

WAITOMO DISTRICT COUNCIL Audit and Risk Committee

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 4 FEBRUARY 2025 AT 9:00AM

PRESENT: Independent Chair Jaydene Kana
Mayor John Robertson
Deputy Mayor Allan Goddard
Councillor Gavin Todd
Councillor Janene New
Councillor Janette Osborne

IN ATTENDANCE: Councillor Dan Tasker
David Robson PhD (Risk Specialist at Aon New Zealand) via ZOOM

STAFF: Chief Executive, Ben Smit
Manager – Governance Support, Michelle Higgie
Asset Accountant, Wayne La Roche
Chief Financial Officer, Tina Hitchen
General Manager – Community Services
Health and Safety Coordinator, Tanchia Pitts-Brown
Manager – Strategy and Policy, Charmaine Ellery
General Manager – Infrastructure Services, Shyamal Ram
Financial Accountant, Julie Mansell
Manager – Information Technology, Saeed Jouzdani

1.	Karakia Tuwhera
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2.	Apologies
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There were no apologies.

3.	Declarations of Member Conflicts of Interest
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No declarations were made.

4.	Progress Report: Risk Management
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The Committee considered a business paper providing an update on the progress and status of Council's Risk Management Programme and the new approach to the risk management framework and delivery through the engagement of Aon NZ as an external provider.

The Chief Executive introduced David Robson PhD (Risk Specialist at Aon New Zealand) who was in attendance via Zoom.

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

Resolution

The Progress Report –Risk Management be received.

Kana/New

Carried

David Robson (Aon New Zealand) left the meeting at 9.12am.

5. Confirmation of Minutes: 15 October 2024
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Resolution

The Minutes of the Waitomo District Council Audit and Risk Committee meeting of 15 October 2024, including the public excluded Minutes, be confirmed as a true and correct record noting typing errors corrected as follows:

1. Correct the spelling of "Tuesday" in the header
2. Correct the spelling of "Jaydene" under members Present
3. Change "10.45am" to read "9.45am" in the Apologies Resolution

Goddard/Osborne Carried

6. Chair Report – February 2025
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The Committee considered a business paper prepared by the Independent Chairperson for February 2025.

The Chairperson expanded verbally on the business paper.

Resolution

The Chair Report – February 2025 be received.

Kana/Osborne Carried

7. Mastercard Expenditure Report: September - December 2024
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The Committee considered a business paper presenting details of expenditure incurred via WDC issued Corporate Mastercard for the period September to December 2024.

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

Resolution

The Mastercard Expenditure Report: September – December 2024 be received.

New/Osborne Carried

The General Manager – Community Services and Chief Financial Officer entered at 9.21am
The Health and Safety Coordinator entered the meeting at 9.23am

8. Treasury Management Report for the period ended 31 December 2024
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The Committee considered a business paper providing an update on WDC's debt position and compliance with borrowing limits for the period ended 31 December 2024.

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

Resolution

The business paper on Treasury Management Report for the period ended 31 December 2024 be received.

Kana/New Carried

The Chief Financial Officer and Asset Manager left the meeting at 9.30am
The Manager – Strategy and Policy entered the meeting at 9.31am

9. Progress Report: Health and Safety

The Committee considered a business paper providing a brief on Waitomo District Council's health and safety performance during quarter three of the 2024/25 financial year.

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

The General Manager – Strategy and Environment entered the meeting at 9.42am
The General Manager – Infrastructure Services entered the meeting at 9.44am

Resolution

The Progress Report: Health and Safety be received.

Kana/Osborne Carried

The General Manager – Community Services and Health and Safety Coordinator left the meeting at 9.46am

10. Progress Report: Key Performance Indicators for the period ended 31 December 2024

The Committee considered a business paper presenting Waitomo District Council's delivery performance on non-financials for the 2024/25 financial year for the period ending 31 December 2024 (Quarter 2).

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

Resolution

The Progress Report: Key Performance Indicators for the period ended 31 December 2024 be received.

Kana/Goddard Carried

The General Manager – Strategy and Environment, Manager – Strategy and Policy and General Manager – Community Services left the meeting at 9.57am.

11. Progress Report: Procurement Summary Schedule (October – December 2024)

The Committee considered a business paper presenting a summary of the procurements made in the period 1 October 2024 – 31 December 2024 in accordance with Waitomo District Council's Procurement Policy.

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

Resolution

The business paper on the Progress Report: Procurement Summary Schedule (1 October 2024 – 31 December 2024) be received.

Kana/Robertson Carried

The Financial Accountant entered the meeting at 10.12am

12. Progress Report: WDC Resource Consents – Compliance Monitoring

The Committee considered a business paper providing a brief on compliance reporting against Resource Consent conditions due during the second quarter (2024/2025).

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

Resolution

The business paper on WDC Resource Consents – Compliance Monitoring be received.

Kana/Osborne Carried

13. Motion to Exclude the Public

The Committee considered a business paper enabling the Committee 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 matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
Progress Report: Deloitte Audit Findings 30 June 2024	Section 7(2) (h) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	Section 48(1) (d) That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies.

- 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
Chief Financial Officer	Portfolio Holder
Manager – Strategy and Policy	Portfolio Holder
Financial Accountant	Portfolio Holder
Manager – Information Technology	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.

Kana/New Carried

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

Following the Committee's consideration and decision taking of the public excluded item –

1 Progress Report: Deloitte Audit Findings 30 June 2024

For the reasons set out in Item 13 above, the business paper and resolution not be made public.

Kana/New

Carried

15. Karakia Whakamutunga

There being no further business the meeting closed at 10.30am.

Dated this day of May 2025

JAYDENE KANA
INDEPENDENT CHAIR

Confidential

Document No: 839629

Report To: Audit and Risk Committee



Meeting Date: 13 May 2025

Subject: Chair Report – May 2025

Type: Information Only

Author(s): Jaydene Kana
Independent Chairperson

1. Purpose of Report

- 1.1 The purpose of this business paper is to present the Independent Chairperson's report for May 2025.
- 1.2 Attached to and forming part of this business paper is the Chair Report.

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 Chair Report – May 2025 be received.

3. Attachments/Separate Enclosures

Attachment:

- 1 Chair Report – May 2025 (#

WAITOMO DISTRICT COUNCIL – AUDIT AND RISK COMMITTEE

MAY 2025 – CHAIR REPORT

Teena koutou rau rangatira maa,

Welcome to our penultimate Audit and Risk Committee meeting for the triennium. My Chair Report is deliberately brief, focussing on the thought-provoking forums I've attended in my role as Chairperson:

Forum	Summary Reflections
2025 New Zealand Economics Forums 13 & 14 February 2025 Speaker from New Zealand Treasury Insights from the Treasury 14 February 2025 Speaker from New Zealand Treasury	<p>New Zealand needs to bend two curves:</p> <ol style="list-style-type: none"> 1. Long term economic growth trajectory, needs to bend upwards to expand our productive capacity and national real incomes. 2. Net public debt trajectory, needs to bend downwards to rebuild the fiscal buffers that have been a major source of New Zealand's resilience and ability to respond to shocks in recent decades. <p>Attached is a link to the full session: 2025 NZ Economics Forum - NZ Treasury and a Going for Growth Report referenced by the New Zealand Treasury in the OAG Forum: https://www.goingforgrowth.govt.nz/. In the OAG Forum, the Treasury also focussed on central government needing a sustainable balanced fiscal position given a forecast of the number of people (150,000/17%) in New Zealand turning 65 in the next 5 years and becoming eligible for NZ Superannuation.</p> <p>I also attach a link to another 2025 NZ Economics Forum session where panel members discussed multiple topics including elections, central government policy changes, infrastructure and audits to name a few: 2025 NZ Economics Forum - What's next for local government?</p>
Spotlight on internal audit 21 March 2025 Speakers from the Institute of Internal Auditors and Audit New Zealand	<p>Internal Audit standards changed recently, including:</p> <ul style="list-style-type: none"> ▪ Expectation of connection between the internal audit function and Council/Audit and Risk Committee. ▪ Requirement for Council/Audit and Risk Committee to own/direct the internal audit function, including updating the internal audit charter. ▪ Important for the internal audit function to have an external quality assessment/audit every 5 years. ▪ The differences between external audit and internal audit: External Audit vs Internal Audit.

No reira rau rangatira maa, teena koutou, teena koutou, teena koutou katoa.

Recommendation

That the Audit and Risk Committee receives the report.

Jaydene Kana
 Chair, Audit and Risk Committee
 02 May 2025

Document ID: 838128

Report To: Audit and Risk Committee



Meeting Date: 13 May 2025

Subject: Mastercard Expenditure Report: January – March 2025

Type: Information Only

Author(s): Michelle Higgie
Manager – Governance Support

1. Purpose of Report

- 1.1 The purpose of this business paper is to report on expenditure incurred via WDC issued Corporate Mastercard for the period January to March 2025.

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 Mastercard Expenditure Report: January – March 2025 be received.

3. Commentary

3.1 Introduction

- 3.2 In today's technological climate, the use of credit cards is an everyday norm. The issue of WDC Corporate credit cards is also deemed a prudent and sometimes necessary form of currency.
- 3.3 Many purchases can be made online with discounts not applicable through other purchasing avenues, necessitating the use of a credit card. In other circumstances the only purchase method available is online. Online purchases also significantly reduce staff time in making purchases.
- 3.4 From time to time WDC's Senior Management Team incur work related expenses where the use of a WDC corporate credit card is the most expedient method of payment. The use of corporate credit cards avoids time consuming processes for arranging pre-purchase cheques, petty cash or making payment personally and claiming back the expense after the fact.

3.5 Acknowledgement of Risk

- 3.6 However, it is also acknowledged that as with dealing with any type of cash equivalent, there is always a risk.
- 3.7 To mitigate the level of risk in WDC employees utilising credit cards, WDC has a policy relative to the use of corporate credit cards.

3.8 Policy

- 3.9 Credit card expenditure is classed as "sensitive expenditure" and the policy relating to credit card use is contained in Council's Sensitive Expenditure Policy which was last reviewed and adopted by Council on 24 September 2024.

- 3.10 The policy makes provision that 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.

3.11 Presentation of Expenditure Details

- 3.12 Historically, copies of the monthly "Mastercard Statement Authorisation Forms" have been presented to each Audit and Risk Committee Meeting.
- 3.13 Copies of the supporting invoices/receipts are not included in any Agendas, however, should a Committee Member wish to view any of this supporting information, that information can be made available by arrangement.
- 3.14 The publishing of credit card expenditure in public Agendas has also reduced requests made under the Local Government Official Information and Meetings Act for this information.

4. Considerations

5.1 RISK

- 5.2 There is no risk in reporting, or not reporting, on credit card expenditure.
- 5.3 Other than transparency, the only benefit of reporting publicly on credit card expenditure is the reducing of requests for the information under LGOIMA.

5.4 CONSISTENCY WITH EXISTING PLANS AND POLICIES

- 5.5 Council's Sensitive Expenditure Policy provides that reporting on credit card expenditure is "at the Committee's discretion," and is therefore consistent with Council's Policy.
- 5.6 Regardless of whether the Committee chooses to receive these reports or not, the Mastercard Authorisation Forms will still be prepared for audit purposes.

5.7 SIGNIFICANCE AND COMMUNITY VIEWS

- 5.8 As credit card expenditure is of very low value in the overall scheme of Council's budgets, there are no triggers for community engagement as provided for in Council's Significance and Engagement Policy.

5. Attachments/Separate Enclosures

Attachments:




- 1 Mastercard Authorisation Forms: January – March 2025 (Doc ID 774151)

Mastercard Expenditure Authorisation - 2024/2025

Cardholder	Position	Statement Date	Creditor	Date	Total Amount	Amount Detail	GL Code	Expenditure Detail
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January 2025

Michelle Higgle	Manager - Governance Support	28/01/2025	Waka Kotahi (NZ Transport Agency)	14/01/2025	\$772.44		82027749	10,000km Road User Charges for Vehicle LPS823 (Parks and Reserves)
					\$772.44			

Authorisation:	Position	Date	Signature
	Mayor	14/02/2025	
	Chief Executive	14/02/2025	
	Manager Governance Support	14/02/2025	
	General Manager Community Services		N/A
	General Manager Strategy & Environment		N/A
	General Manager Infrastructure Services		N/A

Note:
In accordance with Council's Sensitive Expenditure Policy, approval for monthly credit card statement monitoring and authorisation is as follows:







Cardholder
Chief Executive
Senior Management Team Members
Manager – Governance Support
Mayor

Authoriser
Mayor (or Deputy Mayor in the Mayor’s absence) and Manager – Governance Support
Chief Executive
Mayor (or Deputy Mayor in the Mayor’s absence) and Chief Executive
Note: The current Mayor does not hold a corporate credit card.

In those months where no expenditure is incurred on a credit card, no authorisation signature is required.

Mastercard Expenditure Authorisation - 2024/2025

Cardholder	Position	Statement Date	Creditor	Date	Total Amount	Amount Detail	GL Code	Expenditure Detail
February 2025								
Michelle Higgie	Manager - Governance Support	27/02/2025						
			Air New Zealand	25/01/2025	\$537.11		11142700	Airfares (Hamilton to Wellington return) - Cr Osborne's attendance at LGNZ All of Govt and Rural & Provincial Sector Meetings on 27 and 28 February 2025
			Waka Kotahi (NZ Transport Agency)	4/02/2025	\$642.44		82027738	5,000km Road User Charges for vehicle HEL399 (Waters)
			Waka Kotahi (NZ Transport Agency)	5/02/2025	\$772.44		82027518	10,000km Road User Charges for Vehicle QTU440 (Waters)
			Air New Zealand	11/02/2025	\$958.25		11142712	Airfares (Auckland to Wellington return) - Mayor's attendance at Final Readings for Te Pire mo Ō-Rākau at Parliament on 18 February 2025
			Waka Kotahi (NZ Transport Agency)	11/02/2025	\$772.44		82027779	10,000km Road User Charges for Fleet Vehicle PFN107 (CEO)
			Waka Kotahi (NZ Transport Agency)	19/02/2025	\$772.44		82027513	10,000km Road User Charges for Fleet Vehicle QPA9 (ISBU)
			Air New Zealand	25/02/2025	\$827.02		11142712	Airfares (Hamilton to Wellington return) - Mayors attendance at meeting with Minister with Waikato Mayors relating to Waikato Waters Done Well
					<u>\$5,282.14</u>			
Helen Beever	General Manager - Community Services	27/02/2025						
			Fire Safety Net	26/02/2025	\$32.00		81738310	Online fire warden course x 1
					<u>\$32.00</u>			
Alex Bell	General Manager - Strategy & Environment	27/02/2025						
			Mitre 10 Te Kuiti	13/02/2024	\$150.00	\$150.00	81739705	Gift voucher/leaving present for Martin Berryman
					<u>\$150.00</u>			
Shyamal Ram	General Manager - Infrastructure Services	27/02/2025						
			Novus Glass Te Awamutu	13/02/2025	\$120.00		82027781	Windscreen Chip Repair and New Wiper Blades (Fleet Vehicle - PME141) - Infrastructure Services General Manager
					<u>\$120.00</u>			

Authorisation:	Position	Date	Signature
	Mayor	12/03/2025	
	Chief Executive	12/03/2025	
	Manager Governance Support	11/03/2025	
	General Manager Community Services	11/03/2025	
	General Manager Strategy & Environment	11/03/2025	
	General Manager Infrastructure Services	12/03/2025	


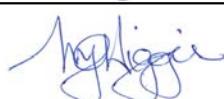


Note:
In accordance with Council's Sensitive Expenditure Policy, approval for monthly credit card statement monitoring and authorisation is as follows:

Cardholder Chief Executive Senior Management Team Members Manager – Governance Support Mayor	Authoriser Mayor (or Deputy Mayor in the Mayor’s absence) and Manager – Governance Support Chief Executive Mayor (or Deputy Mayor in the Mayor’s absence) and Chief Executive <u>Note:</u> The current Mayor does not hold a corporate credit card.
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In those months where no expenditure is incurred on a credit card, no authorisation signature is required.

Mastercard Expenditure Authorisation - 2024/2025

Cardholder	Position	Statement Date	Creditor	Date	Total Amount	Amount Detail	GL Code	Expenditure Detail
March 2025								
Michelle Higgie	Manager - Governance Support	27/03/2025						
			The Oaks Hotel Wellington	25/01/2025	\$453.60		11142700	Accommodation (2 nights) - Cr Osborne's attendance at LGNZ All of Govt and Rural & Provincial Sector Meetings on 27 and 28 February 2025
			Solarwinds Software Europe Limited	4/03/2025	\$351.98		81621701	SolarWinds DameWare Remote Support Per Technician License (2 to 3 Users) Annual Maintenance Renewal (\$192.00 USD + Currency Fee \$8.57 NZD)
			Waka Kotahi (NZ Transport Agency)	7/03/2025	\$772.44		82027774	10,000km Road User Charges for Fleet Vehicle NKQ165 (Manager ISBU)
			Waka Kotahi (NZ Transport Agency)	10/03/2025	\$772.44		82027515	10,000km Road User Charges for Fleet Vehicle QTU437 (Water Services)
			Waka Kotahi (NZ Transport Agency)	17/03/2025	\$772.44		82027792	10,000km Road User Charges for Fleet Vehicle PFN108 (Water Technician)
			Waka Kotahi (NZ Transport Agency)	21/03/2025	\$392.44		82027776	5,000km Road User Charges for vehicle NJS791 (Pool)
			Facebook	21/03/2025	\$37.00		11124515	Facebook Advertising Boost. No invoice/receipt received.
					<u>\$3,552.34</u>			
Helen Beever	General Manager - Community Services	27/03/2025						
			Fishpond	7/03/2025	\$71.34		81738310	Book - Training Activities
					<u>\$71.34</u>			
Shyamal Ram	General Manager - Infrastructure Services	27/03/2025						
			Novus Glass Te Awamutu	20/03/2025	\$91.80		82727781	Windscreen Chip Repair (Fleet Vehicle - PME141) - Infrastructure Services General Manager
					<u>\$91.80</u>			

Authorisation:	Position	Date	Signature
	Mayor	22/04/2025	
	Chief Executive	22/04/2025	
	Manager Governance Support	3/04/2025	
	General Manager Community Services	7/04/2025	
	General Manager Strategy & Environment	N/A	
	General Manager Infrastructure Services	22/04/2025	

Note:
In accordance with Council's Sensitive Expenditure Policy, approval for monthly credit card statement monitoring and authorisation is as follows:

Cardholder
Chief Executive
Senior Management Team Members
Manager – Governance Support
Mayor

Authoriser
Mayor (or Deputy Mayor in the Mayor’s absence) and Manager – Governance Support
Chief Executive
Mayor (or Deputy Mayor in the Mayor’s absence) and Chief Executive
Note: The current Mayor does not hold a corporate credit card.

In those months where no expenditure is incurred on a credit card, no authorisation signature is required.

Document No: 838165

Report To: Audit and Risk Committee



Meeting Date: 13 May 2025

Subject: **Policy and Bylaw Reviews**

Type: Information Only

Author(s): Michelle Higgie
Manager – Governance Support

1. Purpose of Report

- 1.1 The purpose of this business paper is present details of Council adopted policies and bylaws, including a brief summary of each, their respective review timelines and any additional notes relating to review progress, for the Committee's information and oversight.

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 Policy and Bylaw Reviews be received.

3. Background

- 3.1 At the February 2025 meeting of the Audit and Risk Committee, a schedule of Council's current policies, including their respective review timelines and progress with those reviews, was requested to be presented every six months commencing May 2025 for the Committee's information and oversight.

4. Commentary

- 4.1 Attached to and forming part of this business paper is a self-explanatory Register of all WDC Policies and Bylaws adopted by the Council.
- 4.2 The Register includes two Review Timeline tables (one for Policies and one for Bylaws) and contains a brief explanatory commentary and where necessary additional notes as to status of each policy and bylaw review.

Note: This Register does not include internal/operational policies, only those adopted by the Council by formal resolution.

5. Attachments/Separate Enclosures

Attachments:

- 1 Register of Waitomo District Council Policies and Bylaws (Doc #812980)



Register of

Waitomo District Council

Policies and Bylaws

(excludes internal operational policies)

COUNCIL POLICIES.....	3
Policy Review Timelines	3
[1] Appointment of Directors to Council Controlled Organisations	4
[2] Citizens Award Policy	4
[3] Code of Conduct.....	4
[4] Communications Strategy	5
[5] Community and Partnerships Fund Policy	5
[6] Community Organisations Insurance Arrangements through Council Policy.....	5
[7] Council Controlled Organisations - Policy Statement	5
[8] Dangerous and Insanitary Buildings Policy.....	5
[9] Delegations Register	5
[10] Delegations – Financial Matrix.....	6
[11] Dog Control Policy	6
[12] Encouraging Māori Decision Making – Policy Statement	6
[13] Financial Contributions Policy.....	6
[14] Fraud and Corruption Policy.....	7
[15] Gambling Venues	7
[16] Governance Statement	7
[17] Lease Policy.....	7
[18] Local Alcohol Policy.....	7
[19] Local Easter Trading Policy	8
[20] Procurement Policy.....	8
[21] Psychoactive Substances.....	8
[22] Remission of Rates Policy	8
[23] Revenue and Financing Policy	8
[24] Road Encroachment Policy.....	9
[25] Road Naming Policy	9
[26] Sensitive Expenditure Policy	9
[27] Significance and Engagement Policy	9
[28] Standing Orders for Meetings.....	9
[29] Stock Underpass Policy	9
[30] Treasury Policy	10
[31] Use of Remotely Piloted Aircraft Systems (Drones) Policy	10
COUNCIL BYLAWS.....	11
Bylaw Review Timelines.....	11
[1] Dog Control Bylaw.....	12
[2] Freedom Camping Bylaw.....	12
[3] Land Transport Bylaw	12
[4] Public Amenities Bylaw	12
[5] Public Health and Safety	13
[6] Public Places Bylaw.....	13
[7] Solid Waste Bylaw	13
[8] Trade Waste Bylaw.....	13
[9] Water Services Bylaw	14

COUNCIL POLICIES

Council's statutory and non-statutory policies are set out in the table below including adoption and review dates. A brief summary of each policy is contained in the notes below the table.

Policy Review Timelines

	Policy	Last Review (Adoption) Date	Next Review	Review Cycle	Comment
[1]	Appointment of Directors to Council Controlled Organisations	Jun-24	Jun-27	3 Years	
[2]	Citizens Awards	25-Feb-20	Nov-22	3 Years	Doc #769925 Review Deferred (Refer Note 2 for details)
[3]	Code of Conduct	Nov-22	Nov-25	3 Years	Immediately post Elections
[4]	Communications Strategy	29-Mar-22	Mar-25	3 Years	Doc #701541 Under Review
[5]	Community and Partnerships Fund	Apr-24	Aug-26	2 Years	
[6]	Community Organisations Insurance Arrangements through Council	17-Dec-24	Dec-27	3 Years	Word Doc #814108 PDF Doc #814109
[7]	Council Controlled Organisations – Policy Statement	Jun-24	Jun-27	3 Years	As part of LTP
[8]	Dangerous and Insanitary Buildings	Oct-21	Jun-26	5 Years	Legislative Requirement
[9]	Delegations Register	24-Nov-20	When required	When required	
[10]	Delegations Register (Confidential Financial Delegations Matrix)	Nov-24	When required	When required	
[11]	Development and Financial Contributions	Jun-24	Jun-27	3 Years	As part of LTP
[12]	Dog Control	Dec-15	Dec-25	10 years	Legislative Requirement - S10AA DCA (or in conjunction with any Bylaw amendment)
[13]	Encouraging Māori Decision making – Policy Statement	Jun-24	Jun-27	3 Years	As part of LTP
[14]	Fraud and Corruption	25-Mar-25	Mar-28	3 Years	Doc #690675
[15]	Gambling Venues	May-23	May-26	3 Years	Legislative Requirement
[16]	Governance Statement	Feb-23	Mar-26	3 Years	Legislative Requirement Within 6 months of Elections
[17]	Lease Policy	25-Feb-25	Feb-28	3 Years	
[18]	Local Alcohol	Aug-22	Aug-28	6 Years	Legislative Requirement
[19]	Local Easter Sunday Shop Trading	Feb-22	Feb-27	5 Years	Legislative Requirement
[20]	Procurement	May-22	May-25	3 Years	Doc #700937 Under Review (Refer Note 20 for details)

	Policy	Last Review (Adoption) Date	Next Review	Review Cycle	Comment
[21]	Psychoactive Substances – Local Approved Products	Apr-23	Apr-26	3 Years	Currently no Policy Reconsider need following Elections
[22]	Remission of Rates	May-22	Jun-28	6 Years	Legislative Requirement - S109(2A) LGA
[23]	Revenue and Financing	Jun-24	Jun-27	3 Years	
[24]	Road Encroachment	25-Feb-25	Feb-28	3 Years	
[25]	Road Naming	25-Feb-25	Feb-28	3 Years	
[26]	Sensitive Expenditure	Sep-24	Sep-26	2 Years	
[27]	Significance and Engagement	Jun-24	Jun-27	3 Years	As part of LTP
[28]	Standing Orders for Meetings	24-Sept-24	Nov-25	3 Years	Legislative Requirement Immediately post Elections
[29]	Stock Underpasses	25-Feb-25	Feb-28	3 Years	
[30]	Treasury	Jun-24	Jun-27	3 Years	As part of LTP
[31]	Use of Remotely Piloted Aircraft Systems (Drones)	May-23	May-26	When required.	Recommend review in the next 3 years

[1] **Appointment of Directors to Council Controlled Organisations**

The Policy on the Appointment of Directors to Council Controlled Organisations “CCO” is a legislative requirement (s57 LGA). It requires for there to be an objective and transparent process which considers skills, knowledge and experience required of the CCO as part of the appointment process of Directors to Council Controlled Organisations. The Policy on the Appointment of Directors to Council Controlled Organisations sets a base criterion that is required by the organisation when making appointments to CCO's. The Policy is to be reviewed every 3 years.

