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Report To: Council



Meeting Date: 29 July 2025

Subject: **Deputation – Waitomo Sister City Incorporated**

Type: Information Only

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General Manager – Community Services

1. Purpose of Report

- 1.1 The purpose of this business paper to advise that Janis MacDonald (on behalf of Waitomo Sister City Incorporated) and some of the travelling students will be in attendance at the meeting at 9.00am to brief Council on their recent visit to Waitomo's Japanese Sister City – Tatsuno.

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 Deputation from Waitomo Sister City Incorporated be received.

WAITOMO DISTRICT COUNCIL

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON MONDAY 30 JUNE 2025 AT 9.00AM

- PRESENT:** Mayor John Robertson
Deputy Mayor Allan Goddard
Dan Tasker
Eady Manawaiti
Gavin Todd
Janene New
Janette Osborne
- IN ATTENDANCE:** Deon Prinsloo, Senior Project Manager for Morrison & Shailer Ltd
- STAFF:** Chief Executive, Ben Smit
Manager – Governance Support, Michelle Higgie
Chief Financial Officer, Tina Hitchen
General Manager – Strategy and Environment, Alex Bell
Manager – Strategy and Policy, Charmaine Ellery
Graduate Policy Advisor, Rajeshwari Mahadevappa
General Manager – Community Services, Helen Beever
General Manager – Infrastructure Services, Shyamal Ram
Property and Facilities Manager, Liz Riley

1. Karakia Tuwhera

Mayor Robertson noted the flooding events at the top of the South Island.

2. Apologies

No apologies.

3. Declarations of Member Conflicts of Interest

No declarations made.

4. Confirmation of Minutes: 27 May 2025

Resolution

The Minutes of the Waitomo District Council meeting of 27 May 2025 be confirmed as a true and correct record.

Robertson/Goddard Carried

5. Confirmation of Minutes: 10 June 2025

Resolution

The Minutes of the Waitomo District Council meeting of 10 June 2025 be confirmed as a true and correct record.

New/Osborne Carried

6. Mayor's Report – June 2025

Council considered the Mayor's Report for June 2025.

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

Resolution

The Mayor's Report – June 2025 be received.

Robertson/New Carried

7. Chief Executive's Report – June 2025

Council considered the Chief Executive's report for June 2025.

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

Resolution

The Chief Executive's Report – June 2025 be received.

Manawaiti/Tasker Carried

The Chief Financial Officer entered the meeting at 9.30am.

8. Local Government New Zealand – 2025 Annual General Meeting

Council considered a business paper presenting information to enable Council to consider and determine how it wishes to vote at the 2025 Local Government New Zealand Annual General Meeting on –

- a) Remits Received
- b) Proposed amendments to the Local Government New Zealand Rules

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

Resolution

- 1 The business paper on Local Government New Zealand – 2025 Annual General Meeting be received.
- 2 The Mayor (as Presiding Delegate) or if required, the Chief Executive (as Alternate Presiding Delegate) be authorised to use their discretion in voting, after hearing discussion on the remits at the 2025 Local Government New Zealand Annual General Meeting.
- 3 Council support the proposed amendments to Local Government New Zealand's Rules to comply with the Incorporated Societies Act 2022 and to complete re-registration by April 2026.

New/Goddard Carried

General Manager – Infrastructure Services entered the meeting at 9.43am.

9. Bi-Monthly Activity Report: Leadership/Governance, Finance and Information Technology

Council considered a business paper providing an update on activities that form part of the Leadership/Governance Group including Finance and Information Technology.

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

The Manager – Governance Support gave a verbal update on the outcome of the Civic Financial Services Limited 2025 Annual General Meeting held on Friday 13 June 2025.

Councillors acknowledged the pressure that the Finance Team have been under with the added workload of preparing for 3 Waters transition.

Resolution

The business paper on Information Services, Finance and Leadership/Governance Activity Update Report be received.

New/Goddard Carried

The Chief Financial Officer left the meeting at 9.50am.

The Manager – Policy and Strategy and Graduate Policy Advisor entered the meeting at 9.52am.

10. Bi-Monthly Activity Report: Strategy and Environment Group

Council considered a business paper providing an update on work programmes that form part of the Regulatory Activity.

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

Resolution

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

Robertson/Osborne Carried

11. Dog Control Bylaw and Policy Review - Deliberations and Adoption

Council considered a business paper –

- a) Presenting an analysis on submissions received on the Draft Waitomo District Dog Control Bylaw 2025 and Draft Waitomo District Dog Control Policy 2025 Review to assist with Council's deliberations.
- b) Presenting the Draft Waitomo District Dog Control Bylaw 2025 and the Draft Waitomo District Dog Control Policy 2025 for consideration and adoption.

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

The General Manager – Infrastructure Services entered the meeting at 10.13am.

Resolution

- 1 The business paper on Deliberation and Adoption of Draft Waitomo District Dog Control Bylaw 2025 and Draft Waitomo District Dog Control Policy 2025 Review be received.
- 2 Council adopt the Draft Waitomo District Dog Control Bylaw 2025 and the Draft Waitomo District Dog Control Policy 2025 without amendments.
- 3 The Chief Executive is authorised to make any final editorial amendments to the Waitomo District Dog Control Bylaw 2025 and the Waitomo District Dog Control Policy 2025, and any changes directed by the Council at this meeting.

- 4 Elected members and WDC staff would like to thank all the people who engaged in the Draft Waitomo District Dog Control Bylaw 2025 and the Draft Waitomo District Dog Control Policy 2025 review consultation and acknowledge the time and effort made by those who made written and verbal submissions.
- 5 Council consider whether a dog friendly space can be established in Te Kūiti for consideration as part of the next Annual Plan.

Todd/Manawaiti Carried

12. Adoption of Waitomo District Alcohol Fees Bylaw 2025

council considered a business paper presenting the Waitomo District Alcohol Fees Bylaw 2025 for adoption to come into effect from 1 July 2025.

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

Resolution

- 1 The business paper on Waitomo District Alcohol Fees Bylaw 2025 be received.
- 2 Council adopt the Waitomo District Alcohol Fees Bylaw 2025 as consulted to come into effect from 1 July 2025.

Goddard/Osborne Carried

The meeting adjourned for morning tea at 10.23am and reconvened at 10.35am.
The General Manager – Community Services entered the meeting at 10.35am.
The Chief Financial Officer entered the meeting at

13. Water Services Delivery Model
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Council considered a business paper –

- a) Seeking a decision on the future delivery model for water and wastewater services of Waitomo District Council.
- b) Seeking approval to establish and join a Waters Council Controlled Organisation.
- c) To consider and approve the Constitution and Shareholders Agreement for Waikato Waters Limited.

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

The Chief Executive advised that the two documents (Constitution and Shareholders Agreement) are still being finalised but are fundamentally the same as distributed to elected members on 13 June 2025.

Resolution

- 1 The business paper on Water Services Delivery Model be received.
- 2 Council approves, following public consultation undertaken during April 2025, 'Waikato Water Done Well' as Council's model for delivering water and wastewater services, in accordance with the Local Government (Water Services Preliminary Arrangements) Act 2024.
- 3 Council approves the establishment, and incorporation, of a joint Council Controlled Organisation (Waikato Waters Limited) with Waitomo District Council being one of the shareholders and notes that Waikato Waters Limited is required to be incorporated as a limited liability company.

- 4 Council approves the Shareholders' Agreement and Constitution for Waikato Waters. (Incorporation Documents).
- 5 Council notes that the Shareholders' Agreement provides for the establishment of the Shareholders Representative Forum (SRF) which has authority to make decisions on behalf of the applicable shareholding councils in relation to Waikato Waters Limited, as set out in more detail in the Incorporation Documents.
- 6 Council approves the Waitomo District Council's Mayor as Council's representative on the Waikato Waters' SRF with the Deputy Mayor as Council's alternate on the SRF.
- 7 Council approves the Mayor, or in the Mayor's absence, the Deputy Mayor, full authority to make decisions on behalf of Council at meetings of the SRF subject to such decisions being within scope of, and in compliance with, the functions and authority of the SRF as set out in the Incorporation Documents.
- 8 Council delegates to the Mayor of Waitomo District Council, the authority to approve non-material amendments to the 'Incorporated Documents' prior to Water Waters Limited being incorporated and sign such documents as required to incorporate Waikato Waters limited and confirm Council's shareholder status of that company.
- 9 Council delegates to the Mayor of Waitomo District Council, the authority approve any amendments to the Incorporation Documents after Waikato Waters Limited's incorporation if necessary to reflect the final form of, and ensure compliance with, the Local Government (Water Services) Act 2025 when enacted, and to sign / execute such documents as required to give effect to such amendments.
- 10 Council approves loan funding the transition costs incurred, up to 30 June 2026, for the development of Waikato Waters Ltd and transfer of activities from Waitomo District Council to Waikato Waters. This will be repaid by Waikato Waters Ltd to Waitomo District Council on the establishment of Waikato Waters Ltd and after borrowing approved by LGFA.
- 11 Council notes that the Long Term Plan 2024-34 data/budget (incorporating subsequent Annual Plan 2025/26 data/budget changes) will be the basis for information used in the development of the Waitomo District Council's Water Services Delivery Plan and therefore the setting the 2026/27 work/capital programme and 2026/27 pricing for water supply and wastewater charges.
- 12 Council notes that Council staff will investigate the future service delivery of stormwater services from 1 July 2026 and report back to Council with recommendations. Stormwater assets and service delivery will continue to be the responsibility of Council to be approved in the WSDP therefore setting the 2026/27 work/capital programme and Stormwater rates for 2026/27.

Goddard/Manawaiti Carried

14. Adoption of the Annual Plan and Fees and Charges FY2025/2026

Council considered a business paper -

- a) Presenting the draft Revenue and Financing Policy 2025 and draft Rates Remission Policy 2025 for consideration and adoption as per Section 102 of the Local Government Act 2002.
- b) Presenting a draft Annual Plan 2025/26 for consideration and adoption as per Section 95 of the Local Government Act 2002.
- c) For Council to set the rates for the 2025-26 financial year pursuant to Sections 23 and 24 of the Local Government (Rating) Act 2002 (LGRA 2002).
- d) For Council to set the fees and charges for the 2025/26 financial year.

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

Council acknowledged the pressure put on staff during the Annual Plan development process to continue to reduce the percentage increase from what was originally proposed at the start of the process.

Resolution

- 1 The business paper on Adoption of the Annual Plan and Fees and Charges FY2025/26 be received.
- 2 Council adopts the Revenue and Financing Policy 2025 as presented without amendments.
- 3 Council adopts the Rates Remission Policy 2025 as presented without amendments.
- 4 Council adopts the Annual Plan 2025/26 document including fees and charges scheduled for 2025/26.
- 5 The Chief Executive be authorised to make any final editorial amendments to the Annual Plan 2025/26 document, and any changes directed by the Council at this meeting.
- 6 Pursuant to Sections 23 and 24 of the Local Government (Rating) Act 2002, Council set the rates, charges, and instalment due dates for the 2025/26 financial year commencing 1 July 2025 and ending on 30 June 2026 as follows:

1. GENERAL RATE

A General Rate set under section 13 of the Local Government (Rating) Act 2002 (LGRA) made on every rating unit across the District, assessed as a rate per \$100 of capital value. The General Rate is not set differentially. The General Rate will contribute to the funding of:

Leadership	Cemeteries
Other Land and Buildings	Community Development
District Libraries	Economic Development
Aquatic Centre	District Promotion
Les Munro Centre	Emergency Management
Aerodrome	Regulatory Services
Public Facilities	Waste Minimisation
Parks and Reserves	Resource Management
Elderly Persons Housing	Gallagher Recreation Centre
Community Halls	

Requirement in 2025/26 (incl. GST)

General Rate	Rate per \$100 capital value	Total Revenue Requirement (\$000)
All rating units in the District	0.22791	10,849

2. UNIFORM ANNUAL GENERAL CHARGE

A Uniform Annual General Charge (UAGC) per separately used or inhabited part of a rating unit across the District, set under Section 15(1)(b) of the LGRA. The UAGC will contribute to the funding of:

Leadership	Cemeteries
Other Land and Buildings	Community Development
District Libraries	Economic Development
Aquatic Centre	District Promotion
Les Munro Centre	Emergency Management
Aerodrome	Regulatory Services
Public Facilities	Waste Minimisation
Parks and Reserves	Resource Management
Elderly Persons Housing	Gallagher Recreation Centre
Community Halls	

Requirement in 2025/26 (incl. GST)

Uniform Annual General Charge	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the District	\$250	1,417

Definition of SUIP

A separately used or occupied part of a rating unit includes any part of a rating unit that is used or occupied by any person, other than the ratepayer, having a right to use or inhabit that part by virtue of a tenancy, lease, licence, or other agreement, or any part or parts of a rating unit that are used or occupied by the ratepayer for more than one single use. This definition includes separately used parts, whether or not actually occupied at any particular time, which are provided by the owner for rental (or other form of occupation) on an occasional or long-term basis by someone other than the owner.

For the avoidance of doubt, a rating unit that has only one use (i.e. does not have separate parts or is vacant land) is treated as being one SUIP.

3. TARGETED RATES

Targeted Rates are set on categories of land defined by some factor, such as geographic location, provision of service, area or the use to which the land is put. The titles of 'Targeted Rate' (TR) and 'Targeted Fixed Rate' (TFR) are used by this Council. Targeted Fixed Rates are based on a uniform amount set per separately used or inhabited part of a rating unit (SUIP) or set per rating unit. Targeted Rates are assessed based on capital value or water consumption.

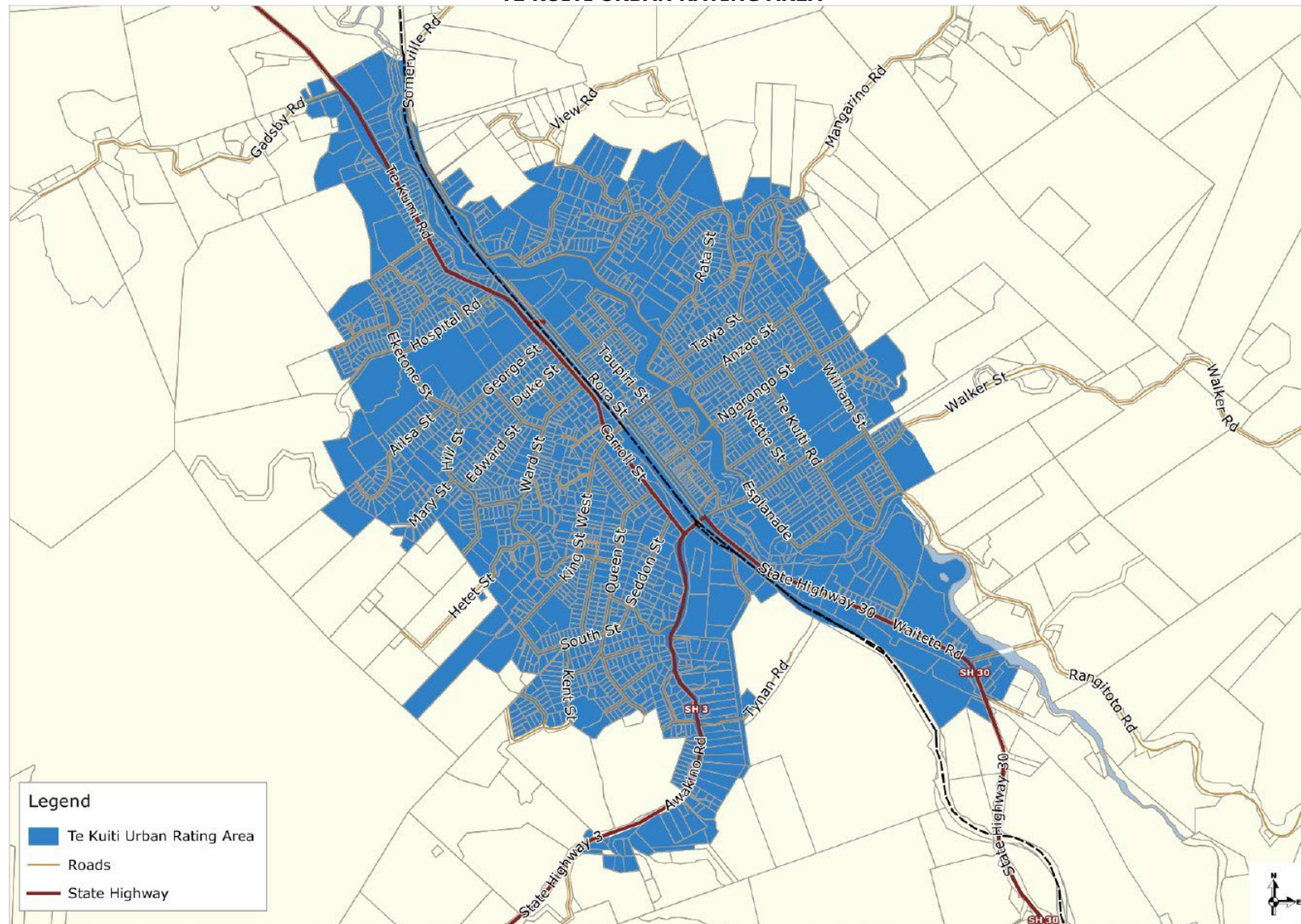
Targeted Rates Differentiated on Location

Council will use location (Schedule 2(6) LGRA) to define the land liable for the Piopio Retirement Village Contribution TFR, Rural Stormwater TFR, and Te Kuiti Urban Stormwater TFR and targeted rate.

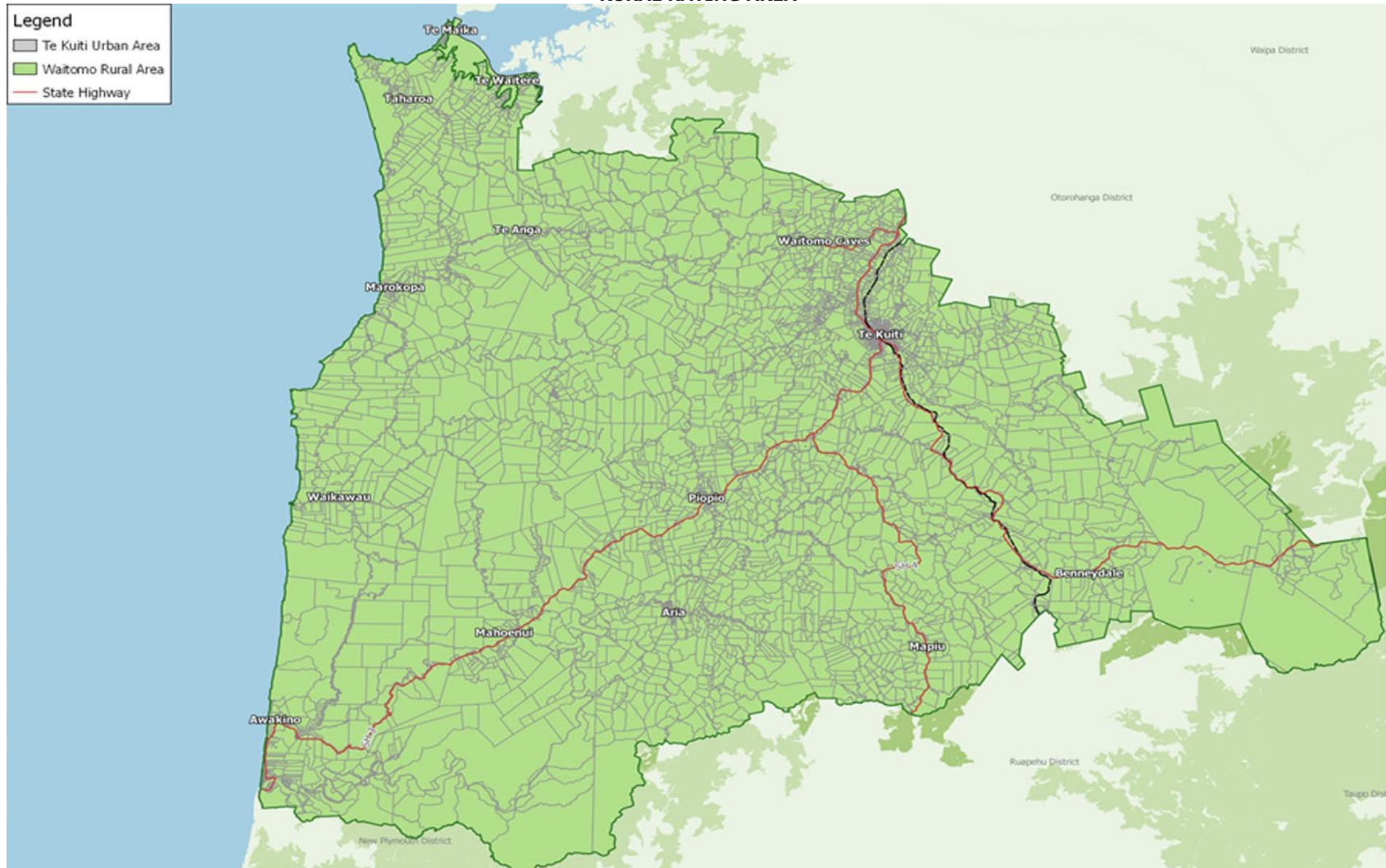
The following location definitions for the respective rating areas and maps will apply:

Te Kuiti Urban Rating Area	<i>All rating units situated within the Te Kuiti Urban Rating Area (Refer to Revenue and Financing Policy for further details)</i>
Rural Rating Area	<i>All rating units situated within the Rural Rating Area (Refer to Revenue and Financing Policy for further details)</i>
Piopio Township	<i>All rating units connected or with the ability to connect to the Piopio Wastewater System (Refer to Revenue and Financing Policy for further details)</i>
Piopio Wider Benefit Rating Area	<i>All rating units situated in the rural areas around Piopio Township (excluding Rating units/SUIPs connected or with the ability to connect to the Piopio Wastewater System) that are deemed to indirectly benefit from the Piopio Wastewater reticulation network. (Refer to Revenue and Financing Policy for further details)</i>

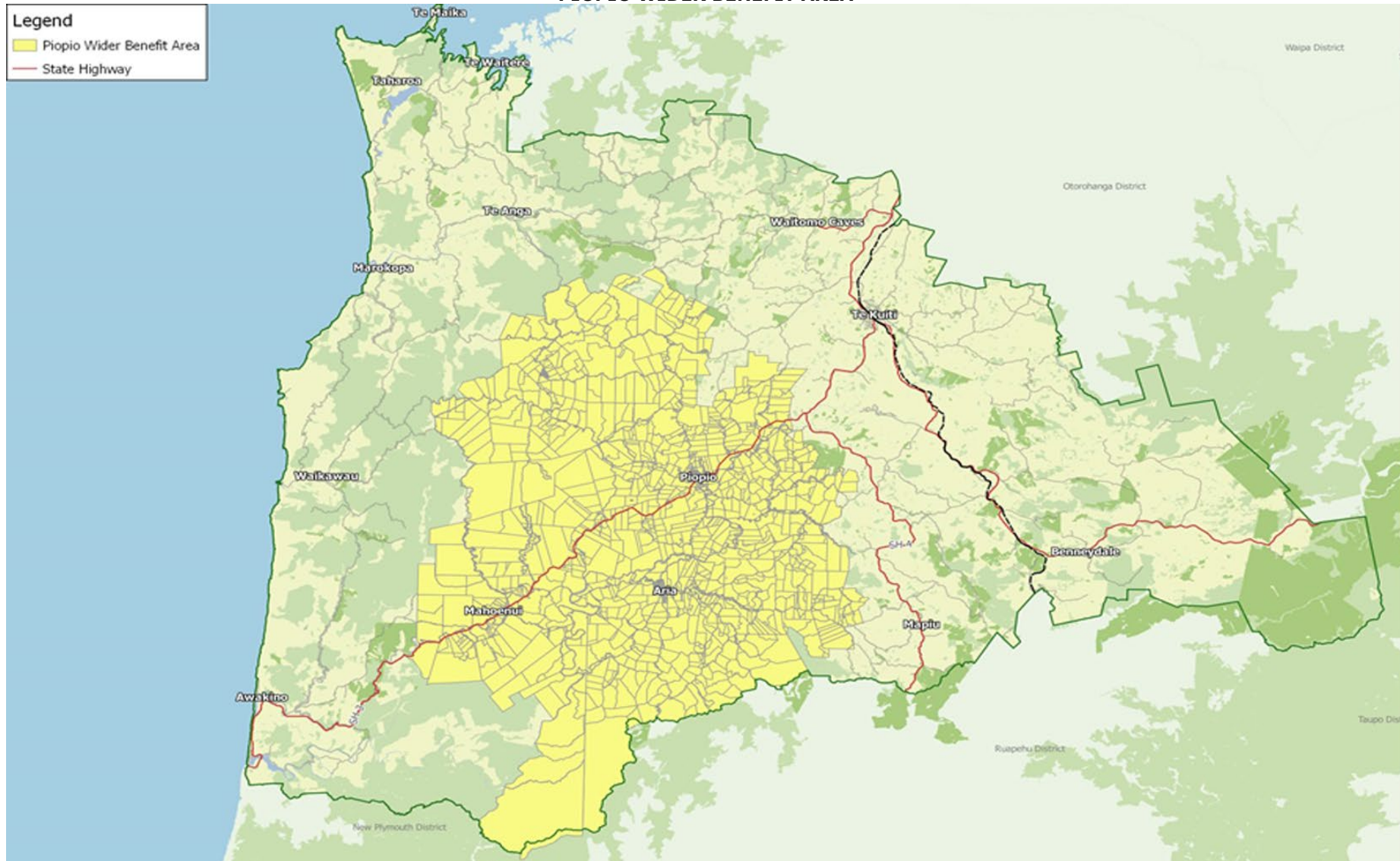
TE KŪITI URBAN RATING AREA



RURAL RATING AREA



PIOPIO WIDER BENEFIT AREA



Differentials and factors of liability

Targeted rates may be set differentially, with different categories of land attracting a different level of rate. Council has chosen to differentiate the District Roding Rate into two categories and will use the 'use to which the land is put' to define land liable for these rates (schedule 2 (1) LGRA).

Differential Category Definitions

The following land use categories and differential factors will apply to the District Roding Rate:

District Roding Rate - General

All rating units in the district excluding those properties categorised as differential b) below.

The District Roding Rate – General category will have a differential factor of 1.0.

District Roding Rate -Forestry Exotic

Rating units that have been assigned the FE category code (Forestry Exotic) by Council's Valuation Service Provider and/or properties that are partially used for exotic forestry.

The District Roding Rate – Forestry Exotic category will have a differential factor of 3.0.

Properties with a mixed use

Where rating units have a mixed use (e.g., pastoral and exotic forestry), and the area of exotic forestry is 20 hectares or more, the rating unit will be apportioned to enable the district roding rate to be charged correctly.

The portion used for exotic forestry will be charged the differential of 3.0 and the remaining portion will be charged the differential of 1.0.

3.1 District Roding Rates

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the district differentiated on the basis of use. The TR will be assessed as a rate per \$100 of capital value to part fund the Roads and Footpaths Activity. The rationale for use of this rate is contained in the Revenue and Financing Policy.

District Roding Rates (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
District Roding Rate – General	0.12546	5,777
District Roding Rate – Forestry Exotic	0.37639	343

3.2 Piopio Retirement Village Contribution TFR

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit situated within the Piopio Township and the Piopio Wider Benefit Rating Area to fund the support of the continued delivery of elderly housing accommodation services provided by the Piopio Retirement Trust Board through the remission of service charges.

Requirement in 2025/26 (incl. GST)

Piopio Retirement Village Contribution (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
Piopio Wider Benefit Rating Area and Piopio Township	\$24	18

3.3 Rural Stormwater TFR

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit in the Rural Rating Area of the District to fund the Rural Stormwater Activity.

Requirement in 2025/26 (incl. GST)

Rural Stormwater (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Rural Rating Area	\$22	76

3.4 Te Kuiti Urban Stormwater TFR and Targeted Rate

- (i) Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit in the Te Kuiti Urban Rating Area to partly fund the Te Kuiti Urban Stormwater Activity.
- (ii) Council set a Targeted Rate under section 16 of the Local Government (Rating) Act 2002 to partly fund the Te Kuiti Urban Stormwater Activity, to be assessed as a rate per \$100 of Capital value on every rating unit in the Te Kuiti Urban Rating Area excluding those in respect of which there is a current resource consent to discharge stormwater into the Mangaokewa Stream, and so are not using any part of the urban reticulated stormwater or drainage network.

Requirement in 2025/26 (incl. GST)

Te Kuiti Urban Stormwater (TFR)	Charge per rating unit	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area	\$193	355

Te Kuiti Urban Stormwater Targeted Rate (TR)	Rate per \$100 Capital Value	Total Revenue Requirement (\$000)
Te Kuiti Urban Rating Area (excluding rating units not using network)	0.08108	632

3.5 Water Supply Rates

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 for Water Supply differentiated on the basis of supply area. The TFR is set per separately used or inhabited part of a rating unit within Te Kuiti and Rural Communities (Piopio, Maniaiti/Benneydale and Mokau), with liability calculated based on whether the SUIP is connected, or merely serviceable (Serviceable means the rating unit is within 100m of water main and practicably serviceable in the opinion of Council).

Requirement in 2025/26 (incl. GST)

Water Supply (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti	\$966	\$483	2,079
Piopio	\$1,356	\$678	337
Maniaiti/Benneydale	\$1,356	\$678	170
Mokau	\$1,356	\$678	302

3.6 Extraordinary Water Supply Rate

Council set a TR under section 19 of the Local Government (Rating) Act 2002 per cubic metre of water consumed over and above an annual consumption of 292m³ per SUIP, differentiated by supply area that has been fitted with a water meter and/or is defined as having an extraordinary supply (in accordance with Council's Water Services Bylaw). The rates are:

Requirement in 2025/26 (incl. GST)

Water Supply Rate (TR)	2025/26 Charge per cubic metre (including GST) above 292m ³
Te Kuiti	\$4.61
Piopio	\$5.03
Maniaiti/Benneydale	\$5.55
Mokau	\$7.37
Total Revenue Requirement (\$000)	\$1,553

Metered Water Supply Due Dates

	Reading Period	Due Date
Te Kuiti Meat Companies	Monthly	15 th of the month following invoice
Te Kuiti, Piopio, Mokau and Maniaiti/Benneydale	Jul – Dec 2025 Jan – Jun 2026	15 th of the month following invoice

3.7 District Wide Benefit Rate for Water Supply

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the district to part fund the water supply activities.

Requirement in 2025/26 (incl. GST)

District Wide Benefit Rate for Water Supply (TFR)	Charge per Rating Unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$40	184

3.8 Wastewater Rates

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 to provide for the collection and disposal of sewage. The TFR is set per separately used or inhabited part of a rating unit within the district, with liability calculated based on whether the SUIP is connected to the wastewater network, or merely serviceable (Serviceable means the rating unit is within 30m of sewer reticulation and practicably serviceable in the opinion of Council).

