proportion of interest than forecast.

#### CAPITAL EXPENDITURE

Roads \$000's	AP 2025	Revised Budget 2025	Interim Unaudited Actual June 2025	Var to Revised Budget	%Var and Note Ref
Footpaths and Road to Zero Improvements	280	310	35	275	A
Unsubsidised Road Improvements	136	136	67	69	B
Other Road Renewals	2,292	914	543	371	C
Pavement Rehabilitation Renewals	1,683	1,683	1,779	(96)	D
Sealed Surfacing Renewals	2,665	2,665	2,435	230	E
Bridge and Bridge Structures Replacement	270	270	97	173	F
Unsealed Road Metalling Renewals	880	880	998	(118)	G
Cyclone and Wet Weather Reinstatements	700	8,084	6,691	1,393	H
<b>Total Capital Expenditures</b>	<b>8,907</b>	<b>14,943</b>	<b>12,647</b>	<b>2,296</b>	

**Variance Comments:**

The total revised budget includes \$4.17 million of carryover budgets, additional budgets have also been reflected to recognise the increased NZTA funding for the Dovi and wet weather emergency works and speed management.

- A The footpath improvements works are no longer funded. NZTA is providing funding for the Speed Management Implementation, this is to be undertaken through July 2025.
- B Some of the unsubsidised road improvements budget has been utilised for the improvements around Centennial Park.
- C This budget has been reduced to reflect the changes in the NZTA three-year programme and now only has \$2.3 million available over three years. The major spending this year has been on drainage renewals. Also anticipated this year was Kent St, \$430,000, which has been deferred to September 2025.
- D Pavement rehabilitation projects were tendered and completed within the financial year. This included Mangaotaki Road and Walker Road sites.
- E The surface sealing programme has been completed for the year and was undertaken as part of the Maintenance Contract.
- F Programmed works are being undertaken on bridge upgrades. The Bridge Structural Maintenance project is programmed to undertake physical works during the 25/26/27 financial years under a multi-year contract.
- G The work on the Unsealed Road Metalling has largely been completed by Inframax Construction Ltd, these works are generally undertaken during the wetter months to reduce dust impacts.
- H Includes carryover of \$4.17 million to continue the emergency reinstatement programme. Major works are currently underway and the unspent portion will need to be carried over to 2025/26.



8 August 2025

Ben Smit  
Chief Executive  
Waitomo District Council  
PO Box 404  
TE KUITI 3941

bens@waitomo.govt.nz

Dear Ben

### **Riskpool: Call to Members**

We would like to thank members again for your ongoing support. We hope that our letter of 24 July provided some useful background on the Riskpool Scheme, including updates on current domestic litigation, reinsurance recovery, member contributions, and the upcoming consultation on amendments to the Riskpool Trust Deed.

As signalled in that letter and in our previous correspondence, Riskpool anticipated the need to make a further call on members in August to fund deficits in previous Fund Years. Riskpool has carried out a review of its current and future liabilities and a call for \$3.7 million is necessary (across the membership, not per individual member). That funding will cover:

- i. Operational costs for the financial year 2025/26; and
- ii. Legal and advisory fees relating to reinsurance recovery and domestic litigation.

Following the Supreme Court's decision in LGMFT v Napier City Council [2023] NZSC 97, which addressed how claims involving a mix of weathertightness and non-weathertightness defects are treated under the Scheme, several stayed proceedings against Riskpool have recommenced. A number of member councils have brought mixed claims against Riskpool, with two cases listed for trial in September 2025. These trials will be significant in clarifying the scope of Riskpool's historic obligations and interpretation of past Scheme terms. Riskpool is working closely with our legal advisers to ensure these cases are ready for trial.

At the same time, Riskpool is actively pursuing cover for liabilities arising out of domestic litigation through ongoing dialogue with reinsurers and brokers in London. Reinsurance is the primary source of funds for claims that Riskpool accepts. If there is delay in reinsurers paying a claim or if reinsurers refuse to pay, then the cost of that claim falls on Riskpool's membership. The process of ensuring the reinsurers meet their indemnity obligations can be protracted, with multiple reinsurers in the "tower" for any Fund Year and the relevant reinsurance contracts governed by English Law. This has required the instruction of legal experts to advise on how best to approach the markets and secure cover for any existing or future liabilities.

Riskpool is committed to operating as efficiently and cost-effectively as possible while safeguarding the collective interests of our members. The work we are currently undertaking is essential to protecting those interests by ensuring claims are properly resolved and recoveries are pursued. However, this work is consuming significant resources (both in house and externally) creating unavoidable cost. Funding this work is critical to achieving the best long-term outcomes for all members and reducing the need for calls in the future.

In aggregate, over all Fund Years, Riskpool has incurred more in claims and expenses (before allowing for claims provisions) than has been received as contributions and calls from Members. This shortfall has historically been funded by way of a temporary loan from Civic Financial Services. In addition, there is more to be paid in respect of currently open claims spread across a few different Fund Years.

The cover under the Riskpool Scheme was arranged on a Fund Year basis from 1 July to 30 June. Members made an initial contribution to cover estimated claims and expenses arising from the Fund Year, with any deficits to be funded by further calls upon Members in proportion to their initial contribution. Any surplus can either be returned to Members or rolled into a future Fund Year.

The Board has resolved to make a call on Members to pay a contribution to fund the deficits for Fund Years 7, 10, 11, 12, 13, 14, 15, 18 and 19 being:

▪ Fund Year 7	\$0.075 million
▪ Fund Year 10	\$0.225 million
▪ Fund Year 11	\$0.215 million
▪ Fund Year 12	\$0.145 million
▪ Fund Year 13	\$0.220 million
▪ Fund Year 14	\$0.075 million
▪ Fund Year 15	\$0.295 million
▪ Fund Year 18	\$1.550 million
▪ Fund Year 19	\$0.900 million
<b>Total</b>	<b>\$3.7 million</b>

Riskpool's actuaries, Melville Jessup Weaver, have calculated the required contribution from each Member for those Fund Years.

The amount of the call for Waitomo District Council will be \$19,574.37 (excl GST) as calculated in the table attached to this letter. This is payable on 20 September 2025 (or earlier if you wish). An invoice from Riskpool for this amount is attached.

Once Riskpool has met the obligations noted above there will be a process of finalising each Fund Year. This will entail:

- Continuing to operate Riskpool until all claims are settled.
- Issuing further calls upon members for Fund Years still in deficit. The quantum of future calls will depend on the outcome of outstanding mixed defect claims and the reinsurers' position.
- For Fund Years in surplus either:
  - Returning funds to members, or
  - Offsetting against later Fund Years in deficit.

If you have any questions, please contact Stephen Ferson, Riskpool's General Counsel, at:  
[stephen.ferson@riskpool.org.nz](mailto:stephen.ferson@riskpool.org.nz)

Yours sincerely



**Stephen Ferson**

Acting General Counsel

Local Government Mutual Funds Trustee Ltd (Riskpool)

<b>Member Council</b>		<b>Initial Contribution</b>	<b>2025 Call</b>
Waitomo District Council	2003/04 Fund Year 7	<b>\$27,775.00</b>	<b>\$319.78</b>
	2006/07 Fund Year 10	<b>\$30,640.16</b>	<b>\$800.74</b>
	2007/08 Fund Year 11	<b>\$32,200.00</b>	<b>\$901.67</b>
	2008/09 Fund Year 12	<b>\$23,000.00</b>	<b>\$542.85</b>
	2009/10 Fund Year 13	<b>\$16,000.00</b>	<b>\$858.85</b>
	2010/11 Fund Year 14	<b>\$16,000.00</b>	<b>\$319.77</b>
	2011/12 Fund Year 15	<b>\$16,000.00</b>	<b>\$1,220.90</b>
	2014/15 Fund Year 18	<b>\$18,746.00</b>	<b>\$6,659.65</b>
	2015/16 Fund Year 19	<b>\$16,923.00</b>	<b>\$7,950.15</b>
<b>Total 2025 Call (excl GST)</b>			<b>\$19,574.37</b>



**Document ID:** 906775**Report To: Council**

**Meeting Date:** 26 August 2025

**Subject:** **2024/25 Carry Forwards**

**Type:** Decision Required

**Author(s):** Tina Hitchen  
Chief Financial Officer

**1. Purpose of Report**

- 1.1. The purpose of this business paper is to seek approval to carry forward unspent 2024/25 operational and capital budgets to the 2025/26 financial year.

**2. Suggested Resolutions**

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.

- 1 The business paper on 2024/25 Carry Forwards be received.
- 2 Council approve the carry forward of \$3,492,000 of unexpended 2024/25 capital budget and \$60,000 operational budget to the 2025/26 financial year as follows:

Capital Expenditure

Activity	Capital Project	Carryover \$	Comment
Leadership (\$109,300)	Quarry safety improvements	54,000	Remedial work required for Council owned quarries
	High speed internet connection for WDC sites	30,000	Project is to provide high speed internet connection for some WDC sites such as Piopio water treatment plant. This budget will be combined with the budget included in the 2025/26 AP to purchase Starlink equipment and connection.
	End user devices and hardware	13,900	Ongoing equipment replacement
	Administration building renewals and other minor renewals	11,400	Required for final committed costs to complete the project
Recreation and Property (\$340,500)	Subdivision costs for land sales	80,000	This budget is available for land identified for potential sale that may require subdivision and/or changes required to land status.
	Walkways project	35,000	Final costs to complete the project (funded by Better off funding)
	Brook park development	16,300	Reinstatement of fencing at Brook Park was unable to be completed during 2024/25 due to contractor availability
	Centennial Park development	101,300	Continuation of Centennial Park development

Activity	Capital Project	Carryover \$	Comment
	Dog pound renewals	5,200	Upgrade of power supply for Te Kuiti dog pound
	Aquatic Centre pool filter renewals and fencing renewals	35,400	Critical filter replacements of intake pipes for the pool and renewal of fencing
	Toilet renewals	14,300	Benneydale and Piopio toilet upgrades
	Te Kuiti cemetery development	20,000	Complete development of the concept and planting plan, stalled due to consultant availability
	Security camera renewals	33,000	To complete CCTV new and replacement cameras. The contract has been awarded but paused while review of the operational costs and strategy for selected sites.
Solid waste (\$73,400)	Rural transfer stations improvements and renewals	73,400	Work includes the resealing of vehicle movements area at the rural transfer station sites
Stormwater (\$214,300)	Te Kuiti stormwater main renewals	186,900	Stormwater renewal work committed and work is underway
	Te Kuiti stormwater resource consent renewal	27,400	Stormwater resource consent work committed and work is underway
Wastewater (\$145,600)	Te Kuiti wastewater main renewal	126,600	Contact committed, remaining budget required for 3 year contract
	Plant mechanical renewals	13,000	Purchase 2 x turbidimeters and a new directional mixer not purchased in 2024/25
	Te Waitere wastewater	6,000	Te Waitere soak improvements planned but not yet implemented
Water Supply (\$381,900)	Te Kuiti bulk reticulation monitoring improvements	50,000	Will be completed as part of the resilience project, includes installation of zone valves, flow meters or pressure monitoring devices.
	Te Kuiti backflow preventers improvements	34,800	Ongoing toby replacement planned
	Te Kuiti water safety plan improvements	144,500	Project in place to continue the water safety plan improvements including tanker filling stations and auto shut off valves installation.
	Te Kuiti water treatment plant renewals	17,900	Purchase of carbon dosing pump and renewal of safety rails at plant.
	Te Kuiti reticulation renewals	36,500	Remaining funds for project already committed
	Te Kuiti telemetry/SCADA renewals	31,600	Continuation of project. Server has been purchased and remaining costs relate to installation.
	Mokau water safety plan improvements	20,600	Project in place to continue the water safety plan improvements including tanker filling stations and auto shut off valves installation.

Activity	Capital Project	Carryover \$	Comment
	Mokau watermain renewals	38,000	Contract awarded for project
	Mokau water security of supply	8,000	Budget required for road access repairs for Mokau
Roads (\$2,227,000)	Crown resilience project – Kent Street slip site	344,500	Contract awarded in May 2025 however due to current weather conditions this work has been postponed and will now commence in mid September.
	Speed management funding	274,900	Contract awarded to complete area wide variable speed sign installations
	Sealed road surfacing renewals	42,300	To be added to the existing 2025/26 budget which will allow for 3-4 additional sites to be completed as part of the maintenance contract.
	Structures components renewals	172,800	The Bridge Structural Maintenance contract is planned to be completed in the summer months of 2025/26 and 2026/27 under a multi-year contract.
	July-Aug 2022 winter storm repairs	10,000	All physical works have been completed, this budget will be used for the required second coat pavement sealing for these sites.
	Jan 2023 storm event	1,382,500	There are multiple contracts under construction with the majority finishing by September 2025. Ramaroa Road site to be completed later in the calendar year as river levels drop.

#### Operational expenditure

Activity	Operational Project	Carry Over \$
Recreation and property	Unspent operational budget for the purchase and implementation of cloud-based asset management system (RAMM) to manage parks and property assets	60,000

### **3. Background**

- 3.1 At the end of the 2024/25 financial year, a number of projects and programmes that were either in progress and not completed or the start date was delayed due in part to availability of contractors, weather conditions, internal resourcing and prioritisation of other work programmes.
- 3.2 The incomplete capital projects will continue into the 2025/26 financial year and therefore, the unexpended budgets will need to be carried over into the 2025/26 budget.
- 3.3 The proposed carry forwards will not impact the adopted 2025/26 funding requirement as all the carryover budgets have a funding source either through subsidies, reserves or debt.
- 3.4 The operational programmes that were incomplete, have been rated for and the rates were collected during the 2024/25 financial year.

## 4. Commentary

### 4.1 **CAPITAL PROJECTS**

- 4.2 Total capital projects to be carried forward is \$3,492,000. The total revised capital programme for 2025/26 including the proposed carryovers will be \$25.5 million. Of the total revised budget, the forecast roads capital expenditure is \$10.2 million (40%) including emergency reinstatement and storm event repairs, which will be largely funded from Waka Kotahi.

Activity	Capital Project	Carryover \$	Comment
Leadership (\$109,300)	Quarry safety improvements	54,000	Remedial work required for Council owned quarries
	High speed internet connection for WDC sites	30,000	Project is to provide high speed internet connection for some WDC sites such as Piopio water treatment plant. This budget will be combined with the budget included in the 2025/26 AP to purchase Starlink equipment and connection.
	End user devices and hardware	13,900	Ongoing equipment replacement
	Administration building renewals and other minor renewals	11,400	Required for final committed costs to complete the project
Recreation and Property (\$340,500)	Subdivision costs for land sales	80,000	This budget is available for land identified for potential sale that may require subdivision and/or changes required to land status.
	Walkways project	35,000	Final costs to complete the project (funded by Better off funding)
	Brook park development	16,300	Reinstatement of fencing at Brook Park was unable to be completed during 2024/25 due to contractor availability
	Centennial Park development	101,300	Continuation of Centennial Park development
	Dog pound renewals	5,200	Upgrade of power supply for Te Kuiti dog pound
	Aquatic Centre pool filter renewals and fencing renewals	35,400	Critical filter replacements of intake pipes for the pool and renewal of fencing
	Toilet renewals	14,300	Benneydale and Piopio toilet upgrades
	Te Kuiti cemetery development	20,000	Complete development of the concept and planting plan, stalled due to consultant availability
	Security camera renewals	33,000	To complete CCTV new and replacement cameras. The contract has been awarded but paused while review of the operational costs and strategy for selected sites.
Solid waste (\$73,400)	Rural transfer stations improvements and renewals	73,400	Work includes the resealing of vehicle movements area at the rural transfer station sites
Stormwater (\$214,300)	Te Kuiti stormwater main renewals	186,900	Stormwater renewal work committed and work is underway

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Activity	Capital Project	Carryover \$	Comment
	Jan 2023 storm event	1,382,500	There are multiple contracts under construction with the majority finishing by September 2025. Ramaroa Road site to be completed later in the calendar year as river levels drop.

#### 4.3 **Operational projects**

4.4 There is one operational project proposed to be carried forward to 2025/26.

Activity	Operational Project	Carry Over \$
Recreation and property	Unspent operational budget for the purchase and implementation of cloud-based asset management system (RAMM) to manage parks and property assets	60,000

### **5. Analysis of Options**

5.1 Council has the option to approve the carryover budgets as proposed in the business paper or alternatively amend the carryover budgets. The majority projects are committed and/or in progress and reducing the available budget would negatively impact the completion of these projects.

### **6. Considerations**

#### **RISK**

- 6.1 There is reputational risk associated with not approving the carry forward of these budgets to complete capital and operational projects as WDC has collected the rates for these projects and programs and not delivered them.
- 6.2 There is risk that the carryover of these projects may have negative impact on the delivery of the projects planned for the 2025/26 financial year.
- 6.3 There may be a risk of reducing service levels and/or increased long run costs due to escalating maintenance needs, potential emergency repairs and increased risks of disruption if the planned projects are not completed.

#### **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

- 7.1 The decision Council is being asked to consider in this business paper is consistent with its existing plans and policies.

#### **SIGNIFICANCE AND COMMUNITY VIEWS**

- 7.2 The planned expenditure was already included in the relevant LTP and/or Annual Plan and the decision is of low significance when measured against WDC's Significance and Engagement policy.

**Document ID:** 906780

## **Report To: Council**



**Meeting Date:** 26 August 2025

**Subject:** **Bi-Monthly Activity Report: Strategy and Environment Group**

**Type:** Information only

**Author(s):** Alex Bell  
General Manager – Strategy and Environment

### **1. Purpose of Report**

- 1.1 The purpose of this business paper is to update the Council on work programmes that form part of the strategy and environment group.

### **2. Suggested Resolutions**

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.

1. The Bi-Monthly Activity Report: Strategy and Environment Group be received.

### **3. Background**

- 3.1 At its meeting of 28 February 2023, the Council adopted a new reporting framework detailing bi-monthly financial reporting and Council group activity reporting.
- 3.2 A reporting schedule was agreed, with Infrastructure and Community reporting on the same bi-monthly agenda and Business Support and Leadership / Governance and Regulatory reporting on the other month.
- 3.3 The Regulatory Activity report incorporates commentary on its present activities, short-term planned work and the associated gains and/or risks involved with this work.

### **4. Commentary**

- 4.1 The activities undertaken by the Regulatory Services are governed and directed by legislation, national, regional and local policies and bylaws. We undertake many activities that contribute to keeping our community and district a safe place to be.
- 4.2 Day to day operations include building control, alcohol licensing, environmental health, bylaw administration, animal and dog control, planning and district planning (Proposed District Plan). The functions of these activities were set out in the business paper on 27 June 2023 (528339).
- 4.3 The activities of these units are 'business as usual' in that the activities undertaken are prescribed in the various legislation and planning / policy documents, which control the day-to-day operations.

#### 4.4 **RISKS AND OPPORTUNITIES**

- 4.5 In terms of risks and opportunities, the risks relate to our ability to perform our regulatory functions in line with the various statutes that the group administers. All of our teams are currently fully staffed, and as such we are not recruiting any additional staff within the Strategy and Environment Group.
- 4.6 We are continuing to provide assistance to both Waipa and Otorohanga District Council's for both processing and inspections of building consents.
- 4.7 Over the recent months, Council staff have been working with Co-lab, Waikato District Council, Hauraki District Council, Matamata-Piako District Council, Western Bay District Council, Hamilton City Council and Thames Coromandel District Council to form an entity within the umbrella of Co-lab that will process overflow building consents. The entity currently has two employees and from our perspective, we have joined this entity to not necessarily draw on the services of the entity to process consents for Waitomo District Council, but to enable us to process building consents for the other Councils who are part of the entity.