[2] **Citizens Award Policy**

The Citizens Award Policy provides a clear statement on Council's commitment in recognising the significant contributions that individuals make to the achievement of improved community well-being and positive community outcomes of the District. The Policy also outlines the principles and parameters that form the basis for the Waitomo District Council Citizens Awards. The Policy is to be reviewed every 3 years (post Triennial Elections) or earlier if required.

Note: Citizens Award Ceremonies were put on-hold during COVID and as a result of the “changing world” since that time, the Policy and in particular how citizens are actually acknowledged is under review. The review will now be scheduled for following the 2025 Triennial Elections to enable the new Council to consider and adopt a Policy.

[3] **Code of Conduct**

A Code of Conduct is a legislative requirement (s40 and Schedule 7 s15 LGA). The Code of Conduct provides guidance on the standards of behaviour that are expected from elected members of WDC; it sets out governance principles elected members will observe including roles and responsibilities of elected members and the Chief Executive and provides guidance for decision making. A local authority may amend or replace its code of conduct but may not revoke it without replacement. An amendment of the code of conduct or the adoption of a new code of conduct requires, in every case, a vote in support of the amendment of not less than 75% of the members present. The Policy is reviewed every 3 years as soon as possible post the Triennial Elections.

[4] **Communications Strategy**

The Communications Strategy provides a 'road map' of how WDC needs to develop and implement its communications to support and meet its organisational objectives and legislated requirements which enable democratic local decision making, as well as promoting the social, economic, environmental and cultural wellbeing of the Waitomo District. It will also be consistent with organisational values. The Communications Strategy is reviewed every three years.

[5] **Community and Partnerships Fund Policy**

The Community and Partnerships Fund Policy establishes policies, principles and criteria for the provision of funding grants to assist organisations that provide projects, activities and events which benefit the residents of communities within the Waitomo District. Following significant changes to the Policy in early 2024, the Policy is scheduled to be reviewed in 2 years (2026) to ensure the Policy is meeting Council's desired outcomes and to align with development of the next (2027-2037) Long Term Plan.

Note: Once the scheduled review for August 2026 is completed, it is recommended that reviews going forward be every three years to align with the development of Long Term Plans.

[6] **Community Organisations Insurance Arrangements through Council Policy**

The purpose of the Community Organisations Insurance Arrangements through Council Policy is to allow incorporated Community Organisations with property located on Council land to benefit from Council's collective insurance arrangements through competitive insurance cover for property assets.

The Policy was amended in December 2024 to include discretion for considering applications from Community Organisations not situated on Council owned, or Council reserve land, but which provide benefit to the community.

[7] **Council Controlled Organisations - Policy Statement**

The Policy Statement on Council Controlled Organisations is a legislative requirement (Schedule 10, s7 LGA). The Policy must name the CCO(s) and any subsidiary of the CCO(s) as well as identify Council's policies and objectives in regard to ownership and control of the CCO, the nature and scope of the activities to be provided by the CCO and the key performance targets and other measures by which performance may be judged. Council's Policy Statement on CCOs is contained in the LTP and therefore reviewed every three years.

[8] **Dangerous and Insanitary Buildings Policy**

The Dangerous and Insanitary Buildings Policy is a requirement under Section 131 of the Building Act 2004 and sets out the approach WDC will take in performing its regulatory functions for dangerous or insanitary buildings under the Building Act 2004. Section 132 of the Building Act 2004 states that the Policy must be reviewed every 5 years and can only be amended or replaced in accordance with the special consultative procedure (as detailed in the Section 83 of the Local Government Act 2002).

[9] **Delegations Register**

The Delegations Register explains the rules relating to the way in which delegations and sub-delegations apply and operate. The Policy is separated into parts as follows:

Part A – Council to Committees

Any Committee, like the Council, must comply with the decision-making requirements set out in Part 6 of the LGA.

Part B – Council to the Chief Executive

Delegation of statutory and other delegations including all of the responsibilities, duties and powers imposed on the Council by statute or assumed under bylaws made by the Council, together with delegations in respect of financial management, property transactions, and

other matters. These delegations may be sub-delegated, unless this is expressly excluded in Part B.

Part C - Council to Officers

This includes delegations, in particular under the Local Government (Rating) Act 2002 and the Resource Management Act 1991. These delegations can not be sub-delegated, unless this is expressly included in Part C.

Part D – Chief Executive to Staff

Sub-delegations of most of the responsibilities, duties and powers delegated by the Council to the Chief Executive. This is consistent with the principle behind the delegations register which is to delegate decision-making to the lowest competent level. Generally, these sub-delegations may not be further sub-delegated.

[10] Delegations – Financial Matrix

The Financial Delegations Matrix is to be read in conjunction with the Delegations Register and details financial delegations made by the Chief Executive to WDC employees in accordance with WDC's Procurement Policy, Delegations Register and Revenue and Financial Policy. It provides the legal basis for individual positions to conduct their work and make decisions. The Financial Delegations Matrix is "confidential" to ensure the protection and privacy of individual WDC employees. The Financial Delegations Matrix is under constant review to meet the needs of WDC.

[11] Dog Control Policy

The Dog Control Policy is a legislative requirement (s10 Dog Control Act 1996 (DCA)). It covers a range of matters including where dogs are allowed in public places. The Policy must give effect to by a Dog Control Bylaw. s10AA DCA requires the Policy to be reviewed if the Bylaw implementing the policy requires review; therefore, the review date for the Policy aligns with the review date for the Dog Control Bylaw.

[12] Encouraging Māori Decision Making – Policy Statement

The Policy Statement on Encouraging Māori Decision Making is a legislative requirement (s81 LGA) and is disclosed in the LTP. The Policy Statement is reviewed every three years as part of the LTP development process.

[13] Development and Financial Contributions Policy

A policy on development contributions is a legislative requirement (s102(2)(d) and s106 LGA) and must also support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. It is a legislative requirement that the Policy be reviewed every three years.

The purpose of development contributions is to recover a fair, equitable, and proportionate share of the capital costs of providing new or additional infrastructure (e.g., roads, water, sewer, community facilities) to service growth.

Currently, Council imposes resource consent conditions, which require the developer to fully fund all of the infrastructure works for their development.

As Council's current status is not to collect development contributions, rather than creating a stand-alone Policy, Council's policy on Development and Financial Contributions is included in the Revenue and Finance Policy as follows:

3.8 Development and Financial Contribution Policy

- 3.8.1 *Population trends show that there is no forecast demand on infrastructure created by growth, for the foreseeable future.*
- 3.8.2 *Currently Council does not require development contributions for development that triggers section 198(1) of the Local Government Act 2002.*

3.8.3 *Financial contributions are currently taken by Council as consent conditions for subdivision and land use activities approved under the Resource Management Act 1991("RMA") where possible. Formulae are specified in the District Plan for collecting financial contributions to remedy or mitigate the adverse effects of development on District.*

Central Government announced on 28 February 2025 that will be replacing the existing Development Contributions system with a new Development Levy system with legislation to be enacted in mid-2026 with the new system to begin in 2027. The new system will allow councils and other infrastructure providers to charge developers a levy based on the total cost of capital expenditure over the long term, rather than the current system of upfront contributions for specific projects.

Financial contributions are recouped under the Resource Management Act 1991 and are charged as part of the resource consent process. Financial contributions are intended to offset the cost of future capital works and the cost of capital works already incurred where a development consumes that capacity, together with other related costs necessitated by new development or subdivision. Fees vary for different types of activities, development or subdivision.

Financial contributions have been developed as part of the Proposed District Plan.

[14] Fraud and Corruption Policy

The Fraud and Corruption Policy provides Council's position with respect to fraudulent or corrupt activities and provides clear guidance to elected members, staff and stakeholders who may encounter or suspect fraud or corruption against WDC. WDC has applied a Fraud Policy since 2011 as an internal operational, however with Council's adoption of the Risk Management Framework it was considered prudent that the elected Council take ownership of the Policy. The most recent Policy review was in March 2025 with the next review scheduled for March 2028. The Policy is to be reviewed every 3 years.

[15] Gambling Venues

The Policy on Gambling Venues is a legislative requirement (s101 Gambling Act 2003 and s96 Racing Industry Act 2020). The Policy outlines the controls in the District (e.g. location and number of machines) for class 4 Gambling Venues and NZ Racing Board venues providing racing betting or sports betting services. It is a legislative requirement that the Policy be reviewed every 3 years.

The policy can only be amended/replaced in accordance with the special consultative procedure (s102 Gambling Act 2003 and s97 Racing Industry Act 2020)

[16] Governance Statement

A local governance statement is a legislative requirement (s40 LGA). The Governance Statement is a collection of information summarising how a Council engages with its communities, how it makes its decisions and how residents and ratepayers can become involved in those processes. The Governance Statement must be adopted within six months following a triennial election (s40(2) LGA).

[17] Lease Policy

The Lease Policy outlines how leases are to be managed, determines standard rental rates and who pays the outgoings, and establishes a Community Lease Grant (the Grant) for eligible organisations leasing WDC land or buildings. The Policy is to be reviewed every three years.

[18] Local Alcohol Policy

The Local Alcohol Policy (LAP) balances the reasonable needs of the residents of Waitomo District regarding the sale, supply and consumption of alcohol, while addressing the statutory requirements of the Sale and Supply of Alcohol Act 2012 (SSAA), including the object of the Act to minimise the harm caused by excessive or inappropriate consumption of alcohol. While having a Local Alcohol Policy is not mandatory under the SSAA, if a policy is adopted, it is then a legislative requirement that the Policy be reviewed at least at least every 6 years using the special consultative policy (s97 SSAA).

[19] Local Easter Trading Policy

The Local Easter Trading Policy is made under Part 2 (Subpart 1) of the Shop Trading Hours Act 1990 ("STHA") which provides Council with the ability to establish a local policy to permit shops to open on Easter Sunday. While having a policy is not mandatory under the STHA, once a policy is adopted, it then becomes a legislative requirement that the Policy be reviewed at least every 5 years using the special consultative policy (s5C(4) STHA).

[20] Procurement Policy

The Procurement Policy has been prepared to ensure WDC procurement is made in a robust, transparent way and reflects generally recognised, good practice standards for the Local Government sector. The Policy is to be reviewed every 3 years.

Note: The review of this Policy due May 2025 is currently underway. Consideration is being given to the implications of the MBIE proposed 5th Edition of the NZ Government Procurement Rules which has just completed the consultation phase with over 900 submissions received. No timetable is available for the Cabinet process which may take many months. It is currently being ascertained whether a review of Council's Policy is required now, or if it can wait until the MBIE 5th Edition is issued.

[21] Psychoactive Substances

The Psychoactive Substances Act 2013 makes provision for (not mandatory) adopting a policy on psychoactive substances to enable the Council and its community to have influence over the location of retail premises selling such products. Council has considered this matter in 2015, 2018 and 2023 and to date has agreed not to develop a policy, but to continue to review the need every 3 years following the triennial elections.

[22] Remission of Rates Policy

The LGA s102(3) provides that a local authority may adopt either or both of a rates remission policy and rates postponement policy. If a Rates Remission Policy is adopted, s109 of the LGA provides that it must state the objectives sought to be achieved by the remission of rates, and the conditions and criteria to be met in order for rates to be remitted. It is a statutory requirement (s109(2A)) that the Rates Remission Policy be reviewed at least every 6 years using a special consultative process (s82 LGA).

Review History

28 June 2008	Minute Item 12	Adoption of Proposed Amendments to the 2006-2016 Long Term Council Community Plan
24 November 2009	Minute Item 9	Review of Policy on Remission of Rates including Rates Remissions and Postponements of Māori Land
29 November 2011	Minute Item 9	Adoption of Policy on Remission of Rates including Rates Remissions and Postponements of Rates on Māori Freehold Land
4 April 2012	Minute Item 15	Proposed Amendment to Policy on Remission of Rates including Rates Remissions and Postponements of Rates on Māori Freehold Land
24 April 2012	Minute Item 17	Confirmation of Minutes – 4 April 2012
29 June 2012	Minute Item 7	Amendments to the Policy on Remission of Rates and Postponements of Rates on Māori Freehold Land
25 June 2015	Minute Item 7	Adoption of Policy on Rates Remission (Including Remissions and Postponements of Rates on Māori Freehold Land)
29 June 2021	Minute Item 14	Policy Review – 10 Year Plan 2021-2031
31 May 2022	Minute Item 12	Review of the Rates Remission Policy – Submissions

[23] Revenue and Financing Policy

It is a legislated requirement to have a Revenue and Financing Policy (s102(2)(a) LGA). The Revenue and Financing Policy provides guidance on how the local authority will fund operational and capital expenses and enables predictability and certainty about sources and levels of funding. The Revenue

and Financing Policy is reviewed concurrently with the LTP and adopted as a supporting policy to the LTP.

[24] Road Encroachment Policy

This Policy provides a formalised and streamlined process to manage road encroachments and provides criteria for the Council to consider when approving encroachment applications. This policy does not apply to activities and structures of utility companies where these relate to specific statutory rights allowing utilisation of legal roads to provide various utility services.

[25] Road Naming Policy

Councils are responsible for the naming of roads and numbering of land and buildings under the LGA 1974. Road names and property numbers are used for the accurate and quick identification of properties. It is essential that properties have a formal and unique address by which they can be identified. The Road Naming Policy formalises the process and creates certainty for applicants, Council, and the wider community.

[26] Sensitive Expenditure Policy

The Sensitive Expenditure Policy provides a framework for entering into and approving sensitive expenditure. 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. Spending of this nature risks public trust and could harm the Council's reputation if not well managed. While the Sensitive Expenditure Policy is a new policy in 2024, it incorporates historical policies on Gifts, Acknowledgements and Farewells; Koha and Donations; Travel and Expenses; Credit Cards and rules for elected members claiming expenses and resources available to them during their term. The Sensitive Expenditure Policy is scheduled for review every 2 years, but can be reviewed earlier if necessary.

[27] Significance and Engagement Policy

The Significance and Engagement Policy is a legislative requirement (s76AA LGA) and details Council's approach to determining the significance of a proposal or decisions and sets out the criteria and general procedure Council will use. Any amendment to the policy must go through a special consultative process (s82 LGA) unless Council considers on reasonable grounds that it has sufficient information about community interests and preferences to enable the purpose of the policy to be achieved. While that Act provides the policy "may be amended from time to time", our Policy is scheduled for review every 3 years in conjunction with the LTP development process.

[28] Standing Orders for Meetings

It is a legislated requirement to have Standing Orders for Meetings (LGA 2002 and LGIOMA 1987). Standing orders contain rules for the conduct of the proceedings of local authorities, committees, subcommittees, subordinate decision-making bodies, and local and community boards. Their purpose is to enable local authorities to exercise their decision-making responsibilities in a transparent, inclusive, and lawful manner.

Although it is mandatory that local authorities adopt standing orders for the conduct of their meetings, it is not necessary that they are adopted every triennium. However, LGNZ recommends that every council, committee, subordinate body and local and community board review their standing orders within at least the first six months following an election to ensure that they fully meet their needs for effective and inclusive meetings (see LGA 2002, sch 7, cl 27).

[29] Stock Underpass Policy

The LGA 1974 gives Councils general powers in respect to roads and the LGA (section 10) enables the Council to meet the current and future needs of communities for good quality local infrastructure. This policy outlines the conditions and requirements that must be met when installing a stock underpass and currently allows for an encumbrance to be placed on the Record of Title for the property to ensure responsibility for the stock underpass over its lifetime remains with the property owner. The Policy provides a process to manage the application and approval for stock underpasses,

requirements for associated infrastructure, the overlying road, other services and any on-going inspections and maintenance. It outlines the conditions and standards that need to be met and the NZ Transport Agency funding criteria.

[30] Treasury Policy

The Treasury Policy incorporates Council's Investment and Liability Management Policies (which are legislative requirements (s102(2)(b) and (c) LGA) and details Council's principles of prudent financial management and risk mitigation strategies as they relate to liability management. Any amendment to the Policy must go through a special consultative process (s82 LGA). The Policy is scheduled for review every 3 years in conjunction with the LTP development process.

[31] Use of Remotely Piloted Aircraft Systems (Drones) Policy

The Use of Remotely Piloted Aircraft Systems (Drones) Policy provides guidance on the use of remotely piloted aircraft on or over Waitomo District Council properties and facilities. This policy was first adopted in 2016. Since that time the purposes that drones are used for has evolved (for example, the use by Police to investigate crash sites) - Policy reviews need to reflect such changes. The Policy is scheduled for review every 3 years, or when required.

COUNCIL BYLAWS

The table below sets out the statutorily required 10-year cycle (or 5-year cycle for new Bylaws) review dates for Council's Bylaws; however it is noted that it may become necessary to review a Bylaw before the required statutory timeframe due to either legislative changes or to respond to an emerging issue.

It also may be necessary for Council to consider developing additional bylaws, and these will be included if and when required.

Section 158 of the Local Government Act (LGA) requires that Council must review any bylaw, made under the LGA, no later than five years after the date on which the Bylaw was made, and then no later than every 10 years (section 159 of the LGA). If bylaws are not reviewed within the required statutory timeframe, they cease to have effect two years after the date on which the Bylaw was required to be reviewed.

Set out in the table below is the timeline for each (currently adopted) Bylaw, including the statutory review date.

Bylaw Review Timelines

	Bylaw	Bylaw Adoption Date	5 Year Review Adoption Date	Other Reviews	Next (10 Year) Review Adoption Date
[1]	Dog Control Bylaw	22 February 2005	16 December 2008	15 December 2015 25 June 2019 - Minor amendments	15 December 2025
[2]	Freedom Camping Bylaw	27 November 2018	June 2022	November 2023	November 2033
[3]	Land Transport Bylaw	10 February 2010	February 2015	25 February 2025 (10 Year Review)	February 2035
[4]	Public Amenities Bylaw	10 February 2010	10 February 2015	February 2019 – minor amendments to align with Freedom Camping Bylaw	February 2025 February 2027 Deferred 2 years (Refer Note 4)
[5]	Public Health and Safety	3 November 2009	25 June 2014	February 2019 – minor amendments to give effect to changes to the Food Act 2014 November 2023	March 2033
[6]	Public Places Bylaw	24 March 2009	25 June 2014	February 2011 – amend Sched B Liquor Control September 2018 – minor amendments to align with Freedom Camping Bylaw November 2023	November 2033
[7]	Solid Waste Bylaw	3 November 2009	25 June 2014		March 2024 March 2026 Deferred 2 years (Refer Note 7)
[8]	Trade Waste Bylaw	26 July 2006	26 July 2011	28 June 2016	June 2026
[9]	Water Services Bylaw	10 February 2010	10 February 2015		10 February 2025 February 2027 Deferred 2 years (Refer Note 9)

[1] Dog Control Bylaw

The Dog Control Bylaw gives effect to Council's Dog Control Policy; to protect and maintain public safety; and to address how Council will fulfil its functions and duties pursuant to the Dog Control Act 1996. The objective of the Dog Control Policy is to enable people to enjoy the benefits of dog ownership and provide for the exercise and recreational needs of dogs and their owners, whilst minimising danger, distress, and nuisance to the community generally.

[2] Freedom Camping Bylaw

The Freedom Camping Bylaw is to control freedom camping in the District in order to protect local authority areas; protect the health and safety of people who may visit local authority areas; and to protect access to local authority areas. The Bylaw should be read in conjunction with the Freedom Camping Act 2011.

[3] Land Transport Bylaw

The Land Transport Bylaw applies to the management, control and protection of all roading corridors, including unformed "paper" roads, in Waitomo District other than state highways controlled by the New Zealand Transport Agency for which the relevant powers have not been delegated to the Waitomo District Council. The Bylaw is made under section 22AB of the Land Transport Act 1998, sections 145 and 146 of the Local Government Act 2002, and the Land Transport Rule: Setting of Speed Limits 2003.

[4] Public Amenities Bylaw

The Public Amenities Bylaw controls a diverse range of activities in public amenities to ensure that acceptable standards of convenience, safety and civic values are maintained for the wellbeing and enjoyment of citizens, visitors and businesses within the district. In particular this bylaw addresses conduct in public amenities such as libraries, reserves, aerodrome, public parking areas, public toilets, swimming pool, beaches, other public buildings and cemeteries which may have an adverse effect on other users of these facilities.

The Local Government Act 2002 and other relevant Acts e.g. Reserves Act 1977, Health Act 1956, outline some of the powers and requirements of the Council in regard to public places and reserves. Areas of control so prescribed by that legislation is not necessarily repeated within the Bylaw, and therefore the relevant sections of the Local Government Act 2002 and other legislation should be read in conjunction with it.

Note: As part of initiating the 10 year review of this Bylaw, on 17 December 2024 Council resolved as follows:

- 1 *The business paper on the Water Services Bylaw 2010 (adopted 10 February 2015) and Public Amenities Bylaw 2010 (adopted 10 February 2015) – 10 Year Review be received.*
- 2 *In accordance with Section 160A of the Local Government Act 2002, Council agree not to complete the 10 year review of the Water Services and Public Amenities Bylaws and for both Bylaws to be revoked as of 10 February 2027 (unless revoked earlier by the Council).*

Public Amenities Bylaw Resolutions

- 6 *A review of the current Public Amenities Bylaw will be undertaken once the Proposed Waitomo District Plan is Operative, and if required, a new Bylaw will be developed at that time and the existing Bylaw revoked.*
- 7 *If it is determined that the Public Amenities Bylaw is no longer required as a result of the Proposed Waitomo District Plan, then a new Bylaw will not be developed. However, should it be determined that the Public Amenities Bylaw is still required, a review will be undertaken and a new Bylaw adopted.*

- 8 *Council publicly notify that due to the likely significant changes to be implemented once the Proposed Waitomo District Plan is Operative, it will not be completing the 10 year review of the existing Public Amenities Bylaw 2010 and that should it decide a new Public Amenities Bylaw is required, it will develop one prior to 10 February 2027.*

[5] **Public Health and Safety**

The Public Health and Safety controls a diverse range of activities to ensure that acceptable standards of public health and safety are maintained for the wellbeing and enjoyment of citizens, visitors and businesses within the District. In particular the bylaw addresses a wide range of issues that could have an adverse effect on the health and safety of the public by regulating General Public Nuisances and Specific Public Health Provisions.

[6] **Public Places Bylaw**

The Public Places Bylaw controls a diverse range of activities that occur within our district's public places to ensure that acceptable standards of convenience, safety, visual amenity, and civic values are maintained in public places for the well-being and enjoyment of citizens, businesses and visitors within the district now and in the future. This Bylaw addresses a wide range of issues that could have an adverse effect on public places and their users.

[7] **Solid Waste Bylaw**

The scope of the Solid Waste Bylaw is to ensure that household waste is reduced, collected and disposed of in the interests of public health and in an efficient and cost effective manner; to provide for the efficient collection and recovery of recyclable waste; to ensure that the obstruction of streets and roads by waste for collection is minimised; and to manage waste management facilities for the optimum disposal or recycling of waste.

Note: As part of initiating the 10 year review of this Bylaw, on 17 December 2024 Council resolved as follows:

- 1 *The business paper on Solid Waste Bylaw 2009 (adopted 25 June 2014) – 10 Year Review be received.*
- 2 *In accordance with Section 160A of the Local Government Act 2002, Council agree not to complete the 10 year review of the Solid Waste Bylaw and for it to be revoked as of 25 June 2026 (unless revoked earlier by the Council).*
- 3 *A review of the current Solid Waste Bylaw be undertaken once Council makes a decision on the future of the Waitomo District Landfill to ensure ongoing consistency with Council's Waste Management Policies and Practices, and if required a new Bylaw be developed at that time and the existing Bylaw be revoked.*
- 4 *If a new Bylaw is not required as a result of Council's decision on the future of the Waitomo District Landfill, then a new Bylaw be scheduled for development to come into effect no later than 25 June 2026.*
- 5 *Council publicly notify that due to the significant changes to be implemented in the solid waste activity over the next two years, it will not be completing the 10 year review of the existing Solid Waste Bylaw 2009 and that it will be developing a new Solid Waste Bylaw prior to June 2026.*

[8] **Trade Waste Bylaw**

The purpose of Trade Waste Bylaw is to provide for the management, control and monitoring of trade waste discharges into WDC's wastewater systems and to:

- (a) protect sewer pipes, pumping stations, storage tanks, biological and biochemical treatment processes, wastewater treatment plants and other related wastewater system structures, electrics and controls from damage by applying standards and loading/concentration limits for trade waste discharges prior to discharge to WDC's wastewater systems

- (b) protect the health and safety of any person working with the WDC wastewater systems by applying standards for trade waste discharges
- (c) protect public health and the environment from the effect of trade waste discharges by ensuring all necessary resource consents are met
- (d) encourage waste minimisation, cleaner production and reduced water consumption
- (e) allow the Council to recover fair and reasonable costs of managing trade wastes from trade premises that discharge into the Council system by ensuring that the costs of conveying, treatment and disposal are shared fairly between trade waste and domestic dischargers proportional to volume and load.
- (f) assist the Council to meet relevant environmental standards
- (g) comply with the objectives of the New Zealand Waste Strategy.

Note: 1 Earlier reviews (outside the legislative review cycle requirement) may be required to address/facilitate renewal/amendment to the Discharge Agreements with the local meat works.

2 Waters Done Well implications will also need to be considered.

[9] **Water Services Bylaw**

The purpose of the Water Services Bylaw is to:

- (a) protect public health and the security of the public water supply;
- (b) detail the responsibilities of both the Council and the consumers with respect to the public water supply and other water related services;
- (c) ensures the safe and efficient creation, operation, maintenance and renewal of all public water services, sewerage and stormwater drainage networks;
- (d) ensures proper hazard management to prevent or minimise flooding and erosion;
- (e) minimises adverse effects on the local environment particularly freshwater ecological systems and beach water quality, and assists in maintaining receiving water quality;
- (f) ensures that watercourses are properly maintained;
- (g) ensures protection of Council's water services, sewerage and stormwater drainage assets and the health and safety of employees;
- (h) sets out acceptable types of connection to public water services, sewerage and stormwater networks.