Requirement in 2025/26 (incl. GST)

Wastewater (TFR)	Charge		Total Revenue Requirement (\$000)
	Per connected SUIP	Per serviceable SUIP	
Te Kuiti (Residential only)	\$1,300	\$650	2,286
Maniaiti/Benneydale (Residential and Non-residential)	\$1,300	\$650	151
Te Waitere (Residential and Non-residential)	\$1,300	\$650	26
Piopio (Residential and Non-residential)	\$1,300	\$650	273

3.9 Wastewater rates for non-residential properties in Te Kuiti

For all non-residential properties in Te Kuiti, Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per SUIP set on a differential basis based on the following Categories:

- **Category 1** - All Businesses
- **Category 2** - Education & Community Childcare, Places of Worship, Marae, Clubs and Societies and Emergency Services. This category consists of organisations that are generally deemed 'not for profit'. For avoidance of doubt, Category 2 only covers properties with uses listed within this category and no others.
- **Category 3** - Government Department use, Rest Homes and Hospitals.

All non-residential SUIPs will be charged one base charge for up to four pans and per pan (Pan Charge) for every pan over and above this threshold on the following basis:

Base Charge:*Requirement in 2025/26 (incl. GST)*

Non- Residential Targeted Rate (TFR)	Base Charge per SUIP (up to 4 pans)	Per serviceable SUIP	Total Revenue Requirement (\$000)
Category 1	\$650	\$650	132
Category 2	\$650	\$650	29
Category 3	\$1,300	\$650	22

Pan Charge:*Requirement in 2025/26 (incl. GST)*

Non- Residential Targeted Rate (TFR)	Number of pans	Charge per pan (Pan Charge)	Total Revenue Requirement (\$000)
Category 1	5th pan and over	\$910	94
Category 2	5-10 Pans	\$390	6
	Over 10 Pans	\$260	31
Category 3	5th pan and over	\$910	56

3.10 Trade Waste Contribution TFR

Council set a Trade Waste Contribution TFR under section 16 of the Local Government (Rating) Act 2002 per rating unit in the District in recognition of the contribution made to the social and economic well-being of the District by the large industrial users of the Te Kuiti Wastewater Network.

Requirement in 2025/26 (incl. GST)

Trade Waste Contribution (TFR)	Charge Per rating unit	Total Revenue Requirement (\$000)
All Rating Units in the District	\$42	194

3.11 District Wide Benefit Rate for Wastewater

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 on every rating unit within the District to part fund the wastewater activities.

Requirement in 2025/26 (incl. GST)

District Wide Benefit Rate for Wastewater (TFR)	Charge Per Rating Unit	Total Revenue Requirement (\$000)
All rating units in the District	\$43	198

3.12 Solid Waste Collection Rate

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit to which Council provides a kerbside collection and recycling service differentiated by service areas where Council operates kerbside collection and kerbside recycling services (Te Kuiti, Piopio, Mokau (including Awakino) communities and Waitomo Village and some surrounding parts).

Requirement in 2025/26 (incl. GST)

Solid Waste Collection (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
Te Kuiti	\$71	150
Waitomo	\$76	52
Piopio	\$160	38
Mokau	\$174	49

3.13 Solid Waste Rate

Council set a TFR under section 16 of the Local Government (Rating) Act 2002 per separately used or inhabited part of a rating unit District wide to part fund the Solid Waste activity.

Requirement in 2025/26 (incl. GST)

Solid Waste (TFR)	Charge per SUIP	Total Revenue Requirement (\$000)
All rating units in the District	\$330	1,828

4. RATES PAYMENTS

Rates will be payable in four equal instalments with the due dates for payments being:

1st Instalment	29 August 2025 (Friday)
2nd Instalment	28 November 2025 (Friday)
3rd Instalment	27 February 2026 (Friday)
4th instalment	29 May 2026 (Friday)

Note: The due date for payment of each instalment is the last working day in each of the months specified above. Rates payments will be allocated to the oldest debt first.

5. RATES REMISSIONS AND POSTPONEMENTS

Council has developed a rates remissions policy as per LGA (section 102 (3)(a), 108 and 109) and LGRA (Section 85). Remission categories include Properties Used Jointly as a Single Unit, Community Organisations and Clubs and Societies, Organisations Providing Care for the Elderly, New Residential Subdivisions, Māori Freehold Land, Cases of Land Affected by Natural Calamity, Cases of Financial Hardship, New Businesses, Penalties, and Rates and/or penalties following a Rating Sale or Abandoned Land Sale. The estimated value of these remissions is \$180,500 (excluding GST) for the 2025/26 year.

Under the Policy on Remission of Rates, Council will not offer any permanent postponements of rates.

6. PENALTIES

Pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, Council may apply penalties as follows:

- (a) A penalty charge of 10 percent (10%) on any part of an instalment that has been assessed for the financial year commencing 1 July 2025 and which remains unpaid after 5pm on the due date for payment of that instalment, to be added on the penalty dates below:

Instalment 1	2 September 2025
Instalment 2	2 December 2025
Instalment 3	3 March 2026
Instalment 4	4 June 2026
- (b) A further penalty charge of 10 percent (10%) on any part of any rates assessed before 1 July 2025 that remains unpaid on 1 July 2025, to be added on 7 July 2025.
- (c) No penalties will be charged where a ratepayer is paying rates by direct debit or where there is an approved payment arrangement in place.

Robertson/Tasker Carried

The Chief Financial Officer, Manager – Strategy and Policy and Graduate Policy Advisor left the meeting at 11.36am.

The Property and Facilities Manager entered the meeting at 11.37am.

15. Waitomo District Aquatic Centre – Condition Report

Council considered a business paper providing an update on the Waitomo district Aquatic Centre.

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

Resolution

- 1 The business paper on Waitomo District Aquatic Centre - Update be received.

Tasker/Manawaiti Carried

The Property and Facilities Manager and General Manager – Community Services left the meeting at 11.42am.

16. Motion to Exclude the Public

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 of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
1. Performance of Recently Installed Three Waters Infrastructure - Update	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) 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.

- 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 – Infrastructure Services	Portfolio Holder
Senior Project Manager (Morrison & Shailer Ltd)	Consultant

- 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

17. Public Excluded Items to be made public following Council's decision taking**Resolution**

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

1 Performance of Recently Installed Three Waters Infrastructure - Update

The information not be made public for the reasons set out in Item 16 above.

Robertson/New Carried

18. Karakia Whakamutanga

There being no further business the meeting closed at 11.58am

Dated this day of 2025

JOHN ROBERTSON
MAYOR

Confidential

Document ID: 899030

Report To: Council



Meeting Date: 29 July 2025
Subject: **Mayor's Report – July 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 – July 2025 be received.

3. Commentary

- 3.1 Two weeks ago the Chief Executive and I attended the Local Government New Zealand AGM and Annual Conference in Christchurch.
- 3.2 At the last meeting of Council, I was given discretion as to how to vote on remits.
- Remit 1** Improving Joint Management Agreements with iwi/hapū. I voted against this remit as I saw little need for the law to be changed to enable more JMA's. The remit passed.
- Remit 2** Annual adjustment of Alcohol Licensing Fees, I voted for this. The remit passed.
- Remit 3** Aligning public and school bus services, I voted for this. The remit passed.
- Remit 4** Review of local government arrangements to achieve better balance, I voted for this. The remit passed.
- 3.3 There was another remit proposed late in the piece by LGNZ. It proposed opposing rates capping and waging a campaign against it using ratepayer monies. LGNZ sensed disquiet among some members prior to the meeting and changed the resolution before any formal discussion took place. I spoke against the public campaign approach, also voted against it despite the changes to voice dissatisfaction with how it had been handled.
- 3.4 Ministers and MP's spoke at the Conference, including the Prime Minister by video, and in person the Deputy Prime Minister Hon. David Seymour, Hon. Chris Bishop, Hon. Simon Watts and the Leader of the Opposition Hon. Chris Hipkins.
- 3.5 Presentations were made on emerging technology, the Resource Management Act pending replacement legislation, Council – Iwi relationship building, and Local Government elections. On the latter it was proposed that LGNZ advocate for four-year Council terms and voting at ballot boxes rather than electronically or by postal vote.

Document ID: 857488

Report To: Council**Meeting Date:** 29 July 2025**Subject:** **Bi-Monthly Activity Report: Community and Partnerships****Type:** Information Only**Author(s):** Helen Beever
General Manager – Community Services**1. Purpose of Report**

- 1.1. The purpose of this business paper is to update Council on activities that form part of the Community and Partnerships Group.
- 1.2. The business paper also provides an update on a range of Recreation Services and activities.

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: Community and Partnerships be received.

3. Background

- 3.1 At its meeting of 28 February 2023, 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.
- 3.3 The Community and Partnerships report incorporates commentary on its activities.

4. Community Support and Development

- 4.1 The Community Support and Development group of activities incorporates Safe Communities, Community Grants, Youth Engagement and Events.
- 4.2 **CURRENT ACTIVITY**
- 4.3 **NOVICE DRIVER TRAINING PROGRAMME**
- 4.4 The 2024/25 period has seen excellent achievements for the Novice Driver Training Programme. Against a goal of 15 learners' licences, 60 were achieved; 47 restricted licences were issued against a target of 25, and 21 full licences against a target of 15.
- 4.5 A major highlight this year has been the successful reinstatement of local driver testing in Te Kūiti. This shift has removed substantial barriers for learners, particularly travel related costs and scheduling delays, resulting in improved pass rates and reduced appointment rescheduling.

- 4.6 This year also marks the highest throughput for the programme to date, demonstrating both scale and success. In the past two years, the driver licensing programme has supported 418 individuals through practical driver testing, with 403 successful passes which is a 96.4% pass rate.
- 4.7 **COMMUNITY MOVIE NIGHT**
- 4.8 On Friday 4 July, WDC hosted a successful Community Movie Night with a turnout of 195 attendees. The event was well received by the community, creating a warm, welcoming atmosphere for whānau and individuals of all ages to come together and enjoy a night out.
- 4.9 The positive feedback and high level of engagement reinforced the value of hosting inclusive, low-cost community events. Further Community Movie Nights will be held at the Les Munro Centre.
- 4.10 **TECH STEP**
- 4.11 Tech Step was held on 29 May 2025 at the Les Munro Centre. With funding from the Auckland Regional Chamber of Commerce, and support from Number Twelve, Aotahi, Ōtorohanga Employment Hub and Te Nehenehenui, the event provided students with a day of immersive technology experiences and career exploration.
- 4.12 Two keynote speakers set the scene for the secondary school students, highlighting their connection growing up in the district, to their journey into IT business.
- 4.13 Over 350 students, along with teachers and parent helpers attended from schools across the Waitomo and Ōtorohanga districts. Students engaged with industry experts, explored hands-on exhibits, and gained insight into a wide range of technological qualifications and pathways.
- 4.14 Due to the positive feedback from students and the community, staff will apply for future Tech Step funding to support a 2026 event.
- 4.15 **RISKS AND OPPORTUNITIES**
- 4.16 There are no immediate identified risks with these activities.
- 4.17 **LOOKING FORWARD – THE NEXT 3 MONTHS**
- 4.18 Sports Groups Funding Workshop.
- 4.19 Centennial Park Open Day.

5. Customer Services

- 5.1 **CURRENT ACTIVITY**
- 5.2 The customer services team have been busy processing dog registrations. 1,900 dogs have been registered as at 15 July 2025.
- 5.3 A total of 353 Rates Rebate applications were received for the 2024/25 year. Of these, 339 were approved as eligible. This is an increase of 30 applications compared to the 2023/24 year.
- 5.4 **RISKS AND OPPORTUNITIES**
- 5.5 There are no immediate identified risks with this activity.

6. Waitomo District Library

6.1 **CURRENT ACTIVITY**

- 6.2 The children's area had a recent makeover after the library won a decorative tree. This has provided some extra seating and a new fresh look to the area. The display spaces in the tree showcase a new collection of wonder books which read to you as you follow along. There are 12 in the collection, including six Te Reo and six English. The wonder books will slowly replace the audio CD collection.



- 6.3 The collaborative winter programme with Otorohanga Library is progressing and the uptake has been positive. This programme is available to all ages, encouraging family members to all take part. Participants pick up a postcard from the library, complete three challenges and report back to library staff.
- 6.4 Library staff attended the Tech Step event to show students what it means to be a librarian and to showcase some of the services and gadgets available at the library. Students watched a video on the various roles of a library staff member, built circuit-based pianos, coded to operate a robotic hydraulic arm, experimented with a green screen and a holographic cube, and had a short, controlled test of Virtual Reality. The feedback was excellent, with many students unaware that the library had so many activities to offer.
- 6.5 Over recent years, the library has experienced consistent annual growth in usage, as outlined in the table below.

	2022-23	2023-24	2024-25
Physical items borrowed	17,835	19,796	21,020
E-items borrowed	3,957	5,563	6,231
Foot traffic	20,670	22,018	22,192
Computer/wi-fi usage	6,983	8,072	9,441
Events/Programme attendance	702	1,091	1,669
New Members per year	246	258	256

6.6 **RISKS AND OPPORTUNITIES**

6.7 There are no immediate identified risks with this activity.

6.8 **LOOKING FORWARD – THE NEXT 3 MONTHS**

6.9 Library staff are updating the book collection processing requirements. The emphasis will be on decreasing the plastics used when preparing items to be shelf ready. This will be reviewed and altered throughout the year to maximize the value of the library collection while minimising environmental impact.

7. Recreation Services

7.1 Council Recreation Services incorporates the Waitomo Aquatic Centre and Gallagher Recreation Centre.

7.2 **CURRENT ACTIVITY**

7.3 **GALLAGHER RECREATION CENTRE (GRC)**

7.4 The GRC continues to be well utilised with sports trainings and events, as well as meetings and workshops.

7.5 Gym membership stands at 380 members. There have been various promotions running throughout the year to increase membership.

7.6 Winter basketball is nearing the end of its season. Miniball starts next month which will run through to the end of December.

7.7 A small one-day Master's Basketball Tournament was recently held at GRC, with teams from Tauranga, Rotorua and Auckland attending. There was very positive feedback received from visitors.

7.8 In addition to the gym and stadium, the multipurpose room has been booked frequently for step classes, seminars and training sessions.

7.9 The Regional Indoor Bowls Competition will be held at GRC from 18 to 20 July. This competition brings in players from all over the region.

7.10 **WAITOMO DISTRICT AQUATIC CENTRE**

7.11 The Aquatic Centre is closed during winter. The swim season runs from 1 October to 31 March.

7.12 **RISKS AND OPPORTUNITIES**

7.13 There are no immediate identified risks with this activity.

8. Human Resources

8.1 At the time of writing this business paper the following positions remain vacant:

- Solid Waste Lead
- Three Waters Engineer
- Programme Lead Procurement
- Library Assistant

Document ID: 886090

Report To: Council



Meeting Date: 29 July 2025

Subject: **Documents Signed under Council's Common Seal**

Type: Information Only

Author(s): Michelle Higgie
Manager – Governance Support

1. Purpose of Report

- 1.1 The purpose of this business paper is inform of documents signed under the Common Seal of the Council.

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

3. Background

- 3.1 Council's Policy on Use of the Council Seal (Policy) provides that all documents authenticated or signed on behalf of the Council by way of affixing the Common Seal must be reported to the Council so that, if necessary, Council can ratify the sealing and pass appropriate resolutions to record the same.
- 3.2 Council's Policy also provides that any bylaws made by the Council must be authenticated or signed on behalf of the Council by way of affixing the Common Seal.

4. Commentary

- 4.1 Council at its meeting on Monday 30 June 2025, adopted the following bylaws:
- Alcohol Fees Bylaw (adopted by Council 30 June 2025)
 - Dog Control Bylaw (adopted by Council 30 June 2025)
- 3.3 Both the adopted bylaws have now been authenticated with the stamping of Council's Common Seal and are available for viewing on Council's website –

<https://www.waitomo.govt.nz/council/publications/bylaws/>

Document ID: 888399

Report To: Council**Meeting Date:** 29 July 2025**Subject:** **Sensitive Expenditure Policy – Amendment (to align with the Remuneration Authority’s Local Government Elected Members (2025/26) Determination 2025)****Type:** Decision Required**Author(s):** Michelle Higgie
Manager – Governance Support**1. Purpose of Report**

- 1.1 The purpose of this business paper is for Council to amend its 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

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 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.

3. Background**3.1 Sensitive Expenditure Policy**

- 3.2 In September 2024, Council reviewed its Sensitive Expenditure Policy, creating a new Policy being the amalgamation, revision, and superseding of individual policies on Gifts, Acknowledgements and Farewells; Koha and Donations; Staff Travel and Expenses; Corporate Credit Cards; Procurement; and Elected Members Allowances and Recovery of Expenses.

3.3 Elected Members Remuneration

- 3.4 The Remuneration Authority is responsible for setting local government elected members remuneration including rates for certain allowances.

4. Commentary

- 4.1 The Remuneration Authority’s Determination for 2025/2026 includes provision for a new Home Security System allowance.
- 4.2 This new allowance has been added based on the recent increase in security threats to elected members across the Country at both central and local government level.

- 4.3 Payment of the allowance is subject to a security threat and risk assessment authorised by the Council. Only if the assessment supports the need for an elected member to install a home security system will the allowance be payable, and it is limited to a member's primary place of residence.
- 4.4 It is now necessary for Council to amend its Sensitive Expenditure Policy to include provision for the new allowance.

5. Considerations

6.1 CONSISTENCY WITH EXISTING PLANS AND POLICIES

- 6.2 Amending the Sensitive Expenditure Policy to make provision for the new Home Security System Allowance retains the consistency between Council Policy and the Remuneration Authority's annual Determination for elected member remuneration and allowances.

6.3 SIGNIFICANCE AND COMMUNITY VIEWS

- 6.4 The amendment to the Sensitive Expenditure Policy is of very low significance and because the new allowance has been provided for in the Remuneration Authority's 2025/2026 Determination there is no opportunity for community views.

6. Recommendation

- 7.1 It is recommended that the Sensitive Expenditure Policy be amended by the inclusion of the new allowance under Section 9 – Elected Members Reimbursement as highlighted in the attached marked up version of the Policy.

7. Attachments/Separate Enclosures

Attachments:

- 1 Sensitive Expenditure Policy (including Elected Members Allowances and Recovery of Expenses) (Doc #888396 V1.0.1)

Draft

Waitomo District Council

SENSITIVE EXPENDITURE POLICY (including Elected Members Allowances and Recovery of Expenses)

Adopted by:	Council -	
Doc No:	888396 Version 1.0.1	
Associated Documents:	Sensitive Expenditure Guidance (Doc No. 575128)	
Date of Next Review:	2 years from the last review date - September 2026 (or sooner if required)	
Responsibility:	Chief Executive	
First Adopted:	24 September 2024	
Review History:	24 September 2024 <u>29 July 2025</u>	New Policy being an amalgamation, revision of, and superseding, policies on Gifts, Acknowledgements and Farewells; Koha and Donations; Staff Travel and Expenses; Corporate Credit Cards; Procurement; and Elected Members Allowances and Recovery of Expenses <u>To align with Remuneration Authority Determination 2025/26</u>

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INTRODUCTION | KUPU ARATAKI

Sensitive expenditure is any spending by an organisation that could be seen to be giving private benefit to a staff member, their family, or friends in addition to the benefit to the organisation. This spending, if not well managed, risks harming the reputation of an organisation. Waitomo District Council's Sensitive Expenditure Policy helps the organisation to responsibly manage public money by introducing strong controls and guidance, promoting integrity, impartiality, and transparency within the organisation.

A policy cannot cover every conceivable example of sensitive expenditure; good judgement and an adherence to principles is important to guide staff in their decision making.

The Policy is based on the Office for the Auditor General's recommendations for public organisations on sensitive expenditure.

PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

1. The purpose of the Sensitive Expenditure Policy (the Policy) is to provide employees of Waitomo District Council (WDC) with a framework for entering into and approving sensitive expenditure.
2. The Policy applies to all Waitomo District Council employees, contractors when operating on WDC's behalf, and elected members. The term "employee" will be used to refer to employees, contractors of WDC, and elected members throughout.
3. The Policy also sets out rules for elected members claiming expenses and resources available to them during their term.
4. The provisions of the Sensitive Expenditure Policy apply to all sensitive expenditure as defined below.

DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

Cost-Effective	This means that spending is good value, taking into account both affordability and the value to the organisation.
Employee	Refers to paid staff of WDC, contractors when operating on WDC's behalf, and elected members.
General Manager	Refers either to a WDC general manager or the Chief Financial Officer, the Chief Information Officer, or the Chief Executive.
Integrity	Exercising power in a way that is true to the values, purposes, and duties for which that power is entrusted to, or held by, someone. It is about consistently behaving in keeping with agreed or accepted moral and ethical principles.
Impartiality	Decisions based on objective criteria, rather than based on any sort of bias, preference, or improper reason.
Immediate family	A person's spouse or partner, parent, child, or sibling.
Justifiable business purpose	A reason that would make clear sense, supported by evidence of the need for the spending and evidence that a range of options have been considered.

Moderate and conservative	Shall mean considering the circumstances of the spending and whether justifiable business purpose could be achieved at a lower cost.
Proper authority	The person approving the spending has the appropriate financial delegation to do so, for the type and amount of spending and follows correct procedures.
Sensitive expenditure	Any spending by an organisation that could be seen to be giving private benefit to staff in addition to the business benefit to the organisation.
Transparency	In this context, transparency is being open about spending and willing to explain any spending decisions or have them reviewed.
Waitomo District Council (WDC)	Shall mean the organisation established to administer Council affairs, conduct operations, and bring effect to Council policies and strategies.

POLICY | KAUPAPA HERE

1. Sensitive Expenditure

1.1 PRINCIPLES OF SENSITIVE EXPENDITURE

1.2 WDC is committed to responsible financial management and will act at all times in the best interest of ratepayers and residents. All sensitive expenditure decisions will:

- a) have a justifiable business purpose that is consistent with WDC objectives;
- b) preserve impartiality;
- c) be made with integrity;
- d) be moderate and conservative;
- e) be made transparently; and
- f) be made with proper authority.

1.3 APPROVAL OF SENSITIVE EXPENDITURE

1.4 Sensitive expenditure incurred by employees is reviewed and approved by the employee's General Manager (GM).

1.5 Sensitive expenditure incurred by a GM, or those who report directly to the Chief Executive, is reviewed and approved by the Chief Executive.

1.6 Sensitive expenditure incurred by the Chief Executive is reviewed and approved by the Mayor and the Manager - Governance Support.

1.7 Sensitive expenditure incurred by the Mayor is reviewed and approved by the Manager - Governance Support and the Chief Executive.

1.8 Sensitive expenditure incurred by other Elected Members is reviewed by the Mayor and approved by the Chief Executive.

1.9 Approval of all types of sensitive expenditure is given:

- a) Only when the approver is satisfied that each of the principles of sensitive expenditure as defined above have been satisfied;
- b) Wherever possible, before the expenditure is incurred;

- c) Only within WDC's statutory limits; and
- d) Subject to budget provision.

1.10 JUDGEMENT

- 1.11 In the absence of a specific rule for a given situation, approvers of expenditure will exercise good judgement by taking into account the principles of sensitive expenditure and the context of the situation.

2. **Travel**

- 2.1 All decisions regarding travel expenditure will be made in accordance with the Principles of Sensitive Expenditure.

- 2.2 Employees require written approval using the Application for Personal Development Form from their GM prior to booking or undertaking any travel for external training, courses, or conferences. Approval for Elected Members is covered by section 9 of this Policy.

- 2.3 Employees should consider technology-enabled solutions as opposed to travel in person where this is an option (e.g. joining a meeting on Zoom rather than in person).

- 2.4 Employees, but excluding Elected Members, will not be paid for travel time or time spent in attendance at meetings or training outside of their normal hours of work unless otherwise agreed.

2.5 DOMESTIC AIRFARES

- 2.6 Flights shall be arranged and booked by WDC's Executive Assistants, or other delegated staff, and paid for by the relevant GM's WDC credit card.

- 2.7 Domestic flights must be economy class and employees are, to the extent practical, expected to:

- a) Book flights as early as possible to ensure the most cost-effective fare is secured; and
- b) Select the most cost-effective flight available at the time of booking, taking into account the time of travel and time of event attendance.

- 2.8 Employees may amend or cancel a booking if there is a genuine business reason for doing so. If a booking is changed for personal convenience, all additional costs incurred will be paid by the employee.

- 2.9 If there is uncertainty regarding travel plans at the time of booking, employees should book the flexible fare.

2.10 INTERNATIONAL TRAVEL

- 2.11 The above provisions for domestic airfares apply to international travel, with the below additional requirements.

- 2.12 International travel must have prior written approval from the Chief Executive. Elected Members, including the Mayor's, overseas travel must have prior approval of the full Council.

Class

- 2.13 Flights will be booked as economy class, unless in exceptional circumstances where the Chief Executive may consider a higher class of travel. Consideration will be given to:

- a) Work schedule on arrival; and
- b) Personal health, safety, and security.

- 2.14 WDC will not pay for first class travel.

Upgrades

- 2.15 Upgrades offered by the airline may be accepted if there is no additional cost to WDC.
- 2.16 Employees may upgrade their airfare at their own expense. The cost of the upgrade must be paid for by the employee at the time of the upgrade.

Passport, visas, and insurance

- 2.17 Employees are responsible for organising and paying for their own passport.
- 2.18 WDC will pay for, and assist with obtaining, a visa required by an employee travelling for a genuine business purpose.
- 2.19 WDC may provide insurance for international travel.

Stopovers

- 2.20 WDC will not fund stopovers unless there is clear and genuine business purpose for doing so and with the prior written approval of the Chief Executive.

Tipping

- 2.21 WDC will reimburse employees for moderate and conservative tips when travelling internationally in countries where tipping is customary. A daily allowance will be determined by the Manager prior to departure, based on the country visited.

Use of WDC telecommunications when travelling

- 2.22 Please refer to the Acceptable Use Policy for guidance on use of telecommunications equipment while travelling for work.
- 2.23 It is the responsibility of the employee to arrange roaming for their mobile devices when travelling overseas via the WDC IT department. Failure to do so may result in any exceptional charges being reimbursed by the employee upon their return.

2.24 ACCOMMODATION

- 2.25 Bookings shall be made by WDC's Executive Assistants or other delegated staff.
- 2.26 Accommodation must be booked as early as possible in order to secure the best rate. To the extent practical, employees must select the most cost-effective accommodation, which should be mid-range in value, taking into consideration the proximity of the accommodation to the venue or destination and the associated time, safety, and cost of travel between both.
- 2.27 If the event that the employee is travelling for is being held at a particular hotel or motel, the employee may stay at that hotel or motel if this is cost-effective.
- 2.28 Room upgrades may be accepted if offered by the provider where there is no additional cost to WDC.
- 2.29 Accommodation should be charged directly to WDC via purchase order and invoice or payment by a WDC credit card. The employee must personally pay, or reimburse WDC, for any expenditure that is:
- a) For alcohol, mini bar purchases, or pay-per-view movies; and
 - b) Above the maximum reimbursement limit for allowable items (see section 8).

Amending or cancelling accommodation

- 2.30 If an accommodation booking needs to be amended or cancelled, the employee is responsible for advising the provider at least 24 hours before check-in, wherever possible.

Private stay

- 2.31 Employees may choose to stay overnight with a friend or relative, rather than a hotel. Employees may claim reimbursement to cover the cost of reciprocal hospitality or koha to their hosts up to \$60 per night.

2.32 SPOUSE OR COMPANION TRAVEL

- 2.33 WDC will not pay for the travel expenses of a spouse, partner, or any other person accompanying an employee on business travel.

- 2.34 A spouse, partner, or companion may accompany an employee on a business trip at their own expense.

2.35 COMBINING LEISURE WITH BUSINESS TRAVEL

- 2.36 Employees may take annual leave and personal travel in conjunction with business travel, as long as the personal travel is incidental to the business travel. That is, there must be a clear business purpose, and this must be the primary reason for the travel. There must be no additional cost or loss of time to WDC.

2.37 GROUND TRANSPORT

- 2.38 Employees are expected to use the most cost-effective means of travel available, taking into consideration cost, time, value, and safety. WDC will reimburse employees for reasonable transportation costs they incur on genuine WDC business, including travel via taxi, bus, shuttle, rideshare, and other public transport.

Fleet and private vehicle use

- 2.39 Where employees require a car for travel, they shall use a WDC fleet vehicle. If a fleet vehicle is unavailable, the use of a private vehicle will be permitted with prior approval from the Chief Executive. Reimbursement for the use of a private vehicle will be made in accordance with the Inland Revenue Department's mileage rate or another rate if agreed to prior to travel.

Rental vehicle use

- 2.40 Employees may hire a rental vehicle when travelling on WDC business if it will be more cost-efficient than alternative transport options. The most economical type and size of vehicle, consistent with the requirements of the travel, will be hired.
- 2.41 All rental car charges will be charged directly to WDC.
- 2.42 Private use of a rental car hired for WDC business is allowed only under exceptional circumstances, with prior approval from the employee's manager and only if there is no additional cost to WDC.

Parking and Traffic Offences

- 2.43 WDC will reimburse employees for reasonable parking costs they incur while on genuine WDC business.
- 2.44 Employees are personally responsible for any parking, traffic, or vehicle related offences incurred while driving a rental or fleet vehicle.

2.45 TRAVEL MEMBERSHIP PROGRAMMES

2.46 WDC does not pay for airline club memberships costs (such as Koru membership) or any other loyalty programmes for air travel, accommodation, or rental cars.

2.47 Employees may collect frequent flyer programme benefits (such as Airpoints) when travelling on WDC business and may use these points for personal travel.

2.48 MEALS WHEN TRAVELLING

2.49 Where employees are required to stay away overnight for business purposes, meals will be reimbursed. Refer to the Sensitive Expenditure Guidance document.

2.50 If meals are a part of a conference registration or otherwise provided, the daily allowance will be appropriately adjusted to take account of this.

2.51 WDC will not reimburse any costs for alcohol purchases.

2.52 WDC recognises that this reimbursement amount may not be sufficient for international travel. The maximum reimbursement for international meal expense will be determined by the Chief Executive prior to departure, based on the country visited.

3. Entertainment and Hospitality

3.1 WDC may provide food and hospitality where there is genuine business purpose, it is appropriate for the occasion, and cost-effective. All decisions regarding food and hospitality expenditure will be made in accordance with the Principles of Sensitive Expenditure.

3.2 EXPENDITURE GUIDANCE

3.3 Consideration should always be made in the first instance whether providing tea, coffee, and biscuits is appropriate and satisfies a requirement to provide hospitality for any event before any further catering is considered.

3.4 The Sensitive Expenditure Guidance document (575128) provides guidance on the meetings and events which WDC may fund catering for. When incurring expenses employees are expected to choose the most cost-effective option.

3.5 The organiser of any event or meeting where catering is provided should request attendees to RSVP to ensure the appropriate level of catering is provided.

3.6 Any expenditure outside of these guidelines is considered an exception and must have prior written approval from the Chief Executive.

Meetings and meals

3.7 Café meetings between staff will not be funded by WDC. Café meetings with external guests will be paid for by WDC only where it is appropriate to do so.

Alcohol

3.8 Except where the Chief Executive provides approval in advance, WDC will not pay for alcohol at any WDC meeting, event, or functions.

Spouses and partners

3.9 WDC will include provision for accompanying spouses or partners for catering of appropriate functions at the discretion of the Chief Executive.

Documentation

- 3.10 All food and hospitality expenditure must be supported by appropriate documentation including receipts, names of parties in attendance, and the reasons for the entertainment or hospitality.