#### 4.8 **LOOKING FORWARD NEXT 3 MONTHS**

#### 4.9 **PROPOSED WAITOMO DISTRICT PLAN**

- 4.10 The Decisions Version of the Proposed Waitomo District Plan was publicly notified on 19 June 2025. The appeals period closed on 1 August 2025. We received 5 appeals. These appeals can be found by following the link – <https://www.waitomo.govt.nz/council/district-plan-review/appeals/>
- 4.11 Parties can now join the appeals as section 274 parties. The period for section 274 parties to join the appeals closes on 22 August 2025. Section 274 parties can only join if they meet the requirements under the RMA (if you lodged a submission on the subject matter of the appeal at the local authority stage or if you have an interest in the proceedings greater than the public generally). Council officers are now annotating the Proposed District Plan to create the appeals version, so what this means as the provisions that are not appealed have legal effect.
- 4.12 Once we know who has joined the appeals, we will look to come up with a strategy with how each appeal should be approached. This strategy will be discussed with Council.
- 4.13 The announcement by Minister Chris Bishop on 16 July 2025 to stop district plan reviews ahead of the introduction of the new resource management system will not impact the completion of our PDP process. The plan stop policy (while yet to come into effect) does not apply to any proposed plans that have already commenced or concluded hearings.

#### 4.14 **ANNUAL REPORT**

- 4.15 With the completion of the Quarter four Key Performance Indicators results the team are now working on the draft Annual Report. Year end results and commentary from the activity managers has been collated, and evidence submitted to our auditors. The onsite audit commences on 25 August 2025 and will involve a 'deep dive' into some of this evidence. Our team will be working with the auditors and staff to complete the audit as efficiently as possible, to try and ensure that auditing hours are as minimal as possible. The draft Annual Report is scheduled to be presented to the Audit and Risk Committee on 7 October 2025 and to full Council on 9 October 2025, so that it can be adopted by the current Council. This timeframe is very tight and also dependent on the timing of the Inframax audit. If this is not achieved within the required timeframe, the Annual Report would need to be adopted at the October Council meeting by the newly elected Council to meet the legislative timeframe.

#### 4.16 **ANNUAL PLAN AND LONG TERM PLAN AMENDMENTS**

- 4.17 Within the next few weeks, work will begin on the Annual Plan 2026/27 which is Y3 (1 July 2026 - 30 June 2027) of our current Long Term Plan (LTP). Due to the transition of our water and wastewater activities in July 2026 to Waikato Waters Limited, an LTP amendment is triggered,



this requires us to amend the current LTP. This amendment will be presented to the community with the Annual Plan 2026/27 and will show Waitomo District Council with water supply and wastewater as a Council Controlled Organisation (CCO) delivered activity, and transferred assets and debts to the CCO. The decision to not develop Waitomo District Landfill, transport waste out of the district, and upgrade of the Te Kuiti transfer station will also be captured in this amendment. This will not require consultation as this has been already completed, however it will need to go through the audit process with Deloitte. This will be an opportunity to inform our residents about the transition and an understanding of the two organisations work together.

**Document ID:** 908061

## **Report To: Council**



**Meeting Date:** 26 August 2025

**Subject:** **Appointment of an additional Alternate Chairperson for the Waitomo District Licensing Committee**

**Type:** Decision Required

**Author(s):** Alex Bell  
General Manager – Strategy and Environment

### **1. Purpose of Report**

- 1.1. The purpose of this business paper is to seek approval to appoint an additional Alternate Chair for the Waitomo District Licensing Committee.

### **2. Suggested Resolutions**

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on the Appointment of an additional Alternate Chairperson for the Waitomo District Licensing Committee be received.
  - 2 Pursuant to section 193 of the Sale and Supply of Alcohol Act 2012, Truc Tran be appointed as an Alternate Commissioner (Chairperson) of the Waitomo District Licensing Committee.
  - 3 All appointments shall continue to the end of the current five-year term (being 21 November 2026).

### **3. Commentary**

#### **3.1 REASON FOR APPOINTING AN ADDITIONAL ALTERNATE COMMISSIONER**

- 3.2 The Waitomo District Licensing Committee (DLC) is required to undertake a rehearing of an Off-licence. The rehearing must be heard by a differently constituted DLC.
- 3.3 The current DLC Chair is Tegan McIntyre, and the Alternate Chair is Michael Cameron.
- 3.4 Tegan McIntyre heard the original application so cannot chair the rehearing.
- 3.5 There is also a high possibility that Michael Cameron, current Alternate Chair will not be available on the required dates for the rehearing.
- 3.6 To ensure that we have an experienced chair for the rehearing, it is proposed to appoint an additional Alternate Chair.
- 3.7 We are seeking to appoint Truc Tran as the Alternate Chair in accordance with section 193 of the Sale and Supply of Alcohol Act 2012. Mr Tran is the current Chair of the Hamilton District Licensing Committee and has considerable experience in relation to the Act and as a criminal and civil barrister for many years.

#### 4. Analysis of Options

- 4.1 While Council has options in terms of who it appoints to the DLC, as per the discussion in section 3 above, it is recommended that Council appoints an additional Alternate Chair for efficiency and effectiveness reasons should the current Alternate Chair not be available.

#### 5. Considerations

##### 5.1 RISK

- 5.2 Should Council not appoint an additional alternate, Council may not be able to undertake its duties and functions under the Act.

##### 5.3 CONSISTENCY WITH EXISTING PLANS AND POLICIES

- 5.4 There are no inconsistencies with Council's plans and policies.

##### 5.5 SIGNIFICANCE AND COMMUNITY VIEWS

- 5.6 This proposal is not a significant decision under the Local Government Act 2002 and does not trigger Waitomo's Significance and Engagement Policy. No public consultation is required.

#### 6. Recommendation

- 6.1 It is recommended that Council approve the appointment of Truc Tran as an additional Alternate Chair for the District Licensing Committee in accordance with section 193 of the Sale and Supply of Alcohol Act 2012 until the end of the end of the current five-year term (being 21 November 2026).

Document ID: 899356

**Report To: Council**

**Meeting Date:** 26 August 2025

**Subject:** **Procurement Policy Review**

**Type:** Decision Required

**Author(s):** Ben Smit  
Chief Executive

**1. Purpose of Report**

- 1.1. The purpose of this business paper is to present for reviewed Procurement Policy for adoption by Council following its three-yearly review.
- 1.2. Attached to and forming part of this business paper is a copy of the draft updated Procurement Policy with track changes as well as a clean copy.

**2. Suggested Resolutions**

- 2.1. The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution:
  1. This business paper on Procurement Policy Review be received.
  2. Council adopts the Procurement Policy 2025.
  3. Council authorises the Chief Executive to make editorial or layout changes as required to the Procurement Policy 2025 before it is finalised.

**3. Background****3.1. PROCUREMENT POLICY**

- 3.2. The Procurement Policy (the Policy) provides guidance for the procurement of all goods, services and works at Waitomo District Council (WDC). It sets out the rules and expectations for employees to ensure consistent, compliant, and effective procurement.
- 3.3. The review has made changes to the layout of the Policy by moving it onto our new template. The Government have recently released their draft Government Procurement Rules, and to keep the Policy in alliance with these, the procurement rules and charter in Appendix 2 and 3 have been updated.

**4. Commentary****4.1. Updates to the Procurement Policy****Layout**

- 4.2. The Policy has been moved onto our new template which includes a new introduction, the purpose and scope have been tidied and condensed to improve the readability of the Policy.

**Buy local**

- 4.3. The Government Rules include (not new to the 5<sup>th</sup> edition) an expectation to create opportunities for local businesses to participate in procurement processes. This is included in the Procurement Policy however, the Rules do not provide a definition of a local business.

4.4. There has been an interest to develop a buy local principle into the Policy which needs to include both a definition of a local business - which can be a hard concept to define – as well as how officers should evaluate the benefit of a local business when carrying out procurement.

4.5. It has been suggested, as written in the draft, to define a local business as:

*A local business is either:*

- a) *any business that is based in the WDC ratable area, these can be branches or compounds of a business whose headquarters are elsewhere in NZ or overseas as long as there is a branch within the Waitomo District ratable area and/or*
- b) *any business who may not have an office or headquarters in the district but employs predominantly local people.*

4.6. This definition recognises the value of businesses based here, regardless of their head office location, because they will most often employ local people. Part b of the definition allows for businesses who may not have a physical office or shop in the district, but have a workforce based here (e.g. a building company).

*Alternative definitions*

4.7. Different examples were looked at from other NZ councils, the option above has been selected as the preferred option, largely due to the ease of applying the Policy. Alternative options are listed below:

a) *a supplier of goods or services that maintains a workforce whose usual place of residency (i.e. where they normally live, sleep and eat) is located within the Waitomo District boundary*

b) *Or businesses should be ranked on the following scale (a local business is 1,2,3,4,7a)*

- 1 - Waitomo HO / Manufactured and supplied- fully within Waitomo*
- 2 - Waikato HO / Manufactured, Waitomo branch/supplied*
- 3 - Waikato HO / Manufactured and supplied no Waitomo Branch*
- 4 - Head Office / Manufactured outside the Waikato, supplied by Waitomo branch*
- 5 - Head Office / Manufactured outside the Waikato, Waikato branch supplied*
- 6 - NZ Head Office manufactured & supplied outside Waikato*
- 7 - (A) - Overseas Head Office- branch within Waitomo*
- 7 - (B) - Overseas HO- No branch in Waitomo*
- 7 - (C) - Overseas Head Office- branch in NZ outside Waikato*
- 8 - Global Head Office / Manufactured and supplied (outside NZ)*

4.8. Option A, while beneficial to ensure the workforce live locally, is more onerous for the procurement process to ask businesses where all their staff live. Many people work in our district but live elsewhere.

4.9. Option B is an example from Hamilton City Council and is likely more complex than what we would require in the Waitomo District.

*Buying Local*

4.10. WDC supports local businesses through our Trade Services Panel; these are businesses who are registered as first ports of call for delivery of services. A Property Services Trades Panel was established in 2024. Businesses on the panel are available to efficiently and cost effectively carry out maintenance jobs as required.

4.11. In the Policy, under section 3, a clause has been added for officers to seek opportunities to buy local when there are no other existing procurement contracts (i.e. All-of-Government or regional contract).

4.12. Officers have reviewed other councils buy local policies for different ways this could work and are at this time advising the Council to not be too prescriptive in a buy local policy as it quickly becomes complex.

4.13. In a small community where there are few options, a buy local policy can create a monopoly if officers must buy from a local business. It is hard to get the balance right between supporting local businesses and getting good value for our ratepayers.

- 4.14. Any principle to buy locally would not apply to roading or water services tender procurements; roading procurement must follow the NZTA procurement manual, water and wastewater services will soon move to Waikato Waters and will no longer be controlled by WDC.
- 4.15. Officers will continue to investigate buy local options and will work to develop this into internal guidelines which will be presented to the Council for consideration next term.

## **5. Analysis of Options**

- 5.1 The options available to Council include:
- 5.2 **Option 1:** Updating the Procurement Policy
- 5.3 This will bring the Policy up to date and ensure it is aligned with current Government advice and best practice. It will also add a definition for local business and a bit more emphasis for how this should be approached in the procurement process.
- 5.4 **Option 2:** Do Nothing.
- 5.5 This option is not recommended as Council would continue to operate with an outdated policy

## **6. Considerations**

- 6.1 **RISK**
- 6.2 There is low risk involved in the adoption of the proposed recommendations, limited changes to processes and requirements for procurement.
- 6.3 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**
- 6.4 The proposed recommendations are consistent with Council plans and policies.
- 6.5 **SIGNIFICANCE AND COMMUNITY VIEWS**
- 6.6 Under the Significance and Engagement Policy this matter is of low significance.

## **7. Recommendation**

- 7.1 It is recommended that:
1. This business paper on Procurement Policy Review be received.
  2. Council adopts the Procurement Policy 2025.
  3. Council authorises the Chief Executive to make editorial or layout changes as required to the Procurement Policy 2025 before it is finalised.

## **8. Attachments/Separate Enclosures**

Attachments:

- 1 Draft Procurement Policy 2025 (with track changes) (Doc #890014)
- 2 Clean copy Procurement Policy 2025 (Doc #906776)

# **Waitomo District Council**

## **PROCUREMENT POLICY**

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<b>First adopted</b>	April 2012
<b>Review dates</b>	February 2013, November 2018, October 2020, May 2022, <u>2025</u>
<b>Review Date</b>	Every three years
<b>Associated documents</b>	As stated within the document
<b>Responsibility</b>	<del>Infrastructure Services</del> <u>Chief Executive</u>
<b>Adopted by</b>	<b>Council (date)</b>



## Contents

<b>INTRODUCTION   KUPU ARATAKI.....</b>	<b>4</b>
<b>PURPOSE AND SCOPE   TE ARONGA ME TE KORAHÍ.....</b>	<b>4</b>
<b>DEFINITIONS   NGĀ WHAKAMĀRAMATANGA.....</b>	<b>5</b>
<b>POLICY   KAUPAPA HERE .....</b>	<b>7</b>
1. Procurement Objectives.....	8
2. Procurement Processes.....	8
3. Contract Hierarchy.....	8
4. Spend Levels and Authorisations.....	9
5. Preferred Suppliers.....	9
(moved to 2) .....	9
6. Value Thresholds and Requirements.....	10
7. Procurement Exemption.....	10
8. Emergency Procurement.....	10
9. Roles and Responsibilities .....	11
10. Contract Management .....	11
12. Conflicts of Interest .....	12
13. Confidentiality .....	12
14. Disclosure of Contract Award Details.....	12
15. Breaches of Policy.....	13
16. Related Documents .....	13
<b>Appendix 1 – Procurement Threshold.....</b>	<b>14</b>
<b>Appendix 2 – The five principles of Government Procurement .....</b>	<b>16</b>
<b>Appendix 3 - Procurement Charter .....</b>	<b>17</b>

## INTRODUCTION | KUPU ARATAKI

Procurement is all of the activities involved in purchasing goods, service and works. Every day, Waitomo District Council (WDC) spends money to deliver services, infrastructure, and facilities for the benefit of the community.

Procurement should not only deliver value for money for our resident's and ratepayers but can also deliver public value through adhering to our procurement objectives and supporting the local economy,

Through its procurement activity, WDC must act in accordance with the principles outlined in the Local Government Act 2002 (LGA) section 14 as they relate to public spending.

## PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

1. The Procurement Policy (the Policy) provides clear guidance for all procurement of goods, services and works at Waitomo District Council (WDC). It sets out the rules and expectations for employees and authorised third parties to ensure consistent, compliant, and effective procurement. It promotes planned, well-executed procurement that minimises risk and maximises value. It also provides direction on when to use All-of-Government, regional, syndicated contracts, or Procurement Supply Panels (PSPs).
2. The Policy outlines the objectives of WDC's procurement practices, the Government's core principles and procurement charter are outlined in Appendix 2 and 3. It reinforces the importance of integrity, transparency, and accountability whenever financial commitments are made on behalf of the Council.
- 1.—The Policy ensures WDC achieves best whole-of-life value from its procurement activities, considering cost, quality, sustainability, and service.
3. This Policy applies to all WDC employees and authorised third parties committing expenditure on behalf of WDC.
4. It covers all WDC expenditure with the exception of property-related spending, costs related to the Emissions Trading Scheme, and statutory appointments.

### ~~2.—PURPOSE OF PROCUREMENT~~

- ~~3.—The purpose of this Policy is to ensure that Waitomo District Council (WDC) has clear guidance on how its procurement activity should be undertaken at all levels. It provides the "rules" within which WDC will operate. WDC's expectation is that anyone who is undertaking procurement activity on behalf of WDC will abide by the rules, and if they are unclear then guidance should be sought.~~
- ~~4.—The Principles and Broader Outcomes will ensure that WDC upholds the integrity of its procurement and set a clear expectation of what is required when any person within WDC makes a financial commitment on behalf of WDC.~~
- ~~5.—The Policy, Procurement Framework and any additional guidance documentation will assist to provide a consistent approach to all procurement within WDC. It is to support the end user to select the appropriate procurement process having regard to the level of spend, risk and the current environment and then to work through that process with confidence and consistency, regardless of whether the end user is a full time procurement practitioner or not. In addition, this document sets out how to determine whether or not to utilise an All of Government, Regional or Syndicated contracts or Procurement Supply Panels (PSP)~~
- ~~6.—This document will make it clear for suppliers, WDC employees and authorised third parties on WDC's expectations when procuring third party goods, services and/or works. It ensures that spend is planned out and creates well-executed third party solutions that minimise risk and maximise value for all involved.~~
- ~~7.—This Procurement Policy is designed to provide all employees and authorised third parties with clarity and guidance over the purchase of goods, services and/or works required to support business delivery. This Policy~~

is designed to ensure that WDC obtains best whole of life value for the goods, services and/or works that it purchases, and to maintain the highest ethical standards in dealing with, its suppliers. Value includes but is not limited to price, quality, sustainability and service.

8. ~~This Policy applies to all employees and authorised third parties committing expenditure on behalf of WDC on In-Scope spend.~~
9. ~~This Policy applies to the commitment of all funds by employees or authorised third parties on behalf of WDC with the exception of property related expenditure, emission trading scheme and statutory appointments.~~
10. ~~Examples of expenditure to which this Policy applies include:~~
  1. ~~Operational Expenditure—Goods, Services and/or Works required to support the day to day running of WDC.~~
  2. ~~Material Outsourcing Arrangements—involves WDC entering into an agreement with another party (supplier) to perform, on a continuing basis, a business activity which currently is, or could be, undertaken by WDC itself.~~
  3. ~~Supplier Panels—where employees can purchase against pre-agreed rates and conditions of contract.~~
  4. ~~Consultancy Expenditure—involves the use of professional service providers to obtain advice and/or support relating to an area of specific expertise.~~
  5. ~~Project and Capital Expenditure—involves WDC entering into an agreement on a one-off basis with another party (supplier) to provide an agreed specific set of outcomes aligned to a project or capital outlay.~~
  6. ~~NZTA Subsidised Arrangements—provides NZTA subsidised services obtained through the NZTA procurement process (NB: as documented, the financial limits and procedures prescribed in the NZTA Procurement Manual will apply if NZTA standards are higher than those set by WDC).~~
  7. ~~Subject to 6 above, 3rd Party Funding Procurement—Goods, Services and/or Works required to achieve projects supported by 3rd party funding, where Council has agreed to participate.~~

## DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

<b>Approved Contract Sum</b>	is the sum total, exclusive of GST, of any individual agreement, purchase requisition, purchase order, disbursement, payment authorisation certificate, or payment made to a Supplier over the full term of the contract, including rights of renewal.
<b>Approved Supplier</b>	is a supplier set up and approved for use in WDC's financial system.
<b>Confidentiality Agreement</b>	is an Agreement between the parties and their employees to keep confidential all information pertaining to the Contract, except where required to divulge by law.
<b>Conflict of Interest</b>	where an employee or an elected member's duties or responsibilities to WDC could be affected, or perceived to be, by some other interest or duty that an employee, <del>or</del> an elected member, <u>or their family</u> may have.
<b>Contingency</b>	is an amount allowed for in the Approved Contract Sum to take into account either foreseen but unquantifiable requirements or unforeseen circumstances. Sum of money to be spent only as a Variation or site instruction on approval by WDC.
<b>Contract</b>	as used in this Policy shall mean any and all contracts, agreements, memoranda of understanding (or agreement), letters of agreement, or any other document which purports to be binding upon WDC as generally defined in the Property Law Act 2007. <del>Including any subsequent extensions, renewals, or modifications to a Contract.</del>
<b>Council</b>	<u>shall mean the elected members that form the governing body of the District Council</u>
<b>Delegated Authority</b>	<del>The</del> The person with the authority to approve the total Contract commitment over its entire term. The entire term includes the initial term plus any renewal periods contemplated at the commencement of the contract. Delegated Authority is completed by signature or electronic signoff within WDC's finance systems. All non-electronic signatures must be accompanied by the printed name, position of the Delegated Authority as well as the date of signatory.
<b>Direct Appointment</b>	is a supplier selection method that involves the negotiation of a contract with a single Supplier.
<b>Family</b>	<u>this shall mean spouse, partner, child, parent, sibling, or other family member where there is a close personal or financial relationship where influence may arise.</u>
<b>Invited RFx (or Closed Tender)</b>	<del>L</del> Limited numbers of Tenderers' are invited to submit a tender without public advertisement of Contract. Selected Suppliers who satisfy the required criteria are invited to put forward a submission. It is recommended a minimum of three (3) Suppliers should be invited.
<b>LGOIMA</b>	The Local Government Official Information and Meetings Act, 1987, to which <del>the</del> WDC must adhere.
<b>Local Business</b>	<u>A local business is either:</u> <u>a) any business that is based in the WDC ratable area, these can be branches or compounds of a business whose headquarters are elsewhere in NZ or overseas, as long as there is a branch within the Waitomo District ratable area and/or</u> <u>b) any business which may not have an office or headquarters in the district but employs predominately local people</u>
<b>NZTA</b>	New Zealand Transport <del>Agency</del> <u>Authority</u> , Waka Kotahi
<b>P-Card / Procurement Card</b>	<u>a type of purchasing card used by employees to make small, approved purchases directly from vendors without going through the traditional purchase order and invoice system.</u> A Purchasing Card, <del>for example a WDC credit card or fuel card is</del> used as required and in accordance with the appropriate <del>f</del> Financial <del>D</del> <u>Delegation</u>

and in accordance with the Sensitive Expenditure Policy (credit cards) and the Fuel Card Policy.