Note: As part of initiating the 10 year review of this Bylaw, on 17 December 2024 Council resolved as follows:

- 1 *The business paper on the Water Services Bylaw 2010 (adopted 10 February 2015) and Public Amenities Bylaw 2010 (adopted 10 February 2015) – 10 Year Review be received.*
- 2 *In accordance with Section 160A of the Local Government Act 2002, Council agree not to complete the 10 year review of the Water Services and Public Amenities Bylaws and for both Bylaws to be revoked as of 10 February 2027 (unless revoked earlier by the Council).*

Water Services Bylaw Resolutions

- 3 *A review of the current Water Services Bylaw will be undertaken once the Local Government Water Services Bill is enacted, and if required, a new Bylaw will be developed at that time and the existing Bylaw revoked.*

- 4 *If a new Water Services Bylaw is not required as a result of the Local Government Water Services Bill, then a new Bylaw will not be developed. However, should it be determined that the Water Services Bylaw is still required, a review will be undertaken and a new Bylaw adopted.*
- 5 *Council publicly notify that due to the significant changes to be implemented in the water services delivery space over the next two years, it will not be completing the 10 year review of the existing Water Services Bylaw 2010 and that should it decide a new Bylaw is required, it will develop a new Bylaw prior to 10 February 2027.*

Document ID: 836187

Report To: Audit and Risk Committee**Meeting Date:** 13 May 2025**Subject:** Risk Management Framework Update**Type:** Information Only**Author(s):** Ben Smit
Chief Executive**1. Purpose of Report**

- 1.1 The purpose of this business paper is to provide an update on the progress of Waitomo District Council's Risk Management Programme.

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 Risk Management Framework Update be received.
- 2 The Audit and Risk Committee recommend to Council the following minor amendments to the Risk Management Framework:
 - Risk Appetite (Page 7). Section and table has been added to describe the various levels of risk appetite. A section below has been deleted which talked about a blanket appetite for risk of 'very low'. This is too general an approach the appetite for risk will depend on the situation, probably of the risk, risk severity and the level in the organisation the decision is made at. Refer Section 4 of the framework on page 18.
 - Roles and responsibilities (Page 9). Clarifying responsibility. This is not part of the Health and Safety Coordinator's role.
 - Analyse (Page 13). The Risk Likelihood table had been replaced with a more general explanation of 'likelihood'. The probability % was confusing and the expected timeframe in weeks, months and years because this was seen to be too prescriptive particularly given we are discussing the likelihood of something occurring because are, by their very nature, difficult to place timeframes and probabilities on.
 - Risk Consequence Table (Page 15 / 16). Service delivery relating to lifelines utilities (bottom of table). Interested in the committee's opinion on the moderate, major and severe narrative. These thresholds seem low eg 'severe' = disruption of service levels for more than 1 day (multiple activities or sites). These seem low.

3. Background

- 3.1 Council adopted its first Risk Management Framework (RMF) and Risk Management Implementation Plan (RMIP) in May 2019.
- 3.2 Since the previous report to this Committee, WDC continues in its new approach to its risk management framework and delivery through the engagement of Aon NZ as an external

provider. The purpose of this relationship will be to review the existing Risk Management Framework towards enhancement and improvement. This report provides an update on work completed since the February report.

4. Commentary

RISK MANAGEMENT PLAN 2025

4.2 A road map has been developed for WDC's risk management programme. This plan has been developed to identify the key deliverables for the 2025 reporting year to this committee. This plan is informed by the findings of the risk maturity exercise which has been conducted with WDC's Senior Management Team.

4.3 The four key deliverables for 2025 are as follows, noting that the order of delivery is fluid.

Deliverable	Purpose	Status
Plan of key deliverables	A road map of key milestones and deliverables in order to strengthen and enhance WDC's risk management framework.	Completed
Risk Maturity Review	Senior Leaders are surveyed to ascertain WDC's current risk maturity levels. The findings will inform decision of levels that WDC wish to achieve, and what needs to be done to achieve this.	Completed
Review of existing risk management framework (RMF) document	A full review of the generic policy level document to tailor and better reflect WDC's risk management approach and practice.	In this paper
Organisational Risk Register	A review of the organisational risk register to, not only consider content, but more importantly investigate a revised format to better display risks, as well as providing detail of their analysis/treatment. Consideration will also be given to the viability of automated dashboard visuals such as heat mapping of risks for reporting purposes.	TBC

RISK MANAGEMENT FRAMEWORK

4.4 Waitomo District Council's Risk Management Framework (RMF) document is a policy-level document that provides a systematic approach that sets out the Council's risk management methodology, and guides the organisation in identifying, assessing, and mitigating potential risks.

4.5 Waitomo District Council has maintained the current version of the RMF since 2020, with the last review date of 2021. The RMF has been made subject to a full review by Aon and the Chief Executive. Other than minor amendments associated with changed roles and responsibilities since the last review, the document is found to be fit for purpose. A few additions and changes are bullet-pointed below.

- Risk Appetite (Page 7). Section and table has been added to describe the various levels of risk appetite. A section below has been deleted which talked about a blanket appetite for risk of 'very low'. This is too general an approach the appetite for risk will depend on the situation, probably of the risk, risk severity and the level in the organisation the decision is made at. Refer Section 4 of the framework on page 18.
- Roles and responsibilities (Page 9). Clarifying responsibility. This is not part of the Health and Safety Coordinator's role.
- Analyse (Page 13). The Risk Likelihood table had been replaced with a more general explanation of 'likelihood'. The probability % was confusing and the expected timeframe in weeks, months and years because this was seen to be too prescriptive

particularly given we are discussing the likelihood of something occurring because are, by their very nature, difficult to place timeframes and probabilities on.

- Risk Consequence Table (Page 15 / 16). Service delivery relating to lifelines utilities (bottom of table). Interested in the committee's opinion on the moderate, major and severe narrative. These thresholds seem low eg 'severe' = disruption of service levels for more than 1 day (multiple activities or sites). These seem low.

4.6 Looking ahead, the RMF will be reviewed on an annual basis with a recommendation to this committee to endorse any amendments

5. Attachments/Separate Enclosures

Attachment:

1 Waitomo District Council Risk Framework (updated) (#836320)

WAITOMO DISTRICT COUNCIL RISK MANAGEMENT FRAMEWORK AND GUIDELINE

Version #	Date	Revision by	Description of Change
1.0	21/12/2020	Ihsana Ageel	Review and update the existing Framework
1.1	12/07/2021	Ihsana Ageel	Update post ARFC Workshop
1.2	April 2025	Aon NZ	Review



CONTENTS

INTRODUCTION	3
PRINCIPLES, FRAMEWORKS AND PROCESS	4
OBJECTIVES.....	4
IMPLEMENTATION.....	5
INTEGRATION	5
RISK CATEGORIES AND RISK REGISTERS	6
RISK TYPES.....	7
RISK APETITE.....	8
ROLES AND RESPONSIBILITIES.....	8
RISK MANAGEMENT PROCESS	10 ⁹
RISK ASSESSMENT PROCESS.....	12 ¹¹

INTRODUCTION

Effective risk management occurs every day and relies on the proactive participation of all WDC staff.

The Risk Management Framework adopts an explicit and systematic approach that links risks to WDC's objectives and priorities. A robust risk management process increases organisational resilience by improving predictability in achieving outcomes, protecting corporate assets, and maintaining stakeholder trust.

WDC is committed to managing its risks in a proactive, enduring and decisive manner. We are committed to managing and, where possible, reducing risks at all levels to ensure we achieve our objectives and priorities. To support this, the Risk Management Framework ensures that risks are identified, assessed and mitigated at a strategic, organisational and operational level. Consistency in applying the framework is important to ensure efficient and effective risk management within WDC. It is also necessary in our involvement in cross-agency collaboration.

A robust risk management approach will help the WDC achieve better results by having an agreed method of taking advantage of opportunities and identifying and reducing risks that may impact the organisation's ability to achieve its objectives.

There are many benefits to taking a structured approach to managing risk. These include:

- improved identification of risks and opportunities
- improved effectiveness of controls
- prompt escalation of risks
- improved reporting
- a reliable and consistent basis for decision making
- clearer accountability
- better overall communication
- Continuous improvement of assurance methodology.

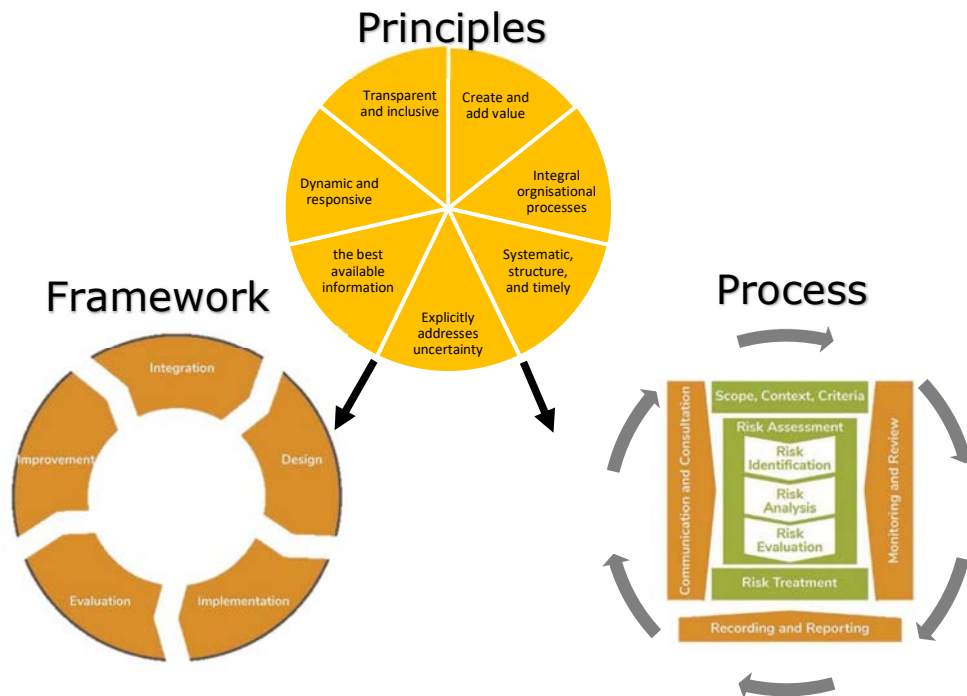
WDC's Risk Management Framework is derived from internationally recognised standards. It provides an overview of the risk management process and sets out the fundamental steps required to complete and record our risk management process in accordance with the Joint Australian New Zealand International Standard Risk Management – Principles and guidelines AS / NZS ISO 31000:2009. It is a living document and will be regularly reviewed and updated to reflect best practice, and changes to related policy and procedures.

PRINCIPLES, FRAMEWORKS AND PROCESS

Council recognises the need to apply the Principles, Framework and Process detailed Australian/New Zealand Standard ISO 31000:2009.

Waitomo District Council (WDC) is committed to applying risk management techniques and assurance measures to ensure all opportunities and risks that may impact the achievement of objectives are identified, understood, and appropriately managed.

WDC takes a structured approach to risk management, at all levels and for all activities within the organisation. Our approach to risk management is consistent with the Australian/New Zealand Standard ISO 31000:2009.



OBJECTIVES

Through the implementation of an integrated and consistent approach to risk management, Council aims to achieve the following risk management objectives:

1. An organisational culture of reliable, informed, evidence based planning and decision making.
2. A consistent approach to the identification, assessment and treatment of risks.
3. Improved communication on matters of risk to enhance decision making.
4. Proactive and adaptive management practices.
5. Support achievement of Council's strategic objectives.
6. Effective allocation and use of resources for risk treatment.
7. Enhanced identification of opportunities and threats.
8. Enhanced organisational resilience and continuity of service.
9. Improved operational effectiveness and efficiency.
10. Staff accountability for risk identification and treatment.
11. Improved corporate governance, controls and performance
12. Improved community and stakeholder confidence and trust by providing assurance that risks are appropriately managed.
13. Reduced liability exposure and financial loss.
14. Safeguarding of Council's resources - its people, finance, property and reputation.

IMPLEMENTATION

In order to achieve its risk management objectives, this Framework will be implemented by undertaking the following activities:

1. Integration of the risk management process into all Council strategic and business planning processes and associated plans and activities
2. Defining a structured and consistent approach to the risk management process in accordance with AS ISO 31000:2018 Risk Management – Guidelines.
3. Providing easily accessible procedures, tools (risk assessment criteria) and guidance for staff to adequately identify, document, understand and manage risks
4. Undertaking risk management education and training of staff at all levels of the organisation
5. Establishing risk management resources, including the Risk Management Working Group, to facilitate implementation of the Framework
6. Defining risk management roles and responsibilities to ensure all staff manage risks relevant to their area of operation and accept accountability for their decisions
7. Building a positive and proactive risk aware culture throughout the organisation
8. Monitoring, reporting and reviewing risks on an ongoing basis
9. Reviewing the Risk Management Framework in accordance with defined success measures
10. Ensure that Council's Risk Management Framework informs its internal audit function.

INTEGRATION

Council will integrate risk management into its strategic and operational functions. Organisational strategies, plans and programs will be aligned with this Framework, including in the following business areas:



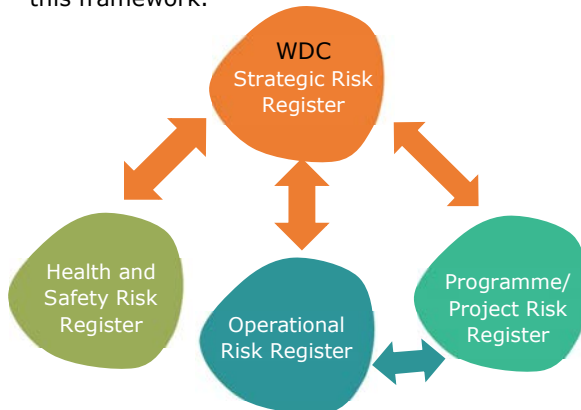
RISK CATEGORIES AND RISK REGISTERS

There are a number of categories in which risks may be grouped:

- Strategic
- Operational
- Health & Safety
- Project

While it is ideal in principle to identify risks within a certain category, this is not always possible. One risk may span more than one category, for example, an operational risk may become strategic.

The risk category will usually become apparent during the risk management process where the sources and causes of risks are considered. The process to identify and assess risk is set out on pages 11 and 14 of this framework.



Strategic Risk

These risks may have an impact on Waitomo District Council achieving its vision, outcomes, priorities and key objectives. Strategic Risks are identified by elected members and managed by the Senior Management Team (SMT). These risks are regularly reported to the Audit Risk and Finance Committee to ensure risks are being appropriately managed. The focus of strategic risks are more likely, but not exclusively, to be on:

- External influences affecting Waitomo District Council's effective operations.
- Waitomo District Council's most critical and essential assets, activities and associated risks.
- Risks that are common to more than one of the organisation's Group or activity.

- Risks to Waitomo District Council meeting expected service levels

Operational Risk

These risks may have an impact on Waitomo District Council's individual groups from achieving their group's objectives. Group risks are identified and managed by GMs and their teams and regularly reported to the GM's to ensure risks are being appropriately managed. The Group risks are more likely, but not exclusively, to be on:

- External influences impacting the Group's effective operations
- Group's most critical and essential assets, activities and associated risks
- Risks to the Group meeting expected service levels

Health and Safety

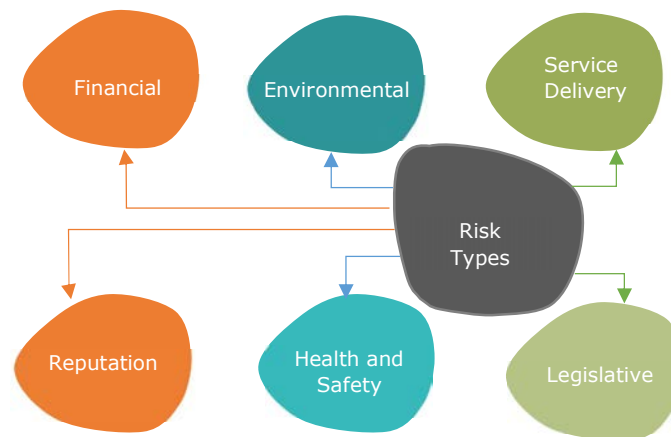
These risks may have an impact on the health and safety of Waitomo District Council staff, contractors, visitors or the public at large. Health and safety risks are identified by all WDC staff members and may also impact more than one Group or activity. These risks are regularly reported to SMT to ensure risks are being appropriately managed. WDC's Health and Safety Charter, commits to the identification of existing and new risks to health and safety, taking all reasonably practicable steps to eliminate, or where elimination is not reasonably practicable, minimise exposure to health and safety risks. Health and Safety risks are a critical subset Operational Risk.

Programme / Project Risk

Programme / Project risks may have an impact on Waitomo District Council's individual projects from achieving their project's objectives. Project risks are identified and managed by project managers and their teams. Project risks are identified as part of project planning, are regularly assessed throughout the life of the project and regularly reported to the project governance group to ensure risks are being appropriately managed.

RISK TYPES

The following outlines the six risk types at Waitomo District Council that may impact its activities.



Types of risk	Definition
Financial	Risks related to the financial management of WDC and the ability to fund Council activities and operations, now and into the future, including risks resulting from an externally imposed economic environment.
Health and Safety / wellness	Potential risk event that adversely impacts on the health and safety of staff, contractors, visitors or the community. These also include risk that impact the health and safety of staff, as well as contractors & volunteers, including work health and safety issues, resourcing, human resources, industrial relations, organisational culture, staff values, public accountability.
Environmental	Potential or actual negative environmental or ecological impacts, regardless of whether these are reversible or irreversible in nature.
Reputation	Risks that affect the way Council and Council personnel are perceived: <ul style="list-style-type: none"> • by the community • by staff • nationwide and internationally • by stakeholders • by the media
Legislative	A risk event that results in WDC unknowingly or knowingly breaching statutes and stipulations, or exposed to liability.
Service Delivery	Risk events that impacts WDC's ability to function and deliver services as expected

RISK APETITE

Risk appetite statements define and describe the Council's philosophy, approach and tolerance to taking risks in pursuit of objectives on a scale from Averse (low) to Open (high). The scale below is used to express the Council's enterprise level appetite for risk.

<u>Appetite Ratings</u>	<u>Averse</u>	<u>Cautious</u>	<u>Neutral</u>	<u>Receptive</u>	<u>Open</u>
<u>Description:</u>	<u>Appropriate control and management of risk and uncertainty is a key objective</u>	<u>Preference for service options that have a low degree of inherent risk and only have a potential for limited benefit</u>	<u>Preference for safe options that have a low degree of residual risk and may only have limited potential and benefit</u>	<u>Willing to consider all options and choose the one that is most likely to result in successful delivery while also providing acceptable benefits</u>	<u>Eager to be innovative and to pursue opportunities based on potentially high benefits</u>

The Risk Management Framework establishes the mechanisms through which the Council manages risk within these risk appetite tolerances to provide reasonable assurance regarding the achievement of organisational objectives.

Council will have a responsible approach to risk management, seeking to recognise and manage its exposure to risks in accordance with its vision, outcomes and priorities. In pursuing the achievement of its objectives and governance responsibilities, Council will accept a degree of risk commensurate with the potential reward and with consideration of Council's role and responsibilities within the community.

~~As a responsible and ethical Local Government Entity we have a very low appetite for risk relating to:~~

- ~~• staff health, safety and welfare~~
- ~~• financial operations and financial management~~
- ~~• integrity and professional ethics, legislative compliance~~
- ~~• accuracy and quality of information and confidentiality of information~~

From time to time well-managed and appropriate risks will be taken or recommended in order to achieve organisational objectives and outcomes. Without some degree of risk there is no return

or reward, and we are committed to achieving our purpose.

Given that we want to operate in a risk aware culture, it is important that we are able to make informed and deliberate decisions about whether residual risks are acceptable or not. And if not, look at what else can or needs to be done to bring it to an acceptable level. As a guide, a residual risk is likely to be considered acceptable when:

- it is adequately managed by existing controls or treatments, or
- the level of risk exposure is relatively low that treatment is not appropriate within available resources, or
- the cost of (additional) treatment is so excessive compared to the benefit that acceptance is the only option, or
- the opportunities presented outweigh risks to such a degree that a risk is justified, and
- key stakeholders have been properly informed of the nature risk and accept level of residual risks.

ROLES AND RESPONSIBILITIES

For risk management to be effective, clear lines of accountability, responsibility, and reporting are necessary.

Everyone within WDC has a role to play in managing risk and is required to actively participate in risk management processes including risk identification assessment, mitigation, and reporting.

To ensure a successful outcome and confidently provide the Chief Executive an assurance that risks are being efficiently and effectively managed across WDC at all levels WDC staff are expected to show their commitment to the Risk Management Framework and ensure it is established and functional within their work groups.

All Group / General Managers

All managers will have input into risk registers. Risk registers contain a summary of

risks, controls in place, risk levels, further risk treatment required, risk and response owners, and timeframes.

While risk registers are a common and convenient way of recording and reporting risks, from time to time more detailed risk reporting may be required depending on the type and complexity of the risk.

Risk reporting is determined by risk level which is discussed more fully in the following sections. Extreme risks should be reported immediately to your line manager who will escalate to the most appropriate manager(s). Following the initial notification of an extreme risk, frequency of reporting will be determined on a case-by-case basis depending on the risk type, area, and mitigation strategy.

Timely escalation of risks is essential, the 'no surprises' rule should be kept in mind when risk assessments are being carried out. As risks can emerge or escalate at any time, ad-hoc reports may sometimes be required.

Key roles

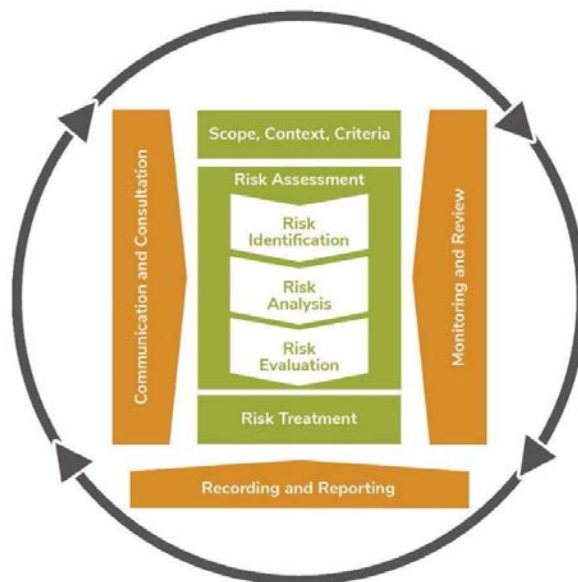
Person/Party	Responsibilities
Audit and Risk Committee (A&RC)	<ul style="list-style-type: none"> Ensures that the WDC Risk Management Framework is in place, fit for purpose, and aligned with best practice. Regularly reviews the strategic risk profile, key organisational and operational risks, and associated risk mitigation strategies.
Chief Executive	<ul style="list-style-type: none"> Takes overall responsibility for ensuring that there is a positive risk culture across WDC and that there are adequate risk management processes in place.
Senior Management Team (SMT) (supported by Risk Management Advisor)	<ul style="list-style-type: none"> Undertakes the substantive discussion on key risks and reviews the adequacy of risk mitigations to provide assurance that key risks are being managed appropriately. Leads and promotes risk management across WDC Maintains the Risk Management Framework, Policy, related risk management documents and strategic risk profiles. Provides risk management training and advice, and reports to governance committees. Reviews and maintains WDC Risk Management Framework and associated documents. Champions risk management across the WDC. Works with work groups and management to identify, assess and report risks. Develops and maintains the appropriate processes for recording, assessing and reporting key risks across the WDC.
All WDC employees and contractors	<ul style="list-style-type: none"> Actively participate in identifying and effectively and efficiently managing risks within in their areas of responsibility.
Health & Safety Facilitator	<ul style="list-style-type: none"> Maintains the Risk Management Framework, Policy, related risk management documents and strategic risk profiles. Provides risk management training and advice, and reports to governance committees.

Person/Party	Responsibilities
	<ul style="list-style-type: none"> Reviews and maintains WDC Risk Management Framework and associated documents. Champions risk management across the WDC. Works with work groups and management to identify, assess and report risks. Develops and maintains the appropriate processes for recording, assessing and reporting key risks across the WDC.

RISK MANAGEMENT PROCESS

The Risk Management Process is the systematic application of management policies, procedures and practices to the tasks of establishing context, identifying, analysing, evaluating, treating, monitoring and communicating in relation to risk.

Council will apply the following Process as defined by AS ISO 31000:2018 Risk Management - Guidelines:



Risk Management Process Overview

Step 1	Communication and Consultation	Communication and consultation with relevant internal and external stakeholders is to be undertaken at all stages of the risk assessment process to bring different areas of expertise together, ensure different views are appropriately considered, provide sufficient information to facilitate risk oversight and decision making and to build a sense of inclusiveness and ownership among those affected by the risk. It involves promoting awareness and understanding, as well as seeking feedback and information to support decisions made throughout the process.
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Step 2	Establishing the scope, context and criteria	This part of the process is undertaken to gain an understanding of the purpose of the risk assessment and factors that may require consideration throughout the process. It includes establishing and defining the scope of the activity being assessed and associated boundaries of the risk assessment; the relevant objectives to be considered and any relevant relationships to other projects, processes and activities; desired outcomes from the steps to be taken; decisions that need to be made; the internal and external environment; resources required and associated responsibilities; risk assessment criteria, tools and techniques to be applied and records to be kept throughout the risk assessment process.
Step 3	Risk Assessment	<i>The risk assessment process comprises the following key steps:</i>
	1. Risk Identification	Identifying risks involves consideration of what, how, why and when events might occur that could have an impact on achieving the objectives of the activity or operation being assessed. During this process consideration is to be given to Council's adopted Risk Categories . A variety of methods can be used to identify risks, such as brainstorming and SWOT analysis. Relevant, appropriate and up to date information is important to identifying risks.
	2. Risk Analysis	Risk analysis is undertaken to determine and understand the level of risk being faced. It involves a detailed consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls and their effectiveness. Risk analysis provides input to risk evaluation, decisions on whether risk needs to be treated and how, and on the most appropriate risk treatment and methods. Risk analysis should be undertaken using Council's adopted Risk Assessment Criteria .
	3. Risk Evaluation	The purpose of risk evaluation is to support decisions. It involves comparing the results of the risk analysis with the Council's established risk criteria -to determine if the level of risk is acceptable or additional action is required in order to continue with the activity or operation being assessed. Options may be to do nothing; consider risk treatment options; undertake further analysis; maintain existing controls; reconsider objectives; and it should consider the wider context and the action and perceived consequences to both internal and external stakeholders.
Step 4	Risk Treatment	Risk Treatment involves the development and implementation of additional controls, such as systems and procedures, to address the risk. Risk Treatment involves an iterative process of formulating and selecting risk treatment options; planning and implementing risk treatment; assessing the effectiveness of the treatment; deciding on whether the remaining risk is acceptable and if not acceptable, taking further treatment. Depending on the activity or operation that is being assessed and the priority of the risk, risk treatment strategies can involve the development and implementation of longer short term risk treatment action plans. Risk Evaluation (Step 3) and Risk Treatment (Step 4) should be undertaken with consideration of Council's adopted risk appetite, Preferred Risk Treatment Options and ALARP (as low as reasonably possible).
Step 5	Monitoring and Review	Monitoring and review of the risk management process, its implementation and outcomes ensures its continued quality and effectiveness and identifies opportunities for improvement. It will ensure that identified risks and controls remain relevant, controls remain effective and that any new risks are appropriately identified, recorded and managed appropriately. It should be a planned and documented part of each stage of the process and associated responsibilities should be clearly defined.