4. Goods and Services Expenditure

- 4.1 Any employee wishing to make a purchase on behalf of WDC needs to be aware of who within the organisation they must get approval from, prior to making the commitment. Purchases shall be made in accordance with this Policy and the Principles of Sensitive Expenditure and the Procurement Policy.
- 4.2 Wherever possible, goods and services that are purchased for WDC should be invoiced directly to WDC or paid using a WDC credit card. It is acknowledged that this is not always possible so employees will be reimbursed for genuine business expenses they incur that adhere to this Policy.
- 4.3 Employees may set up accounts with providers as required by their role, to purchase legitimate and approved goods and services. The employee is responsible for closing any of these accounts prior to leaving their employment with WDC.

5. Disposal of Surplus Assets

- 5.1 WDC will follow a fair and transparent process when disposing of surplus assets.
- 5.2 The sale of assets to employees valued at over \$1000 must be reported to the Audit and Risk Committee.
- 5.3 INFORMATION TECHNOLOGY ASSETS (MOBILE DEVICES, LAPTOPS)
- 5.4 When an information technology asset is no longer of use to WDC, officers get approval from the Chief Executive to write off or dispose of these assets. In the case of disposal, the market value of the asset must be determined.
- 5.5 Where there is market value, these are able to be offered (at market value) to WDC employees in the first instance. Any remaining surplus assets, or those of no value, are then to be handed over to an electric recycling company for proper disposal and recycling. Any equipment with no data storage (e.g. printers and scanners) can be taken to the Te Kūiti Transfer Station.
- 5.6 Prior to selling or disposing of any written-off equipment it must be scraped for data.
- 5.7 All sale proceeds from the sale of surplus assets will be passed on to WDC.
- 5.8 The list of assets disposed of with Chief Executive approval is provided to the Finance Team who will dispose of the assets from the asset register.
- 5.9 FURNITURE AND OTHER ASSETS
- 5.10 When a furniture item or other similar asset is no longer of use to WDC, officers get approval from the Chief Executive to write off or dispose of these assets. In the case of disposal, the market value of the asset must be determined.
- 5.11 Where there is market value, these can be sold (at market value) to WDC employees or the community. Any remaining assets can be taken to the shop at Te Kūiti Transfer Station.
- 5.12 Where there is no, or very little, market value these unwanted items will be taken to the shop at the Te Kūiti Transfer Station. This ensures a fair and transparent sale of the item at minimal administrative cost to WDC.
- 5.13 Surplus furniture or similar assets may be donated to Waitomo District schools or community groups at the discretion of the Chief Executive.

- 5.14 All sale proceeds from the sale of surplus assets will be passed on to Waitomo District Council.
- 5.15 The list of assets disposed of with Chief Executive approval is provided to the Finance Team who will dispose of the assets from the asset register.

6. Gifts, Koha, and Donations

- 6.1. All decisions regarding expenditure on gifts, koha, and donations will be made in accordance with the Principles of Sensitive Expenditure.

6.2. RECEIVING GIFTS, KOHA, AND DONATIONS

- 6.3. Gifts, koha, or donations will not be accepted if acceptance could be perceived as influencing any WDC decisions, now or in the future.
- 6.4. If a gift, koha, or donation is offered or received, the employee must advise their GM as soon as possible.
- 6.5. Gifts with an assessed value of \$100 or less may be kept by the employee, with the approval of the employee's GM. Gifts valued over \$100 must be reported to the Chief Executive who will determine how the gift will be used. This may include:
 - a) Using the gift, koha, or donation for WDC activities, such as at social events;
 - b) Keeping the gift, koha, or donation for display in a WDC office; or
 - c) Returning the gift, koha, or donation (where this will not cause offence).

- 6.6. Gifts of any value should be declared to Human Resources.

Gift register

- 6.7. WDC maintains a Gift Register that records all gift, koha, or donation offered valued over \$100, regardless of whether it was accepted.

Culturally significant gift

- 6.8. Under exceptional circumstances and where a gift is of cultural significance, an employee may be able to personally keep a gift valued over \$100, at the discretion of the Chief Executive.

Infrequent and inexpensive gifts

- 6.9. Employees may personally acquire infrequent and inexpensive gifts that are openly distributed by suppliers and customers (e.g. pens, badges, calendars, etc.). These gifts do not need to be logged on the Gift Register if their value is under \$100.

6.10. GIFTS, KOHA, AND DONATIONS TO EXTERNAL PARTIES

- 6.11. Gifts, koha, and donations are given voluntarily on behalf of WDC, and without expectation of anything in return

Donation

- 6.12. There are circumstances where it is appropriate for WDC to fund a gift or donation to an external person or organisation where there is a clearly identified relationship between WDC and the recipient. This must be justified in terms of the ordinary business of WDC. Appropriate circumstances include, but are not limited to:

- a) An individual or organisation who host a WDC employee or elected member; and
- b) An individual who is asked to speak at a WDC event (that is not paid to do so) to cover travel costs.

Koha

- 6.13. Gifts of koha by WDC must reflect the occasion and be appropriate in cultural terms. Appropriate circumstances include, but are not limited to:
- a) Tangihanga;
 - b) Attendance at an event/meeting;
 - c) For use on or for a marae; and
 - d) Support for pōwhiri, mihi whakatau meetings, or other events.
- 6.14. In some situations it is appropriate for koha to be given in the form of gifts appropriate to the giver or department being represented (e.g. books or plants). In other circumstances it may be more appropriate to give koha in the form of money.
- 6.15. Where a group of people are attending an event on behalf of WDC, only one koha should be given on behalf of the group.
- 6.16. When koha is given in the form of money, if it is not possible to pay this into a bank account, an employee may pay this using petty cash kept by the Finance Team.

Approval

- 6.17. All koha and donations must conform to the guidance issued by the Inland Revenue Department. This acknowledges that koha is a gift or contribution that is usually a discretionary and unreceipted expenditure.
- 6.18. The amount given on behalf of WDC should be reflective of the occasion and should not exceed \$500. All gifts, koha, or donations must be given prior written approval by a GM, or in the case of cash, the Chief Executive, via a Koha and Gift Request Form. The Chief Executive may approve amounts greater than \$500 in exceptional circumstances.
- 6.19. WDC requires gifts, koha, and donations to be:
- a) Lawful in all respects;
 - b) Disclosed in the aggregate in the annual report;
 - c) Made to recognised organisations (not individuals) by normal commercial means;
 - d) Not in cash (unless as a koha and with the express approval of the Chief Executive or a GM); and
 - e) Non-political.
- 6.20. PAYMENTS WHICH ARE NOT KOHA
- 6.21. Payments are not koha if they have a taxation implication and must be charged to the appropriate expenditure account and should not be given in the place of legitimate payment or remuneration. Non-koha payments include, but are not limited to:
- a) A payment for personal services – this creates an employee relationship and as a result PAYE must be deducted.
 - b) A payment for the provision of services or a fee for services – this is a business transaction, and the payment is treated by the IRD as taxable income to the beneficiary.
 - c) A payment for the use of marae premises involving accommodation, food, drink and/or other services that is strictly a business arrangement (where a marae is GST registered, such tax is payable by WDC in addition to the charge levied by the marae and is subsequently accounted for by the marae as GST input tax).

- d) Any other payment that is not an unconditional gift – all such payments are assessable for tax in one form or another.

6.22. GIFTS TO WDC EMPLOYEES

Farewell gifts

- 6.23. WDC may contribute to a farewell gift for employees. The value of the gift will be based on the length of service. Guidance on the value of gifts is provided in the Sensitive Expenditure Guidance document (575128), the Chief Executive may, at their discretion, approve a gift of a greater value.
- 6.24. Where an employee has worked for WDC for less than one year, a gift will be at the discretion of the Chief Executive.

Farewell celebration

- 6.25. Where an employee has worked for WDC for more than a year, a farewell celebration can be arranged by each group. Catering should be arranged in accordance with Section 3: Entertainment and Hospitality with reference to the Sensitive Expenditure Guidance document.
- 6.26. Where an employee has worked for WDC for less than a year, a farewell celebration will not be organised by WDC. Employees are able to arrange their own celebration for departing team members at their own expense.

Employee organised gift

- 6.27. WDC employees may wish to arrange a private collection for a departing employee. This will be separate from the processes outlined above and treated as a separate gift.

Other gifts and acknowledgements

- 6.28. GM/ Manager Governance Support can authorise the purchase of a medium-sized bouquet of flowers or equivalent gift if an employee or Elected Member:
 - a) has or adopts a child.
 - b) is hospitalised.
 - c) suffers a bereavement in their immediate family.
 - d) gets married.
- 6.29. Employees may choose to arrange a morning tea, lunch, or afternoon tea, bring a plate, and/or contribute to a gift, at their own expense for functions outside of this Policy (e.g. baby shower, birthdays).

Rewards and recognition

- 6.30. WDC's Employee of the Month (EOM) initiative recognises positive and special contributions that are displayed on a regular basis by employees.
- 6.31. At WDC's End of Year Awards, held in December of each year, three awards are given to employees for Employee of the Year, Customer Service Champion, and Health and Safety Champion.
- 6.32. Criteria and gifts awarded are outlined in the Reward and Recognition Guidelines (179524).

Long-term service

- 6.33. Employees achieving ten years of continuous service to WDC will have that significant length of service recognised. The value of a gift shall be moderate and appropriate and approved by the Chief Executive.

Monitoring and reporting

- 6.34. Due to Fringe Benefit Tax (FBT) requirements, if gift expenditure on any one employee will exceed \$300 in a quarter, managers should notify the Finance Team before proceeding with the purchase.

7. Credit Card Use

- 7.1 The following positions are authorised for the issue of a WDC credit card:
- a) Members of the Senior Management Team
 - b) The Manager – Governance Support
 - c) The Mayor
- 7.2 The Chief Executive may authorise the issue of additional credit cards, or alter card limits, where it is considered necessary and appropriate to do so. The credit limit is to be set at the minimum amount necessary to enable the cardholder to undertake their duties.
- 7.3 The Manager – Governance Support shall maintain a register (774139) of all cardholders.
- 7.4 Upon approval from the Chief Executive, the Chief Financial Officer will arrange for the issue of a credit card.
- 7.5 VALID EXPENDITURE
- 7.6 WDC credit cards are to be used solely for the payment of business-related expenditure where credit card is the most efficient form of payment available including, but not limited to:
- a) Travel;
 - b) Accommodation;
 - c) Training Courses;
 - d) One-off product or licence purchases; and
 - e) Vehicle Road User Charges.
- 7.7 All credit card spending should be done in accordance with the principles of Sensitive Expenditure.
- 7.8 ONLINE AND PHONE PAYMENTS
- 7.9 Online and phone payments should only be made to established and reputable organisations. A copy of the online order form and invoice must be retained to support the payment. Any online purchases must comply with WDC's normal purchasing procedures and the Procurement Policy.
- 7.10 INAPPROPRIATE EXPENDITURE
- 7.11 WDC credit cards must not be used for the following types of inappropriate expenditure:
- a) Personal purchases;
 - b) Cash advances or cash reimbursement;
 - c) Payment for any work attracting PAYE tax; or
 - d) Court costs or fines, tax payments, personal services or any other inappropriate spending.

- 7.12 There may be exceptional circumstances where payments related to the above are required (e.g. overseas travel where cash advances are necessary). In these cases, an explanation is to be provided to the Chief Executive (or in the case of expenditure by the Chief Executive, to the Mayor), within two days of the expenditure being incurred.
- 7.13 WDC will not be liable for any unauthorised transactions incurred by the cardholder. In all cases the cardholder will be liable for the reimbursement to WDC of any inappropriate or unauthorised expenditure charged to a credit card. Inappropriate expenditure is deemed to be that specified in Paragraph 7.10 of this Policy.
- 7.14 **MONITORING AND APPROVALS**
- 7.15 An approval hierarchy for monthly credit card statement monitoring and authorisation, based on a one-up procedure, is as follows:

Position	Authoriser
Chief Executive	Mayor (or Deputy Mayor in the Mayor's absence) and Manager – Governance Support
Senior Management Team Members	Chief Executive
Manager – Governance Support	Mayor (or Deputy Mayor in the Mayor's absence) and Chief Executive
Mayor	Chief Executive and Manager – Governance Support

Note: Guidance from the Office of the Auditor General on sensitive expenditure states that it is essential there be no reciprocal arrangements for approving sensitive expenditure – therefore the Chief Executive cannot approve the Mayor's statements alone and vice versa.

- 7.16 Where more than one cardholder is present (e.g. at a WDC function or travelling together), it is expected that the most senior employee will use their card for any expenses incurred.
- 7.17 A Mastercard Statement Authorisation Form (774151) shall be completed by all cardholders for every month where expenditure has been charged to their credit card. If no expenditure has been charged to their credit card for the month, no Authorisation Form is required.
- 7.18 Copies of all Mastercard Statement Authorisation Forms shall (at the Committee's discretion) be presented to the Audit and Risk Committee for monitoring and public transparency purposes.
- 7.19 **ELIGIBILITY AND LIMITS**
- 7.20 WDC credit cards may only be used for expenditure with a genuine WDC business purpose and may be issued to the following positions with the following card limits:

Position	Card Limit
Chief Executive	\$10,000
Members of the Senior Management Team	\$5,000
Manager – Governance Support	\$10,000
Mayor	\$5,000

7.21 EXPENDITURE DOCUMENTATION

- 7.22 All credit card transactions must be correctly coded by the cardholder for posting in WDC's accounting system. Credit card payments must be authorised like other invoices and in accordance with the Procurement Policy and Delegations Register.
- 7.23 All credit card transactions of more than \$20.00 in value must be supported by original documentation (tax invoices and/or receipts) to corroborate transactions.
- 7.24 Where supporting documentation is not available or has been lost by the cardholder, or the credit card transaction is less than \$20.00 and no supporting documentation is available (e.g. a carpark did not provide a receipt), a full description of the expenditure including dates, amounts and purpose must be included on the monthly Mastercard Statement Authorisation Form.
- 7.25 For all entertainment and travel transactions, all involved parties (if any) must be recorded along with the business purpose of the meeting. This is to ensure that all transactions can be appropriately reviewed by the authoriser, and to allow WDC to claim back the GST content of qualifying purchases. GST invoices (where relevant) shall be attached to the card statement prior to review by the authoriser.

7.26 PROCEDURE FOR SURRENDER OF CARDS

- 7.27 Credit cards will be cancelled when a cardholder's employment with WDC ends, their position changes to one without card holder authority, or at the Chief Executive's request.
- 7.28 An employee must hand in their credit card by the 20th of the month that is one month prior to their final day, or if not possible, on the same day that they hand in their notice.
- 7.29 The Chief Financial Officer will arrange for the card to be cancelled and will ensure that the card is physically destroyed. All final wage/salary payments will be approved upon return of the credit card.

7.30 PROCEDURE FOR LOST OR STOLEN CARDS

- 7.31 Cardholders are responsible for immediately reporting a lost or stolen card to Westpac Bank and WDC, Manager – Governance Support. If a card is lost or stolen overseas it must be reported to the nearest bank displaying Mastercard® and Cirrus acceptance marks or making a collect call to Westpac Bank in New Zealand.
- 7.32 Written confirmation of what happened when the card was lost or stolen must be provided to Westpac Bank within a reasonable timeframe. Full details (where, when, how) must be included, as the bank may need to relay these details to the Police.
- 7.33 A replacement card is to be arranged through the Chief Financial Officer.

8. Employee Expense Reimbursement

- 8.1 Many expenses employees commonly claim reimbursement for are forms of sensitive expenditure. WDC will reimburse employees for expenses that directly relate to authorised WDC business and meet the requirements of the Principles of Sensitive Expenditure.
- 8.2 Authorised expenses must be approved by the appropriate delegated manager. No employee is permitted to approve reimbursement of their own expenses.

Meal Allowances

- 8.3 See Section 2.48 'meals when travelling'.

Alcohol

- 8.4 WDC will not reimburse employees (or allow charge back) for alcohol.

Accommodation

- 8.5 In the event an employee requires accommodation, and it was not possible to book beforehand, the employee will be reimbursed for costs incurred that are in accordance with principles of this Policy.

Hotel Mini Bars and Entertainment

- 8.6 WDC will not reimburse employees (or allow credit card charge back) for items from hotel mini bars or pay-per-view movies.

Private Stay

- 8.7 If an employee chooses to stay overnight with a friend or relative, rather than a hotel, they may claim reimbursement of up to \$60 per night to cover the costs of reciprocal hospitality or koha to their hosts. Receipts are not required. The employee may still claim the meal allowance.

Transport

- 8.8 WDC will reimburse employees for reasonable transportation costs they incur while travelling on genuine WDC business, including travel via taxi, bus, shuttle, and other public transport. Employees are expected to use the most cost-effective means of travel available. Refer to Section 2 'Travel'.
- 8.9 There will be no compensation payable for travel time required over and above normal working hours.

Personal Vehicle Use

- 8.10 Refer to section 2.39
- 8.11 Reimbursement will be at a rate set by reference to the Inland Revenue Department's casual mileage rate.
- 8.12 Employees will not be reimbursed for any traffic or vehicle offences incurred while driving any work or personal vehicle for WDC business.
- 8.13 Mileage cannot be claimed by employees for use of private vehicles to and from work. This does not apply to elected members.,

Parking

- 8.14 WDC will reimburse employees for reasonable parking costs they incur while on genuine WDC business. Employees will not be reimbursed for parking fines or traffic offenses.

Goods and Services

- 8.15 Wherever possible, goods and services that are purchased for WDC should be invoiced directly to WDC or paid using a WDC credit card. WDC acknowledges that this is not always possible and will reimburse employees for all genuine business expenses they incur that adhere to the Principles of Sensitive Expenditure defined in this Policy.
- 8.16 Employees must have the prior approval from their manager before incurring any expenses for goods and services that are not explicitly defined within this Policy.

Use of Personal Assets

- 8.17 WDC may reimburse employees for their use of personal assets for WDC business, at the discretion of their General Manager. Circumstances where this may be approved include cost, convenience and availability where WDC would not fully use such an asset if it were acquired directly e.g. personal mobile phones, home telephones and computers.

Clothing

- 8.18 In exceptional circumstances, and with approval from their General Manager, employees may claim reimbursement for cleaning or repair of clothing required as a result of undertaking WDC business.

Professional Memberships

- 8.19 WDC shall pay for or reimburse employees for professional memberships or associations where there is a requirement for membership or a direct benefit to WDC. This is at the discretion of the Chief Executive and will be by written agreement.

Expense Claims

- 8.20 Expense claim forms with all supporting receipts must be completed and submitted to Finance for payment within one month of incurring the expense where practicable.
- 8.21 GST receipts are required for all expenses, except where it is explicitly stated that this is not required within this Policy. EFTPOS receipts alone are not sufficient.
- 8.22 Expense claims for entertainment and hospitality must also include names of all people who attended and the reason for providing the entertainment/hospitality.
- 8.23 Mileage rates and expense amounts will be reviewed annually, or as new information comes to hand (e.g. changes to IRD mileage rates).

9. Elected Members Reimbursement

- 9.1 From time to time, Elected Members incur expenses on the Council's behalf which need to be reimbursed. This reimbursement, and the use of Council supplied resources, applies only to elected members personally, and only while they are acting in their official capacity as Elected Members.
- 9.2 Expense claims for Elected Members are approved by the Mayor and the Manager – Governance Support, full original receipts are required.
- 9.3 Expense claims for the Mayor are approved by the Deputy Mayor and the Chief Executive, full original receipts are required.
- 9.4 Reimbursements will be made via the Council's payroll system. Tax free allowances are paid without deducting withholding tax, for example – communications allowance, mileage allowance. Taxable allowances are paid with withholding tax deducted.
- 9.5 In the case of vehicle mileage, travel time, communications and childcare, all limits set in this Policy shall not exceed the Remuneration Authority's Determination.
- 9.6 All expenditure that complies with this Policy will be approved on the condition that it can be met within relevant budget provisions.
- 9.7 SPECIFIC ELECTED MEMBER ALLOWANCES
- 9.8 In addition to the expense allowances that apply to all employees, elected members are entitled to reimbursement for the expenses below.

Exceptional Circumstances for Council Related Meetings

- 9.9 WDC staff may arrange overnight accommodation for elected members when travel or business requirements do not allow for their return on the same day (e.g. if it is unreasonable for an Elected Member to travel to their home after a late meeting).

Communications Allowance

- 9.10 Elected Members will be provided with a tablet or laptop for the purpose of receiving electronic information from WDC, including Council Agendas, for specific use at Council meetings.
- 9.11 Elected Members will be paid an annual Communications Allowance at the maximum amount allowable in the current Remuneration Authority Determination (paid fortnightly via the Payroll System). This allowance includes provision for the use of personal computer, printer, mobile phone, Council related toll and mobile phone charges, and internet connectivity/use.
- 9.12 This allowance does not provide for the use of a tablet or laptop where this has been provided.

Stationery and Consumables

- 9.13 Elected Members will be supplied with reasonable amounts of stationery and printer consumables for Council business.

Travel Time Allowance

- 9.14 A travel time allowance will be paid to eligible Elected Members at the maximum amount as provided in the current Remuneration Authority Determination upon presentation of a signed Claim Form.

Childcare Allowance

- 9.15 A childcare allowance will be paid to eligible Elected Members in accordance with the current Remuneration Authority Determination upon presentation of a signed Claim Form and actual receipts.

Home Security System Allowance

- 9.159.16 A home security system allowance may be paid to eligible Elected Members in accordance with the current Remuneration Authority Determination and upon presentation of a signed Claim Form and actual receipts.

9.169.17 SPECIFIC MAYORAL ALLOWANCES

- 9.179.18 In addition to the expense allowances that apply to Elected Members, Mayors are entitled to reimbursement for the expenses below.

Car

- 9.189.19 In the event that the Mayor is provided with a WDC vehicle:

- a) That vehicle will also be available for his/her private use;
- b) A deduction will be made from his/her salary as determined by the Remuneration Authority; and
- c) Mileage will not be claimable.

Travel and Conferences, Courses and Seminars

- 9.199.20 The prior approval of the Chief Executive is required for travel within New Zealand for Council business, attendance at conferences/courses/training/events/seminars, and other purposes associated with the position of Mayor.

Entertainment and Hospitality

- 9.209.21 The Mayor may hold a WDC Credit Card to pay directly for any entertainment or hospitality expenses incurred while carrying out Council business.

9.219.22 EXPENSES INCURRED BY ELECTED MEMBERS

Conferences, Courses, Seminars and Training

~~9.22~~9.23 Attendance at a conference, course, seminar or training must contribute to the Elected Members ability to carry out Council business.

~~9.23~~9.24 Attendance at these events when held in New Zealand must be approved by both the Mayor (or Deputy Mayor) and the Chief Executive,

Entertainment and Hospitality

~~9.24~~9.25 Elected Members may be reimbursed for costs incurred when hosting official visitors to the Council, or while travelling on Council business. These costs can cover a range of items including, but not limited to, tea and coffee and catering with meals. No elected member shall be reimbursed for alcohol purchases.

~~9.25~~9.26 Such costs will be reimbursed upon presentation of a signed Claim Form and actual receipts.

10. Breach of this Policy

10.1 A breach of this Policy may be considered to be serious misconduct. When there is reason to believe that violation of the Policy or any law has occurred, disciplinary action may be taken.

Document ID: 886178

Report To: Council**Meeting Date:** 29 July 2025**Subject:** **Co-Lab: Adoption of Statement of Intent 2025/2026****Type:** Decision Required**Author(s):** Tina Hitchen
Chief Financial Officer**1. Purpose of Report**

- 1.1 The purpose of this business paper is to present for consideration and adoption the Co-Lab Statement of Intent (SoI) for 2025/2026.

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 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.

3. Background

- 3.1 Co-Lab's draft SoI for the year ended 30 June 2026 was presented to Council on Tuesday 25 March 2025. At that meeting Council resolved:
- 1 *The business paper on Co-Lab Half-yearly Report to the 31 December 2024 and the Draft 2025/26 Statement of Intent be received.*
 - 2 *The Co-Lab Half-yearly Report to 31 December 2024 be received and be published on Council's website.*
 - 3 *The Co-Lab Draft 2025-26 Statement of Intent for the year ending 30 June 2026 be received.*
 - 4 *No changes are suggested to the Draft 2025-26 Statement of Intent for Co-Lab.*
- 3.2 Section 64 of the Local Government Act 2002 (LGA) also requires the Board of all CCOs to deliver a completed SoI to the shareholders before the commencement of the financial year to which it relates.
- 3.3 A copy of the final Co-Lab Statement of Intent for the year ended 30 June 2026 is attached to and forms part of this business paper.

4. Commentary

- 4.1 Co-Lab has delivered a completed final SoI prior to the commencement of the 2025/2026 Financial Year.
- 4.2 Co-Lab Board adopted and delivered a SoI that is consistent with the draft SoI presented to Council on the 25 March 2025, with no material changes.
- 4.3 The final SoI has been updated to include the Co-Lab Building Services initiative between seven councils across the Waikato and Bay of Plenty regions. This shared service is designed to process and deliver building consents on behalf of Building Consent Authorities to help smooth the peaks and troughs in building consent volumes, ensuring a more efficient and responsive consenting system across the region.

5. Analysis of Options

- 5.1 The LGA requires Council to publish the final SoI on its website within one month of adoption and maintain the document on the website for a period of no less than 7 years.

6. Considerations

6.1 RISK

- 6.2 There is minimal risk in adopting the SoI as presented. Council considered the draft SoI at the 25 March 2025 Council Meeting and there are no material changes to the final SoI.

6.3 CONSISTENCY WITH EXISTING PLANS AND POLICIES

- 6.4 The decision to adopt the SoI 2025/2026 as presented will be consistent with Council's understanding of the future plans of Co-Lab and its objectives for the CCO.

6.5 SIGNIFICANCE AND COMMUNITY VIEWS

- 6.6 The SoI for 2025/2026 is aligned with the Co-Lab Constitution and their plans and forecasts discussed with the Council previously and is generally aligned with the expectations of Council from its shareholding. Therefore, the decision is not considered to require public engagement as per Council's Significance and Engagement Policy.

7. Attachments/Separate Enclosures

Attachments:

- 1 Co-Lab Statement of Intent for year ending 30 June 2026 (Doc #886177)



2025 Statement of intent

For the year ended 30 June 2026

**Council collaboration through Co-Lab
maximises community wellbeing.**

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This SOI is a public declaration of the activities and intentions of the Council Controlled Organisation, Waikato Local Authority Shared Services Ltd trading as Co-Lab (Co-Lab). It outlines the nature and scope of the work it will undertake, the Directors' accountabilities to the shareholders for corporate performance and financial forecasts, as required by Schedule 8 of the Local Government Act 2002. This information is provided in relation to the financial years ended 30 June 2026 to 30 June 2028.

Message from the Chair



As we continue to navigate the dynamic impact this government is having on local government, we remain focused on our three-year strategy underpinned by our three-pronged approach: delivering shared services well, leveraging international research into shared services to identify and help establish the case for new opportunities, and collaborating with smaller willing coalitions of shareholders.

Our role in supporting the Waikato Water Done Well initiative is a testament to shareholding councils' foresight to have a vehicle for working together. While we have played an important role in getting this long-term project off the ground, we also recognise there will be a need for greater shared service arrangements covering activities

councils undertake in areas other than water service delivery. We will enable you to explore these to their fullest potential.

A significant change this year is that our forecasts now reflect the disestablishment of Co-Lab Learning by 30 June 2025. This is a really disappointing outcome. With the exception of Waikato Regional Council, you all undertake the same activities and operate under the same legal and regulatory framework. Given that, the opportunity to reduce duplication of effort in upskilling your staff must be significant. The fact that councils have not seen the value in doing so is perplexing. It is understandable that, in at least one instance, the service was a victim of broader cost-cutting by Council. We have previously said that shared services will succeed where councils lean in to make it happen. The case of Co-Lab Learning has highlighted the cost of when they do not, despite significant time and effort invested to get it up and running.

By contrast, Co-Lab Building Services was made possible by seven councils leaning in and leading the way. Their proactive collaboration has enabled a shared service that smooths building consent volumes and proves that committed local leadership can deliver fast, effective solutions.

Central government has made it clear that regional collaboration is essential, with shared services cited as a prime example. We are excited by the opportunities that regional deals might bring and believe that shareholding councils are well placed to mobilise by having a collaboration CCO already in place.

Last financial year, we supported you by reducing council member charges from what they otherwise would have been, by ~\$900k across our various workstreams. We were able to do this by using cash-on-hand. We signalled at the time that this reduction was a 'one-off' measure. To remain in a sustainable financial position longer term, charges are returning to 'normal' levels and we are pleased to reflect only a small increase of 2.6% in expenditure which is slightly above CPI at 2.2%¹. Due to the one-off use of cash-on-hand that substantially lowered member charges last year, we recognise that the member charges may seem significantly higher by comparison. To address this, we are planning additional communications with Councils to ensure this context is clearly understood.

We will continue to identify opportunities that will reduce Councils costs in the long term by councils working together to make a dollar, save a dollar, or improve the deliverables to Councils and their communities.

¹ CPI as at December 2024, Statistics NZ.

Yours Sincerely,

Peter Stubbs
Chair

Statement of Intent at a glance - our 3-year strategy



Commentary

Co-Lab will continue to operate under its 3-year strategy which was adopted from the 2024 Statement of Intent.

Performance measures

To ensure we deliver against our 3-year strategy, consistent with last year, we are using the following annual Key Performance Indicators (KPI).

Strategic goal	3-year Objective	Annual KPI
Shareholding councils understand we provide them value	<ul style="list-style-type: none"> • We know the value we provide shareholders has improved by 15%, by 30 June 2027* (baseline y/e 30 June 24). • By 30 June 2027, 80% of shareholders agree they get value from Co-Lab. • All shareholders take up at least one additional shared service. <p><i>*Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).</i></p>	<ul style="list-style-type: none"> • Year-on-year increase in the value we provide to councils. • 80%+ of council survey respondents believe those Co-Lab services they received meet or exceed their expectations (evidenced by an annual survey). • Year-on-year increase in the utilisation of services we provide to councils.
Deliver value by growing the scale of our shared service function	<ul style="list-style-type: none"> • 24 new instances of Co-Lab shared services being utilised, by June 2027 (baseline y/e 30 June 24) 	<ul style="list-style-type: none"> • Year-on-year increase in the utilisation of services we provide to councils. • Year on Year increase in the number of services available to councils.
Diverse, talented and motivated people work for us	<ul style="list-style-type: none"> • Maintain staff engagement above 85% • Staff turnover is less than 15%. • Our vacancies are filled by suitable candidates within 3 months. <p><i>All baselined y/e 30 June 24)</i></p>	<ul style="list-style-type: none"> • Maintain staff engagement above 85% • Staff turnover is less than 15%. • Vacancies are filled by suitable candidates within 3 months.

Nature & scope of services

Co-Lab has three main functions. It:

1. Acts as an “ideas laboratory” – working with councils to investigate and develop opportunities to work together;
2. Delivers shared services to councils; and
3. Enters joint procurement arrangements.

Opportunity Development

Co-Lab seeks to develop opportunities that will reduce costs, create value for councils, and/or enable innovation.

If you’d like more information on the Opportunity Development Projects we are currently investigating, please get in touch.

Shared Services

A list of our shared services follows below. We also facilitate other shared initiatives but do not actively manage them as a shared service. This includes the Shared Valuation Data Scheme and the Health and Safety Pre-Qualification Scheme.

Some services have evolved but for the most part, they remain largely unchanged from prior years.

Two changes to the services from past years to highlight is the disestablishment of Co-Lab Learning by 30 June 2025 and the establishment of Co-Lab Building Services.