**Preferred Supplier**

are suppliers that have been put in place with a formal Contract for the supply of a category of goods, services or works for a period of time (i.e. Supplier Panel Agreement). This is not a guarantee of work to the Supplier.

**Procurement Exemption**

is an exemption to the prescribed supplier selection method as determined by this Policy. The approved exemption authorises the continuation of a procurement activity outside of the Procurement Policy.

**Procurement Services Provider**

is a company that offers outsourced procurement solutions, essentially acting as a third-party purchasing department for other organisations.

**Procurement Supply Panel (PSP)**

Is a panel of suppliers is a list of suppliers that an organisation has selected as being able to deliver the goods or services that the organisation needs.

**Procurement Plan**

is the detailed plan outlining how the procurement activity will be carried out.

**~~Procurement Policy~~**

~~is the Policy which provides guidance on how WDC procurement activity is to be conducted.~~

**Purchase Order**

is a legal document for the purchase of goods, services or works issued from WDC following approval by the relevant Delegated Financial Authority. Terms and conditions are governed by WDC's Purchase Order Terms and Conditions of Supply.

**Public RFx (or Open Tender)**

is a publicly advertised RFx (Request for Quotation, Request for Expression of Interest, Request for Proposal or Request for Tender) that any party may respond to.

**RFx**

is a generic abbreviation that covers all 'Request for' "processes" including: (Request for Quotation, Request for Expression of Interest, Request for Proposal or Request for Tender). Specifies what WDC wishes to purchase, the terms and conditions plus instructions on how to bid and respond.

**Supplier**

is the person or organisation responsible for providing the supply of goods, services or works as required by WDC. Also known as vendor, contractor, consultant or service provider.

**~~Syndicated Procurement Contract~~**

~~Syndicated procurement is when a Government agency or local authority contracts with a Supplier on behalf of other entities. This can lead to economy of scale advantages for WDC.~~

**Syndicated Purchasing Arrangement**

this is a shared or coordinated procurement effort and includes: All-of-Government contracts; regional or syndicated contracts (e.g. CoLab); Procurement Supply Panels

**Variation**

are written changes to the scope, price or term of a cContract.

**Waitomo District Council (WDC)**

shall mean the organisation established to administer Council affairs, conduct operations, and bring effect to Council policy and strategies.

## 1. Procurement Objectives

1.1. WDC is committed to responsible financial management and consistent and effective procurement and will act at all times in the best interest of ratepayers and residents. All procurement decisions will ensure they align with the following objectives:

~~1.1. The objective of the Policy is to provide a clear direction to anyone involved or engaged in relation to the performance of WDC procurement activities that ensures:~~

- a. **Adherence** – all procurement is undertaken only where required and is ~~undertaken~~ in accordance with the Procurement Policy, the Procurement Framework and all other associated WDC ~~p~~Policies and ~~s~~Strategies.†
- b. **Openness** – all procurement is made in a transparent and approved manner with full and fair opportunity for all eligible suppliers.†
- c. **Fairness** – all procurement is carried out in a fair manner and decisions are made with impartiality and without bias.†
- d. **Integrity** – all WDC employees and/or third parties undertaking procurement do so ethically, equitably and with behavioural standards of the highest levels.†
- e. **Value for Money** – all procurement works towards minimising procurement costs, relation costs, and whole of life costs of the goods, services ~~and /-or~~ works to deliver best value for money.†
- f. **Risk** – all procurement considers the risks (commercial and otherwise) and ensures these are managed appropriately.†
- g. **Reputation** – no procurement undertaken has an adverse impact on the reputation of WDC.†
- h. **Lawfulness** – all procurement is within the law and meets WDC's legal and organisational obligations.†
- i. **Accountability** – employees, ~~and /-or~~ third parties and Suppliers are accountable for their performance and delivery of their procurement activities.† ~~and~~
- j. **Sustainability** – all procurement is environmental and socially sustainable wherever possible, having regard to economic, environmental, and social impacts over their lifecycle.

2.2 In addition to the objectives above, as local government, WDC should adhere to the Government's procurement rules. The Government's procurement principles and procurement charter are detailed in Appendix 2 and 3. All procurement decisions should also align with these principles. A detailed breakdown of the Procurement Principles and Broader Outcomes is provided in Appendix 2.

## 2. Procurement Processes

2.1. Any time an employee or authorised third party is looking to make a purchase they must follow the appropriate procurement processes. There are different procurement processes to follow based on the cost and risk of any procurement. have been separated to take into consideration the potential costs and risks to WDC.

**Cost** – these are the total costs expected for the life of the contract and should include any contingencies or on-going costs. It is the aggregate of all the costs that should be used to determine the correct procurement process to follow.

**Risk** – these are the risks, their likelihood, the ability to mitigate the risks and the consequences to WDC should the risk occur. This should take into consideration all types of risk including, but not limited to, commercial, operational and reputational risk.

## 3. Contract Hierarchy

3.1. Once the requirement to spend has been established, the first consideration should be whether or not there are All-of-Government (AOG) contracts, followed by Regional or Syndicated contracts, or PSPSP available for use.

3.2. If there are any Syndicated Purchasing Arrangement contracts available, it is likely that the benefits from these will outweigh the potential local benefits due to the economies of scale "buying power" available.

- 3.3. A review of these options should be undertaken, and where the contract meets the requirements, it is advisable for WDC to sign up to these rather, than pursue a local procurement strategy, except ~~in certain circumstances as~~ when approved by the CE.

- 3.4. Where no Syndicated Purchasing Arrangement is available attention should be given to whether opportunities can be created for local businesses to participate in the procurement process.

#### 4. **Spend ~~Limits~~ Levels and Authorisations**

- 4.1. Any employee wishing to make a purchase on behalf of WDC needs to be aware from whom within the organisation they must get approval, before making the commitment.
- 4.2. Appropriate authorisation ~~must~~ be obtained prior to ordering goods, services and/or works. The authorising signatory is certifying that they have reviewed the transaction and all related documentation, and that it conforms to WDC policy and goals, as well as applicable laws.
- 4.3. An authorising signatory should not both initiate and approve the same transaction. In no circumstances will an authorising signatory approve payments of any kind to themselves.

Any employee purchasing on behalf of WDC must ensure that they follow the correct procurement process based on the spend level and risk threshold. In all cases, when determining the correct procurement process, the spend level to be considered is the aggregate (combined) spend over the life of the contract and relates to the total spend on a project. See Appendix 1 for procurement processes based on spend level.

For example:

- ~~1. for a maintenance agreement of \$50k per annum with a three-year term the total spend is \$150k, and the procurement process for spend of a level of \$150k should be applied;~~
- ~~2.1. the procurement planning for a project with multi-disciplines, such as refurbishment of a building, may require a builder \$100k, electrical work \$100k, HVAC work \$75k and plumbing \$50k: the procurement process for spend of a level of over \$150k should be applied for the aggregated spend, although it is accepted that as part of the procurement process WDC may decide to go out for individual tender processes for each of these services separately.~~

#### 5. **Preferred Suppliers**

- 5.1. Wherever possible, employees should direct all goods, services and/or works purchases through ~~these~~ preferred supplier contracted arrangements. A list of all ~~AOG, Regional, Syndicated (PSP) and local preferred suppliers~~ Syndicated Purchasing Arrangements is available and should be reviewed before any commitment is made.
- 5.2. There may be occasions when employees will notice cheaper alternatives to these contracted arrangements. Employees should be aware that these contracts have been arranged with the overall benefit to WDC in mind. Overall quality, performance, and whole-of-life-cost have been considered when selecting the suppliers.

**Note:** *Whether utilising preferred or non-preferred suppliers, the correct procurement process must be applied. As the contract and commercial negotiations have been completed in advance, the process for using preferred suppliers is far less time consuming. However, if there is a need to vary the existing terms or pricing (where there is an increase in cost) outside of the agreed contract, the supplier should then be treated as a non-preferred supplier and the non-preferred supplier process applied.*

*A supplier who has pre-qualified under WDC approved Health, Safety Environment system and/or process, is not automatically a preferred supplier. A preferred supplier will have also been through a commercial process and have a contract in place.*

#### ~~6.~~ Procurement Processes (moved to 2)

- ~~6.1. This Where an employee or authorised third party is looking to make a purchase they need to follow the appropriate procurement process. The processes have been separated to take into~~

consideration the potential costs and risks to WDC.

**Cost**—these are the total costs expected for the life of the contract and should include any contingencies or on-going costs. It is the aggregate of all the costs that should be used to determine the correct procurement process to follow.

**Risk**—these are the risks, their likelihood, the ability to mitigate the risks and the consequences to WDC should the risk occur. This should take into consideration all types of risk including, but not limited to, commercial, operational and reputational risk.

## 6. Value Thresholds and Requirements

- 6.1. The different spend levels and related procurement process requirements ~~that relate to the procurement process~~ are detailed in Appendix 1.
- 6.2. Where a contract is subject to a New Zealand Transport ~~Authority~~ Agency (NZTA) subsidy, the relevant Land Transport Procurement Strategy, and the financial limits and procedures prescribed in the NZTA Procurement Manual will apply, if the standards are higher than those set by WDC. ~~(\$100k—direct appointment, \$200k—closed tender)~~
- 6.3. Subject to ~~6.2 above~~ clause 1, where Council agrees to participate in ~~third~~ 3rd party funding arrangements, the financial limits, rules, requirements and procedures in this Policy will apply, unless amended in accordance with a Council resolution ~~(see the Procurement Framework)~~.

**Note:** These are the minimum requirements ~~pertaining to undertaking for conducting~~ procurement activity. ~~for example, more suppliers than the minimum can participate if desired.~~ In addition, an alternative supplier selection method ~~— such as —~~ is the Invited RFx (closed tender) process ~~— may be used which can be utilised, but this will require Procurement Exemption approval.~~

## 7. Procurement Exemption

- 7.1. The process for the relevant spend level as identified above and detailed in Appendix 1 should be followed fully. If deviation from the process is required ~~necessary~~, the reason for the deviation should comply with one or more of the following criteria:
  - a) Monopoly or limited supplier situation:** Where there is a monopoly or very limited supplier situation and only one or two Suppliers are capable of supplying the requirements (e.g. engaging an arrangement for the supply of electricity on a network where the network is ~~owned by a single party~~); or
  - b) Proprietary technology:** Where a Supplier is the sole Supplier and/or patent holder of a specific product that is required by WDC. WDC must be satisfied that the proprietary technology is the most appropriate for the needs of WDC; or
  - c) High Risk Activities:** The risks of a competitive process outweigh the benefits of competition and would potentially create risk for WDC; or
  - d) Unique business proposition:** Where a Supplier has a unique business proposition that can minimise risks or costs to WDC. This could include existing knowledge relevant to a project; or
  - e) Existing contract:** If goods, services and/or works are in addition to, or necessary for the completion of, delivery of an existing contract, provided that the original contract was publicly advertised, and a change of Supplier cannot be made for economic, technical, legal or practical reasons.
- 7.2. The key requirement ~~for any is the P~~ procurement ~~e~~ Exemption is that it represents best value for WDC. Poor planning or organisation of procurement is not justification for deviation from the Policy. In all instances a procurement exemption must be signed off by the Chief Executive.

## 8. Emergency Procurement

- 8.1. Where a declared or undeclared response to an 'emergency', as defined in the Civil Defence and Emergency Management Act 2002 (CDEMA), occurs, this ~~Procurement~~ Policy does not apply to procurement of goods and/or services required for that emergency. Procurements required under this category will be ~~pursuant to~~ in accordance with the CDEMA.



- 8.2. In any other crisis or emergency, it may be necessary to dispense with parts of the procurement process so that WDC can react quickly to unforeseen events. WDC will need to be flexible in how it procures goods and services that are required for its response.
- 8.3. Emergency procurement should be used only in genuinely unforeseen circumstances.
- 8.4. Poor planning or organisation of a procurement does not justify dispensing with parts of this Policy.
- 8.5. In the context of this Policy an emergency is defined as an event which results in:
  - a) Employees, public, supplier, property or equipment being placed in immediate risk.
  - b) Standards of health, welfare or safety having to be re-established without delay.
  - c) The significant impairment of WDC's delivery if WDC failed to respond promptly.
  - d) Critical health or environmental emergencies, such as a pandemic.
  - e) An unanticipated event that makes it impossible for an agency to perform a statutory or critical function.
- 8.6. Emergency procurement should be limited to what is required to cope with the emergency. Once the emergency event is stabilised a recovery plan may be established, and approved by Council, to authorise necessary procurement activity.
- 8.7. Emergency procurement must be authorised by employees with the appropriate financial delegation as soon as practicable following the purchase.

## 9. Roles and Responsibilities

- 9.1. Employees and authorised third parties are responsible for ensuring that all purchasing, tendering and contract processes are carried out in line with the Procurement Policy (and any other relevant Council WDC policies and procedures). These activities must be carried out by those who have the authority to make procurement decisions and approved by those who have the delegated authority to approve them.
- 9.2. All Contracts and Purchase Orders are to be authorised by the appropriate delegated financial authority prior to the placing of the order with the supplier and committing the funds.
- 9.3. Employees and/or authorised third parties are responsible for ensuring all contract information is uploaded to on MagiQ Docs the WDC Electronic Document Management System, including all quotes or full RFx information. In addition, approval documentation is required to be held in the appropriate and required digital form, prior to authorising payment to the supplier.

## 10. Contract Management

- 10.1. Whenever WDC awards a contract, a suitably skilled employee or authorised third party must be appointed to manage the contract. This person identified to manage the contract is responsible for ensuring that what has been agreed in the contract is delivered, on time, to the appropriate quality standards, and within the agreed price. It requires the employee to actively track and monitor delivery and costs, manage risks, and manage the supplier relationship throughout the contract. f

*Note: Contract Management is covered in the Contract Administration Manual*

### **~~Corporate Purchasing Card Policy~~**

- 10.2. ~~Where it is established that there is a regular requirement to purchase items for a cost centre to carry out their normal functions, WDC should consider arranging a preferred supplier contract. For more information regards eligibility, use, and reconciliation of expenditure please refer to the Credit Card Policy Sensitive Expenditure Policy in regard to credit card use and the Fuel Card Policy (or similar policy) and Procurement Card Guide.~~

## 11. Conflicts of Interest

- 11.1. Conflicts of interest ~~are circumstances where the exercise of~~ arise when an employee or elected member's duties or responsibilities to WDC ~~with regards to their dealings with~~ in relation to suppliers, could be, or might be perceived to be, influenced by some other interest that the employee, elected member, or their family may have. The other interest might exist because of:
- the employee's own financial affairs;
  - a relationship or other role that the employee has (or has had); or
  - something that the employee has said or done.
- 11.2. Employees and/or authorised third parties who believe they may have a potential conflict must disclose the potential conflict to the appropriate person(s) in a timely manner. For more information on identifying and managing conflicts of interest, employees should refer to WDC's Conflicts of Interest and Declarations Policy ~~(or similar policy).~~

## 12. Confidentiality

- 12.1. WDC is committed to fair and ethical business practices that encourage competition and enhances our supplier relationships. ~~A cornerstone of this Policy is maintaining the~~ The confidentiality of all supplier proposals, quotations, prices, contracts and other proprietary materials must be maintained by all employees and authorised third parties. Confidential information is not to be disclosed in any way to other suppliers, outside organisations, or to any unauthorised persons, subject to the provisions of LGOIMA (Local Government Official Information and Meetings Act, 1987) and the ~~d~~Disclosure of ~~c~~Contract ~~a~~Award (see 13.3)Details below.
- 12.2. Disclosure of confidential information is not only professionally unethical and damaging to WDC's negotiations with suppliers, ~~it~~but it also exposes WDC to possible reputational risk or legal action.

## 13. Disclosure of Contract Award Details

13.1. The disclosure of contract award details will be in line with New Zealand Government Procurement Rules and the NZTA Procurement Manual.

~~13.1. Subject to the WDC Procurement Policy and where appropriate, the NZTA Procurement Manual, any specific obligations pursuant to other 3<sup>rd</sup> party funding requirements or any other agreement, where a contract\* has been awarded to a supplier and the total value of the procurement is greater than \$200,000 + GST, the following details may be publicly released:~~

- ~~a. The name and price of the successful supplier; and~~
- ~~b. The range of scores (if a closed or open tender process is utilised to select a supplier and three or more conforming tenders were received); and~~
- ~~c. the price range of quotes received (if the quote method is utilised to select a supplier); or~~
- ~~d. the range of tender prices (if a closed or open tender process is utilised to select a supplier); and~~
- ~~e. the number of quotes sought and received; or~~
- ~~f. the number of conforming tenders received; and~~
- ~~g. contract term.~~

~~13.2. If you have any questions about any request to provide information concerning contracts, pricing, supplier proposals or other internal information, please discuss with your mManager in the first instance.~~

~~\*This does not include contracts awarded pursuant to 3<sup>rd</sup> party funding arrangements or recovery plans following an emergency event.~~

## 14. Monitoring of compliance with this Policy

- ~~14.1.13.2.~~ The prime responsibility for the on-going monitoring of compliance with this Policy rests with the General Manager – Business Support ~~Infrastructure Services~~. When there is evidence of a breach of this Policy, WDC will investigate to determine the circumstances and extent of the breach

## 14. Breaches of Policy

- 14.1 ~~The prime responsibility for monitoring compliance with this Policy rests with the Chief Executive.~~

14.2 Any breaches of this Policy must be notified to the relevant WDC ~~m~~Manager, and appropriate WDC personnel will manage the incident and take action (which may include escalation).