**Step
6****Recording and
Reporting**

The risk management process and its outcomes are required to be documented and reported regularly to ensure continued communication in relation to risk management activities and outcomes, to provide information for decision-making, to improve risk management activities and to assist interaction with stakeholders.

RISK ASSESSMENT PROCESS

The risk management process will be undertaken in accordance with Council's following adopted criteria to assess strategic and operational risks (unless exceptions below apply). The criteria are aligned with Council's organisational key objectives and risk appetite.

1. RISK IDENTIFICATION

Identifying risks involves consideration of what, how, why and when events might occur that could have an impact on achieving the objectives of the activity or operation being assessed. During this process consideration is to be given to Council's adopted Risk Categories. A variety of methods can be used to identify risks, such as brainstorming and SWOT analysis. Relevant, appropriate and up to date information is important to identifying risks.

The following factors and the relationship between these factors are example that should be considered when identifying risks.

Factors	Example
Threats and opportunities	Artificial Intelligence
Vulnerabilities and capabilities	Workforce demographics
Changes in internal and external context	Central government policy changes

Once risks have been identified, they should be recoded on the appropriate Risk Register (Strategic, Operational, Health and Safety or Project). The following guide is used to record identified risks:

There is a risk that **[uncertain event occurs]** caused by **[cause of uncertain event]** that may result in **[consequence to Waitomo District Council]**.

2. ANALYSE

(a) Likelihood

Once risks have been recorded in the appropriate risk register, the likelihood and consequence of the risk occurring is analysed. The following guide is used to analyse the likelihood of a risk occurring, i.e. how often the uncertain even is expected to occur pre-controls (before existing and / or additional controls are considered) and post-controls (before existing and / or additional controls are considered).

Risk likelihood rating

Likelihood Rating		Description—operations	Estimated Probability (%)
Rare	1	May occur in exceptional circumstances Could be incurred in a 5–30 year timeframe	5%
Unlikely	2	Could occur In a 2–5 year timeframe	6–25%
Possible	3	Could occur Within a 1–2 year period	26–50%
Likely	4	Will probably occur In most circumstances—several times a year	51–90%
Almost Certain	5	Expected to occur Immediately or within a short period—likely to occur most weeks or months.	>90%

Likelihood	
<u>Almost Certain</u>	<u>Is expected to occur</u> <u>Definite probability</u> <u>Without additional controls the event is expected to occur in most circumstances</u>
<u>Likely</u>	<u>Will probably occur in most circumstances</u> <u>With existing controls operating this event will probably still occur with some certainty</u>
<u>Possible</u>	<u>Could occur at sometime</u> <u>The event has occurred in different industries with similar levels of controls and assurance in place</u>
<u>Unlikely</u>	<u>Not expected to occur</u> <u>The event hasn't occurred, but it could occur in some circumstances</u>
<u>Rare</u>	<u>Exceptional circumstances only</u> <u>Improbable</u> <u>A small chance of event occurring that would be caused by conditions and/or events not previously seen.</u>

(b) Consequence

The following Guide is used to analyse the consequence of a risk occurring, i.e. consequence if the uncertain even was to occur pre-controls (before existing and / or additional controls are considered) and post-controls (before existing and / or additional controls are considered).

Risk Types What could be the consequences if the risk occurs?	Consequence Rating				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Severe 5
Financial Risks related to the financial management of WDC and the ability to fund Council activities and operations, now and into the future, including risks resulting from an externally imposed economic environment and risks related to maintaining and operating Council's Infrastructure.	Negligible financial impact < \$10,000	Minor financial impact \$10,000 - \$100,000	Substantial financial impact \$100,000 - \$500,000	Significant financial impact \$500,000 - \$1million	Major financial impact >\$1million
Health and Safety / Wellness Potential risk event that adversely impacts on the health and safety of staff, contractors, visitors or the community. These also include risk that impact the health and safety of staff, as well as contractors & volunteers, including work health and safety issues, resourcing, human resources, industrial relations, organisational culture, staff values, public accountability.	Insignificant injury; no first aid required; no impact on staff morale / performance	Minor injury/ wellness issue; first aid required; minor impact on individual staff morale / performance. Requires staff to take no time off.	Injury or illness requiring medical attention; 1-5 days leave (consecutive or cumulative); short term impact on staff morale / performance An incident that requires reporting to worksafe.	Long term illness or injury; extensive medical attention and leave required (more than 5 days); medium term impact on staff morale/ performance within multiple business areas An injury/illness that requires reporting to worksafe	Fatality; permanent disability, illness or disease; (unable to return to work) long term impact on staff morale/performance across organisation An injury/illness that requires reporting to worksafe
Environmental Potential or actual negative environmental or ecological impacts, regardless of whether these are reversible or irreversible in nature.	Adverse event that can be remedied immediately which can be met by current budget and /or internal resources	Adverse event requiring additional work to remedy in the short term which can be met by current budget and / or internal resources.	Adverse event requiring additional work to remedy in the short to medium term which cannot be met by current budget and external resources may be required to resolve.	Adverse event requiring additional work to remedy in the medium term which cannot be met by current budget and external resources are required to resolve. The event may also put the Council at the risk of prosecution.	Adverse event requiring significant additional work to remedy in the long term or that cannot be remedied which cannot be met by current budget and external resources are required to resolve. The event <u>has also likely to</u> may have <u>caused a</u> breach <u>of</u> legislation requirements.
Reputation Risks that could improve/compromise the trust, confidence and reputation Council has with our community, and affect the way Council and Council personnel are perceived by the community. (Community means the public, community groups and lobby groups)	Negative feedback from individuals or small groups in the community.	<u>Manageable</u> loss of confidence among sections of the community.	Manageable loss in community confidence.	Large loss in community confidence that will take significant time to remedy.	Insurmountable loss in Community confidence.

Risk Types What could be the consequences if the risk occurs?	Consequence Rating				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Severe 5
Risks that could improve/compromise the trust, confidence and reputation Council has and affect the way Council and Council personnel are perceived by the media.	Local negative multimedia coverage for a day requiring not requiring additional work to resume stakeholder confidence.	Local negative multimedia coverage for 1-5 days requiring additional work to resume stakeholder confidence.	Regional negative multimedia coverage for up to one week requiring significant additional work to repair stakeholder confidence.	National negative multimedia coverage for more than one week requiring significant additional work to repair stakeholder confidence.	National negative multimedia coverage for more than two weeks requiring significant additional work which may not result in repairing stakeholder confidence.
Risks that could improve/compromise the trust, confidence and reputation Council has and affect the way Council and Council personnel are perceived by stakeholders/partners. (stakeholder and partners means, industry groups, iwi, councils, government departments, and entities that there is an established relationship with)	Single stakeholder sector expresses a concern directly to WDC. * No further impact	Single stakeholder or stakeholder sector dissatisfied and express their satisfaction through media or directly to WDC. * No impact on work programmes and minimal effort required to mend the relationship	Stakeholders/ partners dissatisfied and express their dissatisfaction directly and or through media. *minor impact on work programmes and moderate effort required to mend the relationship	Major loss of stakeholder/ partner confidence and/or extensive stakeholder dissatisfaction expressed resulting in long period of disengagement (more than 2 months) and significant effort required to mend the relationship. *Impact on work programme	Extreme dissatisfaction and loss of confidence by stakeholders, partners and/or regulatory body investigation and/or statutory management installed and/or significant sanctions against the WDC.
Legislative					
A risk event that results in WDC unknowingly or knowingly breaching statutes and stipulations or exposed to liability.	Isolated non-compliance of minimal significance; internal staff warning (no penalty or fine)	Minor breach of legal obligations; improvement notice; (no penalty or fine, however may have to engage legal expertise)	Substantial breach of legal obligations; adverse finding; substantial fine / penalty (penalties up to \$50k)	Significant breach of legal obligations; adverse finding with long term significance; significant fine / penalty (penalties between \$50k to \$200k)	Major breach of legal obligations; adverse findings against Council and / or individuals; major fines or penalties (>\$200k); possible imprisonment.
Service Delivery					
Risk events that impacts WDC's ability to function and deliver its general services as expected. General services are services outside of core functions.	Insignificant interruption to a service – no impact to customers/ business	Minor interruption to a service with minimal impact to customers/ business	Moderate Interruption to service delivery. Customer impact up to 48 hrs. Partial BCP action may be needed	Major interruption to service delivery, Customer impact > 7 days. Component of BCP action may be needed.	Major interruption to delivery of all or most services for more than 14 days. Full BCP action required.

Risk Types What could be the consequences if the risk occurs?	Consequence Rating				
	Insignificant 1	Minor 2	Moderate 3	Major 4	Severe 5
Risk events that impacts WDC's ability to function and deliver its core services as expected. Core services are lifeline utilities within the WDC context, they are water, wastewater, roading IT infrastructure.	Disruption of service levels for up to <u>up to</u> 30 minutes (individual activity or site)	Disruption of service levels for up to 4 hours (individual activity or sites)	Disruption of service levels for up to 4 hours (multiple activities or sites)	Disruption of service levels for up to 1 day (multiple activities or sites)	Disruption of service levels for more than 1 day (multiple activities or sites)

3. EVALUATE

Once risks have been analysed, the following matrix and rating are used to evaluate the risk rating pre-controls i.e. low, medium, high, extreme which is used to determine what action is required by Council in relation to the risk and post-controls i.e. low, medium, high, extreme which is used to determine the impact of the action(s) take by Council.

Risk rating matrix

Risk rating = consequence rating x likelihood rating

		Risk Consequence Rating				
Risk Likelihood Rating		Insignificant	Minor	Moderate	Major	Severe
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

4. TREAT

The risk evaluation determines what actions need to be taken in relation to the risk:

ACTION	DESCRIPTION
Accept	Activity is managed to a low or medium risk rating through existing controls.
Transfer	Activity is managed to a low or medium rating through transferring risk to another party, e.g. contractor/ insurer/stakeholder.
Mitigate	Activity is managed to a low or medium risk rating through existing or additional controls. GM/CE approval required for high risk activity to continue.
Terminate	Activity is terminated if it cannot be reduced to a High or lower risk rating CEO approval required for critical risk activity to continue.

These actions are documented in a treatment plan, outlining the:

- Action to be taken
- Responsibility for completing the action
- Timeframe for completing the action.

Preferred Risk Treatment Options (including ALARP – as low as reasonably practicable)

Residual Risk Rating	Preferred Risk Treatment Options	Minimum reporting / escalation level for decision to cease activity, continue activity or take other necessary actions
Extreme	Preferred treatment options: Avoid → Cease activity, process or task until further directed. → Requires immediate escalation and active management through additional and effective treatment measures to reduce risk before proceeding. → Detailed planning required in consultation with the CE/ GM and ARFC to prepare a risk management plan.	Council (escalate to ARFC as deemed necessary)
High	Preferred Treatment Options: Avoid, Transfer or Mitigate → Subject to discussions with GM, consider ceasing activity, process or task temporarily to consider alternative options or review risk treatment strategies to enhance adequacy and effectiveness. → Consider implementation of additional or improved controls to reduce the risk to ALARP. → Continue to monitor control effectiveness.	Senior Management Team (escalate to SMT as deemed necessary)
Medium	Preferred Treatment Options: Mitigate or Accept → Subject to discussions Team Leader (and/or Manager), review risk treatment strategies to determine their adequacy and effectiveness. → Consider implementation of additional or improved controls to reduce the risk to ALARP. → Continue to monitor control effectiveness.	Manager (escalate to Manager as deemed necessary)
Low	Preferred Treatment Options: Accept and identify corrective action → Manage by existing routing procedures and work practices. → Continue to monitor control effectiveness.	Responsible staff (escalate as deemed necessary)

ALARP – As low as reasonably practicable

ALARP involves weighing the benefits and opportunities to be gained from managing the risk and continuing with the proposed activity against the effort, time and resources needed to control the risk.

When determining if additional treatment options should be implemented, consideration should be given to the level of risk that would remain if additional controls were implemented.

- **Unacceptable** - where the cost or resource required to implement further risk treatment is grossly disproportionate to the risk control improvement gained, a decision should be made to cease the activity altogether or find an alternative course of action (except in cases where overriding factors mean there is no choice but to implement the identified additional control measures).
- **Acceptable - ALARP** - aim for this level of risk treatment - where the cost, resources and effort required to implement additional risk treatment is acceptable and worthwhile given the risk control improvement gained and resulting benefits achieved from continuing with the activity, operation or project being assessed.

5. RECORD AND REPORT

Council expects staff will identify and report risks to their manager as soon as practicably possible. Risks post-controls, including treatment plans, should be recorded and reported as follows:

RISK RATING	REPORTING
EXTREME RISK	<ul style="list-style-type: none"> Weekly update of Strategic/Operational/ Health and safety/ Project risk register. Risk registers used as a basis for weekly update to SMT Risk registers used as a basis for quarterly update to Audit Risk and Finance Committee.
HIGH RISK	<ul style="list-style-type: none"> Monthly update of Strategic/Operational/ Health and safety/ Project risk register. Risk registers used as a basis for monthly update to SMT Risk registers used as a basis for quarterly update to Audit Risk and Finance Committee.
MEDIUM RISK	<ul style="list-style-type: none"> Quarterly update of Strategic/Operational/ Health and safety/ Project risk register. Risk registers used as a basis for quarterly update to SMT
LOW RISK	<ul style="list-style-type: none"> Quarterly update of Strategic/Operational/ Health and safety/ Project risk register.

6. MONITOR AND REVIEW

Once post-controls risks have been reported, the identified risk should be monitored and reviewed as follows

RISK RATING	REPORTING
EXTREME RISK	<ul style="list-style-type: none"> Weekly
HIGH RISK	<ul style="list-style-type: none"> Monthly
MEDIUM RISK	<ul style="list-style-type: none"> Quarterly
LOW RISK	<ul style="list-style-type: none"> Quarterly

Council's risk review and reporting structure will be implemented to assist in:

- Monitoring Council's performance in mitigating risks and seizing positive opportunities
- Informing decision making, identifying improvement opportunities and improving performance
- Ensuring changing circumstances are considered against risk priorities and any additional risks are identified, documented and assessed appropriately
- Reviewing relevance and effectiveness of existing risk controls
- Measuring the success of Council's Risk Management Framework.

Review by Council's Audit, Risk & Finance Committee is considered essential in ensuring the independent and holistic review of Council's performance and to provide assurance to the Chief Executive and Council that risks are being appropriately managed.

Reviews and reports will be co-ordinated by responsible staff in accordance with the following schedule, however it is noted that additional and/or specific risk management reporting may be required from time to time.

Strategic Risk Register

Council's Senior Management Team is responsible to for reviewing Council's Strategic Risk Register.

The Strategic Risk Register will be reviewed on a minimum annual basis and as high level risks emerge. Reviews will be reported to Council's Audit, Risk and Finance Committee.

Operational Risk Register (group level)

The Group Managers and their relevant Management Teams are responsible for reviewing Council's Operational Risk Register.

The Operational Risk Registers will be reviewed on a minimum annual basis and as high level risks emerge. Reviews will be reported to the Senior Management Team and ARFC as necessary.

Group Managers will include the review of the group risks, controls and associated risk treatment action plans on their management team meeting agendas. This will facilitate a consultative approach to ensuring risks remain relevant, controls continue to be effective and that any new or emerging risks are identified and managed adequately.

Project Risk Register

The Project Manager and their project team are responsible for reviewing the relevant Project Risk Register.

Reviews will be reported to the Project Control Group. Where a project is deemed to be of interest to Council, the risk register will be reported to ARFC.

Risk Management Framework

Council's Risk Management Framework will be reviewed on a minimum annual basis to ensure its continued effectiveness and relevance and to identify improvement opportunities. Where significant amendments to the Framework are recommended, approval will be required by SMT and a report presented to ARFC.

Performance and Success Measures

The performance and success of Council's Risk Management Framework will be assessed with consideration of the following five key attributes of enhanced risk management:



Various methods may be used to measure and report on the strengths and weaknesses of Council's performance, including:

- Organisational surveys to monitor risk management awareness and knowledge
- Statistics on staff participation in risk management training
- Analysis of data gathered from organisational risk reporting and internal audit results, as well as incident and claim statistics.

A review of Council's performance will assist in identifying improvement opportunities in relation to this Framework and will be reported to SMT and Council's Audit, Risk & Finance Committee as necessary.

Document No: 836161

Report To: Audit and Risk Committee**Meeting Date:** 13 May 2025**Subject:** Progress Report: Health and Safety**Type:** Information Only

Author(s): Tanchia Pitts-Brown
Health and Safety Coordinator

Helen Beever
General Manager – Community Services

1. Purpose of Report

- 1.1 The purpose of this business paper is to brief the Committee on Waitomo District Council's (WDC) health and safety performance during quarter three of the 2024/25 year.

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 Progress Report: Health and Safety be received.






3. Background

- 3.1 Elected Members are provided ongoing progress reports to provide visibility of health and safety performance and agreed Key Performance Indicators. This report covers the January to March 2025 period.
- 3.2 This report has been structured to align with the SafePlus Programme developed by WorkSafe NZ, ACC and MBIE in 2017. The programme is voluntary and aims to support organisations wanting to improve their health and safety culture and exceed minimum compliance requirements.

4. Commentary**4.1 LEADERSHIP COMMITMENT**

- 4.2 Under the Health and Safety at Work Act 2015, "Officers" are required to exercise due diligence to provide them with a level of assurance that health and safety is being effectively managed. Due diligence requires the need for "Officers" to keep up to date with health and safety matters and information; ensure critical risks are effectively controlled; ensure health and safety is adequately resourced; ensure appropriate monitoring and reviews are conducted to provide assurance and verify that health and safety matters are being appropriately addressed.
- 4.3 Contractor inspections have increased due to more projects being awarded and ongoing efforts to educate teams on the importance of regular site safety inspections. This approach helps ensure that all work is carried out safely and in compliance with safety standards.

- 4.4 To improve the timely closure of outstanding actions, health and safety representatives are adopting a more active role in supporting managers with follow-ups. This collaborative approach promotes shared accountability, strengthens action tracking, and helps ensure that critical safety matters are addressed promptly and effectively.
- 4.5 There has been an improvement in near miss reporting, with more staff actively identifying and reporting potential hazards. This positive shift has strengthened our safety culture, increased awareness across all teams, and provides valuable insights that help prevent future incidents. The continued commitment to near miss reporting plays a key role in maintaining a safer and more proactive work environment.

KPI	PERFORMANCE OUTCOMES	PROGRESS
Site Inspections <i>- H&S inspections carried out on physical works' sites (contractors and staff)</i> Target: 5 per month	<ul style="list-style-type: none"> 23 Site Safety Inspections 	
Workplace Inspections Target: 1 per month	<ul style="list-style-type: none"> 6 Workplace – Operational e.g. Treatment Plants 1 Workplace – Non-operational e.g. Offices 	
Worker Engagement Target: 1 HSR meeting per month	<ul style="list-style-type: none"> Scheduled meetings completed 	
Outstanding Actions in Tomo Target: Zero	<ul style="list-style-type: none"> Zero 	
Near Miss Reporting Target: 10% increase on same period last year (target 7 per month)	<ul style="list-style-type: none"> 26 for Q3 	




-  Red Light = target not reached – management focus required
-  Yellow light = target almost reached – maintain management focus
-  Green light = target achieved or exceeded

Figure 1: Key Performance Indicators

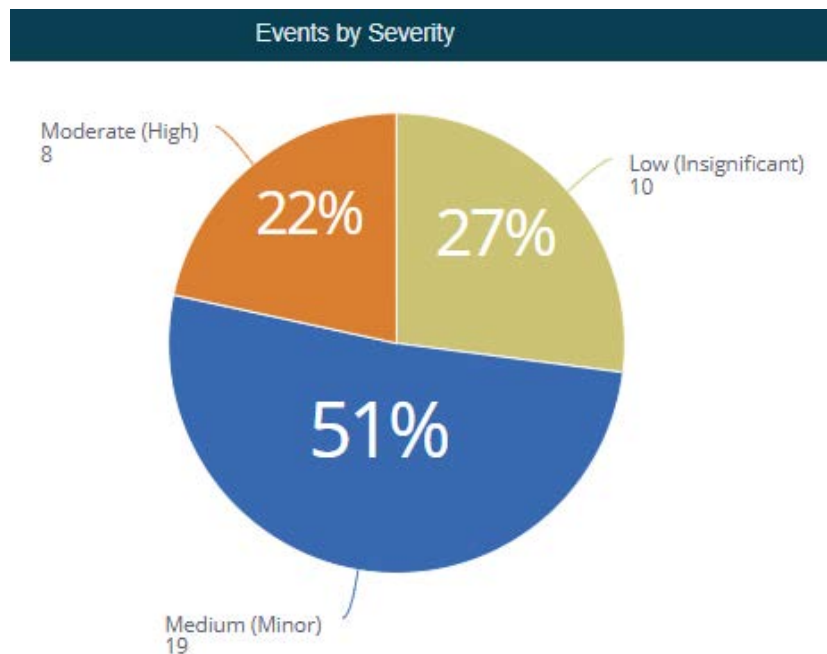


Figure 2: Events by Severity

- 4.6 Of the 37 total events reported, 15 events occurred while completing works associated with three of our top five critical risks. The following measures have been implemented to minimize the risk of a similar incidents occurring in the future.

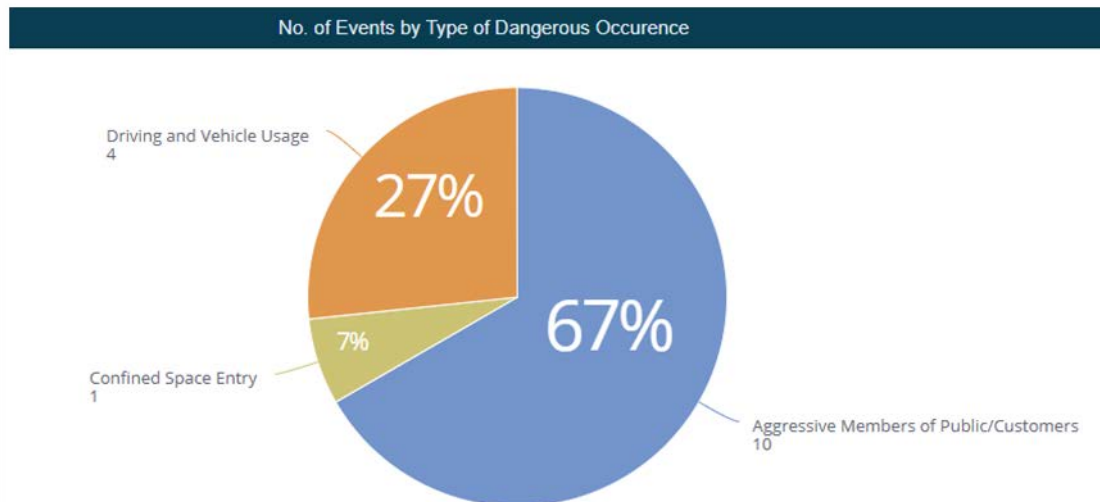


Figure 3: Critical Risk Event Types

- **Aggressive Members of Public/Customers:**
 - Review of emergency protocols and procedures including scheduled drills
 - Improved CCTV coverage
 - Resilience training
 - Wellness check-ins
- **Confined Space:**
 - Confined space training
- **Driving and Vehicle Usage:**
 - Toolbox talk on the importance of safe driving distances and general awareness
 - Review driver awareness training

4.7 **RISK MANAGEMENT**

- 4.8 A review of the top five critical risks has been completed, and all have been identified as ongoing key risks for the organisation.

- 1 Aggressive Behaviour
- 2 Confined Space and Gas Detection
- 3 Contractor Management
- 4 Driving and Vehicle Usage
- 5 Working Alone

- 4.9 Emergency drills were conducted to ensure the safety and preparedness of individuals and departments in the event of potential emergencies. The following drills were carried out during this period.

- Fire drill – Piopio Water Treatment Plant, Te Kuiti Water Treatment Plant and Te Kuiti Wastewater Treatment Plant
- Monthly Lone Worker Device SOS activation

- 4.10 The Te Kuiti Wastewater Treatment Plant Fire Evacuation Scheme application has been submitted to Fire and Emergency New Zealand (FENZ) and is currently awaiting approval.

4.11 A Respiratory Protection Programme (RPP) has been developed to ensure workplace safety, in compliance with AS/NZS 1715 standards. Key components of the program include:

- Exposure Assessment
- Respirator Selection
- Medical Evaluation
- Fit Testing
- Respirator Training
- Respirator Maintenance
- Program Evaluation

4.12 The program will be reviewed annually to ensure it remains current, with a record of the review maintained.

4.13 **STAFF COMPLIANCE TRAINING**

4.14 Staff compliance training ensures all employees understand and adhere to relevant regulations and safety procedures. Training promotes a culture of accountability, reduces the risk of violations, enhances workplace safety, and supports the organisation in meeting its legal and ethical obligations.