Co-Lab Water Services has been forecast to remain with Co-Lab for the period. This may be impacted by the outcome of the water reforms. Certainly, over time there will be some consolidation of the customer base. But with at least two water services CCOs being established in the Waikato during the forecast period we think it makes sense that Co-Lab continues to provide these services to the CCOs and the councils who are not part of them. We will be discussing this with participating councils in the near future but want to assure them that there will be continuity of service.

For more information on our services, please visit our website www.colabsolutions.govt.nz

Joint procurement

Co-Lab enters joint procurement arrangements for the benefit of councils, with a focus on value for money and supply certainty. As part of this Co-Lab operates two panels - a professional services panel and a legal services panel - to provide easy and compliant access to these services. It also manages a number of joint contracts with suppliers that councils can be part of.

CO-LAB SERVICE DELIVERY

The principal initiatives operating under the Co-Lab umbrella are:

PARTICIPATING COUNCILS 2025

Shareholding Councils

	RATA	Waikato Building Consent Group	Co-Lab Building Services	Co-Lab Geospatial Services (CoGS)	Co-Lab Water Services	Co-Lab Procurement Support	Regional Infrastructure Technical Specifications (RITS)	Energy & Carbon Management	Waikato Regional Transport Model (WRTM)
Hamilton City Council	•	•	•	•	•	•	•	•	•
Hauraki DC	•	•	•	•	•	•	•		
Matamata-Piako DC	•	•	•	•	•	•	•	•	•
Ōtorohanga DC	•	•		•	•	•	•	•	
Rotorua Lakes Council				•	•	•	•	•	
South Waikato DC	•			•	•	•	•	•	
Thames-Coromandel DC	•	•	•			•		•	•
Waikato DC	•	•	•	•	•	•	•	•	•
Waikato Regional Council	•			•		•		•	•
Waipā DC	•	•		•	•	•	•	•	•
Waitomo DC	•	•	•	•	•	•	•		
Western Bay DC	•		•			•			
Other Councils/Customers									
Taupō DC	•			•	•	•		•	•
Hamilton Airport					•				
Service GROWN since 2019	•			•			•		•
Service NEW since 2019	•		•		•	•			

Financials

Overview

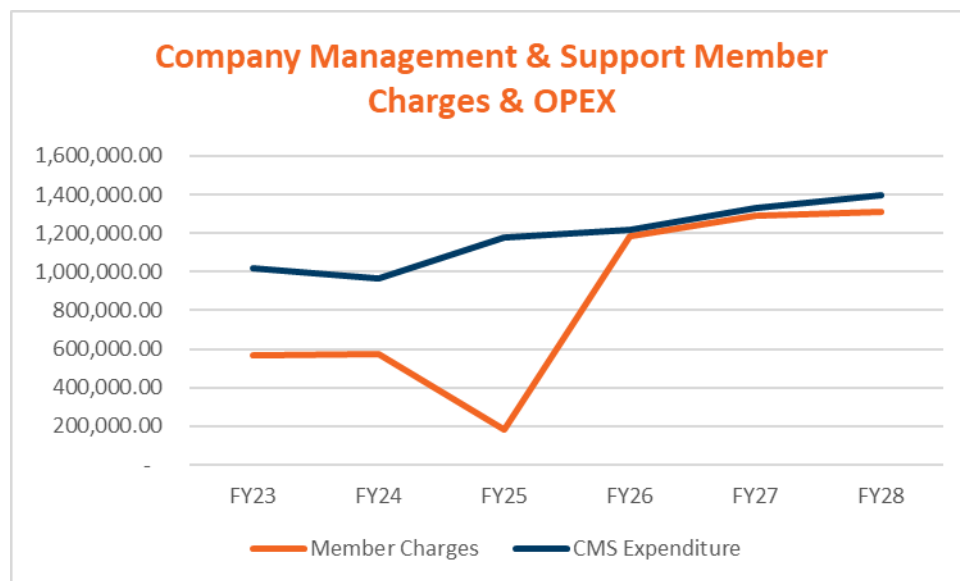
Services

Revenue from services increases in the 2025/26 financial year (FY), as historically we have utilised cash surpluses across the workstreams wherever possible to minimise the cost to councils.

Member charges

In FY2025, while we utilised cash reserves and surplus revenue from some services to significantly lower member charges as a “one-off” measure for that year, we did indicate that member charges would return to “normal levels” for FY2026 and beyond. For some councils that does result in a significant increase in member charges when compared to last year. However, we are pleased to reflect only a 2.6% increase in expenditure which is only slightly above CPI at 2.2%.

Having utilised cash reserves in part for the last four years and then fully utilising cash reserves in FY25, we now need to at least break even within Company Management & Support to remain financially sustainable. The utilisation of cash reserves is reflected in the historical gap between expenditure and member charges in the below chart. However, we are still operating as a very lean organisation as reflected by expenditure in the chart.



A large part of the expenditure increase in FY2025 is attributed to the way we fund cross-council infrastructure procurement. We brought this resource under Company Management & Support and accordingly funded through member charges. We committed to an 18-month trial and are now in the process of conducting a review of its success or otherwise.

There are opportunities to reduce member charges in the future:

1. Where possible, we are incorporating the cost of Co-Lab’s company management and administration into Shared Services charges to better reflect the true cost of delivery.
2. If more Shared Services are taken up, our scale of operation increases, allowing us to share operational costs across a broader base, without necessarily increasing overhead costs. For reference, over the last six years, nine opportunities have been declined.
3. Our financial forecasts do not assume any new revenue from growing the services with councils outside the shareholding base as this cannot be accurately predicted. However, as you will

know from our 3-year strategy, we are actively pursuing such opportunities provided they don't undermine our ability to deliver value to you.

Our goal remains to minimise member charges.

Statement of Financial Performance

Co-Lab Company Summary for the forecast financial years ended 30 June 2026-2028					
	Budget 2024/25	Forecast 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28
Income					
Company Management / Support ^[1]	589,962	590,125	1,575,153	1,700,149	1,736,413
Working parties projects	628,741	1,087,069	687,214	712,797	748,436
RITS	-	-	27,244	28,606.62	30,037
Energy Management	94,421	152,190	118,116	176,522	185,348
Shared Valuation Data Service (SVDS)	392,892	344,423	409,638	425,251	425,251
Regional Asset Technical Accord (RATA)	2,082,874	2,279,118	2,500,000	2,320,000	2,500,000
Waikato Regional Transport Model (WRTM)	1,163,990	1,128,592	1,952,610	642,530	676,362
Waikato Building Consent Group	160,194	281,103	353,263	414,127	435,396
Waikato Mayoral Forum	10,130	10,130	10,960	11,508	12,083
Co-Lab Water Services	4,260,948	3,841,862	4,092,428	4,297,049	4,511,902
Procurement Support	193,442	194,370	200,748	210,785	221,324
Geospatial	31,677	92,539	87,006	91,356	95,924
Communications Resource	62,484	61,869	65,603	68,883	72,327
Co-Lab Building Services	-	-	1,682,930	1,767,077	1,855,430
Total Income	9,671,754	10,063,390	13,762,912	12,866,639	13,506,233
Operating Expenditure					
Company Management / Support ^[1]	1,480,105	1,444,826	1,468,937	1,643,898	1,729,459
Working parties projects	628,741	1,119,497	687,214	712,797	748,436
RITS	24,469	40,650	27,244	28,607	30,037
Energy Management	144,421	136,547	168,116	176,522	185,348
Shared Valuation Data Service (SVDS)	302,063	289,755	310,618	320,407	330,512
Regional Asset Technical Accord (RATA)	2,078,443	2,555,685	2,500,447	2,321,200	2,503,376
Waikato Regional Transport Model (WRTM)	1,163,990	1,128,593	1,952,610	642,530	676,362
Waikato Building Consent Group	360,194	372,577	393,248	414,127	435,396
Waikato Mayoral Forum	10,130	10,130	10,960	11,508	12,083
Co-Lab Water Services	4,021,258	3,634,293	3,983,494	4,161,669	4,369,752
Procurement Support	193,442	189,988	198,876	208,820	219,561
Geospatial	82,863	92,175	86,992	91,342	95,909
Communications Resource	64,001	60,710	64,756	68,293	71,393
Co-Lab Building Services	-	-	1,679,699	1,764,074	1,852,453
Total operating expenditure	10,554,119	11,075,425	13,533,212	12,565,792	13,260,078
Earnings before interest, tax and depreciation/ amortisation (EBITDA)	(882,365)	(1,012,035)	229,700	300,847	246,156
Depreciation / amortisation					
Company Management / Support	44,087	18,623	43,847	46,040	48,342
WBCG	3,072	2,559	3,072	3,072	3,072
Procurement Support	1,872	2,793	1,872	1,872	1,872
Communications	840	840	840	840	840
Co-Lab Building Services	0	-	2,340	2,340	2,340
WRTM	0	1,105	1,104	1,104	1,104
Total Depreciation / amortisation	49,871	25,920	53,075	55,268	57,570
Earnings before interest and tax (EBIT)	(932,236)	- 1,037,955	176,625	245,580	188,586
Net Surplus (Deficit) before tax	(932,236)	(1,037,955)	176,625	245,580	188,586

We are budgeting in all the forecasted years to utilise cash surplus on hand and future surplus from SVDS and Co-Lab Waters.

Statement of Financial Position

Co-Lab Financial Position for the forecast financial years ended 30 June 2026-2028					
	Budget 2024/25	Forecasted 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28
CAPITAL					
Shares - SVDS	1,607,001	1,607,001	1,607,001	1,607,001	1,607,001
Shares - WRTM	1,350,000	1,350,000	1,350,000	1,350,000	1,350,000
Retained Earnings	(759,319)	(1,180,419)	(2,218,374)	(2,041,748)	(1,796,169)
Plus Current Year Operating Surplus/(Deficit)	(1,004,542)	(1,037,955)	176,625	245,580	188,586
TOTAL CAPITAL FUNDS	1,193,140	738,627	915,253	1,160,832	1,349,418
ASSETS					
CURRENT ASSETS					
Prepayments	3,300	0	6,350	6,668	7,001
Accounts Receivable	505,883	503,170	688,146	643,332	675,312
Bank	1,845,494	1,416,051	1,027,595	1,269,185	1,534,812
GST Receivable / (Payable)	(30,554)	(75,700)	57,092	61,929	66,239
TOTAL CURRENT ASSETS	2,324,124	1,843,521	1,779,183	1,981,113	2,283,364
NON-CURRENT ASSETS					
WRTM - Intangible Asset	2,296,855	2,296,855	2,296,855	2,296,855	2,296,855
MoneyWorks Software	1,195	1,195	1,195	1,195	1,195
<i>Accumulated Depreciation</i>	<i>(2,298,050)</i>	<i>(2,298,050)</i>	<i>(2,298,050)</i>	<i>(2,298,050)</i>	<i>(2,298,050)</i>
IT Equipment & Office Furniture	197,500	185,000	197,500	197,500	197,500
<i>Accumulated Depreciation - IT equipment & Office Furniture</i>	<i>(92,281)</i>	<i>(116,455)</i>	<i>(145,356)</i>	<i>(192,276)</i>	<i>(241,387)</i>
TOTAL NON-CURRENT ASSETS	105,219	68,545	52,144	5,224	(43,887)
TOTAL ASSETS	2,429,343	1,912,067	1,831,326	1,986,337	2,239,477
LESS CURRENT LIABILITIES					
Accounts Payable	1,084,708	1,007,836	737,951	633,624	673,993
Accounts Payable Accrual	37,244	37,426	39,106	41,062	43,115
Employee Benefits	114,251	128,177	139,016	150,820	172,951
TOTAL CURRENT LIABILITIES	1,236,202	1,173,439	916,074	825,505	890,058
NET ASSETS	1,193,141	738,628	915,253	1,160,832	1,349,418

Statement of Cashflows

Co-Lab Statement of Cashflows for the forecast financial years ended 30 June 2026-2028					
	Budget 2024/25	Forecasted 2024/25	Budget 2025/26	Budget 2026/27	Budget 2027/28
Cashflows from Operating Activities					
Interest Received / (Paid)	80,625	70,442	59,484	62,736	65,760
Receipts from Other Revenue	11,868,628	10,765,872	13,515,578	12,848,453	13,408,104
Payments to Suppliers	(11,879,652)	(12,538,792)	(13,796,410)	(12,656,415)	(13,195,468)
Taxes Paid	0	0	0	0	0
Goods & Services tax (net)	30,937	(75,623)	(132,792)	(4,836)	(4,311)
Net cash from operating activities	100,538	(1,778,102)	(354,141)	249,939	274,085
Cashflows from Investing Activities					
Capital enhancements	0	0	0	0	0
Purchase of PPE	(30,334)	(8,148)	(36,674)	(8,348)	(8,458)
Purchase of investments	0	0	2,358	0	0
Net cash from investing activities	(30,334)	(8,148)	(34,316)	(8,348)	(8,458)
Net increase in cash, cash equivalents and bank accounts	70,205	(1,786,250)	(388,457)	241,590	265,627
Opening cash and cash equivalents and bank overdrafts	2,164,346	3,202,301	1,416,051	1,027,595	1,269,185
Closing cash, cash equivalents and bank accounts	2,234,551	1,416,051	1,027,595	1,269,185	1,534,812
Summary of Bank Accounts					
BNZ - Call a/c	2,234,551	1,416,051	1,027,595	1,269,185	1,534,812
Closing Balance of Bank	2,234,551	1,416,051	1,027,595	1,269,185	1,534,812

1. Cross-council infrastructure procurement was brought under Company Management & Support in the 2024 Sol. We committed to an 18-month trial and are now in the process of conducting a review.

Appendix I: Governance

Co-Lab is owned in equal portion by the 12 Local Authorities:

- Hamilton City
- Hauraki District
- Matamata Piako District
- Ōtorohanga District
- Rotorua Lakes District
- South Waikato District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipa District
- Waitomo District
- Western Bay of Plenty District

Co-Lab's vision is that council collaboration through Co-Lab maximises community wellbeing. The company's purpose is to achieve this vision by helping councils identify and realise shared opportunities. It achieves these outcomes by:

- Acting as an ideas laboratory for developing opportunities that create value to councils;
- Providing shared services to councils; and
- Entering joint procurement arrangements for the benefit of councils.

Co-Lab conducts itself in accordance with its constitution, its annual Statement of Intent, the provisions of the LGA and Co-Lab policies.

The Board is made up five council representative directors and an independent Chair. There is also a standing Audit & Risk Committee.

The current Directors of Co-Lab are:

Director	Representing
Peter Stubbs	Independent Chair
Chris McLay	Waikato Regional Council
Lance Vervoort	Hamilton City Council
Ben Smit	Ōtorohanga, Rotorua, South Waikato and Waitomo District Councils
Steph O'Sullivan	Waikato and Waipā District Councils
David Speirs	Hauraki, Matamata-Piako, Thames-Coromandel District and Western Bay of Plenty District Council

The independent Chair of Co-Lab receives director fees and reimbursed expenses. Directors representing the councils will not receive any fees or reimbursed expenses for work undertaken on behalf of the company.

Appendix II: Policy Statements

Statement of accounting policies

Reporting entity

Waikato Local Authority Shared Services Limited (“the Company”) is a Company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The company is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002 (LGA), by virtue of the shareholding councils’ right to appoint the Board of Directors.

The primary objectives of the Company are to:

- Develop opportunities that benefit the Waikato region's local authorities; and
- Act as a vehicle to deliver value-added services to those local authorities.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

Summary of significant accounting policies

Basis of preparation

Financial statements are prepared on the going concern basis, and the accounting policies are applied consistently throughout the period.

Statement of Compliance

Financial statements are prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Financial statements are prepared in accordance with and comply with Tier 2 PBE Standards reduced disclosure regime (RDR). WLASS is eligible to report under the RDR as it:

- is not publicly accountable; and
- has expenses more than \$2 million, but less than \$30 million.

The accounting policies set out below are consistent with the prior year, other than the inclusion of policy:

- on operating leases, related to the lease of commercial premises;
- employees; and
- property, plant and equipment.

Measurement base

The financial statements are prepared on a historical cost basis.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest dollar unless otherwise stated. The functional currency of the Company is New Zealand dollars.

Goods and services tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statement.

Commitments and contingencies are disclosed exclusive of GST.

Critical accounting estimates and assumptions

In preparing the financial statements the Company makes estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no areas requiring estimate or assumptions made that are considered to carry a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Intangible assets

Useful lives and residual values

At each balance date the Company reviews the useful lives and residual values of its intangible assets. Assessing the appropriateness of useful life and residual value estimates of intangible assets requires the Company to consider a number of factors such as the expected period of use of the asset by the Company and expected disposal proceeds from the future sale of the future sale of the asset.

An incorrect estimate of the useful life of residual value will impact the amortisation expense recognised in the income statement and carrying amount of the asset in the balance sheet. The Company minimises the risk of this estimation uncertainty by reviewing that the asset technology is still relevant and there is no alternative options to recreate the asset at a lower price.

Impairment of intangible assets

Intangible assets measure at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus deficit.

Revenue

Revenue

Revenue comprises the fair value of the considerations received or receivable for the sale of goods and services, excluding GST, rebates and discounts and after eliminating sales within the Company. No provisions have been recorded as all revenue and trade receivables are expected to be received.

Other Revenue

Member charges for all activities are recognised when invoiced to the user (i.e. councils). The recorded revenue is the net amount of the member charges payable for the transaction.

Contributions received for projects that were not completed in a financial year are recognised when the Company provides, or is able to provide, the service for which the contribution was charged. Until such time, contributions are recognised as liabilities.

Operating expenses

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Personnel costs

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

Receivables

Short-term receivables are recorded at the amount due, less any provision for amounts not considered collectable.

Receivables are initially measured at nominal or face value. Receivables are subsequently adjusted for penalties and interest as they are charged and impairment losses. Non-current receivables are measured at the present value of the expected future cash inflows.

Debtors are amounts due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against

which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

Intangible assets Other financial assets

Investments in bank deposits are measured at fair value plus transaction costs.

At each balance date the Company assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the income statement.

Payables and deferred revenue

Short-term creditors and other payables are recorded at their face value.

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

Contributions received for projects that were not completed in a financial year are recognised as deferred revenue until the Company provides, or is able to provide, the service for which the contribution was charged.

Employee benefits liabilities

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These includes salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Reconciliation of equity

Equity is the shareholders interest in WLASS and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

Contributed equity

Contributed equity is the net asset and liability position at the time the company was formed. The allocation of capital amongst shareholders is explained in this note.

Retained earnings

Retained earnings is the company's accumulated surplus or deficit since formation.

Document ID: 886180

Report To: Council**Meeting Date:** 29 July 2025**Subject:** **Inframax Construction Limited – Adoption of Statement of Intent 2025/2026****Type:** Decision Required**Author(s):** Tina Hitchen
Chief Financial Officer**1. Purpose of Report**

- 1.1 The purpose of this business paper is to present for consideration and adoption Inframax Construction Limited's Statement of Intent for the year ending 30 June 2026.

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 – 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.

3. Background

- 3.1 Council considered Inframax Construction Limited's (ICL) draft Statement of Intent (SoI) at the 25 March 2025 Council meeting and resolved:
- 1 *The business paper on Inframax Construction Ltd – Half Annual Report to 31 December 2024 and the draft Statement of Intent for year ending 30 June 2026 be received.*
 - 2 *The Half Annual Report for Inframax Construction Ltd for the period 31 December 2024, be received.*
 - 3 *The Inframax Construction Limited – Half Annual Report to the 31 December 2024 be published on Council's website.*
 - 4 *The draft Statement of Intent for Inframax Construction Ltd for year ending 30 June 2026, be received.*
 - 5 *Council suggests the following changes to the Statement of Intent for 2026:*

Retain the two performance measures which were proposed to be discontinued - Lost time injury frequency rate and Accident compensation days and to include a scale for the lost time frequency i.e. how many hours.
 - 6 *Council acknowledges its appreciation of the Shareholder and the payment of a dividend.*

- 3.2 Section 64 of the Local Government Act 2002 (LGA) also requires the board of all CCOs to deliver a completed SoI to the shareholders before the commencement of the financial year to which it relates.
- 3.3 The final SoI was received on 30 June 2025.
- 3.4 Enclosed separately and forming part of this business paper is a copy of the final ICL SoI for the year ended 30 June 2026, together with a letter of explanation and the supporting information.

4. Commentary

- 4.1 The ICL Board of Directors (BoD) considered the feedback provided by Council following the 25 March 2025 Council meeting and have adopted and delivered the final SoI together with an explanation and supporting information to their decision is relating to Council's feedback.
- 4.2 In summary, the BoD have resolved –
- As a transition period, the Lost time injury frequency rate health and safety measure will be retained in the SoI for a further 12 months ending 30 June 2026 but will be removed thereafter.
 - The ACC compensation days measure will not be retained in the SoI.
- 4.3 The BoD have also made two other amendments post draft, which are detailed in the letter of explanation provided with the final SoI and summarised as follows:
- The targets for field safety inspections and health and safety observations have been updated.
 - The revenue target has been revised to reflect external factors.

5. Analysis of Options

- 5.1 The LGA requires Council to publish the final Statement of Intent on its website within one month of adoption and to maintain the document on the website for a period of no less than 7 years.

6. Considerations

6.1 RISK

- 6.2 Council considered the draft SoI at the 25 March 2025 Council meeting and feedback was provided to the ICL BoD. The BoD has considered Council's feedback and provided a detailed explanation of their consideration of that feedback, including advice of a further two amendments made to the SoI post draft.

6.3 CONSISTENCY WITH EXISTING PLANS AND POLICIES

- 6.4 The decision to adopt the ICL SoI 2025/2026 as presented will be consistent with Council's understanding of the future plans of ICL and its objectives for the CCO.

6.5 SIGNIFICANCE AND COMMUNITY VIEWS

- 6.6 The ICL SoI 2025/2026 is aligned to ICL's Constitution and plans and forecasts discussed with the Council previously and is generally aligned with the expectations of Council from its shareholding. Therefore, the decision is not considered to require public engagement as per Council's Significance and Engagement Policy.

7. Attachments/Separate Enclosures

- Attachment: Inframax Construction Limited Statement of Intent for the year ending 30 June 2026 (including cover letter and supporting information) (Doc # 889713)

27 June 2025



Waitomo District Council
15 Queen Street
Te Kūiti
Waitomo 3941

FAO: Waitomo District Mayor, John Robertson and Ben Smit, Chief Executive Officer

Dear John and Ben,

Re: Statement of Intent for the 12 months ending 30 June 2026

Thank you for the comments received from Waitomo District Council regarding Inframax Construction Limited's (Inframax's) draft statement of intent and the acknowledgement of the interim dividend paid February 2026.

I can confirm that the Inframax board of directors have considered the comments provided and I attach to this letter Inframax's final statement of intent for the 12 months ending 30 June 2026.

Health and safety measures

The board of directors have considered the comments received from Council regarding the retention of the two-lag indicator health and safety measures (lost time injury frequency rate and ACC weekly compensation days) that were, in the draft provided for comment, removed and replaced with two lead indicators (health and safety observations and field safety inspections):

- **Lost time injury frequency rate (LTIFR)**

The effectiveness of LTIFR (and TRIFR, total recordable injury frequency rate), as measures of how safe a company, or their work, is, or as a measure of safety performance, has been the subject of much research and commentary over the past years. The research has shown that "... such measures can be random, non-predictive and not helpful as a measure of health and safety"¹ and that "...people can escape unhurt from very unsafe activities, so the lack of an accident does not provide much insight into how safe the work was"¹. LTIFR is not an effective measure of consequence or workplace injury, as an injury requiring one day off work is recorded as an LTI in the same way as an injury requiring several months off work.

The New Zealand Institute of Directors *Health and Safety Governance: A Good Practice Guide*¹, as well as other industry guidance, recommends a move away from measures like TRIFR and LTIFR to those that are more insightful. As a result of this guidance and the abovementioned research, Inframax has a desire, consistent with industry trends and other like council-controlled trading organisations, to shift to reporting and measures that are more insightful as to safety performance of the organisation. The board of directors do however acknowledge that a transition period is beneficial, and, to this end, the directors have amended the statement of intent to retain the LTIFR measure for the 12 months ending 30 June 2026, but being removed thereafter.

Please note the LTIFR calculation has been changed to per 200,000 hours and, given LTIFR covers incidents of any severity, a realistic target has been added.

- **ACC weekly compensation days**

ACC weekly compensation days is, to a large extent, outside of Inframax's ability to control with health providers and ACC having the biggest influence on return-to-work timings and programmes. ACC weekly compensation days can be influenced by other factors, such as pre-existing conditions or individual circumstances, with a company of Inframax's size and nature and the risk profile of our work, having limited opportunities for light-duties. For these reasons, the business believes that ACC weekly compensation days is not a good measure of safety performance.

The board of directors have considered the comments provided, but for the abovementioned reasons, has elected to not retain ACC weekly compensation days as a measure in the statement of intent.

Other amendments, post draft:

- **Targets for field safety inspections and health and safety observations**

Upon reviewing the field safety inspections and health and safety observations it was identified there was an error in the calculation of the targets. These targets have been updated in the attached final statement of intent.

- **Revenue targets**

The Company's budgeting process for the twelve months ending 30 June 2026 is nearing completion and whilst the EBITDA numbers are consistent with forecasts, due to the economic / tendering climate, the revenue line has been revised to reflect the external factors such as speed of projects coming to market (particularly NZTA Waka Kotahi), competitive landscape and contraction of customer's budgets.

Thank you again for your consideration and comments on the draft statement of intent. If you have any questions regarding the attached final statement of intent please do not hesitate to contact Inframax Chief Executive, Vesta Gribben, or myself.

Yours sincerely,



Earl Rattray
Board Chairperson

Ref:

¹ New Zealand Institute of Directors. Health and Safety Governance – A Good Practice Guide https://www.iod.org.nz/resources-and-insights/guides-and-resources/health-and-safety-a-good-practice-guide?gad_source=1&gad_campaignid=18644311638&qbraid=0AAAAADvvf46cNNagqKNRMsdIpHUcYVB65&qclid=EAIaIObChMiraL4w7_biQM_VzKRmAh0cQS1KEAAYASAAEgKAK_D_BwE#

Inframax Construction Limited
STATEMENT OF INTENT
FOR THE YEAR ENDING 30 JUNE 2026

1.0 INTRODUCTION

1.1 Inframax Construction Limited is –

- a limited liability company pursuant to the Companies Act 1993.
- a Council Controlled Organisation pursuant to Section 6 of the Local Government Act 2002.

1.2 This Statement of Intent is prepared to meet the requirements of Section 64 and Schedule 8 of the Local Government Act 2002.

1.3 It outlines the activities and intentions of Inframax Construction Limited and the objectives to which those activities will contribute. Performance targets and measures are specified, along with the Company's policies relating to governance and other matters.

1.4 The Statement of Intent is reviewed annually by the Company following consultation with Waitomo District Council.

2.0 NATURE AND SCOPE OF ACTIVITIES

2.1 The core business of the Company will be roading maintenance and construction, quarrying and crushing of aggregates and maintenance and construction of utilities and infrastructure assets.

2.2 The Company will compete for infrastructure contracts in the central western North Island Districts and in other areas where it is identified that such contracts will yield an appropriate rate of return or where the Company believes that there are sound commercial reasons for doing so.

2.3 The Company may expand into other ventures and/or activities that are consistent with the Company's objectives and the provisions of the Local Government Act 2002.

3.0 OBJECTIVES

The principal objective of Inframax Construction Limited is to operate as a successful business and to contribute to the wellbeing of the communities in which it operates.

In pursuing the principal objective, the Company and Directors shall:

- Maximise the long-term viability and profitability consistent with the Shareholder's objectives for ownership and value creation.
- Seek and develop profitable business opportunities that make best use of the people, technical and financial resources of the Company.
- Continue to review the available options for the share ownership of the Company, to be able to provide informed advice to the Shareholder as to the most efficient arrangements to enhance both profitability and Shareholder value.

- Ensure assets and liabilities are prudently managed consistent with the nature of a contracting business.
- Ensure transparent and informed relationships are maintained with the shareholder within the spirit of 'no surprises'.
- Act as a good employer by:
 - Providing a work environment that recruits, fosters and maintains safe, competent, motivated, committed and productive employees
 - Recognising and rewarding excellent performance of any staff.
- Act in an environmentally and socially responsible manner and implement sustainable business practices.

4.0 CORPORATE GOVERNANCE

Pursuant to Section 57 of the Local Government Act 2002, the Board of Directors is appointed by the shareholder to govern and direct the activities of the Company.

All Directors are required to comply with a formal Code of Conduct, which is based on the Institute of Directors in New Zealand's Code of Practice for Directors.

(a) Role of the Board of Directors

The Directors' role is defined in Section 58 of the Local Government Act 2002. This section states that all decisions relating to the operation of the CCO shall be made pursuant to the authority of the directorate of the Organisation and its Statement of Intent. The Board consults with the Company's shareholder in preparing and reviewing the Statement of Intent.

The Board meets on a regular basis and is responsible for the proper direction and control of the Company's activities. This responsibility includes such areas of stewardship as the identification and control of the Company's business risks, the integrity of management information systems and reporting to the shareholder.

The Board accepts that it is responsible for the overall control system operating within the Company but recognises that no cost-effective internal control system will permanently preclude all errors or irregularities. The control systems reflect the specific risks associated with the business of the Company.

To achieve this governance the Board will:

- Conduct regular briefings with the designated shareholder representatives to discuss emerging risk and opportunities of the business, the general forecast performance expectations and to learn of relevant changes in council policies, expectations and risk appetite.
- Act on a fully informed basis, in good faith, with due diligence and care, and in the best interests of the company.
- Act in accordance with the Constitution and Statement of Intent.
- Ensure compliance with applicable legislation, regulation, codes and accounting standards.
- Structure itself to utilise the expertise of Directors to add value.

- Monitor the effectiveness of overall governance and make changes as needed.
- Monitor and manage potential conflicts of interest of management, board members and shareholder.
- Appoint and monitor the performance and remuneration of the Chief Executive Officer and oversee succession planning.
- Ensure the Company's financial management is consistent with good business practice.
- Decide on necessary actions to protect the Company's financial position and the ability to meet its debts and other obligations when they fall due, and ensure such actions are taken.
- Ensure the Company's goals are clearly established, and that strategies are in place for achieving them (such strategies being expected to originate, in the first instance, from management).
- In the spirit of 'no surprises', keep the shareholder informed on significant events and issues, including those sensitive to publicity that may arise from Council being a political organisation.
- Promote a culture which requires all employees to adhere to high levels of ethical behaviour.
- Ensure the Company has appropriate risk management/regulatory compliance policies in place and that these are monitored on a regular basis.

(b) The Role of the Shareholder

The Board aims to ensure that the shareholder is informed in a timely manner of all major developments affecting the Company's state of affairs. The shareholder is consulted on the review of the Company's Statement of Intent and is responsible for the appointment of Directors. Information is communicated to the shareholder in the Annual Report, the Half-Annual Report and special meetings where required.

The shareholder is expected to:

- Deal with issues raised by the Company in a prompt and expedient fashion.
- Maintain a high level of communication with the Company on relevant matters.
- Ensure transparent and collaborative relationships are maintained with the Company.

5.0 PERFORMANCE INDICATORS

In its half-year and annual report, the Company will record its performance relating to its goals and objectives.

6.0 PERFORMANCE MEASURES AND TARGETS

The Company will endeavour to exceed the targets of the Projected Business Plan.