## ~~15. Related Policies~~

- a. ~~All related policies can be found in the Relevant Policies and Legislation Guide.~~

## 16. Further information ~~Related Documents~~

- 15.1. For further information please contact the ~~Procurement Officer~~ Programme Lead - Procurement

- 15.2. This Policy should be read alongside the following WDC guides and policies:

- ~~• Approval of Procurement Approval Form Guide~~
- ~~• Creating a PO Flowchart Guide~~
- ~~• How to receipt a PO Guide~~
- Procurement Thresholds Guide
- Supplier Selection Method Flow Chart
- WDC Project Management Framework Manual
- Waitomo PMF – Classification Lifecycle
- Waitomo PMF – Project Control Framework
- Waitomo PMF – Project Lifecycle Overview
- ~~• Contract Administration Manual~~
- Sensitive Expenditure Policy
- Fuel Card Policy
- Conflicts of Interest and Declarations Policy
- Purchase Order Terms and Conditions of Supply.

- 15.3. This Policy should be read and considered with related legislation, specifically:

- The Local Government Act 2002
- Protected Disclosures Act 2000
- Local Authorities (Members Interests) Act 1968
- The Secret Commissions Act 1910
- ~~• The Crimes Act 1961~~
- Civil Defence and Emergency Management Act 2002

- 15.4. The following resources can be accessed for further information:

- ~~• Online anti-corruption training module developed by SFO & TINZ~~
- ~~• Serious Fraud Office: information for complainants~~
- ~~• Further information on protected disclosures/whistleblowing~~
- ~~• NZTA Procurement Manual~~

## ~~16. Useful Resources~~

- ~~• Online anti-corruption training module developed by SFO & TINZ~~
- ~~• Serious Fraud Office: information for complainants~~
- ~~• Further information on protected disclosures/whistleblowing~~

## Appendix 1 – Procurement Threshold

THRESHOLD	PROCESS	PAPERWORK	GUIDANCE NOTES
\$1 - \$4,999	Purchase	Purchase is likely to be either via a P-Card, direct purchase and receipt or PO (mainly at supplier's request)	Minimal paperwork, may be a direct purchase or utilise a purchase order.
\$5,000 - \$49,999	1 Quote or more; or Catalogue purchase (where price is documented and confirmed).	Written quote; Purchase Order or Contract <u>PAF – If two or more quotes are obtained then a Procurement Authorisation Form (PAF) is required</u>	<ul style="list-style-type: none"> <li>1 quote is the minimum, if more can be obtained and add value these should be sought.</li> <li>Make sure quotes are in writing or you confirm in writing to the supplier to avoid future disputes.</li> <li>Catalogue spend include retail establishments (e.g. Mitre store purchases which already have a RRP).</li> </ul>
\$50,000 - \$199,999	2 quotes or more	Written quotes; Purchase Order or Contract PAF	<ul style="list-style-type: none"> <li>2 quotes are the minimum if more can be obtained and add value these should be sought.</li> <li>Make sure quotes are in writing or you confirm in writing to the supplier to avoid future disputes.</li> <li>Follow quote management process</li> </ul>
\$200,000 - \$499,999	Open Tender Process; or 3 Quotes	<p>An approved Lite Procurement Plan <u>16.1.1-15.4.1.</u> If open tender:</p> <ul style="list-style-type: none"> <li>RFx documents</li> <li>Tender responses</li> <li>Evaluation report(s)</li> <li>Contract</li> </ul> <p>Notes requested:</p> <ul style="list-style-type: none"> <li>Written quotes;</li> <li>PAF</li> <li>Purchase Order or Contract</li> </ul>	<p>It is the responsibility of the procurer and the GM to determine the most appropriate process to be followed, it is expected that as the cost and complexity grows that a tender process will be more appropriate. This must be documented and approved within the Lite Procurement Plan.</p> <p>If an RFx process is to be used, ensure that the information provided is full and fair to all potential suppliers and that timelines are realistic and will provide the best response from the suppliers.</p> <p>If Quotes sought</p> <ul style="list-style-type: none"> <li>3 quotes are the minimum, if more can be obtained and add value these should be sought.</li> <li>Make sure quotes are in writing or you confirm in writing to the supplier to avoid future disputes.</li> <li>Follow quote management process</li> </ul>

THRESHOLD	PROCESS	PAPERWORK	GUIDANCE NOTES
\$500,000 + Or <u>high risk*</u> any value	Open Tender Process;	An approved Full Procurement Plan If open tender: <ul style="list-style-type: none"> <li>• RFx documents</li> <li>• Tender responses</li> <li>• Evaluation report(s)</li> <li>• Contract</li> </ul>	An approved Full Procurement Plan is required, this will provide significantly more information and detail in line with the complexity and spend of the procurement activity.  An RFx process is to be used ensure that the information provided is full and fair to all potential suppliers and that timelines are realistic and will provide the best response from the suppliers.
NZTA/ <del>Waka Kotahi</del>	Where any NZTA/ <del>Waka Kotahi</del> funding is to be used in the procurement activity.	NZTA Approved Documents to be used and follow the NZTA process.	The NZTA process and documents should be used where NZTA are funding or part funding the project. In the event that the Waitomo District Council requirements are more robust these should be utilised to provide additional benefit.
Emergencies	Immediate response required, preferable to use a preferred supplier where possible. Likely to be verbal offer and acceptance and the costs may not be confirmed until after the event is dealt with.	Retrospective PO/Variation	Where a genuine emergency – this likely to have a potentially catastrophic impact financially, or on public, premises or reputation immediate action should be sought, it is likely that this will be a verbal acceptance in these situations. Where possible a preferred supplier should be utilised.  A retrospective PO/Variation should be placed with the supplier to formalise the emergency activities undertaken.

## **Appendix 2 – The five principles of Government Procurement**

The following principles for government procurement provide overarching values for WDC's procurement. The principles are taken from the Government Procurement Rules: Responsible Expenditure of Public Funds (check these for final 5<sup>th</sup> edition...). These provide guidance to help employees make good procurement decisions and should be understood for how they apply to any procurement activity.

### **1. Plan and manage for great results**

- Identify what you need and then plan how to get it.
- Set up a team with the right mix of skills and experience.
- Involve suppliers early – let them know what you want and keep talking.
- Take the time to understand the market and your effect on it. Be open to new ideas and solutions.
- Choose the right process – proportional to the size, complexity and any risks involved.
- Encourage e-business.

### **2. Be fair to all suppliers**

- Create competition and encourage capable suppliers to respond.
- Treat all suppliers equally – we do not discriminate (this is part of our international obligations).
- Seek opportunities to involve New Zealand businesses, including Māori, Pasifika and regional businesses and social enterprises.
- Make it easy for all suppliers (small and large) to do business with government.
- Be open to subcontracting opportunities in big projects.
- Clearly explain how you will assess proposals – so suppliers know what to focus on.
- Talk to unsuccessful suppliers so they can learn and know how to improve next time.

### **3. Get the right supplier**

- Be clear about what you need and fair in how you assess suppliers – do not string suppliers along.
- Choose the right supplier who can deliver what you need, at a fair price and on time.
- Choose suppliers that comply with the Government's Supplier Code of Conduct.
- Build demanding, but fair and productive, relationships with suppliers.
- Make it worthwhile for suppliers – encourage and reward them to deliver great results.
- Identify relevant risks and get the right person to manage them.

### **4. Get the best deal for everyone**

- Get best public value – account for all costs and benefits over the lifetime of the goods or services.
- Make balanced decisions – consider the possible social, environmental, economic effects and cultural outcomes that should be achieved.
- Encourage and be receptive to new ideas and ways of doing things – don't be too prescriptive.
- Take calculated risks and reward new ideas.
- Have clear performance measures – monitor and manage to make sure you get great results.
- Work together with suppliers to make ongoing savings and improvements.
- It is more than just agreeing the deal – be accountable for the results.

### **5. Play by the rules**

- Be accountable, transparent and reasonable.
- Make sure everyone involved in the process acts responsibly, lawfully and with integrity.
- Stay impartial – identify and manage conflicts of interest.
- Protect suppliers' commercially sensitive information and intellectual property.

## **Appendix 3 - Procurement Charter**

- Increasing access for New Zealand businesses — identify opportunities for New Zealand suppliers, including Māori, Pasifika, ICT and regional suppliers, to be involved.
- Increasing the size and skills of the construction sector — when your agency will be involved in significant construction works, think about how you can partner with suppliers and others to improve construction sector skills and training over the long term.
- Lifting health and safety and employment standards — identify contracts where vulnerable New Zealand workers may be involved in the supply chain, and develop a strategy to make sure that primary suppliers meet their health and safety obligations, and comply with employment standards. Agencies must do this for designated contracts, which for health and safety are forestry and construction, and for employment standards are cleaning, security and forestry. But should also consider other areas where low paid and vulnerable workers may be involved in your supply chain.
- Transitioning to a net zero emissions economy — consider the following elements:
  - Environmental impact — select those products and services that have a high impact on the environment over their life cycle and address these first, for example fleet vehicles.
  - Check the market for environmentally friendly alternatives — analyse the market to determine whether alternative options are available that produce lower emissions or less waste. Check for relevant environmental labels and certifications.
  - Whole-of-life cost — sustainable procurement can offer significant cost savings, for example through lower energy bills, and reduced spending on unnecessary goods and services. Where there are opportunities to make savings on strategic investments by using sustainable procurement practices, you should prioritise these.

The Government's procurement charter sets out expectations to ensure procurement by government delivers public value for all New Zealanders while supporting the delivery of public services. While carrying out procurement, key priorities should be identified and as many of the below expectations should be met as practical.

### **1. DELIVER ECONOMIC BENEFITS TO NEW ZEALAND**

Work to create opportunities for local businesses and small-to-medium enterprises to participate in your procurement processes. Consider if your procurement offers opportunities for delivering social, environmental and cultural outcomes.

### **2. LOOK FOR NEW AND INNOVATIVE SOLUTIONS.**

Make sure you don't overprescribe the technical requirements of a procurement, give businesses the opportunity to demonstrate their expertise.

### **3. ENGAGE WITH BUSINESSES WITH GOOD EMPLOYMENT PRACTICES.**

Ensure that the businesses you contract with operate with integrity, transparency and accountability, and respect international standards relating to human and labour rights. For businesses operating within New Zealand, ensure that they comply with all New Zealand employment standards and health and safety requirements.

### **4. PROMOTE INCLUSIVE ECONOMIC DEVELOPMENT WITHIN NEW ZEALAND.**

Engage with Māori, Pasifika, and regional businesses and social enterprises in order to actively contribute to our local economy. Openly working to include and support these businesses and enterprises through procurement will promote both skills development and a diverse and inclusive workforce.

### **5. MANAGE RISK APPROPRIATELY.**

Responsibility for managing risks should be with the party – either the agency or the supplier – that is best placed to manage the risk. Agencies and suppliers should work together on risk mitigation strategies.

### **6. ENCOURAGE COLLABORATION FOR COLLECTIVE IMPACT.**

Look to support greater collaboration, both across-agency and across-businesses to give likeminded groups the opportunity to find common solutions within your procurement opportunities

**Seek Opportunities to include New Zealand Businesses**

Openly work to create opportunities for local businesses and small to medium enterprises to participate in your procurement processes.

**Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility**

Ensure that economic and social development can be implemented on a sustainable basis with respect for the protection and preservation of the environment, reducing waste, carbon emissions and pollution.



# **Waitomo District Council**

## **PROCUREMENT POLICY**

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<b>First adopted</b>	April 2012
<b>Review dates</b>	February 2013, November 2018, October 2020, May 2022, August 2025
<b>Review Date</b>	Every three years
<b>Associated documents</b>	As stated within the document
<b>Responsibility</b>	Chief Executive
<b>Adopted by</b>	Council (date)

## Contents

<b>INTRODUCTION   KUPU ARATAKI.....</b>	<b>4</b>
<b>PURPOSE AND SCOPE   TE ARONGA ME TE KORAHİ.....</b>	<b>4</b>
<b>DEFINITIONS   NGĀ WHAKAMĀRAMATANGA.....</b>	<b>4</b>
<b>POLICY   KAUPAPA HERE .....</b>	<b>6</b>
1. Procurement Objectives .....	6
2. Procurement Processes .....	7
3. Contract Hierarchy.....	7
4. Spend Levels and Authorisations.....	7
5. Preferred Suppliers .....	7
6. Value Thresholds and Requirements.....	8
7. Procurement Exemption.....	8
8. Emergency Procurement .....	9
9. Roles and Responsibilities .....	9
10. Contract Management .....	9
11. Conflicts of Interest .....	10
12. Confidentiality .....	10
13. Disclosure of Contract Award Details.....	10
14. Breaches of Policy.....	10
15. Related Documents .....	10
<b>Appendix 1 – Procurement Threshold .....</b>	<b>12</b>
<b>Appendix 2 – The five principles of Government Procurement .....</b>	<b>14</b>
<b>Appendix 3 – Procurement Charter .....</b>	<b>15</b>

## INTRODUCTION | KUPU ARATAKI

Procurement is all of the activities involved in purchasing goods, service and works. Every day, Waitomo District Council (WDC) spends money to deliver services, infrastructure, and facilities for the benefit of the community.

Procurement should not only deliver value for money for our resident's and ratepayers but can also deliver public value through adhering to our procurement objectives and supporting the local economy.

Through its procurement activity, WDC must act in accordance with the principles outlined in the Local Government Act 2002 (LGA) section 14 as they relate to public spending.

## PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

1. The Procurement Policy (the Policy) provides clear guidance for all procurement of goods, services and works at Waitomo District Council (WDC). It sets out the rules and expectations for employees and authorised third parties to ensure consistent, compliant, and effective procurement. It promotes planned, well-executed procurement that minimises risk and maximises value. It also provides direction on when to use All-of-Government, regional, syndicated contracts, or Procurement Supply Panels (PSPs).
2. The Policy outlines the objectives of WDC's procurement practices, the Government's core principles and procurement charter are outlined in Appendix 2 and 3. It reinforces the importance of integrity, transparency, and accountability whenever financial commitments are made on behalf of the Council.
3. The Policy ensures WDC achieves best whole-of-life value from its procurement activities, considering cost, quality, sustainability, and service.
4. This Policy applies to all WDC employees and authorised third parties committing expenditure on behalf of WDC.
5. It covers all WDC expenditure with the exception of property-related spending, costs related to the Emissions Trading Scheme, and statutory appointments.

## DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

<b>Approved Contract Sum</b>	is the sum total, exclusive of GST, of any individual agreement, purchase requisition, purchase order, disbursement, payment authorisation certificate, or payment made to a Supplier over the full term of the contract, including rights of renewal.
<b>Approved Supplier</b>	is a supplier set up and approved for use in WDC's financial system.
<b>Confidentiality Agreement</b>	is an Agreement between the parties and their employees to keep confidential all information pertaining to the Contract, except where required to divulge by law.
<b>Conflict of Interest</b>	where an employee or an elected member's duties or responsibilities to WDC could be affected, or perceived to be, by some other interest or duty that an employee, an elected member, or their family may have.
<b>Contingency</b>	is an amount allowed for in the Approved Contract Sum to take into account either foreseen but unquantifiable requirements or unforeseen circumstances. Sum of money to be spent only as a Variation or site instruction on approval by WDC.

<b>Contract</b>	as used in this Policy shall mean any and all contracts, agreements, memoranda of understanding (or agreement), letters of agreement, or any other document which purports to be binding upon WDC as generally defined in the Property Law Act 2007. Including any subsequent extensions, renewals, or modifications to a Contract.
<b>Council</b>	shall mean the elected members that form the governing body of the District Council.
<b>Delegated Authority</b>	the person with the authority to approve the total Contract commitment over its entire term. The entire term includes the initial term plus any renewal periods contemplated at the commencement of the contract. Delegated Authority is completed by signature or electronic signoff within WDC's finance systems. All non-electronic signatures must be accompanied by the printed name, position of the Delegated Authority as well as the date of signatory.
<b>Direct Appointment</b>	is a supplier selection method that involves the negotiation of a contract with a single Supplier.
<b>Family</b>	this shall mean spouse, partner, child, parent, sibling, or other family member where there is a close personal or financial relationship where influence may arise.
<b>Invited RFx (or Closed Tender)</b>	limited numbers of Tenderers' are invited to submit a tender without public advertisement of Contract. Selected Suppliers who satisfy the required criteria are invited to put forward a submission. It is recommended a minimum of three (3) Suppliers should be invited.
<b>LGOIMA</b>	The Local Government Official Information and Meetings Act 1987, to which WDC must adhere.
<b>Local Business</b>	A local business is either: <ul style="list-style-type: none"> <li>a) any business that is based in the WDC ratable area, these can be branches or compounds of a business whose headquarters are elsewhere in NZ or overseas, as long as there is a branch within the Waitomo District ratable area and/or</li> <li>b) any business which may not have an office or headquarters in the district but employs predominately local people</li> </ul>
<b>NZTA</b>	New Zealand Transport Agency Waka Kotahi
<b>P-Card / Procurement Card</b>	a type of purchasing card used by employees to make small, approved purchases directly from vendors without going through the traditional purchase order and invoice system. A Purchasing Card is used as required and in accordance with the appropriate financial delegation and in accordance with the Sensitive Expenditure Policy (credit cards) and the Fuel Card Policy.
<b>Preferred Supplier</b>	are suppliers that have been put in place with a formal Contract for the supply of a category of goods, services or works for a period of time (i.e. Supplier Panel Agreement). This is not a guarantee of work to the Supplier.
<b>Procurement Exemption</b>	is an exemption to the prescribed supplier selection method as determined by this Policy. The approved exemption authorises the continuation of a procurement activity outside of the Procurement Policy.
<b>Procurement Services Provider</b>	is a company that offers outsourced procurement solutions, essentially acting as a third-party purchasing department for other organisations.
<b>Procurement Supply Panel (PSP)</b>	Is a panel of suppliers is a list of suppliers that an organisation has selected as being able to deliver the goods or services that the organisation needs.

<b>Procurement Plan</b>	is the detailed plan outlining how the procurement activity will be carried out.
<b>Purchase Order</b>	is a legal document for the purchase of goods, services or works issued from WDC following approval by the relevant Delegated Financial Authority. Terms and conditions are governed by WDC's Purchase Order Terms and Conditions of Supply.
<b>Public RFx (or Open Tender)</b>	is a publicly advertised RFx (Request for Quotation, Request for Expression of Interest, Request for Proposal or Request for Tender) that any party may respond to.
<b>RFx</b>	is a generic abbreviation that covers all 'Request for' "processes" including: request for Quotation, Request for Expression of Interest, Request for Proposal or Request for Tender. Specifies what WDC wishes to purchase, the terms and conditions plus instructions on how to bid and respond.
<b>Supplier</b>	is the person or organisation responsible for providing the supply of goods, services or works as required by WDC. Also known as vendor, contractor, consultant or service provider.
<b>Syndicated Purchasing Arrangement</b>	this is a shared or coordinated procurement effort and includes: All-of-Government contracts; regional or syndicated contracts (e.g. CoLab); Procurement Supply Panels
<b>Variation</b>	are written changes to the scope, price or term of a contract.
<b>Waitomo District Council (WDC)</b>	shall mean the organisation established to administer Council affairs, conduct operations, and bring effect to Council policy and strategies.