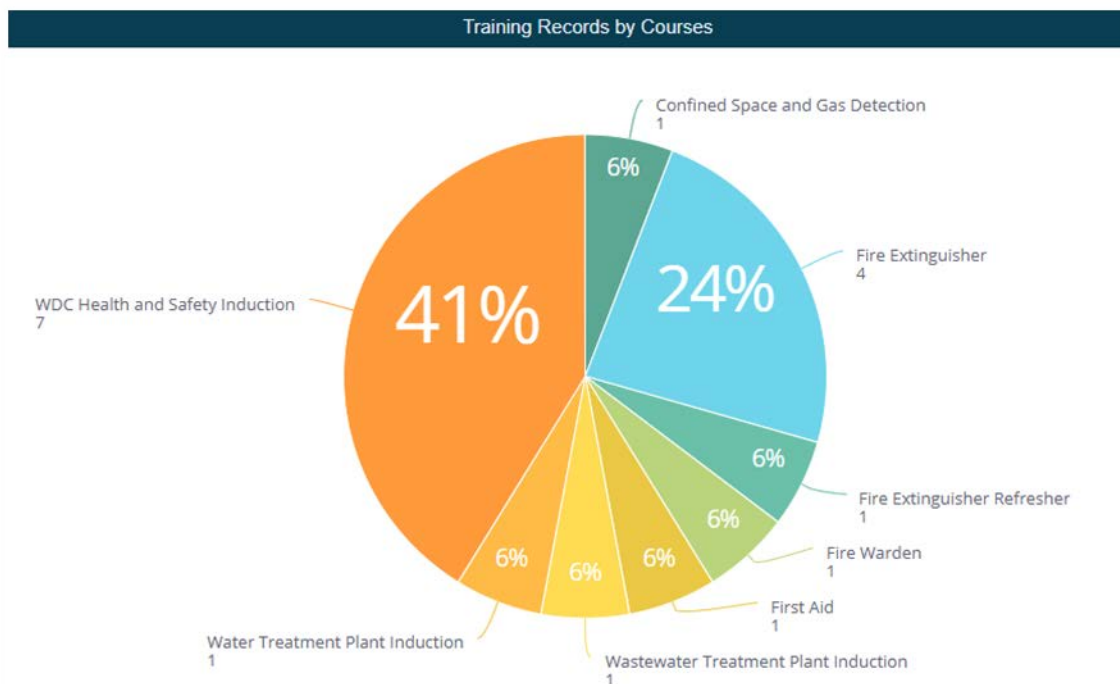


Figure 1: Training completed for this period

4.15 **WORKER ENGAGEMENT PARTICIPATION AND REPRESENTATION**

4.16 Three Health and Safety Committee meetings were held during the quarter. All Health and Safety Representatives (HSRs) actively participated, contributing suggestions and opportunities for improvement. Minutes of the meetings are recorded and maintained on file.

4.17 The Committee has approved a proposal to include at least one representative from each of the high-risk departments within the Infrastructure Services Group — Waters, Parks and Facilities. This decision ensures better representation in health and safety discussions, addressing specific risks and enhancing safety awareness across these critical areas.

4.18 All HSRs have been encouraged to actively participate in their group meetings to enhance awareness of health and safety. Their engagement is essential in promoting a proactive safety culture, where team members are informed about potential risks, best practices, and ongoing safety initiatives. By contributing to discussions and sharing relevant safety information, HSRs help ensure that safety concerns are addressed in a collaborative and transparent manner, facilitating a more informed and responsive workplace.

4.19 **STAFF WELFARE AND WELLBEING**

4.20 In consultation with their respective groups, the Health and Safety Committee has agreed on a series of events to promote wellbeing awareness, with staff actively participating in and supporting national health campaigns during 2025.

4.21 A Building Resilience training course was recently delivered to staff, focusing on helping participants become more self-aware. The training emphasized recognising and identifying negative thinking patterns and reframing adversity as a challenge rather than a threat. It explored the physical responses to stress and how these reactions influence thinking and behaviour.

5. Continuous Improvement – Quarter Four Focus

5.1 Review Health and Safety desk files.

5.2 Fatigue Management Desk File consultation with stakeholders.

5.3 Team Leaders to conduct competency evaluations on plant/equipment.

Document No: 836406

Report To: Audit and Risk Committee



Meeting Date: 13 May 2025

Subject: **Progress Report: Procurement Summary Schedule (January 2025 – March 2025)**

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 present to the Committee a summary of the procurements made in the period 1 January 2025 to 31 March 2025 in accordance with Waitomo District Council's Procurement Policy.

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 Progress Report: Procurement Summary Schedule (January 2025 to March 2025) be received.

3. Background

- 3.1 Waitomo District Council's (WDC) Procurement Register (Register) provides a formal "one stop" reference to record WDC's procurement decisions.
- 3.2 The Register, at an operational level, provides a summary of the procurement decisions together with the associated financial components.
- 3.3 The Register provides procurement information including:
- Procurement Description
 - Type of Contract: Physical Works, or Professional services, or goods and services
 - Term of contract
 - Procurement Selection process adopted: All of Government (AOG), Syndicated, Tender, Quote or Direct Appointment
 - Reason for exemption (if applicable)
 - Number of tenders/quotes received
 - Tender/quote range
 - Evaluation method
 - Awarded contract value
 - Contractor/supplier
 - The Register provides key financial information for each procurement including:
 - Total cumulative value
 - Price range of Tenders/Quotes received

- 3.4 The keeping of records is part of an overall Risk Management Framework and assists in the early identification of risks.
- 3.5 All procurement documents such as the quotes, tender responses, notices to tenderers and related correspondence are held in the relevant physical contract folder, captured electronically, and the detail added to the Register.

4. Commentary

- 4.1 WDC's Procurement Policy (the Policy) was last reviewed and adopted with amendments by Council on 31 May 2022. The policy is due for a three yearly review which will take place once the proposed 5th edition of the Government Procurement Rules has been finalised. This will ensure the review can be undertaken with the benefit of the most up to date edition.
- 4.2 MBIE closed consultation on the proposed 5th edition of the Procurement Rules early April 2025, with a final version needing Cabinet approval before taking effect. This is expected within the next few months.
- 4.3 The Tenders Subcommittee (a subcommittee of WDC's Senior Management Team) operates to assist the Chief Executive in undertaking the management of procedures to ensure sound probity methods are followed, risks are mitigated, and quality documentation is produced in relation to the procurement of goods and services necessary to deliver WDC's work programme and operations as provided for in adopted 10 Year Plans and Annual Plans.

5. Procurement Summary Schedule

- 5.1 The attached Procurement Summary Schedule (PSS) Report provides details of procurements that result in a total contract award over \$200,000 + GST, and/or where the supplier selection method has deviated from the Procurement Policy, and a procurement exemption has been approved by the Chief Executive.
- 5.2 **EXEMPTION REASON**
- 5.3 The Audit, Risk and Finance Committee have requested that the reason for granting a Procurement Exemption be included in the PSS. As a result, the Headings of the five criteria provided for in the Policy will now be included in the PSS as the reason for granting an exemption.
- 5.4 The Policy extract below provides detail of those five criteria, of which at least one must be met for a Procurement Exemption to be granted.

Procurement Exemption

The supplier selection method and process for the relevant threshold should be followed fully. If deviation from the process is required, the reason for the deviation should comply with one or more of the following criteria:

1. ***Monopoly or limited supplier situation:*** *Where there is a monopoly or very limited supplier situation and only one or two Suppliers capable of supplying the requirements (e.g. engaging an arrangement for the supply of electricity on a network where the network is owned by a single party); or*
2. ***Proprietary technology:*** *Where a Supplier is the sole Supplier and/or patent holder of a specific product that is required by WDC. WDC must be satisfied that the proprietary technology is the most appropriate for the needs of WDC; or*
3. ***High Risk Activities:*** *The risks of a competitive process outweigh the benefits of competition and would potentially create risk for WDC; or*

4. **Unique business proposition:** *Where a Supplier has a unique business proposition that can minimise risks or costs to WDC. This could include existing knowledge relevant to a project; or*
5. **Existing contract:** *If goods, services and/or works are in addition to, or necessary for the completion of, delivery of an existing contract, provided that the original contract was publicly advertised, and a change of Supplier cannot be made for economic, technical, legal, or practical reasons.*

The key requirement is the direct appointment represents best value for WDC. Poor planning or organisation of procurement is not justification for deviation from the framework. In all instances a procurement exemption must be signed off by the Chief Executive.

6. Attachments/Separate Enclosures

Attachments:

- 1 Procurement Summary Schedule (Doc #836407)

Contract / Order No.	Contract Title / Procurement Description	Type of Contract (Physical Works, Professional Services or Goods and Services)	Term of Contract	One-off or Ongoing Supply	Selection Process (AOG, Syndicated, Panel, Tender, Quote or Direct Appointment)	Exemption Reason	No. of Tenders / Quotes Received	Tender / Quote Range (GST exclusive)	Evaluation Method	Awarded Contract Value (Total cummulative)	Awarded To	Meeting Date	GM	Remarks
500/24/082	3 Waters Renewal 2024 - 2027	Goods and Services)	3 years	One-off	Tender	N/A	6	\$1,745,593.81 - \$4,063,923.51	LPC	\$1,745,594	Schick Civil	10/04/25	Infrastructure Services	
500/24/038	Rangitoto Rd 2.6 & 3.6 Slip Repair	Goods and Services)	N/A	One-off	Tender	N/A	4	\$698,507.33 - \$1,089,460.15	LPC	\$698,507	Inframax Construction	16/04/25	Infrastructure Services	
500/24/054	Kawhia Harbour & Te Waitere Slip Repair	Goods and Services)	N/A	One-off	Tender	N/A	7	\$1,162,221.73 - \$1,637,943.95	LPC	\$1,162,222	Inframax Construction	28/04/25	Infrastructure Services	
500/24/051	Ngapaenga Rd RP & Walker Road	Goods and Services)	N/A	One-off	Tender	N/A	6	\$424,826.96 - \$470,109.63	LPC	\$424,827	Nicholls & Uttinger	18/02/25	Infrastructure Services	
500/24/052	Te Agna Rd Slip Repair	Goods and Services)	N/A	One-off	Tender	N/A	8	\$385,647.68 - \$513,335.34	LPC	\$385,648	Nicholls & Uttinger	20/03/25	Infrastructure Services	
500/25/002	Te Ara Piki - Cultural Awarness	Goods and Services)	N/A	One-off	Direct Appointment	Limited Supplier Situation	N/A	N/A	N/A	\$73,250	Toopuu Limted	N/A	Leadership	
500/25/004	WDC Admin Building Refurbishment	Goods and Services)	N/A	One-off	Quote	N/A	2	\$62,200.34 - \$77,789.88	LPC	\$62,200	Spencer Construction	07/03/25	Infrastructure Services	
500/25/010	Health & Safety Services	Goods and Services)	3 years	One-off	Direct Appointment	Unique business proposition	N/A	N/A	N/A	\$66,000	Health & Safety Connexions Ltd	N/A	Community Services	

Document ID: 836493

Report To: Audit and Risk Committee**Meeting Date:** 13 May 2025**Subject:** Progress Report: WDC Resource Consents – Compliance Monitoring (January to March 2025)**Type:** Information Only**Author:** Shyamal Ram
General Manager – Infrastructure Services**1. Purpose of Report**

- 1.1 The purpose of this business paper is to brief the Committee on Three Waters compliance reporting against Resource Consent conditions, due during the third quarter of 2024/2025.

2. Suggested Resolution

- 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 Progress Report, WDC Three Waters Resource Consents – Compliance Monitoring, be received.

3. Risk Considerations

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

4. Compliance Risks

- 4.1 Below is the list of compliance risks and their definitions.

Full Compliance	Full compliance with all relevant conditions, plan rules and regulations.
Low Risk Non-Compliance	Non-compliance with some of the relevant consent conditions, plan rules and regulations. Non-compliance has a low risk of adverse environmental effects or is technical in nature.
Moderate Non-Compliance	Non-compliance with most of the relevant consent conditions, plan rules and regulations, where there are some environmental consequences and/or there is a moderate risk of adverse environmental effects.
Significant Non-Compliance	Non-compliance with many of the relevant consent conditions, plan rules and regulations, where there are significant environmental consequences and/or a high risk of adverse environmental effects.

5. Commentary

- 5.1 Waitomo District Council (WDC) is required to report on resource consent compliance to Waikato Regional Council (WRC) in accordance with the conditions that regulate the various resource consents held by WDC.
- 5.2 The following tables set out details of the compliance reporting requirements for WDC's resource consents:

RESOURCE CONSENT	REPORT DUE
Monthly	
No. 116844 - Benneydale Water Treatment Plant Condition 9 (Surface Water Take)	Monthly
No. 117290 - Piopio Wastewater Treatment Plant Condition 26 (Discharge)	Monthly
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Conditions 65 & 66	<i>Not yet commenced</i>
Quarterly	
No. 112639 - Te Kuiti Wastewater Treatment Plant Conditions 7 - 19 (Discharge) Condition 30	Jan, April, July and Oct
No. 140685 - Te Kuiti Landfill, William Street, Te Kuiti Conditions 65 & 66	<i>Not yet commenced</i>
No. 101753 - Te Kuiti Landfill, William Street, Te Kuiti Ring Drain Condition 11 (Within 2 months of sampling)	April, July, October and Jan
No. 124718 - Te Kuiti Landfill, William Street, Te Kuiti (SW 2) Conditions 7 & 14	February, May (included to annual report of Surface or Stormwater), August and November
Six Monthly	
No. 133317 - Te Kuiti Water Treatment Plant Conditions 5, 6, 10 & 11	January/July
No. 118813 - Benneydale Wastewater Treatment Plant Conditions 16 - 23	January/July
No. 117945 - Benneydale Water Treatment Plant (Backwash) Condition 3	April/October
No. 107477 - Piopio Water Treatment Plant Conditions 6, 7, 8 & 9	Jan/July
No. 107478 - Piopio Water Treatment Plant Conditions 10, 15 & 16	May/December
No. 120048 - Te Kuiti Wastewater Treatment Plant Discharge to Land (via seepage)	Feb/Aug
No. 140685 - Te Kuiti Landfill, William Street, Te Kuiti Conditions 62 & 63 (Within 2 months of sampling)	<i>Not yet commenced</i>
No. 124718 - Te Kuiti Landfill, William Street (Groundwater) Conditions 7 & 14	April/October
Annual	

RESOURCE CONSENT		REPORT DUE
No. 118813 - Benneydale Wastewater Treatment Plant Condition 26		31 March
No. 120340 - Mokau Closed Landfill Conditions 3, 6 & 10		Monitoring ceased by mutual agreement with WRC (11/2017)
No. 105054/55/56/57/58/59/60 - Waitomo Stormwater Schedule A (22) Conditions 4 - 6		31 May
No. 105054 - Te Kuiti Stormwater Condition 6		31 May
No. 116274 - Benneydale Water Treatment Plant Conditions 2, 3, 4 & 7 (Groundwater Take)		1 June
No. 113544 - Mokau Water Treatment Plant (Water Take) Conditions 2 & 4		July
No. 113545 - Mokau Water Treatment Plant (Backwash) Conditions 2 - 8		July
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Condition 71		<i>Not yet commenced</i>
No. 124718 - Te Kuiti Landfill Annual Report (Condition 13)		August 1
No. 101753 - Te Kuiti Landfill, William Street Annual Report Condition 4 Independent Peer Reviewer		September 1
No. 120048 - Te Kuiti Wastewater Treatment Plant Condition 7		1 December
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 20 (Discharge)		September
No. 138063 - Te Waitere Wastewater Condition 16		July
No. 124718 - Te Kuiti Landfill – Surface/Stormwater Annual Report (Leachate Monitoring) Conditions 7 & 14		May
No. 103287, 103288 and 103289 - Te Kuiti, Walker Road - Closed Landfill		November
No. 103193 - Benneydale Closed Landfill SH30 Conditions 2, 3 & 5 No. 103194 - Conditions 2 & 3		Monitoring ceased by mutual agreement with WRC (08/2018)
No. 103196 - Piopio Closed Landfill Conditions 2, 3 & 4		Monitoring ceased by mutual agreement with WRC (08/2018)
No. 103198 - Aria Closed Landfill Conditions 2 & 4		Monitoring ceased by mutual agreement with WRC (08/2018)
Biennial		
No. 117290 - Piopio Wastewater Treatment Plant Conditions 7 & 9 (Discharge) (Review Operations and Management)		September 2014 (<i>and every two years after</i>)
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 24 (Review Operations Management Plan)		June 2015 (<i>and every two years after</i>)

RESOURCE CONSENT	REPORT DUE
No. 118813 - Benneydale Wastewater Treatment Plant Condition 27 (Review Management Plan Review)	From 2010 every two years
Other	
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 28 (Complete Passage/Migration Barrier Assessment within 3 years of commencement date)	Within 3 years: 18 December 2017 Completed: 1 July 2020

6. Resource Consent Compliance Reports: January to March 2025

6.1 The following Resource Consent Compliance Reports have been made to WRC during the third quarter of 2024/25:

6.2 AUTH116844.01.01 / AUTH143938.01.01– Maniaiti/Benneydale Water Treatment Plant
Condition 9 (Surface Water and Groundwater Take)
Report Due: Monthly

Activity Description	Take up to 180 cubic metres per day of water from an unnamed tributary of the Mangapeehi Stream for Benneydale water supply purposes.
Reporting Period:	January 2025
Compliance Status:	<u>Full compliance</u> All flow and abstraction limits are well below the consented limits for January 2025
WDC Reference:	D814485

Activity Description	Take up to 180 cubic metres per day of water from an unnamed tributary of the Mangapeehi Stream for Benneydale water supply purposes.
Reporting Period:	February 2025
Compliance Status:	<u>Low Risk Non-Compliance</u> There was exceedance from the water take limit of 180 m3 per day for February 2025. There was on-going roadworks during this period and it was noticed that they were filling their tankers from one of the hydrants, thus the reservoir was almost depleted which lead to a continuous withdrawal of water from the bore.
WDC Reference:	D819660

Activity Description	Take up to 180 cubic metres per day of water from an unnamed tributary of the Mangapeehi Stream for Benneydale water supply purposes.
Reporting Period:	March 2025
Compliance Status:	<u>Full Compliance</u> All flow and abstraction limits are well below the consented limits for March 2025
WDC Reference:	D826860

6.3 AUTH117290.01.01 – Piopio Wastewater Treatment Plant
Condition 26 (Discharge)
Report Due: Monthly

Activity Description	Discharge up to 135.4 cubic metres of treated municipal sewage in any 24-hour period from the Piopio Wastewater Treatment System to the Mokau River.
Reporting Period:	January 2025
Compliance Status:	<u>Full Compliance</u> All wastewater discharges and sample results were below the consented limits for January 2025
WDC Reference:	D814479

Activity Description	Discharge up to 135.4 cubic metres of treated municipal sewage in any 24-hour period from the Piopio Wastewater Treatment System to the Mokau River.
Reporting Period:	February 2025
Compliance Status:	<u>Full Compliance</u> Wastewater discharges and sample results were below the consented limits for February 2025
WDC Reference:	D820454

Activity Description	Discharge up to 135.4 cubic metres of treated municipal sewage in any 24-hour period from the Piopio Wastewater Treatment System to the Mokau River.
Reporting Period:	March 2025
Compliance Status:	<u>Full Compliance</u> Wastewater discharges and sample results were below the consented limits for March 2025
WDC Reference:	D826128

6.4 AUTH107478.01.02 – Piopio Water Treatment Plant – Backwash Discharge
Report Due: Six Monthly

Activity Description	Discharge up to 8 m3 of filter backwash water and waster over a 4-minute period, twice a week to the Kuratahi Stream in association with the operation of a municipal water supply.
Reporting Period	May to October 2024
Compliance Status	<p><u>Moderate Non-Compliance</u></p> <p>There was one instance when the total volume of backwash discharge had exceeded the 95m3 per day limit. There was a build-up of floating floc as scum triggered the level sensor to open the clarifier drain valve to discharge excessive volume of water from the clarifier to the backwash holding pond then discharge into the Kuratahi stream.</p> <p>The Dissolved Aluminium from the discharge had exceeded the 0.08mg/L limit for this reporting period. These exceedances can be attributed to the dosage of PACL which is used for the coagulation process. This chemical also helps with the lowering the pH of the final water to an acceptable limit.</p> <p><u>Discharge</u></p> <p>The floating scum was cleared out from the clarifier. The water level sensor was cleaned. The backwash holding pond is operated at lower level to allow any unforeseen future discharge.</p> <p><u>Dissolved Aluminium</u></p> <p>We have changed the chemical coagulant from Poly-Aluminium Chloride (PACL) to Aluminium Chlorohydrate (ACH). This has enabled lower concentration of Dissolved Aluminium to be discharge into Kuratahi Stream</p>
WDC Reference	D804598

6.5 AUTH107477.01.02 – Piopio Water Treatment Plant – Surface Water Take
Report Due: Six Monthly

Activity Description	Take up to 165,929 m3 per year of water from Kuratahi Stream for municipal water supply purposes.
Reporting Period	May to October 2024
Compliance Status	<p><u>Full Compliance</u></p> <p>The total volume of water taken from Kuratahi Stream for 2024 was 129,149 m3 which was below the consented limit of 165,929 m3.</p>
WDC Reference	D804557

6.6 AUTH133317.01.01 – Te Kuiti Water Treatment Plant – Water Take
Report Due: Six Monthly

Activity Description	To take water from the Mangaokewa Stream for domestic and municipal water supply purposes.
Reporting Period	July to December 2024
Compliance Status	<u>Full Compliance</u> The water take limit and the abstraction rates were below the consented limits for this monitoring period
WDC Reference	D803401

6.7 AUTH143938.01.01 – Maniaiti / Benneydale Water Treatment Plant Groundwater Take

Report due: Annually

Activity Description	Take up to 180 m3 per day of groundwater for Maniaiti / Benneydale municipal supply purposes.
Reporting Period	January to December 2024
Compliance Status	<u>Full Compliance</u> The total volume of groundwater taken for this period was 34,244 m3 which is below the allowable limit for both surface and groundwater take of 44,000 m3 annually.
WDC Reference	D820360

6.8 AUTH 101753.01.01 – Te Kuiti Landfill, William Street, Te Kuiti Ring Drain Condition 11 (Within 2 months of sampling)

Report due: Quarterly

Activity Description	Discharge Leachate from sanitary landfill into ground
Reporting Period	January to March 2025
Compliance Status	<u>Full Compliance</u> There were no samples collected from the ring drain during this reporting period as the sampling site was dry due to the drought season that the district had experienced. Several attempts were made but it was not successful. WRC has been notified each time a sampling was undertaken and photos sent for the current state of the sampling points.
WDC Reference	

Document No: 825105

Report To: Audit and Risk Committee**Meeting Date:** 13 May 2025**Subject:** Treasury Management Report for the period ended 31 March 2025**Type:** Information Only**Author(s):** Wayne La Roche
Asset AccountantTina Hitchen
Chief Financial Officer**1. Purpose of Report**

- 1.1 The purpose of this business paper is to provide an update on WDC's debt position and compliance with borrowing limits for the period ended 31 March 2025.

2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent the Committee's decision until such time as they are adopted by formal resolution.
- 1 The business paper on Treasury Management Report for the period ended 31 March 2025 be received.

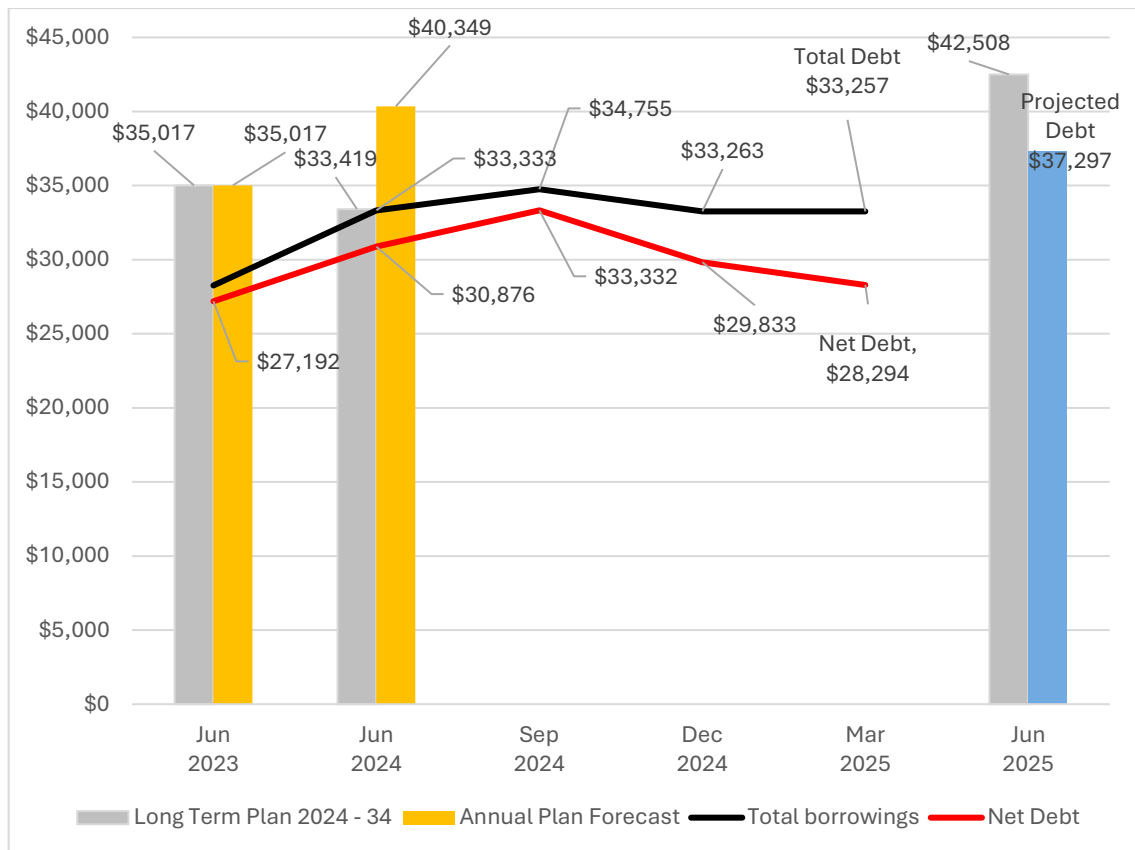
3. Background

- 3.1 The total borrowings and net debt position are regularly reviewed, monitored and compared to the LTP 2024-34 (LTP). This includes monitoring WDC's borrowing limits as set out in the Financial Strategy, with reporting to the Audit and Risk Committee on a quarterly basis.
- 3.2 Bancorp, Council's external treasury advisors, prepare a quarterly Treasury Reporting Dashboard report for the period ended 31 March 2025. A copy is enclosed separately and forms part of this business paper.