6.1 Ratio of Shareholder's Funds to Total Assets

The Ratio of Shareholder's Funds to Total Assets shall not be less than that set out in this Statement of Intent.

6.2 Current Ratio

The Current Ratio measures solvency. The Company will maintain a positive Current Ratio. For the purposes of this measure, "Positive" means equal to or greater than 100%.

6.3 EBITDA

Earnings before interest, tax, depreciation and amortisation gives an indication on the underlying operational profitability of the business.

6.4 Revenue

Measuring revenue growth gives a good indication of the rate at which the company has expanded the business.

6.5 Bank Covenants

The Company will meet all bank covenants.

	30 June 26	30 June 27	30 June 2028
6.1 Equity Ratio Shareholders Funds expressed as a % of Total Assets	52%	53%	54%
6.2 Current Ratio Current Assets expressed as a % of Current Liabilities	Positive	Positive	Positive
6.3 EBITDA Earnings Before Interest, Tax, Depreciation and Amortisation	\$3.6m	\$3.7m	\$3.8m
6.4 Revenue Revenue Targets	\$41m	\$44m	\$48m
6.5 Bank Covenants As agreed with the Bank from time to time	Met	Met	Met

7.0 NON-FINANCIAL PERFORMANCE MEASURES

7.1 Health and safety observations (leadership) per year

Safety observations are a health and safety lead indicator which allow managers and front-line workers to have conversations about how effectively health and safety risks are being controlled and how Inframax can continue to improve. Safety observations require managers to engage with workers to get feedback on risk controls and the effectiveness of them and to actively follow up on improvements. They provide assurance to managers that hazard controls are fit for purpose taking into account the working environment, operational pressures or other factors.

7.2 Field safety inspections (critical risk controls check)

Field safety inspections are a health and safety lead indicator. A field safety inspection is a planned examination of a sample of an Inframax workplace or work activity to assess the effectiveness of health and safety management. Field safety inspections are focussed on the activities identified as critical risks on Inframax's risk register.

7.3 Lost Time Injury Frequency Rate

The lost time injury frequency rate will measure the number of lost time injuries for the year ending 30 June 2026 relative to the number of hours worked in the same period.

$$\frac{\text{Total lost time injuries for year ending 30 June 2026}}{\text{Total hours worked in year ending 30 June 2026}} \times 200,000$$

7.4 ISO 9001 Accreditation

ISO 9001 is a quality accreditation standard verifying that the company has systems and processes in place to operate to industry best practices. It confirms that issues within the company are identified, recorded and information used to generate continual business improvement.

7.5 ISO 45001 Accreditation

ISO 45001 is a global standard for Occupational Health and Safety (OS&S) Management Systems that provides a practical solution to improve the safety and health of both employees and other personnel by preventing work-related injury and ill health, as well as by proactively improving the Company's OH&S performance.

7.6 Environmental Consent Compliance

There are three measures of environment consent compliance - full, partial and non-compliance. Full compliance of consents held by the Company indicates that all conditions of consents are met in full and the organisation is acting in an environmentally responsible manner.

7.7 Number of Broader Outcome Initiatives

The Local Government (Community Well-being) Amendment Act 2019 provides for local authorities to play a broad role in promoting social, economic, environmental and cultural well-being of their communities. Broader Outcome Initiatives are initiatives the Company deploys that contribute to the wider social, economic, cultural and environmental well-being of the communities for which it operates in.

	30 June 26	30 June 27	30 June 28
7.1 Health and safety observations (leadership) per year	360	360	360
7.2 Field safety inspections (critical risk controls check) per year	300	300	300
7.3 Lost time injury frequency rate	<5	N/A	N/A
7.3 ISO 9001 Accreditation	Standard Achieved	Standard Achieved	Standard Achieved
7.4 ISO 45001 Accreditation	Standard Achieved	Standard Achieved	Standard Achieved
7.5 Environmental Consent Compliance	Full Compliance	Full Compliance	Full Compliance
7.6 Number of Broader Outcome Initiatives	15 (Waitomo District 9, Other 6)	15 (Waitomo District 9, Other 6)	20 (Waitomo District 10, Other 10)

8.0 DIVIDEND POLICY

- 8.1** Subject to the Directors being satisfied as to the solvency of the Company, the meeting of its bank covenants and the integrity of its asset replacement and investment programme, the Company is committed to the provision of annual distributions to the Shareholder.
- 8.2** The Company may declare dividends as approved by the Directors.
- 8.3** The Directors may from time to time pay interim dividends.
- 8.4** The Directors are delighted to advise that given the improvement in the Company's financial performance over the past two financial years, the prospect of making dividend payments can be contemplated. Directors now believe a dividend payment in the range of \$0 - \$250,000 per annum may be paid in the medium horizon, depending on the Company's financial performance (profitability), cash flows from operations and the Company's future capital investment needs.
- 8.5** Should a distribution to the Shareholder occur, it will be made, after consultation with the Shareholder, and after taking account of all tax considerations.

9.0 ACCOUNTING POLICIES

- 9.1** The Company will maintain accounting records in accordance with the Companies Act 1993 and the Financial Reporting Act 2013.

Significant accounting policies adopted by the Company in its Annual Report are –

- Compliance with New Zealand generally accepted accounting practice (NZ GAAP).
- Preparation on a historical cost basis, apart from Land and Buildings and Heavy Quarry Equipment which are stated at their fair value.
- Preparation on a going concern basis.
- Financial assets, other than those at fair value, are assessed for impairment at each balance date.
- Revenue and profit are primarily recognised based on value earned.
- Trade and other receivables are stated at their expected realisable value after providing for impairment.
- Aggregate stocks are valued using standard costs based on the estimated average cost of production.
- Property, plant and equipment other than Land and Buildings and Heavy Quarry Equipment (which are measured at fair value), are carried at cost less accumulated depreciation and impairment losses.
- Trade and Other Payable are recognised when the Company becomes obliged to make future payments.

10.0 INFORMATION TO BE PROVIDED TO SHAREHOLDERS

- 10.1** Annual Report and half-yearly operational report will be submitted in accordance with the Local Government Act 2002.
- 10.2** The half-yearly report will include details as are necessary to enable an informed assessment of the Company's performance during the reported period. This report will be accompanied by the Chairman's review of the period. The half-yearly report will be made available to the Shareholder no later than 1 March in every year.
- 10.3** The Annual Report will include all items required by the Companies Act 1993, the Financial Reporting Act 2013 and such other information as the Directors deem necessary for the Shareholder to measure performance of the Company against performance targets as agreed in the Statement of Intent.

11.0 SIGNIFICANT ACQUISITIONS

- 11.1** Procedure to be followed as per Schedule 8, Clause 9(1)(i) of the Local Government Act 2002 regarding share transactions will be at the discretion of the Directors unless the acquisition qualifies as a major transaction as defined in 10.3.
- 11.2** The Board will consult with the Shareholder before making any significant acquisition including investment in another entity.
- 11.3** Acquisitions involving more than 10% of the total assets of the company will constitute a "major transaction" under Section 129 of the Companies Act 1993 and will require a special resolution of the Shareholder.

12.0 ESTIMATED COMMERCIAL VALUE OF SHAREHOLDER'S INVESTMENT


- 12.1** Net Assets in the Annual Report as at 30 June 2024 stood at \$13.24m.
- 12.2** An independent valuation of the shares in the company was undertaken in September 2024. The valuation method adopted for the valuation was an earnings capitalisation valuation (as opposed to an asset based valuation method). The valuation, using the earnings based approach, assessed that the fair value of 100% of the shares in the Company at 30 June 2024 was between \$11.0m and \$14.8m, with a midpoint of \$12.9m.
- 12.3** The Directors believe that as the business continues to deploy and realise value from business improvement initiatives, the company's operating performance and, in turn, the earnings based valuation of the shares will continue to grow.

13.0 CAPITAL SUBSCRIPTION

- 13.1** No capital will be required from the Shareholder.
- 13.2** No capital injections from the Shareholder are expected in the current period.

Health and Safety Governance – Quick Guide

Good Governance
for Directors

An aerial photograph of a small boat on the ocean, pulling a large, circular green net. The net is spread out in a wide arc, creating a large, open space in the center. The water is a deep blue, and the net is a vibrant green. The boat is at the bottom center, with ropes extending from it to the net.

→ Good governance of health and safety increases the likelihood of your workers returning home healthy and safe at the end of each day. This involves understanding how risks are being managed as well as what is required to make successful work happen; asking insightful questions to find out if that is occurring in your organisation, and supporting improvements where required.

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Introduction

We have produced this quick guide to health and safety governance to help people and organisations that are at an early stage of their governance journey. It provides information on the core components of good health and safety governance. It also acts as a short refresher to the more detailed and comprehensive full guide, which expands on the approaches described here.

The guides have been written by the Institute of Directors in New Zealand in association with WorkSafe New Zealand, the Business Leaders Health and Safety Forum and the General Manager Safety Forum. These are guides to good health and safety governance and include discussion of the legal obligations of due diligence but that is not their core purpose. If you have concerns about your legal position, you should seek expert advice.

All organisations have different needs based on their context. The information here may need to be adapted for your circumstances.

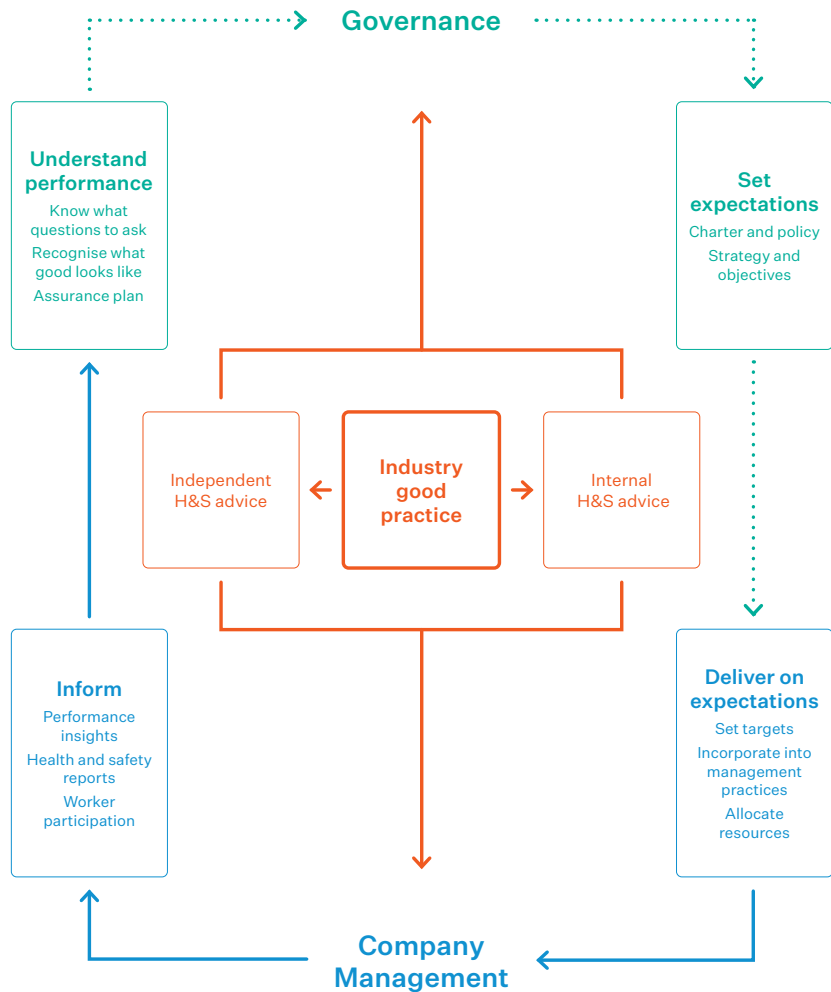
What does governance look like?

Governance is not about managing an organisation – it is about keeping an overview and holding management to account so that it operates in a productive, ethical and legal manner to achieve strategic objectives. Health and safety governance is simply one component of overall governance and requires a similar level of effort, understanding and focus as any other. It is important to recognise that it is inter-woven with all those other components and cannot be viewed as a standalone process.

Health and safety governance requires input from officers, from management and from health and safety specialists when necessary. Officers set expectations and managers deliver on those expectations with input from workers. Health and safety specialists provide advice to ensure that the right activities are undertaken and done effectively. All parties need to work together to make it happen.

Governance Ecosystem

Key components within these relationships are laid out below.



→ The quality of governance is directly linked to the quality of conversations.

The quality of your health and safety governance is based on conversations between officers, management¹ and other stakeholders, including workers and health and safety leads. You need to think about:

- What is happening in your organisation?
- What are your critical risks?
- What key controls are in place to manage those risks?
- Are you confident those controls are working?
- What do you base your confidence on?

To do this well requires a thoughtful, open and positive approach asking good questions, supported by good systems.

A vision for good health and safety governance that you can use to guide your efforts is:

Capable leaders integrating health and safety into curious and courageous governance discussions and decisions, that are context-rich and demonstrate care for workers.

¹ Management in this context means the executive management roles being carried out on behalf of the organisation. In some cases, an executive member may also be an officer – see ‘The role of the officer.’

The role of the officer

Health and safety governance responsibilities sit with officers of the organisation. Officers include directors of companies (or people holding comparable positions in other entities), partners, and any other senior people in a position that allows them to exercise significant influence on the management of activities being carried out by the organisation (for example a CEO). In most formal governance structures, officers meet and conduct business as a Board of Directors, but this is not the case for many organisations, particularly smaller ones.

The obligation to keep workers and other people safe lies primarily with the organisation (PCBU – person conducting a business or undertaking). In contrast, the officers’ role is to exercise due diligence to make sure that the organisation complies with its health and safety duties. This is a personal obligation for each officer and not a collective responsibility and is clearly separate from the PCBU’s obligations.

Due diligence includes finding out about how work is done and understanding how risks are managed within the organisation, as well as considering other obligations on the PCBU such as worker engagement and overlapping duties. It is not enough to simply rely on what you are being told. You need to be proactive and curious, ask questions, confirm your understanding and seek to validate information received.

There are six key areas of due diligence specified in law, although due diligence is not limited to these. They are summarised below.



Enabling (personal)

1. Acquire and update knowledge of health and safety matters
2. Understand the nature of business’ operations and its risk profile



Supporting (organisational)

3. Ensure access to resources and systems to eliminate or minimise risk
4. Ensure information about hazards, risks & incidents gets to the top and is actioned



Assuring

5. Ensure the PCBU complies with its obligations
6. Verify that resources and systems are in place and effective

What defines good health and safety?

→ Health and safety thinking is now more work-focused and takes more account of the complexity and variability of workplaces.

Traditionally, organisations often counted the number of injuries to decide how safe their work was. This has followed through into governance reporting, with most reports focusing on accident rates, such as total recordable injury frequency rates (TRIFR) and lost time injury frequency rates (LTIFR). But people can escape unhurt from very unsafe activities, so the lack of an accident does not provide much insight into how safe the work was. Research² has also shown that such measures can be random, non-predictive and not helpful as a measure of health and safety.

Focus on health and safety performance, and governance reporting about it, should centre on those areas that genuinely contribute to safer outcomes, such as providing enough resources, designing work well, training people, testing key health and safety controls and so on. You should consider your reporting systems and move away from measures like TRIFR and LTIFR to those that are more insightful. Further information on reporting is provided in Appendix 2 of the full guide.

Good health and safety governance can also impact other areas of your organisation – leading to better work, a positive working environment and engaged, supportive workers.

² Hallowell et al, (2020), The Statistical Invalidity of TRIR as a Measure of Safety Performance, Construction Safety Research Alliance

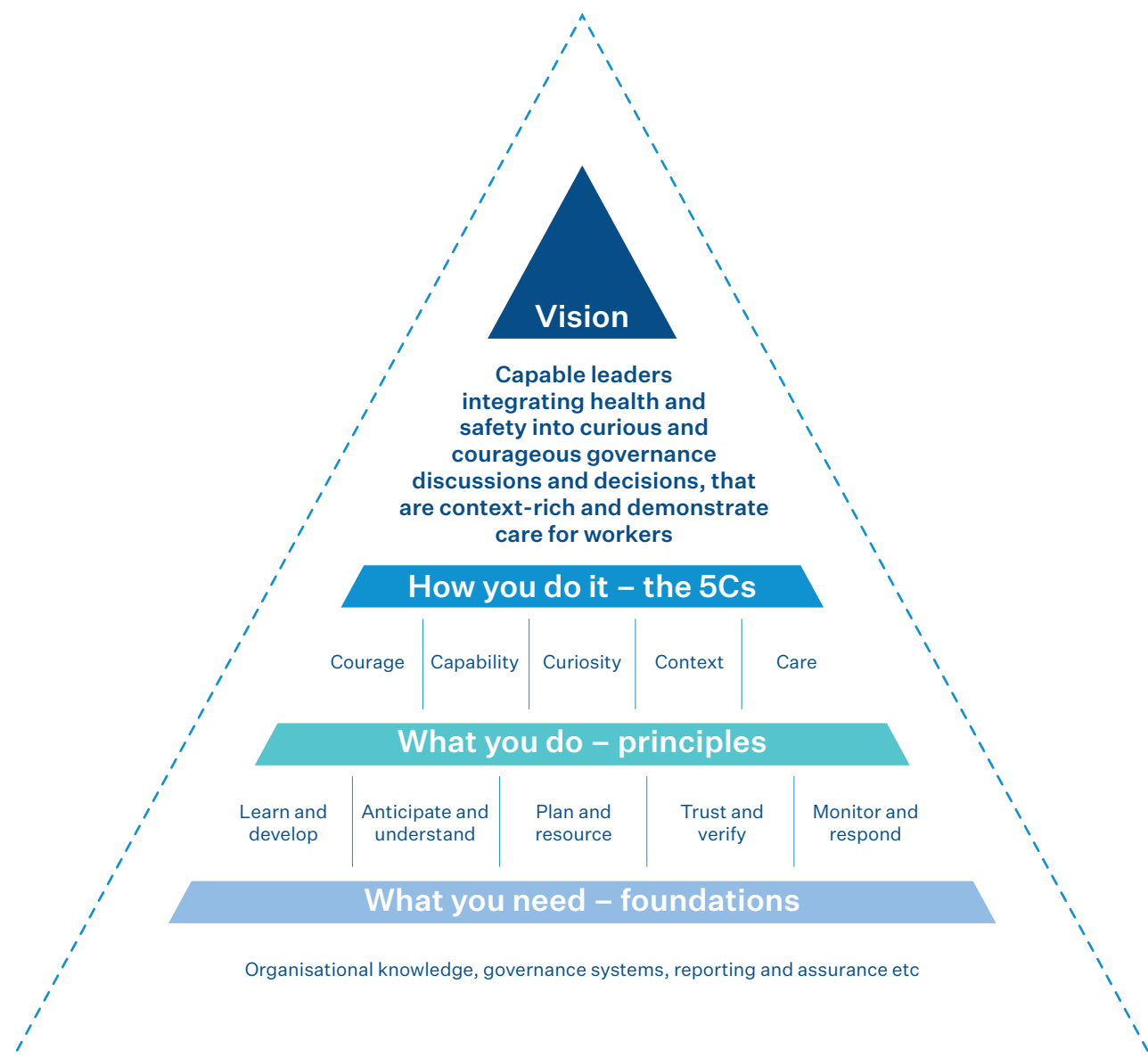
What to focus on

To put this structure in place and to make it work as well as it can to achieve this vision, there are some key areas where your effort should be focused:

What you need. Put the foundations in place – make sure that the basic systems and building blocks are there to support governance work.

What you do. Undertake the right activities – carry out tasks that support the core principles of better health and safety governance.

How you do it. Adopt the right mindset to take a supportive personal approach – carry out your governance role in a way that supports and encourages better performance.



What you need – foundations

→ “We sought external advice to make sure our systems were at the right level for our risk and scale.”

MC – Director, Manufacturing

All organisations have different needs, but there are several core tools, systems and approaches that form the basis of good health and safety governance.

You should review your organisation to make sure that these are in place or take steps to develop them if not. Once in place, you should review them regularly to make sure that they are effective, that they are still fit for purpose and that everybody is familiar with the processes being used. For smaller organisations with fewer formal systems, or those without a formal Board, think about how you can get the same visibility, assurance and outcomes in a way that works for you.

What	Detail	
Set expectations	Define the role of officers and executives in owning and prioritising health and safety within this organisation	<p>Be clear that good health and safety performance will only come about when officers and executives suitably prioritise it.</p> <p>Ensure that ownership of health and safety risks and their management sits with officers and with management, not with health and safety teams or health and safety representatives.</p>
New officer induction	Clearly lay out what happens when a new officer starts and who is responsible for it.	<p>Make sure they know key basics such as:</p> <ul style="list-style-type: none"> • What the organisation does. • Who the key people are. • Worker demographics including any groups that may be at higher risk of injury or illness. • What other organisations you work with or rely on. • What the key health and safety issues are and how they're managed. • What their due diligence obligations are as officers and the reasonable steps that can be taken to fulfil them in this organisation.
Governance processes	Define how your routine governance operates through charters and clear terms of reference.	<p>These should include:</p> <ul style="list-style-type: none"> • Setting your health and safety vision, policy, strategy and objectives. • How often governance meetings occur. • How many Board members there are. • What the governance structure is – e.g. whether health and safety is a full Board discussion or via a committee. • What the programme of work and key governance activities and approvals are. • What reports and other information the Board routinely sees. • What the Board's role is in non-routine situations – emergencies and major events.

What	Detail	
Competence framework	Ensure that the Board has, or has access to, the right health and safety capability and experience.	<p>Define the health and safety skills and experience mix that is needed at a governance level and assess how that is met by the current team. Consider adding to or changing the mix of people involved if there is a significant shortfall.</p> <p>Enable access to competent independent advice to supplement your internal capability and to provide assurance where required.</p>
Continuous improvement	Enable the improvement of governance as the Board matures.	<p>Include regular self-reviews that consider how well your governance processes are working. Consider:</p> <ul style="list-style-type: none"> • How well the Board works as a team. • How open is the relationship with the CEO and management team? • Are you happy with the quality of information received and have you defined what is required? • How you keep abreast of good practice. • How effectively you call out issues or concerns.
Assurance	Gain confidence in effectiveness of systems through objective checks and reviews.	<p>Have a structured assurance programme to make sure you have comprehensive information from multiple sources to know what performance is like. Include:</p> <ul style="list-style-type: none"> • Internal and external audits. • Inspections and site visits. • Reports on specific topics – e.g. deep dives into management of critical risks.
Records	Keep good records of governance activities in relation to health and safety management.	<p>Include:</p> <ul style="list-style-type: none"> • Meeting minutes. • Decision logs. • Activities carried out e.g. – site visits. • Records of your own activities as an officer, such as health and safety training received.

Foundational questions

When considering the foundations, there are some basic questions that you can ask about the processes in place and the information you receive. These are particularly helpful for small organisations with fewer formal systems:

Processes

What have we got?	E.g. Does the process we have in place meet expectations of good practice?
Does it work?	E.g. Is the process able to achieve what it is supposed to, is it effectively applied and how do we know that?
Is it enough?	E.g. Are there any gaps in our processes?

Information

So what?	E.g. What insights into performance effectiveness are being provided?
Is it meaningful?	E.g. Is the information robust, honest and representative?
What now?	E.g. What is the next step if something is of concern, or is particularly good?

What you do – principles

→ “We reviewed all of our injuries and serious incidents to identify the common factors and risk amplifiers, with a few surprises. We then focused our efforts on mitigating and eliminating these.”

SB – Director, Infrastructure

Health and safety risks exist in all parts of your organisation and in all activities that it carries out. It is important that you spend time on areas that are going to have the most impact on achieving better outcomes. This means a combination of officer knowledge, organisational performance, consideration of future events and making sure there is a resourced plan in place. These then allow you to make good decisions about health and safety. The following five core principles of health and safety governance capture these areas. You should:

1. Learn and develop.
2. Anticipate and understand.
3. Plan and resource.
4. Trust and verify.
5. Monitor and respond.

Area	Questions to ask the Board and your organisation
<p>Learn and develop</p> <p>Officers should increase their knowledge and develop their understanding about the organisation and the industry it operates in as well as about key concepts of health and safety management. This includes organisational learning from incidents by finding out what happened and how, rather than seeking to apportion blame.</p>	<ul style="list-style-type: none"> • Is there a planned programme of health and safety focused learning in place for officers? • How do we get regular feedback on the practical reality of how work is normally done? • Are incidents investigated in a way that generates genuine learning and avoids blame? • Do we clearly understand the PCBU's risks and how it is managing them and other obligations?
<p>Anticipate and understand</p> <p>Health and safety outcomes can be influenced by external factors and the constantly changing environment that modern work brings. Strategic decision making should anticipate such influences and take them into account when planning.</p>	<ul style="list-style-type: none"> • How do organisational change processes consider health and safety at the earliest stage? • What future health and safety impacts might there be based on our strategy and how can we manage them? • How do we know what makes work successful and have we thought about what might interfere with that?
<p>Plan and resource</p> <p>Workers constantly manage variability and unexpected situations to successfully complete work despite imperfect systems and processes. Organisations should plan to expect such variability and provide the resources needed by providing opportunities for feedback about real work and listening to what is needed.</p>	<ul style="list-style-type: none"> • What direct routes do we have for feedback from workers about how well work is being completed? • What resources do we have to support critical risk management and provide sufficient advice and support? • How do we resource workers to help them deal with both expected and unexpected situations? • How do we manage work that is complex with unpredictable outcomes?
<p>Trust and verify</p> <p>While we trust people to do the right things, sometimes things can still go wrong. We need to clearly understand what our most important controls are to manage our biggest risks and routinely verify that they are working as intended.</p>	<ul style="list-style-type: none"> • Do we know what our critical and catastrophic risks are and the key controls and critical systems used to manage them? • Has an appropriate process been used to identify these controls and what have we benchmarked against? • How effective are those controls in practice – are they known about, understood, and being applied as expected? • What information is that view of effectiveness based on? • Are risk controls deployed across all areas where the risk exists, including in our supply chain? • Where do we look to find out where work varies from what was intended?
<p>Monitor and respond</p> <p>To respond effectively to what happens at work, we need to monitor what matters in a way that provides genuine insights and does not incentivise unwanted behaviours. Then respond to issues arising in a constructive way that encourages openness.</p>	<ul style="list-style-type: none"> • Do our reports give us genuine insight rather than just numbers? • Are we focusing on significant issues and avoiding trivia? • How do we react when people report bad news? Does it encourage future reporting? • Are we curiously sceptical if our indicators are always green?

How you do it – the 5Cs

→ “You should be able to clearly see your culture.”

FO – Director, Energy

The behaviour and approach that officers take play a key role in developing the culture of an organisation by setting the ‘tone from the top.’ To support good health and safety performance, officers need to create an environment of trust that fosters honest, open communication and allows difficult problems to be approached in a constructive way. This should be recognisable throughout the organisation.

Modelling the behaviours outlined as the 5Cs below will enable capable leaders to integrate health and safety into curious and courageous discussions and decisions, that are context rich and demonstrate care for workers. This will support the growth of an effective culture to drive improved performance.

Area	Questions to ask yourself
<p>Courage</p> <p>Be prepared to say that you don’t have all the answers and acknowledge that other people may know more than you.</p> <p>Have the courage to challenge yourself, and others around the governance table, when problems arise and respond in a constructive way when you are challenged.</p>	<ul style="list-style-type: none"> • <i>What do I do to create a constructive environment for those bringing us information?</i> • <i>When was the last time I said, “I don’t know” or “I don’t understand”?</i> • <i>Do I speak up if I hold a different view to the rest of the Board?</i> • <i>Do I actively encourage people to air different perspectives?</i> • <i>Am I comfortable displaying vulnerability or is that seen as a sign of weakness?</i>
<p>Capability</p> <p>Continuously work to improve your own capability and add to that by looking for information, knowledge and advice from independent experts, from partners and from workers as well as from management.</p>	<ul style="list-style-type: none"> • <i>What personal development in health and safety have I had in the last few months? Is that enough? Do I have a future development plan?</i> • <i>Do I genuinely understand enough about what makes good health and safety happen?</i> • <i>Have I discussed capability/experience with fellow officers to make sure we have the right mix of skills and knowledge?</i>
<p>Curiosity</p> <p>Be genuinely curious about what is happening in the organisation to understand:</p> <ul style="list-style-type: none"> • The reality of how work is done. • What challenges your workers face. • What impact your decisions have on health and safety. • Whether systems are effective. 	<ul style="list-style-type: none"> • <i>Do I accept the reports presented by management or do I follow up with curiosity to understand more, probing beneath the surface to make sure systems are effective?</i> • <i>Do I know what our people really think? How do I hear their authentic voice?</i> • <i>Do I think about health and safety implications in relation to our core business processes such as procurement, competence management, asset management, business planning, mergers and acquisitions, incentive schemes, goal setting etc?</i>

Context

Recognise and take into account the context of work, health and safety and the broader environment. Understand how non-health and safety matters can impact on health and safety performance and how people's actions are driven by their context. Focus on the highest risk areas of your organisation's context.

- *Do I keep up to date with the external factors in this industry that are influencing health and safety? What's changing? How can we influence them?*
- *Do I know what may cause internal conflict with health and safety outcomes in areas such as work planning, priorities and resourcing?*
- *Do I understand the day-to-day pressures of our front-line workers?*
- *Who is in our ecosystem that our PCBU has overlapping duties with? How have we considered those?*

Care

Place your people at the centre of your health and safety approach and discussions. Focus on looking after them, rather than seeking compliance and recognise that the best governance and due diligence outcome is a healthy and safe workforce.

- *How do I express my concern for our people in a way that is genuine, culturally appropriate and likely to be believed?*
- *How do I demonstrate that health and safety must be a core value of the organisation and that health and safety cannot be sacrificed for productivity and performance?*
- *When responding to events do our systems put people at the centre of things?*
- *Do I know how we treat injured workers and get them back to work? Do I know what our people think about the process?*



Document ID: 888947

Report To: Council



Meeting Date: 29 July 2025

Subject: **Local Government Funding Agency Limited – Statement of Intent 2025-2028**

Type: Information Only

Author(s): Tina Hitchen
Chief Financial Officer

1. Purpose of Report

- 1.1 The purpose of this business paper is to present the Statement of Intent 2025-2028 (SoI) for the NZ Local Government Funding Agency Limited (LGFA).

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 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.

3. Background

- 3.1 The LGFA was incorporated in December 2011 for the purpose of providing debt funding to local authorities in New Zealand.
- 3.2 Waitomo District Council (WDC) joined the LGFA as a borrower and guarantor in April 2017. Substantially all WDC's borrowings are now provided by the LGFA.
- 3.3 As a borrower WDC looks to the LGFA as first lender of choice for Council's borrowing requirements. As a guarantor to the LGFA, WDC has an ongoing interest in the financial strength of LGFA.
- 3.4 Enclosed separately and forming part of this paper is the LGFA Statement of Intent (SOI) and accompanying letter.

4. Commentary

- 4.1 LGFA has provided the final SoI which includes performance targets for the 2025/26 year and financial forecasts for three years.
- 4.2 The specific objectives and performance targets are set out in the following table, with the targets set for the 2025/26 financial year.
- 4.3 The accompanying letter notes that the Local Waters Down Well (LWDW) programme is progressing though there remains uncertainty as to the amount, timing and transition of assets, debt and revenue to the new water organisations. The key assumption for the SoI and financial forecasts is that any impact from LWDW will start to occur in the last few months of FY 2025/26.