## POLICY | KAUPAPA HERE

### 1. Procurement Objectives

- 1.1. WDC is committed to responsible financial management and consistent and effective procurement and will act at all times in the best interest of ratepayers and residents. All procurement decisions will ensure they align with the following objectives:
- Adherence** – all procurement is undertaken only where required and is in accordance with the Procurement Policy, the Procurement Framework and all other associated WDC policies and strategies.
  - Openness** – all procurement is made in a transparent and approved manner with full and fair opportunity for all eligible suppliers.
  - Fairness** – all procurement is carried out in a fair manner and decisions are made with impartiality and without bias.
  - Integrity** – all WDC employees and/or third parties undertaking procurement do so ethically, equitably and with behavioural standards of the highest levels.
  - Value for Money** – all procurement works towards minimising procurement costs, relation costs, and whole of life costs of the goods, services or works to deliver best value for money.
  - Risk** – all procurement considers the risks (commercial and otherwise) and ensures these are managed appropriately.
  - Reputation** – no procurement undertaken has an adverse impact on the reputation of WDC.
  - Lawfulness** – all procurement is within the law and meets WDC's legal and organisational obligations.
  - Accountability** – employees, third parties and Suppliers are accountable for their performance and delivery of their procurement activities.

- j. **Sustainability** - all procurement is environmental and socially sustainable wherever possible, having regard to economic, environmental, and social impacts over their lifecycle.

- 1.2. In addition to the objectives above, as local government, WDC should adhere to the Government's procurement rules. The Government's procurement principles and procurement charter are detailed in Appendix 2 and 3. All procurement decisions should also align with these principles.

## 2. Procurement Processes

- 2.1. Any time an employee or authorised third party is looking to make a purchase they must follow the appropriate procurement processes. There are different procurement processes to follow based on the cost and risk of any procurement.

**Cost** – these are the total costs expected for the life of the contract and should include any contingencies or on-going costs. It is the aggregate of all the costs that should be used to determine the correct procurement process to follow.

**Risk** – these are the risks, their likelihood, the ability to mitigate the risks and the consequences to WDC should the risk occur. This should take into consideration all types of risk including, but not limited to, commercial, operational and reputational risk.

## 3. Contract Hierarchy

- 3.1. Once the requirement to spend has been established, the first consideration should be whether or not there are All-of-Government (AOG) contracts, followed by Regional or Syndicated contracts, or PSP available for use.
- 3.2. If there are any Syndicated Purchasing Arrangement contracts available, it is likely that the benefits from these will outweigh the potential local benefits due to the economies of scale 'buying power' available.
- 3.3. A review of these options should be undertaken, and where the contract meets the requirements, it is advisable for WDC to sign up to these rather than pursue a local procurement strategy, except when approved by the CE.
- 3.4. Where no Syndicated Purchasing Arrangement is available attention should be given to whether opportunities can be created for local businesses to participate in the procurement process.

## 4. Spend Levels and Authorisations

- 4.1. Any employee wishing to make a purchase on behalf of WDC needs to be aware from whom within the organisation they must get approval, before making the commitment.
- 4.2. Appropriate authorisation must be obtained prior to ordering goods, services and/or works. The authorising signatory is certifying that they have reviewed the transaction and all related documentation, and that it conforms to WDC policy and goals, as well as applicable laws.
- 4.3. An authorising signatory should not both initiate and approve the same transaction. In no circumstances will an authorising signatory approve payments of any kind to themselves.

Any employee purchasing on behalf of WDC must ensure that they follow the correct procurement process based on the spend level and risk threshold. In all cases, when determining the correct procurement process, the spend level to be considered is the aggregate (combined) spend over the life of the contract and relates to the total spend on a project. See Appendix 1 for procurement processes based on spend level.

## 5. Preferred Suppliers

- 5.1. Wherever possible, employees should direct all goods, services and/or works purchases through preferred supplier contracted arrangements. A list of all Syndicated Purchasing Arrangements is

available and should be reviewed before any commitment is made.

- 5.2. There may be occasions when employees will notice cheaper alternatives to these contracted arrangements. Employees should be aware that these contracts have been arranged with the overall benefit to WDC in mind. Overall quality, performance, and whole-of-life-cost have been considered when selecting the suppliers.

**Note:** *Whether utilising preferred or non-preferred suppliers, the correct procurement process must be applied. As the contract and commercial negotiations have been completed in advance, the process for using preferred suppliers is far less time consuming. However, if there is a need to vary the existing terms or pricing (where there is an increase in cost) outside of the agreed contract, the supplier should then be treated as a non-preferred supplier and the non-preferred supplier process applied.*

*A supplier who has pre-qualified under WDC approved Health, Safety Environment system and/or process, is not automatically a preferred supplier. A preferred supplier will have also been through a commercial process and have a contract in place.*

## 6. Value Thresholds and Requirements

- 6.1. The different spend levels and related procurement process requirements are detailed in Appendix 1.
- 6.2. Where a contract is subject to a New Zealand Transport Agency (NZTA) subsidy, the relevant Land Transport Procurement Strategy, and the financial limits and procedures prescribed in the NZTA Procurement Manual will apply if the standards are higher than those set by WDC.
- 6.3. Subject to 6.2 above, where Council agrees to participate in third party funding arrangements, the financial limits, rules, requirements and procedures in this Policy will apply, unless amended in accordance with a Council resolution.

**Note:** *These are the minimum requirements for conducting procurement activity. More suppliers than the minimum can participate if desired. In addition, an alternative supplier selection method – such as the Invited RFX (closed tender) process – may be used, but this will require Procurement Exemption approval.*

## 7. Procurement Exemption

- 7.1. The process for the relevant spend level as identified above and detailed in Appendix 1 should be followed fully. If deviation from the process is necessary, the reason for the deviation should comply with one or more of the following criteria:
  - a) **Monopoly or limited supplier situation:** Where there is a monopoly or very limited supplier situation and only one or two Suppliers are capable of supplying the requirements; or
  - b) **Proprietary technology:** Where a Supplier is the sole Supplier and/or patent holder of a specific product that is required by WDC. WDC must be satisfied that the proprietary technology is the most appropriate for the needs of WDC; or
  - c) **High Risk Activities:** The risks of a competitive process outweigh the benefits of competition and would potentially create risk for WDC; or
  - d) **Unique business proposition:** Where a Supplier has a unique business proposition that can minimise risks or costs to WDC. This could include existing knowledge relevant to a project; or
  - e) **Existing contract:** If goods, services and/or works are in addition to, or necessary for the completion of, delivery of an existing contract, provided that the original contract was



publicly advertised, and a change of Supplier cannot be made for economic, technical, legal or practical reasons.

- 7.2. The key requirement for any Procurement Exemption is that it represents best value for WDC. Poor planning or organisation of procurement is not justification for deviation from the Policy. In all instances a Procurement Exemption must be signed off by the Chief Executive.

## **8. Emergency Procurement**

- 8.1. Where a declared or undeclared response to an 'emergency', as defined in the Civil Defence and Emergency Management Act 2002 (CDEMA), occurs, this Policy does not apply to procurement of goods and/or services required for that emergency. Procurements required under this category will be in accordance with the CDEMA.
- 8.2. In any other crisis or emergency, it may be necessary to dispense with parts of the procurement process so that WDC can react quickly to unforeseen events. WDC will need to be flexible in how it procures goods and services that are required for its response.
- 8.3. Emergency procurement should be used only in genuinely unforeseen circumstances.
- 8.4. Poor planning or organisation of a procurement does not justify dispensing with parts of this Policy.
- 8.5. In the context of this Policy an emergency is defined as an event which results in:
- a) Employees, public, supplier, property or equipment being placed in immediate risk.
  - b) Standards of health, welfare or safety having to be re-established without delay.
  - c) The significant impairment of WDC's delivery if WDC failed to respond promptly.
  - d) Critical health or environmental emergencies, such as a pandemic.
  - e) An unanticipated event that makes it impossible for an agency to perform a statutory or critical function.
- 8.6. Emergency procurement should be limited to what is required to cope with the emergency. Once the emergency event is stabilised a recovery plan may be established and approved by Council to authorise necessary procurement activity.
- 8.7. Emergency procurement must be authorised by employees with the appropriate financial delegation as soon as practicable following the purchase.

## **9. Roles and Responsibilities**

- 9.1. Employees and authorised third parties are responsible for ensuring that all purchasing, tendering and contract processes are carried out in line with the Procurement Policy and any other relevant WDC policies and procedures. These activities must be carried out by those who have the authority to make procurement decisions and approved by those who have the delegated authority to approve them.
- 9.2. All Contracts and Purchase Orders are to be authorised by the appropriate delegated financial authority prior to the placing of the order with the supplier and committing the funds.
- 9.3. Employees and/or authorised third parties are responsible for ensuring all contract information is uploaded to MagiQ Docs, including all quotes or full RFx information. In addition, approval documentation is required to be held in the appropriate and required digital form, prior to authorising payment to the supplier.

## **10. Contract Management**

- 10.1. Whenever WDC awards a contract, a suitably skilled employee or authorised third party must be appointed to manage the contract. This person is responsible for ensuring that what has been

agreed in the contract is delivered, on time, to the appropriate quality standards, and within the agreed price. It requires the employee to actively track and monitor delivery and costs, manage risks, and manage the supplier relationship throughout the contract.

## **11. Conflicts of Interest**

- 11.1. Conflicts of interest arise when an employee or elected member's duties or responsibilities to WDC in relation to suppliers could be, or might be perceived to be, influenced by some other interest that the employee, elected member, or their family may have. The other interest might exist because of:
- the employee's own financial affairs
  - a relationship or other role that the employee has (or has had) or
  - something that the employee has said or done.
- 11.2. Employees and/or authorised third parties who believe they may have a potential conflict must disclose the potential conflict to the appropriate person(s) in a timely manner. For more information on identifying and managing conflicts of interest, employees should refer to WDC's Conflicts of Interest and Declarations Policy.

## **12. Confidentiality**

- 12.1. WDC is committed to fair and ethical business practices that encourage competition and enhance our supplier relationships. The confidentiality of all supplier proposals, quotations, prices, contracts and other proprietary materials must be maintained by all employees and authorised third parties. Confidential information is not to be disclosed in any way to other suppliers, outside organisations, or to any unauthorised persons, subject to the provisions of LGOIMA (Local Government Official Information and Meetings Act, 1987) and the Disclosure of Contract Award (see sec 13).
- 12.2. Disclosure of confidential information is not only professionally unethical and damaging to WDC's negotiations with suppliers, but it also exposes WDC to possible reputational risk or legal action.

## **13. Disclosure of Contract Award Details**

- 13.1. The disclosure of contract award details will be in line with New Zealand Government Procurement Rules and the NZTA Procurement Manual.

## **14. Breaches of Policy**

- 14.1. The prime responsibility for monitoring compliance with this Policy rests with the Chief Executive.
- 14.2. Any breaches of this Policy must be notified to the relevant WDC manager, appropriate WDC personnel will manage the incident and take action (which may include escalation).

## **15. Related Documents**

- 15.1. For further information please contact the Programme Lead - Procurement
- 15.2. This Policy should be read alongside the following WDC guides and policies:
- Procurement Thresholds Guide
  - Supplier Selection Method Flow Chart
  - WDC Project Management Framework Manual
  - Waitomo PMF – Classification Lifecycle
  - Waitomo PMF – Project Control Framework
  - Waitomo PMF – Project Lifecycle Overview
  - Sensitive Expenditure Policy

- Fuel Card Policy
- Conflicts of Interest and Declarations Policy
- Purchase Order Terms and Conditions of Supply.

15.3. This Policy should be read and considered with related legislation, specifically:

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

15.4. The following resources can be accessed for further information:

- Online anti-corruption training module developed by SFO & TINZ
- Serious Fraud Office: information for complainants
- Further information on protected disclosures/whistleblowing
- NZTA Procurement Manual

## Appendix 1 – Procurement Threshold

THRESHOLD	PROCESS	PAPERWORK	GUIDANCE NOTES
\$1 - \$4,999	Purchase	Purchase is likely to be either via a P-Card, direct purchase and receipt or PO (mainly at supplier's request)	Minimal paperwork, may be a direct purchase or utilise a purchase order.
\$5,000 - \$49,999	1 Quote or more; or Catalogue purchase (where price is documented and confirmed).	Written quote; Purchase Order or Contract – If two or more quotes are obtained then a Procurement Authorisation Form (PAF) is required	<ul style="list-style-type: none"> <li>1 quote is the minimum, if more can be obtained and add value these should be sought.</li> <li>Make sure quotes are in writing or you confirm in writing to the supplier to avoid future disputes.</li> <li>Catalogue spend include retail establishments (e.g. Mitre store purchases which already have a RRP).</li> </ul>
\$50,000 - \$199,999	2 quotes or more	Written quotes; Purchase Order or Contract PAF	<ul style="list-style-type: none"> <li>2 quotes are the minimum if more can be obtained and add value these should be sought.</li> <li>Make sure quotes are in writing or you confirm in writing to the supplier to avoid future disputes.</li> <li>Follow quote management process</li> </ul>
\$200,000 - \$499,999	Open Tender Process; or 3 Quotes	<p>An approved Lite Procurement Plan</p> <p>If open tender:</p> <ul style="list-style-type: none"> <li>RFx documents</li> <li>Tender responses</li> <li>Evaluation report(s)</li> <li>Contract</li> </ul> <p>Notes requested:</p> <ul style="list-style-type: none"> <li>Written quotes;</li> <li>PAF</li> <li>Purchase Order or Contract</li> </ul>	<p>It is the responsibility of the procurer and the GM to determine the most appropriate process to be followed, it is expected that as the cost and complexity grows that a tender process will be more appropriate. This must be documented and approved within the Lite Procurement Plan.</p> <p>If an RFx process is to be used, ensure that the information provided is full and fair to all potential suppliers and that timelines are realistic and will provide the best response from the suppliers.</p> <p>If Quotes sought</p> <ul style="list-style-type: none"> <li>3 quotes are the minimum, if more can be obtained and add value these should be sought.</li> <li>Make sure quotes are in writing or you confirm in writing to the supplier to avoid future disputes.</li> <li>Follow quote management process</li> </ul>

THRESHOLD	PROCESS	PAPERWORK	GUIDANCE NOTES
\$500,000 + Or <u>high risk*</u> any value	Open Tender Process;	An approved Full Procurement Plan If open tender: <ul style="list-style-type: none"> <li>• RFx documents</li> <li>• Tender responses</li> <li>• Evaluation report(s)</li> <li>• Contract</li> </ul>	An approved Full Procurement Plan is required, this will provide significantly more information and detail in line with the complexity and spend of the procurement activity.  An RFx process is to be used ensure that the information provided is full and fair to all potential suppliers and that timelines are realistic and will provide the best response from the suppliers.
NZTA	Where any NZTA funding is to be used in the procurement activity.	NZTA Approved Documents to be used and follow the NZTA process.	The NZTA process and documents should be used where NZTA are funding or part funding the project. In the event that the Waitomo District Council requirements are more robust these should be utilised to provide additional benefit.
Emergencies	Immediate response required, preferable to use a preferred supplier where possible. Likely to be verbal offer and acceptance and the costs may not be confirmed until after the event is dealt with.	Retrospective PO/Variation	Where a genuine emergency – this likely to have a potentially catastrophic impact financially, or on public, premises or reputation immediate action should be sought, it is likely that this will be a verbal acceptance in these situations. Where possible a preferred supplier should be utilised.  A retrospective PO/Variation should be placed with the supplier to formalise the emergency activities undertaken.

## Appendix 2 – The five principles of Government Procurement

The following principles for government procurement provide overarching values for WDC's procurement. The principles are taken from the Government Procurement Rules: Responsible Expenditure of Public Funds (check these for final 5<sup>th</sup> edition...). These provide guidance to help employees make good procurement decisions and should be understood for how they apply to any procurement activity.

### 1. **Plan and manage for great results**

- Identify what you need and then plan how to get it.
- Set up a team with the right mix of skills and experience.
- Involve suppliers early – let them know what you want and keep talking.
- Take the time to understand the market and your effect on it. Be open to new ideas and solutions.
- Choose the right process – proportional to the size, complexity and any risks involved.
- Encourage e-business.

### 2. **Be fair to all suppliers**

- Create competition and encourage capable suppliers to respond.
- Treat all suppliers equally – we do not discriminate (this is part of our international obligations).
- Seek opportunities to involve New Zealand businesses, including Māori, Pasifika and regional businesses and social enterprises.
- Make it easy for all suppliers (small and large) to do business with government.
- Be open to subcontracting opportunities in big projects.
- Clearly explain how you will assess proposals – so suppliers know what to focus on.
- Talk to unsuccessful suppliers so they can learn and know how to improve next time.

### 3. **Get the right supplier**

- Be clear about what you need and fair in how you assess suppliers – do not string suppliers along.
- Choose the right supplier who can deliver what you need, at a fair price and on time.
- Choose suppliers that comply with the Government's Supplier Code of Conduct.
- Build demanding, but fair and productive, relationships with suppliers.
- Make it worthwhile for suppliers – encourage and reward them to deliver great results.
- Identify relevant risks and get the right person to manage them.

### 4. **Get the best deal for everyone**

- Get best public value – account for all costs and benefits over the lifetime of the goods or services.
- Make balanced decisions – consider the possible social, environmental, economic effects and cultural outcomes that should be achieved.
- Encourage and be receptive to new ideas and ways of doing things – don't be too prescriptive.
- Take calculated risks and reward new ideas.
- Have clear performance measures – monitor and manage to make sure you get great results.
- Work together with suppliers to make ongoing savings and improvements.
- It is more than just agreeing the deal – be accountable for the results.

### 5. **Play by the rules**

- Be accountable, transparent and reasonable.
- Make sure everyone involved in the process acts responsibly, lawfully and with integrity.
- Stay impartial – identify and manage conflicts of interest.
- Protect suppliers' commercially sensitive information and intellectual property.

## Appendix 3 - Procurement Charter

The Government's procurement charter sets out expectations to ensure procurement by government delivers public value for all New Zealanders while supporting the delivery of public services. While carrying out procurement, key priorities should be identified and as many of the below expectations should be met as practical.

### 1. **DELIVER ECONOMIC BENEFITS TO NEW ZEALAND**

Work to create opportunities for local businesses and small-to-medium enterprises to participate in your procurement processes. Consider if your procurement offers opportunities for delivering social, environmental and cultural outcomes.

### 2. **LOOK FOR NEW AND INNOVATIVE SOLUTIONS.**

Make sure you don't overprescribe the technical requirements of a procurement, give businesses the opportunity to demonstrate their expertise.

### 3. **ENGAGE WITH BUSINESSES WITH GOOD EMPLOYMENT PRACTICES.**

Ensure that the businesses you contract with operate with integrity, transparency and accountability, and respect international standards relating to human and labour rights. For businesses operating within New Zealand, ensure that they comply with all New Zealand employment standards and health and safety requirements.

### 4. **PROMOTE INCLUSIVE ECONOMIC DEVELOPMENT WITHIN NEW ZEALAND.**

Engage with Māori, Pasifika, and regional businesses and social enterprises in order to actively contribute to our local economy. Openly working to include and support these businesses and enterprises through procurement will promote both skills development and a diverse and inclusive workforce.

### 5. **MANAGE RISK APPROPRIATELY.**

Responsibility for managing risks should be with the party – either the agency or the supplier – that is best placed to manage the risk. Agencies and suppliers should work together on risk mitigation strategies.

### 6. **ENCOURAGE COLLABORATION FOR COLLECTIVE IMPACT.**

Look to support greater collaboration, both across-agency and across-businesses to give likeminded groups the opportunity to find common solutions within your procurement opportunities.