4. Commentary**4.1 PUBLIC DEBT**

- 4.2 At 31 March 2025 public debt was **\$33.3 million** and net debt was \$28.3 million. The projected debt at 30 June 2025 is estimated at \$37.3 million. This is lower than budget mainly as a result of delays in completing capital expenditure such as the Te Kuiti water resilience project, Te Kuiti stormwater improvements, landfill cell development and cash proceeds from property sales.
- 4.3 At 30 June 2024 public debt was \$33.3 million and net debt¹ was \$30.9 million.
- 4.4 The following graph shows the total borrowings and net debt position compared to forecast debt from the LTP.

¹ Net debt is total public debt less NZLGFA Borrower notes and unrestricted cash.



4.5 INTEREST EXPENSE

4.6 Total interest expense for the period ended 31 March 2025 was \$1,216,000 which was equal to the YTD budget. For the first and second quarters of the financial year interest costs were more than budget, however this variance is reducing and if the current trend of interest rates decreasing continues, interest costs may be slightly less than budget for the year.

4.7 The assumed interest rate in the LTP for the 2024/25 year was 4.90%. The weighted average interest rate at 31 March 2025 was 4.52% (Dec 24: 4.75%), and including the Westpac call advance credit facility fee is 4.60% (Dec 24: 4.79%).

4.8 Of the total borrowings of \$33.3 million and unchanged from the December quarter, the floating interest rate debt totals \$12 million at 31 March 2025 which is impacted by any interest rate changes. The remaining \$21 million of public debt is on a fixed interest rate exposure is unaffected by short term interest rate changes, up until the date fixed rate arrangement expires. (The remaining amount is accrued interest and finance lease liability).

4.9 Currently the OCR is set at 3.50% with the next monetary policy statement and OCR review due on 28 May 2025. The market is currently pricing for an expected fall in interest rates over the remainder of the calendar year to 2.75%.

4.10 BORROWING LIMITS

4.11 The borrowing limits set in the Financial Strategy are:

- The ratio of net debt to total revenue will not exceed 165%
- Net interest will not exceed 20% of annual rates.

4.12 WDC is currently well below these limits so has adequate borrowing capacity should this be required.

	Limit	Actual June 2024	Actual Mar 2025
Net debt to total revenue	<165%	65%	Measured at the end of the year.
Net interest to annual rates	<20%	7%	6%

4.13 A standby credit facility with Westpac bank with a credit limit of \$6 million is in place of which none was drawn at 31 March 2025.

4.14 The Westpac credit facility has a maturity date of 1 July 2025. Review and renewal of this facility is expected to be extended for a further year as this is usually the most economical option.

4.15 TRANSACTIONS DURING THE QUARTER

4.16 No new interest rate swaps were executed during the quarter.

4.17 The Commercial Paper of \$6 million that matured in February 2025 was rolled for a further three months to May 2025, a repeat of the rollover carried out in November 2024. Normally to attract the lowest interest rate on floating debt, the issue of commercial paper with a maturity of up to six months is the most economic option, however to take advantage of prevailing falling interest rates, shorter three month maturities have been adopted for now.

4.18 A \$1 million fixed rate bond and a \$5 million floating rate note both matured in April 2025 and were both refinanced with new debt.

4.19 The fixed rate bond was replaced with a floating rate note with a margin of 0.81%, initial interest rate of 4.27% and maturity of April 2027. This debt is now on a floating rate profile, when prior to that it was fixed and there is no associated interest rate hedge in place for it.

4.20 The floating rate note was replaced, maturity of July 2027, margin of 0.85%. This debt has an associated interest rate swap, which results in a total fixed interest rate of 4.81%.

4.21 DEBT AND COVER PROFILE

4.22 Council's interest rate hedging profile is shown in the chart on page 4 of the Bancorp Treasury Reporting Dashboard report. It shows that under the current projected debt profile, Council is compliant with its Treasury Management Policy. The forecast debt profile was modified slightly from the LTP for delays in significant capital projects for the first few years of the profile.

4.23 The debt profile will be revisited when the 2025/26 Annual Plan is confirmed and when more information becomes available on the impact on debt levels from the Local Water Done Well programme.

4.24 INTEREST RATE SWAP VALUATIONS

4.25 Included in the balance sheet is the valuation of the interest rates swaps that are in place at balance date for both current and forward starting swaps. These are included as "Derivative Financial Instruments" and recognised at market value at balance date. The valuation at 30 June 2024 was an asset of \$336,000.

4.26 As at 31 March 2025 the indicative valuation was \$327,000 liability. The change in valuation from an asset at 30 June to a liability at 31 March 2025 is due to the decrease in interest rates, for both the medium and long term.

5. Attachments/Separate Enclosures

Attachment:

- 1 Bancorp Dashboard Treasury Management Report as at 31 March 2025 (835552).



Treasury Reporting Dashboard

As at 31 March 2025

STRICTLY PRIVATE AND CONFIDENTIAL



BANCORP

BANCORP TREASURY SERVICES LIMITED



Economic Commentary (as at 30 April)⁷³

Global Commentary

The unknowns around tariffs and their impact on global economic conditions are the key focus for both debt and equity markets. To highlight the extent of the issues, it is not known if the Chinese and Americans are even communicating, let alone making any progress toward a trade deal.

To illustrate the uncertainties, here is a summary of key global central banks’ approaches to the tariff uncertainties

- The US Federal Reserve has been attacked by Trump, as they grapple with Trumpflation (the combination of higher inflation, weaker growth and higher unemployment). Despite market projections, many believe that the Fed will be patient and cautious before delivering any rate cuts in 2025
- The Bank of Canada has stopped publishing forecasts
- The European Central Bank is not providing any forward guidance, warning that markets should be ready for large moves in either direction

Uncertainty and confusion around key policy settings are already causing damage to global economies, and the longer the wait, the greater the damage. Beyond the economic damage, market volatility has been extreme in bond and equity markets, with some movements being seen as the largest in decades.

An associated consideration is that many investors are questioning how much exposure they should have to the US markets given hits to its international reputation and perceived trustworthiness. Asset allocation decisions and associated investment flows have the potential to see continuing market volatility

The International Monetary Fund slashed its global growth forecasts last week off the back of tariff turmoil and deteriorating sentiment. The IMF now sees global growth slowing to 2.8% in 2025, down from an earlier estimate of 3.3%.

New Zealand Commentary

	OCR	90 day	2 year swap	3 year swap	5 year swap	7 year swap	10 year swap
30-Apr-25	3.50%	3.43%	3.05%	3.17%	3.43%	3.66%	3.93%

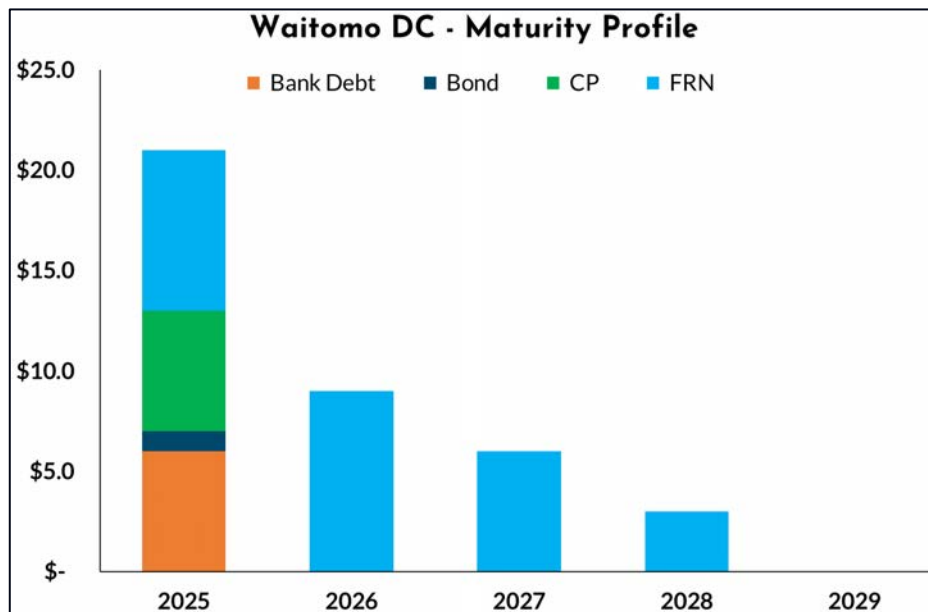
While the Q4 2024 GDP number at +0.7% was better than expected and Q1 2025 CPI inflation was slightly higher than expected, these data releases have been “Trumped” by global turmoil, which has seen the market and economists’ price in further rate cuts throughout 2025. ANZ is now forecasting two additional OCR cuts down to 2.50% (from a 3.00% trough earlier) while tentatively forecasting two increases in Q4 2026, taking the OCR back to 3.00% (the currently perceived neutral rate). ANZ cited weak NZ data, such as the QSBO, Performance of Services Index and electronic card transactions and global uncertainty as being behind the call saying that the NZ economy is likely to need more monetary support throughout 2025. Markets are currently forecasting a 100% probability of the OCR falling to 2.75% low by the end of 2025.

Shorter-term rates in New Zealand have fallen significantly in the last month, while longer-term swap rates have fallen to a lesser degree as the volatile US bond market has had a greater influence at the longer end of the yield curve.

In the last month, the 2-year swap rate has fallen from 3.37% at the end of March to its current level of 3.05%, while the 5 and 10-year swap rates have fallen from 3.66% (down 0.23%) and 4.10% (down 0.15%) respectively.

Funding, Liquidity and Hedging Bands

3



Policy Compliance	Compliant
Have all transactions been transacted in compliance with policy?	Yes
Is fixed interest rate cover within policy control limits?	Yes
Is liquidity within LGFA control limits?	Yes
Are swaps transacted with approved counterparties?	Yes

Total WDC Debt

\$33.0m

External Council Drawn Debt (LGFA + Bank)

Core WDC Debt (all drawn from the LGFA)

\$33.0m

Headroom = undrawn bank facility + cash in bank

\$11.32m

Liquidity Ratio (must be >110%)

134.3%

Definition: Includes Cash Reserves + Undrawn lines of Credit + Drawn Debt)/Drawn Debt (excludes Borrower Notes and restricted cash).

Cost of Funds as at 31 March 2025

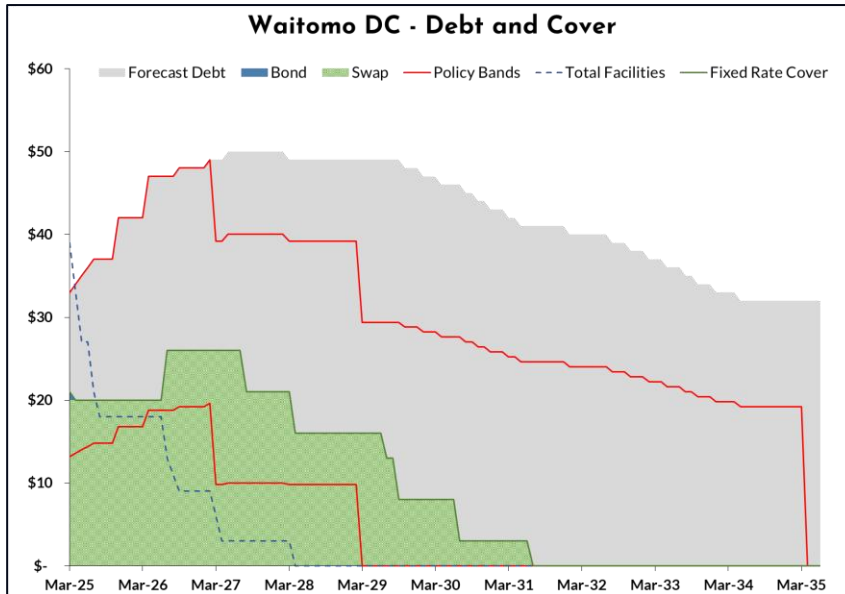
4.61%

Fixed Rate Hedging Bands			
	Minimum	Maximum	Policy
0 - 2 years	40%	100%	Compliant
2 - 4 years	20%	80%	Compliant
4 - 10 years	0%	60%	Compliant

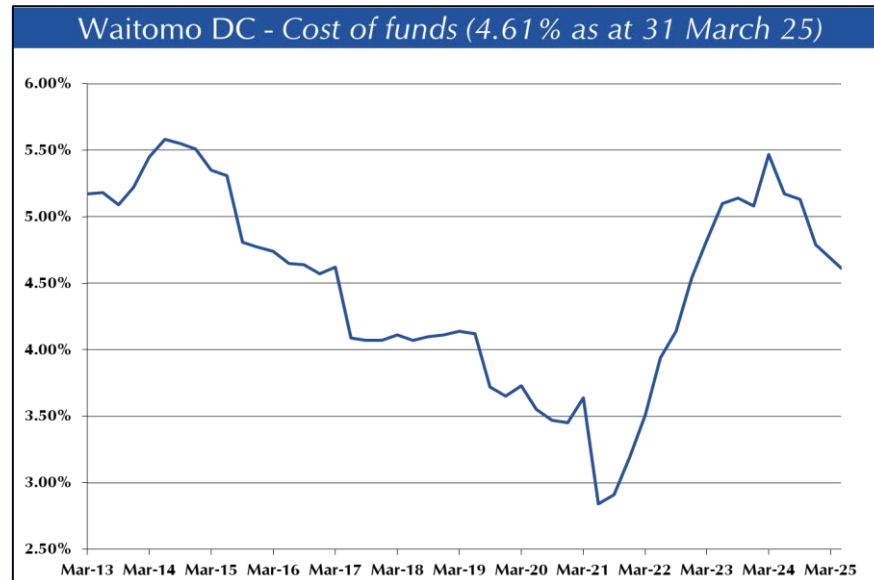
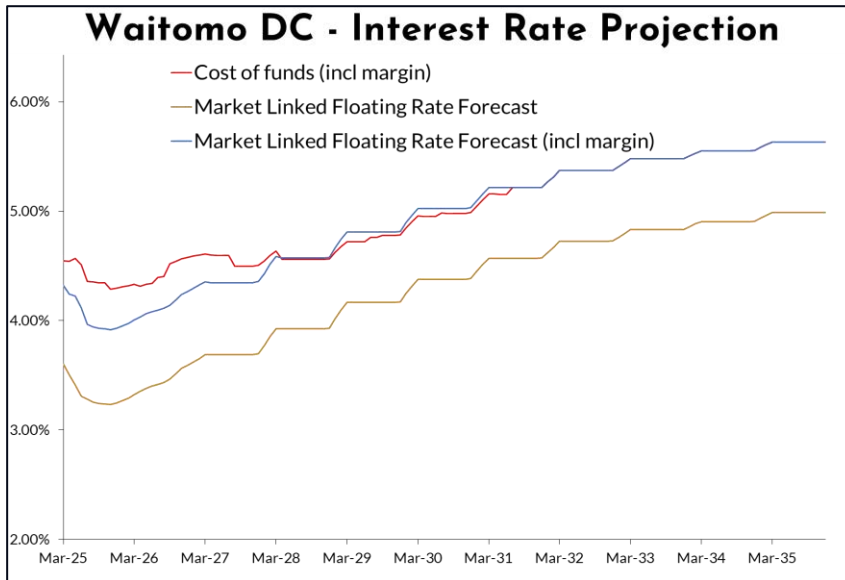


Interest Rate Risk Management⁷⁵

4



Current % of Debt Fixed	63.6%
Current % of Debt Floating	36.4%
Value of Fixed Rate (m)	\$21.0
Weighted Average Cost of Fixed Rate Instruments	3.99%
Value of Forward Starting Cover	\$21.0
Weighted Average Cost of Forward Starting Cover	3.91%
Value of Floating Rate (m)	\$12.0
Current Floating Rate	3.60%
Current Floating Rate (incl margin)	4.32%
All Up Weighted Average Cost of Funds Including Margin	4.61%
Total Facilities In Place	\$39.0



WDC - LGFA Borrowings ⁷⁶

As at 31 March 2025, WDC had \$33.0 million of core debt, all of which is sourced from the LGFA using Commercial Paper, FRNs, and FRBs. WDC also has a bank facility with Westpac Bank for \$6.0 million that matures on 1 July 2025, which has a margin of 100 basis points and a line fee of 40 basis points. Details of WDC's drawn core debt as at 31 March is as follows:

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	20-May-25	3.97%	0.20%	\$6,000,000
LGFA FRB	19-Apr-25	3.68%	N/A	\$1,000,000
LGFA FRN	22-Apr-25	4.53%	0.49%	\$5,000,000
LGFA FRN	30-Aug-25	4.32%	0.57%	\$3,000,000
LGFA FRN	24-Jul-26	4.67%	0.66%	\$5,000,000
LGFA FRN	30-Aug-26	4.41%	0.66%	\$2,000,000
LGFA FRN	11-Sep-26	4.39%	0.70%	\$2,000,000
LGFA FRN	11-Mar-27	4.46%	0.77%	\$3,000,000
LGFA FRN	18-Jul-27	4.84%	0.78%	\$3,000,000
LGFA FRN	22-Apr-28	4.89%	0.85%	\$3,000,000

Swap details and valuation⁷⁷

6

As at 31 March 2025, WDC had ten interest rate swaps, five of which were current and five forward starting, which convert a portion of the floating interest rate exposures into a fixed rate. Details of the swaps are contained in the following table.

Waitomo District Council - valuations and testing										
Hedge effectiveness testing as at 31 March 2025										
Bank Ref	Derivative Product	Currency	Notional Amount at Inception	Inception Date	Effective Date	Maturity Date	Fixed Rate	Clean Value +	Accrued Interest	= Total Swap Value
INTEREST RATE SWAPS										
WPAC 4293625	IR Swap	NZD	5,000,000	31-Mar-15	20-Apr-20	22-Apr-25	3.93%	388	1,229	1,617
WPAC 10370267	IR Swap	NZD	5,000,000	20-Apr-23	22-Apr-25	22-Jul-26	3.96%	(39,940)	0	(39,940)
WPAC 7189464	IR Swap	NZD	5,000,000	13-Dec-18	11-Sep-20	11-Sep-26	2.89%	31,012	2,205	33,218
WPAC 11271805	IR Swap	NZD	3,000,000	26-Jun-24	27-Jun-24	30-Aug-27	4.65%	(56,445)	(1,520)	(57,965)
WPAC 11271834	IR Swap	NZD	2,000,000	26-Jun-24	27-Jun-24	30-Aug-27	4.65%	(84,667)	(2,280)	(86,948)
WPAC 11271848	IR Swap	NZD	5,000,000	26-Jun-24	27-Jun-24	24-Apr-28	4.55%	(155,938)	(4,882)	(160,820)
WPAC 11361626	IR Swap	NZD	3,000,000	2-Aug-24	22-Jul-26	23-Jul-29	3.57%	12,885	0	12,885
WPAC 10968070	IR Swap	NZD	5,000,000	2-Feb-24	11-Sep-26	11-Sep-29	3.96%	(26,407)	0	(26,407)
WPAC 11271761	IR Swap	NZD	5,000,000	26-Jun-24	22-Jul-26	22-Jul-30	4.11%	(29,240)	0	(29,240)
WPAC 11361569	IR Swap	NZD	3,000,000	2-Aug-24	20-Jul-26	18-Jul-31	3.74%	26,217	0	26,217
Totals		NZD	41,000,000					(322,135)	(5,249)	(327,384)



LGFA Borrowing Rates

78

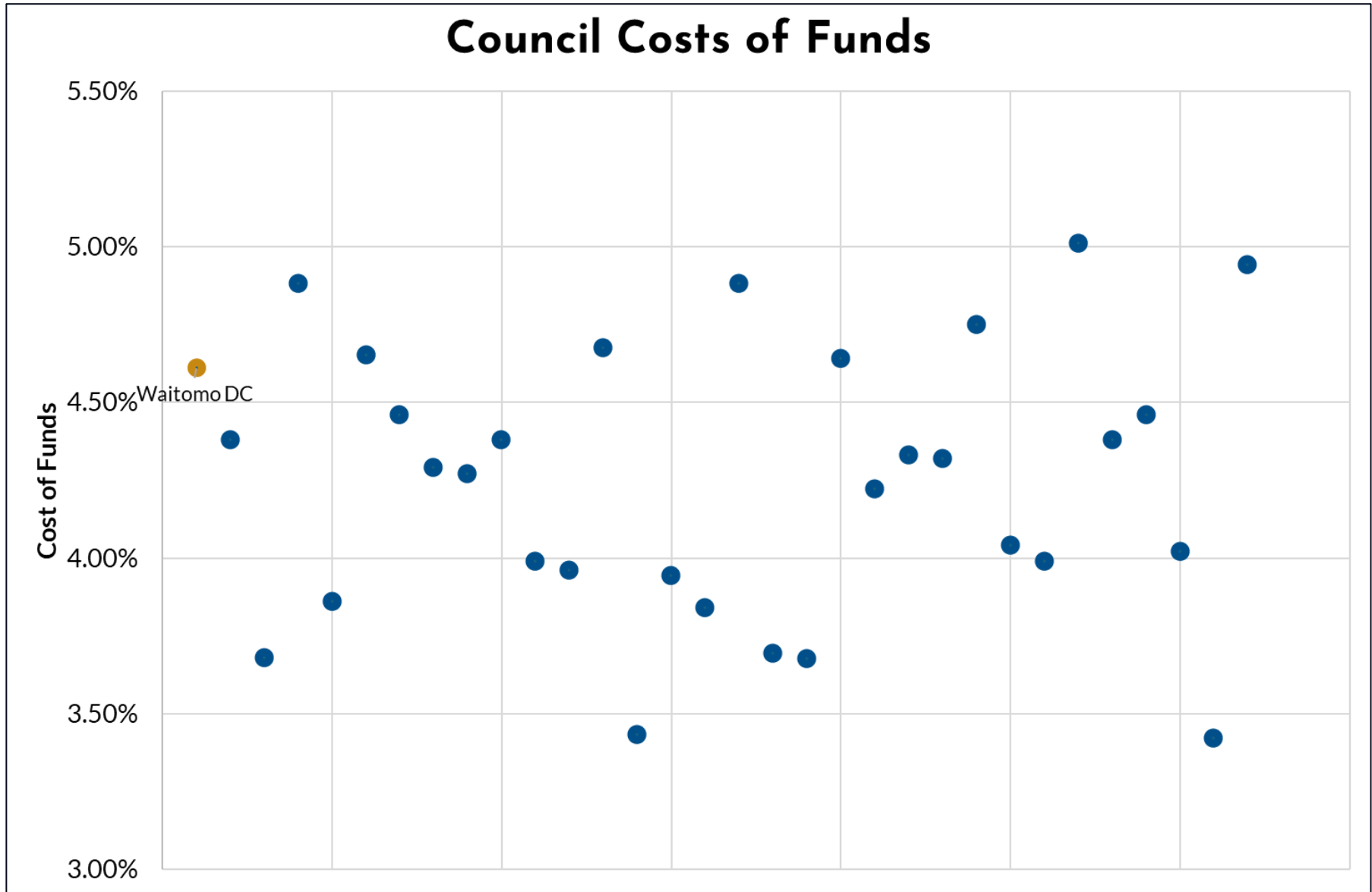
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Listed below are the credit spreads and applicable interest rates for Commercial Paper ("CP"), Floating Rate Notes ("FRN"), and Fixed Rate Bonds ("FRB"), at which Waitomo DC could source debt from the Local Government Funding Agency ("LGFA") as at 31 March 2025.

Maturity	Margin	FRN (or CP Rate)	FRB
3 month CP	0.20%	3.81%	N/A
6 month CP	0.20%	3.69%	N/A
April 2025	0.48%	4.09%	4.25%
April 2026	0.61%	4.22%	4.01%
April 2027	0.72%	4.33%	4.14%
May 2028	0.88%	4.49%	4.40%
April 2029	0.94%	4.55%	4.58%
May 2030	1.04%	4.65%	4.75%
May 2031	1.10%	4.71%	4.96%
May-2032	1.16%	4.77%	5.09%
April 2033	1.23%	4.84%	5.25%
May 2035	1.29%	4.90%	5.45%
April 2037	1.37%	4.98%	5.65%



Cost of Funds Comparison⁷⁹



Disclaimer

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Document No: 836378

Report To: **Audit and Risk Committee**



Meeting Date: 13 May 2025

Subject: **Progress Report: Key Performance Indicators for the period ended 31 March 2025**

Type: Information Only

Author(s): Rajeshwari Mahadevappa
Graduate Policy Advisor

Charmaine Ellery
Manager Strategy and Policy

1. Purpose of Report

- 1.1 The purpose of this business paper is to present Waitomo District Council's delivery performance on non-financials for the 2024/25 financial year for the period ending 31 March 2025 (Quarter 3).
- 1.2 A copy of the KPI (Key Performance Indicator) Progress Report is included as an attachment to this business paper.

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 Progress Report: Key Performance Indicators for the period ended 31 March 2025 be received.