- 4.4 Noted below are the additions/deletions/amendments to the SoI performance targets as compared to the 2025-2027 (2024/2025 FY) SoI.

Strategic Priority	Measure	Target 2025/26
Governance, capacity and business practice	Compliance with Shareholder Foundation and Treasury Policies.	No breaches.
	Maintain Credit Rating.	Equal to New Zealand Government (when rated by same credit rating agency).
	Total Operating Income for the period to 30 June 2026 2025.	>\$31.4 million. >\$44.7 million
	Total Operating Expenses for the period to 30 June 2026 2025.	<\$11.5 million <\$12.1 million.
Optimising financial services for local government	Market Share.	>80%
	Total Lending to Participating Borrowers.	>\$23,957 million.
	Annual Survey.	>85% Satisfaction score.
	Refinance existing loans to councils.	100%
	Lending Requests.	100%
Environmental and social responsibility	Comply with the Health and Safety at Work Act 2015.	No notifiable incidents.
	Maintain Toitu Carbon Zero certification.	Carbon zero certification maintained.
	Meet carbon reduction targets.	< 8.7 tCO ₂ e annual per person GHG emissions. Reduction targets met.
	Increase Green, Social & Sustainable loans (GSS) and Climate Action Loans (CALs).	Two new GSS loans undertaken, and two three new borrowers enter into CALs.
	Develop a sustainable financing option for the water sector	New sustainable financing option is available to water entities.
	Enhance our insight into climate-related risks through council lending Meet all mandatory climate reporting standards.	Climate change is incorporated into LGFA's credit risk assessments. 100%
	Assess required governance skills for LGFA's climate-related risks and opportunities.	Develop a director skills matrix.
Effective management of loans	Provide annual seminar for councils updating them on latest sustainability developments, climate change impact and LGFA reporting requirements.	One seminar for councils and CEOs

Strategic Priority	Measure	Target 2025/26
	Review Participating Borrowers financial position.	100%
	Meet each participating borrower over a 15-month period.	100%
Industry leadership and engagement	Provide input into Local Water Done Well Legislation.	Provide feedback to DIA and Treasury during legislation drafting
	Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA.	Four quarterly updates to councils and CCOs.
	Meet annually with Crown Entities and Ministries to discuss sector issues from the LGFA perspective.	Nine meetings across stakeholders.
	Support councils with Local Water Done Well by providing timely and responsible advice for on-boarding water CCOs.	On-boarding process is underway for all water CCOs who have requested it.
	Provide a governance opportunity for a council or CCO staff member under the LGFA Future Director Programme.	One Future Director appointed for an 18-month term.

4.5 LGFA's financial forecasts include the following:

\$millions	SoI 24/25 Jun 2025	SoI 25/26 Jun 2026	SoI 25/26 Jun 2027	SoI 25/26 June 2028
Net interest income	\$29.9	\$42.8	\$39.2	\$43.4
Net profit	\$14.5	\$24.5	\$16.3	\$19.1
Total Assets	\$26,555	\$29,252	\$32,535	\$34,303
Shareholder equity	\$129	\$155	\$169	\$187

- 4.6 The financial performance targets are followed by a number of financial ratios including a return on equity target of 18.6% for 2025/26.
- 4.7 LGFA's primary stated objective continues to maximise benefits to participating borrowers rather than shareholders and as such, subject to the Board's legal obligations and views on appropriate capital structure, dividends are discretionary.
- 4.8 Notwithstanding the above, LGFA's dividend policy allows for an annual rate of return to shareholders equal to LGFA's fixed rate bond cost of funds plus 2.00% over the medium term.

5. Attachments/Separate Enclosures

Attachments:

- 1 Local Government Funding Agency Letter and Statement of Intent 2025-2028 (Doc #888841)

27 June 2025

Dear LGFA stakeholder

Statement of Intent 2025-2028

Please find attached the Statement of Intent (SOI) for the 2025-28 period.

LGFA remains focused on delivering strong results for our council borrowers and shareholders.

For our borrowing councils and CCOs we seek to optimise funding terms and conditions by

- Achieving savings in borrowing costs
- Provide longer dated funding and
- Provide certainty of access to markets.

For our shareholders we are focused on

- Delivering a strong financial performance
- Monitoring asset quality and
- Enhancing our approach to treasury and risk management.

The following points regarding the 2025-28 SOI are worth noting:

- As with previous years, there remains uncertainty within the SOI forecasts relating to the amount of both council loans and LGFA bonds outstanding as this depends upon the magnitude and timing of council borrowing. The actual amount of borrowing will be influenced by the ability of councils to deliver on the capex projections in their Long Term Plans (“LTPs”), any cost increases as well as the amount of Central Government assistance in funded capex delivery.
- The Local Water Done Well reform programme (“LWDW”) is progressing with the next key milestone being the publication of the Water Services Delivery Plans for each council. There remains uncertainty for the sector (and LGFA) as to the amount, timing and transition of assets, debt and revenue to the new water organisations. We have assumed that any impact from LWDW will start to occur in the last few months of the 2025-26 FY. For our council borrowing and bond issuance forecasting purposes we have used the 2024-34 LTPs from councils (that incorporate water related activities). The only adjustment made is that we have assumed that LGFA won’t be lending to financially independent water CCOs such as Watercare.
- We have made no assumptions regarding the impact to the SOI forecasts from the Ratepayer Assistance Scheme (“RAS”). LGFA has committed (subject to shareholder approval) to contributing towards the establishment and ongoing management of the RAS. It is too early to build any impact into the forecasts.

The changes made in the Final SOI compared to the Draft SOI that you received in February 2025 for comment have been:

- We have added a performance target relating to the LGFA Future Director Programme.
- Our forecasts for council borrowing are relatively unchanged with a \$200 million increase in forecast council borrowing in 2025-26 FY that is offset by a \$350 million reduction in 2026-27 FY. We have made no substantial change to our forecast LGFA bond issuance of \$5.15 billion (2025-26 FY) \$5.05 billion (2026-27 FY) and \$5 billion (2027-28 FY).
- The Net Interest Income forecast has reduced by \$200k, \$4.6 million and \$6.2 million in the 2025-26, 2026-27 and 2027-28 fiscal years due to a change in the assumed interest rate path and issuance spreads.
- Expenses are forecast to decrease by \$1.2 million in 2025-26 FY, \$1.1 million in 2026-27 FY and \$1.8 million in 2027-28 FY on a reduced usage of the NZDM liquidity facility.
- Forecast Net Operating Profit is forecast to increase in 2025-26 FY by \$1 million but reduce by \$3.4 million and \$4.3 million in the 2026-27 and 2027-28 fiscal years.

We remain committed to delivering the lowest possible borrowing cost to the sector, providing certainty of access to funding and long dated tenors to councils while at the same time protecting the interests of our guarantors and shareholders through maintaining a strong financial and capital position.

We thank you for your support of LGFA and please feel free to contact me if you have any questions or require further clarification on anything relating to the SOI or LGFA in general.

Yours sincerely



Mark Butcher
Chief Executive



2025 – 2028

Statement of Intent

LGFA



New Zealand Local
Government Funding Agency
Te Pūtea Kāwanatanga ā-rohe

1. Introduction

This Statement of Intent (SOI) sets out the nature and scope of the activities, objectives, and performance targets for the New Zealand Local Government Funding Agency Limited (LGFA) for the three-year period 1 July 2025 to 30 June 2028.

LGFA is enabled under the Local Government Borrowing Act 2011 and is a council-controlled organisation (CCO) for the purposes of the Local Government Act 2002.

The SOI is prepared in accordance with section 64(1) of the Local Government Act 2002.

2. Nature and scope of activities

LGFA raises debt funding for the purpose of providing debt financing to New Zealand local authorities and CCOs (members).

In August 2024, LGFA confirmed that it will provide financing to support water CCOs established under Local Water Done Well.

LGFA may raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency.

LGFA only lends to members that have completed required relevant legal and operational arrangements and comply with the LGFA's lending policies.

In addition, LGFA may undertake any other activities considered by the LGFA Board to be reasonably related, incidentally to, or in connection with, that business.

The LGFA Board has agreed subject to receiving Shareholder approval to support the development of the Ratepayer Assistance Scheme (RAS).

3. Our purpose Ta tatou kaupapa

Benefiting local communities through delivering efficient financing for local government.

Ka whiwhi painga ngā hapori mā te whakarato pūtea tōtika ki ngā kaunihera.



4. Our values Ō mātau uara

<p>We act with integrity</p> <p>E pono ana mātau</p> <p>We are honest, transparent and are committed to doing what is best for our customers and our company.</p>	<p>We are customer focused</p> <p>E arotahi ana mātau ki te kiritaki</p> <p>Our customers are our borrowers, investors, and all other organisations that we deal with. We listen to them and act in their best interests to deliver results that make a positive difference.</p>	<p>We strive for excellence</p> <p>E whakapau kaha mātau kia hiranga te mahi</p> <p>We strive to excel by delivering financial products and services that are highly valued at least cost while seeking continuous improvement in everything we do.</p>	<p>We provide leadership</p> <p>He kaiārahi mātau</p> <p>We are here for our stakeholders in being strategically minded, providing resilience and executing our strategy. We embrace a high-performance culture and can be relied upon to deliver results.</p>	<p>We are innovative</p> <p>He auaha mātau</p> <p>To meet our ever-changing customer requirements, we will encourage innovation and provide a diverse range of financial products and services.</p>
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5. Foundation objectives

The Shareholders' Agreement is a foundation document and states that, in accordance with the Local Government Act, in carrying on its business the objectives of the Company will be to:

- (a) achieve the objectives of the Shareholders (both commercial and non-commercial) as specified in the Statement of Intent. The Shareholders agree that the Company shall carry on its business with a view to making a profit sufficient to pay a dividend in accordance with the Dividend Policy, but that the primary objective of the Shareholders with respect to the Company is that it optimises the terms and conditions of the debt funding it provides to Participating Local Authorities;
- (b) be a good employer;
- (c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
- (d) conduct its affairs in accordance with sound business practice.

This Statement of Intent sets out the company's strategic priorities, together with associated objectives and performance targets, which align with the foundation objectives and have been agreed with shareholders.

6. Strategic priorities

The following five strategic priorities encompass the foundation objectives and guide the LGFA Board and management in determining our strategy, objectives, and associated performance targets.

Governance, capability, and business practice

LGFA is committed to best-practice corporate governance underpinned by sound business practice to ensure its long-term sustainability and success.

Optimising financing services for local government

LGFA's primary objective is to optimise the terms and conditions of the debt funding it provides to its members. Amongst other things, LGFA will achieve this by delivering operational best practice and efficiency across our lending products and services.

Environmental and social responsibility

LGFA recognises the risks inherent in climate change for councils and supports New Zealand's shift to a low-carbon economy. LGFA will exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so.

Effective management of loans

LGFA will ensure its loan book remains at a high standard by ensuring it understands each member's financial position and managing assets within an appropriate risk management framework to ensure shareholder value is not compromised.

Industry leadership and engagement

LGFA will take a proactive role to enhance the financial strength and depth of the local government debt market and will work with key central government and local government stakeholders on sector issues.



7. Objectives and performance targets

This section sets out LGFA's objectives and performance targets for SOI 2025-2028.

The financial performance targets are focused on the 2025-2026 year and, as applicable, are based on the financial forecasts outlined in section 8.

Governance, capability, and business practice

Objectives	How we measure our performance
Demonstrate best-practice corporate governance.	The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code.
Set and model high standards of ethical behaviour.	LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow.
Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent.	LGFA reports performance against objectives quarterly to shareholders and in our Annual Report, Half Year Report and Climate-Related Disclosures.
Ensure products and services offered to participating borrowers are delivered in a cost-effective manner.	LGFA prepares annual operating budgets and monitors progress against these monthly. Financial performance is reported quarterly to shareholders and in our Annual and Half Year Reports.
Be a good employer by providing safe working conditions, training and development and equal opportunities for staff	The Annual Report reports on our health and safety and wellbeing practices and policies, compliance with the Health and Safety at Work Act, diversity and inclusion and capability and development.

Performance targets	2025-2026 target
Comply with the Shareholder Foundation Policies and the Board-approved Treasury Policy at all times.	No breaches.
Maintain LGFA's credit rating equal to the New Zealand Government sovereign rating where both entities are rated by the same Rating Agency.	LGFA credit ratings equivalent to NZ Sovereign.
LGFA's total operating income, excluding unrealised gains / (losses) on financial instruments, for the period to 30 June 2026.	>\$44.7 million.
LGFA's total operating expenses (excluding Approved Issuer Levy) for the period to 30 June 2026.	<\$12.1 million.

Optimising financing services for local government

Objectives	How we measure our performance
Provide interest cost savings relative to alternative sources of financing.	Measure LGFA issuance spreads against other high-grade issuers in the New Zealand domestic capital markets.
Offer flexible short and long-term lending products that meet the borrowing requirements for borrowers.	Measure LGFA's share of overall council borrowing. Survey participating borrowers on an annual basis.
Deliver operational best practice and efficiency for lending services.	Monitor settlements errors for new trades and cashflows. Survey participating borrowers on an annual basis.
Ensure certainty of access to debt markets, subject always to operating in accordance with sound business practice.	Maintain a vibrant primary and secondary market in LGFA bonds. Monitor participation by investors at our tenders through bid-coverage ratios and successful issuance yield ranges. Have the ability to issue debt securities in NZD and foreign currency.

Performance targets	2025-2026 target
Share of aggregate long-term debt funding to the Local Government sector. The market share excludes entities who are ineligible for borrowing from LGFA e.g. water entities not financially supported by their parent councils.	> 80%.
Conduct an annual survey of Participating Borrowers who borrow from LGFA as to the value added by LGFA to the borrowing activities.	> 85% satisfaction score.
Successfully refinance existing loans to councils and LGFA bond maturities as they fall due.	100%.
Meet all lending requests from Participating Borrowers, where those requests meet LGFA operational and covenant requirements.	100%.

Environmental and social responsibility

Objectives	How we measure our performance
Assist the local government sector in achieving their sustainability and climate change objectives.	LGFA is committed to assist borrowers financing of projects that promote environmental and social wellbeing in New Zealand, and to encourage a reduction in greenhouse gas emissions and increase climate-resilience amongst borrowers. We do this through the development of lending products such as Green, Social & Sustainability (GSS) loans and Climate Action Loans (CALs). This objective will be measured by the number of new GSS loans and the number of new members eligible for CALs.
Improve sustainability outcomes within LGFA.	LGFA is committed to reducing our carbon emissions, increasing our resilience to climate change, and managing our climate-related risks and opportunities. To do this effectively, climate change considerations will be embedded into our governance, strategy and risk management functions.

Performance targets	2025-2026 target
Health and Safety	No notifiable incidents.
Maintain Toitū Carbon Zero certification	Carbon-zero certification maintained.
Meet reduction targets outlined in our carbon reduction management plan.	< 8.7 tCO ₂ e annual per person GHG emissions.
Increase our GSS lending book and Climate Action Loans	Two new GSS loans undertaken. Two new borrowers enter into CALs.
Develop a sustainable financing option for the water sector	New sustainable financing option is available to water entities.
Enhance our insight into climate-related risks through council lending	Climate change is incorporated into LGFA's credit risk assessments.
Assess required governance skills for LGFA's climate-related risks and opportunities.	Develop a director skills matrix.

Effective management of loans

Objectives	How we measure our performance
Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies. Analyse finances at the Council group level where appropriate and report to shareholders.	LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all councils on the LGFA borrower watch-list. Member councils are required to complete annual compliance certificates by the end of November each year.
Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested	Number of members visited in a year
Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period.	LGFA will be able to ensure the successful transition of existing council water-related loans to Water CCOs (if requested by a council)

Performance targets	2025-2026 target
Review each Participating Borrower's financial position.	100%.
Arrange to meet each Participating Borrower over a 15-month period, including meeting with elected officials as required, or if requested.	100%.

Industry leadership and engagement

Objectives	How we measure our performance
Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues.	<p>Report on actions undertaken and progress made on sector issues.</p> <p>Identifying any legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions.</p> <p>Assist the local government sector with understanding any legislative or Central Government policy changes that may impact LGFA.</p> <p>Provide the opportunity for a Council or CCO staff member to enhance their governance understanding and skills through the LGFA Future Director Programme.</p>
Support the local government sector with the transition to the Local Water Done Well Reforms by assisting with the development options for the Water Services Delivery Plans and communicating our requirements (lending, financial covenants, reporting), as well as loan pricing guidance, implementation considerations and views on best practice.	Report on our sector-wide engagement and initiatives with assisting members' transition to the Local Water Done Well Reforms.

Performance targets	2025-2026 target
Provide quarterly updates to shareholders and borrowers on sector developments that are impacting LGFA	Four quarterly updates to councils and CCOs.
Meet annually with Infrastructure Commission, Local Government New Zealand, Taituara, Water New Zealand, Infrastructure New Zealand, Crown Infrastructure Partners, Department of Internal Affairs, Treasury and Minister's office to discuss sector issues from an LGFA perspective	Nine meetings across stakeholders.
Support councils with Local Water Done Well by providing timely and responsible advice for on-boarding water CCOs.	On-boarding process is underway for all water CCOs who have requested it.
Provide a governance opportunity for a council or CCO staff member under the LGFA Future Director Programme.	One Future Director appointed for an 18 month term.



8. Financial forecasts

LGFA's financial forecasts for the three years to 30 June 2028:

Summary comprehensive income \$m	Jun 26	Jun 27	Jun 28
Net interest income	42.8	39.2	43.4
Other operating income	1.9	1.9	1.9
Total income	44.7	41.1	45.3
Operating expenses ¹	20.2	24.8	26.2
Net profit	24.5	16.3	19.1
Financial position \$m	Jun 26	Jun 27	Jun 28
Liquid assets portfolio	4,501	5,787	6,192
Loans	24,751	26,498	26,861
Water loans	-	250	1,250
Other assets	-	-	-
Total assets	29,252	32,535	34,303
NZD bonds on issue (ex Treasury stock)	16,466	16,045	16,852
Foreign Currency bonds on issue	9,552	12,702	13,240
Bills & ECP on issue	2,042	2,042	2,042
Borrower notes	1,073	1,506	1,822
Other liabilities	-	-	-
Total liabilities	29,133	32,296	33,955
Capital	25	25	25
Retained earnings	132	146	164
Dividend	(2)	(2)	(2)
Shareholder equity	155	169	187
Ratios	Jun 26	Jun 27	Jun 28
Liquid assets/funding liabilities	16.6%	19.1%	19.4%
Liquid assets / total assets	15.4%	17.8%	18.0%
Net interest margin	0.17%	0.15%	0.16%
Cost to income ratio	45.1%	60.3%	57.8%
Return on average assets	0.08%	0.05%	0.06%
Shareholder equity/total assets	0.5%	0.5%	0.5%
Shareholder equity + BN/total assets	4.2%	5.2%	5.9%
Asset growth	12.1%	11.2%	5.4%
Loan growth	10.0%	7.1%	1.4%
Return on equity	18.6%	10.5%	11.3%
Capital ratio	21.0%	25.8%	29.3%

1. Operating Expenses include Approved Issuer Levy (AIL)

The above forecasts assume a gross bond issuance programme of \$5.15 billion (FY26), \$5.05 billion (FY27) and \$5.0 billion (FY28) based upon term gross lending to councils and CCOs of \$5.08 billion (FY26), \$5.74 billion (FY27) and \$6.06 billion (FY28).

Note: The forecasts include consideration that LGFA will provide financing to support water CCOs established under Local Water Done Well. However, there is a level of uncertainty regarding the financial forecasts for both council borrowing and LGFA bond issuance due to the uncertainty relating to the timing of the establishment of water CCOs and the impact on councils.

Our council lending and LGFA bond issuance forecasts include LGFA lending to the proposed water CCOs if they meet our qualifying criteria for membership. We have assumed we will not be lending to financially independent water CCOs such as Watercare as they are unlikely to meet the qualifying criteria. As at the date of release, there have been no Water Services Delivery Plans approved and no final decisions made regarding the transfer mechanism for assets, liabilities and revenue from each council to the proposed water organisations.

Ratepayer Assistance Scheme

LGFA is supporting the development of the Ratepayer Assistance Scheme ("RAS") that will assist ratepayers with the ability to defer rates, enter property improvement loans and spread the payment of development contributions (or levies) over a long time horizon. LGFA has committed to financially contribute to the RAS business case in the 2024-25 FY. If the business case is supportive and the RAS proceeds then (subject to shareholder approval), LGFA will consider taking a shareholding, providing a debt facility, providing support services, investing in preference shares (akin to the LGFA Borrower Notes) and managing the RAS debt issuance programme. The LGFA participation in RAS has not been factored into the above financial forecasts.

9. Dividend policy

LGFA primary objective is to maximise benefits to participating borrowers rather than shareholders. Consequently, it is intended to pay a limited dividend to shareholders.

The Board's policy is to pay a dividend that provides an annual rate of return to shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

At all times payment of any dividend will be discretionary and subject to the Board's legal obligations and views on appropriate capital structure.

10. Governance

Board

The Board is responsible for the strategic direction and control of LGFA's activities. The Board guides and monitors the business and affairs of LGFA, in accordance with the Companies Act 1993, the Local Government Act 2002, the Local Government Borrowing Act 2011, the Company's Constitution, the Shareholders' Agreement for LGFA and this SOI.

The Board comprises seven directors with six being independent directors and one being a non-independent director.

The Board's approach to governance is to adopt best practice with respect to:

- The operation of the Board.
- The performance of the Board.
- Managing the relationship with the Company's Chief Executive.
- Being accountable to all Shareholders.

All directors are required to comply with a formal Charter.

The Board will meet on a regular basis and no fewer than six times each year.

Shareholders' Council

The Shareholders' Council is made up of between five and ten appointees of the Shareholders (including an appointee from the Crown). The role of the Shareholders' Council is to:

- Review the performance of LGFA and the Board, and report to Shareholders on that performance on a periodic basis.
- Make recommendations to Shareholders as to the appointment, removal, replacement, and remuneration of directors.
- Make recommendations to Shareholders as to any changes to policies, or the SOI, requiring their approval.
- Ensure all Shareholders are fully informed on LGFA matters and to coordinate Shareholders on governance decisions.

11. Information to be provided to Shareholders

The Board aims to ensure that Shareholders are informed of all major developments affecting LGFA's state of affairs, while at the same time recognising both LGFA's obligations under NZX Listing Rules and that commercial sensitivity may preclude certain information from being made public.

Annual Report

The LGFA's balance date is 30 June.

By 30 September each year, the Company will produce an Annual Report complying with Sections 67, 68 and 69 of the Local Government Act 2002, the Companies Act 1993 and Financial Reporting Act 2013. The Annual Report will contain the information necessary to enable an informed assessment of the operations of the company, and will include the following information:

- Directors' Report.
- Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position, Statement of Cashflows, Statement of Accounting Policies and Notes to the Accounts.
- Comparison of the LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Auditor's Report on the financial statements and the performance targets.
- Any other information that the directors consider appropriate.

Climate-Related Disclosures

By 30 September each year, the Company will produce Climate-Related Disclosures in accordance with the Aotearoa New Zealand Climate Standards issued by the External Reporting Board.

The Climate Standards require the Company to disclose climate-related information across the following four thematic areas:

- Governance
- Strategy
- Risk management
- Metrics and targets.

Half Yearly Report

By 28 February each year, the Company will produce a Half Yearly Report complying with Section 66 of the Local Government Act 2002. The Half Yearly Report will include the following information:

- Directors' commentary on operations for the relevant six-month period.
- Unaudited half-yearly Financial Statements incorporating a Statement of Financial Performance, Statement of Movements in Equity, Statement of Financial Position and Statement of Cashflows.

Quarterly Report

By 31 January, 30 April, 31 July, and 31 October each year, the Company will produce a Quarterly Report. The Quarterly Report will include the following information:

- Commentary on operations for the relevant quarter, including a summary of borrowing margins charged to Participating Borrowers (in credit rating bands).
- Comparison of LGFA's performance regarding the objectives and performance targets set out in the SOI, with an explanation of any material variances.
- Analysis of the weighted average maturity of LGFA bonds outstanding.
- In the December Quarterly Report only, commentary on the Net Debt/Total Revenue percentage for each Participating Local Authority that has borrowed from LGFA (as at the end of the preceding financial year).
- To the extent known by LGFA, details of all events of review in respect of any Participating Borrower that occurred during the relevant quarter (including steps taken, or proposed to be taken, by LGFA in relation thereto).
- Details of any lending to CCOs during the quarter and the amount of CCO loans outstanding.
- Commentary on sustainability initiatives.

Statement of Intent

By 1 March in each year the Company will deliver to the Shareholders its draft SOI for the following year in the form required by Clause 9(1) of Schedule 8 and Section 64(1) of the Local Government Act 2002.

Having considered any comments from the Shareholders received by 30 April, the Board will deliver the completed SOI to the Shareholders on or before 30 June each year.

Shareholder Meetings

The Board will hold an Annual General Meeting between 30 September and 30 November each year to present the Annual Report to all Shareholders.

The Company will hold a meeting with the Shareholders' Council approximately every six months – prior to the Annual General Meeting and after the Half Yearly Report has been submitted. Other meetings may be held by agreement between the Board and the Shareholders' Council.

12. Acquisition/divestment policy

LGFA will invest in securities in the ordinary course of business. It is expected that these securities will be debt securities. These investments will be governed by LGFA's lending and/or investment policies as approved by the Board and/or Shareholders.

Any subscription, purchase, or acquisition by LGFA of shares in a company or organisation will, if not within those investment policies, require Shareholder approval other than as concerns the formation of wholly-owned subsidiaries and the subscription of shares in such wholly-owned subsidiaries.

13. Activities for which compensation is sought from Shareholders

At the request of Shareholders, LGFA may (at its discretion) undertake activities that are not consistent with its normal commercial objectives. Specific financial arrangements will be entered into to meet the full cost of providing such activities.

Currently there are no activities for which compensation will be sought from Shareholders.

14. Commercial value of Shareholder's investment

LGFA will seek to maximise benefits to Participating Local Authorities as Borrowers rather than Shareholders.

Subject to the Board's views on the appropriate capital structure for LGFA, the Board's intention will be to pay a dividend that provides an annual rate of return to Principal Shareholders equal to LGFA fixed rate bond cost of funds plus 2.00% over the medium term.

As the Shareholders will have invested in the LGFA on the basis of this limited dividend, the Board considered that at establishment the commercial value of LGFA was equal to the face value of the Shareholders' paid up Principal Shares – \$25 million.

In the absence of any subsequent share transfers to the observed share transfers on 30 November 2012, the Board considers the current commercial value of LGFA is at least equal to the face value of the Shareholders' paid up Principal Shares of \$25 million. This equates to a value per share of \$1.00.

15. Accounting policies

LGFA has adopted accounting policies that are in accordance with the New Zealand International Financial Reporting Standards and generally accepted accounting practice.

Statement of Accounting Policies

1. REPORTING ENTITY

The New Zealand Local Government Funding Agency Limited (LGFA) is a company registered under the Companies Act 1993 and is subject to the requirements of the Local Government Act 2002.

LGFA is controlled by participating local authorities and is a council-controlled organisation as defined under section 6 of the Local Government Act 2002. LGFA is a limited liability company incorporated and domiciled in New Zealand.

The primary objective of LGFA is to optimise the debt funding terms and conditions for participating borrowers.

The registered address of LGFA is Level 8, City Chambers, 142 Featherston Street, Wellington Central, Wellington 6011.

2. STATEMENT OF COMPLIANCE

LGFA is an FMC reporting entity under the Financial Markets Conduct Act 2013 (FMCA). These financial statements have been prepared in accordance with that Act and the Financial Reporting Act 2013. LGFA's bonds are quoted on the NZX Debt Market.

LGFA is a profit orientated entity as defined under the New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS).

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP) and they comply with NZ IFRS and other applicable Financial Reporting Standard, as appropriate for Tier 1 for-profit entities. The financial statements also comply with International Financial Reporting Standards (IFRS).

3. BASIS OF PREPARATION

Measurement base

The financial statements have been prepared on a historical cost basis modified by the revaluation of certain assets and liabilities.

The financial statements are prepared on an accrual basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars rounded to the nearest thousand, unless separately identified. The functional currency of LGFA is New Zealand dollars.

Foreign currency conversions

Transactions denominated in foreign currency are translated into New Zealand dollars using exchange rates applied on the trade date of the transaction.

Changes in accounting policies

There have no changes to accounting policies.

Early adoption standards and interpretations

LGFA has not early adopted any standards.

Standards not yet adopted

LGFA does not consider any standards or interpretations in issue but not yet effective to have a significant impact on its financial statements.

Financial instruments

Financial assets

Financial assets, other than derivatives, are recognised initially at fair value plus transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Cash and cash equivalents include cash on hand, bank accounts and deposits with an original maturity of no more than three months.

Cash provided by LGFA as security for financial arrangements remains a financial asset of LGFA and is recognised as cash pledged as collateral in the Statement of Financial Position, separate from cash and cash equivalents.

Purchases and sales of all financial assets are accounted for at trade date.

At each balance date, an expected credit loss assessment is performed for all financial assets and is calculated as either:

- Credit losses that may arise from default events that are possible within the next 12 months, where no significant increase in credit risk has arisen since acquisition of the asset, or
- Credit losses that may arise from default events that are possible over the expected life of the financial asset, where a significant increase in credit risk has arisen since acquisition of the asset.

Impairment losses on financial assets will ordinarily be recognised on initial recognition as a 12-month expected loss allowance and move to a lifetime expected loss allowance if there is a significant deterioration in credit risk since acquisition.

Financial liabilities

Financial liabilities, other than derivatives, are recognised initially at fair value less transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Derivatives

Derivative financial instruments are recognised both initially and subsequently at fair value. They are reported as either assets or liabilities depending on whether the derivative is in a net gain or net loss position respectively.

Fair value hedge

Where a derivative qualifies as a hedge of the exposure to changes in fair value of an asset or liability (fair value hedge) any gain or loss on the derivative is recognised in profit and loss together with any changes in the fair value of the hedged asset or liability.

The carrying amount of the hedged item is adjusted by the fair value gain or loss on the hedged item in respect of the risk being hedged. Effective parts of the hedge are recognised in the same area of profit and loss as the hedged item.

Other assets

Property, plant and equipment

Items of property, plant and equipment are initially recorded at cost.

Depreciation is charged on a straight-line basis at rates calculated to allocate the cost or valuation of an item of property, plant and equipment, less any estimated residual value, over its remaining useful life.

Intangible assets

Intangible assets comprise software and project costs incurred for the implementation of the treasury management system. Capitalised computer software costs are amortised on a straight-line basis over the estimated useful life of the software (three to seven years). Costs associated with maintaining computer software are recognised as expenses.

Other liabilities

Employee entitlements

Employee entitlements to salaries and wages, annual leave and other similar benefits are recognised in the profit and loss when they accrue to employees.

Revenue

Interest income

Interest income is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount. The method applies this rate to the principal outstanding to determine interest income each period.

Expenses

Expenses are recognised in the period to which they relate.

Interest expense

Interest expense is accrued using the effective interest rate method.

The effective interest rate exactly discounts estimated future cash payments through the expected life of the financial liability to that liability's net carrying amount. The method applies this rate to the principal outstanding to determine interest expense each period.

Income tax

LGFA is exempt from income tax under Section 14 of the Local Government Borrowing Act 2011.

Goods and services tax

All items in the financial statements are presented exclusive of goods and service tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Segment reporting

LGFA operates in one segment being funding of participating borrowers in New Zealand.

Judgements and estimations

The preparation of these financial statements requires judgements, estimates and assumptions that affect the application of policies and reported amounts. For example, the fair value of financial instruments depends critically on judgements regarding future cash flows, including inflation assumptions and the risk-free discount rate.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates and these estimates and underlying assumptions are reviewed on an ongoing basis. Where these judgements significantly affect the amounts recognised in the financial statements they are described in the following notes.

+Document ID: 857786

Report To: Council**Meeting Date:** 29 July 2025**Subject:** **Bi-Monthly Activity Report: Instructure Services****Type:** Information Only**Author(s):** Shyamal Ram
General Manager – Infrastructure Services**1. Purpose of Report**

- 1.1. The purpose of this business paper is to update Council on the activities that form part of the Infrastructure Services 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: Infrastructure Services be received.

3. Background

- 3.1 At its meeting on 28 February 2023, 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 Infrastructure Services report provides commentary on activities and operational projects covering three waters, roading, waste management, housing, and other property.
- 3.4 The report provides relatively high-level detail and will provide commentary on significant, not 'business as usual' matters.
- 3.5 Each sub-group will cover the following:

Current Activity This narrative will cover operational projects, any further narrative on capital expenditure projects not covered in the bi-monthly financial report, issues, and operational topics in these activities.

Risks and Opportunities Providing a comment on any risks/opportunities that are important to note.

Looking Forward What is happening in the next 1-3 months to give a picture of what is coming up.

4. Roads and Footpaths

- 4.1 The Roads and Footpaths group of activities incorporates maintenance and renewal of the road surface, pavement, footpaths and other roading assets such as bridges and structures.

4.2 **CURRENT ACTIVITY**

- 4.3 The Capital Works Programme has progressed well with most sites completed this financial year.
- 4.4 The three yearly NZTA audit was completed between 19 – 23 May 2025. There are a few minor issues to resolve but overall, the report was very favourable regarding NZTA funded works. The auditor made comment that it was the best one he had done this year and that Waitomo District Council is sitting in the top 25% of councils nationwide.
- 4.5 The work to reduce anti-social driving around Centennial Park has been completed. This involved the line marking as well as installation of concrete islands. No complaints have been received to date and the new layout seems to be working well.

4.6 **LOW-COST LOW-RISK (LCLR)**

- 4.7 The Kent Street Slip Repair Project falls within the LCLR funding. The contract was tendered and awarded in May 2025. The work is expected to take eight weeks to complete. The start has been postponed until September 2025 to allow for better, drier conditions for the retaining wall construction.
- 4.8 The Resealing Programme has been completed. The Forward Work Plan for next year, is currently being completed.

4.9 **SPEED MANAGEMENT**

- 4.10 The tender for the Speed Management Contract was awarded to Inframax. Work has started in Te Kuiti, to install the bases for the signs. Urban areas were prioritised to get as much done through the school holidays as possible before moving to the rural areas.

4.11 **STORM RECOVERY.**

- 4.12 The North Island Weather Event (NIWE) has seven Category B & C sites which are to be completed shortly. These are all currently awarded contracts. The approximate recovery costs of these sites including the initial responses are approximately \$4.9M.

- 4.13 The sites include:

- Mangaokewa North Road – Culvert Extension - Completed
- Te Anga Road – Mass Block Wall – Completed
- Rangitoto Road – Timber Pile Retaining Wall – Completed
- Kawhia Harbour Road – Rock Revetment - Under Construction
- Te Waitere Road (x2) - Road Retreat and Rock Revetment – Under Construction
- Ramaroa Road - Stream Protection Works and Culvert Lining - Under Construction

- 4.14 All the storm event works have been funded at our current funding assistance rate (75%) plus an additional 20% funding for a total of 95% funding.

4.15 **RISKS AND OPPORTUNITIES**

- 4.16 The NZTA rehab work on Carroll Street was delayed until later this year. NZTA and their contractor, Fulton Hogan, made this decision as they deemed it too close to the Autumn / Winter period to be able to confidently complete the work without additional risk due to the weather. This has now been pushed out for twelve months until early 2026, as there are water springs suspected under the pavement which NZTA wants to monitor to see how the pavement holds up.
- 4.17 Lawrence Street Rehab was postponed until a later date. This is due to the NZTA rehab on Carroll Street being delayed and the site possibly sustaining damage from the detour route. We have progressed Walker Road this year instead of Lawrence Street and this has now been completed.

4.18 **LOOKING FORWARD – THE NEXT 3 MONTHS**

- 4.19 Within the next few weeks, the six Storm Recovery Emergency Works identified at sites on Kawhia Harbour, Te Waitere, Rangitoto, Te Anga, and Ramaroa Roads will be completed.
- 4.20 Work is ongoing on the Bridge Maintenance Forward Works Programme. Minor works are done through the maintenance contract with larger works being tendered as a larger package of work.

- 4.21 The Resealing Programme for 2025/26, to be finalised.
- 4.22 Over the period from 4 - 7 July 2025 and 11 July, the district had a number of roads sustaining storm damage from the heavy rains. Inframax responded to make safe and clear up the initial damage. We are currently compiling a full record of the damage including further work required as well as cost estimates to repair. This will be submitted to NZTA to seek additional funding for repairs.
- 4.23 The majority of the storm damage is smaller work that will be managed within the maintenance contract. There are a few sites that will require further investigation and possible design to enable reconstruction.
- 4.24 The larger sites are:
- Gribbon Road – three sites
 - Kakara Road – one site
 - Kumara Road – two sites
 - Mangaorongo Road – seven sites
 - Mangatōa Road- three sites
 - Mokau Valley Road – one site
 - Mokauti Road – two sites
 - Papakauri Road -one site
 - Rangitoto Road – two sites
 - Speedies Road – two sites
 - Te Anga Road – seven sites
 - Te Waitere Road – two sites
 - Walker Road – one site
 - Whakapirau Road – one site
- 4.25 There were a total of 106 sites across the district over the 2 weekends. Initial estimate is approximately \$980k for repairs but will be confirmed after further investigation.

5. Three Waters

- 5.1 The Three Waters group of activities includes drinking water, wastewater, stormwater, and management of treatment plants and the reticulation network. This section will also cover a summary of transition activities relating to the three waters reform.
- 5.2 **CURRENT ACTIVITY**
- 5.3 **THREE WATERS REFORM**
- 5.4 The CEOs and staff of the seven participating councils are now developing plans to consider the formation of a Waikato Waters Council Controlled Organisation. The water service delivery plans are being developed. The temporary office site is close to finalisation.
- 5.5 **DRINKING WATER**
- 5.6 **WATER RESILIENCE PROJECT**
- 5.7 Council has approved additional funding and has allowed for the award of the contract. We are working on final sign off for the easement agreement with the landowner, for the new proposed reservoir and we are updating the documents to reflect the changes made, to reduce ambiguity between both parties before final sign off. The pre-start meeting was held with the contractor on 16 July.
- 5.8 All Water Treatment Plants and schemes are business as usual (BAU) and operating efficiently.
- 5.9 Work continues with Piopio Water Treatment Plant intake pumping system upgrade. A pump station shed is being built, installation of two raw water pumps, together with the SCADA/Telemetry system and electricity to operate the pumps. This system will allow maintenance to be carried out safely.

- 5.10 Installation of a safety platform next to the Piopio Water Treatment Plant to carry out sample taking from the river water was completed. The risk of falling into a fast-flowing river during rainfall is high and could be fatal.
- 5.11 We have completed the on-line static mixer inside the main pipe that feeds the large concrete reservoir at the Mokau Water Treatment Plant. This mixer will ensure chemicals added to the water will be thoroughly mixed before water enters the reservoir. This is also part of the Water Safety Improvement Plan to prevent ineffective disinfection of micro-organisms.
- 5.12 Mokau Water Treatment Plant had two landslides recently due to heavy rainfall. Both landslides were cleared immediately by our Roading Contractor (Inframax).
- 5.13 Thorough investigations, and long-term solutions to prevent further landslides coming down to the Treatment Plant will be made when the weather improves.
- 5.14 **WASTEWATER**
- 5.15 The first year of the sludge removal contract to remove sludge over a three-year period has been completed..
- 5.16 We improved the waveband along the first and second pond at the Te Kuiti Wastewater Plant.
- 5.17 All Wastewater Treatment Plants and schemes are BAU and operating efficiently. During the heavy rainfall events, some parts of Te Kuiti and Piopio experienced wet weather overflows as a result of inflow and infiltration in the network.
- 5.18 3 Waters Renewal 2024-27 Separable Portion 1 update:
- Hospital Road Sewer renewal will start on 12 May and is expected to be completed in September 2025.
 - King Street West Wastewater Renewal is now completed.
- 5.19 **STORMWATER**
- 5.20 Inspections of the critical stormwater reticulation network, such as open channels, wingwalls and screens continue to be monitored before, during, and after heavy rainfall events. Site inspection and confirmation of stormwater manholes for modelling work in Te Kuiti started on 20 February 2025 and was expected to be completed in the next few months. The output will identify areas with flooding risk.
- 5.21 3 Waters Renewal 2024-27 Separable Portion 1 update:
- Hospital Road Stormwater Renewal is completed.
 - Awakino Stormwater Renewal will take place between 30 June – July 2025.
- 5.22 **RISKS AND OPPORTUNITIES**
- 5.23 **Risks:** With the heavy rainfall experienced recently, the risk of wet weather overflows are high.
- 5.24 **LOOKING FORWARD – THE NEXT 3 MONTHS**
- 5.25 Work is continuing on inspections and servicing of all 199 domestic sewer pumps for each property in the Piopio township. 149 of them have been inspected already.
- 5.26 Sewer pump station wet wells are continuing to be pumped out and cleaned. However, the programme is on hold due to recent high rainfall.

6. Waste Management

- 6.1 The Waste Management activity incorporates Landfill, Kerbside Collections and Transfer Station operations.

6.2 **CURRENT ACTIVITY**

- 6.3 The decision to mothball the landfill has been finalised by Council.
- 6.4 The existing kerbside contract expires 30 June 2026. The Request for Tender (RFT) has been released to the market. The new contract will cover site operations at the Te Kūiti Transfer Station, along with the haulage and disposal of refuse from the transfer station to a suitable regional facility. A joint tender process with Ōtorohanga District Council is planned, while individual contracts for district-specific services will still be maintained.
- 6.5 Two 100-meter Novoflo lines will be installed at the bottom of the landfill highwall to improve drainage. The project involves supplying and installing 150mm diameter Novoflo piping to replace the existing drainage system beneath the highwall, connecting it to the existing standpipe.
- 6.6 A formal response letter has been sent to all residents who received the rural kerbside survey, expressing appreciation for their time and participation and advising them of the outcome.

6.7 **RISKS AND OPPORTUNITIES**

- 6.8 The installation of the stormwater Novoflo that are surrounding the landfill face may be delayed due to bad weather.

6.9 **LOOKING FORWARD – THE NEXT 3 MONTHS**

- 6.10 We continue to monitor the leachate levels in the stormwater near the landfill.

7. **Property and Facilities**

- 7.1 The Property and Other Facilities activity covers:

- Parks and Reserves
- Public Amenities
- Residential and Elder Housing
- Library
- i-Site
- Railway and Administration Buildings
- Aerodrome
- Holiday Parks

7.2 **CURRENT ACTIVITY**

- 7.3 The Piopio toilets are currently pending installation and connection of the fibre service by Chorus. Once connected, the camera will be integrated back into our network rather than operating as a standalone system.
- 7.4 The Te Kuiti Holiday Park was permanently closed on 14 July 2025. The unit will be decommissioned and prepared for relocation at a cost of approximately \$60,000. The Project Management Framework (PMF) is currently in progress to coordinate its relocation to the Marokopa Holiday Park.
- 7.5 The blue slide will be replaced at Redwood Park due to the existing slide being split.
- 7.6 Requests for quotes are being sought for the repair of filter laterals and media replacement at the Aquatic Centre.
- 7.7 Think Project (RAMM) has been provided with all the asset management data to upload to the new register and is scheduled to be completed shortly. Additionally, training for field staff will commence before the end of July 2025. This will eventually be rolled out across all the properties and facilities.

7.8 **RISK AND OPPORTUNITIES**

- 7.9 The primary risk during this period is that the Chorus timeframes keep changing, delaying our ability to install new remote cameras.

- 7.10 A risk that the time frame for making the Te Kuiti Holiday Park building operational in Marokopa by Labour Weekend may be challenging to meet if the movers cannot schedule within this time frame.
- 7.11 **LOOKING FORWARD – THE NEXT 3 MONTHS**
- 7.12 The pool being repainted at the cost of the painting contractor.
- 7.13 Field work phase for the Community Asset Management Project to get underway.

Document ID: 892592

Report To: Council**Meeting Date:** 29 July 2025**Subject:** **2024/2025 Annual Report on Waitomo District Council Dog Control Policy and Practices****Type:** Decision Required**Author(s):** Michelle Clark
Team Leader – Monitoring and EnforcementAlex Bell
General Manager – Strategy and Environment**1. Purpose of Report**

- 1.1 The purpose of this business paper is present for consideration and adoption the Waitomo District Council Dog Control Policy and Practices Report 2024/2025 ("the Report").

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 2024/2025 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.

3. Background

- 3.1 Section 10A of the Dog Control Act 1996 ("the Act") requires councils to report annually on the administration of their Dog Control Policy and Practices. This has been a requirement since the Act was amended in 2003.

4. Commentary

- 4.1 Section 10A of the Act specifies the information that Council must include in its report in respect of each financial year as follows:
- "a) the number of registered dogs in the territorial authority district:
 - (b) the number of probationary owners and disqualified owners in the territorial authority district:
 - (c) the number of dogs in the territorial authority district classified as dangerous under section 31 and the relevant provision under which the classification is made:
 - (d) the number of dogs in the territorial authority district classified as menacing under section 33A or section 33C and the relevant provision under which the classification is made:
 - (e) the number of infringement notices issued by the territorial authority:
 - (f) the number of dog related complaints received by the territorial authority in the previous year and the nature of those complaints:
 - (g) the number of prosecutions taken by the territorial authority under this Act."

- 4.2 The Report addresses all the matters required by the Act.
- 4.3 Section 10A also specifies that Council must publically notify the Report within one month of adopting the report, publish the report online, and send a copy of it to the Secretary for Local Government.
- 4.4 In preparing this year's report, we noted that the module we had been using to calculate the dog numbers for the 10A Report was not consistent with the reports we run for dog registration. We have now corrected this, and elected members will note that the number of registered dogs for last year has reduced. We have also corrected last year's report and republished this on the website.

5. Considerations

6.1 RISK

- 6.2 There is no risk to Council in adopting this report.

6.3 SIGNIFICANCE AND COMMUNITY VIEWS

- 6.4 This is not a significant decision (in accordance with Council's Significance and Engagement Policy) and there is no requirement for Council to consider any affected persons. Providing the report to the Secretary of Local Government is an operational matter.

6. Attachments/Separate Enclosures

Attachment:

- 1 2024/2025 Annual Report on Waitomo District Council Dog Control Policy and Practices
(Doc #892593)

WAITOMO DISTRICT COUNCIL

DOG CONTROL POLICY AND PRACTICES REPORT

2024/2025

1 INTRODUCTION

This is Waitomo District Council's (WDC) annual report on Dog Control Policy and Practices for the period 1 July 2024 to 30 June 2025, as required by section 10A of the Dog Control Act 1996 (the Act).

2 DOG CONTROL POLICY AND PRACTICES

Dog Control in the District

- 2.1 The total number of active dogs on WDC's Register at the end of the 2024/2025 registration year was 2,946 a decrease of 83 dogs from 2023/2024.
- 2.2 WDC provides a twenty-four-hour Animal Control Service, with Animal Control Officers ("ACO") covering this function during normal business hours. Any urgent animal control service requests received after-hours (including weekends and public holidays) are responded to by an after-hour's contractor. Training is provided to the Contractors, with both providers working closely together on animal control matters.
- 2.3 WDC also maintains good working relationships with the local Police, veterinarians, and the Waikato SPCA, Waipa District Council and Pound Hounds.
- 2.4 WDC employs one full time ACO, a Pound Officer, a Compliance Administrator and a Team Leader – Monitoring and Enforcement who has oversight over the ACO function and management of the pound. We currently also have a part time fixed term ACO until the end of August 2025 while a member of staff is on long term sick leave.
- 2.5 The ACO works predominantly in the field, whilst the Compliance Administrator oversees the administration of the WDC Database, the National Dog Database (NDD), and the registration process.
- 2.6 WDC operates a Dog Pound in William Street, Te Kuiti. The Pound equipment is updated on an as needed basis. Considerable improvements have been made to the Dog Pound in recent years to improve health and safety.
- 2.7 This year, there was an increase in the number of dogs impounded from the previous year. 164 dogs were impounded (150 in 2023/2024), with 100 dogs returned to their owner, 45 dogs euthanized, 11 re-homed, 2 remain alive at the Pound for rehoming and 6 surrendered to the SPCA.
- 2.8 The owners of impounded dogs are required to pay an impounding fee, as well as registration fees if the dog is unregistered, plus micro-chipping fees if applicable. In addition, sustenance fees are charged for each day the dog is in the pound.

- 2.9 Microchipping continues to be a key focus. It is noted that the Act requires dogs being registered for the first time to be chipped within two months of registration (with herding dogs exempt from the requirement) and classified dangerous and menacing dogs are also required to be microchipped.
- 2.10 Microchipping is carried out by the ACO who has the appropriate training to perform the task. Owners are charged a nominal fee of \$30 to cover costs.
- 2.11 The WDC Dog Control Policy and Bylaw were reviewed and formally adopted on 30 June 2025 and is not due to be reviewed until June 2035.

Dog Control Enforcement Practices

- 2.12 For this period, WDC received 561 dog control related complaints (459 in 2023/2024) that required action.
- 2.13 WDC takes a pragmatic approach to enforcement, and generally attempts to educate dog owners in the first instance. For example, if a registered dog is picked up for a first wandering offence, the dog might be returned to the owner with a verbal warning, rather than impounding.
- 2.14 Complaints relating to wandering dogs numbered 391 this year (242 in 2023/2024). In addition, 50 complaints were received in relation to barking dogs (82 in 2023/2024), and 32 complaints were received for rushing/aggression (50 in 2023/2024). WDC works with complainants to identify and capture wandering dogs, sometimes using WDC owned cage traps if required.
- 2.15 In respect of barking complaints, most are resolved quickly once the owner is advised of the issue and has been provided advice on methods to resolve the issue. Where the issue is not resolved within a timely manner, an Abatement Notice is issued (as provided by the Act) and this has proven to be a useful tool in these circumstances. WDC issued no barking Abatement Notices in this period.
- 2.16 WDC received 31 complaints related to attacks, rushing and/or aggressive dog incidents (28 in 2023/2024). Each incident is investigated, and a report completed (including an attack rating assessment). Upon completion of the investigation and reporting, a decision is made (and recorded) as to what action is appropriate as per the requirements of the Act. Each incident is assessed on its merits on a case-by-case basis.
- 2.17 For this period, 80 (67 in 2023/2024) Infringement Notices have been issued and have since either been paid by the Dog Owner or sent to the Court.
- 2.18 The Infringement Notices were issued as follows:
- None for wilful obstruction of officer
 - None for failure/refusal to supply info
 - 13 for failure to comply with a bylaw
 - Five for failure to comply with effects of the class
 - 53 for breach of section 42 (failure to register dog)
 - One for breach of section 52A (failure to keep dog controlled or confined)
 - Six for breach of section 53(1) (failure to keep dog under control)
 - Two for failure to advise address change

Dogs Prohibited, Leash Only and Dog Exercise Areas

- 2.19 WDC's Policy requires all dogs to be on a leash in public places.
- 2.20 The Policy also identifies dog prohibited areas (i.e. sports grounds, children's playgrounds and schools), and dog exercise areas. Signs are installed as appropriate to advise the public.

Dog Registration and Other Fees

- 2.21 Dog registration fees have been updated for the 2025/2026 financial year.
- 2.22 Where dog owners have not registered their dogs within the required timeframe, these are followed up. The process involves an initial reminder letter and phone call / visit to the Owner. If dog owners continue to fail to register their dogs, the dog(s) are then seized and impounded. Dogs are only released from the pound once they are registered.

Education

- 2.23 WDC proactively engages in education for dog owners on a monthly basis by a range of mediums including the local newspaper, Waitomo Way (a council newsletter) and WDC's two Facebook pages (one dedicated to Animal Control).

Disqualified and Probationary Dog Owners

- 2.24 Waitomo District has four disqualified dog owners, and zero probationary owners.

Menacing and Dangerous Dogs

- 2.25 For this period, there are two dangerous dogs and 21 menacing dogs classified in the district out of a population of 2,946 dogs. Any new dog of a menacing breed/type is identified following registration, classified and referred for a compliance check.

Other Information

- 2.26 Council requires owners of more than two dogs on any urban property to apply for a permit from Council. Upon application, the Dog Owner's property is inspected in accordance with the requirements of the Dog Control Bylaw. If the requirements are met, the permit is issued subject to any necessary conditions. A permit may be reviewed by WDC at any time and may be modified or revoked if any non-compliances with the permit are detected.

3 STATISTICAL INFORMATION

Category	For period 1 July 2020 – 30 June 2021	For period 1 July 2021 – 30 June 2022	For period 1 July 2022 – 30 June 2023	For period 1 July 2023 – 30 June 2024	For period 1 July 2024 – 30 June 2025
Total number of Registered Dogs	3,363	3,311	3,318	3,029	2,946
Total number of Probationary Owners	0	0	0	0	0
Total number of Disqualified Owners	3	3	2	2	4
Total number of Dangerous Dogs	2	2	2	2	2
▪ Dangerous by Owner Conviction Under s31(1)(a)	0				
▪ Dangerous by Sworn Evidence s31(1)(b)	0				
▪ Dangerous by Owner Admittance in Writing s31(1)(c)	2	2	2	2	2
Total number of Menacing Dogs	27	27	25	15	21
▪ Menacing under s33A(1)(b)(i) - i.e. by Behaviour	6	10	11	2	8
▪ Menacing under s33A(1)(b)(ii)- by Breed Characteristics	5	3	3	0	0
▪ Menacing under s33C(1) by Schedule 4 Breed	16	14	11	13	13
Total number of Infringement Notices (excluding cancelled)	31	62	22	0	50
Total number of prosecutions	2	1	0	0	1
Complaints received:					
▪ Aggressive	9	13	16	50	32
▪ Bins/Signs	0	0	0	0	0
▪ Bite/attack	29	30	37	28	30
▪ Barking	68	63	62	82	50
▪ Breach of Council Bylaw or permits	5	0	2	0	0
▪ Lost Dog/other	21	22	38	47	44
▪ Rushing in public place	8	0	0	0	0
▪ Unregistered	2	2	8	4	4
▪ Wandering	163	120	205	242	391
▪ Worring animals	3	0	0	0	0
▪ No water, shelter, food or exercise	11	3	6	6	10
Total Complaints Received	319	253	374	459	561

Note: Variations in reporting numbers on aggressive, bite/attacks and rushing between years can occur as a result of how service requests are coded.

Document No: 889934**Report To: Council****Meeting Date:** 29 July 2025**Subject:** **Resident Survey 2025****Type:** Decision Required**Author(s):** Rajeshwari Mahadevappa
Graduate Policy AdvisorCharmaine Ellery
Manager Strategy and PolicyAlex Bell
General Manager - Strategy and Environment**1. Purpose of Report**

- 1.1 The purpose of this business paper is to present the results of the Resident Survey for 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 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.

3. Background

- 3.1 Council carries out a survey each year seeking to understand how residents feel about our performance and the way we deliver our services and activities. One of the ways we do this is to undertake an annual Resident Survey – to look at what we do well, and where we need to make improvements.
- 3.2 The results identify where there is scope for improvement, which can be factored into planning for budgets and service levels in the future.
- 3.3 Further, Section 78 of the Local Government Act 2002 requires Council to give consideration to community views and preferences in relation to its decision making and the survey is an appropriate way of measuring these views and preferences.
- 3.4 The Resident Survey is used to measure seven of Council's Key Performance Indicators (KPIs) and inform our Annual Report each year.
- 3.5 For the past few years, Waitomo District Council's (WDC) Resident Survey has been undertaken by Versus Research as this company has provided the lowest quote. However, this year, we received a more competitive quote from Key Research who we engaged to undertake this year's survey.
- 3.6 Key Research offered the following enhancements to the current approach, which we considered would be beneficial:
- It allows us to be benchmarked against the results from 26 other Councils that Key Research conducts surveys for.

- Customer Value Model framework utilising a driver analysis model provides additional tailored questions to provide better feedback on Council services, for example – questions on Council’s image and reputation, rates and value for money.
- Allows anyone to complete the survey by using a public link, but this data is not included in the report provided to Council.
- Illustrative dashboards and reporting tools.

3.7 The benchmarking report will be available in September 2025.

3.8 As we have engaged a new provider, this year’s Resident Survey has a different look and feel with some different questions. However, there is no change to Key Performance Indicator questions.

3.9 Difference in scales

3.10 This year’s Resident Survey used a 10-point scale for each question aligning with the current best practice in social surveys as below.

Very dissatisfied		Dissatisfied			Satisfied			Very satisfied		Don't know
1	2	3	4	5	6	7	8	9	10	
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

3.11 Scale used in past surveys with a potential bias towards satisfaction ratings and requiring those who have not used a particular service to provide feedback.



3.12 These changes will have made some impact on the 2025 results, comparing to previous surveys should be done with caution as there is no longer an exact comparator, however the results are more accurate due to following best practices.

3.13 The Resident Survey was undertaken between 29 April and 31 May 2025. We received a total of 471 responses. This is more than we have received over the last two years. In 2024 we received 404 responses, and in 2023 we received 450 responses.

3.14 The survey responses remain anonymous to protect the privacy of the respondents.

3.15 A copy of the Resident Survey Report is enclosed as **Attachment 1** and copies of the confidential verbatim responses will be circulated to elected members under separate cover.

4. Commentary

4.1 SURVEY METHODOLOGY

4.2 Data collection used a mixed methodology approach consisting of invites sent via email and post. Emails were sent to a sample of n=1000 from the ratepayers’ records. In addition, a sample of n=3486 residents randomly selected from the Electoral Roll were sent an invite through the post to participate via an online survey. The analytical sample for this report is n=410.

4.3 Data collection was managed to quota targets by age, ward and ethnicity. Post data collection, the sample has been weighted so it is aligned with known population distributions as per the 2023 Census.

4.4 At an aggregate level, the sample has an expected 95% confidence interval (margin of error) of +/-4.57%.

4.5 To ensure anonymity, paper surveys were returned directly to Key Research who entered and analysed the data and produced the report.

4.6 **KEY FINDINGS**

4.7 **OVERALL PERFORMANCE**

4.8 The Council performs well across several core service areas.

4.9 Over half (53%) of residents are satisfied with the *Council's overall performance*, with satisfaction significantly higher among those aged over 65 years, compared to younger residents (aged between 18 and 39 years).

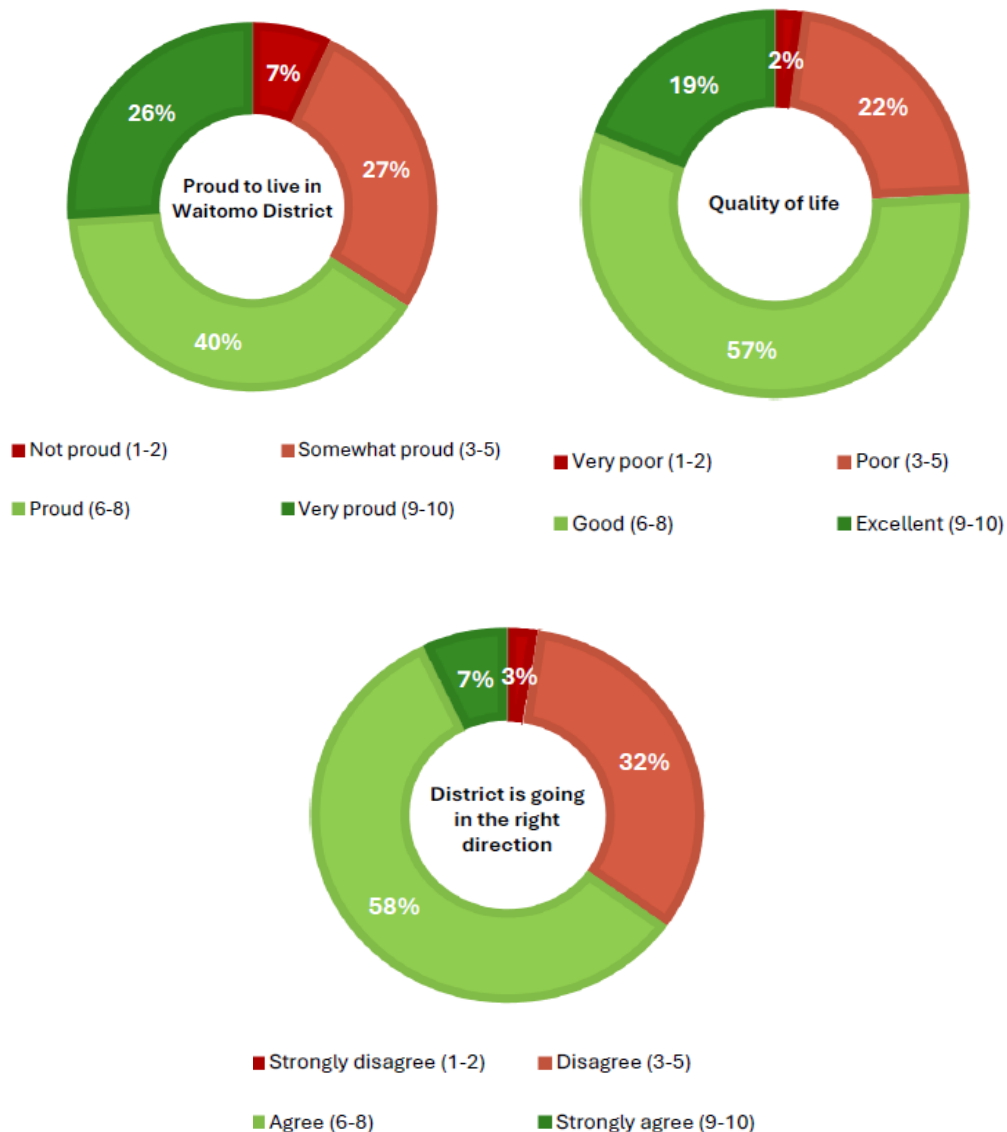
4.10 Most residents (76%) rate their *Quality of life* positively, and 65% agree the district is *heading in the right direction*.

4.11 There is a strong sense of community identity, with 66% expressing *Pride* in living in the Waitomo District. *Pride* is particularly strong among long-term (71%) and older residents (76%).

4.12 Positive comments highlight appreciation for the local facilities, the helpfulness of Council staff, well-run public services and appreciation for local events like The Muster that 'showcase what the area has to offer'.

4.13 The perceived quality of life is slightly lower among newer residents (those who have lived in the area for less than 5 years (71%)), with concerns raised about high rates, limited access to urban-level infrastructure, and water pressure issues in rural areas.

4.14 Residents frequently express pride in the district's natural environment, local events, and community-minded culture.