**Document ID:** 905514

## **Report To: Council**



**Meeting Date:** 26 August 2025

**Subject:** **Land Transport Procurement Strategy 2025 - 2028**

**Type:** Decision Required

**Author(s):** Darren Laycock  
Roading Manager

Shyamal Ram  
GM- Infrastructure Services

### **1. Purpose of Report**

- 1.1. The purpose of this business paper is to seek approval from Council, for the updated Land Transport Procurement Strategy 2025-2028.

### **2. Suggested Resolutions**

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on the "Land Transport Procurement Strategy 2025-2028" be received.
  - 2 Council approves the updated strategy.

### **3. Background**

- 3.1 Council is required to have an approved Land Transport Procurement Strategy (the strategy), to cover all the activities funded by New Zealand Transport Agency (NZTA). The strategy needs to be updated and approved every three years. It must also be published on the Council website, which is a finding from the NZTA audit in May 2025.
- 3.2 Waitomo District Council (WDC) is an Approved Organisation (AO) under the Land Transport Management Act 2003 (LTMA), which means it is eligible to receive funding assistance from NZTA for roading activities.
- 3.3 Section 25 of the LTMA requires that an Approved Organisation must design its procurement procedures to obtain best value for money spent.

### **4. Commentary**

- 4.1 To help guide and support the strategy review WDC continues to use the Co-Lab Regional Procurement Principles, Policy and Framework for Waikato Councils.
- 4.2 The NZTA Procurement Manual outlines key objectives that reinforce this approach, including delivering the best value for money, fostering competitive and fair supply markets, and ensuring transparent, auditable processes. It also emphasises alignment with broader transport outcomes such as sustainability, equity, and strategic fit with national and regional plans.
- 4.3 Given NZTA's role as the majority funder, it is essential that all investment decisions are supported by a robust and transparent procurement strategy which ensures:



1. Continued eligibility for co-funding / Alignment with national expectations and standards.
2. Efficient use of public funds / Confidence in long-term infrastructure planning and delivery.

## 5. Analysis of Options

- 5.1 This strategy demonstrates WDC's compliance with NZTA procurement procedures.
- 5.2 This is the only option to consider as Council is required to have an approved strategy for funding under NZTA procurement procedures.

## 6. Considerations

- 6.1 **RISK**
- 6.2 Although unlikely, the risk of funding being withheld by NZTA, is real if the strategy is not updated and published as required. Once approved by Council, the strategy will be sent to NZTA for approval and then added to the WDC website as required.
- 6.3 Changes to temporary traffic management (TTM) will need to be considered on all future contracts. The move to a risk-based approach (NZGTTM) will add more risk onto the client than there has been previously.
- 6.4 Central Government is currently reviewing the rules around procurement. This could affect future procurement but Council will be unable to assess to what extent until the changes are finalised.
- 6.5 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**
- 6.6 The decision to approve the strategy is consistent with both Council and NZTA plans and policies.

## 7. Attachments/Separate Enclosures

- 1 Land Transport Procurement Strategy 2025-2028 WDC Review (Doc # 905512)

# WAITOMO

## DISTRICT COUNCIL

### LAND TRANSPORT PROCUREMENT STRATEGY

#### 2025 – 2028



*Document Control*

Revision	Status	Author	Reviewed by	Date
1.0	Draft	S Allen/J Stevens/J Hogan	C Simpson	7 August 2025
1.1	Draft	J Hogan	R Stanley	20 August 2025

*Waitomo District Council Approval*

Name	Title	Date

*NZTA Endorsement*

Name	Title	Date

## Contents

<b>Introduction .....</b>	<b>4</b>
<b>Strategic Context.....</b>	<b>4</b>
<b>Procurement Objectives.....</b>	<b>9</b>
<b>Delivery Model.....</b>	<b>10</b>
<b>Supplier Selection Methods.....</b>	<b>16</b>
<b>Risk Management.....</b>	<b>19</b>
<b>Performance Measurement .....</b>	<b>20</b>
<b>Broader Outcomes.....</b>	<b>21</b>
<b>Endorsement and Review .....</b>	<b>21</b>

## Introduction

This procurement strategy sets out Waitomo District Council's (Council) strategic approach to procurement of land transport activities.

Waitomo District Council (WDC) is an Approved Organisation (AO) under the Land Transport Management Act 2003 (LTMA), making it eligible to receive funding assistance from Waka Kotahi NZ Transport Agency (NZTA) for roading activities. A large portion of Council's investment for transportation activities is financially assisted by NZTA and this is legislated under the LTMA. Section 25 of the LTMA requires that an approved organisation (in this case Council) design its procurement procedures to obtain best value for money spent.

To help guide and support this procurement, WDC continues to use the CoLab Regional Procurement Principles, Policy and Framework for Waikato Councils as its primary procurement guidance document.

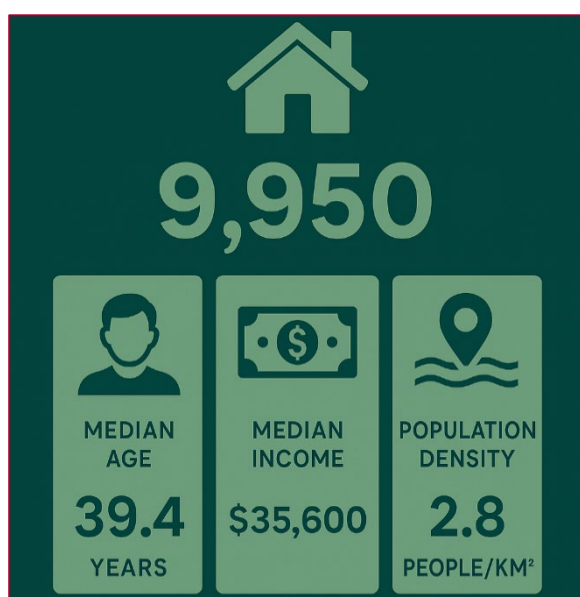
CoLab has adopted the five core procurement principles of New Zealand Government, as outlined in the NZTA Procurement Manual (the primary guide for co-funded land transport procurement). These principles are:

1. Plan and manage for great results.
2. Be fair to all suppliers.
3. Get the right supplier.
4. Get the best deal for everyone.
5. Play by the rules.

## Strategic Context

### Procurement Environment

With a Funding Assistance Rate (FAR) of 75%, NZTA is the primary investment partner for roading infrastructure in the Waitomo District. This high FAR reflects the district's unique socio-economic and geographic profile, as confirmed by the latest Census data (2023):



**Population:** Just 9,950 residents, indicating a small ratepayer base

**Median Income:** \$35,600, significantly below the national average of \$41,500

**Geographic Spread:** A large land area of 3,534.84 km² with a low population density of 2.8 people/km²

#### Network Statistics:

- 462km of sealed roads
- 546km of unsealed roads
- 162 bridges
- 54km of footpath

The approved three-year funding request is summarised in the table below.



Table 1: Land Transport Programme 2024 – 2027

Activity Class	Expenditure Reporting Lines	Work Category	Description	Three-year Requested Allocation (\$)	2024/25 Approved Allocation	2025/26 Approved Allocation	2026/27 Approved Allocation	Three-year Approved Allocation (\$)
Local road operations	Operations	114	Structures maintenance	889,000	109,832	449,222	287,143	846,197
		121	Environmental maintenance	4,446,003	928,512	2,467,316	1,744,174	5,140,002
		122	Network service maintenance	1,808,610	482,549	655,682	584,621	1,722,852
		123	Network operations	0	0	0	0	0
		131	Rail level crossing warning devices maintenance	142785	94866	41249	0	136115
		140	Minor events	2,221,100	911,277	373,725	0	1,285,002
		151	Network and asset management	8,881,680	2,694,447	2,901,460	2,791,815	8,387,722
		215	Structures component replacements	886,000	97,201	459,967	286,174	843,342
		221	Environmental renewals	0	0	0	0	0
		222	Traffic services renewals	253,840	107,748	92,842	41,181	241,771
	Total Local road operations			19,529,018	5,426,432	7,441,463	5,735,108	18,603,003
Local road pothole prevention	Pothole prevention	111	Sealed pavement maintenance	6,194,795	1,535,343	5,450,630	3,588,153	10,574,126
		112	Unsealed pavement maintenance	2,855,700	822,342	1,042,325	957,735	2,822,402
		113	Routine drainage maintenance	1,586,500	1,289,966	278,365	0	1,568,331
		211	Unsealed road metalling	2,221,100	997,948	733,676	463,248	2,194,872
		212	Sealed road resurfacing	6,292,000	2,457,188	2,215,472	1,545,321	6,217,981
		213	Drainage renewals	1,110,550	323,947	629,280	489,599	1,442,826
	214	Sealed road pavement rehabilitation	9,561,442	1,779,454	1,787,700	1,434,308	5,001,462	
Total Local road pothole prevention			29,822,087	9,206,188	12,137,448	8,478,364	29,822,000	
Walking and cycling improvements	Walking and cycling	124	Cycle path maintenance	0	0	0	0	0
		125	Footpath maintenance	174,515	20,076	42,798	0	62,874
		224	Cycle path renewal	0	0	0	0	0
		225	Footpath renewal	311,650	10,960	26,781	19,385	57,126
	Total Walking and cycling improvements			486,165	31,036	69,579	19,385	120,000
Local road improvements	Improvements	216	Bridge and structures renewals	350000	0	0	0	0
Total Local road improvements			350000	0	0	0	0	
Grand Total				50,187,270	14,663,656	19,648,490	14,232,857	48,545,003

These factors combine to create a low revenue-to-transport footprint, meaning the district faces high infrastructure costs relative to its financial capacity. The elevated FAR is a recognition of this imbalance and is designed to ensure that essential transport services remain viable and safe for all residents.

Given NZTA's role as the majority funder it is essential that all investment decisions are supported by a robust and transparent procurement strategy which ensures:

- Continued eligibility for co-funding
- Alignment with national expectations and standards
- Efficient use of public funds
- Confidence in long-term infrastructure planning and delivery

The NZTA Procurement Manual outlines key objectives that reinforce this approach, including delivering best value for money, fostering competitive and fair supply markets, and ensuring transparent, auditable processes. It also emphasises alignment with broader transport outcomes such as sustainability, equity, and strategic fit with national and regional plans.

For Waitomo District a well-structured procurement framework is not only a funding safeguard but a strategic necessity, particularly when considering the above characteristics of the district. It enables the district to deliver transport infrastructure that is resilient, equitable, and tailored to rural needs, while maintaining trust and accountability with its funding partners.

The small population above combined with Waitomo District's relative remoteness presents a challenge with attracting tenderers across a range of services. The works tendered are relatively small in scale compared with other local council tenders.

## Procurement Compliance

Waitomo District Council is committed to conducting procurement in a manner that reflects guidance and policies from the New Zealand Government, NZTA, and aligns with Waitomo District Council's procurement policy. All of these organisations have their own documents and guidelines relating to procurement that have been used to create this procurement strategy.

The reference materials summarised include:

- New Zealand Government Procurement Charter
  - New Zealand Government's expectations of how agencies should conduct their procurement activity to achieve public value.
- New Zealand Government Procurement Principles
  - These apply to all government agencies and provide government's overarching values. They apply even if the rules do not. Agencies should use the principles for guidance and to help make good procurement decisions.
- NZTA Procurement Manual
  - Key themes found within the NZTA procurement manual and how they apply to WDC's procurement strategy.
- Waitomo District Council Procurement Policy
  - Draft Procurement Policy for WDC. This is expected to be formalised late 2025, and the draft objectives have been included below to account for this.

By embedding the below principles and themes into its procurement processes, Waitomo District Council ensures that transport activities are delivered efficiently, transparently, and in a way that maximises public value. This approach supports long-term network resilience, strengthens local capability, and aligns with both national expectations and community outcomes.

The Government Procurement Rules also support the principles below by providing detailed guidance on:

- Procurement planning and market engagement
- Approaching the market and advertising opportunities
- Evaluating responses and awarding contracts
- Contract management and performance monitoring

Waitomo District Council applies these rules to all relevant procurements, particularly those exceeding the thresholds for goods, services, and construction works. Even where the rules are not mandatory, Council voluntarily adopts them to ensure good practice, market confidence, and alignment with national standards.

Key themes and targets that have been used to construct this procurement strategy are tabulated below.

Table 2: Summary of Strategic Alignment with Transport Frameworks

Government Procurement Principles	Government Procurement Charter	Waitomo District Council Procurement Policy	NZTA Procurement Requirements
<b>Plan and manage for great results</b> - Waitomo District Council ensures procurement is strategically planned, with clear objectives, robust risk management, and performance monitoring.	<b>Manage risk appropriately</b> – WDC procurement processes ensure risk is considered at all stages of procurement. Allocation of risk and responsibilities is at the forefront of negotiations.	<b>Risk</b> – all procurement considers the risks (commercial and otherwise) and ensures that these are managed appropriately.	<b>Strategic Procurement Planning</b> – Procurement will align with Council’s Long-Term Plan, Section 17A review, and broader strategic goals to support resilience and sustainability.
		<b>Accountability</b> – employees, third parties and suppliers are accountable for their performance and delivery of their procurement activities.	<b>Appropriate Delivery Models</b> – WDC will select delivery models suited to each activity, including: <ul style="list-style-type: none"> <li>- NZS3917 Measure and Value contracts for Maintenance and Renewals</li> <li>- Collaborative partnering models for professional services and capital works.</li> </ul>
<b>Be fair to all suppliers</b> – Waitomo District Council promotes open competition and equal opportunity, ensuring suppliers are treated fairly and consistently throughout the procurement process.	<b>Seek opportunities to include New Zealand Businesses</b> - WDC ensures that procurement documentation allows for local businesses and small-to-medium enterprises to participate in procurement processes.	<b>Openness</b> – all procurement is made in a transparent and approved manner with full and fair opportunity for all eligible suppliers.	<b>Open and Competitive Markets</b> – WDC will ensure fair and transparent procurement processes that encourage supplier competition, using methods such as Lowest Price Confirming or Price Quality Method.
		<b>Fairness</b> – all procurement is carried out in a fair manner and decisions are made with impartiality and without bias.	
<b>Get the right supplier</b> – Supplier selection is based on capability, capacity, and alignment with project needs, using appropriate evaluation methods such as Lowest Price Confirming or Price Quality Method.	<b>Look for new and innovative solutions</b> - WDC procurement documents will permit the submission of alternative tenders, encouraging innovative and bespoke solutions that deliver best value for Council. All alternative proposals must comply with applicable procurement rules, legislative requirements, and demonstrably achieve the specified outcomes.	<b>Reputation</b> – no procurement undertaken has an adverse impact on the reputation of WDC.	<b>Broader Outcomes</b> – Procurement will support environmental, social, and economic goals, including: <ul style="list-style-type: none"> <li>- Local supplier participation</li> <li>- Workforce development</li> <li>- Sustainable practices and low-emissions solutions.</li> </ul>
	<b>Engage with businesses with good employment practices</b> – WDC will conduct procurement practices with broader outcomes front of mind.		
<b>Get the best deal for everyone</b> – Waitomo District Council seeks value for money, balancing cost, quality, and broader outcomes to deliver sustainable and efficient services.	<b>Undertake initiatives to contribute to a low emissions economy and promote greater environmental responsibility</b> – WDC procurement processes will include provisions and benefits for businesses that can contribute to economic and social development.	<b>Value for Money</b> – all procurement works towards minimising procurement costs, relation costs, and whole of life costs of the goods, services or works to deliver best value for money.	<b>Value for Money</b> – Procurement decisions will consider not just cost, but also quality, whole-of-life value, risk, and broader outcomes.
	<b>Encourage collaboration for collective impact</b> – WDC will work with other councils in the area and ensure teams within council collaborate for best for council outcomes.	<b>Sustainability</b> – all procurement is environmentally and socially sustainable wherever possible, having regard to economic, environmental, and social impacts over their lifecycle.	<b>Capability and Capacity</b> – WDC is building internal capability through recruitment and upskilling of staff. This reduces the reliance on external providers who will be used to complement the internal team.
<b>Play by the rules</b> – All procurement activities are conducted with integrity, transparency, and accountability, in line with legislative and policy requirements.	<b>Promote inclusive economic development within New Zealand</b> - broader outcomes are considered within all procurement activities and meet Council procurement objectives.	<b>Adherence</b> - all procurement is undertaken only where required and is in accordance with the Procurement Policy, the Procurement Framework and all other associated WDC policies and strategies	<b>Robust Contract Management</b> - Contracts will include clear KPIs, performance expectations, and mechanisms for monitoring and continuous improvement.
		<b>Integrity</b> – all WDC employees and/or third parties undertaking procurement do so ethically, equitably and with behavioural standards of the highest levels.	
		<b>Lawfulness</b> – all procurement is within the law and meets WDC’s legal and organisational obligations.	



## Waitomo District Long Term Plan (LTP)

Waitomo District Council's Long-Term Plan 2024–2034 sets out a strategic roadmap for delivering essential services, maintaining infrastructure, and investing in community wellbeing over the next decade. Procurement plays a critical role in enabling the delivery of these outcomes efficiently, sustainably, and in alignment with the Council's Community Outcomes, which reflect the aspirations of the Waitomo community.

These outcomes guide Council's planning and investment decisions and are embedded in procurement processes to ensure that every contract contributes to the broader vision of a vibrant, resilient, and inclusive district.

The WDC LTP 2024-2034 can be sourced at <https://www.waitomo.govt.nz/media/ngtly4hh/2024-2034-ltp-document-final-website.pdf>. The Roads and Footpaths section of the LTP commences on page 60 of the document.

The work packages and projects that Council procures are identified within the Council's Transport Activity Management Plan (AMP) for acceptance within its Long Term Plan. The AMP takes into account the government investment direction as set out in the Government Policy Statement (GPS) for Land Transport 2024. The four strategic priorities in the 2024-2034 GPS are:

- Economic Growth and Productivity;
- Increased Maintenance and Resilience;
- Safety; and
- Value for Money.

Council's Long Term Plan vision and priorities are shown below.



### A prosperous district

We enable a thriving and sustainable economy to create greater benefits for everyone.



### A district for all people

Our district is a great place to live because it is accessible, safe, affordable, and inclusive. We promote health, wellbeing, and participation.



### A district that cares for its environment

We ensure the wise use and management of all land and resources, now and for future generations.



### A district that values culture

We value the whakapapa of our district, and we promote cultural, creative, and recreational activities where traditions, heritage and arts are celebrated.

## Transportation Activity – S17a

In September 2023, Waitomo District Council undertook a Section 17A review of its roading activity to assess the cost-effectiveness of its current service delivery model. With both the professional services and operations and maintenance contracts due to expire in mid-2024, the review aimed to determine whether to continue outsourcing or shift to a more integrated approach.

The review highlighted the following challenges:

- Heavy reliance on external providers
- Limited in-house capacity for strategic planning and network ownership
- Recruitment and retention difficulties
- Higher costs associated with outsourcing

To address these challenges, the preferred way forward is a collaborative partnership model. This involved establishment of a strengthened in-house roading team comprising a Roothing Manager and two Roothing Engineers responsible for strategic planning, network oversight, and contract management. Specialist tasks such as design and complex capital works would continue to be outsourced, but under a more formalised and collaborative framework.

The review also recommends embedding collaborative principles into future contracts, fostering shared planning and performance oversight. Council has retained its current professional services provider under a revised contract while recruiting the new team. Longer-term opportunities include exploring shared services and joint procurement with neighbouring councils to enhance efficiency and regional alignment.

This approach aims to deliver “best for network” outcomes, improve strategic control, and ensure sustainable, cost-effective delivery of roading services for the Waitomo community.

## Procurement Objectives

To achieve our overall vision, it is important that Council takes a strategic approach to transportation procurement and makes fundamental decisions on the methods we will use to achieve our procurement goals, and that we understand how important delivery methods are for our work.