3. Background

- 3.1 The WDC Long Term Plan (LTP) 2024-2034 was adopted in June 2024 which includes the outcomes Council is aiming to deliver for the community through each activity area. Each group of activities has a level of service that we have agreed with the community to deliver.
- 3.2 These outcomes and levels of service are reported on to the community via the Annual Report at the end of each financial year.
- 3.3 Each quarter a report is produced to monitor the performance of the activities and levels of service by way of the KPI's developed through the LTP 2024-2034.
- 3.4 This is the third progress report for the 2024/25 year, covering the period 1 January to 31 March 2025 (Quarter 3).

4. Commentary

4.1 SERVICE PERFORMANCE SUMMARY

- 4.2 Of the 74 key performance indicators measured, 53 (71%) are on track, 3 (4%) have been achieved, 5 (7%) are off track, 2 (3%) are not achieved, and 11 (15%) with no data available.

The KPIs whose results will be available in June 2025 Resident Survey (Quarter 4) are reported as 'no data' for Quarter 3.

4.3 **Leadership**

- 4.4 Three of the four measures are on track, these are for Council agendas, communicating with our community regularly and getting back to the customers requiring feedback.
- 4.5 The effectiveness of Council communications measure is based on 2025 Resident Survey results and is reported as no data (2024 Resident Survey result 90%).

4.6 **Community and Partnerships**

- 4.7 Out of five measures, two measures are achieved. This is for contestable grant funding with all grants allocated in accordance with the Community and Partnerships Fund Policy and for the events delivered in partnership with other organisations.
- 4.8 One measure is on track, this is for the number of participants in library programmes and activities.
- 4.9 The library's active membership measure is off track. For this quarter, there were 883 active library members (target is 956). This is calculated over a 12-month period, and the final outcome will not be evident until the end of the 12 months, in June 2025. However, the participation numbers and satisfaction for the library have been consistently high and staff are working to convert the participants into active members.
- 4.10 The KPI for helpfulness and friendliness of the customer services team is based on 2025 Resident Survey results and is reported as no data (2024 Resident Survey result 95%).

4.11 **Recreation and Property**

- 4.12 One of the three measures is on track, all facilities have current Building Warrant of Fitness (BWOF).
- 4.13 Two measures, satisfaction with parks and open spaces, and cleanliness of public toilets are based on 2025 Resident Survey results and are reported as no data (2024 Resident Survey results 87% and 90% respectively).

4.14 **Regulatory Services**

- 4.15 One of the seven measures is achieved, with accreditation of building consent authorities (BCA) being met, covering the period June 2024 to June 2026.
- 4.16 Three measures are on track, these are for building consents, alcohol licenses and food licenses.
- 4.17 One measure is off track, this is for processing Land Information Memorandum (LIM) applications. 47 out of 48 total applications were processed within 10 working days. One application exceeded the timeframe by one day and was processed in 11 days due to an administration error.
- 4.18 Two measures are reported no data, one is satisfaction with animal control services based on 2025 Resident Survey (2024 Resident Survey result 81%) and the other is the annual exercise of Civil Defence training which is scheduled to be held on 22 May 2025.

4.19 **Resource Management**

- 4.20 The one measure in this area is on track with all resource consents processed within statutory timeframes.

4.21 **Solid Waste**

4.22 Two of the four measures are on track for complaints about uncollected rubbish and waste diversion rate. Recycling bin audits started on 24 April 2025.

4.23 Two measures, satisfaction with the rural transfer stations and landfill are based on 2025 Resident Survey results and are reported no data (2024 Resident Survey results 94% and 93% respectively).

4.24 **Stormwater**

4.25 All six measures are on track with no flooding events, no notices received, and no complaints received in the third quarter.

4.26 **Wastewater**

4.27 Six of seven measures are on track with response and resolution time for callouts within the target, no notices received, number of complaints remained within the target.

4.28 The measure related to dry weather overflows is off track. There were 7 complaints related to dry weather overflows per 1,000 connections, which slightly exceeded the target ≤ 5 complaints per 1,000 connections.

4.29 **Water Supply**

4.30 24 out of 31 measures are on track.

4.31 Two measures were not achieved, this is for drinking water standards for Protozoa for Te Kūiti and Piopio. This is because of a few readings exceeding the turbidity value 1.0 NTU by three seconds (Nephelometric Turbidity unit, unit to measure turbidity) - 5 days non-compliant for Te Kūiti and 3 days non-compliant for Piopio out of 89 days in Quarter 3, January to March 2025.

4.32 Three measures related to the percentage of water loss for Mōkau, Piopio and Maniaiti/Benneydale are reported no data. The readings will be taken during the winter season for the current financial year.

4.33 The measure related to consumption of drinking water is slightly off track - 408 litres/day, target ≤ 400 litres per person per day. This is due to high water takes from hydrants for project work in Maniaiti/Benneydale, Te Kūiti and Mōkau for roadworks along SH30 and SH3 and a water leak on Mōkau-Awakino line resulting in high consumption.

4.34 The measure related to resolution time for urgent callouts is off track. Pukenui School had no water at the back of the school. This was due to a burst pipe in King Street West, Te Kūiti causing low water pressure and disrupting water supply.

4.35 **Roads and Footpaths**

4.36 All six measures are on track for roads and footpaths.

<h3>5. Attachments/Separate Enclosures</h3>
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Attachment: Quarter 3 KPI Progress Report for period ending 31 March 2025 (836377)

Key Performance Indicators Annual Progress Report Q3

For the period 1 January to 31 March 2025



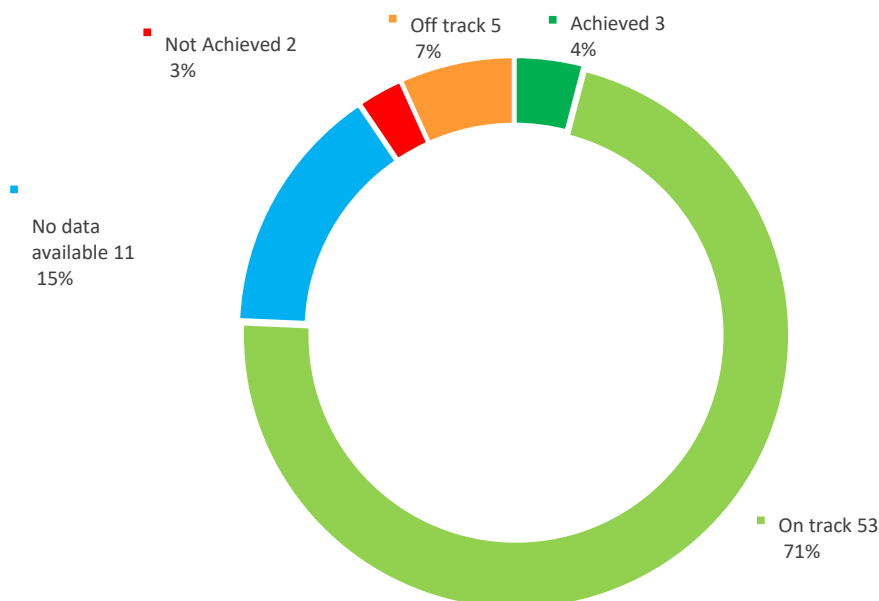
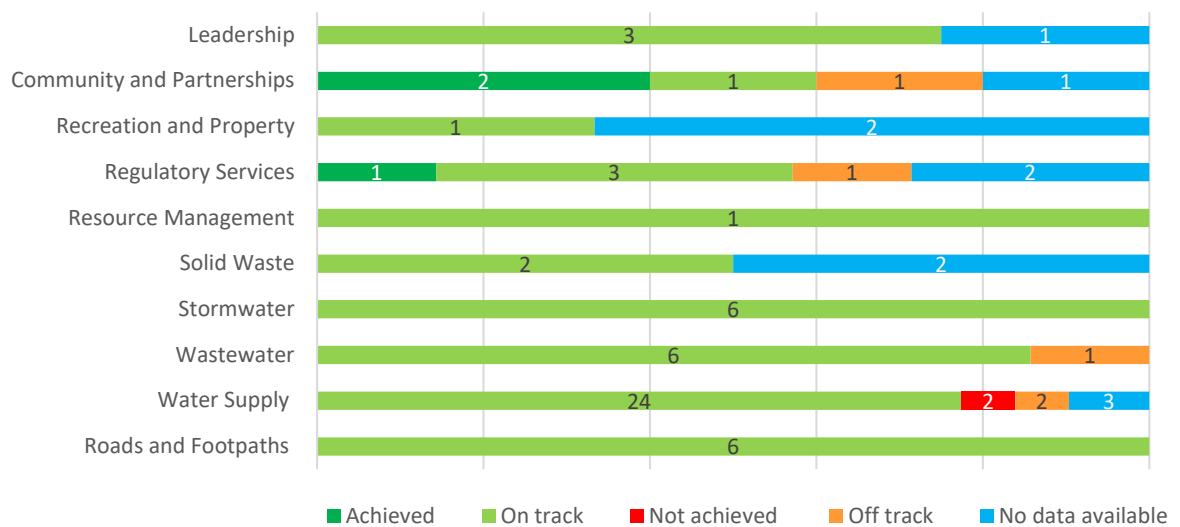
INTRODUCTION

The 2024-2034 Long Term Plan (LTP) was adopted in June 2024. It sets out outcomes we aim to deliver for our community, through the activities we undertake. Within each group of activities outlined in the LTP, we have outlined the levels of service we intend to deliver.

The purpose of this report is to provide high-level updates of these Council activities for the months of 1 January to 31 March 2025. The report covers progress on groups of activities non-financial KPI (Key Performance Indicators).

Each KPI reported on in the progress report is given a result of either achieved, on track, not achieved, off track, nearly achieved, and no data available. Where an off-track result may still be achieved by the year end, a nearly achieved result is shown when a KPI has not been achieved but was close to achieving. This occurs when a result is within 5% of the target, this being within the margin of error for Resident Survey results.







SERVICE PERFORMANCE SUMMARY AS AT 31 MARCH 2025



Of the 74 key performance indicators measured, 53 (71%) are on track, 3 (4%) have been achieved, 5 (7%) are off track, 2 (3%) are not achieved, and 11 (15%) with no data available.













SERVICE PERFORMANCE MEASURES
















Performance Measure Status

					
Not Achieved	Off Track	Achieved	On Track	Nearly achieved*	Data not available










* A nearly achieved result occurs when a result is within 5% of the target, this being within the margin of error for Resident Survey results.
















Leadership

You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
Our governance services are robust and transparent.	The percentage of Council agendas that are publicly available before a Council meeting.					Target: ≥ 60% available 4 working days prior and 100% available 2 working days prior Result: 100% Previous result: 100%	Total three meetings in Quarter 3, all agendas were publicly available 4 working days prior to the scheduled meeting – target met.
We communicate effectively with our community.	Percentage of residents satisfied that they received or could find Council information when they needed it.					Target: Between 60 - 100% Result: No data Previous result: 90%	Result of the June 2024 Resident Survey was 90%.
We communicate regularly with our community about what matters.	The number of posts on our Facebook page per week.					Target: ≥ 5 week for at least 45 weeks Result: On track New Measure	Out of the 12 full weeks in Quarter 3, all weeks exceeded the number of required Facebook posts. The average was 10 posts per week. The first week in January started midweek so only 3 posts were published in this KPI period due to the split week.
We get back to our customers to let them know the outcome of their service requests.	The percentage of service requests where an officer has contacted the customer to inform them of the outcome of the request.					Target: Set baseline Result: 100% New Measure	All customers that required feedback had been contacted for this quarter.

Community and Partnerships							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We facilitate strong and sustainable partnerships to support improved outcomes for our community.	All contestable grant funding ¹ is disseminated fairly and equitable in accordance with our Policy.					Target: Achieved Result: Achieved Previous result: Achieved	All grants allocated in accordance with the Community and Partnerships Fund Policy.
We will work in partnership with others on projects or events that enhance the culture and wellbeing of residents.	The number of projects or events that promote culture or wellbeing delivered in partnership with other organisations.					Target: ≥ 2 Result: 2 New Measure	The Waitomo District Christmas Parade was held on Friday 13 December 2024. The Great NZ Muster was held on Saturday 29 March 2025.
We provide a comprehensive and well used Library service for our community.	The number of active library members.					Target: ≥ 2% on the year previous (937 active members in 2023/24) Result: off track New Measure	For this quarter, there were 883 active library members (target is 956). This is calculated over a 12-month period, and the final outcome will not be evident until the end of the 12 months, in June 2025.
We deliver a range of well attended activities and programmes at the Waitomo District Library.	The number of participants in Library programmes and activities.					Target: ≥ 5% on the year previous (1091 participants in 2023/24) Result: on track New Measure	Continues to track well with 6 regular weekly/monthly events and holiday programs. 886 participants in library programmes and activities. To achieve 5% more than the previous year, at least 286 participants per Quarter is required. There were 347 participants in Quarter 1, 344 in Quarter 2 and 195 in Quarter 3.
Our customer service team are friendly and helpful.	The percentage of residents satisfied their initial interaction with council customer services was friendly and helpful.					Target: set baseline Result: No data Previous result: 95%	Result of the June 2024 Resident Survey was 95%.

¹ Contestable grant funding is the Multi-Year Community Partnership Grant.

Recreation and Property							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We provide parks and open spaces across our district.	Percentage of residents satisfied with our parks and open spaces.					Target: ≥ 85% Result: No data Previous Result: 87%	Result of the June 2024 Resident Survey was 87%.
We provide community facilities that are compliant with legislative standards.	Ensure facilities with compliance schedules have current Building Warrant of Fitness (BWOFF).					Target: Achieve Result: on track Previous Result: Achieved	All facilities have current Building Warrant of Fitness (BWOFF).
We provide clean public toilets for our community and visitors.	Percentage of residents satisfied with the cleanliness of public toilets.					Target: ≥ 85% Result: No data Previous Result: 90%	Result of the June 2024 Resident Survey was 90%.

Regulatory Services							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
Building consents are processed in a timely fashion.	All building consents are processed within 20 working days.					Target: 100% Result: 100% Previous Result: 97%	All building consents processed within 20 working days in Quarters 2 and 3. (Quarter 1: 35 of total 37 consents were processed within 20 working days, two applications were processed in 22 and 23 days respectively).
We provide regulatory services for alcohol licences.	All premises that sell alcohol are licensed.					Target: 100% Compliance Result: 100%, on track Previous Result: 100%	All premises that sell alcohol are licensed.
We provide regulatory services for food licences.	All premises that sell food are licensed and registered.					Target: 100% Compliance Result: 100%, on track New measure	All premises that sell food are licensed.
We provide Land Information Services (LIMs) efficiently.	LIM applications are processed within 10 working days.					Target: 100% Compliance Result: 100%, on track Previous Result: 99%	48 applications were received, 47 were processed within 10 days. One application was processed in 11 days due to admin error.
We will process, inspect, and certify building	WDC maintains building control systems and process to meet					Target: BCA accreditation maintained	BCA accreditation maintained, next assessment is due in 2026.

Regulatory Services							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
work in the Waitomo District.	IANZ Audit requirements.					Result: 100%, Achieved Previous Result: 100% Compliance	
We provide an effective Animal Control service.	Percentage of residents satisfied with the provision of the Animal Control service.	●	●	●		Target: ≥ 75% Result: No data Previous Result: 81 %	Result of the June 2024 Resident Survey was 81%.
WDC is resourced and staff trained to effectively support operations of Civil Defence Headquarters during an emergency.	The evaluation of the annual exercise as a measure of effectiveness of training.	●	●	●		Target: ≥ 61% (comprehensive score) Result: No data Previous Result: 68 %	The 2025 Annual Exercise is going to be held in Te Awamutu on 22 May 2025.

Resource Management							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
Resource consents are processed in accordance with legislation.	All non-notified land use consent and subdivision consents are processed within 20 days.	○	○	○		Target: 100% Result: 100%, on track Previous Result: 100%	All non-notified resource consents and subdivision consents were processed within statutory timeframes.

Solid Waste							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We will provide a reliable kerbside rubbish collection to stop rubbish becoming a health risk. ²	The number of justifiable complaints per week about uncollected rubbish.	○	○	○		Target: < 7 per week Result: 1 complaint per week Previous Result: 1.2 per week	18 justifiable complaints received for Quarter 3 (Q1: 3, Q2: 17 complaints), which translates to 1 complaint per week. Most of the complaints were related to rubbish not being collected, this is because Enviro NZ had recently onboarded several new drivers, leading to a noticeable increase in customer complaints.
We provide effective and fit for purpose solid waste facilities.	Percentage of users that are satisfied with the rural	●	●	●		Target: ≥ 90% Result: No data	Result of the June 2024 Resident Survey was 94%.

² Kerbside collection services offered in Te Kūiti, Waitomo Village, Piopio, and Mōkau.

Solid Waste							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
	transfer service stations.					Previous Result: 94%	
	Percentage of users that are satisfied with the Waitomo District Landfill.	●	●	●		Target: ≥ 90% Result: No data Previous Result: 93%	Result of the June 2024 Resident Survey was 93%.
We encourage waste minimisation by providing recycling services to reduce waste sent to landfill.	Diversion rate ³ of the District's waste to landfill.	○	○	○		Target: Increasing trend of diversion rate to ≥ 50% (2022/23 diversion rate 43%) Result: on track New measure	Diversion rate for Quarter 3 is 58%. Total diversion rate from 1 July 2024 to 31 March 2025 is 50.46%. Recycling bin audits has started on Thursday, 24 April 2025.
















Stormwater							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We maintain and operate the stormwater network in a way that minimises the likelihood of stormwater entering habitable buildings.	The number of flooding events ⁴ that occur in the district in a financial year.	○	○	○		Target: ≤ 2 Result: on track Previous result: 1	There were no flooding events in the third Quarter.
	For each flooding event the number of habitable floors affected in a financial year.	○	○	○		Target: ≤ 5 per 1000 properties (1,851 properties) Result: on track Previous result: 6 per 1000 properties	There were no flooding events in the third Quarter.
We comply with our resource consent conditions and minimise the impact of	The number of infringement notices related to the management of the stormwater system.	○	○	○		Target: ≤ 2 Result: on track Previous result: 0	No notices have been received this quarter.

























³ Diversion rate means not sending unwanted materials to disposal facilities. Instead, materials are repurposed through the process of **reuse, recycling, or recovery**. The diversion rate is found by dividing the weight of diverted waste only by the weight of all waste and multiplying this by 100 to get a percentage.



















⁴ A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. Habitable floor refers to the floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.

Stormwater							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
stormwater on the environment.	The number of abatement notices, enforcement orders or convictions related to the management of the stormwater system.	○	○	○		Target: 0 Result: on track Previous result: 0	No notices have been received this quarter.
We will respond within a reasonable timeframe to flooding.	The median response time to attend a flooding event (measured from the time that the notification is received to the time that service personnel reach the site).	○	○	○		Target: ≤ 180 minutes (3hrs) Result: on track Previous result: 28 mins	There were no flooding events in the third Quarter.
We provide a reliable stormwater system.	The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	○	○	○		Target: ≤ 5 complaints per 1000 properties (1,851 properties) Result: 1 complaint per 1000 properties Previous result: 8	No complaints received in the third Quarter.

Wastewater							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We will attend and resolve issues with the wastewater system within a reasonable timeframe.	The median attendance time for callouts, from the time that we received notification to the time that our service personnel reach the site.	○	○	○		Target: ≤180 minutes (3hrs) Result: on track Previous result: 30 mins	55 minutes for rest of the district, 56 minutes for Piopio, district wide total median response time is 1.85 hours
	The median resolution time of callouts, from the time that we received notification to the time that our	○	○	○		Target: <u>Rest of District</u> ≤540 minutes (9hrs) Result: on track Previous result: 4 hrs 29 mins	4.51 hours rest of the district

Wastewater							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
	service personnel confirm the fault or interruption has been resolved.					Target: Piopio ≤540 minutes (9hrs) Result: on track Previous result: 9 hrs	3.23 hours for Piopio
We comply with our resource consent conditions and minimise the impact of wastewater on the environment.	Zero abatement, infringement, enforcement or convictions issued.					Target: 0 Result: 0 Previous result: Achieved	No notices received
Our wastewater system is operated and maintained to minimise odour and blockages.	The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with its wastewater system.					Target: <u>Piopio</u> ≤200 complaints per 1,000 connections (202) Result: on track Previous result: 246 per 1000 connections	11 complaints in Quarter3 for Piopio (Q1:14, Q2:12 complaints), total 37 complaints, which is 183 complaints per 1000 connections
						Target: <u>Rest of District</u> ≤35 complaints per 1,000 connections (2067) Result: on track Previous result: 16 per 1000 connections	6 complaints in Quarter 3 (Q1:7, Q2: 9 complaints), total 22 complaints, which equates to 11 complaints per 1000 connections
Our wastewater system is optimised to reduce the risk of harm to the community and environment.	Number of dry weather overflows in a financial year					Target: ≤5 complaints per 1,000 connections (2269) Result: off track Previous result: 3.7	5 complaints for rest of the district in Quarter 3 (Q1:5, Q2:5 complaints). No dry weather overflow complaints received for Piopio for Quarter 1 and 3 (Q2:1). Total 16 complaints which equates to 7 complaints per 1000 connections.

Water Supply							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We provide water that is safe to drink and hygienic to use which meets the drinking water standards.	Water quality complies with the drinking water standards for T2 Treatment Monitoring Rules.					Target: <u>Mōkau</u> Achieve Compliance Result: Achieved New Measure	Compliance achieved
						Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure	Compliance achieved
	Water quality complies with the drinking water standards for T2 Filtration Rules.					Target: <u>Mōkau</u> Achieve Compliance Result: Achieved New Measure	Compliance achieved
						Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure	Compliance achieved
	Water quality complies with the drinking water standards for T2 UV Rules.					Target: <u>Mōkau</u> Achieve Compliance Result: Achieved New Measure	Compliance achieved
						Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure	Compliance achieved
	Water quality complies with the drinking water standards for T2 Chlorine Rules.					Target: <u>Mōkau</u> Achieve Compliance Result: Achieved New Measure	Compliance achieved
						Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure	Compliance achieved

Water Supply							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We provide water that is safe to drink and hygienic to use which meets the drinking water standards.	Water quality complies with the drinking water standards for T3 Bacteria Rules.					Target: Te Kūiti Achieve Compliance Result: Achieved Previous Result: Not Achieved	On 11 November 2024, chlorine contact time (CT) was not achieved due to faulty instrument calculating incorrect CT value. On the 23 November 2024, free available chlorine was not compliant due to instrument error causing to record the chlorine value at zero.
						Target: Piopio Achieve Compliance Result: Achieved Previous Result: Not Achieved	24 Dec 2024, the free available chlorine equivalent (FACe) was not recorded for 40 minutes due to instrument failure. Instrument was fixed immediately.
	Water quality complies with the drinking water standards for T3 Protozoa Rules.					Target: Te Kūiti Achieve Compliance Result: Not Achieved Previous Result: Not Achieved	Non-complaint on T3.47 for 5 days out of 89days (Jan-March 25) (Note T3.47 relates to turbidity leaving the filters exceeded 0.1 NTU, 5% of each day).
						Target: Piopio Achieve Compliance Result: Not Achieved Previous Result: Not Achieved	Non-complaint on T3.76 for 3 days out of 89days (Jan-March 25) (Note: T3.76 relates to turbidity leaving the membrane exceeded 0.1 NTU, more than 15mins of each day).
	Water quality complies with the drinking water standards for D2 Distribution System Rule.					Target: <u>Mōkau</u> Achieve Compliance Result: Achieved New Measure	Compliance achieved.
						Target: Maniaiti/Benneydale Achieve Compliance Result: Achieved New Measure	Compliance achieved













Water Supply							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
						Target: Piopio Achieve Compliance Result: Achieved New Measure	Compliance achieved
	Water quality complies with the drinking water standards for D3 Microbiological Monitoring Rule.					Target: Te Kūiti Achieve Compliance Result: Achieved New Measure	Compliance achieved
We provide an efficient and effective water supply. We will achieve this by undertaking activities such as water leakage detection and maintaining the network of water pipes. ⁵	Percentage of real water loss from the Council's networked reticulation system in a financial year in:						
	Te Kūiti					Target: ≤ 20% Result: 16.71% Previous result: 18.76%	The water loss data for the current financial year to be provided by the contractor based on readings taken during winter season. (Percentage calculated using Minimum Night Flow which assumes that there is little consumption overnight, therefore remaining flow is attributed to water loss).
	Mōkau					Target: ≤ 5% Result: no data Previous result: 1.98%	
	Piopio					Target: ≤ 5% Result: no data Previous result: 1.01%	
	Maniaiti/Benneydale					Target: ≤ 5% Result: no data Previous result: 1.87%	
We provide efficient management of demand for water for our community.	The average consumption of drinking water per Waitomo District resident, per day.					Target: ≤ 400 litres per person per day Result: 408 litres/day Previous result: 487 litres/day	High water takes from hydrants for project work in Benneydale, Te Kuiti and Mōkau along SH30 and SH3. In addition, water leak on Mokau-Awakino line resulted in high consumption.
We will respond within a reasonable timeframe to	The median attendance time for urgent callouts, from the time that we received notification to the time that our service personnel reach the site.					Target: ≤ 180 minutes (3hrs) Result: on track Previous result: 18 mins	42 minutes

⁵ Water Losses includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft. This does not include unauthorised consumption.

Water Supply							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
issues with the water supply. ⁶	The median resolution time of urgent callouts, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.					Target: ≤ 540 minutes (9hrs) Result: off track Previous result: 49 mins	21.29 hrs. Pukenui School had no water at the back of the school and water pressure was running at one-third of what it should be. This was due to the burst pipe King Street West, Te Kuiti.
	The median attendance time for non-urgent callouts, from the time that we received notification to the time that our service personnel reach the site.					Target ≤ 24 hrs (1 day) Result: on track Previous result: 2 hr 30 mins	1.2 hrs
	The median resolution time of non-urgent callouts, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.					Target: ≤ 96 hours (4 days) Result: on track Previous result: 20 hrs 5 mins	23.07 hrs
We provide water that is wholesome and is reliably supplied. The measure indicates customers and community satisfaction with the quality of the water.	The total number of complaints received by Council in a year for: ⁷						
	Drinking water clarity.					Target: ≤ 5 per 1000 connections (2659 connections) Result: on track Previous result: 3.3	4 complaints in Quarter 3 (Q1: 0, Q2: 1). Total 5 complaints which is 1.88 complaints per 1000 connections.
	Drinking water taste.					Target: ≤ 2 per 1000 connections (2659 connections) Result: on track Previous result: 1.8	No complaints in Quarters 1,2 and 3.