4.15 **HIGH LEVELS OF SATISFACTION**

- 4.16 High levels of satisfaction were recorded for public facilities (87%), open spaces (94%), and regulatory services (82%).
- 4.17 Satisfaction with Water and Waste Services is generally positive.
- 4.18 Residents who have recently contacted the Council report mostly positive experiences, with 84% satisfied with *How their enquiry was handled*.
- 4.19 Engagement and consultation are also viewed favourably overall (82% satisfied).

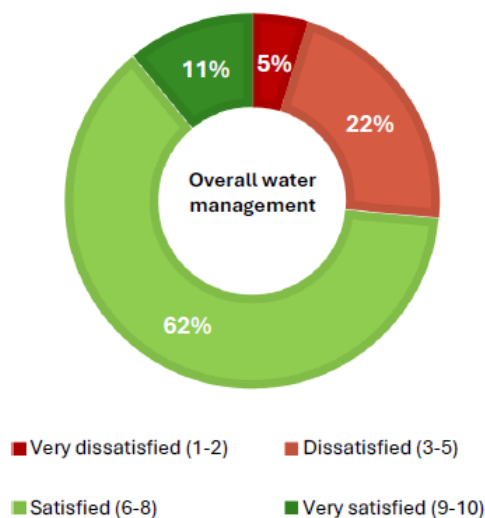
4.20 **AREAS FOR IMPROVEMENT**

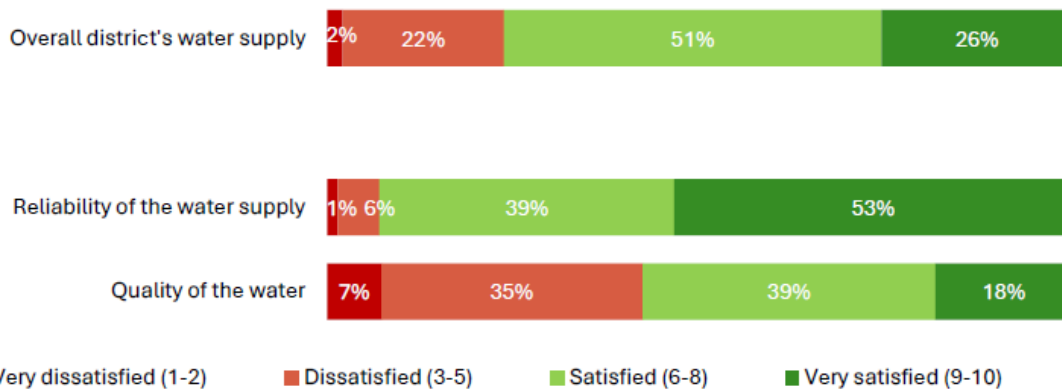
- 4.21 Stormwater infrastructure and the maintenance of rural roads and footpaths have been highlighted as areas for improvement.
- 4.22 40% of residents are satisfied with the *Value they receive from rates and fees*. The fairness of rates, the transparency of financial management, and the affordability of services are consistently identified as areas needing improvement.
- 4.23 Need for more transparent decision making, clearer communication, and broader inclusion in consultation processes.
- 4.24 The Resident Survey highlights strong community support for many Council services, alongside clear expectations for more visible leadership, improved financial accountability, and inclusive engagement. These insights provide a valuable foundation for ongoing planning and service improvement across the district.

4.25 **SATISFACTION WITH SERVICES AND INFRASTRUCTURE**

4.26 WATER MANAGEMENT

- 4.27 Close to three in four residents (74%) are satisfied with Council's *Overall water management*. Those who have lived in the district for a longer period of time (over ten years) are less satisfied compared to residents' who have been in the area for a shorter time.
- 4.28 Majority of residents are satisfied with the reliability of water supply (93%).
- 4.29 Those who identify as Māori show the lowest satisfaction (66%).





4.30 WASTEWATER SYSTEM

4.31 Over eight in ten residents (84%) are satisfied with the *Overall wastewater system*, with slightly higher satisfaction for the *Reliability* of the system (90%), and similar satisfaction with how *Wastewater is treated and disposed of* (84%).

4.32 STORMWATER SYSTEM

4.33 57% of residents are satisfied with the *Stormwater system*, with notable differences across demographic groups.

4.34 Satisfaction is highest among residents aged 65 years and over (75%), those living in the Rural Ward (61%), and residents who have lived in the district for 5 years or less (68%).

4.35 In contrast, satisfaction is considerably lower among younger residents aged 18–39 (45%), and those who identify as Māori (47%).

4.36 Residents living in the Te Kūiti Ward (47%) show concern with flooding of roads and footpaths.

4.37 KEY POINTS FROM OPEN-ENDED FEEDBACK

- Most commonly mentioned concern areas - stormwater infrastructure, flooding issues, water supply quality related to taste, odour, and chlorine levels.
- Vegetation-related maintenance including grass cutting and tree management, also influences how residents assess overall water and environmental upkeep.

4.38 WASTE MANAGEMENT

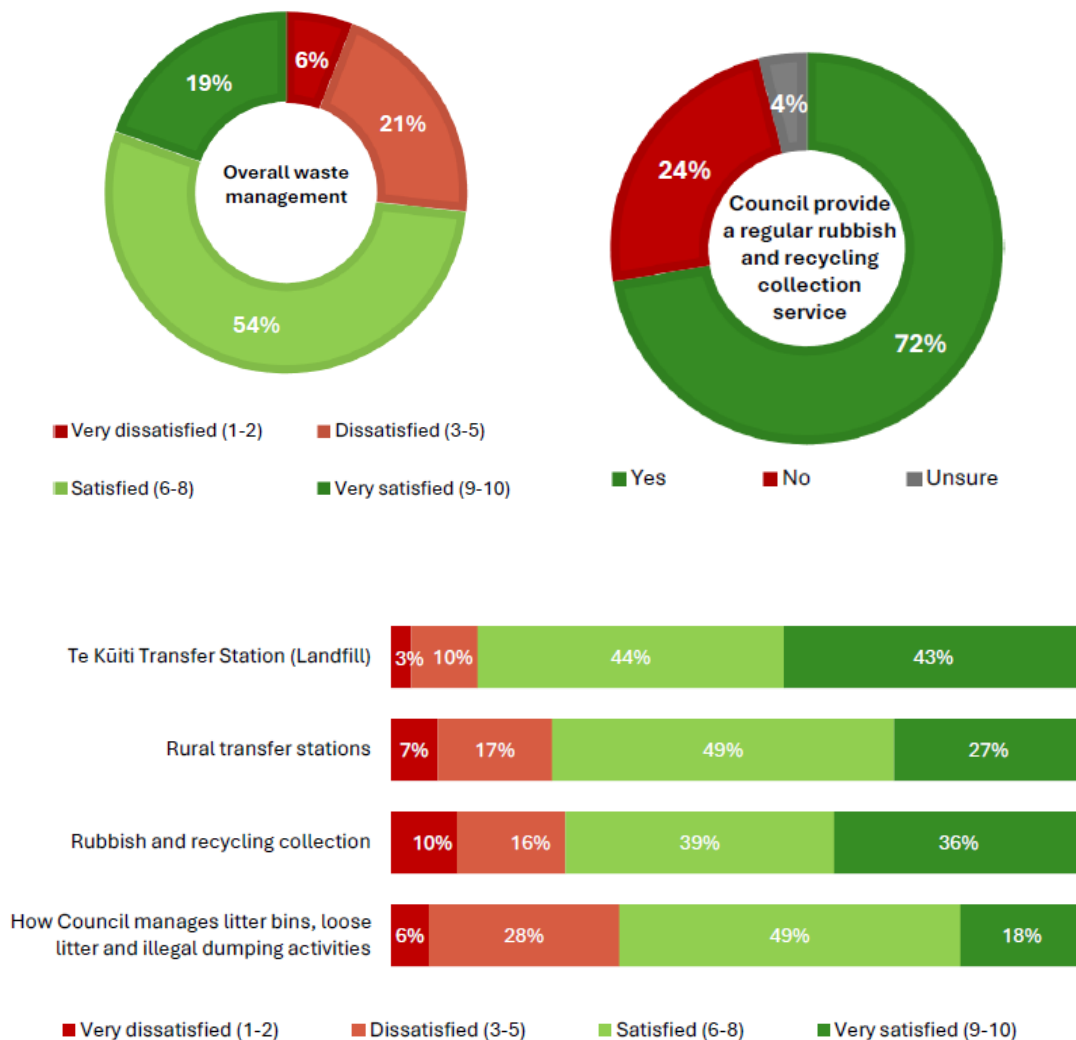
4.39 73% of residents are satisfied with Council's waste management.

4.40 Satisfaction is particularly high among residents aged 65 years and over (90%), and among non-Māori (79%).

4.41 In contrast, satisfaction is lowest among younger residents (18–39 years, 59%) and those who identify as Māori (65%).

4.42 Satisfaction with *Rubbish and recycling services* is strong overall, with 75% of residents satisfied with these services.

4.43 The highest satisfaction is reported among residents aged 65 years and over (91%), and those who have lived in the district for more than 10 years (80%).



4.44 KEY POINTS FROM OPEN-ENDED FEEDBACK

- Most commonly mentioned concern areas - high cost of rubbish bags, high dump fees, transfer stations are not open enough, access issues with 16% reporting no service available in their area and illegal dumping.
- 20% of comments reflect frustration with paying rates for waste services they don't receive, or poor value for money, especially in rural areas.
- Preference for wheelie bins or larger bins (17%).

4.45 ROADS AND FOOTPATHS

4.46 Overall satisfaction with *Roads and footpaths* is relatively high (55%).

4.47 However, there is some variation across demographic groups. Satisfaction is highest among those aged 65 years and over (71%) and non- Māori residents (59%).

4.48 In contrast, younger residents (those aged 18– 39 years), and residents who identify as Māori express lower satisfaction (46% and 48% respectively).

4.49 50% of residents are satisfied with the *Maintenance of the roading network* and 53% were satisfied with road safety.

4.50 Satisfaction is high for *Footpath availability* (72%) and *Footpath maintenance* (67%).

4.51 Across all measures related to the roading network, satisfaction is highest among residents aged 65 years and over. However, younger residents (aged 18–39 years) and those who identify as Māori report the lowest satisfaction across demographic groups.

4.52 KEY POINTS FROM OPEN-ENDED FEEDBACK

- Most commonly mentioned concern areas - repairs take too long or are of poor quality; excessive or disruptive roadworks; roads are uneven or in poor condition; potholes and concerns about rural roads with 13% of residents stating rural roads are not maintained adequately.



4.53 OPEN SPACES

4.54 Satisfaction with *Open spaces* is exceptionally high, with 94% of residents satisfied. *Sportsgrounds* are at 93%, *Cemeteries* at 92%, and *Parks and Reserves* at 92%.

4.55 Satisfaction is consistently strong across all age groups, and satisfaction is also high regardless of how long residents have lived in the district or which ward they reside in.

4.56 Whilst still high, satisfaction amongst residents who identified as Māori was significantly lower than non-Māori residents (90% vs 96%).

4.57 PUBLIC FACILITIES

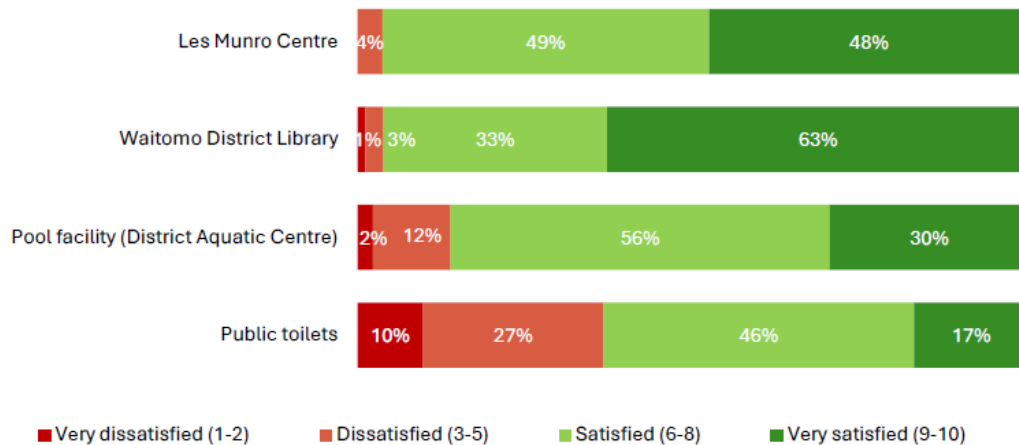
- 4.58 Overall satisfaction with *Public facilities* is high at 87%. This reflects strong performance in areas such as libraries, public halls, and other community infrastructure.
- 4.59 The *Les Munro Centre* received the highest overall satisfaction score within public facilities (96%).
- 4.60 The *Waitomo District Library* also performed exceptionally well, with a satisfaction score of 94%.
- 4.61 Satisfaction is particularly high among residents aged 65 years and over (98%). Satisfaction is lowest among younger residents (those aged 18–39 at 74%), indicating a possible gap in how these facilities meet the needs of younger adults.
- 4.62 There is also minimal variation by length of stay, ethnicity or ward, with satisfaction consistently high across all groups.



4.63 SATISFACTION WITH CLEANLINESS OF PUBLIC FACILITIES

4.64 *Public toilets* received the lowest cleanliness satisfaction rating amongst public facilities (63%).

4.65 The *Waitomo District Library* and *Les Munro Centre* both achieved the highest cleanliness rating of 96%, with particularly strong results among residents from the Te Kūiti Ward (99%).



4.66 KEY POINTS FROM OPEN-ENDED FEEDBACK

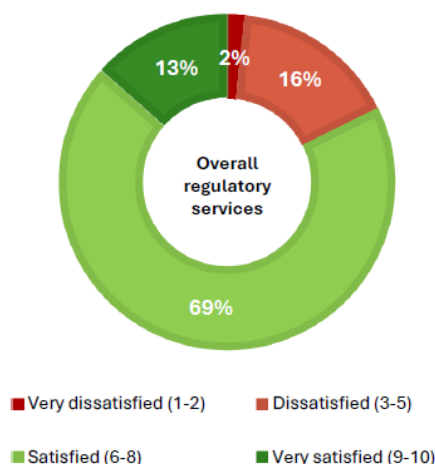
- Most commonly mentioned concern areas – litter concerns, dog waste, and emptying of bins.
- While public facilities are generally well regarded, hygiene and upkeep remain top priorities for users, with 67% of respondents indicating the need to keep toilets clean, well maintained, and adequately stocked.
- Suggestions to upgrade the Aquatic Centre, more regular cleaning and heated pools. Concerns about staffing and lifeguard presence, and general maintenance issues.
- 38% of residents expressed a desire to upgrade playgrounds and expand the availability of equipment or facilities.

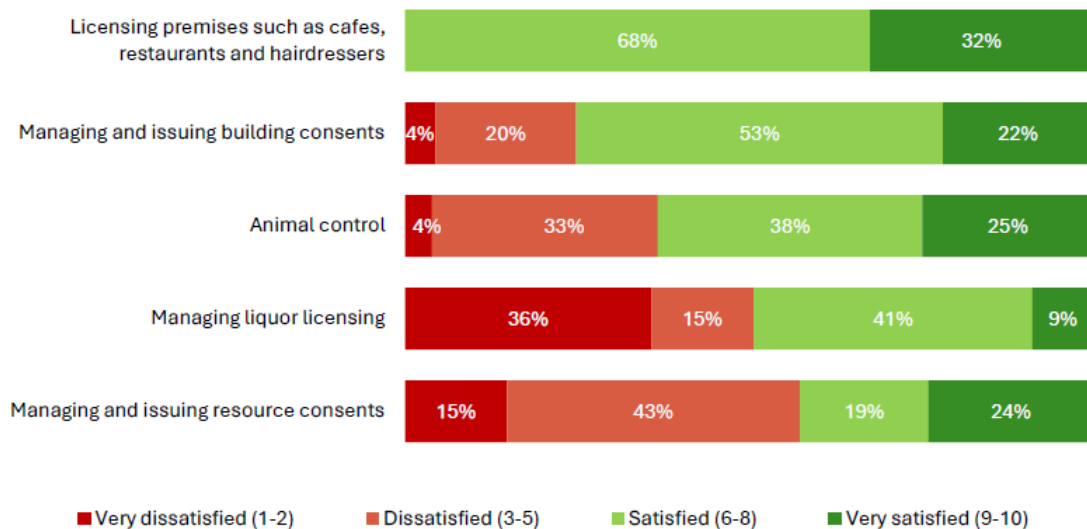
4.67 REGULATOR SERVICES

4.68 Overall, satisfaction with Council's *Regulatory services* is high, with 82% of residents either *satisfied* or *very satisfied*. This suggests strong community confidence in services such as consenting, licensing, and inspections.

4.69 Results across all demographic groups are quite consistent with the satisfaction highest among those aged between 40 and 64 years.

4.70 Among residents who used *Council's regulatory services*, *building consents* received the highest satisfaction rating, with 75% of users satisfied with the service.





4.71 KEY POINTS FROM OPEN-ENDED FEEDBACK

- Most commonly mentioned concern areas – animal control with concerns about stray animals, enforcement, or responsiveness to complaints.
- Delays in granting consents and conducting site visits, with clearer updates and guidance around regulatory processes such as consents, inspections, or licensing.

4.72 CONTACT WITH COUNCIL

4.73 Among residents who made a Council enquiry in the past six months, satisfaction with the way their enquiry was handled is high, with 84% of respondents satisfied.

4.74 Satisfaction is relatively consistent across demographic groups, however, is highest among residents aged 18-39 (90%) and those aged 65 years and over (87%).

4.75 *Telephone* is the most prevalent mode that respondents contact the Council with their enquiry (46%), closely followed by *Visiting Council office in person* (40%).

4.76 Most respondents are satisfied with the *Staff* (87%) and the *Ease of making the enquiry* (88%).

4.77 KEY POINTS FROM OPEN-ENDED FEEDBACK

- Most commonly mentioned concern areas - related to staff interactions, including lack of knowledge, poor communication, or unhelpful service, no follow-up or lack of updates on their enquiry, suggesting that communication breakdowns are a common frustration.

4.78 COMMUNICATION AND ENGAGEMENT

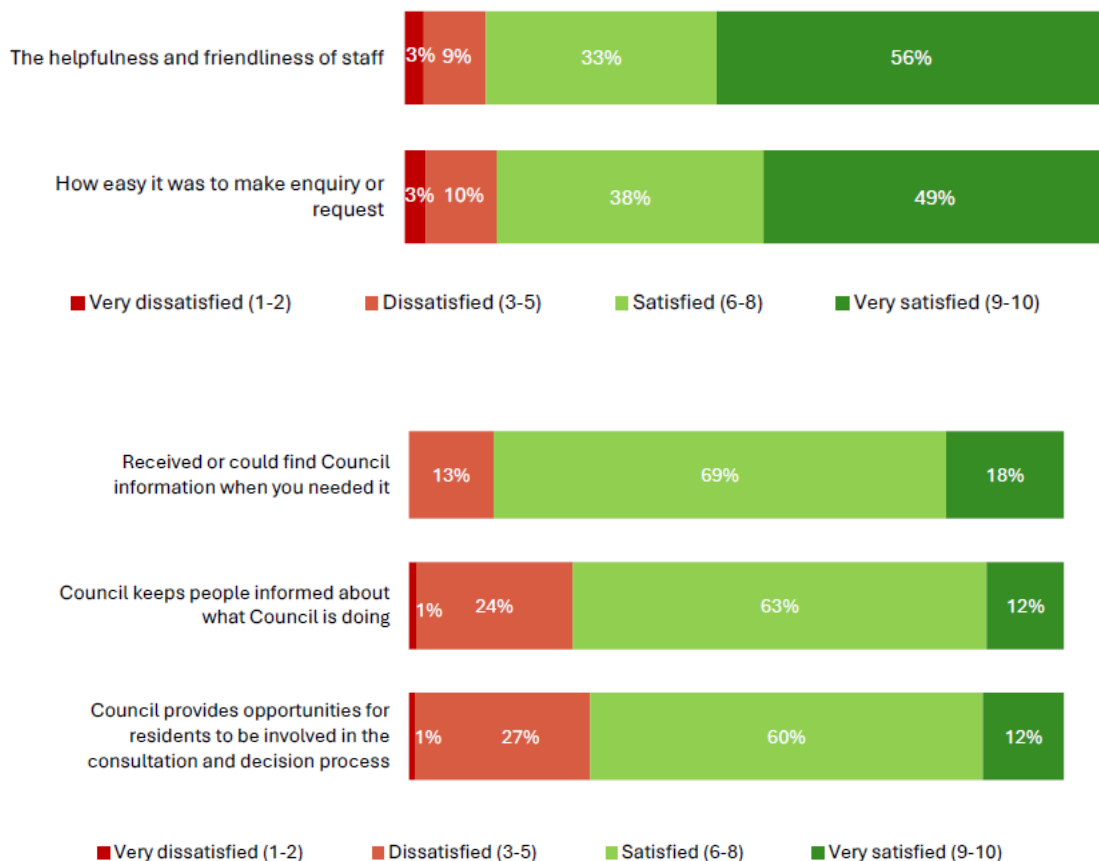
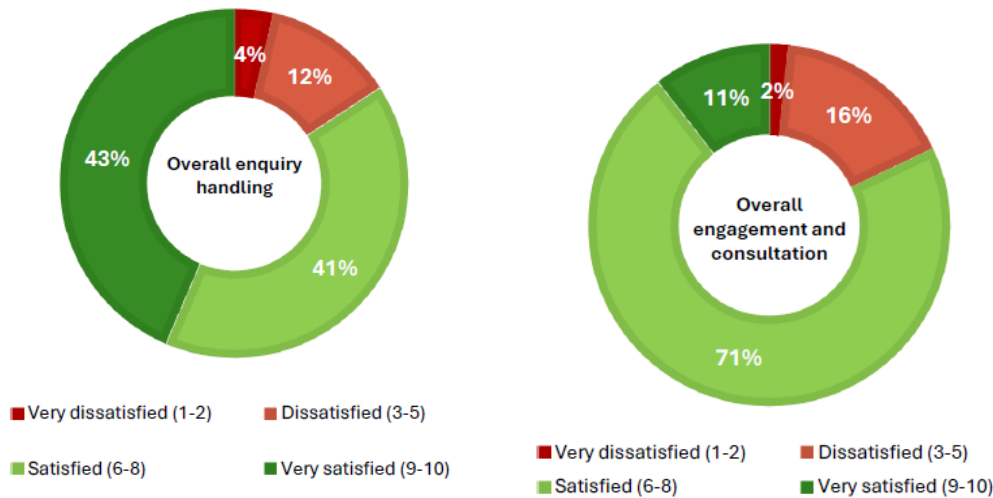
4.79 Over eight in ten respondents (82%) are satisfied with *Council's engagement and consultation* with the community. Results are consistent across demographic groups.

4.80 Nearly nine in ten respondents (87%) were satisfied that they *Received or could find Council information when they needed it*.

4.81 Satisfaction with information received from the Council is relatively stable across demographic and geographic groups, while satisfaction with consultation shows more variation. Younger residents (aged 18-39 years) and those residing in the Te Kuiti ward show lower satisfaction with opportunities to engage (63% and 67% respectively) compared to others.

4.82 **Key points from open-ended feedback**

- Most commonly mentioned concern areas - improved communication and greater engagement overall, use of more diverse or accessible communication channels, actively listening to the whole community rather than just select voices.
- More transparency and requesting better awareness of consultation opportunities and longer timeframes.

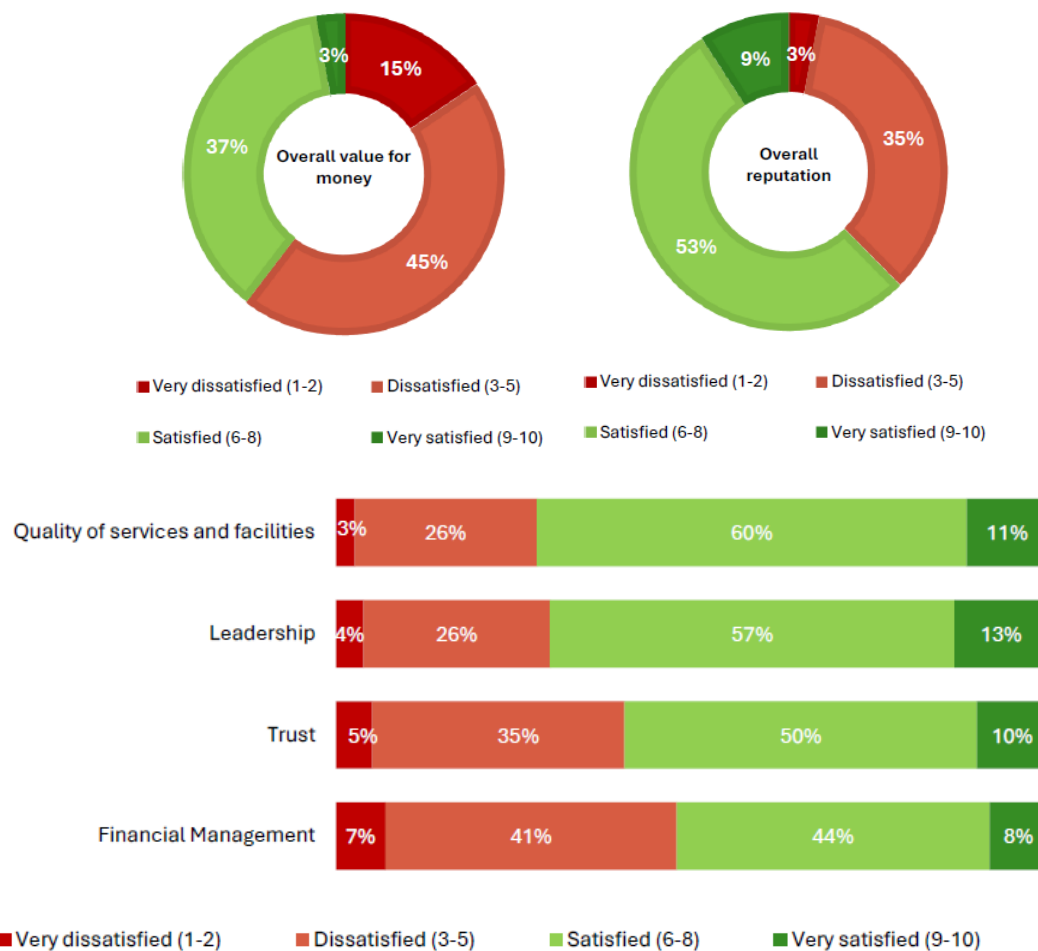


4.83 VALUE FOR MONEY

4.84 40% of residents are satisfied with the *Value for money* they receive from Council services.

4.85 Satisfaction varies significantly across age groups. Older residents (65 years and over) report the highest satisfaction at 61%, in contrast to 18–39 year olds (30%) and 40–64 year olds (35%), where satisfaction is much lower.

- 4.86 There is less variation by ethnicity, ward and length of residence.
- 4.87 Satisfaction that *Annual property rates are fair and reasonable* is relatively low, with just 24% of respondents satisfied.
- 4.88 Satisfaction is strongly influenced by age. Older residents (65 years and over) report the highest satisfaction at 38%, compared to just 16% among 18–39 year olds and 22% among those aged 40–64.
- 4.89 Geographically, satisfaction is lower in the Te Kūiti Ward and among those who have lived in the district 5 years or less, while it is relatively higher among residents in the Rural Ward and those living in the district 6–10 years.
- 4.90 KEY POINTS FROM OPEN-ENDED FEEDBACK
- Most commonly mentioned concern areas - the fairness and transparency of rates and service delivery, rates are too high or offer poor value, particularly when residents feel they are paying for services they do not use.
 - 21% of respondents, particularly rural ratepayers, feel that services are not proportionally delivered based on the rates they pay.
 - 12% noted dissatisfaction with the condition of roads and footpaths, suggesting that visible, everyday services may influence broader perceptions of value.
- 4.91 REPUTATION
- 4.92 Overall, 62% of residents are satisfied with the Council's *Image and reputation*.
- 4.93 Perceptions vary considerably by age. Satisfaction is highest among residents aged 65 years and over (79%), and notably lower among younger residents aged 18–39 years (54%), suggesting that older residents may have greater trust in the Council's role and standing in the community.
- 4.94 *Quality of services and facilities* (72%) and *Leadership* (70%) are the two areas within *Reputation* rated the highest. This illustrates that residents' have a high level of confidence in the Leadership team, including both the Mayor and Councillors.
- 4.95 Financial management is the lowest rated aspect, with just over one-half (52%) of residents satisfied.
- 4.96 KEY POINTS FROM OPEN-ENDED FEEDBACK
- Most commonly mentioned concern areas - belief that rates are too high or do not provide value for money, often linked with a lack of visible services. This indicates a disconnect between what residents pay and what they feel they receive in return, directly impacting their view of Council's effectiveness.
 - Concerns about transparency and trust, suggesting that some residents perceive the Council as having its own agenda or making decisions without sufficient openness or accountability. This sentiment points to a need for more inclusive communication and clearer demonstration of how community input shapes Council decisions.



4.97 KPI RESULTS FROM THE SURVEY

4.98 Out of seven KPIs from the Resident Survey results, three measures are achieved, three not achieved and one nearly achieved. The results cannot be directly compared with the previous year's results due to change in scale and is provided for reference only.

KPIs	Target	Result 2025	Previous Result 2024
Percentage of residents satisfied that they received or could find Council information when they needed it.	Between 60-100%	Achieved 87%	87%
The percentage of residents satisfied in their initial interaction with Council Customer Services was friendly and helpful.	Set baseline	Achieved 88%	95%
Percentage of residents satisfied with our parks and open spaces.	≥ 85%	Achieved 92%	87%
Percentage of residents satisfied with the cleanliness of public toilets.	≥ 85%	Not Achieved 63%	90%
Percentage of residents satisfied with the provision of the Animal Control service.	≥ 75%	Not Achieved 63%	81%
Percentage of users that are satisfied with the rural transfer service stations.	≥ 90%	Not Achieved 77%	94%
Percentage of users that are satisfied with Te Kūiti Transfer Station (Landfill).	≥ 90%	Nearly Achieved 87%	93%

5. Analysis of Options

- 5.1 The Council has the following options:
1. Council may authorise the release of the Resident Survey Report 2025 for public information, keeping the verbatim responses confidential.
 2. Council may determine not to release the Resident Survey Report 2025.

6. Considerations

- 6.1 **RISK**
- 6.2 There is a perception risk of Council determining not to release the Report and be transparent with the findings.
- 6.3 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**
- 6.4 Releasing the Report is consistent with other plans and policies.
- 6.5 **SIGNIFICANCE AND COMMUNITY VIEWS**
- 6.6 Not releasing verbatim responses protects the public's privacy and confidentiality.

7. Recommendation

- 7.1 The business paper on the Resident Survey 2025 be received.
- 7.2 Council authorises the release of the Resident Survey Report 2025 for public information but does not release the verbatim comments, these will remain confidential.

8. Attachments/Separate Enclosures

Separate Enclosure:

1. Resident Survey Report 2025 (Doc #899419)

Note: The Confidential Verbatim Comments have been circulated to elected members separately and do not form part of this business paper. Elected members will have the opportunity to raise any issues relating to those verbatim comments in the public excluded part of the Council Meeting.

Document ID: 899685**Report To: Council****Meeting Date:** 29 July 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. 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

- 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.