The NZTA Procurement Manual is the primary procurement document for co-funded land transport procurement, containing procurement procedures approved by NZTA under Section 25 of the Land Transport Management Act (LTMA). The NZTA procurement procedures are equivalent to the Government Procurement Rules as they apply when NLFT monies are being invested.

NZTA requires a documented, long-term procurement strategy for transport sector activities funded under Section 20 of the LTMA. This strategy demonstrates WDC’s compliance with NZTA procurement procedures.

Furthermore, this Land Transport Procurement Strategy has been developed to consider the requirements of NZTAs Procurement Manual Amendment 6 for activities funded through the National Land Transport Programme and the NZTA Infrastructure Procurement Strategy (IPS) 2023 which focuses on 5 key strategic areas to enhance the planning and delivery of infrastructure procurement portfolios:

1. Be an intelligent Client,
2. Plan for strategic procurement,
3. The importance of evolving their procurement practices,
4. Protecting healthy markets,
5. Partner for strategic commercial outcomes.

This Strategy also considers the CoLab Regional Procurement Principles, Policy and Framework for Waikato Councils which align with NZ Government and NZTA procurement principles.

Council is focused on the following outcomes:

- Public safety and amenity values
- Adopting sound life-cycle asset management practice for the establishment and maintenance of sustainable public infrastructure.

- Achieving the best value for money and public benefit for both the community and NZ Transport Agency Waka Kotahi (NZTA) (major funder).
- Sustainable end to end procurement?
- Delivering high quality services to the community in a timely and cost-effective manner.
- Developing local contracting capacity and capability.

## Value for Money

The key criteria to successful procurement and the successful delivery of services requires a whole-of-life approach, implementing good asset management planning, including lifecycle management planning and modelling.

The key components of value for money are regarded as:

- Robust planning to identify an effective work plan.
- Appropriate, efficient, and compliant supplier selection procedures.
- Maintaining capacity and competitiveness in the local market.
- Successful delivery of works and services (the right outcome on time and within budget).

This broad, long-term, perspective commits Council to seeking sustainable options and not necessarily the lowest cost.

## Delivery Model

Waitomo District Council's land transport activities are predominantly well-defined, low-risk, and of moderate complexity. Councils across New Zealand have successfully employed a mix of in-house delivery, contracted design and build, and professional services to execute annual roading programmes.

Waitomo District Council adopts a similar approach, leveraging internal expertise where available and engaging external consultants and contractors as needed to supplement capacity and provide specialist knowledge.


Our general procurement approach is summarised in the table below and explained further in this strategy.

*Table 3: Summary of Procurement Delivery Models*

Programme	2024-2027 Budget	PQM	LPC	Direct Appoint	Closed Tender
Maintenance and Operations	\$34,000,000.00	✓			
Renewals	\$6,000,000.00	✓	✓	✓	✓
Emergency Works	\$0.00	✓	✓	✓	✓
Local Road Improvements	\$0.00	✓	✓		
Professional Services	\$8,400,000.00	✓		✓	✓

The generally accepted forms of delivery comprise the models outlined in the table below which identifies typical characteristics for the key forms of delivery for infrastructure projects.

Table 4: Delivery Models

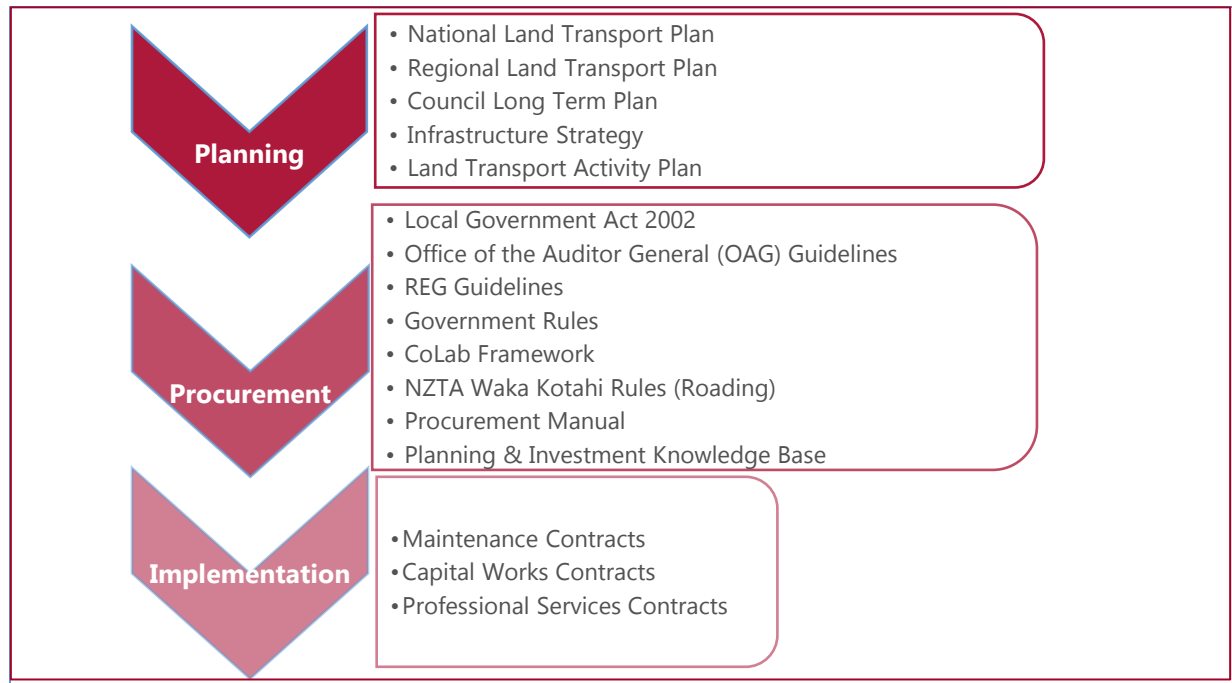
 <b>Potential for Innovation Increases</b>	<b>Staged / Traditional</b>
	<p>Where the client wants to retain control over the programme of works, where delivery is likely to be on a measure and value basis, and where the client wants to encourage a healthy market environment.</p> <p>The staged model is the most-used delivery model for the Waitomo District Council transport activities. This model requires that these activities are well defined, low risk with well scoped and accurate tender documents.</p> <ul style="list-style-type: none"> <li>• The Client has scope, schedule and programme certainty</li> <li>• Contract is simple / non-complex / low risk</li> <li>• Small to medium sized contracts</li> <li>• Short, medium or long term contract duration with potential rollover</li> <li>• Direct negotiation / lowest price conforming / price-quality methods of procurement</li> <li>• Method of payment typically measure and value</li> </ul>
	<b>Design and Build</b>
	<p>Where the client wants to set performance measures and hold the contractor accountable for delivering them.</p> <ul style="list-style-type: none"> <li>• To encourage innovation</li> <li>• Contract more complex</li> <li>• Medium to large sized contracts</li> <li>• Typically price-quality methods of procurement</li> <li>• Client has sufficient asset information for contractor to price contract</li> <li>• Self-certification with client-controlled checks</li> <li>• A well-balanced risk profile</li> <li>• Certainty in expenditure and rates</li> </ul>
	<b>Alliance / Collaborative model</b>
	<p>This form of delivery provides flexibility and risk sharing in a formalised 'team approach' with the contractor focused on network outcomes.</p> <ul style="list-style-type: none"> <li>• Flexibility and risk sharing</li> <li>• Client wants to and has the capability to be directly involved in the contract</li> <li>• Client is uncertain of contract scope, required performance and programme and/or needs to make significant cost savings</li> <li>• Large / complex contracts</li> <li>• Longer term contract duration with potential rollover</li> <li>• Price-quality methods of procurement</li> <li>• Sharing knowledge and experience</li> <li>• The Asset has a high rate of change</li> </ul>

### Strategic Linkage

The procurement activities are intended to deliver WDC's programme of works to achieve overarching council goals aligned with the LTP while remaining within guidelines from the NZ Government and NZTA.

## The Procurement Approach

The approach to procurement can be summarised as shown in the figure below, with clear links from planning all the way through to implementation.



*Figure 1: Procurement Process*

## Stages of Procurement

The figure below outlines the stages of procurement.

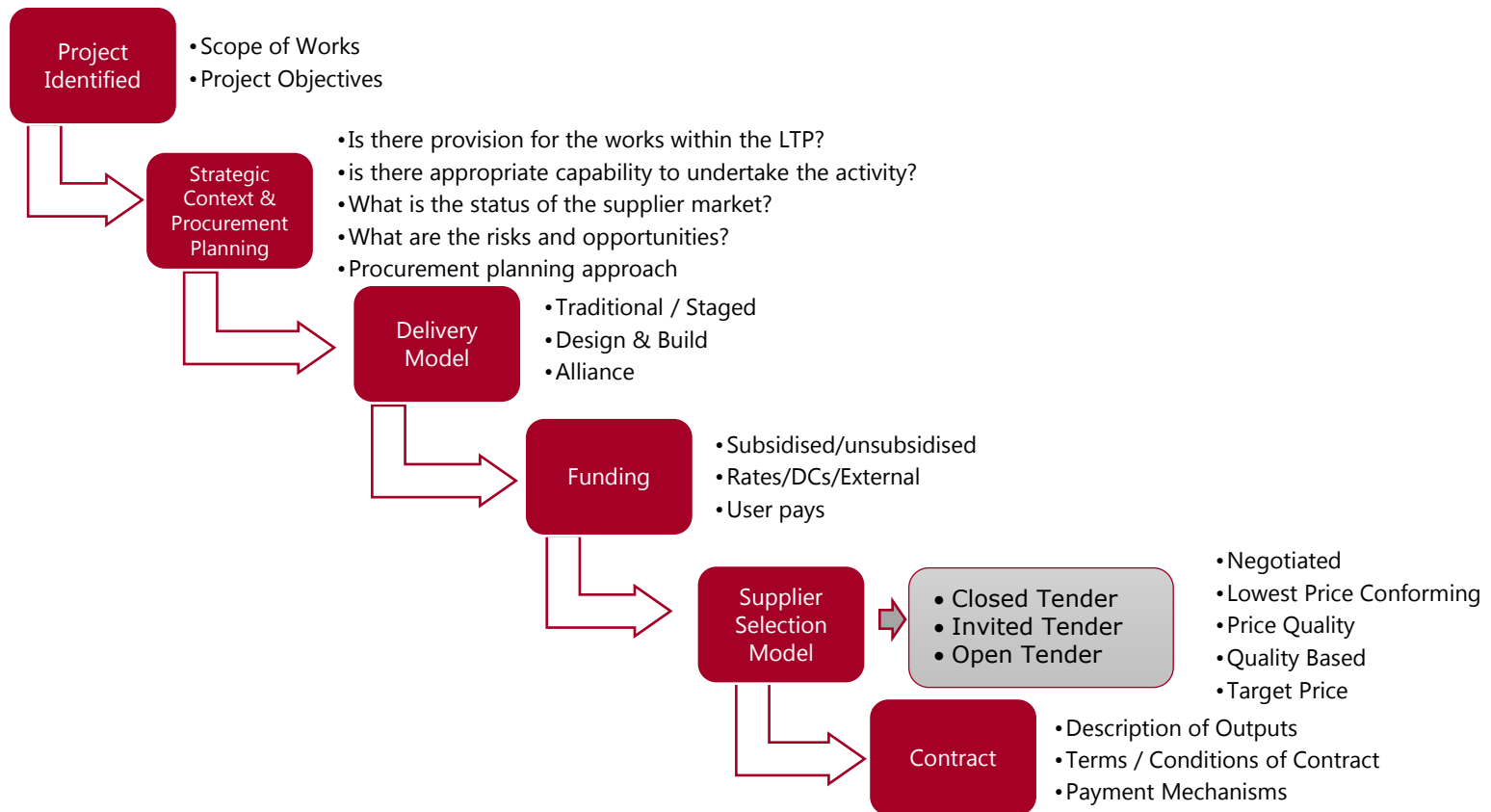


Figure 2: General Stages of Procurement

## Procurement Planning

Prior to the engagement of any supplier of goods or services, and regardless of scale or complexity, some form of procurement planning is required to ensure the best value for money.

The procurement planning process should include, as a minimum:

*Table 5: Procurement Planning Process*

<b>1. A review of the current contract where applicable:</b>	a. <b>Is it delivering on its objectives?</b> b. <b>Are the appropriate levels of service being met?</b> c. <b>Are the agreed community outcomes being met?</b>
<b>2. Consideration of the Strategic Context:</b>	a. Market circumstances; b. Risks of the proposal; c. Opportunities for innovation; d. Potential to integrate across other activities; e. Capacity and capability of Council officers to manage and deliver the procurement programme;
<b>3. How can delivery be improved?</b>	a. Scope and cost of delivery; b. Potential 'bundling' of works; c. Length of contract; d. Potential for local involvement.
<b>4. Determination of the preferred Format of Contract Delivery – <i>what type of contract will the works / services be delivered under?</i></b>	
<b>5. Determination of appropriate Selection Procedure – <i>how will the preferred supplier be decided?</i></b>	

## Maintenance and Operations

Waitomo District Council delivers its maintenance and core renewals activities through a combined Measure & Value and Lump Sum contract model, specifically using the NZS3917 standard contract. This approach is well-suited to the nature of the district's roading network, which is characterised by predictable, low-complexity work requiring consistent delivery standards and cost control.

In 2023, Council completed a competitive procurement process for its Maintenance and Renewals Contract, resulting in the award of a 5+2 year contract to Inframax Construction Ltd. This commenced on 1st July 2024. This structure provides a five-year initial term with a possible renewal period of two years at the Principals discretion, subject to performance and Council's strategic needs. The contract ensures continuity of service while allowing flexibility to adapt to future changes in funding, priorities, or delivery models.

The contract includes provisions for:

- Inspections and programming
- Emergency works/incident response (including call-outs)
- Drainage maintenance and renewals (including catchpit cleaning)
- Sealed pavement maintenance (including the annual pre-seal repair programme)
- Street sweeping
- Unsealed roads maintenance – metalling, grading, drainage
- Signs maintenance and renewals
- EMP maintenance and renewals

- Traffic facilities maintenance and renewals (sight rail, barriers etc)
- Road marking renewal
- Structures minor maintenance
- Vegetation control (includes Roadside and Pest Plant Spraying)
- Footpath maintenance and renewals
- Annual network wide resurfacing (including seal designs)

## Capital Works

Capital works outside of the core Maintenance and Renewals Contract are procured separately by Waitomo District Council, with design and procurement processes managed internally. Council undertakes the planning and tendering of these works, ensuring alignment with strategic priorities, network needs, and available funding.

Physical works contracts are competitively tendered using either the Lowest Price Conforming (LPC) method or the Price Quality Method (PQM), depending on the complexity, risk profile, and value of the project:

- LPC is typically used for well-defined, low-risk projects where scope and specifications are clear, and price is the primary differentiator.
- PQM is applied to higher-risk or more complex projects where factors such as methodology, experience, innovation, and team capability are critical to successful delivery.

Council follows the NZ Transport Agency Procurement Manual when selecting the appropriate procurement method, ensuring that all subsidised activities meet national standards for transparency, fairness, and value for money. The choice of procurement method is documented in the procurement plan for each project, with justification based on risk assessment and market capability.

Contracts for capital works are generally based on NZS3910. Council ensures that contract documentation includes clear performance expectations, quality standards, and mechanisms for monitoring and reporting.

## Emergency Works

Emergency works that may arise from natural disasters or events that are of a significant value are not currently allowed for in suppliers contracts or the Council budgets. These works may arise from two main events, severe storm events, and earthquakes.

Depending on size of event and funding approved by NZTA, this will typically either be a public tender (NZS3910, measure and value) or procured through the road maintenance contract for low value projects.

## Local Road Improvements

There is no budget allocated for local road improvements for the period covered by this Procurement Strategy. However, if any local road improvements are undertaken these will be procured using the LPC or PQM as required.

## Professional services

Operations and Maintenance contract administration, Asset Management, design, project management, and quality assurance are sourced through a mix of internal resources and external consultants. Internal teams such as the Roding Team provide core capability, while external consultants are engaged where specialist expertise or additional capacity is required.



This approach allows Council to maintain control over project outcomes while leveraging market expertise and innovation. It also supports flexibility in delivery, enabling Council to respond to changing priorities and funding conditions while maintaining a strong focus on best value for money and network performance.

The NZTA Procurement manual section 10.9 allows for direct appointment of 'a single willing and able supplier' where the cost estimate is less than or equal to \$100,000.00. Individual contracts that fall below this threshold may be direct appointed, otherwise professional services above this threshold shall be sourced using the Price Quality Method.

## Supplier Selection Methods

There is no "one size fits all" approach to procurement and WDC favours a range of methods including:

- Comprehensive long-term contracts for maintenance works which require high levels of capacity, capability and certainty.
- Smaller packages to enable smaller local suppliers to supply services to Council and their community.
- Larger packages for capital projects involving complex design, project management and construction.
- The acknowledgement of the roles of specialists (e.g. Business Case Approach, strategies and studies).
- For all subsidised roading contracts, the NZTA Procurement Manual should be referred to.
- The tender process may, depending on the scale and complexity of the goods or services being purchased, include an initial Registration of Interest (ROI) or Expression of Interest (EOI) phase as a means of establishing more information about the goods or services, the market and the capability of suppliers to satisfy the procurement need.
- It may also be used as a means of selecting a short-list of organisations for the RFT/RFP phase.
- This stage would be followed by a Request for Proposal (RFP) or Request for Tender (RFT).

## Procurement Plans

In all cases, Procurement Plans should provide a structured method of identifying the most appropriate way to procure services and should consider:

- The best way to approach the procurement of the required services including:
  - how to approach the market.
  - how to evaluate submissions.
- Risks associated with the procurement of those services so that they can be managed.
- The timeline for procurement of the services.
- Budget.

## CoLab

WDC has adopted the Regional Procurement Policy and Framework, that outlines the required processes for all purchases. Procurement thresholds are tabulated below.

Table 6: Procurement Policy Processes and Thresholds

	Regional Procurement Policy and Framework Threshold Levels	
	Preferred Supplier	Non-preferred supplier
<b>Up to \$5k</b>	Purchase order	Purchase order
<b>Under \$20k</b>	One quote	One quote
<b>\$20k - \$50k</b>	One quote	Two quotes
<b>\$50k - \$250k</b>	Approved Procurement Plan & Three quotes or RFx	Approved Procurement Plan & Three quotes or RFx
<b>Over \$250k or high risk</b>	Approved Procurement Plan & Public or Invited RFx	Approved Procurement Plan & Public or Invited RFx
<b>NZTA funded contract</b>	NZTA Procurement Manual (if the standards are higher)	NZTA Procurement Manual (if the standards are higher)

\*Notes:

- If an approved Project Plan or Business Case has been completed which covers the information requires with the Procurement Plan, completing a separate Procurement Plan is not required.
- Where a contract is subject to NZTA subsidy, the financial limits and procedures prescribed in the NZTA Procurement Manual will apply if the standards are higher than those set by the Council.
- Furthermore, for direct appointments and closed contests for “low dollar value” contracts (as defined by the NZTA Procurement Manual), if the Co-Lab standard exceeds the NZTA Procurement Manual requirements, the higher standard will be applied. The contract cost estimate for direct appointments must comply with the limits in Section 10.9 of the NZTA Procurement Manual.
- The value is the cost over the whole life of the contract, including any renewal periods.
- As per the WLASS Regional Procurement Principles, Policy and framework for Waikato Councils “Preferred Supplier” are *“suppliers that have been put in place with a formal Contract for the supply of a category of goods, services or works for a period of time. This is not a guarantee of work to the supplier.”*

## NZ Transport Agency Waka Kotahi (NZTA) Procurement Manual

For all subsidised roading contracts, the NZTA Procurement Manual provides the following guidance.

- Direct Appointment <\$100,000 (Physical Works and Professional Services).
- Closed Contest <\$200,000 (Physical Works and Professional Services).
- Open Tender >\$400,000

Rule 10.19 of the NZTA Procurement Manual refers to the Qualifications of Proposal Evaluators. For contracts with an estimated value exceeding \$200,000, approved organisations (WDC) must ensure that at least one member of the proposal evaluation team is accredited to the appropriate level, and holds:

- The National Certificate in Civil Engineering – Asset Management (Competitive Pricing Procedures), or
- The National Certificate in Transport Agency Procurement Procedures, or

- The New Zealand Certificate in Infrastructure Procurement Procedures, or
- Holds another relevant qualification approved by NZTA, or
- Is approved by NZTA as a proposal evaluator.

For the delivery of the WDC Land Transport programme, the NZTA Procurement Manual guides the procurement activities. Periodic audits are conducted to ensure compliance with the manual.

Refer to the NZTA Procurement Manual and associated manuals (i.e. SM021) for further guidance on thresholds for procurement.

## Processing of Late Tenders

### *Introduction*

Late tender submissions will generally not be accepted. All documentation required as part of a tender must be received in the Tenderlink Portal by the tender closing time.

However, in practice there will on occasion be tenders that are late and the rejection of which would be unreasonable. In accordance with the NZTA Contract Procedures Manual (SM021) a late tender may be accepted where:

- the tender was late due to extreme circumstances or circumstances beyond the control of the tenderer, and
- the additional time would not have allowed the tenderer to materially change their tender, and
- accepting the late tender will not disadvantage any of the other tenderers who submitted their response on time.

Where advice is requested regarding a late tender the Tender Secretary must ensure that this advice is provided in writing and a copy retained on the contract file.

### *Procedure for Late Tenders*

The procedure to be followed when a late tender is received is tabulated below.

*Table 7: Late Tender Submission Procedure (NZTA Contract Procedures Manual (SM021))*

STEP	ACTION
1.	The Tender Secretary must endorse 'late tender received .... pm ... /... / ...' on the tenderer's email / file and together with a witness initial the endorsement. The email attachment / file should not be downloaded
2.	Enter the name of the tenderer at the bottom of template Schedule of tenders received and endorse 'late'.
3.	The Tender Secretary, in consultation with the TET leader, shall determine and note the reason for the tender being received after the closing time.
4.	The TET leader must make a report/recommendation to the General Manager regarding any late tenders. The General Manager must give approval to consider or reject the tender. Where it is deemed that it was not beyond the control for the tenderer to deliver their tender by closing time, the late tender shall be rejected, and the email / file deleted. The Tender Secretary must attach NZTA SM021 Appendix XVII Template "Notice of late tender" and a copy placed on file.

5. The TET leader may decide that a late tender is deemed acceptable, on being subject to the following tests:

*\*Note: To accept a late tender in all cases, there must be proof that the carriage of the tender was beyond the control of the tenderer at tender closing time.*

<i>If ...</i>	<i>then ...</i>
the full tender would arrive and be uploaded to the TenderLink box before the tender closing time in the normal course of action and accepting the late tender will not disadvantage any of the other tenderers who submitted their response on time	with the agreement of the TET leader, accept the late tender and document the reasons for doing so.

## Risk Management

Risk management within the procurement planning and implementation process is necessary to drive better procurement outcomes and ultimately better project outcomes relevant to quality, budget and timeliness of delivery. Risk identification needs to take place at each level of procurement from project inception/planning through to contract management.

One of key aspects of procurement planning is identifying the risks and opportunities that differentiate suppliers with respect to quality as well as price (differentiators). Critical to this is not to generate an exhaustive list, but to identify those critical factors that differentiate the potential tenderers on their ability to deliver the project successfully.

For instance, when evaluating key risks associated with the project, ask questions like: What could go wrong? What could cause the project to fail? Examples of aspects that could go wrong include:

- lengthening the programme
- over-extending budget
- endangering people, property or the environment
- negatively impacting stakeholders
- not providing a quality output
- generating adverse social, environmental or economic effects in the longer term
- contributing to long-term erosion of value for money invested?

What these allow the buyer to identify is an understanding of the market, the suppliers, the conditions, they also provide for greater articulation in the RFx of what is expected and what is required.

Ultimately an ideal procurement process is one that is fair and impartial, transparent, fit for purpose and cost efficient.

## Procurement Issues

WDC has identified several procurement issues, to the fore at present include:

- Limited supplier market
- Challenges with weather and construction windows (e.g. peak period limitations)
- Managing cost escalations

Increasing costs and decreasing budgets may result in assets being maintained at a minimum level of service for extended periods.

## Performance Measurement

WDC has a number of monitoring systems for performance measurement and reporting.

NZTA audits are also undertaken which include road infrastructure safety assessments, technical and investment audits.

The LTP has the following information in regard to land transport, which are audited by Audit NZ:

- Levels of service statement
- Targets (financial and non-financial)
- Performance measures

## Delegations

Council has a delegation register which specifies the value of staff, committee and Council expenditure delegations.

No person shall enter into a contract or funding arrangement (including purchasing of goods and services) on behalf of Council unless:

- They have specific delegation to do so;
- The works, goods and / or services are within budget as set out in the LTP / Annual Plan or by formal resolution of Council.

## Interaction with Other Documentation

This Procurement Strategy is linked to WDC and NZTA's wider planning framework as well as implementation rules and guides including:

- Financial delegations
- NZTA Planning and Investment Knowledge Base
- NZTA Procurement Manual

## Review and Improvement

Council acknowledges there are opportunities to improve this strategy and Councils procurement processes.

The following procurement items have been identified as future actions:

- Continued staff development, in particular in the areas of procurement and asset knowledge.
- This Procurement Strategy will be reviewed every 3 years, to enable adoption of the next version 3 years following adoption of this document.
- Continue developing tailored procurement models for each project, using approved methods such as LCP and Price Quality. This includes thorough project and market understanding, and risk and opportunity assessment.
- Exploring the application of artificial intelligence (AI) and other modern digital technologies in the next operational maintenance and professional services contracts.

## Documentation and Publication

Once this Procurement Strategy has been endorsed by NZTA and adopted by Council it will be uploaded and be accessible through the WDC website.

## Broader Outcomes

Waitomo District Council views procurement as a strategic tool to deliver not only goods, services, and infrastructure—but also wider benefits for the community, economy, and environment. In line with the New Zealand Government Procurement Rules and the above table, broader outcomes are embedded into procurement planning and decision-making to maximise public value.

The Council's Procurement Policy focuses on four key broader outcomes:

### **Supporting Local and NZ Businesses**

Council ensures fair access to procurement opportunities, encouraging participation from local and regional suppliers to strengthen the district's economy and build capability.

### **Building Sector Skills and Capacity**

Through capital and infrastructure projects, Council supports contractors who invest in workforce development, training, and long-term sector sustainability.

### **Raising Health, Safety, and Employment Standards**

All suppliers must meet high standards for workplace safety and ethical employment. Contracts include monitoring provisions to ensure continuous improvement.

### **Promoting Environmental Sustainability**

Council considers the full lifecycle impact of goods and services, favouring low-emissions, energy-efficient, and waste-reducing solutions where possible.

These outcomes align with Waitomo's commitment to community wellbeing, sustainability, and responsible governance. A supporting Procurement Framework guides staff in applying these principles consistently across planning, evaluation, and contract management.

WDC will ensure that broader outcomes are considered in all procurement activities, and ensure adequate weighting is placed on broader outcome sections of PQM procurement.

## Endorsement and Review

Subject to the endorsement of NZTA (specific to the land transport activity), this Land Transport Procurement Strategy will be adopted by Council.

Responsibility for the Strategy and its currency primarily lies with the Roading Manager, who is also responsible for the continuity of transportation activities funded from the National Land Transport Fund (NLTF).

Reviews and NZTA endorsement of the Land Transport Procurement Strategy is a requirement for continued NLTF investment and therefore reviews are planned on a triennial basis (following local government elections).

Document ID: 905042

**Report To: Council**

**Meeting Date:** 26 August 2025

**Subject:** **Future Stormwater Management**

**Type:** Decision Required

**Author(s):** Ben Smit  
Chief Executive

**1. Purpose of Report**

- 1.1. The purpose of this business paper is to obtain approval for the future management of stormwater services for Waitomo District Council.

**2. Suggested Resolutions**

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 1 The business paper on Future Stormwater Management be received.
  - 2 Council approve the transfer of Stormwater management from 1 July 2026 to Council's in-house Roding Team with major capital planning and delivery undertaken by an external provider.

**3. Background**

- 3.1 Water and wastewater services, assets and loans will pass to Waikato Waters Limited (WWL) on the 1 July 2026 as part of the central government Local Waters Done Well reform.
- 3.2 The stormwater assets and activity management remain the responsibility of Waitomo District Council.
- 3.3 Council needs to plan for, and implement, how the stormwater service will be managed after 1 July 2026 when the water and wastewater activities move. The stormwater activity is only a small part of the work of the current '3 Waters' Team and that expertise will move to WWL when the staff move.
- 3.4 The diversity of the activities in the stormwater activity and the relatively small amount of work (compared to the water and wastewater activity) required means that employing one part-time person to manage / do engineering for the activity would be very challenging in terms of attracting a person and that person having the right skills.
- 3.5 The solution is that we either contract this out to another entity or get the work done by another WDC activity.

3.6 The operating costs for the stormwater activity for 2025/26 are:

<b>Stormwater Financial Operating 2025/26</b>	<b>\$000</b>
Maintenance and monitoring	218
Salary allocation	40
Rates and insurance	67
Stormwater Modelling	103
Other	16
Total direct costs	443
Indirect costs	185
Depreciation and Interest	296
Total	925

3.7 The capital costs for the next five years are:

<b>Capital Projects - Stormwater</b>	<b>FY25/26</b>	<b>FY26/27</b>	<b>FY27/28</b>	<b>FY28/29</b>	<b>FY29/30</b>
Te Kuiti Stormwater Improvements	271	348	383	421	309
Major Stormwater Improvements	250	1,053	1,080	1,107	1,132
Te Kuiti Stormwater Network Upgrades	120	126	130	133	
Stormwater Renewals	239	387	160	172	156
Te Kuiti Rehabilitation Renewals	256	250	200	200	200
Total Stormwater Capex	1,136	2,164	1,953	2,033	1,797

## 4. Commentary

- 4.1 Delivery of stormwater by comparison to other infrastructure activities is relatively small, however, recent events highlight how important this activity is to maintaining community safety and wellbeing.
- 4.2 Council expects to spend \$12.2 million on new or replacement infrastructure between 2024 and 2034. Over the same period, \$12.3 million is expected to be spent on operating costs, labour, depreciation, materials and maintenance.
- 4.3 The primary elements of the stormwater network consist of 9.52km open drains, and around 34.82km of piping, manholes, and outflow structures, making up a total drainage network of approximately 44.34km. Secondary components involve overland flow paths, with a significant portion relying on the road network.
- 4.4 Roding infrastructure that conveys stormwater are kerb and channels, sumps/catchpits, and sump leads in urban zones, as well as rural drainage infrastructure.
- 4.5 Stormwater infrastructure under the roading corridor must be retained by local authorities under the Local Government Water Services Act 2024. This highlights the complex integrated nature of this activity including the stormwater network links to transportation through management of catchpits, road drainage, treatment, and soakage systems and also parks and open spaces through maintenance of parks with streams, ponds, or wetlands. This includes overland flow paths that cross private land and infrastructure that is privately owned but conveys stormwater.
- 4.6 Council is at a critical stage of implementation of improvements to the stormwater network in Te Kuiti in response to flooding incidence in recent times due to severe weather events. It is recognised that this is essential work as these types of events are expected to continue.
- 4.7 The stormwater activity can really be broken into two components:
- Normal operations and minor upgrades.
  - Major works that revolve around the improvement of the capacity of the stormwater network as shown in the table in section 3.7.
- 4.8 The reason that the distinction is important is that the normal operations and minor upgrades can be managed more operationally than the major improvements which will require a large amount of planning, design and implementation expertise.



- 4.9 This planning is currently underway with stormwater network modelling being undertaken now. This will lead to the development of key problems in the network and then the development of options for improvements.
- 4.10 Current arrangements:
- Majority of service requests sent to our Maintenance Contractor as dayworks.
  - Investigation of stormwater and monitoring of channel sensors carried out by WDC staff.
  - Cesspit/Catchpits – Rooding maintenance activity - cleaning and responsible for direct discharge.
  - Pipes coming out from Cesspits/catchpits to reticulation – WDC staff responsible.
  - Minor repairs < than 6m pipe length – Maintenance Contractor as dayworks.
  - Minor repairs > 6 m, managed by waters team in line with current procurement process, delivered by successful contractor.
- 4.11 Compliance across Council's stormwater consents is assessed by WRC with five being "low risk non-compliant" and two "moderate non-compliance". One consent was not assessed. Additional funding has been provided for in the LTP to address these non-compliances.
- 4.12 We have 8 Resource Consent Monitoring locations.
- Te Kuiti – 5 Locations along Mangaokewa Stream
  - Piopio – 2 Locations
  - Mokau – 1 Location
  - Awakino – 1 Location
  - Marokopa – 1 Location
  - Te Waitere – 2 Locations
  - Waitomo Village – 1 Location
  - Maniaiti/Benneydale – 2 Locations
- 4.13 Asset management is currently in AssetFinda and the GIS mapping system. Rooding assets are managed currently in RAMM. After 1 July 2026 RAMM will be used as the software solution for the stormwater assets.
- 4.14 The stormwater activity will require a significant amount (relative to physical works) of planning, monitoring and reporting, this will increase as the new legislation is implemented.
- Water Services and Infrastructure Strategies
  - Long Term Plan and Annual Plans
  - Asset Management Plan
  - Annual Reports
  - Stormwater network management plans
  - Stormwater bylaw monitoring and administration

## 5. Analysis of Options and Risks

- 5.1 Options for the future delivery of normal operations and minor upgrades have been narrowed now to two.
- 5.2 **OPTION 1: IN-HOUSE CONTRACT MANAGEMENT DELIVERY**
- 5.3 The work and contract management of this work is very similar to the civil works currently undertaken via our rooding team. The rooding team and contractors already undertake an amount of stormwater work (particularly rurally) as part of this rooding operation so not a huge change in scope of work.
- 5.4 **OPPORTUNITIES AND STRENGTHS**
- Operational management and minor capital works fit within the scope of work normally undertaken by the Rooding activity.
  - WDC can contract the physical works and manage the contracts and service much as is done now.

- Major works are contracted to professional organisations who specialise in the work e.g. stormwater modelling, significant capital works.
- WDC continues to receive the overhead recovery from the stormwater rates.

## 5.5 RISKS AND THREATS

- Management of Waikato Regional Council stormwater consents is still required.
- Need to work through who would undertake the development engineering function for WDC for new subdivisions.
- Need to manage the new government regulatory requirements for Commerce Commission and Taumata Arowai.
- The transfer of asset management from our current Assetfinda software (because we no longer need this for Water or Wastewater) to RAMM which we use for our Roding and properties, parks and reserves activities. A transition from AssetFinda to RAMM would need to be included in the option to deliver in-house within the Roding activity.
- Monitoring and reporting functions would need to be transitioned to the Roding team for an in-house option, this may require some additional training or external support. Compliance/consent monitoring and reporting will require specialised resourcing.

## 5.6 **OPTION 2: EXTERNAL MANAGEMENT OF THE ACTIVITY, INCLUDING THE CONTRACT MANAGEMENT**

5.7 The management of this activity could be contracted out. A professional service provider could do this, or we could contract this to WWL.

5.8 For the purpose of this paper, we have assumed that WWL (rather than a professional services provider) could provide this service. They will be significantly less expensive because they will not be looking at charging consultant rates and will have significant expertise given the size and complexity of the activities they will manage. They will likely be managing the stormwater activities of other shareholder councils.

## 5.9 OPPORTUNITES AND STRENGTHS

- Undertaken by a professional organisation who will be looking after our water and wastewater activity so will have knowledge of our activity.
- All service request activity for the '3 waters' would go to one place i.e. WWL.
- WWL is highly likely to manage this activity much more cost effectively than an external professional services organisation.

## 5.10 RISKS AND THREATS

- WWL will charge a markup on actual costs to cover indirect costs. No work on this has been done by WWL but this could be 20% on actual costs.
- WDC loses some control over the service performance of the activity if this is contracted to another entity.
- WWL will be a new organisation. WDC's stormwater activity will be only a tiny part of its operation. Will WDC get the service delivery from WWL especially during the first few years when WWL will be dealing with a lot of change and development.

5.11 The development of major works will be done by a separate provider but overseen by WDC management as it is now. It is possible that WWL could undertake this work on our behalf but that is not a decision that is required at this point.

# 6. Considerations

## 6.1 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

6.2 Currently the Long-Term Plan details WDC providing the stormwater service internally by the 3 Waters team. WDC is required to undertake an LTP amendment to remove the water and wastewater activity before 30 June 2026 so changes to the stormwater delivery mechanism will be included in that. This will not require engagement with the community as detailed in the Waters Services Bill.

- 6.3 Other documents, such as Asset Management Plans, procedures and policies will require updating.
- 6.4 **SIGNIFICANCE AND COMMUNITY VIEWS**
- 6.5 Section 78 of the LGA requires Council to, in the course of its decision making, give consideration to the views and preferences of persons likely to be affected by, or to have an interest in, the matter.
- 6.6 The Local Government Water Services Act 2024 allows for Councils to have a contract or agreement with a third party to provide water services. The Council must determine whether the proposed contract is a significant contract in terms of their significance and engagement policy, and must:
- a) consider all current and anticipated future regulatory requirements in relation to the water services to which the proposed contract relates; and
  - b) consider whether the contract should provide for compliance with those requirements.
- 6.7 If a contract is deemed significant then consultation would be required, this would form part of the LTP Amendment and Annual Plan consultation.

Document ID: 905640

**Report To: Council**

**Meeting Date:** 26 August 2025

**Subject:** **Motion to Exclude the Public**

**Type:** Decision Required

**Author(s):** Michelle Higgie  
Manager – Governance Support

**1. Purpose of Report**

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

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

**2. Suggested Resolutions**

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.

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

General Subject	Reason for passing this resolution	Section 48(1) grounds for the passing of this resolution
1. Update Performance of Recently Installed Three Waters Infrastructure	Section 7(2) (g) To maintain legal professional privilege. <u>and</u> (i) To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1) (d) The exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies.
2. Wastewater - Wet Weather Overflows	Section 7(2) (a) To protect the privacy of natural persons, including that of deceased natural persons	Section 48(1) (d) The exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies.

General Subject	Reason for passing this resolution	Section 48(1) grounds for the passing of this resolution
3. Progress Report: Release of Council Property for Housing Development – Eketone Street, Te Kūiti	Section 7(2) (h) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	Section 48(1) (d) that the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies.
4. Verbal Update: 4-6 Moa Street, Piopio	Section 7(2) (i) To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1) (d) The exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies.

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

Staff Member	Reason for Remaining in Attendance
Chief Executive	Chief Executive
Manager – Governance Support	Committee Secretary
General Manager – Infrastructure Services	Portfolio Holder
Manager Three Waters	Portfolio Holder

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

### 3. Commentary

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