⁶ Resolution and attendance based on working days are defined as Monday – Friday, excluding public holidays. If notification is received on the weekend or public holiday the timeframes start from the next working day.

⁷ Total number of connections is 2659







Water Supply							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
	Drinking water odour.					Target: ≤ 2 per 1000 connections (2659 connections) Result: on track Previous result: 2.2	No complaints in Quarters 1,2 and 3.
	Drinking water pressure flow.					Target: ≤ 10 per 1000 connections (2659 connections) Result: on track Previous result: 2.6	One complaint in Quarter 3 (Q1:3, Q2:0) Total 4 complaints which equates to 1.5 complaints per 1000 connections.
	Continuity of supply.					Target: ≤ 5 per 1000 connections (2659 connections) Result: on track Previous result: 3.3	6 complaints in Quarter 3. No complaints in Quarters 1 and 2, this equates to 2 complaints per 1000 connections.
	Council's response to any of these issues.					Target: New measure ≤ 7 per 1000 connections (2659 connections) Result: 0 Previous result: 0	No complaints in Quarters 1, 2 and 3.

Roads and Footpaths							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We are working towards a safe network with a vision of a decreasing trend of deaths and serious injuries on Waitomo District roads within ten years. We aim to achieve this by delivering projects that are focused on maintaining, upgrading, or changing the conditions of the roading environment to keep our community safe.	The change from the previous financial year in the number of fatalities and serious injury crashes on Waitomo District's local road network. ⁸					Target: maintain or decrease from previous year Result: 1 serious crash in Quarter 2. Previous result: 3	No serious or fatal crashes in Quarter 3.
We aim for a smooth road that provides comfort for road users and improves the safety of the roads.	The average smooth travel exposure rating across the sealed road network. ⁹					Target: ≥ 80% (of total network) Result: 90% Previous result: 90%	New data was added in 2023. This high speed data is updated every 3 years.
We will maintain the road network by resealing it as needed. Resurfacing is only undertaken as required depending on the condition of the surface in that financial year.	The percentage of Waitomo District's sealed local road network that is resurfaced each year.					Target: 5% (of total network) Result: 7.6% Previous result: 4.1%	The programme surfacing quantity is 42.434km of which 35.080km has been completed, which is more than the 5% target. The remaining works is programmed for Quarter 4 due to adverse weather in Quarter 3.
We will provide footpaths that are well maintained. The measure is the percentage of footpaths that meet the service level.	The percentage of footpath network that falls within a condition rating of 3. ¹⁰					Target: ≥ 85% Result: 97% Previous result: 97%	Last survey was done in 2022, this survey is done once in five years.

⁸ This is using NZTA Crash Analysis System definitions: fatal is defined as a death occurring as the result of injuries sustained in a road crash within 30 days of the crash, serious is defined as injury (fracture, concussion, severe cuts or other injury) requiring medical treatment or removal to and retention in hospital.

⁹ Percentage of measured sealed road lane kilometres not exceeding a NAASRA roughness count rating of 150 to be at least 90%. NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort.

¹⁰ Acceptable ratings being 1-very good 2-good and 3-fair as assessed by industry trained raters.

Roads and Footpaths							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We will investigate and respond to the customer about their request for service relating to road and footpath issues.	The percentage of customer service requests relating to roads and foot paths responded to within 10 working days.					Target: ≥ 90% Result: 93% Previous result: 98%	Out of 191 service requests lodged, 178 were responded to within 10 days and 13 services request exceeded the 10 day response requirement.
We will maintain the overall condition of the unsealed roads to a specified adequate standard.	Percentage of unsealed road metaled each year.					Target: ≥ 15% (of total) Result: 8.25% Previous result: 18.6%	Summer period is not ideal conditions for metalling, more metalling will be undertaken in Quarter 4.

Document ID: 836376

Report To: Audit and Risk Committee**Meeting Date:** 13 May 2025**Subject:** Top Twenty Suppliers**Type:** Information Only**Author(s):** Ben Smit
Chief Executive**1. Purpose of Report**

- 1.1 The purpose of this business paper is to update the Audit and Risk Committee on the procurement status of WDC's top twenty, by value, suppliers.

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 Top Twenty Suppliers be received.

3. Background

- 3.1 A question was raised by the Audit and Risk Committee regarding the procurement status of WDC's top twenty, by value, suppliers.
- 3.2 A list is attached, as Appendix 1 to this paper, detailing the nature of the work and the range of procurement approaches used for each of these suppliers.
- 3.3 Organisations such as banks and LGFA, Inland Revenue Department and central government departments have been excluded from this list as WDC procurement policies do not cover these types of transactions.

4. Commentary

- 4.1 The suppliers that form the top twenty highest values are generally our large civil works (roading and waters) contractors. The procurement methods used for these contracts are highly controlled through our procurement policy and generally are via tender or formal contract.
- 4.2 The list has stimulated us to consider the documentation required for the continuance of contracts such as the Enterprise and Performance software licences for MagiQ Software Limited. We would not retender this contract given the huge cost and change management a change like this would incur but we need to look at our documentation around this.

5. Recommendation

- 5.1 The business paper on Top Twenty Suppliers be received.

APPENDIX 1: Top 20 Suppliers by highest value (includes GST)

Rank	ID	Creditor	YTD Purchases	Previous Year	Nature of work	Comment on whether procurement is covered by tender, contract or PO
1	35061	Inframax Construction Limited	7,209,320	12,776,412	Roading capital and maintenance	Completely covered by tender or contract
2	05615	Pinnacles Civil Group Limited	2,744,374	3,254,749	Professional roading services	Mixture of Tender, Contract and PO's - Majority under Contract
3	04565	Cambridge Excavators Limited	2,505,678	5,126,623	Construction	Multiple Contracts
4	49001	McIndoe Group Limited	1,433,037	2,348,005	Plumbing services, construction and maintenance	Mixture of Tender, Contract and PO's - Majority under Maintenance Contract
5	06448	Nicholls and Uttinger Civil Limited	1,235,482	1,310,385	Civil Construction Service	Multiple Contracts
6	75969	EnviroWaste Services Limited	1,113,789	1,387,557	Solid waste removal and landfill operations	Two Contracts - Landfill & Kerbside Collection ; PO for Water Treatment Plant Collection
7	00265	Meridian Energy	661,844	861,929	Electrical costs	Contract
8	03726	AON New Zealand	641,021	515,159	Insurance	CoLab - regional procurement
9	01686	Waikato Local Authority Shared Services Limited	568,850	1,040,346	Shared council services	Multiple Contracts & Purchase Orders
10	06543	JC Civil Construction Ltd	474,353	478,176	Civil construction service	Contract through Tender Process
11	06001	Toyota NZ Limited	390,324	101,322	Vehicle purchases	All of Government contract
12	00982	Schick Civil Construction Limited	327,662	0	Civil construction service	Tender
13	03344	OCS Limited	316,640	409,090	Cleaning	Contract through Tender Process
14	06285	Jake Oliver Thomas c/o RB Thomas Limited	312,855	222,835	Civil construction service	Mixture of Tender, Contract & PO's
15	53107	Magiq Software Limited	306,080	290,257	Council software	Software License Contract and one off POs.
16	06312	MS Civil Construction Limited	302,443	674,059	Civil construction service	Contract through Tender Process
17	58700	WSP New Zealand Limited	259,416	305,776	Engineering professionals	Mixture of Contracts & PO's
18	04300	Infrastructure Architects Limited (T/A Infx)	249,283	401,646	Information technology technical support	Contract
19	89095	Waipa District Council	218,451	386,706	Shared regulatory services	Contract
20	06043	Morris and Shailer Ltd	210,125	305,477	Consultants	Mixture of Contracts

Document No: 813510

Report To: Audit and Risk Committee



Meeting Date: 13 May 2025

Subject: Insurance Update Report for the insurance year to 31 October 2025

Type: Information Only

Author(s): Wayne La Roche
Asset Accountant

Tina Hitchen
Chief Financial Officer

1. Purpose of Report

- 1.1 The purpose of this business paper is to brief the Committee on Council's 2024/25 insurance arrangements.

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 Insurance Update Report for the Insurance Year to 31 October 2025 be received.

3. Background

- 3.1 Council is a member of the Co-Lab Insurance Advisory Group which has a membership of ten councils in the greater Waikato area.
- 3.2 AON is the insurance broker advisor for the insurance policies under the Co-Lab insurance collective arrangement and now includes Council's public liability and professional indemnity insurance policies.
- 3.3 Insurance cover for material assets are separated into above ground cover (buildings, treatment plants, equipment, motor vehicles, high value bridges) and below ground cover (underground waters assets).
- 3.4 Liability insurance (public, professional indemnity, statutory, employer, fidelity/crime, cyber security and airport owners and operators liability) form the other main group cover.

4. Commentary

4.1 2024/25 Insurance renewal

- 4.2 The insurance policies taken out under the Co-Lab arrangement were renewed on 31 October 2024 for a 12 month period.
- 4.3 The table summarising the insurance policies currently in place along with a brief description of the coverage and respective excess arrangements is included in Appendix 1.
- 4.4 Asset valuations for insurance purposes were undertaken at 30 June 2022 for three waters assets, solid waste assets and buildings and other structures. These have been adjusted for inflation for the three years since the insurance valuation. The values have been incorporated

into the declared values for the relevant policies; being material damage and the infrastructure policies.

- 4.5 Updated insurance valuations will be completed by a qualified valuer prior to the next insurance renewal.

4.6 Cost of Insurance Cover

- 4.7 Total insurance premiums for all policies for 2024/25 financial year was \$473,000 (2024 \$442,000), of which the premiums for the Material Damages and Business Interruption (MDBI) policy is the most significant. The total cost for the policy, which also includes the Earthquake Commission Levy and Fire and Emergency Levy is \$380,000 for 2024/25, whereas for the prior year it was \$363,000.

- 4.8 The main driver for the increase is mainly due to increasing replacement values for the material damage and business interruption policy. For instance the values were indexed by 5.70% for non-residential buildings, wastewater systems by 2.79% and water supply assets by 3.88%. In addition to this the insurance rate also increased, as detailed in point 4.18 below.

4.9 Infrastructure Insurance

- 4.10 The Infrastructure Insurance policy covers underground assets and significant bridges for catastrophic natural disaster events. The coverage is for 40% of the total loss, with the remaining coverage being funded from central government. The central government funding is dependent on councils having adequate cover for their 40% share of assets insured.

- 4.11 The policy is structured on a shared basis with the other councils and although it has a policy limit of \$300 million, each council has a sublimit within, with WDC's sublimit being \$40 million (previously \$30 million).

- 4.12 The increase in sublimit from \$30 million to \$40 million is due to an increase in asset replacement value over the last few years. This increase was achieved without additional premium cost to Council.

- 4.13 A proposal was presented to the Waikato insurance collective to carry out loss modelling due to earthquake perils for councils in December 2024. This would enable councils to better understand and manage the risk of earthquakes.

- 4.14 The probable loss estimate would influence each council's sublimit (and possibly the policy limit), which is necessary to achieve a suitable balance to avoid under/over insuring.

- 4.15 The cost of Council's share of this proposal is expected to be between \$25,000 and \$35,000 and there is a possibility for reduced premiums through this better understanding of the risk of loss.

- 4.16 The insurance collective opted to delay the study as data was not yet available to inform the liquefaction and landslip modelling and councils did not have sufficient budgets available to undertake the modelling now.

4.17 Material Damage and Business Interruption Policy

- 4.18 For the MDBI policy the insurance rate, which is the premium cost per value of insured, increased very modestly; the rate for 2024/25 is \$2.08 per \$1,000 of cover compared with \$2.06 for the previous year.

- 4.19 The total value insured under the material damage policy rose from \$175 million to \$181 million with the increase due to expected increased construction costs which was reflected by indexing in the absence of an insurance valuation. Very few assets were added to the schedule for the year.

- 4.20 To reduce the impact of replacement values increasing through inflation, a number of low value assets and insured amounts were removed from the schedule as the values were less than the \$50,000 and assets not part of a larger asset/property group (ie, small playgrounds, minor structures and some parks and reserves assets). This is based on the likelihood of a claim for these amounts being extremely unlikely and the value insured is below the excess of \$50,000.

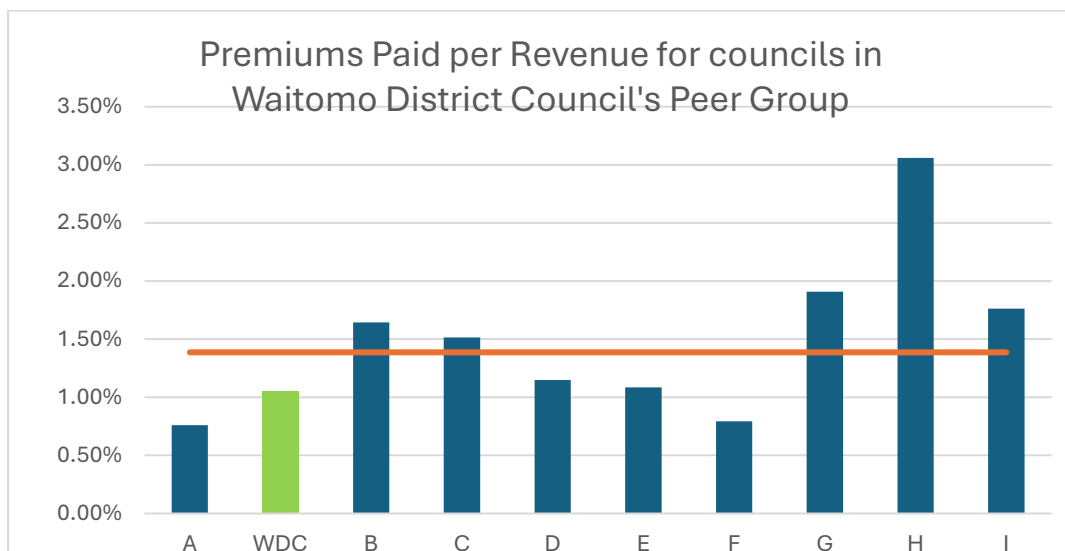
- 4.21 Consideration was given to change the type of cover for some assets and properties, due to the high cost of insurance. This involved moving some property assets onto demolition only, as in the event of a total loss and no replacement, Council would be obligated to clean and make safe the site. For example, asbestos removal is an expensive item and would add to demonstration costs.
- 4.22 For the major property assets, including treatment plants, main buildings and groups of buildings at the same location, it was considered appropriate for them to remain on full cover as they are critical to deliver council services.
- 4.23 Properties on limited cover include Benneydale Hall and Mahoenui Hall (functional replacement), Mokau Hall and the Te Kuiti Domain building (indemnity only) and the Waitomo Indoor Sports Centre (demolition only).
- 4.24 With these changes described above no significant reduction in premium costs were made, as the vast majority of assets on the schedule require full replacement cover.

4.25 Public Liability and Professional Indemnity Policies

- 4.26 Public liability and professional liability insurance premium cost increased from \$54,000 to \$66,000 for 2024/25, with the increase primarily driven by uncertainty and high risk in building control work and the challenging insurance market.
- 4.27 The level of cover under both policies is \$15 million (previously \$300 million).
- 4.28 A shared excess layer over and above the \$15 million limit was proposed by AON for councils who previously sourced their liability cover through Marsh brokers. There was not enough support among those councils for this to proceed and for those councils who accepted, including WDC, it would have been uneconomic.

4.29 Insurance compared with other peer councils

- 4.30 AON have provided a comparison of where Council sits in relation to its council peers across New Zealand is presented in the chart below.



- 4.31 The chart compares the proportion of premium amounts paid to total revenue across all insurance policies held by each council, with the average for the peer group of 1.39% represented by the orange line.
- 4.32 The modelling indicates that Council (WDC) premiums across all its policies is 1.06% of revenue, which is lower than the average for the peer group of 1.39%. The peer group is from councils across New Zealand not just the Waikato insurance collective.
- 4.33 One reason offered by the brokers as to why Council is lower than the peer group average is due to the Waikato region being very benign for natural disasters compared with the rest of New Zealand.
- 4.34 From observation of the premiums paid for each insurance policy, the amounts paid for material damage and business interruption for the above ground assets is significantly more

than the premium costs for the other insurance lines. The second most significant premium cost is for the infrastructure policy for below ground assets.

- 4.35 Council has very high infrastructure and material damages business interruption premiums compared with its revenue stream. If this council was excluded from the peer group, the average premiums paid per revenue would decrease to 1.22%, however even on that basis Waitomo is still below the average for the group, being 1.06%.
- 4.36 In summary Council's insurance costs relative to its revenue is comparable within its peer group.
- 4.37 An internal assessment of where Council's insurance covers lie relative to a "gold – silver – bronze standard" is set out in the table below. The assessment is a judgement and is rebuttable, however it is about balancing acceptable insurance risk with cost of premiums.

Insurance Covers (Declared Value or limit to insurer's liability) (\$000's)	Gold	Silver		Bronze	Comment
Material Damage and Business Interruption	Replacement Value 176,394	Functional Replacement 3,248	Indemnity 588	Demolition 539	Full cover for major and critical assets and reduced cover for several less critical assets
Infrastructure Cover		40% Replacement Value 129,097			Cover is for 40% of total replacement value
Professional Indemnity and Public Liability		Limit of Cover 15,000			Unable to source an additional shared layer
Commercial Motor	Replacement Value 2,026				Full cover
Employers Liability	Limit of Cover 1,000				Full cover
Statutory Liability	Limit of Cover 1,000				Full cover
Fidelity/Crime	Limit of Cover 2,000				Full cover
Cyber Liability	Limit of Cover 1,000				Full cover
Airport Owners and Operators Liability	Limit of Cover 10,000				Full cover

- 4.38 Detailed in bullet point 4.23 above are a number of properties that are not full replacement cover. Full replacement is unlikely for these assets in the event of loss, therefore should be kept on a lower level of cover.
- 4.39 The Infrastructure Policy provides for 40% of the replacement value of underground assets, with the expectation central government will contribute the balance, because there is scope to increase this, the level of cover has been judged as silver standard.
- 4.40 Public Liability and Professional Indemnity policies have a limit of \$15 million and has been assessed as silver standard, as the previous cover provided through Marsh had a policy limit of \$300 million.
- 4.41 The other remaining policies are assessed as being gold standard as the level of cover is deemed adequate as advised by the brokers.

4.42 2025/26 Insurance Renewal

- 4.43 The programme for the next renewal round is underway with schedules and insurance information due to AON in July and August.
- 4.44 AON advise that their expectation is for premium rates for Material Damage and business interruption to decrease between 5 to 10% and possible easing of the previous restrictive terms and conditions for the next renewal. The reason is due to increased capacity in the markets and more competition between insurers.

- 4.45 The proviso is that there is no new major catastrophic natural disaster/storm event in New Zealand between now and renewal date.
- 4.46 It should also be noted that any increase in insured values will influence premium amounts, not just the premium rate. If the insurance values increase, then the premium cost may increase even though there is an expected reduction in premium rates.
- 4.47 The liability market for professional indemnity and public liability covers continues to be stressed for the local government sector in New Zealand and no easing of insurance rates is expected. AON have also indicated that placement continues to be challenging with more work to do to shore up future cover and provide more certainty in this space.
- 4.48 AON are currently looking at the Local Waters Done Well from an insurance perspective and will keep us updated on this as this work progresses.

APPENDIX 1: SUMMARY OF INSURANCE POLICIES

Policy	Description	Values Covered	Excess
Material Damage and Business Interruption	<p>Material Damage: Covers damage unforeseen and unintended by the insured to insured property at the location(s) shown in the schedule of declared values.</p> <p>(Covers all risks to identified buildings, contents such as computers, books and furniture. Also covers above ground infrastructural assets such as treatment plants and reservoirs and other community assets such as playgrounds and statues).</p> <p>Business Interruption:</p> <p>Covers loss resulting from interruption or interference with the business carried on by the insured at premises in consequence of insured damage.</p> <p>Covers consequential loss resulting from physical loss or damage to Council owned property such as loss of rental income if a building burns down. The policy has both shared limits and sub limits specific to each member Council.</p>	<p>Replacement value covered \$180,768,000</p> <p>Fire Limit \$20 million</p> <p>Business Interruption declared value \$1,590,000</p>	<p>Non-Natural Disaster</p> <p>Deductible \$25,000.</p> <p>Landslip and/or Subsidence \$25,000.</p> <p>Fluvial and Pluvial Flood \$100,000.</p> <p>Natural Disaster</p> <p>Deductible 2.5% of the Material Damage location sum insured but not less than \$10,000.</p> <p>For Pre 1935 Risks</p> <p>Deductible 10% of the Material Damage location sum insured but not less than \$10,000.</p> <p>Business Interruption</p> <p>Due Acts of civil authorities, dependency, or fumes, gases and toxic chemicals: 21 days.</p>
Infrastructure Insurance (40% Placement)	<p>Physical loss to insured assets caused by a Natural Catastrophe Event, including: Earthquake, Natural Landslip, Flood, Tsunami, Tornado, Windstorm, Volcanic Eruption, Hydrothermal and Geothermic Activity and Subterranean Fire.</p> <p>(Insured assets are underground water supply, wastewater, stormwater assets. Treatment plants and pump stations are included in the Material Damages policy).</p>	<p>Declared value \$129,097,000.</p> <p>Limit of Liability: Combined limit is 40% of \$300 million, subject to each council's sublimit, with Waitomo DC's being \$40 million.</p>	<p>Deductible \$500,000 to be applied 100% to the full loss in any one event, prior to the 40% claim settlement adjustment from Central Government</p> <p>Sub-limit \$40 million</p>
Commercial Motor Vehicle	<p>Cover for the motor vehicle fleet and provides for third party property and bodily injury.</p> <p>(Excluding windscreen cover).</p>	<p>Fleet value insured \$2,026,000.</p> <p>Third party liability \$20 million.</p> <p>Except for Airside Liability restricted to \$2 million</p>	<p>Each and every claim 1% of the vehicle's value with a minimum of \$500.</p> <p>Except for drivers aged 21 years and under \$1,000.</p>
Statutory Liability	<p>Covers defence costs, fines (to the extent allowable by law) and reparation orders arising from an investigation and/or prosecution by a Statutory Body for an unintended breach or breaches of an Insured Act (There are some excluded Acts).</p>	<p>For Fines and Reparations \$1 million</p> <p>Defence costs \$1 million.</p>	<p>Excess \$10,000, except for claims under the Health and Safety at Work Act and Resource Management Act which \$25,000 applies.</p>

Policy	Description	Values Covered	Excess
Employers' Liability	Legal liability to an employee of the Insured who sustains personal injury arising out of or in the course of their work, which is not covered by Accident Rehabilitation Act 1992	Policy limit is \$1 million in the aggregate for loss and \$1million in aggregate for defence costs	Each and every claim (including Defence costs) \$1,000
Fidelity/Crime	Direct financial loss first discovered during the policy period and caused by criminal, dishonest or fraudulent acts committed and which results in an improper financial benefit.	Policy limit is \$2 million in the aggregate	Each and every claim inclusive of defence costs \$50,000 (plus GST)
Cyber Insurance Policy	Covers losses from an actual breach, or suspected breach, of the Insured's computer systems, or extortion threat with and intent to harm or restrict access to the Insured's computer network or electronic data	Loss (excluding damages): Any one claim and in the aggregate (excluding damages) \$1 million. Damages: Any one claim and in the aggregate for damages \$500,000.	Excess \$25,000 for each and every claim, actual of suspected Breach or Extortion Threat.
Airport Owners and Operators Liability	Legal liabilities arising in connection with the ownership, operation and management of an airport as a result of an accident. Amounts which the Insured becomes legally liable to pay to third parties as damages for Bodily Injuries and/or Property Damage arising from an occurrence in connection with the Insured's business as owner and/or operator of the Airport(s) specified and subject to the Geographical Limits stated.	\$10 million limit for each accident for bodily injury and/or property damage any one occurrence	Excess: Each and every claim in respect of property \$2,500, In respect of aircraft \$5,000. In respect of bodily injury \$nil.
Public Liability and Professional Indemnity Insurance.	<u>Public/General Liability</u> Coverage against liability to third parties for property damage and/or personal injury arising from or in connection with the Insured's operations, for all amounts which the Insured is held legally liable to pay. <u>Professional Indemnity</u> Protection against claims alleging civil liability, by any act, error, omission or conduct that occurred in connection with the Insured's Professional Business Practice.	<u>Public/General Liability</u> \$15 million per any one occurrence. \$30 million in the aggregate during the period of Insurance for Natural Disaster claims. <u>Professional Indemnity</u> \$15 million any one claim in the aggregate any one period of insurance for the insured (excluding costs and expenses). Building Defect Claims: \$15 million in the aggregate. But limited to \$30 million in the aggregate for all claims by councils listed in the table of insured councils for the Buildings Defects Endorsement.	<u>Public Liability</u> Excess \$10,000 each and every claim inclusive of cost and expenses. <u>Professional Indemnity</u> Excess \$25,000 for each and every claim inclusive of cost and expenses. Excess \$25,000 for each and every claim relating to the Building Act 2004.

Document ID: 838127

Report To: Audit and Risk Committee**Meeting Date:** 13 May 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 the Committee to consider whether or not the public should be excluded from the consideration of Council business.

Note: It is the Committee'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 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
Annual Report and Summary Annual Report 2024/25 – Audit Engagement, Proposal, Service Plan and Timeline	Section 7(2)(c)(i) - (c) protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— (i) would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or	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.

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
Progress Report – Audit Findings for year ended 2024	Section 7(2) (h) To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	Section 48(1) (d) That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies.

- 3 The Committee 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 Committee with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
Chief Financial Officer	Portfolio Holder
Manager – Strategy and Policy	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.



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT