

Document No: A498608

Report To: Council



Meeting Date: 24 November 2020

Subject: Deputation – Tracey Tangihaere

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to advise Council that Tracey Tangihaere will be making a Deputation via ZOOM shortly after the meeting commences at 9.00am in respect to the landlocked properties at Lawrence Street, Te Kuiti.

Suggested Resolution

The Deputation from Tracey Tangihaere be received.

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

MICHELLE HIGGIE

MANAGER – GOVERNANCE SUPPORT

November 2020

Document No: A498607

Report To: Council



Meeting Date: 24 November 2020

Subject: Deputation – Te Kuiti Community Garden
(Michelle Wi)

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to advise Council that Michelle Wi will be making a Deputation at 9.15am on behalf of the Te Kuiti Community Garden.

Suggested Resolution

The Deputation from Te Kuiti Community Garden (Michelle Wi) be received.

A handwritten signature in blue ink, appearing to read "Michelle Higgie". The signature is fluid and cursive, with the first name being more prominent.

MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

November 2020

Document No: A498709

Report To: Council



Meeting Date: 24 November 2020

Subject: Deputation – Game On Charitable Trust

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to advise Council that representatives of the Game On Charitable Trust will be in attendance at 9.30am to brief the Council on the progress towards the development of the Indoor Stadium project.

Suggested Resolution

The Deputation from Game On Charitable Trust be received.

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

MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

November 2020

Document No: A498668

Report To: Council



Meeting Date: 24 November 2020

Subject: Community and Partnerships Fund Policy Eligibility – Game On Charitable Trust

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to provide a briefing on any future application to Council's Community and Partnerships Fund by the Game On Charitable Trust and to test the eligibility of any such application against the associated Policy.

Background

- 2.1 At its meeting of 29 September 2020 Council adopted the Community and Partnerships Fund Policy (previously named the Community Development Fund Policy).
- 2.2 The Policy establishes funding policies and principles, and establishes the basis of providing funding grants in support of organisations and funding partners for the delivery of projects, activities, services and facilities that benefit communities within the Waitomo District.
- 2.3 The Policy has three Community and Partnership streams - (1) Single-Year Grants, (2) Multi-Year Grants and (3) Special Grants.
- 2.4 The Policy determines that suitable applications made by non-profit incorporated organisations (including Charitable Trusts, Trusts, Incorporated Societies) and Maori Trust Boards are eligible for consideration.
- 2.5 Applications will be considered that:
- Align and support WDC's Community Outcomes
 - Contribute to and support the Vibrant Safe Waitomo Strategy
 - Strengthen participation across diverse communities
 - Work collaboratively across the community sectors
 - Facilitate and support strong and sustainable partnerships
- 2.6 The new Policy comes into practical effect from 1 July 2021 being the commencement date for the next round of Community and Partnership arrangements.

Commentary

- 3.1 Attached to and forming part of this business paper is a copy of a letter received from the Game On Charitable Trust (Trust) seeking confirmation from Council as to the Trust's eligibility for application to the Multi-Year Community Partnership Grant Fund.

- 3.2 In reviewing the Policy criteria, it is confirmed that the GOCT satisfies the organisation eligibility criteria as the Trust is a non-profit incorporated organisation.
- 3.3 Further, the Multi-Year Community Partnership Grants option supports not-for-profit organisations where that service or deliverable is aligned with Council plans and strategies and contributes to the social, economic and community well-being of the Waitomo District.
- 3.4 The Policy provides for those organisations that offer services or facilities that make a significant contribution and improve well-being in the Waitomo District. The purpose of the fund category is to support organisations in the day to day delivery of their operations.
- 3.5 The Grant Fund covers a three year period.

Considerations

4.1 **Risk**

- 4.2 There is no identified risk in Council considering this request for clarification of eligibility to apply for funding via the Community and Partnerships Fund Policy.

4.3 **Consistency with Existing Plans and Policies**

- 4.4 The consideration of funding applications will be undertaken consistently in accordance with the Community and Partnerships Fund Policy.

4.5 **Significance and Community Views**

- 4.6 This decision is not a significant decision in terms of Council's Significance and Engagement Policy.

Suggested Resolutions

- 1 The business paper on Community and Partnerships Fund Policy Eligibility – Game On Charitable Trust be received.
- 2 Council note that the Game On Charitable Trust is eligible to make future application for financial support from Council's Community and Partnerships Fund.



HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

November 2020

- Attachment
1. Correspondence from Game On Charitable Trust Incorporated
 2. WDC Community and Partnerships Fund Policy



Game On Charitable Trust Inc.
PO Box 159
Te Kuiti 3910

18 November 2020

Mr Chris Ryan
CEO
Waitomo District Council
Queen St
Te Kuiti 3910

Dear Chris

Game On Charitable Trust Request To Present To Council

The Game On Charitable Trust (GOCT) requests the opportunity to present to Council at its upcoming meeting on November 24, 2020.

The purpose of the presentation is to update Council on progress towards development of the indoor stadium.

Given that all capital funding is now in place and final preparations are now being made in anticipation of confirming the project, GOCT is now increasing its focus on operational details. Therefore it would also like to request that Council confirms that once operational the new facility will fit the criteria and will be eligible to apply for the Multi-Year Community Partnership Grant when that comes into effect in July 2021.

GOCT notes that the Multi-Year Community Partnership Grant supports not-for-profit organisations whose work is aligned with Council plans and strategies and contributes to the social, cultural, economic and community well-being of the Waitomo District.

Furthermore the grant supports community organisations that offer services or facilities that make a significant contribution and improve well-being in the Waitomo District. The term of the grant, upon a successful application, is three years (financial years), with grants paid on an annual basis.

Non-profit incorporated organisations (including Charitable Trusts, Trusts, Incorporated Societies) and Maori Trust Boards are eligible to apply.

GOCT believes that the new facility will be a strong candidate for this grant. In order to provide greater clarity around its operational plans the GOCT requests confirmation that it will be eligible to make application to it.

Please also note that the new facility will not be operational until early 2022 at the earliest and will not be seeking any OPEX funding for periods prior to that.

Please confirm if GOCT can present to Council on Tuesday 24 November.

Yours sincerely,



Robyn Lindstrom
Chairperson
Game On Charitable Trust



Community and Partnerships Fund Policy

Created	August 2009
Policy Adopted	29 September 2020
Policy Effective	1 July 2021

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1.0 Introduction

- 1.1 Waitomo District Council (WDC) seeks to facilitate and support strong and sustainable partnerships and to seek co-funding arrangements to support improved social outcomes of our community. This in turn supports WDC's Vibrant Safe Waitomo Strategy.
- 1.2 The focus of the policy is the provision of community assistance for the 'not for profit' sector in order to create a strong social base and to meet local needs.
- 1.3 This Policy sets out the funding and allocation process for assistance provided through grants to community organisations and community groups.
- 1.4 This Policy does not apply to rates remissions or any other type of assistance provided by WDC.

2.0 Purpose

- 2.1 The purpose of this policy is to establish funding policies and principles, which form the basis for the provision of funding grants to assist organisations and funding partners who provide projects, activities, services and facilities that benefit communities within the Waitomo District.
- 2.2 This policy provides a guide as to how funding can be obtained from WDC and assists Elected Members and WDC staff with guidance when making decisions and recommendations about funding applications.
- 2.3 This policy ensures the distribution of funding:
- occurs in a consistent, efficient, effective manner; and
 - is transparent, fair and accountable.

3.0 Definitions

10 Year Plan	Council's adopted Long Term Plan (LTP) as defined by the Local Government Act 2002.
Capital Expenditure	Expenditure that will provide benefits to the applying organisation for periods greater than one year and considered an asset to the organisation.
Community Events Fund	An annual contestable fund to support community organisations that may wish to partnership with Council for the delivery of district events.
Community Organisations	A not-for-profit that has the primary objective to provide programmes, services or activities that benefit the social, cultural and environmental wellbeing of communities in the Waitomo District.
Multi-Year Partnership Grant	A Multi-Year contestable fund. Multi-Year Partnership Grants have a term of 3 years, aligning with the Long-Term Planning cycle.
Single-Year Community Assistance Grants	An annual contestable fund.

4.0 Community Outcomes

4.1 The Community Development Fund (CDF) aims to ensure that projects undertaken make a positive contribution to achieving WDC's strategic community outcomes.

4.2 The following community outcomes contribute to the Community Development Activity:

<i>Vibrant Communities</i>	
1.	A place where the multicultural values of all its people and, in particular, Māori heritage and culture is recognised and valued.
2.	A place where all age groups have the opportunity to enjoy social, cultural and sporting activities within our District.
3.	A place where young people have access to education, training and work opportunities.
4.	A place where young people feel valued and have opportunities for input into the decisions for the District.
<i>Thriving Business</i>	
6.	A place that attracts more people who want to live, work and play, and raise a family.
7.	A place where wealth and employment are created through local businesses and tourism opportunities and facilities are developed, facilitated and encouraged.
<i>Effective Leadership</i>	
8.	A place where the development of partnerships for the delivery of programmes and services is encouraged and pursued.

5.0 Policy

5.1 Funding Allocation

5.2 The total funding assistance provided to the community through grants and funding, in accordance with this Policy, is confirmed by Council at adoption of the 10 Year Plan.

5.3 Grants

5.4 This Policy comprises of the following contestable grants:

- Single-Year Community Assistance Grant
- Multi-Year Community Partnership Grant
- Community Events Fund

5.5 Decision Making

5.6 Grants will be awarded through a contestable process (excluding Community Hall Grants). This process is the best process to enable decision-makers (i.e. Elected Members) to compare the relative merits of the funding applications they receive and to allocate grants from the funding pools as fairly as possible.

5.7 In this context contestable means that:

- applications are invited during scheduled funding rounds, with publicly advertised opening and closing dates;
- any eligible organisation has an equal opportunity to be considered for a grant;
- clearly defined processes will be applied to all applications; and
- final allocation decisions are made in a public forum.

5.8 Grant Misuse by Recipients

5.9 Grants are to be spent in accordance with the purpose for which they are allocated.

5.10 Failure to account for the use of a past grant will be sufficient cause for any subsequent application to be declined.

5.11 Using a past grant for any purpose other than that approved may result in future applications being declined.

5.12 WDC reserves the right to request the repayment of any funds allocated to a group or organisation where grant misuse is identified.

5.13 Level of Financial Reserves

5.14 It is acknowledged that it is prudent for organisations to carry financial reserves for their operations. However, if an organisation is carrying reserves greater than a year of operating costs with funding not tagged for special projects, Council may not approve a grant to the organisation or group.

5.15 Funding Considerations

5.16 Applications will be considered that:

- Align and support WDC's Community Outcomes
- Contribute to and support the Vibrant Safe Waitomo Strategy
- Strengthen participation across diverse communities
- Work collaboratively across the community sectors
- Facilitate and support strong and sustainable partnerships

5.17 Eligible Applicants

5.18 Non-profit incorporated organisations (including Charitable Trusts, Trusts, Incorporated Societies) and Maori Trust Boards. These groups are referred to collectively as 'community organisations'. Most community organisations have a formal legal structure and founding documents (e.g. a constitution).

5.19 To be eligible for funding, one application per annum, per community organisation will apply.

5.20 The CDF will not fund education-based activities which should, in the view of a reasonable person, be the responsibility of their primary funder e.g. Ministry of Education. The fund only supports projects sponsored by education providers where there is a clear general community benefit that will be derived from such a project.

5.21 Groups with no Formal Legal Structure

5.22 Groups with no formal legal structure may apply for grants via nominating an 'umbrella' non-profit incorporated organisation which has agreed to receive and administer the grant on their behalf. The umbrella organisation would be legally accountable to WDC for the expenditure of the grant.

Ineligible Applicants

- For-profit Groups
- Individuals
- Political Organisations
- Social Clubs
- Internal Applicants
- Other local authorities, government agencies or public sector entities

5.23 How Must an Application be Made?

5.24 All applications:

- Must be made via the appropriate WDC Application Form
- Be fully completed with all accompanying information attached
- Must be submitted before the closing date

5.25 Incomplete or late applications will be deemed ineligible and therefore not be considered for funding.

5.26 Accompanying Information

5.27 All applications to the Single-Year Community Assistance Grant and the Multi-Year Community Partnership Grant must include the following:

- Proof of incorporation
- The applicants latest annual financial accounts
- Verified bank account details for the applicant

5.28 In addition to the above, Multi-Year Partnership Grants will be subject to providing further supporting documentation.

Schedule 1 – Single-Year Community Assistance Grant

1.0 Scope

- 1.1 Waitomo District Council's Single-Year Community Assistance Grant focuses on providing assistance for not-for-profit community organisations that support community led projects. These projects are aligned with Council Plans and Strategies and contribute and support the social, cultural, economic and environmental well-being of the Waitomo District.
- 1.2 Priority for funding will be given to community organisations that are delivering projects in collaboration with other organisations.
- 1.3 The Single-Year Community Assistance Grant is for one-off projects or initiatives that will be completed within a 12-month period from receiving the grant.

2.0 Single-Year Community Assistance Grant

When can I apply? (Indicative Timeline)	Fund Opens: 1 July Fund Closes: 1 August
When will I know?	Applicants will be advised September/October
How much can I apply for?	A maximum of \$10,000

3.0 What can be funded?

- 3.1 The following costs will be considered for funding:
- Resources that support the project or organisation
 - Programme development and implementation
 - Applications for capital projects may be accepted for grant requests over \$2,000

4.0 What will not be funded?

- 4.1 The following will not be considered for funding:
- Projects that have commenced or have been completed
 - Loan / Debt Repayment
 - Wages or Salary
 - Where the applicant has received a Multi-Year Community Partnership Grant
 - Organisations with outstanding projects from previous funding rounds

5.0 What are the requirements that will have to be met?

- 5.1 A Grant Agreement between WDC and the successful applicant will be in place where the grant value exceeds \$5,000. Conditions of the grant will be outlined in the Agreement.
- 5.2 Projects must be completed within a 12-month period from receiving the grant.
- 5.3 Successful applicants will be required to complete an Accountability Report upon completion of the project.
- 5.4 Failure to complete the project within the 12-month period may result in funding being reimbursed to WDC.

Schedule 2 – Multi-Year Community Partnership Grant

1.0 Scope

- 1.1 Waitomo District Council's Multi-Year Community Partnership Grant supports the not-for-profit organisations whose work is aligned with Council plans and strategies and contribute to the social, cultural, economic and community well-being of the Waitomo District.
- 1.2 The Multi-Year Community Partnership Grant supports community organisations that offer services or facilities that make a significant contribution and improved well-being in the Waitomo District.
- 1.3 The Multi-Year Community Partnership Grant is for a three-year period.

2.0 Multi-Year Community Partnership Grant

When can I apply? (Indicative Timeline)	Fund Opens: 1 July Fund Closes: 1 August
When will I know?	Applicants will be advised September/October

3.0 What will be funded?

- 3.1 Operational Costs relating to services or facilities that complement WDC's 10 Year Plan objectives.

4.0 What will not be funded?

- 4.1 The following costs will not be considered for funding:
- Capital Projects
 - Loan / Debt Repayment

5.0 What are the requirements that will have to be met?

- 5.1 Applicants will need to demonstrate within the application process how they will:
- Strengthen participation across diverse communities
 - Build the capability of communities to become sustainable
 - Work collaboratively across the community sectors
- 5.2 Applicants must have a proven record of accomplishment in their area of service and previous history of service delivery.
- 5.3 Applicants must be financially sustainable and be able to demonstrate a history of working collaboratively with other organisations.
- 5.4 A Grant Agreement between WDC and the successful applicant will be in place. Conditions of the grant will be outlined in the Agreement.

Schedule 3 – Community Events Fund

1.0 Scope

- 1.1 Waitomo District Council's Community Events Fund supports community events that create opportunities to build and celebrate community pride and for the community to connect and celebrate.
- 1.2 Priority for funding will be given to community organisations that wish to partner with WDC for the delivery of district events, such as the Waitomo District Christmas Parade and the Great NZ Muster.
- 1.3 Consideration will also be given to community-led events or cultural celebrations open to the wider community participation.

2.0 Community Events Fund

When can I apply?	Calls for Registration of Interest will be advertised in July/August of each year
When will I know?	By September of each year

3.0 What will be funded?

- 3.1 Costs relating to the delivery of community events, where the event is to take place within the Waitomo District.

4.0 What will not be funded?

- 4.1 The following costs will not be considered for funding:
- Capital costs
 - Loan / Debt Repayment
 - Applications for events that have already taken place

5.0 What are the requirements that will have to be met?

- 5.1 A grant agreement between WDC and the successful applicant will be in place. Conditions of the grant will be outlined in the agreement and will include health and safety requirements.

Schedule 4 - Community Halls Grant – Non-Contestable

1.0 Scope

1.1 Council currently supports 13 community halls within the Waitomo District by way of an annual grant, with each hall receiving \$1,000. Hall grants are paid in August of each year.

Community Halls that receive funding are:

- Aria
- Awakino
- Benneydale
- Kinohaku
- Mahoenui
- Mairoa
- Marokopa
- Mokau
- Mokauiti
- Mapiu
- Te Anga
- Waitanguru
- Rangitoto

2.0 What are the requirements that have to be met?

2.1 An Accountability Report is required to be submitted annually by June of the following year. Hall Committees/Trusts are required to report on expenditure of the grant.

Schedule 5 – Special Grants

The following grants are administered by WDC on behalf of external organisations.

1.0 Creative Communities Scheme

- 1.1 Creative Communities NZ provides a grant to Council to encourage promotion of the arts within the district. Organisations may apply to Council's Creative Communities Scheme Assessment Committee for funds based on the criteria supplied by Creative Communities NZ. The funds objective is to support arts and cultural activities that encourage participation in a wide range of arts activities.
- 1.2 WDC administers two Creative Community Scheme funding rounds per year. They fall in May and November of each year. The Creative Communities Scheme Assessment Committee consists of two Councillors, one Iwi representative and up to 8 community representatives.

2.0 Sport NZ – Rural Travel Fund

- 2.1 Sport NZ provides a grant to Council.
- 2.2 The funds objective is to assist youth of the district living in a rural area, with the cost of travel to local sports competitions.
- 2.3 The allocation of the fund is based on a population density formula for territorial authorities that have fewer than 10 people per square kilometre.
- 2.4 WDC administers one Sport NZ Rural Travel Fund per year. This falls in October each year. Applications to the Sport NZ Rural Travel Fund are determined by an Assessment Committee.

3.0 DC Tynan Grant

- 3.1 The late Daniel Circuit Tynan left a bequest to the Borough of Te Kuiti for the purpose of supporting organisations within the Te Kuiti Urban Ward that are involved with social, cultural, educational or recreational activities. The priority of this funding is given to projects of a capital nature.
- 3.2 The funds of the Trust are held and administered by Forgeson Law and WDC provides the administrative support associated with the funding application process.
- 3.3 The income from the Trusts capital investment is available for distribution. Distribution occurs in July/August each financial year.

Document No: A497770

Report To: Council



Meeting Date: 24 November 2020

Subject: Deputation – Sport Waikato

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to advise Council that Matthew Cooper and Amy Marfell from Sport Waikato will be in attendance at 11.45am to make a deputation to Council.

Suggested Resolution

The Deputation from Sport Waikato be received.

A handwritten signature in blue ink, appearing to read "Helen Beever".

HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

November 2020

Document No: A497684

Report To: Council



Meeting Date: 24 November 2020

Subject: Declaration of Members' Conflicts of Interest

Purpose of Report

- 1.1 The purpose of this business paper is for elected members to –
- 1 Declare interests that may be deemed a potential conflict with their role as an elected member relating to the business papers for this meeting, and
 - 2 Declare any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 29168.

Commentary

- 2.1 **Conflicts of Interest**
- 2.2 Every elected member has a number of professional and personal links to their community. They may own a business or be a member on a board or organisation. They may have a pecuniary (financial) interest or a non-pecuniary (non-financial) interest. These interests are a part of living in the community which they need to make decisions about in their role with Council.
- 2.3 Elected members are governed by the Local Authorities (Members' Interests) Act 1968 and are guided by the Auditor-General in how this Act is administered. In relation to pecuniary interests, the two underlying purposes of the Act are to:
- ensure members are not affected by personal motives when they participate in local authority matters; and
 - in contracting situations, prevent members from using their position to obtain preferential treatment from the authority (the Council).
- 2.4 Non-pecuniary interests relate to whether an elected member could be in danger of having a real or perceived bias for an issue under consideration.
- 2.5 Elected members will also have interests that are considered no greater than the public at large. For example, most elected members will own a property and therefore be a ratepayer in the Waitomo District.
- 2.6 Conflicts of interest at times cannot be avoided, and can arise without anyone being at fault. They need not cause problems when they are promptly disclosed and well managed.
- 2.7 **Declarations of Interests and Conflicts**
- 2.8 At the beginning of each triennial council term, elected members are requested to disclose known interests on behalf of themselves (including spouses and partners). It is up to the elected member to judge whether they have any interests

to declare. Some elected members may not have any, other elected members may have many.

- 2.9 As well as this, elected members may decide that they have an interest in a particular issue or item to be discussed at a meeting. There is a standing item on every meeting agenda for elected members to declare conflicts of interest.
- 2.10 These declarations should be clear as to whether there is just an “interest” with no pecuniary benefit and no greater benefit than to any member of the public, or they may be a Council appointed representative to an organization, or whether there is a “conflict of interest” in that there could potentially be a pecuniary or other direct benefit to the elected member.
- 2.11 Members who have declared a “conflict of interest” at the commencement of a meeting should make a further declaration when that item of business is considered and leave the meeting table (or the meeting room) and not take part in any discussion, debate or voting on the matter of conflict.
- 2.12 Attached to and forming part of this business paper is information to assist elected members in determining conflicts of interest.

Declarations

Mayor Robertson will invite elected members to give notice of any conflicts of interest relating to the business for this meeting.

In the event of a Declaration being made, the elected member must provide the following information relating to the Declaration:

Elected Member Name:		
Item(s) of Business on the Order Paper	Reason for Declaration	Interest Only or Conflict If Conflict: Pecuniary or Non-Pecuniary
Item No –	•	•

MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Local Authority (Members' Interests) Act 1968
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- 3.1 The Local Authority (Members' Interests) Act 1968 helps to protect the integrity of local authority decision-making by ensuring that Councillors are not affected by personal motives when they participate in Council decision-making and cannot use their position to obtain preferential access to contracts. This Act deals with two forms of "interest":
1. Pecuniary
 2. Non-pecuniary
- 3.2 **Pecuniary Interest**
- 3.3 The **two** specific rules in the Act are that members cannot:
1. Enter into contracts with their local authority worth more than \$25,000 (including GST) in a financial year unless the Auditor-General approves the contracts (referred to as the contracting rule). Breach of this rule results in automatic disqualification from office; and
 2. Participate in matters before the Council in which they have a pecuniary interest, other than an interest in common with the public (referred to as the participation rule). Breach of this rule is a criminal offence and conviction results in automatic disqualification from office
- 3.4 A pecuniary interest is one that involves money. This could be direct or indirect. It is sometimes difficult to decide whether an interest in a particular matter is pecuniary or some other kind. It is always the responsibility of elected members to make this decision, to declare any interest when appropriate and to ensure that as an elected member you comply with the Act's requirements at all times. The Act generally provides that no person shall be capable of being a member of Council if that person is concerned or interested in any contracts with the Council where the total payments made by the Council in respect of such contracts exceeds \$25,000 in any one financial year.
- 3.5 The Act also provides that an "interest" exists where a member's spouse is involved and/or where a member or their spouse is a major shareholder or have control or management of a company which contracts with Council or where the company has a pecuniary interest in the decision. It may also apply where your family trust has a contract with the Council.
- 3.6 The Act does provide that on application to it the Office of the Auditor General may give specific approval to a member being concerned or interested in a particular contract, in which case the provisions of the Act will not disqualify the Councillor from remaining in office. The approval needs be gained before the contract concerned is entered into.
- 3.7 The Act also requires that a member shall not vote or take part in the discussion of any matter in which he/she has any pecuniary interest, other than an interest in common with the public. This interest is required to be declared by the member and is noted in the minutes.
- 3.8 The Office of the Auditor General is the agency, which oversees this legislation and it also has the responsibility and power to institute proceedings against any member. The Act does not define pecuniary interest, however the Office of the Auditor-General uses the following test: "Whether, if the matter were dealt with in a particular way, discussing or voting on that matter could reasonably give rise to an expectation of a gain or loss of money for the member concerned."

- 3.9 In deciding whether you have a pecuniary interest you should consider the following factors: What is the nature of the decision being made? Do I have a financial interest in that decision – do I have a reasonable expectation of gain or loss of money as a result of making that decision? Is my financial interest one that is in common with the public? Do any of the exceptions in the Act apply to me? Could I apply to the Auditor-General for approval to participate?
- 3.10 Further guidance is provided in the booklet “Guidance for members of local authorities about the Local Authorities (Members’ Interests) Act 1968” which has been provided to 5 elected members. It is important that you pay particular attention to the contents of this booklet as this is one of the few areas of the Council’s business where staff do not set out to provide pro-active advice and members are personally liable for compliance with the provisions of this Act.

3.11 Non-Pecuniary Interest

- 3.12 Non-pecuniary interest is any interest the member may have in an issue that does not involve money. A common term for this is “bias” or pre-determination. Rules about bias operate not only to ensure that there is no actual bias, but also so there is no appearance or possibility of bias. The principle is that justice should not only be done, but it should be seen to be done. Bias may be exhibited where: -
- By their statements or conduct a member may indicate that they have predetermined the matter before hearing or considering all of the relevant information on it (including the Council’s debate); or
 - The member has a close relationship with an individual or organisation affected by the matter.
- 3.13 Non-pecuniary interest is a difficult issue as it often involves matters of perception and degree. The question you need to consider, drawn from case law, is: “Is there, to a reasonable, fair-minded and informed observer, a real indication of bias on the part of a member of the decision making body, in the sense that they might unfairly regard with favour (or disfavour) the case of a party to the issue under consideration?” If there is, the member should declare their interest and withdraw from the debate and take no further part in the discussion of this item. The law about bias does not put you at risk of personal liability. Instead, the validity of the Council’s decision could be at risk. The need for public confidence in the decision-making process is paramount and perception can be an important factor. Again the booklet provided by Office of the Auditor General provides some excellent advice and information on this issue.

Waitomo District Council Procurement Policy 2018

4.1 The following are extracts from WDC's Procurement Policy:

WDC's procurement activities will be conducted in line with the core Procurement Principles and a decision framework that ensures:

- **Adherence** – all procurement is required and is undertaken in accordance with the Procurement Policy and all other associated WDC Policies and Strategies;
- **Openness** - all procurement is made in an open and transparent manner with full and fair opportunity for all eligible suppliers;
- **Fairness** - all procurement is carried out in a fair manner and decisions are made with impartiality and without bias;
- **Integrity** - all WDC employees and/or authorises third parties undertaking procurement do so ethically, equitably and with behavioural standards of the highest levels;
- **Value for Money** – all procurement considers the costs and benefits over the life of the goods, services and/or works, and in doing so takes into consideration local procurement;
- **Risk** – all procurement considers the risks (commercial and otherwise) and ensures these are managed appropriately;
- **Lawfulness** - all procurement is within the law and meets WDC's legal and organisational obligations;
- **Accountability** - employees and/or authorised third parties and suppliers are accountable for their performance; and
- **Sustainability** - all procurement is environmental and socially sustainable wherever possible, having regard to economic, environmental, and social impacts over their lifecycle.

Conflict of Interest and Declarations Policy 2018

WDC is required to identify, disclose, document and manage employees' conflicts of interest, and to ensure that decisions made on behalf of WDC and the community are fair and free of bias or perceived bias.

Note: the words "decision" and "decisions" should be taken to include recommendations and advice:

- (a) that might significantly influence decisions that will be made by other people; or
- (b) on development of strategies and policies that will guide future WDC decision making on service provision, purchasing, contracting or staff employment.

WDC recognises that the professional and personal interests of employees mean that conflicts of interest sometimes cannot be avoided, and can arise without necessarily establishing a fault. Conflict need not cause difficulties, and can be managed so that the best interests of WDC and its ratepayers, residents or customers are served.

DEFINITION OF CONFLICT OF INTEREST

A **conflict of interest** exists when an employee could be influenced or could be perceived as being influenced by a personal or private interest in **any transaction** while performing their WDC duties and/or responsibilities. A personal or private interest is an interest that may bring benefit to an employee as an individual, or to others associated with the employee i.e. spouse or family member, to whom the employee may later benefit.

A **transaction** includes, but is not limited to:

- (a) the exercise or performance of a function, duty, or power of WDC; or
- (b) an arrangement, agreement, or contract to which WDC is a party; or
- (c) a proposal that WDC enter into an arrangement, agreement, or contract; or
- (d) development of a strategy or policy that will guide future decision making on service provision, purchasing, contracting or staff employment; or
- (e) the consideration of or decision made by or at a meeting of Council or its committees and subcommittees.

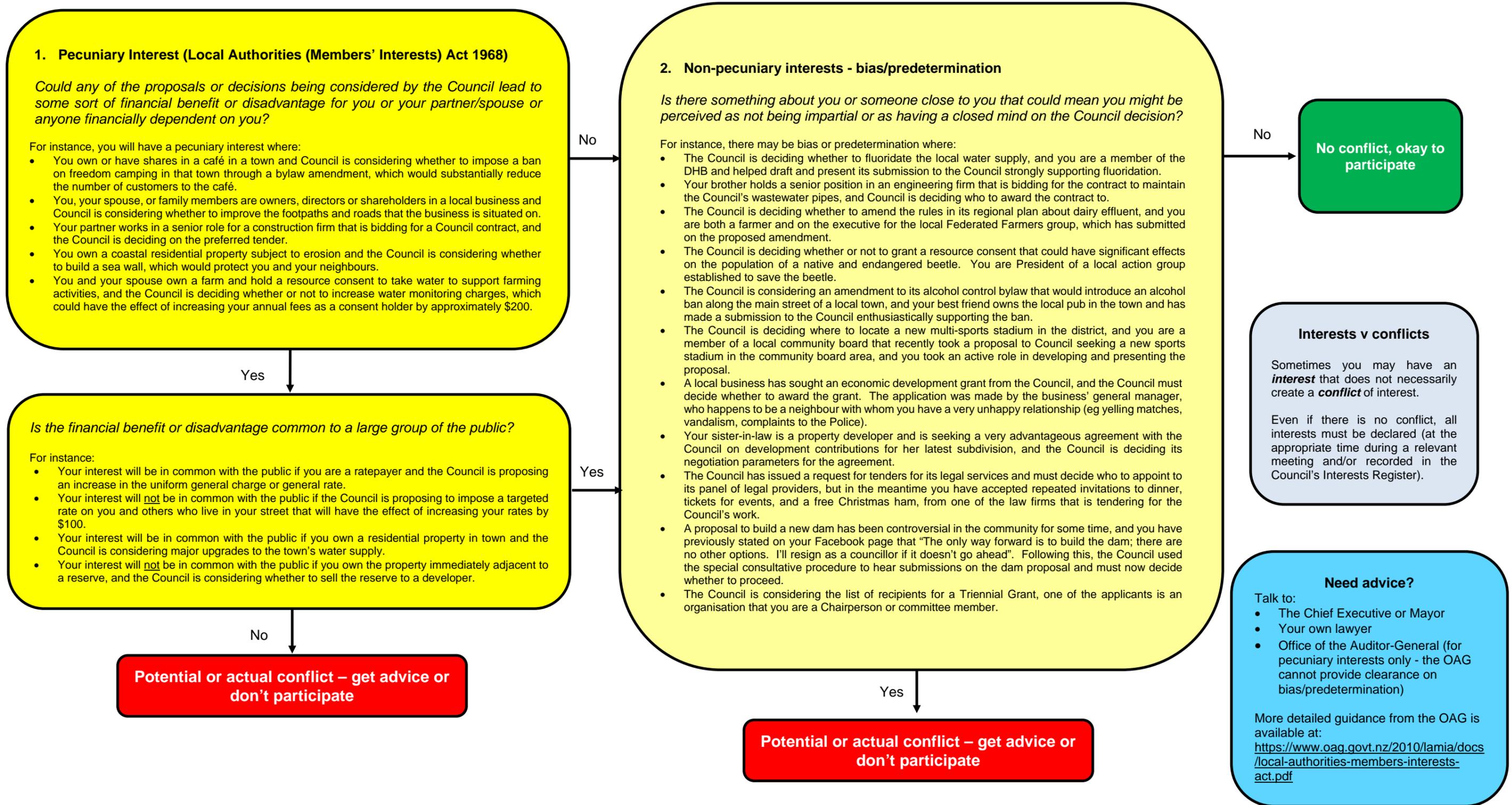
A Conflict of Interest may exist where the employee:

- will or may derive a benefit from the transaction – a financial, professional or personal benefit;
- has a financial interest in another party to a transaction;
- is a director, shareholder, officer or trustee of another party to the transaction, or is a person who will or may derive a financial benefit from the transaction;
- has an interest in another party tendering for work which WDC is considering; or
- is the partner, parent, child, spouse, sibling, or close friend of another party to the transaction, or a person who will or may derive a benefit from the transaction; or
- is an affected member or interested party in a proposal considered by Council.

Before you participate in any Council decision ...

CONFLICTS OF INTEREST

Check you don't have a pecuniary interest and that there is no bias or predetermination.



Remember: If in doubt, stay out!

Document No: A498584

Report To: Council



Meeting Date: 24 November 2020

Subject: Mayor's Report

There is a housing crisis in NZ.

We have a "supply side" issue, which will only be resolved by the opening up of land for residential development. Today it is timely that we are considering the opportunities for opening up land for housing off Lawrence Street in Te Kuiti – some Council owned, some privately held.

According to a housing stock take report released by The Waikato Plan in 2019, Waitomo has 4279 dwellings. The analysis suggests that, as of last year, there is an estimated shortfall in our district of 51 house, 19 of which are social houses.

Adequate, affordable, warm and dry housing is important for many reasons. Old, cold and damp houses cause numerous health issues. Overcrowding in homes causes infectious disease to spread. Security of tenure keeps families settled, reduces stress, helps children learn and progress in school, and supports the local economy.

Housing affordability has become an enormous issue in NZ. The table below indicates median house price movements over 18 years to 2018. In the last two years, the latest estimates for the Waikato region are that the median price has moved up a further \$120,000 to \$650,000.

Territorial authority median house prices	Mar-01	Mar-06	Mar-13	Dec-18
Waipā district	\$147,500	\$278,000	\$360,000	\$610,000
Thames-Coromandel district	\$195,000	\$340,000	\$365,000	\$590,000
Hamilton city	\$169,000	\$300,000	\$342,000	\$559,000
Waikato district	\$136,889	\$239,000	\$315,000	\$520,000
Taupō district	\$173,000	\$302,000	\$310,000	\$500,000
Matamata-Piako district	\$120,000	\$243,000	\$270,000	\$471,000
Rotorua district	\$147,000	\$210,000	\$256,000	\$430,000
Ōtorohanga district	Not Available	\$180,000	\$225,000	\$310,000
South Waikato district	\$71,000	\$120,000	\$132,500	\$310,000
Waitomo district	\$40,000	\$125,000	\$110,000	\$280,000
Hauraki district	Not Available			
Waikato region	\$159,000	\$280,000	\$325,000	\$529,000

Waitomo district median prices are around half of those of the Waikato region. This provides us with an opportunity to attract more people to our district, to help retail, employers, and our school rolls. Basically because houses here are considerably less expensive than in Auckland, Hamilton, Te Awamutu and Otorohanga. In fact, they are the most affordable in the region.

We have set population growth as one of our priorities for this reason. Our district's population is forecast to decline by government statisticians. We should do all we can as a Council and a community to reverse this trend.

If we are able to release vacant land that Council owns for development we will help change this outlook, also reviving our town centres and neighbourhoods in the process.

Some Council land could be sold for social housing, some for private development. The choices are for us as elected members to make in consultation with our communities. As we consult, it's particularly important for us to listen to the views of those in the neighbourhoods in which the land sits.

Lastly, there are clear financial benefits to Council and ratepayers in releasing surplus land for housing. Council debt can be paid down with any surplus proceeds, and rates will be assessed and collected on previously idle and unkempt land. This spreads the rates burden over a greater number of households.

Releasing land for housing is a win for local families, a win for our communities, and a win for ratepayers. Let's make it happen.

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

JOHN ROBERTSON, QSO

MAYOR

WAITOMO DISTRICT COUNCIL

MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 27 OCTOBER 2020 AT 9.00AM

PRESENT: Mayor John Robertson, Deputy Mayor Guy Whitaker, Council Members Phil Brodie, Allan Goddard, Lisa Marshall and Sue Smith

IN ATTENDANCE: Dan Tasker (Waitomo News) and Lawrence Gullery (Waikato Times)

Five Member of the Public

Chris Ryan, Chief Executive; Michelle Higgie, Manager – Governance Support; Yvette Ronaldson, Leader – Communications and Engagement; Terrena Kelly, General Manager – Strategy and Environment (for part only); Jennie McFarlane, Major Projects – Senior Advisor (for part only); Tony Hale, General Manager – Infrastructure Services (for part only) and Alister Duncan, General Manager – Business Support (for part only)

1. Council Prayer

2. Apologies

Resolved

The apology of Cr New be received and leave of absence granted.

Robertson/Whitaker Carried

3. Declarations of Member Conflicts of Interest
--

No declarations were made.

4. Verbal Reports: Elected Member Roles and Responsibilities

The Councillors gave verbal reports on their individual portfolio roles and responsibilities as follows:

Cr Brodie

- North King Country River Care Group – Google Earth Probe Workshop
- Tainui Wetere Domain Board

Cr Goddard

- Benneydale Hall Committee

Cr Marshall

- NZ Army
- Te Kuiti Whanau Ora Event
- Whare Kura Hui re Bus Stop
- Touch Game
- Te Kuiti Community House

Cr Smith

- Tere Waitomo
- Waitomo Museum

Deputy Mayor Whitaker

- Brook Park AGM
- Legendary Te Kuiti
- Fraud Workshop in Cambridge

Mayor

- Maniapoto Iwi Collaborative Meeting
- Night Owl Birthday Celebration – Lizzie James

Resolution

The verbal reports be received.

Robertson/Goddard Carried

5. Mayor's Report: October 2020
--

Council considered the Mayor's Report prepared for the October 2020 Council Meeting.

Resolution

The Mayor's Report for the September 2020 Council Meeting be noted.

Robertson/Goddard Carried

6. Confirmation of Minutes – 29 September 2020

Resolution

The Minutes of the Waitomo District Council meeting of 29 September 2020, including the public excluded Minutes, be confirmed as a true and correct record.

Subject to correction of Lionel Smith's name in the "In Attendance" section of the Minutes.

Robertson/Whitaker Carried

7. Local Government New Zealand Zone 2 Vacancies - National Council Representative and Chair

Council considered a business paper presenting for consideration the nominees received for the position of Local Government New Zealand National Council Zone 2 Representative.

Resolution

- 1 The business paper on Local Government New Zealand National Council – Zone 2 Representative be received.
- 2 Council support the nomination of Waipa District Mayor Jim Mylchreest for the position of LGNZ National Council Zone 2 Representative.
- 3 Council delegate authority to Cr Brodie to vote at the 30 October 2020 Zone 2 meeting on behalf of the Waitomo District Council.

Robertson/Smith Carried

8. Adoption of Amended Code of Conduct

Council considered a business paper presenting a draft amended Code of Conduct for consideration and adoption.

The Major Projects – Senior Advisor and Chief Executive expanded verbally on the business paper and answered Members' questions.

Council noted the following typing errors in the amended Code of Conduct which will be corrected as identified.

Page 8 of the draft Code of Conduct – 2nd to last paragraph – the sentence: "Online conduct which does not comply with the Code is as a breach of the Code" delete the word "as".

Page 8 of the draft Code of Conduct – last paragraph – the sentence: "For these reasons, any failure be a member to comply with this section shall be treated seriously and may be referred by the Chief Executive to an independent investigator for an initial assessment. " change "failure be a member" to "failure by a member".

MOTION

- 1 The business paper on Adoption of Amended Code of Conduct be received.
- 2 That the Code of Conduct adopted by Council on 26 November 2020 be reaffirmed.
- 3 That should any proposals by Council Officers to make changes to the Code of Conduct be advocated, the proposals be considered and worked through with elected members before coming to a Council meeting for decision.

Robertson/

MOTION LOST

MOTION

- 1 The business paper on Adoption of Amended Code of Conduct be received.
- 2 Council adopt the proposed Waitomo District Council Code of Conduct (A494414) with immediate effect and replace the existing Waitomo District Council Code of Conduct adopted on 26 November 2019.

Goddard/Whitaker

MOTION CARRIED

Resolution

- 1 The business paper on Adoption of Amended Code of Conduct be received.
- 2 Council adopt the proposed Waitomo District Council Code of Conduct (A494414) with immediate effect and replace the existing Waitomo District Council Code of Conduct adopted on 26 November 2019.

Goddard/Whitaker Carried

The meeting adjourned for morning tea at 11.07am
 Five members of the public left the meeting at 11.07am.
 The meeting reconvened at 11.25am

9. Adoption of Draft Updated Procurement Policy 2020, the Procurement Recovery Plan (Covid-19) and Procurement Water Reform Plan

Council considered a business paper presenting the draft updated Procurement Policy, a Procurement Recovery Plan (Covid-19) and Procurement Water Reform Plan for consideration and adoption.

The General Manager – Business Support entered the meeting at 11.34am.

The Chief Executive and Major Projects – Senior Advisor made a PowerPoint Presentation, expanding verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on the Draft Updated Procurement Policy 2020 be received.
- 2 The Updated Procurement Policy 2020 be adopted as amended.
- 3 The draft Procurement Recovery Plan (Covid-19) be adopted as amended.
- 4 The draft Procurement Water Reform Plan be adopted as amended.
- 5 The amendments to the Procurement Plans are as follows:
 - 1 Water Reform Plan – with respect to the wording “Consider local procurement” – clarify the meaning by making reference to wording in Charter.

- 2 Confidentiality Clause – include narrative to provide for the public release of information relating to awarded Contracts with a reporting threshold level of \$150k.
- 3 The Contractual Reporting to the Audit Risk and Finance Committee be enhanced to include details of all procurement made under the Procurement Recovery Plan (Covid-19) and Procurement Water Reform Plan.

Robertson/Whitaker Carried

10. Annual Report 2019/20 – Adoption

Council considered a business paper presenting the Draft Annual Report 2019/20 (Draft AR) recommended by Council's Audit Risk and Finance Committee for Council's consideration and adoption.

The General Manager – Business Support and Chief Executive expanded verbally on the business paper and answered Members' questions.

Council noted its thanks to the staff involved in preparing the Annual Report.

Resolution

- 1 The business paper on the Annual Report 2019/20 – Adoption be received.
- 2 The Chief Executive be delegated authority to ensure any formatting/grammatical changes and feedback from Council is accurately reflected in the Final Annual Report 2019/20 prior to publication.
- 3 The audited Annual Report 2019/20 be adopted.

Robertson/Smith Carried

The General Manager – Business Support left the meeting at 12.07pm

11. Te Kuiti and District Historical Charitable Trust (previously Society) – Provision of Services Grant Agreement 2018-2021

Deputy Mayor Whitaker declared a conflict of interest, being a member of the Charitable Trust, and refrained from participating in the consideration of this item of business.

Council considered a business paper informing of the winding up of the action taken by Te Kuiti and District Historical Society Incorporated to form a new organisation known as the Te Kuiti and District Historical Charitable Trust and seeking a decision on whether or not to assign Year Three of the Provision of Services Grant Agreement from the now wound-up Te Kuiti and District Historical Society Incorporated to the newly formed Te Kuiti and District Historical Charitable Trust.

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

Resolution

- 1 The business paper on Te Kuiti and District Historical Charitable Trust (previously Society) – Provision of Services Agreement 2020/2021 be received.
- 2 Council approve entering into a Provision of Services Agreement for the 2020/21 financial year with the Te Kuiti and District Historical Society Incorporated to the Te Kuiti and District Historical Charitable Trust.

Goddard/Marshall Carried

12. Progress Report: Delivery against Communications Strategy

Council considered a business paper providing a brief on progress made in respect of the Communications Strategy.

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

Resolution

The Business Paper Progress Report: Delivery against Communications Strategy be received.

Robertson/Brodie Carried

13. Draft Waitomo District Comprehensive Reserve Management Plan

Council considered a business paper seeking consideration of whether or not to pre-notify the draft Waitomo District Comprehensive Reserve Management Plan in accordance with Section 41(5) of the Reserves Management Act 1977.

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

Resolution

- 1 The business paper on Draft Waitomo District Reserve Management Plan – Pre-notification be received.
- 2 Pursuant to Section 41(5) and 41(6) of the Reserves Management Act 1977, Council resolves:
 - (a) That in accordance with section 41(5A) of the Reserves Management Act 1977, written suggestions on the proposed (draft) Waitomo District Comprehensive Reserve Management Plan would not materially assist in its preparation; and
 - (b) To publicly notify the proposed (draft) Waitomo District Comprehensive Reserve Management Plan in accordance with Section 41(6) of the Reserves Management Act 1977 contemporaneously with the public notification of the Proposed District Plan.

Goddard/Whitaker Carried

The General Manager – Strategy and Environment left the meeting at 12.17pm.

14. Kerbside Waste Audit Report 2020

Council considered a business paper informing the outcome of the WDC Kerbside Waste Audit conducted in July 2020.

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

Resolution

The business paper on Kerbside Waste Audit Report 2020 Results be received.

Robertson/Brodie Carried

The General Manager – Infrastructure Services, Waitomo News and Waikato Times left the meeting at 12.28pm

15. Motion to Exclude the Public

Council considered a business paper pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987 giving Council the right by resolution to exclude the public and/or staff from the whole or any part of a meeting on one or more of the grounds contained within that Section.

Resolution

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

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
1. Inframax Construction Limited – 2020 Annual General Meeting	Section 7(2)(c)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a)(i)

- 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 Committee with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary

Confidential Confidential

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Confidential

Confidential Confidential

Confidential Confidential

Confidential

**WAITOMO DISTRICT COUNCIL
AUDIT, RISK AND FINANCE COMMITTEE**

**MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL
AUDIT, RISK AND FINANCE COMMITTEE HELD IN THE COUNCIL
CHAMBERS ON TUESDAY 13 OCTOBER 2020 AT 9.00AM**

PRESENT: Independent Chairperson Bruce Robertson, Mayor John Robertson, Deputy Mayor Guy Whitaker, Members Phil Brodie, Allan Goddard, Lisa Marshall and Sue Smith

IN ATTENDANCE: Bruno Dente, Deloitte

Chief Executive, Manager – Governance Support, General Manager – Business Support, General Manager – Strategy and Environment (for part only) General Manager – Infrastructure Services (for part only) and General Manager – Community Services (for part only)

1. Apology

Resolution

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

B Robertson/Brodie Carried

2. Declarations of Member Conflicts of Interest
--

No declarations of conflicts of interests were made.

3. Confirmation of Minutes – 11 August 2020
--

Resolution

The Minutes of the Waitomo District Council Audit and Risk Committee meeting of 11 August 2020, including the Public Excluded minutes, be confirmed as a true and correct record subject to correcting the date in the Minutes Header.

B Robertson/Goddard Carried

4. Mastercard Expenditure Report (July/August 2020)
--

The Committee considered a business paper presenting for the Committee's information and consideration, details of expenditure incurred via WDC issued Corporate Mastercards.

The Manager – Governance Support answered Members questions.

Resolution

The Mastercard Expenditure Report for the period July/August 2020 be received.

Whitaker/Brodie Carried

5. Audit: 10 Year Plan 2021-31

The Committee considered a business paper presenting the Audit Engagement Letter for the audit of the Consultation Document (CD) and the 10 Year Plan 2021-31.

The General Manager – Business Support and Bruno Dente (Deloitte) expanded verbally on the business paper and answered Members' questions.

The Committee queried the increase in Audit costs for the 10 Year Plan when there is a reduction in hours.

Bruno Dente explained that audit fees are controlled and set by the Office of the Auditor General and while the hours required for the 10 Year Plan audit are forecast to reduce, the increase in value relates to the requirement for more senior personnel involvement in the Audit.

Resolution

- 1 The business paper on Audit: 10 Year Plan 2021-31 be received.
- 2 The Deloitte Audit Engagement Letter be accepted.
- 3 In accordance with the delegation contained in the Terms of Reference of the Audit, Risk and Finance Committee, the Mayor be authorised to sign on behalf of the Waitomo District Council the Deloitte Audit Engagement Letter.

Brodie/Marshall Carried

6. Audit Fees 2020, 2021 and 2022
--

The Committee considered a business paper providing a brief on the budget implications of the appointment of Deloitte to conduct the statutory audits for 2020, 2021 and 2022.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on Audits Fees 2020, 2021 and 2022 be received.
- 2 The Committee note the increase in Audit Fees will be managed within the Business Support budget.

B Robertson/Whitaker Carried

7. Adoption of Annual Report 2019/2020

The Committee considered a business paper presenting the Draft Annual Report 2019/20 for consideration and, subject to any amendments, to recommend AR to Council for adoption.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Bruno Dente of Deloitte presented a draft Audit Report for the Waitomo District Council Annual Report and answered Members' questions.

The Committee noted that the finalised Audit Report would be presented to Council at the 27 October 2020 Council meeting when the Annual Report is to be adopted.

The Chair asked staff to leave the meeting to enable a confidential briefing from Bruno Dente.

The Chief Executive, Manager – Governance Support, General Manager – Business Support and General Manager – Strategy and Environment left the meeting at 10.44am.

The Chief Executive, Manager – Governance Support and General Manager – Business Support re-entered the meeting at 11.01am.

Bruno Dente, Deloitte left the meeting at 11.01am.

Resolution

- 1 The business paper on Adoption of Annual Report 2019/20 be received.
- 2 The Audit, Risk and Finance Committee authorise the Chief Executive to make identified amendments and recommend the Annual Report 2019/20 for referral to Council for adoption.
 - Page 33 paragraph (a) – remove the words: "all funding conditions were met by the Trust and"
 - Replace "Profit /Loss throughout entire document with Surplus/Deficit
 - Clarify wording relating to Surplus/Deficit of the Council and "after tax profit" of the Inframax Construction Limited
 - Page 35 "Building Consent Authority" replace "How we Performed" commentary to read "Accreditation achieved."
 - Page 19 – Change "GOA" to read "Groups of Activities"
 - Page 11 – Investments – How we Performed – add additional comment to the effect that ICL subsequently provided a remedied report which has been published on our website.
 - Page 107 – Deficit numbers to be displayed in brackets
 - Page 114 – Note 36 – check regulations to see if they include the exact specification of formula (including colour to be used on graphs)

J Robertson/Brodie Carried

The Chairperson requested the General Manager – Business Support to pass on the Committee's appreciation to the WDC Team involved in preparation of the Annual Report.

8. Local Government Funding Agency - Annual Report

The Committee considered a business paper presenting the Annual Report of the Local Government Funding Agency for year ended 30 June 2020.

The General Manager – Business Support expanded verbally on the business paper and answered Members’ questions.

Resolution

- 1 The business paper on Annual Report – Local Government Funding Agency be received.
- 2 The Annual Report – Local Government Funding Agency for the year ended 30 June 2020 be received.

B Robertson/Whitaker Carried

9. 2021-31 10 Year Plan Significant Forecasting Assumptions
--

The Committee considered a business paper providing an overview of the Significant Forecasting Assumptions for the 2021-31 Ten Year Plan (10YP).

The General Manager – Infrastructure Services entered the meeting at 11.11am.

The General Manager – Business Support expanded verbally on the business paper and answered Members’ questions.

The General Manager – Community Services entered the meeting at 11.14am.

Resolution

The business paper on 2021-31 10 Year Plan Significant Forecasting Assumptions be received.

Whitaker/Goddard Carried

10. Progress Report: Development of Service Delivery Continuity Plans
--

The Committee considered a progress report on the development of Continuity Plans for Service Delivery in an emergency setting.

The General Manager – Business Support expanded verbally on the business paper and answered Members’ questions.

Resolution

The Progress Report – Development of Business Continuity Plans be received noting that priority is to be given to a review of this item.

B Robertson/Smith Carried

11. Progress Report: Risk Management Framework – Implementation Plan and Monitoring
--

The Committee considered a progress report on the implementation of the Risk Management Framework and Risk Management Implementation Plan adopted by the Council on 28 May 2019.

The General Manager – Business Support expanded verbally on the business paper and answered Members' questions.

Resolution

- 1 The business paper on Progress Report: Risk Management Framework – Implementation Plan and Monitoring be received.
- 2 The Chair, Chief Executive and Manager – Governance Support be authorised to arrange a workshop of the Audit Risk and Finance Committee for the purpose reviewing Council's risks.

B Robertson/J Robertson Carried

12. Progress Report: Civil Defence and Emergency Management
--

The Committee considered a progress report on current activities within the Civil Defence and Emergency Management portfolio.

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

Resolution

The Progress Report: Civil Defence and Emergency Management be received.

Goddard/Smith Carried

13. Progress Report: NZTA Technical Audit
--

The Committee considered a progress report on the findings of the draft Investment Audit Report following a Technical Audit of the Waitomo District Council Roading investment by Tony Lange of the NZ Transport Agency in March 2020.

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

Resolution

The Progress Report: NZTA Technical Audit 2020 be received.

B Robertson/Marshall Carried

14. Progress Report: WDC Resource Consents – Compliance Monitoring

The Committee considered a business paper providing a progress report on compliance reporting against Resource Consent conditions.

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

Resolution

The Progress Report: Resource Consent – Compliance Monitoring be received.

B Robertson/Whitaker Carried

15. Motion to Exclude the Public

The Committee considered a business paper pursuant to Section 48 of the Local Government Official Information and Meetings Act 1987 giving Council the right by resolution to exclude the public and/or staff from the whole or any part of a meeting on one or more of the grounds contained within that Section.

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	Ground(s) under section 48(1) for the passing of this resolution
1. Progress Report: Health and Safety	Section 7(2)(a) To protect the privacy of natural persons, including that of deceased natural persons	Section 48(1)(a)(1)
2. Progress Report: Procurement Summary (July 2020 – September 2020)	Section 7(2)(c)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a)(1)
3. Civic Financial Services Limited Half - Yearly Report to 30 June 2020	Section 7(2)(c)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a)(1)
4. Inframax Construction Limited: Financial Statements - 2019/2020 Financial Year	Section 7(2)(c)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	Section 48(1)(a)(1)

- 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 Committee with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
General Manager – Community Services	Business Paper Author
General Manager – Infrastructure Services	Business Paper Author
General Manager – Business Support	Business Paper Author

- 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.

B Robertson/Smith Carried

16. Consideration of Public Excluded Items for the purpose of making information Public following Council's decision taking
--

Resolution

Following consideration and decision taking of items of business with the public excluded, the Committee agreed that the following information be made public:

1 Progress Report: Health and Safety

The Resolution only be made public as follows:

Resolution

The Progress Report: Health and Safety be received.

Smith/Marshall Carried

Note: The business paper for this item is not made public for the reasons set out in Item 15 - "Motion to Exclude the Public" of these Minutes.

2 Progress Report: Procurement Summary (July – September 2020)

The Resolution only be made public as follows:

Resolution

The Progress Report: Procurement Summary (July to September 2020) be received.

B Robertson/Smith Carried

Note: The business paper for this item is not made public for the reasons set out in Item 15 - "Motion to Exclude the Public" of these Minutes.

3 Civic Financial Services Limited Half - Yearly Report to 30 June 2020

The business paper and resolution be made public as follows:

Resolution

- 1 *The business paper on Civic Financial Services Limited Half yearly Report to 30 June 2020 be received.*
- 2 *The Civic Financial Services Limited – Half Yearly Accounts to 30 June 2020 be received.*
- 3 *The Civic Financial Services Limited – Half Yearly Report to 30 June 2020 be made public and published on Council’s website in accordance with Section 66(5) of the Local Government Act 2002.*

B Robertson/J Robertson Carried

4 Inframax Construction Limited: Financial Statements - 2019/2020 Financial Year

Council’s Resolution only be made public as follows:

Resolution

- 1 *The business paper on Inframax Construction Limited: Financial Statements - 2019/2020 Financial Year be received.*
- 2 *The Audited Financial Statements – Inframax Construction Limited for the year ended 30 June 2020 be received.*

B Robertson/J Robertson Carried

Note: The business paper for this item is not made public for the reasons set out in Item 15 - “Motion to Exclude the Public” of these Minutes.

There being no further business the meeting closed at 12.15pm

Dated this day of 2019.

BRUCE ROBERTSON
INDEPENDENT CHAIRPERSON

Confidential Confidential

Confidential Confidential

Confidential

Document No: A496782

Report To: Council



Meeting Date: 24 November 2020

Subject: **Receipt of Minutes: Civil Defence
Emergency Management Joint Committee
Minutes – 8 June 2020**

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide Council with information relating to the Civil Defence Emergency Management (CDEM) Joint Committee meeting of 8 June 2020.

Background

- 2.1 The Waikato Civil Defence Emergency Management (CDEM) Group is a consortia of local authorities, emergency services, lifeline utilities, welfare organisations, Government departments and non-government organisations.
- 2.2 The role of the group is to work in partnership with communities ensuring effective and efficient delivery of emergency management within the Waikato region.
- 2.3 The Waikato CDEM Group boundary is based largely on Waikato Regional Council's boundary. The CDEM Group area covers approximately 24,000 square kilometres of the central North Island extending from Mt Ruapehu in the south to Port Jackson (at the tip of the Coromandel Peninsula) in the north.
- 2.4 Eleven local authorities within the Waikato region have joined together to establish a CDEM Joint Committee. Each council is represented by one elected member who is the Mayor/Chair or delegated elected representative.
- 2.5 The Waikato CDEM Joint Committee member Councils comprise; Waikato Regional Council, Hamilton City Council, Hauraki District Council, Matamata-Piako District Council, Otorohanga District Council, South Waikato District Council, Taupo District Council, Thames-Coromandel District Council, Waikato District Council, Waipa District Council and Waitomo District Council.
- 2.6 The Joint Committee works together to minimise the potential effects of emergencies, prepare the people to respond to emergencies and help the community to recover as quickly as possible following an emergency.

Commentary

- 3.1 Attached to and forming part of this business paper are the confirmed minutes of the Committee meeting convened on 8 June 2020.

Suggested Resolution

The Civil Defence Emergency Management Joint Committee Minutes of 8 June 2020 be received.



HELEN BEEVER
GENERAL MANAGER – COMMUNITY SERVICES

November 2020

Attachment: 1. Joint Committee Minutes – 8 June 2020

Waikato Civil Defence and Emergency Management Group Joint Committee

MINUTES

Date: Monday, 8 June, 2020, 1:00 pm

Location: Virtual Meeting Via Teams

Members Present: Cr H Vercoe (Waikato Regional Council) - Chair
Cr A Park (Taupō District Council) - Deputy Chair
Cr M Bunting (Hamilton City Council)
Cr P Buckthought (Hauraki District Council)
Cr K Tappin (Matamata Piako District Council)
Cr A Williams (Otorohanga District Council)
Cr T Lee (South Waikato District Council)
Cr N Smith (Waikato District Council)
Cr L Brown (Waipa District Council)
Cr A Goddard (Waitomo District Council)
Mayor S Goudie (Thames - Coromandel District Council)

Others Present: L Cavers – Chair (Co-ordinating Executive Group)
J Snowball - Group Manager / Controller (Waikato Group Emergency Management Office)
M Bang - Team Leader (Waikato Group Emergency Management Office)
A BuBear- Team Leader (Waikato Group Emergency Management Office)
J Regler – Administration Coordinator (Waikato Group Emergency Management Office)
A Adams – Democracy Advisor (Waikato Regional Council)
J Cox – Democracy Advisor (Waikato Regional Council)
J Titmus – Senior Regional Emergency Management Advisor (National Emergency Management Agency)

1. Apologies

WCDEM20/15

Moved by: Mayor S Goudie**Seconded by:** Cr T Lee**RESOLVED (SECTION A)****That the apologies of Cr S Christie and S Vowles be accepted.****The motion was put and carried****2. Confirmation of Agenda**

Agenda was confirmed as the business of the meeting.

3. Disclosures of Interest

There were no disclosures of interest.

4. Confirmation of Minutes**4.1 Confirmation of Minutes - 2 March 2020**

WCDEM20/16

Moved by: Cr T Lee**Seconded by:** Cr L Brown**RESOLVED (SECTION A)****That the minutes of the Waikato Civil Defence and Emergency Management Joint Committee's meeting dated 2 March 2020 be received and accepted as a true and accurate record.****The motion was put and carried****4.2 Confirmation of Minutes - 25 March 2020**

WCDEM20/17

Moved by: Mayor S Goudie**Seconded by:** Cr L Brown**RESOLVED (SECTION A)****That the minutes of the Waikato Civil Defence and Emergency Management Joint Committee's meeting dated 25 March 2020 be received and accepted as a true and accurate record.****The motion was put and carried****5. Long Term Plan - 2021-2031- Levels of Service Review**

Group Manager/Controller (J Snowball) presented the report. The following was noted:

- Chair highlighted that this report focused on the Long Term Plan (LTP) not the annual plan that had already been considered by Waikato Regional Council.
- The challenges of considering LTP matters given the financial impacts of COVID-19 was acknowledged. It was highlighted that the report drew on previous internal reviews and independent evaluations undertaken prior to COVID-19 and was impacted by emergency management systems reforms and the National Resilience Strategy.
- It was acknowledged that the COVID-19 response reiterated the improvements needed as to training and capability development that have been highlighted in the previous evaluations.
- It was highlighted that the process for LTP preparation was driven by the administering authority's (Waikato Regional Council) timeframes. It was reiterated that the Civil Defence Emergency Management (CDEM) Group was separate from the administering authority in that budgets were approved by the Group. The rating process undertaken by the administering authority, on the Group's behalf, was outlined.
- It was noted that an independent monitoring and evaluation report highlighted there was insufficient staff resource within the Group Emergency Management Office (GEMO) to effectively support the longer term delivery of some CDEM functions.

During questions, answers and related discussion the following was noted:

- A member sought clarification as to the rating undertaken by the administering authority. The Chair outlined that a targeted rate was charged to each property throughout the region and that the amount was ring fenced and only used for Civil Defence purposes.
- A member questioned the impact of an increasing number of households. The Chair noted that those households would also be charged the targeted rate which would result in an increased budget for the Group.
- A member questioned whether the proposed increase in level of service for Community Resilience should be in year 1 and not year 3.
- Members discussed the importance of a debrief from the COVID-19 response to inform the Committee's decisions as to levels of service for the LTP.
- A member highlighted the need for the Committee to fully de-briefed as to the COVID-19 response to inform future planning and the decision making due to happen at the September meeting.
- The Controller noted that a full debrief would be held when the GEMO was out of response mode and indicated the impacts of timeframes from the administering authority process along with the ongoing risk of the need for a prolonged response by the GEMO.

WCDEM20/18

Moved by: Cr A Park

Seconded by: Cr M Bunting

RESOLVED (SECTION A)

1. That the report Long Term Plan – 2021-2031 – Levels of Service Review (Waikato CDEM Group Joint Committee 8 June 2020) be received.
2. That the Group Emergency Management Office prepare detailed business cases for consideration by Joint Committee at its meeting on 7 September 2020, which supports the following priorities:
 1. That increased budget for public warning and responder notification system be included in year one the Long Term Plan 2021-2031; and
 2. That increased budget in respect of capability development be included in year one the Long Term Plan 2021-2031; and
 3. That, increased budget in respect of Community resilience be included in year three the Long Term Plan 2021-2031.

The motion was put and carried

WCDEM20/19

Moved by: Mayor S Goudie

Seconded by: Cr N Smith

RESOLVED (SECTION A)

That prior to the September Committee meeting, the full debrief on the Group's COVID-19 response be shared with the Committee.

The motion was put and carried

6. Powers of the CDEM Act 2002 used by the Group Controller - COVID-19 response

The Group Manager/Controller (J Snowball) presented the report along with supporting presentation (Doc # 16456820). The following was noted:

- It was highlighted that the relevant legislation was the Public Bodies Contracts Act 1959, the Local Government Act 2002 and the Civil Defence Emergency Management Act 2002 (CDEM Act).
- The Group plan did not allow the Controller to disregard existing procurement policies and processes even in an emergency. Emergency provisions in administering authority procurement policies did not apply to a Civil Defence declared emergency. Therefore, it was felt that it was appropriate to utilise section 94 provisions under the CDEM Act.

- It was noted that in an emergency, the assumption had been that 60% of CDEM trained staff from Councils and other organisations could be called upon if needed. However, with COVID-19 and the impact of lockdown on those with dependants, those who were vulnerable, along with councils making use of their trained staff for their internal business continuity and response efforts, only approximately 25% of trained staff were available to be called upon by Civil Defence.
- Twelve staff had been contracted into Civil Defence through to the period ending in June 2020 to support the response with core skills and functions needed for the Coordinated Incident Management System structure.
- It was highlighted that the development of the 0800 number was a direction from the National Emergency Management Agency (NEMA) to support welfare provisions.
- Figures were yet to be finalised. As per a Group Plan requirement, a recommendation would be made to the Committee in the future relating to the reconciliation of costs incurred as part of the Group's COVID-19 response. The Controller suggested initial indications were that costs incurred were Group costs.

During questions, answers and related discussion the following was noted:

- A member asked whether some costs incurred could be recovered from other parties. In direct reference to the recovery of costs relating to the 0800 number from NEMA, the Controller noted that the initial response from NEMA was that these costs were not recoverable as they fell within the response costs category.
- The Controller suggested that a letter be sent on behalf of the Group by the Chair to advocate for the 0800 number costs to be categorised as special costs so that they were recoverable from NEMA. The Chair advised that a letter to that effect would be drafted in due course. The NEMA representative advised that the letter should be promptly drafted and sent off before the end of the financial year.

WCDEM20/20

Moved by: Cr N Smith

Seconded by: Cr K Tappin

RESOLVED (SECTION A)

That the report Powers of the CDEM Act 2002 used by the Group Controller – COVID-19 response (Waikato CDEM Group Joint Committee 8 June 2020) be received.

The motion was put and carried

7. Group Manager/Controller report on the Waikato CDEM Group response in support of COVID-19

The Group Manager/Controller (J Snowball) presented the report along with supporting presentation (Doc # 16456820). The following was noted:

- A national transition notice was in force but was not specific to recovery as the civil defence response was ongoing. There was direction from the National CDEM Director to continue to provide welfare support until the social sector was able to meet demand.
- A \$30 million appropriation was available to be accessed to support the delivery of welfare provisions by CDEM groups.
- Support for foreign nationals who are unable to access benefit support from the Ministry of Social Development was an ongoing issue. Foreign nationals were entitled to receive civil defence welfare provisions until a national solution was available.
- Students in the region may face a lack of resources and have been accessing food bank support rather than civil defence welfare provisions.
- There was a correlation between the number of people accessing welfare provisions and employment deprivation data which was based on local authority area.
- The initial learnings taken from the response were outlined including learnings and challenges.

During questions, answers and related discussion the following was noted:

- A member questioned whether costs incurred that were discussed in this report would be met by the relevant council. The Controller advised that they were mainly welfare costs which are recoverable from NEMA.
- The Chair acknowledged the role of the Controller and staff during the response. The Senior Regional Emergency Management Advisor acknowledged the support given by the Controller to operations in Wellington, and the high quality work undertaken by the Group.

WCDEM20/21

Moved by: Cr H Vercoe

Seconded by: Cr K Tappin

RESOLVED (SECTION A)

1. **That the report Group Manager / Controller report on the Waikato CDEM Group response in support of COVID-19 (Waikato CDEM Group Joint Committee 8 June 2020) be received.**
2. **That the Committee recognises and thanks the Group Controller and staff located across the region for their work in relation to the Group's response to COVID-19.**

The motion was put and carried

8. Summary Report - CEG Meeting - 22 May 2020

The Chair of Co-ordinating Executive Group (CEG) (L Cavers) presented the report. The following was noted:

- Due to COVID-19, a large number of planned works has been delayed and CEG's focus was on developing the business cases for the LTP process.
- The tsunami siren and associated public education programmes that would be considered in a business case to be presented at the September meeting was discussed.

During questions, answers and related discussion the following was noted:

- If the tsunami sirens were upgraded the cost may be met by Thames Coromandel District Council (TCDC). It was advised this was an ongoing programme of work in collaboration with TCDC.

WCDEM20/22

Moved by: Cr A Park

Seconded by: Cr P Buckthought

RESOLVED (SECTION A)

That the report Summary Report – CEG Meeting – 22 May 2020 (Waikato CDEM Group Joint Committee 8 June 2020) be received.

The motion was put and carried

9. Group Work Plan - Progress towards completion of priority 1 actions

Group Manager/Controller (J Snowball) presented the report. The following was noted:

- There had been little movement in the Group's activity plan due to COVID-19.
- A number of activities taken in response to COVID-19 had inadvertently progressed a number of actions on the Group Plan. This would be reviewed once the GEMO had moved out of its response mode with a refocus on priority one actions.

WCDEM20/23

Moved by: Cr T Lee

Seconded by: Cr L Brown

RESOLVED (SECTION A)

That the report Group Work Plan – Progress towards completion of priority 1 actions (Waikato CDEM Group Joint Committee 8 June 2020) be received.

The motion was put and carried

10. Update from the National Emergency Management Agency

Senior Regional Emergency Management Advisor (J Titmus) presented the report. The following was noted:

- The challenges to implement the new NEMA structure due to Whakaari/White Island and COVID-19.

During questions, answers and related discussion the following was noted:

- The model for Emergency management would be changed or reviewed following the general election.
- A question was raised about the segregation of roles in the civil defence model. It was highlighted that work had been focused on stabilising NEMA and introducing appropriate capacity into the organisation to prepare for the future.
- Questioned whether the Group Plan should be reviewed including financial delegations.

WCDEM20/24

Moved by: Cr T Lee

Seconded by: Cr M Bunting

RESOLVED (SECTION A)

That the report Update from the National Emergency Management Agency (Waikato CDEM Group Joint Committee 8 June 2020) be received.

The motion was put and carried

Meeting closed at 2.24pm

Document No: A498604

Report To: Council



Meeting Date: 24 November 2020

Subject: Adoption of 2021 Meeting Schedule

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is for Council to formally adopt a Meeting Schedule for the 2021 calendar year.

Commentary

- 2.1 Council generally considers and adopts a Meeting Schedule at the end of each calendar year for the following year.
- 2.2 This Meeting Schedule includes all planned meetings required to complete Council's work programme as contained in Council's adopted Road Map Work Programme.
- 2.3 Council's Road Map Work Programme includes timelines prepared on the basis of ordinary monthly Council meetings taking place on the last Tuesday of each month.
- 2.4 It should be noted however, that because of the "living" nature of Council's Road Map Work Programme, scheduled meeting dates over and above the normal monthly meetings often alter as time passes and therefore only the known dates are included for adoption in the Meeting Schedule. Any additional meetings will be scheduled if and when required.
- 2.5 Audit and Risk Committee meetings are scheduled quarterly, with the exception of the last meeting of the year which is brought forward a month to October. This enables the Committee to consider and make recommendations to Council on the Annual Report prior to adoption before the end of October in pursuance with the Local Government Act 2002. The Local Government Act 2002, Part 6, Section 98(3) states:
- (3) *Each annual report must be completed and adopted, by resolution, within 4 months after the end of the financial year to which it relates.*
- 2.6 No Council or Committee Meetings are scheduled for January or December.
- 2.7 It should be noted that the adopted Meeting Schedule includes only official meetings which must be publicly notified. Informal workshops do not form part of the official Meeting Schedule.
- 2.8 10 Year Plan – Key Milestones and Timelines for 2021**
- 2.9 Amendments to the current 10 Year Plan Work Programme timelines for workshop and meeting dates in 2021 are proposed as detailed below:

Key Milestone	Current Scheduled Dates	New Dates Proposed
10YP Workshop #19 <ul style="list-style-type: none"> Working draft Consultation Document Communication and Engagement Plan Preliminary draft Financial Strategy (FS#3) Preliminary Draft Financials 	9 February 2021	17 February 2021
10YP Workshop #20 Preliminary Draft Financials	24 February 2021	3 March 2021
Extraordinary Council Meeting Adopt for Audit: <ul style="list-style-type: none"> Consultation Document Draft Financials Supporting Information 	5 March 2021	12 March 2021
Audit of CD and SI	10 – 17 March 2021	15 - 26 March 2021
Hot Review OAG	18-19 March 2021	29 - 31 March 2021
Extraordinary Council Meeting Adoption of: <ul style="list-style-type: none"> CD for consultation Supporting Information for Consultation Supporting information on proposals for consultation Financial statements AMPs LoS and performance measures AMPs Infrastructure strategy SWAMMP Financial Strategy Revenue and Financing policy Planning assumptions Rates remission policy Treasury policy Appointment of Directors for CCO policy SEP 	30 March 2021	13 April 2021
Public Notification	6 April 2021	16 April 2021
Consultation Period	6 April – 5 May 2021	16 April – 17 May 2021
Council Hearings Hearing of Submitters	12-13 May 2021	26 - 27 May 2021
Extraordinary Council Meeting Deliberation of Submissions	25 May 2021	9 June 2021
10YP Council Meeting Adoption of 10YP	29 June 2021	29 June 2021

- 2.10 These proposed changes are required to mitigate conflicts with work programme commitments across both the 3-Waters Reform Project and the 10 Year Plan; which intersect over the same time period.
- 2.11 The 3-Waters Reform information requirements have advanced over the last few weeks, and the capacity required to address these requirements is now more certain. This particularly impacts the financial workstreams of both the 10 Year Plan and 3-Waters Reform as some of the information required for the 3-Waters Reform is contingent on financial information for the proposed 10 Year Plan. As a result, the 10 Year Plan development timeline requires amendment to ensure sufficient resourcing capacity is available at the right times to ensure programme delivery.

Recommendation

- 3.1 It is recommended that Council adopt a Meeting Schedule for the 2021 calendar year based on the requirements of Council's Road Map Work Programme.

Suggested Resolutions

- 1 The business paper on Adoption of 2021 Meeting Schedule be received.
- 2 Council adopt the following Meeting Schedule for the 2021 calendar year:

Tuesday	16 February 2021	Audit and Risk Committee Meeting
Tuesday	23 February 2021	Council Monthly Meeting
Friday	12 March 2021	<u>Extraordinary Council Meeting:</u> <i>Adoption of 10 Year Plan Consultation Document and Supporting Information for Audit</i>
Tuesday	30 March 2021	Council Monthly Meeting
Tuesday	13 April 2021	<u>Extraordinary Council Meeting:</u> <i>Adoption of 10 Year Plan Consultation Document and Supporting Information for Consultation</i>
Tuesday	27 April 2021	Council Monthly Meeting
Tuesday	11 May 2021	Audit and Risk Committee Meeting
Tuesday	25 May 2021	Council Monthly Meeting
Wednesday	26 May 2021	Hearing: Submissions to 10 Year Plan
Thursday	27 May 2021	Hearing: Submissions to 10 Year Plan (<i>subject to requirement</i>)
Wednesday	9 June 2021	<u>Extraordinary Council Meeting:</u> <i>Deliberation of Submissions to the 10 Year Plan</i>
Tuesday	22 June 2021	Hearing: Dangerous and Insanitary Buildings (<i>subject to requirement</i>)
Tuesday	29 June 2021	Council Monthly Meeting
Tuesday	27 July 2021	Council Monthly Meeting
Tuesday	17 August 2021	Audit and Risk Committee Meeting
Tuesday	31 August 2021	Council Monthly Meeting
Tuesday	28 September 2021	Council Monthly Meeting
Tuesday	12 October 2021	Audit and Risk Committee Meeting
Tuesday	26 October 2021	Council Monthly Meeting
Tuesday	30 November 2021	Council Monthly Meeting
- 3 Meetings are to be convened in the Council Chambers, Queen Street, Te Kuiti commencing at 9.00am, unless publicly notified otherwise.



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Document No: A498267

Report To: Council



Meeting Date: 24 November 2020

Subject: Documents Signed under Council's Common Seal

Purpose of Report

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

Commentary

- 2.1 As set out in Council's Policy on Use of the Council Seal, all documents authenticated or signed on behalf of the Council by way of affixing the Common Seal must be reported to the Council so that, if necessary, Council can ratify the sealing and pass appropriate resolutions to record the same.
- 2.2 **Memorandum of Agreement - Road Stopping pursuant to Public Works Act 1981**
- 2.3 Council at its meeting on 26 November 2019 considered a business paper seeking a decision on a request received from Lynn and Graeme Merchant under the Public Works Act 1981, for Council to stop an area of unformed 'paper' road, which contains existing dwellings constructed in 2003-2005. The area of road to be stopped is approximately 8,300m² and adjoins Mangaorongo Road, Mahoenui.2.3
- 2.4 At the 26 November 2019 meeting Council resolved as follows:
- 1 *The business paper on Road Stopping Proposal – Mangaorongo Road, Mahoenui (GG & LS Merchant) be received.*
 - 2 *Council notes the GG & LS Merchant – Road Stopping Proposal under the Public Works Act 1981 to implement a Public Works Act 1981 Road Stopping Process for unformed legal road adjoining Mangaorongo Road subject to GG & LS Merchant agreeing to meet all costs associated with the process.*
 - 3 *Council consent to the GG & LS Merchant – Road Stopping Proposal to seek the declaration of the stopping of road pursuant to Section 116(2) of the Public Works Act 1981 subject to:*
 - (a) *The Merchants undertake to pay **all** costs incurred by the Waitomo District Council in considering and addressing the application.*
 - (b) *The Chief Executive, as Principal Administrative Officer, is satisfied that all potential affected parties have been fully consulted with and the written consent of the confirmed affected parties is provided to Waitomo District Council.*

- 2.5 The Memorandum of Agreement has now been finalised and signed under the Common Seal of the Council.
- 2.6 **Deed of Assignment of Lease (239 Rora Street, Te Kuiti): From Te Kuiti and District Historical Society Inc to Te Kuiti & District Historical Charitable Trust**
- 2.7 WDC and the Te Kuiti and District Historical Society Inc (the Society) were parties to a Deed of Lease dated 1 April 2008. The peppercorn Lease is for a term of 33 years plus 2 rights of renewal of 33 years each.
- 2.8 On 1 July 2020, WDC received a letter from Lamb Bain Laubscher advising that the Society had been wound up, being replaced with a new charitable trust entity – the Te Kuiti & District Historical Charitable Trust (the Trust), and requested WDC's consent to assign the lease from the Society to the new Trust.
- 2.9 To all intents and purposes, this is an administrative process only.
- 2.10 The Deed of Assignment of Lease has been approved and signed under the Common Seal of the Council.

Suggested Resolutions

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



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT

Document No: A498258

Report To: Council



Meeting Date: 24 November 2020

Subject: Delegations Register - Update

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is for Council to consider and approve amendments to the Delegations Register to ensure that delegations are appropriate and current, and to reflect changes to staff position titles.

Background

- 2.1 Council must comply with and operate across a wide range of legislation. To do that effectively, it can delegate most of its responsibilities, powers and functions to Committees and to the Chief Executive. The Chief Executive can in turn delegate to Council employees. The Local Government Act 2002 (LGA) provides for delegations to be made, and details which powers cannot be delegated.
- 2.2 For the purposes of administrative efficiency and expediency in the conducting of its day-to-day business, the Council has a comprehensive Delegations Register which delegates certain statutory duties, responsibilities and powers to its committees (i.e. the Audit, Risk and Finance Committee) and to the Chief Executive, who is able to delegate certain duties and responsibilities to staff.
- 2.3 The Delegations Register also addresses those specific delegations that are legislatively only able to be delegated directly to staff/officers by the Council (i.e. delegations made under the Resource Management Act 1991).
- 2.4 Delegations are a necessary operational requirement to promote effective and expeditious decision-making. Delegations in part avoid administrative delays and inefficiencies that might otherwise occur if all matters had to be referred to either the Council or Chief Executive.
- 2.5 The Delegations Register was last amended by Council on 25 August 2020. The Register is a key policy document subject to regular review and amendment, due to legislative and policy changes as well as changes to organizational structures and positions within Council.

Commentary

- 3.1 Council's authority to delegate to its standing committees, members, to the Chief Executive and to WDC employees is principally derived from Schedule 7, Clause 32 of the Local Government Act 2002 (LGA).

Schedule 7, Clause 32 of the LGA states:

“32 Delegations

(1) *Unless expressly provided otherwise in this Act, or in any other Act, for the purposes of efficiency and effectiveness in the conduct of a local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, community board, or member or officer of the local authority any of its responsibilities, duties, or powers except—*

- (a) *the power to make a rate; or*
- (b) *the power to make a bylaw; or*
- (c) *the power to borrow money, or purchase or dispose of assets, other than in accordance with the long-term plan; or*
- (d) *the power to adopt a long-term plan, annual plan, or annual report; or*
- (e) *the power to appoint a chief executive; or*
- (f) *the power to adopt policies required to be adopted and consulted on under this Act in association with the long-term plan or developed for the purpose of the local governance statement; or*
- (g) *[Repealed]*
- (h) *the power to adopt a remuneration and employment policy.”*

3.2 Other statutes also confer or limit the ability for the Council to delegate decision-making powers and duties. For example, Section 34 of the Resource Management Act 1991 restricts the delegation of certain plan approval functions only to the Council; and the Local Government Official Information and Meetings Act 1987 states that responses to recommendations made to the Council by the Ombudsman (section 32) must be by resolution of Council and therefore cannot be delegated.

3.3 If the proposed amendments are approved by Council, the Chief Executive has the delegated authority to approve associated changes to staff delegations in Part D of the Delegations Register which will ensure consistency and alignment.

3.4 A comprehensive review of the Delegations Register was not considered to be necessary, with many of the amendments minor or technical in nature. The Association of Local Government Information Management (ALGIM) is currently working on a project for a best practice solution for the sector in this area which can be considered and adopted by Council once available.

3.5 The Delegations Register is proposed to be updated to:

- Amend staff position titles; and
- Amend and clarify delegations where required as set out below:

3.6 Some minor text clarifications are also proposed.

3.7 Part B Delegations to the Chief Executive

3.8 Sub-part 2 Bylaws

3.9 Amendments are proposed to the Bylaws section to ensure that delegations are in place for all of Council's current Council Bylaws.

3.10 Sub-part 3 Operational Delegations

3.11 Finance and Insurance

3.12 *Emergency Expenditure*

3.13 It is proposed to clarify the delegations to the Chief Executive regarding emergency expenditure which currently apply when a civil defence emergency event occurs. However, under s94 of the Civil Defence Emergency Management Act 2002 authority will sit with the Local Civil Defence Controller for expenditure in a civil defence emergency. This is subject to the Chief Executive formally identifying that the Local Civil Defence Controller is acting as Controller in an emergency within the definition of the Act (whether a declared or undeclared emergency). There is also provision for the Controller to report back to the Chief Executive in relation to every \$250,000 of expenditure incurred.

3.14 In the case of any other event (e.g. isolated flooding event impacting on roads) which does not fall within the definition of an emergency under the Act, the Chief Executive will have authority to approve emergency expenditure in conjunction with one or more of the respective General Managers.

3.15 *Other changes*

3.16 Other changes include a delegation to the Tenders Subcommittee to approve exemptions for the calling of tenders, and including correct references for relevant financial plans and policies to ensure alignment with the staff delegations and enable the Chief Executive to delegate appropriately.

3.17 Contracts

3.18 This section makes provision for an external Engineer to Contract (EtC) to be appointed under the NZS suite of contracts (works contracts). In practice the EtC is usually internal and a staff member for projects at Waitomo District Council. An amendment is proposed to allow provision for either external or internal EtCs to be appointed as required. An internal EtC will be subject to current financial delegations, and financial controls in relation to external EtCs can be done through the contract.

3.19 Interim powers

3.20 This provision covers the periods during the Christmas recess and also periods at the end of the triennium and before the new Council has been sworn in. As Council does not usually meet in December or January, it is proposed that the interim powers in relation to the Christmas recess be extended to apply from the second week in December to the last day in January of each year.

3.21 Executing Documents

3.22 Amendments are proposed in relation to executing documents under the Property Law Act 2007, which authorises 'directors' to sign deeds (such as Deed of Lease, Deed of Guarantee). Generally this is undertaken by two elected members in conjunction with the CE.

3.23 Part C Statutory Delegations

3.24 Local Government (Rating Act) 2002

3.25 Amendments proposed to give delegations to the Senior Rates Officer and to remove reference to the Debt Management Officer as the latter role no longer exists, the functions having been allocated within the Finance team.

3.26 Resource Management Act 1991

3.27 *Delegations to hearing commissioners*

3.28 Whilst staff have a delegation under section 39B to give authority to a person or group of persons to conduct a hearing, for the sake of completeness, more specific delegations are being included to provide for commissioners hearing and determining matters on behalf of Council.

3.29 *Emergency powers*

3.30 Amendments are proposed to additional staff delegations in relation to section 330 Emergency Powers, removing delegations to some positions which no longer exist and giving the delegation to replacement or new roles as required. These emergency powers are very rarely utilised but important to ensure that staff in the relevant areas hold them and where applicable also have a warrant.

Analysis of Options

4.1 There are two reasonably practicable options available to Council, (1) do nothing, or (2) approve the amendments to the Delegations Register v1.6 (which will become v1.7).

4.2 The first option, to retain the status quo, will mean that the references in the delegations are incorrect. This introduces risk to the exercise of delegated authority.

4.3 The second option is to approve the amendments to the Delegations Register. This option is considered the most appropriate option as it ensures that there is no risk of judicial review due to inaccurate titles in the delegations.

Considerations

5.1 Risk

5.2 There are no risks associated with adopting the revised Delegations Register. However, there is a risk of judicial review (challenge to delegated decision making) associated with not adopting the revised Delegations Register.

5.3 Consistency with Existing Plans and Policies

5.4 The proposed Delegations Register is consistent with Council's existing plans and policies as it simply sets out how the decision making in relation to these will be administered.

5.5 Significance and Community Views

- 5.6 The approval of amendments to the Delegations Register is not considered to be a significant decision pursuant to Council's Significance and Engagement Policy. The Register simply details in one comprehensive document how certain statutory duties, responsibilities and powers of Council are exercised under delegated authority.

Recommendation

- 6.1 Council approve the amendments to the Waitomo District Council Delegations Register v1.6, as set out in Appendix 1, for the reasons detailed above.

Suggested Resolutions

- 1 The business paper on Delegations Register - Update be received.
- 2 Pursuant to Clause 32 Schedule 7 of the Local Government Act 2002, Council:
 - (a) Delegate Council's powers, duties and functions under the Local Government Act 2002, Local Government (Rating) Act 2002 and Resource Management Act 1991 as set out in Appendix 1 to this report;
- 3 The Delegations Register v 1.6 (Doc No. A482679) be updated accordingly, including any consequential amendments to format and numbering.



JENNIE MCFARLANE
MAJOR PROJECTS – SENIOR ADVISOR

24 November 2020

Appendix 1 Delegations Register

Part B: Statutory and Other Delegations to the Chief Executive

Part B, Sub-Part 2 – Bylaws

1. Public Amenities Bylaw 2010 (reviewed 2015)

Delegation	Date Amended
All of its powers under this Bylaw.	

2. Waitomo District Dog Control Bylaw 2015

Delegation	Date Amended
All of its powers under this Bylaw except the setting of an application fee under clause 14	

3. Public Places Bylaw 2009 (reviewed 2014)

Delegation	Date Amended
All of its powers under this Bylaw except setting of fees under clause 10.1.	

~~4. Public Amenities Bylaw 2010 (reviewed 2015)~~

Delegation	Date Amended
All of its powers under this Bylaw except the setting of fees under section 1.2.	

4. Public Health and Safety Bylaw 2009 (updated 2014)

<u>Delegation</u>	<u>Date Amended</u>
<u>All of its powers under this Bylaw.</u>	

5. Freedom Camping Bylaw 2018

<u>Delegation</u>	<u>Date Amended</u>
<u>All of its powers under this Bylaw.</u>	

5.6. Solid Waste Bylaw 2009 (reviewed 2014)

Delegation	Date Amended
All of its powers under this Bylaw except setting of fees under section 5 and the prohibitions under clause 6.9.1 and 7.3.1	

6.7. Land Transport Bylaw 2015

Delegation	Date Amended
All of its powers under this Bylaw except the powers set out in clauses 6.9.4, 6.10.2, 6.16.1, 6.17.1, 6.18.1, 6.19.1 (listed as 6.17.1 under clause 6.19), 7.7, and 9.1.5, only as they relate to matters being fixed by resolution of Council.	

7.8. Trade Waste Bylaw 2006 (amended 2016)

Delegation	Date Amended
All of its powers under this Bylaw except the setting of charges under Schedule 1E.	

8.9. Water Services Bylaw 2015

Delegation	Date Amended
All of its powers under this Bylaw except the powers set out in clause 6.2.2, 6.2.3, 7.3.1, 12.6.1, 12.8.1, 12.9.7, and 24.1 only as they relate to matters being fixed by resolution of Council.	

9.10. Bylaws Generally

Delegation	Date Amended
Its powers to appoint authorised officers for the purposes of performing duties under any of the Council's bylaws.	
Its powers to institute any enforcement action, including a prosecution for an offence against any of the Council's Bylaws, or bringing injunction proceedings, together with a power to make any decision pertaining to such enforcement or prosecution or injunction proceedings.	
Its powers to take enforcement action against any person who breaches any such injunction and to make any decision on any matter relating to any such action.	
No powers to set fees and charges under any bylaw.	

Part B Sub-Part 3 – Operational Delegations to the Chief Executive

1. Finance and Insurance

Financial Delegations	Limitations	Date Amended
Authority to approve either capital or operational expenditure and to authorise the commencement of authorised works/services, including for any multi-year contracts, which have been budgeted for in Council's Long Term <u>10 Year</u> Plan and/or Annual Plan.	Conditional on: <ul style="list-style-type: none"> <u> </u> The expenditure is for authorised works or services for which provision has been made in Council's approved budget <u> </u> Compliance with procedures identified in any relevant financial authority manual or policy (such as Council's Procurement policy and manual) in relation to each transaction <u> </u> With regard to the acquisition and disposal of assets, the transaction being aligned with the 10 Year Plan <u> </u> Financial transactions should not be subdivided to avoid the financial delegation limit or a contestable process <u> </u> A summary report on the exercise of this delegation for procurement shall be submitted to the next available meeting of the Audit, Risk and Finance Committee. 	
Transferring budgets - authority to approve budget changes for the transfer of budgets (capital or operational) between or within an Activity.	Requires approval of the Tenders Subcommittee, <u>being the Chief Executive in conjunction with all the General Managers.</u>	
<u>To exempt the calling of tenders over ONE HUNDRED AND FIFTY THOUSAND DOLLARS (\$150,000) (GST inclusive) in accordance with an approved budget</u>	<u>Requires the approval of the Tenders Subcommittee, being the Chief Executive in conjunction with all the General Managers.</u>	
Authority, in conjunction with any one of the Group Managers <u>General Managers</u> to authorise and approve any expenditure in an Emergency, <u>other than an emergency (whether declared or undeclared) as defined by the Civil Defence Emergency Management Act 2002.</u>	In accordance with Council's Procurement Policy.	
Authority to approve expenditure when a civil defence emergency event occurs, declared or otherwise.	In accordance with section 6.8.8 of the Waikato Region Emergency Management Group – Group Plan 2016-2021.	
To open, to operate and to close the Council's bank accounts	In conjunction with the Group Manager – Corporate Services <u>General Manager Business Support and</u> Finance Manager.	

PART B: Statutory and Other Delegations to the Chief Executive
Sub-Part 3 – Operational Delegations

Financial Delegations	Limitations	Date Amended
Authority to negotiate borrowing.	In accordance with current Council's 10YCurrent Treasury Policy .	
Authority to agree on a 'compromise accommodation' with debtors.		
Authority to accept assets gifted to Council.		
Authority to negotiate the annual plan NZ Transport Agency programme and its funding with Land Transport NZ and submit monthly and annual claims against the accepted Land Transport Programme.		
Authority to invest Council funds in any manner	Subject to compliance with Council's Investment Treasury Policy.	
Authority to manage debt, interest rates, foreign exchange and cash	Subject to compliance with Council's Liability Treasury Policy.	
Authority to establish procedures to carry out Council's financial policies and any enforcement thereof.		
S 101 Local Government Act 2002 Authority to carry out and undertake all the Council's functions, powers and duties to manage revenue, expenses, assets and liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interest of the community.	Subject to compliance with Council's financial policies.	
Authority to approve any taxation payments to the Inland Revenue Department and any loan interest payments to lenders, even if such payments are in excess of the normal financial delegation for the position.		
To certify and authorise the payment of progress payments in relation to contracts entered into by the Council, within the limit of the financial delegation to the position.		
To write off unrecoverable debts or in any one case.		
Power to act as a representative of Council and authority to act on behalf of Council with respect to the scope of the Insurance Advisory Group, which is to manage the procurement of insurance for all or any of the local authorities.		

PART B: Statutory and Other Delegations to the Chief Executive
Sub-Part 3 – Operational Delegations

Financial Delegations	Limitations	Date Amended
Authority to execute insurance declarations on behalf of Council, subject to the limits of the financial delegation to the position		
Authority to negotiate contracts with Council's insurers and approve claims		

2. Contracts

Delegation	Limitations	Date Amended
To sign on Council's behalf contracts or letters of acceptance for the purposes of creating a contract where it has been resolved by the Tenders Subcommittee to accept any tender or quotation or is within the financial delegation to the position.	<ul style="list-style-type: none"> ▪ For authorised works for which provision has been made in the approved budget ▪ Compliance with procedures identified in any relevant financial authority manual or policy (such as Council Procurement policy) in relation to each transaction; ▪ Subject to within financial delegation to the position or with the authority of the Tenders Subcommittee. ▪ A report on the exercise of this delegation for contracts FIVE HUNDRED THOUSAND DOLLARS (\$500,000) or more shall be submitted to the next available meeting of the Council 	
To carry out or authorise the carrying out of any works or other expenditure considered necessary to be undertaken by the Principal pursuant to the Conditions of Contract.	As above.	
To make any decision, election or determination as Principal in relation to any contract entered in to between the Council and any third party.	As above.	
The power of appointment in respect of the role of "Engineer" under NZS 3910, 3915, 3916 and 3917 Contracts, to appoint a suitably qualified internal or external contractor to act in the role of "Engineer to Contract" in any of those contracts. The appointed "Engineer to Contract" may be permitted to appoint a suitably qualified Council employee or external contractor to act as "Engineer's Representative" to exercise any of the powers invested in the Engineer.		

PART B: Statutory and Other Delegations to the Chief Executive
Sub-Part 3 – Operational Delegations

3. Interim Powers

Delegation	Date Amended
<p>In relation to matters arising at the end of the term of the Council, from the day of the declaration of results of the triennial general election until the first meeting of the Council, to make decisions on behalf of the Council, in respect of urgent matters arising during this time:</p> <ul style="list-style-type: none"> ▪ in consultation with the General Manager - Infrastructure Services in respect of tenders and contracts with delegated powers up to FIVE HUNDRED THOUSAND DOLLARS (\$500,000) in accordance with an approved budget; ▪ in consultation with the General Manager Strategy and Environment in respect of Liquor Licensing and Regulatory matters; ▪ in consultation with the incoming Mayor, as may be appropriate in respect of other matters. <p>Any decision made is to be reported to the first ordinary meeting of the incoming Council.</p>	
<p>In relation to matters arising during the Christmas recess, from the <u>second third</u> week in December until the <u>last third</u> week in January, the authority to make decisions (including entering in to any contract or authorising any expenditure) on behalf of the Council, in respect of urgent matters arising at this time, in consultation <u>with</u> the Mayor, or if the Mayor is not available the Deputy Mayor with any such decision made to be reported to the first ordinary meeting of the Council in the New Year.</p>	
<p>In relation to matters arising during the Christmas recess, from the third week in December until the end of January, the authority to make decisions and execute documents (including entering into any contract or authorising any expenditure) on behalf of the Council, in respect of urgent matters arising at this time, in consultation with the Mayor, or if the Mayor is not available, the Deputy Mayor with any such decision made to be reported to the first ordinary meeting of the Council in the New Year.</p>	

4. Property

Delegation	Date Amended
<p>In respect of interests in land, including reserves vested in Council or for which Council is the administering body, to agree to variations to the price of any property which Council has resolved to purchase or sell provided that such variation does not exceed 10% of the amount determined by independent valuation and is reported to the next available meeting of the Council.</p>	
<p>To negotiate and tender land for lease with third parties for a period not exceeding 10 years.</p>	
<p>To negotiate a renewal of a Council lease where the lessee/tenant has abided by all the obligations and conditions.</p>	
<p>To negotiate, enter into or terminate a tenancy pursuant to the Residential Tenancy Act 1986</p>	
<p>To authorise the suspension of rental payments for a maximum of three months where the term of the lease is for a minimum period of six months.</p>	
<p>To negotiate rent-free grazing leases on Council land but only if the costs of holding the property exceeds the potential return.</p>	
<p>To initiate and resolve rental and/or outgoing arrears if the arrears have been outstanding for over 2 months.</p>	
<p>To terminate a lease for non-payment of rent or breach of lease condition and if necessary initiate legal proceedings in the Court, (including arbitration) for recovery of the arrears or termination of the lease and repossession of the property.</p>	
<p>To undertake rent reviews in accordance with a lease which may include the instructing of a valuer, together with negotiating new rent.</p>	
<p>To approve or decline the sub-leasing of Council property; together with the authority to approve or decline a sub-leasing</p>	

PART B: Statutory and Other Delegations to the Chief Executive
Sub-Part 3 – Operational Delegations

Delegation	Date Amended
arrangement that varies from the head-lease.	
To approve or decline assignment of leases.	
To approve or decline alterations to lessee/tenant owned buildings where the alterations may impact on Council owned land.	
To approve or decline a lessee/tenant's request for alterations to Council owned buildings.	
To terminate a grazing lease if the Council owned land is required for the purpose of Council activities.	
To terminate a lease in consultation with the existing lessee/tenant.	
Authority and power to act on Council's behalf as a landlord for the purposes of entering leased/tenanted land and buildings to carry out the landlord's rights and obligations under the lease.	
To negotiate sale and purchase agreements, subject to Council's approval, and to instruct all professionals which may be necessary to effect the purchase and sale process.	
To apply for any resource consent in relation to Council owned land or with respect to activities proposed to be undertaken by Council together with the authority to sign land transfer title plans for subdivisions approved by Council.	
Authority to collect revenue and file annual returns with respect to mining licenses.	
Authority to approve the registration of a caveat on land not owned by Council pursuant to Part 8 of the Land Transfer Act 1952.	
To enter into contracts, and execution of the same, for the use and management of Council facilities and land together with the authority to renew such agreements.	
To apply for a building consent for work to be undertaken on Council property.	

5. Executing Documents

Delegations	Limitations	Date Amended
For all deeds to be executed by Council under the Property Law Act 2007, to be signed (and under Council Seal if required) by two elected members and the Chief Executive.		
Subject to the delegation above, to sign on behalf of the Council all documents relating to interests in land, including reserves vested in Council or for which Council is the administering body and which include: <ul style="list-style-type: none"> ▪ Tenancies, leases and licences and renewals of leases where the original grant of lease contained a right of renewal ▪ Easements and similar rights ▪ Caveats and encumbrances ▪ Discharges or partial discharges of mortgages granted by Council ▪ Subdivision whether of Council owned property or in connection with resource consents granted by Council ▪ Options to purchase (but not the exercise of any option) 	<p>Provided that in each case such documents:</p> <ul style="list-style-type: none"> ▪ include terms and provisions customary to such documents; ▪ reflect and include specific provisions including price as resolved by Council or a Council committee ▪ adequately protect Council. <p>A report on any document signed under this authority (other than with the authority of a Council) shall be submitted to the next available meeting of the Council.</p>	
To sign agreements to variations to the price of any property which	Such variation must not exceed 10% of the amount	

PART B: Statutory and Other Delegations to the Chief Executive
Sub-Part 3 – Operational Delegations

Delegations	Limitations	Date Amended
Council has resolved to purchase or sell	resolved by Council and must be reported to the next available meeting of Council.	
Authority to sign documents on behalf of Council for the removal of limitations on titles as the owner of the land for which the limitation applies or owner of land adjoining.		
Authority and Instruction forms To sign on behalf of Council all necessary 'Authority and Instruction' forms as required from time to time: (a) to authorise and instruct solicitors acting for Council to undertake land conveyancing transactions electronically by e-dealing on behalf of the Council on the Land Information NZ Internet based land registry system known as 'Landonline'; and (b) to comply with the requirements of s 164A of the Land Transfer Act 1952 and Rule 3.03 of the NZ Law Society's Rules of Professional Conduct		
Signing of documents other than those relating to contracts or interests in land	<ul style="list-style-type: none"> ▪ Documents which have been authorised by Council or a Council committee resolution ▪ Documents include terms and provisions customary to such documents ▪ Reflect and include specific provisions including price as per the resolution ▪ Adequately protect Council 	
To apply the Council Seal on any document which requires the Council Seal and which the Chief Executive is authorised to sign under this delegation	In accordance with Council's Policy on the Use of the Council Seal.	

6. Litigation and claims

Date Amended	Date Amended
To authorise the taking or defending of proceedings in the Council's name in any Court or Tribunal (except for proceedings for rating sale pursuant to the Local Government (Rating) Act 2002 which shall require a prior resolution of the Council)). If this authority is exercised to take or defend any proceedings of any sort in the High Court, Environment Court, or any appeal court, then a report of such proceedings shall be delivered to Council at the next available Council meeting.	
To authorise the undertaking of any prosecution proceedings in the name of the Council or by any Council employee for breach of any Act, Regulation or Waitomo District Council Bylaw or the Waitomo District Plan.	
Authority to resolve resource management appeals through Environment Court mediation processes with the proviso that in exercising this authority, consultation should be undertaken with the Mayor and a report of such resolution to be provided to the	

PART B: Statutory and Other Delegations to the Chief Executive
Sub-Part 3 – Operational Delegations

Date Amended	Date Amended
Council at its next available meeting.	
Authority to take all steps necessary to enforce any Court judgement in favour of the Council.	
Authority to exercise all power available to Council for the recovery of debt, other than rates, owed to the Council. Any legal proceedings commenced to recover any outstanding debt shall be reported to Council.	
Authority to manage potential and actual legal claims (including judicial review, injunction and disputes proceedings) and settle claims for amounts up to the excess in relation to Council's insurance cover, including signing any Settlement Agreement.	
<p>In relation to any claims or proceedings, includes all ancillary authority necessary to give effect to the delegation, including authority to:</p> <ul style="list-style-type: none"> ▪ Notify Council's insurer ▪ Instruct external legal counsel to represent Council ▪ Authority to engage professional or technical services in relation to the management of any such claim or proceedings ▪ Accept service of documents ▪ Defend the claim in any New Zealand Court or Tribunal ▪ Deal with any interlocutory matter (including any matters relating to discovery) ▪ Give and request any person to give sworn evidence ▪ Apply for a witness to be summonsed ▪ Appear on behalf of Council at the proceedings ▪ Authorise another person to represent the Council at the proceedings ▪ Submit the claim to alternate dispute resolution (including mediation and arbitration), including authority to sign any pre-mediation agreement ▪ Sign any documents in respect of the above ▪ Agree to provision or give security for costs (within the limits of any financial delegation) <p>To delegate to any Council employee the authority to take all steps and do all things which may be necessary in connection with the taking or defending of proceedings on behalf of the Council, either civil or criminal, or of any other sort, or to appear on behalf of the Council in any Court or Tribunal.</p>	

7. Media

Delegation	Date Amended
Authority to liaise with the media on all matters relating to the activities managed by the position.	

PART B: Statutory and Other Delegations to the Chief Executive
Sub-Part 3 – Operational Delegations

8. HR

Delegation	Date Amended
To assist with the day to day operation of the Council, authority to recruit, employ and discipline staff who report to the position holder, in accordance with Council's Human Resources policies and procedures.	
Authority to authorise and grant annual leave, domestic leave, leave in advance, special leave, and sick leave for staff who report to the position holder in accordance with Council's Human Resources policies and procedures.	
Authority to delegate these powers to staff.	

9. General

Delegation	Date Amended

Part C: Statutory and Other Delegations to Officers

Sub-Part 1 – Legislative Delegations

1. Local Government (Rating) Act 2002

Delegate's position title	Abbreviation
Group Manager – Business Support	GMBS
Finance Manager	FM
Senior Rates Officer /Rates Officer	SRO /RO
Debt Management Officer	DMO

* Any two of the delegates to act jointly in all cases

Section	Delegation	GMBS	FM	SRO RO	DMO
15	To determine a separately used or inhabited part of a rating unit.	✓	✓	✓	✗
20	To determine whether 2 or more rating units are to be treated as 1 rating unit.	✓	✓	✓	✗
27	To keep and maintain the rating information database and to make decisions about the recognition of a rating unit in the rating information database.	✓	✓	✓	✗
27 (s 7-9, 22, Schedules 1 and 2)	To determine the non-rateable status of a rating unit.	✓	✓	✓	
27(4)	To make decisions with respect to determining <ul style="list-style-type: none"> ▪ The category to which a rating unit belongs for the general rate; ▪ The categories to which the rating unit belongs for a targeted rate; ▪ Excess water charges. 	✓	✓	✓	
27(5)	To make decisions with respect to recording separately for different parts of a rating unit (if separate records are necessary because of different rating treatment for each part of a rating unit), any of the matters specified in this section.	✓	✓		
28(2)	To determine whether or not to include the name of any person in the rating information database because it is necessary to identify the rating unit.	✓	✓	✓	
28(3)	To determine the reasonable fee for being supplied with a copy of the particulars from the rating information database.	✓	✓		

PART C: Statutory and Other Delegations to Officers etc
Sub-Part 1 – Legislative Delegations

Section	Delegation	GMBS	FM	SRO /RO	BWG
28(4)	To give notice as required.	✓	✓	✓	
28C	To remove names from the rating information database.	✓	✓	✓	
29	To determine ratepayer objections to the rating information database.	✓	✓		
32,33	To update the rating information database in accordance with this section.	✓	✓	✓	
35	To remove names from the rating information database in accordance with this section.	✓	✓	✓	
36	To update the rating information database in accordance with this section.	✓	✓	✓	
37	To keep and maintain the rates records.	✓	✓	✓	
39	To determine objections to the rates record.	✓	✓		
40	To correct an error in the rating information database or the rates records.	✓	✓	✓	
41, 41A	To issue an amended rates assessment if an error is corrected.	✓	✓	✓	
42	To recover additional rates from a ratepayer. To set the interest rate in accordance with this section.	✓	✓	✓	
44-51	To provide for the delivery of rates assessments and rates invoices in accordance with these sections.	✓	✓	✓	
45, 46	To provide for the design (form and content) of rates assessments and invoices.	✓	✓	✓	
54	To not collect rates that are uneconomic to collect. The amount limit is TEN DOLLARS (\$10) per annum.	✓ *	✓ *		
58	To impose penalties not paid by the due date.	✓	✓	✓	
61, 62	To exercise powers for recovery of rates if owner in default.	✓	✓		✗
63	To commence legal proceedings to recover unpaid rates	✓	✓		✗
85	To determine the applicability of remissions for late payment penalties.	✓	✓		
87-90	To determine the applicability of rates postponements. (in line with Policy)	✓	✓	✓	
85-90	To carry out any administrative tasks associated with remissions or postponements under these sections, and not otherwise delegated.	✓	✓	✓	
99	To apply to Maori Land Court for charging order.	✓	✓		
108	To apply to apply to Maori Land Court to enforce charging order.	✓	✓		
111	To apply to Maori Land Court for payment of unpaid rates.	✓	✓	✓	
114-115	To remit or postpone rates pursuant to Council rates remission and postponement policy.	✓	✓	✓	
114-115	To carry out any administrative tasks associated with remissions or postponements under these sections, and not otherwise delegated.	✓	✓	✓	
135	To sign documents as correct copies for the purpose of Court or Tribunal proceedings.	✓			

Resource Management Act 1991 – Additional staff delegations

Authority is delegated to the following staff pursuant to **section 108 (power to impose conditions on a resource consent)** and **section 223 (powers related to approval of a survey plan as an authorised officer)**:

- General Manager Infrastructure Services

Authority is delegated to the following staff pursuant to **section 330 (power to undertake preventative or remedial action in emergency circumstances)**:

- Manager Water Services
- ~~Asset Engineer Water Services~~
- ~~Asset Engineer Local Roads~~
- Manager Local Roads
- Asset Manager - Roading
- ~~Manager Operational Services~~
- ~~Water Services Engineer~~
- Senior Treatment Plant Operator
- Treatment Plant Operator
- ~~Roading Contracts Supervisor~~
- Roading Network Supervisor
- ~~Environmental Monitoring Officer~~

2. Resource Management Commissioners

Delegation	CE	GMSE	PP	Date Amended
Authority to make appointments of a commissioner(s) as required for hearings under the Resource Management Act 1991 from either elected members (acting as accredited RMA Hearings Commissioners) and/or an externally appointed commissioner or commissioners, as required. Hearings will be conducted in accordance with the requirements of the Resource Management Act 1991.	✓	✓	✓	
Pursuant to section 34A of the Resource Management Act 1991, Council delegate to the hearings commissioner(s) for Resource Management Act 1991 Hearings, the power to hear and decide (-or if agreed to make recommendations) on the following matters under the Act: Application for resource consent; Application to change conditions of a resource consent (section 127) Application for a plan change; Notice of objection under section 357 of the Act; Notice of requirement to designate late or alter a designation; and Notice of requirement for a heritage order or to alter a heritage order.' 				

3. Resource Management Consultants

Authority is delegated to the General Manager Strategy and Environment to maintain a list of approved consultants to undertake work for Council in relation to Resource Management applications, the list is document number A337292.

Pursuant to section 34A(2) of the Resource Management Act 1991:

The Planning Consultants listed in document number A337292 (with authority delegated to the Chief Executive and General Manager Strategy and Environment to approve or remove at any time Planning Consultants from the list, and for the list to be updated accordingly), may carry out and undertake the following of Councils functions, powers and duties under the Act:

- (1) The processing of applications made to the Council for resource consent or for the change of cancellation of consent conditions;
- (2) The processing of requirement for designation or heritage orders;
- (3) The processing of the review of consent conditions;
- (4) The issuing of requests for information pursuant to section 92 of the Act;
- (5) The granting of waivers and extensions of time limits pursuant to section 37 of the Act;
- (6) All other matters related to processing resource consents except the granting of a consent;
- (7) Preparing reports and recommendations and presenting and speaking to those reports before Council or Hearings Commissioners.
- (8) Preparing reports and recommendations for plan changes, variations or proposed district plan matters.

PART C: Statutory and Other Delegations to Officers etc**Sub-Part 1 – Legislative Delegations**

In particular planning consultants Kathryn Drew [and Andrew McFarlane](#) [and Chris Dawson](#) from Bloxham, Burnett Olliver may carry out and undertake the following of Council's functions, powers and duties under the Act, when acting for Council:

- (1) Authority to sign certificates pursuant to sections 222,223,224C, 224f, 226(1)(e), 234(7), 240(1)(b), 241(4)(b), 243(f)(ii) of the Act;
- (2) Authority to sign covenants or consent notices pursuant to sections 240(3), 240(4) and 221 of the Act; and
- (3) Authority to sign Land Information Memorandums pursuant to s 44A of the Local Government Official Information and Meetings Act 1987.

Document No: A498506

Report To: Council



Meeting Date: 24 November 2020

Subject: Notice of Annual General Meeting -
Waikato Local Authority Shared Services
Limited

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to inform Council of the Waikato Local Authority Shared Services Limited Annual General Meeting (AGM) scheduled for Friday 4 December 2020.

Background

- 2.1 Waikato Local Authority Shared Services Limited (WLASS) was established in 2005 is jointly owned by Hamilton City, Hauraki District, Matamata-Piako District, Otorohanga District, Rotorua Lakes, South Waikato, Taupo District, Thames-Coromandel District, Waikato District, Waikato Regional, Waipa District and Waitomo District Councils.
- 2.2 WLASS was initially established to provide the local authorities in the Waikato region with a vehicle to procure services on a shared basis. The key purpose of WLASS has evolved. In 2018 shareholders approved transforming the company into a service delivery agent and a true strategic partner to Councils. That transformation means the company now has two fundamental roles:
- It is a laboratory for developing opportunities that create value to councils, either by improving the experience of their customers or by making the Councils themselves, collectively, more efficient and effective; and
 - It is a provider of services to Councils where a business case to do so has been established (recognising that it may make sense for some services to be provided by someone other than WLASS).
- 2.3 WLASS also drives collaboration between Councils by facilitating various Council staff working groups.

Commentary

- 3.1 A notice has been received to inform Council of the Annual General Meeting and is attached (Attachment 1) and forms part of this business paper.
- 3.2 The meeting will be held on Friday 4 December commencing at 12:30pm in the private meeting room at HuHU Store & Café, 10 Waitomo Caves Road.

Suggested Resolution

The business paper on Notice of the Annual General Meeting Waikato Local Authority Shared Services Limited be received.



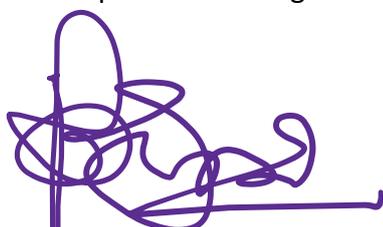
ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

18 Nov 2020

Attachment(s): Notice of the Annual General Meeting of the Waikato Local Authority Shared Services Limited (A498507)

**Notice of the
Annual General Meeting of the
Waikato Local Authority Shared Services Limited**

Notice is hereby given that the Waikato Local Authority Shared Services Limited Annual General Meeting will be held in the HuHu Store & Cafe, 10 Waitomo Caves Road, in the private meeting room on Friday 4 December 2020 commencing at 12.30pm.



Peter Stubbs

Chair

Waikato Local Authority Shared Services Limited

Document No: A498189

Report To: Council



Meeting Date: 24 November 2020

Subject: Draft Investment Policy

Type: Information Only

Purpose of Report

1.1 The purpose of this business paper is to present the draft Investment Policy.

Background

2.1 At its Workshop on 11 February 2020, the Audit, Risk and Finance Committee (ARFC) discussed Council's investment in its 100% shareholding Company – Inframax Construction Limited ("the Company") for the following reasons:

- Council's shareholding Company is identified in Council's Adopted Risk Management Framework (RMF) as a strategic risk with a high level of residual risk; and
- Council has held its investment in the Company for some 25 years, therefore it is financially prudent to review this investment at this time; and
- It is important to undertake a review in 2020, before key decisions are reached with respect to the development of Council's 2021-31 10 Year Plan.

2.2 The Audit, Risk and Finance Committee received a report on Council's Investment on the 11 February 2020 and resolved:

1 *The business paper on Council Investments be received.*

2 *The Audit, Risk and Finance Committee appoint a Working Party comprising:
Mayor Robertson
Deputy Mayor Whitaker
Cr Goddard*

to provide governance oversight over the development of an Investment Policy.

3 *The Working Party appointed is authorised to engage with Council's 100% Shareholding Company Board, as required, to advise and inform the development of a Council Investment Policy noting that the current form of Council's investment is a 100% shareholding in Inframax Construction Ltd as a Shareholder Company.*

4 *The Audit, Risk and Finance Committee note the indicative project timeline as follows:*

Steps	When
<i>Governance engagement with Company Board</i>	<i>TBA (subject to advice)</i>
<i>Discussion with external expert on process and timeline</i>	<i>Late Feb/ early March</i>
<i>Working Party review and authorise project plan and timeline</i>	<i>Mid-March – early April</i>
<i>Audit, Risk and Finance Committee review and consider advice/report received from external experts</i>	<i>5 May 2020</i>

- 2.3 Initial workshops were held on the 24 August and 18 September 2020.
- 2.4 At a workshop on the 6 October a revised plan was presented to Council on the Financial Workstream that includes the review of Council's investment in ICL.
- 2.5 At a workshop on the 13 October 2020 feedback and direction was received from Council to assist in the development of the Investment Policy in relation to ICL and the Statement of Expectation for ICL.
- 2.6 A draft investment policy was presented to a workshop on the 22 October to confirm the direction received at the 13 October workshop prior to the Investment Review Working Party (IRWP) meeting with the Board of ICL.
- 2.7 The IRWP met with the Board Chairman and Chief Executive of ICL to discuss the draft Investment Policy specific to ICL and the draft Statement of Expectations on the 11 November 2020.

Commentary

- 3.1 The rationale for retaining the 100% ownership of ICL and the policy are summarized below:

Rationale

"Council considers that it is important to retain control of Inframax Construction Limited to receive a financial return and the social and economic benefits of retaining a large employer within the district."

Council's Policy

- "1: Retain 100% ownership of ICL for the present
2: Review future options while still retaining control of ICL
3: Dividends or Capital proceeds are to be used for reducing external borrowings"*

- 3.2 The policy setting provides the Board of Directors, Chief Executive and staff of ICL with surety that Council intends at present to retain 100% ownership and Council recognises the social and economic benefits that ICL provides to the Waitomo community.
- 3.3 Following the presentation and discussion, no changes are recommended to the draft Investment Policy that was presented to the workshop on the 22 October. The draft Investment Policy presented to the workshop is attached for reference and will be presented to Council for adoption as part of the Treasury Policy in early 2021.

Suggested Resolution

The business paper on Draft Investment Policy be received.



ALISTER DUNCAN
GENERAL MANAGER - BUSINESS SUPPORT

16 November 2020

Attachment(s): 1 Draft Treasury Policy (A497049)



Draft

Waitomo District Council Treasury Policy

First adopted	2014
Last Reviewed	August 2017
Review Date	2020/2021 in preparation for the 2021-31 10YP
Associated documents	N/A
Responsibility	Business Support Group

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INTRODUCTION

- 1.1 Waitomo District Council undertakes borrowing and investment activities. Together these make up the Treasury Management activity. Council's borrowing and investment activities are carried out within the requirements of the Local Government Act 2002 (LGA) and its various amendments, which define the operating environment for local authorities in relation to borrowing, investment and treasury risk management.
- 1.2 The Treasury Policy includes the Investment Policy and the Liability Management Policy as required by Part 6, sections 104 and 105 of the LGA. The policy provides the framework for all Council's treasury activities and the operating parameters within which the treasury activity is to be carried out.

INVESTMENT POLICY

1.0 PURPOSE AND SCOPE

- 1.1 To prudently manage the Council's financial investments by seeking to maximise investment income within acceptable investment risk parameters.
- 1.2 To promote long term prudent financial management.
- 1.3 To manage the operational cash position and ensure that any surplus cash is invested in approved liquid instruments, or used to minimise debt.
- 1.4 To safeguard Council's investments by establishing and regularly reviewing investment parameters and ensuring that all investment activities are carried out within these parameters.
- 1.5 Ensure the integrity of Council's investments by only investing in appropriately rated organisations and in appropriate financial instruments, as detailed in this policy.
- 1.6 Produce accurate and timely reporting on investment performance.

2.0 POLICY

2.1 MIX OF INVESTMENT

Council's investments are maintained to meet specific strategic and economic objectives outlined in the 10 Year Plan (10YP). Council generally has the following types of investments:

2.1.1 Strategic Investments

Investments made or held in alignment to Council's strategic direction and typically retained on a long term basis. These include property investments - i.e. land and buildings, and quarries.

2.1.2 Equity Investments

Equity (ownership) participation in a private (unlisted) company (including Council Controlled Organisations). Such investments may not necessarily provide a financial return to Council, and may be held for wider social, tactical and/or economic reasons. Notwithstanding, Council will continue to actively seek opportunities for a financial return from all such investments.

Council currently maintains equity investments in Inframax Construction Ltd (Inframax), Waikato Local Authority Shared Services Ltd (WLASS), and Civic Financial Services Ltd.

2.1.3 Treasury Investments

Short to medium term financial investments that maximise financial return but ensure an appropriate level of liquidity for forecast expenditure.

2.1.4 Loan Advances

Council has an existing outstanding community loan advance that it will manage until repayment is complete.

2.1.5 Local Government Funding Agency (LGFA) Borrower Notes

Must be subscribed for when borrowing from the LGFA at 1.6% of the amount borrowed. The notes are repaid when the related debt is repaid, they are subordinated and may convert to LGFA shares in some circumstances rather than being repaid.

2.2 NEW INVESTMENTS

Strategic Considerations

Prior to making new investments Council will consider:

- a) The expected financial return.
- b) Initial risk assessment of the proposed investment.
- c) How the investment will be funded.
- d) How the investment will contribute in furthering the Waitomo District's Community Outcomes as documented in the 10 Year Plan.
- e) The existing investment portfolio and how the proposed investment 'fits' in terms of Council's preference to spread and minimise risk.
- f) Any other consideration Council deems appropriate.

Generally, it is not Council's intention to undertake new equity investments other than to achieve strategic objectives.

Despite anything earlier in this Policy on Investment, the Council may invest in shares and other financial instruments of the Local Government Funding Agency Limited (LGFA), and may borrow to fund that investment, after taking into account the strategic considerations set out.

The purchase or disposal of investment property will be subject to an LTP or EAP adoption process and will be given effect to by the Chief Executive.

Council will consider any requests for loan advances on a case by case basis and will take into account the needs of the community and Council's stated outcomes for the District in its considerations.

2.3 MANAGEMENT AND REPORTING

Investments will generally be monitored and reported through Council's established reporting procedures (Quarterly and Annual Report).

Transparency and reporting mechanisms will be key elements in any governance arrangements. The frequency and nature of reporting will depend on the nature and size of each investment.

Reporting will comply with generally accepted accounting practice and applicable accounting standards for financial reporting purposes.

Performance of investments will be reported in accordance with any governance arrangements, but no less than on a six monthly and annual basis.

2.4 RISK MANAGEMENT

Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to maintain diversity in its investment portfolio to spread and minimise risk.

Where material risk to Council is apparent (e.g. equity investments) Council will commission an independent risk assessment and management report prior to entering into the investment.

To ensure the protection of Treasury investments (short term money market or medium term fixed interest investments), Council will only invest with credit worthy counter parties and in accordance with Schedule 1.

Council may periodically review investments with a view to exiting at a time when market conditions are favourable and if the overall strategic objectives are not compromised.

2.5 INFRAMAX CONSTRUCTION LIMITED

2.5.1 Background

Inframax Construction Limited was initially formed in early 90's by converting an in-house delivery department into the company Waitomo Civil Construction. A merger with Northgate Construction in 1999 formed Inframax Construction Limited and is a 100% owned by the Waitomo District Council. The core activities of Inframax Construction Limited are road maintenance and construction, quarrying and the maintenance and construction of utilities and infrastructure assets.

2.5.2 Ten Year Goal

Retain community control of Inframax Construction Limited with an improvement of profitability and financial stability.

2.5.3 Policy

The Council's policy for Inframax Construction Limited is to:

- Retain the Waitomo District Council 100% ownership for the present;
- Review future options while still retaining community benefit of ownership;
- Sustained equity growth and increasing financial return through expanding revenue streams;
- Apply dividends or capital proceeds to reduce external borrowings.

2.5.4 Rationale

Council considers that it is important to retain control of Inframax Construction Limited to receive a financial return and the social and economic benefits of a retaining a large employer within the district.

2.5.5 Benefits

The benefits of the investment in Inframax Construction Limited are ongoing and long-term, but not guaranteed.

The key strategic benefits are the potential future dividends and maintaining a large employer within the district that is able to provide career opportunities, upskilling and training for youth and those unemployed due to COVID19.

Ensuring access to a quality contractor that provides value for money and is in local ownership.

2.5.6 Financial Benefits

Financial benefits include any dividends that will be used to reduce external debt, and value of the investment held.

2.5.7 Risks

The risk of investing in the roading construction company is that dividends depend on Inframax Construction Limited's ability to generate profit.

2.5.8 How the Investment Is Managed

The Council manages this investment by:

- Appointing external director with appropriate expertise to the Board of Directors;
- Preparing annually a Statement of Expectations;
- Annually approving and/or amending the company's Statement of Intent; and
- Requiring quarterly reports on the company's results and future outlook.

LIABILITY MANAGEMENT POLICY

1.0 PURPOSE AND SCOPE

- 1.1.1 To comply with sections 102(1) and 104 of the LGA.
- 1.1.2 To promote long term prudent financial management.
- 1.1.3 To outline how liability risk associated with borrowing activities is assessed and managed.
- 1.1.4 To outline how liabilities are managed and reported on.
- 1.1.5 Ensure that Waitomo District Council has an ongoing ability to meet its debt obligations in an orderly manner as and when they fall due in both the short and long-term, through appropriate liquidity and funding risk management.
- 1.1.6 Arrange appropriate funding facilities for Waitomo District Council at competitive pricing.
- 1.1.7 Maintain relationships with banks, investors, the Local Government Funding Agency and other creditors.
- 1.1.8 To provide appropriate levels of funding for investments and as may be authorised from time to time by way of Council resolution.
- 1.1.9 Control Waitomo District Council's cost of borrowing through the effective management of its interest rate risk, within the rate risk management limits established by the liability management policy.
- 1.1.10 Ensure compliance with all financial covenants and ratios within this policy and any others agreed to with other significant creditors.
- 1.1.11 Maintain adequate internal controls to mitigate operational risks.
- 1.1.12 Produce accurate and timely information and reports for control and monitoring purposes in relation to both the debt raising and financial market investment activities of Waitomo District Council.

2.0 POLICY

- 2.1.1 The following policy is developed pursuant to Section 102(1). It seeks to outline the suggested content for a Liability Management Policy in compliance with Section 104 of the LGA 2002. It discloses Council's principles of prudent financial management and risk mitigation strategies as they relate to liability management.

3.0 ROLES AND RESPONSIBILITIES

3.1 Role of Council

- 3.1.1 Approve Treasury Policy (TP), including any amendments proposed by the Treasury Management Committee.
- 3.1.2 Approve any hedging outside the parameters of the TP.
- 3.1.3 Approve the use of any risk management products not authorised by the TP.
- 3.1.4 Monitor treasury performance through receipt of appropriate reporting.
- 3.1.5 Approve overall borrowing levels on an annual basis through the Annual Plan and first year of the Long Term Plan process.

- 3.1.6 Determination of any Local Government Funding Agency transactions as per Section 6 of this Policy.

3.2 Role of Treasury Management Committee (TMC)

- 3.2.1 Council has established a Treasury Management Committee (TMC), the structure shall comprise of:
- Group Manager Business Support
 - Finance Manager
 - Senior Accountant
 - Waitomo District Council's Independent Treasury Advisor
- 3.2.2 Plan and discuss all funding and interest rate risk management activities of WDC and make recommendations prior to implementation/execution.
- 3.2.3 Monitor and review the ongoing treasury performance of WDC and compliance with TP parameters through the receipt of regular reporting.
- 3.2.4 Conduct a review of the TP every three years or on an 'as required' basis and submit any recommended changes to Council for approval once the necessary statutory processes have been followed.

3.3 Role of the Chief Executive Officer

- 3.3.1 To approve recommendations made by the Treasury Management Committee in respect to treasury management within the parameters of the TP.
- 3.3.2 Execute and sign various legal documents with respect to extending security under the Debenture Trust Deed.
- 3.3.3 To approve the opening or closing of bank accounts.

3.4 Role of the Group Manager Business Support

- 3.4.1 To approve recommendations made by the Treasury Management Committee in respect to treasury management within the parameters of the TP.
- 3.4.2 Report to Council on overall treasury activity on a quarterly basis as part of the Quarterly Financial and Non-financial Reporting process.
- 3.4.3 Manage the bank lender and capital markets relationships, providing financial information to lenders and negotiate new/amended borrowing facilities or methods for approval by the full Council.
- 3.4.4 Sign documents relating to the financial market activities of Waitomo District Council.
- 3.4.5 Check external confirmations against internal records.

3.5 Role of the Finance Manager

- 3.5.1 Check external confirmations against internal records.
- 3.5.2 Check cash payments of treasury transactions.

3.6 Role of the Senior Accountant

- 3.6.1 Execute treasury transactions

- 3.6.2 Assist the Group Manager Business Support in the preparations of reports to Council
- 3.6.3 Review the Treasury Management Report that forms part of the Financial and Non-Financial Quarterly Report.

4.0 INTEREST RATE EXPOSURE

- 4.1 Interest rate risk is the risk of significant unplanned changes to interest costs as a result of financial market movements.
- 4.2 The objective of managing interest rate risk is to have a framework in place under which Council can actively manage its borrowings within overall guidelines to spread and reduce risk and stabilise interest costs.
- 4.3 Borrowings can only be made in New Zealand dollars (Section 113 of the LGA 2002).
- 4.4 The interest rate exposures of WDC shall be managed according to the parameters detailed in the following table and shall apply to the projected core debt of WDC. Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Group Manager Business Support.

Fixed rate hedging percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0-2 years	40%	100%
2-15 years	30%	80%
5-15 years	0%	50%

- 4.5 To manage the interest rate risk associated with its debt WDC may use the following interest rate risk management instruments.
1. Interest rate swaps.
 2. Forward start interest rate swaps.
 3. Swaptions.
 4. Interest rate options.
 5. Interest rate collars (only in a ratio of 1 to 1)
 6. Fixed rate bonds.
 7. Fixed Rate Term Loans

(Refer to Schedule 2 for definitions and objectives of each of the interest rate risk management instruments)

- 4.6 Council may retain the services of an Independent Treasury Advisor to assist in managing the funding and interest rate risks of WDC.

5.0 LIQUIDITY

- 5.1 The objective of managing liquidity is to ensure that Council has adequate financial resources available to meet all its obligations as they fall due.
- 5.2 To avoid a concentration of debt maturity dates Council will, where practicable, aim to have no more than 33% of debt subject to refinancing in any 12 month period.
- 5.3 Council's main revenue sources are cyclical in nature and therefore committed bank facilities are required to ensure sufficient funds can be called upon when required.
- 5.4 Subject to clause 9.5 committed funding lines shall be maintained of not less than 110% of projected core debt. (Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Group Manager-Corporate Services).

5.5 At balance date in accordance with the Local Government Funding Authority Multi- Issuer Deed the Available Financial Accommodation will be more than 110% of External Indebtedness.

6.0 CREDIT EXPOSURE

6.1 Credit risk is the risk that a party to a transaction will default on its contractual obligation. A credit risk may exist when the credit rating of an entity with which Council has borrowings with deteriorates.

6.2 Council will only enter into borrowing agreements with creditworthy counterparties. Creditworthy counterparties are selected on the basis of their Standards and Poors rating which must be A or better.

7.0 FUNDING METHODS

7.1 Waitomo District Council may obtain funding utilising the following methods:

1. Bank debt; Money market loans (Term and Call Advances), Term Loans and Overdrafts.
2. Issuances of Fixed Rate Bonds, Medium Term Notes and Floating Rate Notes to the LGFA on either a bespoke basis or participation in the LGFA tender process.
3. Capital markets issuances through either Fixed Rate Bonds, Medium Term Notes and Floating Rate Notes.

8.0 LOCAL GOVERNMENT FUNDING AGENCY

8.1 Despite anything earlier in this Liability Management Policy, the Council may borrow from the New Zealand Local Government Funding Agency Limited (LGFA) and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

1. Contribute a portion of its borrowing back to the LGFA in the form of Borrower Notes;
2. Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
3. Commit to contributing additional equity or approve the conversion of Borrower Notes to equity of the LGFA if required;
4. Subscribe for shares and uncalled capital in the LGFA; and
5. Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

9.0 DEBT REPAYMENT

9.1 The objective of managing debt repayment is to ensure that Council is able to repay debt on maturity with minimum impact on Council operations.

9.2 Borrowings will be repaid as they fall due in accordance with the applicable loan agreement. Subject to borrowing limits, a loan may be rolled over or re-negotiated as and when appropriate.

9.3 All borrowings are deemed to be corporate borrowings except for borrowings that fund Council's shareholding investment in its subsidiary company; Inframax Construction Limited.

9.4 Debt repayments will be made from general funds, by any funds raised specifically to repay debt and by proceeds from asset sales, except for any sale of Council's investment in Inframax Construction Limited, where these proceeds will be applied to borrowings relating to that shareholding, in the first instance.

9.5 The cost of capital is spread over significant activities using internal loans. Internal loans are raised to cover the economic life of capital projects to a maximum of 30 years for infrastructural assets and 15 years for other assets.

10.0 SPECIFIC BORROWING LIMITS

- 10.1 Council will borrow to fund its total funding needs in accordance with the Exceptions Annual Plan or first year of the Long Term Plan. Borrowing includes the funding of short term working capital requirements and long term capital investments. In general terms, Council approves borrowing through the annual planning process with public disclosure by way of resolution.
- 10.2 Council will adhere the following financial covenants in the management of its liabilities:
- Total borrowing costs will not exceed 10% of total revenue
 - The ratio of net interest to total revenue will not exceed 20% Total borrowings must not exceed 20% of total assets.
 - The ratio of net debt to total revenue will not exceed 170%
 - Net interest will not exceed 20% of annual rates

11.0 ACCOUNTING TREATMENT OF FINANCIAL INSTRUMENTS

- 11.1 Derivative financial instruments are used primarily for the management of interest rate risk.
- 11.2 Council will adhere the following financial covenants in the management of its liabilities: Public benefit accounting standards require that any changes in fair value of derivative financial instruments go through the Income Statement unless a hedge relationship has been designated and is effective.
- 11.3 Where an effective hedge is determined any change in value will show as "Other Comprehensive Revenue and Expense" and rather than being included in the Net Operating Cost/(Surplus) result and is transferred directly to a reserve within equity.
- 11.4 Valuations of derivative financial instruments are to be carried annually for balance date by an independent third party for financial reporting purposes. Indicative valuations are to be provided by the counter party to the financial instrument and reported to Council as part of the Quarterly Financial and Non-financial Reporting process.
- 11.5 Management of derivatives will continue with the dual purpose of managing interest rate risk and remain within the hedge accounting framework. Where at all possible hedge accounting be carried out.
- 11.6 The purpose of this policy to is remove market related volatility due to valuation changes in derivative financial instruments from the Statement of Comprehensive Revenue and Expenditure statement.

REFERENCES

It is important when reading this policy that it is read in conjunction with other related Council policies. Council policies often reference and inform each other so that any issue before Council can be dealt with in an integrated and comprehensive fashion.

The policies that have a clear relationship with the Investment Policy are:

- Liability Management Policy (for borrowing by the Council and guarantees by the Council which are ultimately a liability)
- Revenue and Financing Policy (for sources and level of funding)
- Council's Significance and Engagement Policy (which if triggered by a proposal to make an investment will mean that the proposal will be subject to further decision-making and consultation requirements).

The policies that have a clear relationship with the liability Management policy are:

- The Investment Policy (outlines principles of prudent financial management and risk mitigation strategies as they relate to investments). Revenue and Financing Policy (for sources and level of funding)
- Council's Significance and Engagement Policy (which if triggered by a proposal to make an investment will mean that the proposal will be subject to further decision-making and consultation requirements).
- Revenue and Financing Policy (which outlines the proceeds from assets sales will be applied to debt repayment)
- Council's accounting policies for financial reporting.

Schedule 1: Authorised Investment Criteria for Treasury Investment

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating – Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government	100%	<ul style="list-style-type: none"> ▪ Government Stock ▪ Treasury Bills 	Not Applicable	Unlimited
Local Authorities where rates are used as security	70%	<ul style="list-style-type: none"> ▪ Commercial Paper ▪ Bonds/MTN's/FRN's 	Not Applicable	\$2 million \$2 million
New Zealand Registered Banks	100%	<ul style="list-style-type: none"> ▪ Call/Deposits/Bank Bills/Commercial Paper ▪ Bonds/MTN's/FRN's 	Short term S&P rating of A-1 or better Long term S&P rating of A or better	\$7.5 million \$2.5 million
Local Government Funding Agency (LGFA)	100%	<ul style="list-style-type: none"> ▪ Borrower Notes ▪ Commercial Paper ▪ Bonds/MTN's/FRN's 	Not Applicable	Unlimited

Investments that no longer comply with minimum rating criteria due to a rating downgrade must be sold within one month of the downgrade being notified unless Council formally approves the continued holding of the investment.

Schedule 2: Liability Management

INTEREST RATE SWAP

An interest rate swap is an agreement between WDC and a counterparty (usually a bank) protecting WDC against a future adverse interest rate movement. WDC pays a fixed interest rate and receives a floating interest rate. The parties agree to a notional principal amount, the future interest rate, the settlement dates and the benchmark floating rate (BKBM).

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period. Floating rate sets are typically every 1 or 3 months over the life of the swap.

FORWARD START INTEREST RATE SWAP

A Forward Start Interest Rate Swap is a financial instrument that fixes the interest rate for a set amount of debt at some date in the future (generally up to 2 years). These transactions are negotiated with Banks.

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period, commencing at a future point in time. All other conditions are as with an interest rate swap.

INTEREST RATE OPTIONS

The purchase of an interest rate option gives the holder (in return for the payment of a premium) the right but not the obligation to borrow (described as a cap) or invest (described as a floor) at a future date. WDC and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark floating rate (BKBM).

Objective

To provide WDC with worst case cover on its interest rate cost on an agreed principal amount for an agreed period. As for an interest rate swap, rate sets are typically at each 1 or 3 month date for the life of the option. A premium is payable for entering into an interest rate option.

INTEREST RATE COLLAR

The combined purchase (or sale) of a cap or a floor with the sale (or purchase) of another floor or cap.

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period, but at the same time avoid the need to pay an up front premium.

FIXED RATE TERM LOANS

A Fixed Rate Term Loan is an agreement between WDC and a counterparty (usually a bank) protecting WDC against a future adverse interest rate movement. WDC pays a fixed interest rate as set by the counterparty on an agreed principal amount for the term of the loan.

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period.

FIXED RATE BOND

A Fixed Rate Bond is a debt instrument where the amount of interest is constant throughout the term of the bond.

Objective

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period.

Document No: A498201

Report To: Council



Meeting Date: 24 November 2020

Subject: Statement of Expectation – Inframax Construction Limited

Type: Decision Required

Purpose of Report

- 1.1 The purpose of this business paper is to present and adopt the Statement of Expectation for Inframax Construction Limited for the Financial Year 2021/2022.

Background

- 2.1 At its Workshop on 11 February 2020, the Audit, Risk and Finance Committee (ARFC) discussed Council's investment of 100% shareholding in Inframax Construction Limited (ICL) for the following reasons:
- Council's 100% shareholding ICL is identified in Council's Adopted Risk Management Framework (RMF) as a strategic risk with a high level of residual risk; and
 - Council has held its investment in the Company for some 25 years, therefore it is financially prudent to review this investment at this time; and
 - It is important to undertake a review in 2020, before key decisions are reached with respect to the development of Council's 2021-31 10 Year Plan.
- 2.2 Section 64B Statement of Expectation was inserted into the Local Government Act 2002 on the 22 October 2019. This section provides Council with the option to develop and maintain a Statement of Expectation for any of its Council Controlled Organisations.
- 2.3 The development of Statement of Expectation is consistent with and formed part of the review of the 100% shareholding and the management of Council's investment in ICL.
- 2.4 The draft Statement of Expectation was presented and discussed with the Chairman of the Board of Directors and Chief Executive Officer of Inframax Construction Limited (ICL) on the 11 November 2020.

Commentary

- 3.1 The Statement of Expectation (SoE) is the vehicle to communicate the Council's expectation on governance, strategic issues and the expectations and KPI's identified in the Investment Policy - Inframax Construction Limited to the Board and Management of ICL.

- 3.2 It specifies how ICL is to conduct its relationships with Council, the communities of Waitomo District, including any specified stakeholders within those communities including iwi, hapū, and other Māori organisations.
- 3.3 The draft Statement of Expectation is attached (attachment 1) and forms part of this Business Paper.
- 3.4 The feedback on the SoE from the meeting held on the 11 November was positive, two minor changes were suggested. The suggestions are:
- Change event to activity in the following expectation
 - *Provide support to 4 Local events in the Waitomo District*
 - Include ISO 45000 in the following expectation
 - *Maintain ISO 9001 Accreditation*
- 3.5 The two updated expectations would be:
- Provide support to 4 Local activities in the Waitomo District
 - Maintain ISO 9001 and ISO 45000 Accreditation
- 3.6 The Chairman is supportive of the six-monthly formal reporting to Council and the informal quarterly meetings to ensure a “no surprises” environment. ICL is willing to organize and host these meetings.
- 3.7 At the workshop on the 22 October, Council provided guidance that three Elected Members attend the informal meetings with ICL, that the Elected Members would be consistent over the triennium and the attendees would provide feedback to the Council as a whole.
- 3.8 This oversight can be achieved by Council establishing an “Investment Oversight Working Party”.
- 3.9 It is recommended, for consistency and efficiency, that this Working Party comprise the same membership as the Audit, Risk and Finance Committee’s appointed Investment Review Working Party as follows:
- Mayor Robertson
 - Deputy Mayor Whitaker
 - Councillor Goddard

Analysis of Options

- 4.1 Status Quo – No Statement of Expectation
- 4.2 Council has maintained its investment in ICL for some 25 years without formally articulating its expectations to the Board of Directors and rely on the Statement of Intent presented by ICL as the sole governance tool.
- 4.3 Adopt the draft Statement of Expectation
- 4.4 The Statement of Expectation describes Council expectations and enable the Board of Directors and Management of ICL to incorporate the expectations into the Statement of Intent, how ICL operates and communicates with Council and the Waitomo community.

Considerations

5.1 **RISK**

5.2 There is no risk to Council by the adoption of the Statement of Expectation.

5.3 The adoption of the Statement of Expectation is a measure to reduce the residual risk of maintaining the 100% ownership of ICL.

5.4 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

5.5 The adoption of the Statement of Expectation for Inframax Construction Limited is consistent with Council's plans and policies.

5.6 **SIGNIFICANCE AND COMMUNITY VIEWS**

5.7 Under the Significance and Engagement Policy 2014 this matter is of low significance.

Suggested Resolutions

1 The business paper on Statement of Expectation – Inframax Construction Limited be received.

2 The draft Statement of Expectation be adopted.

3 The Statement of Expectation be sent to the Board of Directors of Inframax Construction Limited under letter from the Mayor.

4 The Statement of Expectation be published on Council's website.

5 Council appoint an Investment Oversight Working Party comprising of the Mayor, Deputy Mayor and Councillor Goddard to meet informally with the Board of Directors and Management of Inframax Construction Limited.

ALISTER DUNCAN

GENERAL MANAGER - BUSINESS SUPPORT

16 November 2020

Attachment(s):	1	Draft Statement of Expectation (A498203)
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STATEMENT OF EXPECTATION

- 1.1 This Statement of Expectation (SOE) is intended to inform the Board of Inframax Construction Limited (Inframax) of the shareholders' high-level strategic direction and performance expectations in advance of your preparation of the Statement of Intent (SOI) 2021/22. In clarifying our expectations early, we expect that the passage of your SOI through to acceptance by Waitomo District Council will be more efficient and effective.
- 1.2 The Board and Inframax must be mindful that Waitomo District Council (Council) is accountable to its community and that the affairs of Inframax, positive and negative, can impact on Council. It is expected that the Board and Inframax will keep Council advised of any issues that may generate public interest – this is referred to as the 'no surprises' approach.

STATEMENT OF INTENT 2021/22

- 2.1 Council expects that Inframax will treat the SOI as more than a strict compliance document and will aim for best practice. This will entail a SOI covering more than the statutory minimum requirements. As the 100% shareholder, Council is particularly interested in financial stability and profitability.
- 2.2 The SOI must meet the requirements set out in the Local Government Act 2002. Council wishes to support the company in delivering a good SOI.
- 2.3 The general expectations for Inframax are as follows:
 - 1 The SOI must include a complete set of high level prospective financial statements for at least three years (preferably five years) i.e. Statement of Comprehensive Income, Statement of Financial Position and Cash-flow Statement.
 - 2 The SOI must disclose measures such as Earnings before interest, tax, depreciation and amortisation (EBITDA) and balance sheet ratios where applicable.
 - 3 The SOI must fully comply with Schedule 8 of the Local Government Act 2002 (LGA).
 - 4 Dividends are to be disclosed along with the dividend pay-out policies. Where dividends are not increasing over time, then an explanation should be provided. E.g. increased capital expenditure.
 - 5 Capital expenditure and asset management intentions should be included.
 - 6 Inframax should use the same information for both managing the business and reporting through to the shareholders i.e. the information used for setting and reporting against for the SOI should overlap and be a subset of the information used for internal reporting.
 - 7 SOI and other reports should be in a plain style, concise, relevant, accessible and focused on meeting the needs of the Council and the community they represent. The use of graphs, tables and charts is expected to convey both financial and non-financial information along with trends (past, current and future numbers).

- 8 To be effective, the SOI must disclose the performance story for Inframax, providing a clear and succinct understanding of the purpose, the goods and services it delivers and what success looks like.
- 9 The main aspects of the SOI performance story are:
- 1 Strategic context
 - 2 Specifying and presentation of the outcomes framework
 - 3 Main measures and targets, outcomes and objectives
 - 4 Linking the strategy outputs and performance measures together to provide a comprehensive view of the Boards vision.
- 10 **Risk Management** - Council would like to understand better in the SOI how the Board is considering and managing risks, including natural hazards and climate change.
- 11 **Sustainability** – Council wishes to gain a better understanding from the SOI, how the Board is addressing sustainability including carbon emissions and waste minimisation.
- 12 **Health and Safety** - given the Health and Safety at Work Act 2015 (the Act), it is appropriate for the Council to set out its expectations in relation to Health and Safety.
- Under section 44(3) of the Act elected members do not have a duty to exercise due diligence to ensure that any CCO complies with its duties or obligations under the Act unless that member is also an officer of that CCO.
 - However, as a key funder it is still appropriate to set out expectations of Health and Safety management. Council expects the Board to set appropriate Health and Safety strategy and policy, understand the nature of risks/hazards within the business, monitor performance and activities to ensure risk is being managed and review H&S systems and performance.
- 13 **Governance Performance** - in order to aid Council when making decisions on Board remuneration and appointments, the Board should undertake regular evaluation of its own performance:
- Council expects these reviews to be carried out at least once every eighteen months,
 - The Chair of the Board should reference this evaluation when making recommendations.
- 14 **Community Consultation** -Before making a decision that may significantly affect land or a body of water, Inframax must take into account the relationship of Māori and their culture and traditions with their ancestral land, water, sites, wāhi tapu, valued flora and fauna, and other taonga. This is a new provision in the LGA effective from 22 October 2019.
- 15 **Communication** - communication is more than formal reporting. It means two-way dialogue and a commitment to sharing strategic priorities and

objectives. It also means responding promptly and appropriately on issues raised. Council's expectations around regular reporting include:

- Six monthly reporting and governance meetings between the Board and Council's Audit Risk and Finance Committee to allow progress against agreed outcomes to be measured as per the SOI.
- Informal briefing meetings convened every two months, hosted by the Board and attended by Council nominated elected members to support governance relationships.
- Other meetings at an operational level as required, to support financial and non-financial reporting obligations under the LGA, the Financial Markets Conduct Act 2013 and any other relevant legislation or regulation, and to enable the sharing of information and ensure the 'no surprises' approach is effective.

2.4 There are also some specific expectations in relation to Inframax Construction Limited this year, they are as follows:

- 1 Increase the Equity ratio towards the target of 60%
- 2 Achieve an EBITDA of greater than \$2 million
- 3 Provide support to 4 Local activities in the Waitomo District
- 4 Maintain ISO 9001 and ISO 45000 Accreditation
- 5 Ensure all conditions of a Resource Consent are complied with when undertaking any activities associated with a resource consent.

Document No: A497837

Report To: Council



Meeting Date: 24 November 2020

Subject: Progress Report: 30 September 2020

Type: Information Only

Purpose of Report

- 1.1 The purpose of this business paper is to provide an overall briefing Progress Report for the period ended 30 September 2020.
- 1.2 A copy of the Progress Report for the period ending 30 September 2020 is attached and forms part of this business paper.

Background

- 2.1 Each quarter, progress reports are prepared to provide high level updates of Council's activities for elected members. The progress report includes:
 - Providing progress on Council's activities (quarterly progress reports);
 - Council's budget (quarterly financial reporting); and
 - How Council is delivering against the service performance measures (quarterly non-financial reporting).

Commentary

- 3.1 The period covered by this progress report is 1 July 2020 to 30 September 2020.
- 3.2 **FORMAT**
- 3.3 The form of the briefing progress report in its new format is to provide Council with a holistic overview of Council's activities including progress against performance measures, allocated budgets and key work programmes/projects.
- 3.4 **BENEFITS**
- 3.5 It is expected that the briefing progress report:
 - Will improve the usefulness of information being provided;
 - Is aligned with the format of the 10 Year Plan;
 - Provides a line of sight between the 10 Year Plan and the work being delivered; and
 - Is easier to read and more transparent for our community.

3.6 **STRUCTURE OF THE REPORT**

3.7 The structure of this new format progress report is as follows:

1 SUMMARY

Where appropriate, a graphical representation of financial and non-financial progress is outlined to provide an overview of how the organisation is delivering.

2 FINANCIAL REPORTING

Financial Summary including:

a) Summary Income Statement

Including comments detailing significant variances to budget for the period ended 30 September 2020.

b) Summary Balance Sheet

Including comments detailing significant balance sheet movements to 30 September 2020.

c) Capital Expenditure

Summary of expenditure for the period compared with the full year budget (including carryovers).

d) Treasury Management Highlights

Sets out the Public Debt position and significant treasury transactions. Detailed treasury information is included the Bancorp Treasury Report which is attached to and forms part of this business paper.

e) Rates Receivable

A summary of rates receivables and collection progress.

f) Cost of Service Statements

Summary of Cost of Service Statements for each of the Significant Activities.

3 GROUPS OF ACTIVITIES (GOA)

Progress reporting on the Significant Activities including:

a) Description of the GOA:

Brief overview of the GOA and activities to ensure quarterly reporting is aligned with the 10 Year Plan.

b) Community Outcomes:

Graphic representation of the community outcomes each GOA contributes to.

c) **Programme:**

A briefing on programme delivery. The update also includes a brief description of projects, the status of a project and the progress made during the quarter.

d) **Service Performance Measures:**

Provides how the measure is tracking with explanatory commentary.

e) **Cost of Service Statement for each GOA:**

Provides the Cost of Service Statements and Capital Expenditure for the GOA and activities.

Suggested Resolution

The Progress Report for the period ending 30 September 2020 be received.

TERRENA KELLY

GENERAL MANAGER – STRATEGY AND ENVIRONMENT

ALISTER DUNCAN

GENERAL MANAGER – BUSINESS SUPPORT

13 November 2020

Attachments:	1. Progress Report for the period ending 30 September 2020 (A495151)
	2. Bancorp Treasury Report for the quarter ended 30 September 2020 (A498068)

PROGRESS REPORT

FOR THE PERIOD ENDING 30 SEPTEMBER 2020



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INTRODUCTION

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

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

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

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

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

Keys

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

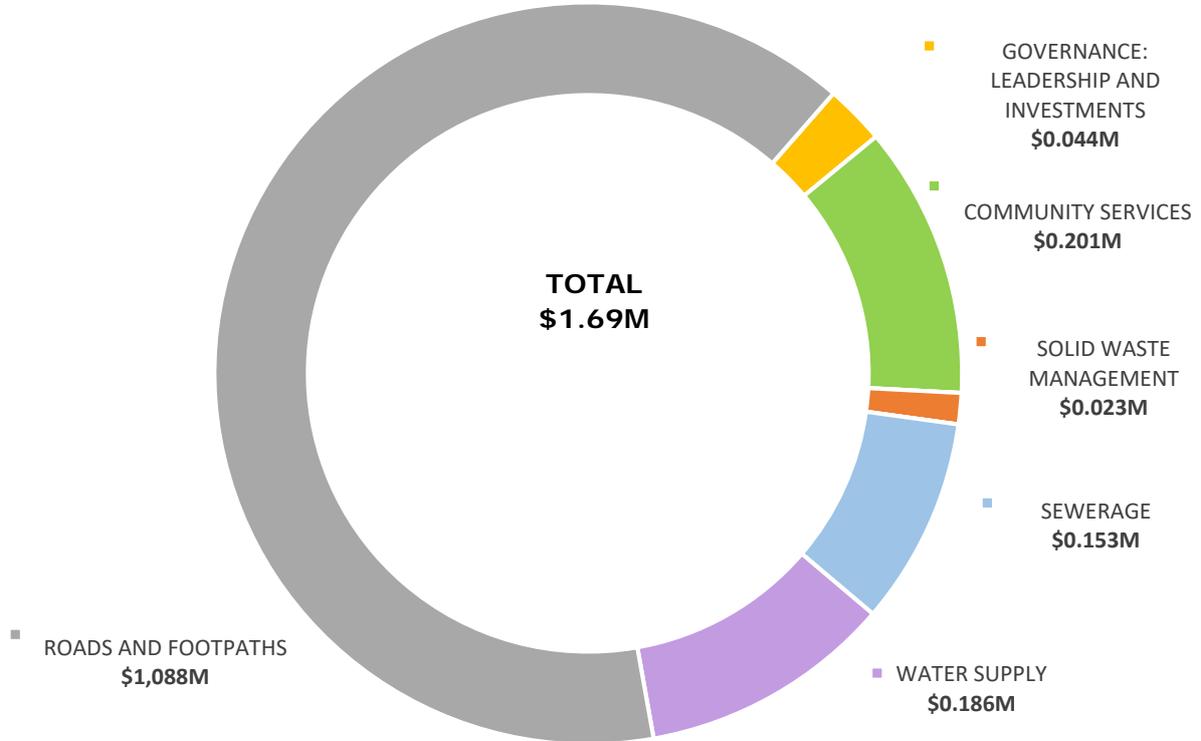
Project/ Programme status	
	Suggests that risks are present that require the intervention of the project team to resolve in order to deliver the project successfully.
	Usually indicates that there are issues and potential risks that may get the project schedule off track and need early intervention to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

Performance Measure Status

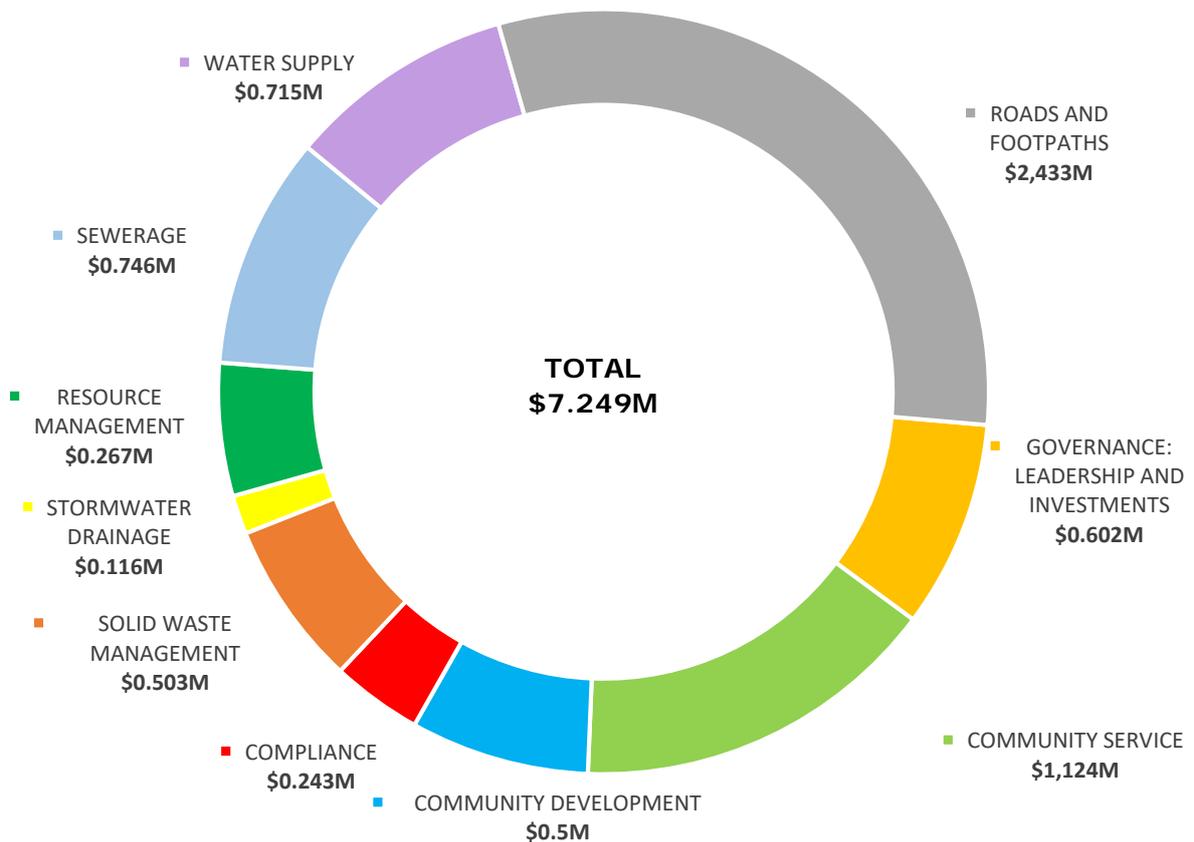
 Not Achieved	 Off track	 Achieved	 On track	 Data not available
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SUMMARY

CAPITAL EXPENDITURE SUMMARY AS AT 30 SEPTEMBER 2020

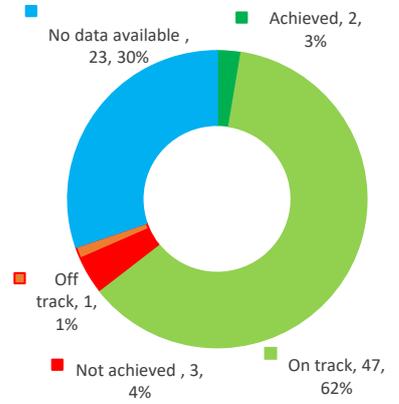
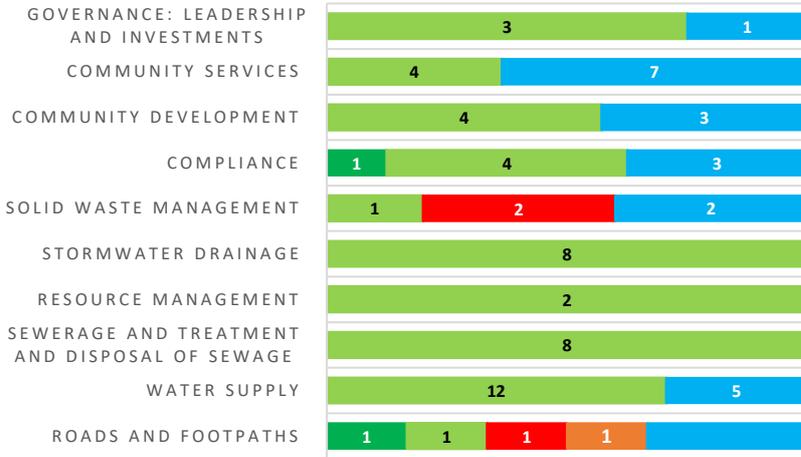


OPERATIONAL EXPENDITURE SUMMARY AS AT 30 SEPTEMBER 2020



SERVICE PERFORMANCE SUMMARY 30 SEPTEMBER 2020 Q1

■ Achieved
 ■ On track
 ■ Not achieved
 ■ Off track
 ■ No data available



FINANCIAL REPORTING

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

INCOME STATEMENT HIGHLIGHTS

Set out below is the summary of financial information for the period ended 30 September 2020 (Detailed Cost of Service Statements can be found within each Group of Activities).

FINANCIAL HIGHLIGHTS (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	Budget YTD Sep 2020	Actual Sep 2020	Variance Sep 2020	% Variance
Total Expenditure						
- Direct Operating	15,832	18,888	4,850	3,954	(896)	
- Indirect Operating	12,701	13,161	3,282	3,295	13	
Total Expenditure	28,533	32,049	8,132	7,249	(883)	-11%
Total Revenue						
- Operating Revenue	(12,967)	(14,166)	(3,547)	(2,895)	652	
- Rates Revenue	(20,183)	(20,854)	(5,143)	(5,141)	2	
Total Revenue	(33,150)	(35,020)	(8,690)	(8,036)	654	-8%
Net (Surplus)/Deficit	(4,617)	(2,971)	(558)	(787)	(229)	41%
Other Comprehensive Revenue and Expense						
- Revaluation of Property, plant and equipment	16,004	4,291	0	0	0	
- Gains)/Losses from Cash Flow Hedges	(420)	0	0	0	0	
- Revaluation of available for sale assets	(2,610)	0	0	0	0	
Total Other Comprehensive Revenue and Expense	12,974	4,291	0	0	0	
Total Comprehensive Revenue and Expense	8,357	7,262	(558)	(787)	(229)	41%

Net Operating Surplus: The net operating surplus of \$787,000 was \$229,000 more than budget for the period ended 30 September 2020. **Total**

Expenditure was \$883,000 less than budget for the period ended 30 September 2020.

- **Roads and Footpaths:** \$192,000 less as expenditures for Sealed and Unsealed Pavement Maintenance, Professional services and Roding Business Unit (RBU) costs were less than budget.
- **Resource Management:** \$171,000 less as legal and consultants fees for the District Plan Review were less than budget due to timing of this project.

- **Community Services:** \$117,000 less than budget mostly for repairs and maintenance and materials and supplies.

Total Revenue was \$654,000 less than budget for the period ended 30 September 2020.

- **Roads and Footpaths:** \$625,000 less than forecast as the operating and capital expenditures were less than budget, and therefore the associated subsidy revenue is also below budget.
- **Solid Waste Management:** \$44,000 less as landfill revenue was less than forecast.

BALANCE SHEET HIGHLIGHTS

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

BALANCE SHEET HIGHLIGHTS (Amounts in \$000's)	Actual Position 30 Jun 2020	Actual Position 30 Sep 2020	Movement from 30 Jun 2020
Assets			
- Cash and cash equivalents	4,243	2,944	(1,299)
- Receivables	4,138	4,715	577
- Other current assets	133	133	0
- Other financial assets	9,355	9,397	42
- Other non current assets	362,637	362,734	97
TOTAL ASSETS	380,506	379,923	(583)
Liabilities			
- Other Liabilities	4,794	4,384	(410)
- Total Borrowings	37,260	36,300	(960)
- Derivative financial instruments	2,941	2,941	0
Total Liabilities	44,995	43,625	(1,370)
Equity			
- Equity	335,511	336,298	787
TOTAL LIABILITIES AND EQUITY	380,506	379,923	(583)

Total Assets have decreased from \$380.5 million to \$379.9 million.

- Cash and cash equivalents have decreased by \$1,299,000 from \$4,243,000 to \$2,944,000. Surplus cash was utilised during the period to reduce external borrowing.
- Receivables increased by \$577,000 since 30 June 2020 from \$4.14 million to \$4.72 million mostly due to an increase in NZTA subsidy receivable at 30 September offset by reductions in GST receivable and dog registration and metered water debtors.
- Other financial assets increased \$42,000 from \$9,355,000 to \$9,397,000 due to an increase in borrower notes.

- Non-current assets have increased by \$97,000. The increase is due to the net effect of asset additions of \$1,695,000 less depreciation of \$1,598,000.

Total Liabilities decreased from \$45.00 million to \$43.63 million.

- Other Liabilities decreased by \$410,000 due to a general decrease in Payables at 30 September 2020 compared to June 2020.
- Total Borrowings decreased by \$960,000 from \$37.26 million to \$36.30 million.

Total equity increased by \$787,000 to \$336.30 million, which was the total comprehensive revenue and expense for the period.

CAPITAL EXPENDITURE

Set out below is the full year Capital Expenditure budget for the year compared to actual expenditure for the period ended 30 September 2020.

CAPITAL EXPENDITURE SUMMARY (Amounts in \$000's)	EAP 2020/21	EAP 2020/21 plus Prior Years Carryovers	YTD Actual Sep 2020	Variance Actual to EAP 2020/21 plus Carryovers
Governance	723	1,447	44	(1,403)
Community Service	786	1,322	201	(1,121)
Solid Waste Management	1,181	1,700	23	(1,677)
Stormwater	133	133	0	(133)
Sewerage	378	679	153	(526)
Water Supply	1,046	1,217	186	(1,031)
Roads and Footpaths	6,968	11,222	1,088	(10,134)
TOTAL CAPITAL EXPENDITURE	11,215	17,720	1,695	(16,025)

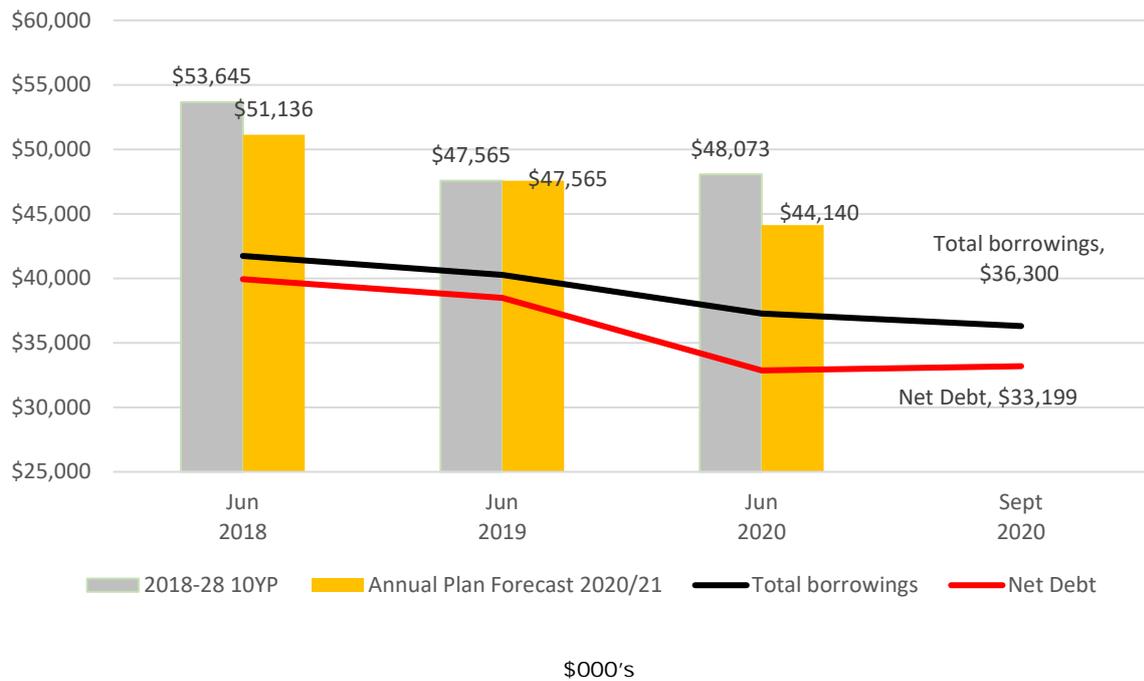
Capital Expenditure was **\$1.695 million** for the period ended 30 September 2020, of which \$1.088 million (64%) relates to Roads, \$201,000 (12%) relates to Community Services, and \$186,000 (11%) relates to Water Supply. Further detail on capital expenditure is found in each under each Group of Activities.

TREASURY MANAGEMENT HIGHLIGHTS

At 30 September public debt was \$36.30 million and net debt was \$33.2 million. At 30 June 2020 it was \$37.26 million and net debt was \$32.9 million.

Across the debt portfolio the effective interest rate applicable was **3.38%**, significantly less than the assumed interest rate used in the EAP 2020/21 or 2018-28 10YP. (The rate excludes credit facility fee applicable to the Westpac call Advance Facility).

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



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

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

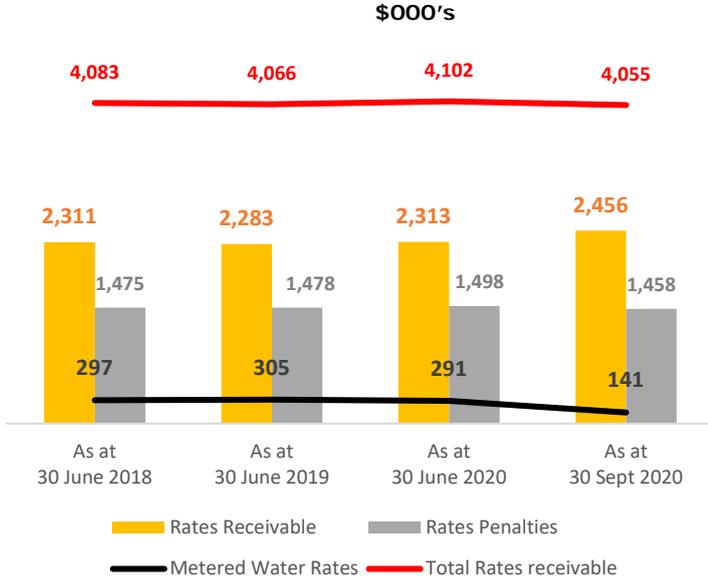
A standby credit facility with Westpac bank with a credit limit of \$10 million is in place. At report date none of this facility was drawn from.

For more details of Council's public debt and the positions of Council's financial risk minimisation strategies in relation to debt please refer to the Bancorp Treasury Report for the quarter ended 30 September 2020, as attached.

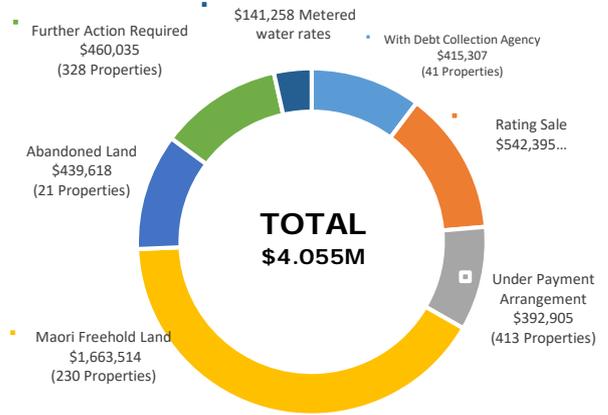
RATES RECEIVABLES

TOTAL RATES RECEIVABLE

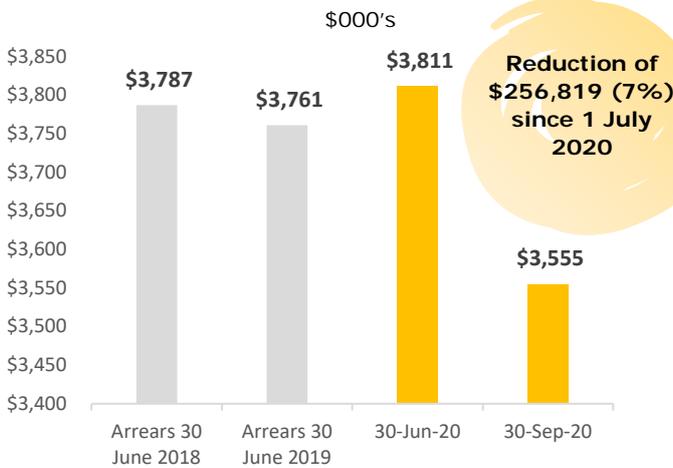
Set out below is the summary of Rates Receivables as at 30 September 2020.



RATES ARREARS SUMMARY AS AT 30 SEPTEMBER 2020



PREVIOUS YEARS RATES ARREARS SUMMARY*



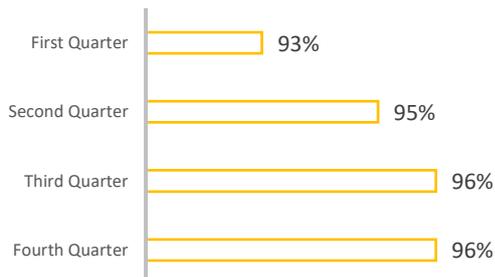
*excludes metered water rates

Progress: Debt collection action for most properties is currently on hold until the start of Q3. Final notices will be sent out in January 2021 requesting payment and any remaining unpaid accounts will be reviewed and then transferred to Council's external debt collection agency for recovery.

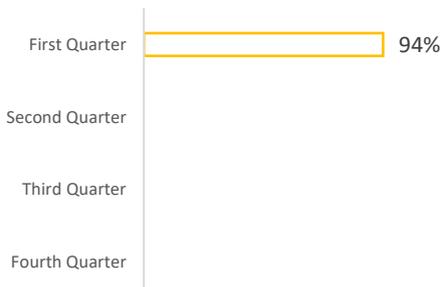
There is currently one property located in Ellis Road, Maniaiti / Benneydale being tendered under the Abandoned Land process. Tenders must be received by Debt Management Central by 4pm on Thursday 26th November 2020.

RATES INSTALMENT COLLECTION TRACKER

2019/20



2020/21



SUMMARY OF COST OF SERVICE STATEMENT

SUMMARY (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Sep 2020	YTD Actual Sep 2020	Variance Sep 2020	% Variance
Direct Operating Expenditure						
- Leadership	674	1,097	246	142	(104)	
- Community Services	2,289	2,602	737	620	(117)	
- Community Development	836	2,109	417	326	(91)	
- Compliance	231	311	76	37	(39)	
- Solid Waste Management	1,639	1,756	394	340	(54)	
- Stormwater Drainage	114	134	57	49	(8)	
- Resource Management	198	891	288	117	(171)	
- Sewerage	1,319	1,661	465	404	(61)	
- Water Supply	1,629	1,704	483	424	(59)	
- Roads and Footpaths	6,903	6,623	1,687	1,495	(192)	
Total Direct Operating Expenditure	15,832	18,888	4,850	3,954	(896)	-18%
Indirect Expenditure						
- Allocated Costs	5,246	5,627	1,397	1,337	(60)	
- Interest	1,435	1,426	357	360	3	
- Depreciation	6,020	6,108	1,528	1,598	70	
Total Indirect Expenditure	12,701	13,161	3,282	3,295	13	0%
TOTAL EXPENDITURE	28,533	32,049	8,132	7,249	(883)	-11%
Operating Revenue						
- Leadership	(672)	(582)	(62)	(44)	18	
- Community Services	(857)	(577)	(123)	(114)	9	
- Community Development	(31)	(34)	(7)	(1)	6	
- Compliance	(497)	(465)	(237)	(257)	(20)	
- Solid Waste Management	(22)	0	0	(8)	(8)	
- Stormwater Drainage	(303)	(165)	(41)	(42)	(1)	
- Resource Management	(1,382)	(1,551)	(388)	(344)	44	
- Sewerage	(992)	(821)	(211)	(218)	(7)	
- Water Supply	(31)	0	0	(14)	(14)	
- Roads and Footpaths	(8,180)	(9,971)	(2,478)	(1,853)	625	
Total Operating Revenue	(12,967)	(14,166)	(3,547)	(2,895)	652	-18%
Rates Revenue						
- General Rate	(4,496)	(5,280)	(1,320)	(1,322)	(2)	
- UAGC	(3,352)	(3,558)	(890)	(893)	(3)	
- Targeted Rate	(11,439)	(11,124)	(2,781)	(2,786)	(5)	
- Metered Water Rates	(896)	(892)	(152)	(140)	12	
Total Rates Revenue	(20,183)	(20,854)	(5,143)	(5,141)	2	0%
TOTAL REVENUE	(33,150)	(35,020)	(8,690)	(8,036)	654	-8%
Net (Surplus)/Deficit	(4,617)	(2,971)	(558)	(787)	(229)	41%

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

GOVERNANCE: LEADERSHIP AND INVESTMENTS | PROGRESS

WHAT WE DO

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

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

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

Annual Report 2019/20

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

Project Stage: Completed ●

Start date: 1 July 2020
End date: 27 October 2020

to ready access to property information for WDC's five thousand properties

Progress: The Building Consent collection has been completely digitised. The Resource Consent collection digitisation is due to commence in November 2020. Approximate proportions of total collection: Building Consents 55%: Resource Consents 45%.

Project Stage: Delivering ●
End date: 31 February 2021

2021-31 10 Year Plan Development Project

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

Progress: Context setting, strategic issue discussion and Levels of Service discussion have been undertaken. The next steps include review of key financial policies, financial strategy, infrastructure strategy, development of the Consultation Document and the budget development.

Project Stage: Delivering ●
End date: 30 June 2021

Phone System upgrade

Project Summary: Replacement of old non-supported phone system to a Mitel phone system.
Progress: Currently the virtual servers are being built.

Project Stage: Delivering ●
End date: 31 December 2020

Fibre Upgrade – remote locations

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

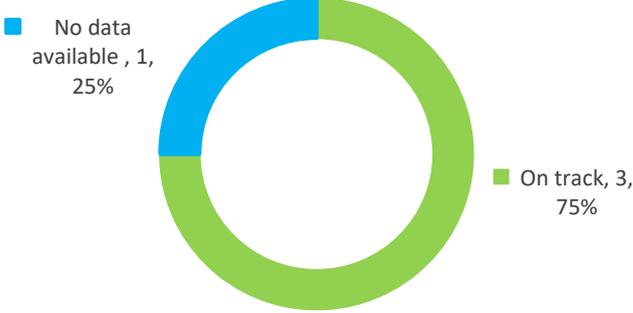
Progress: Fibre has been installed (not configured yet) on Queen Street. The iSITE has been transferred to fibre connections, and the Library will be upgraded next. Currently waiting for the civil works to be undertaken.

Project Stage: Delivering ●
End date: 31 March 2021

Digitisation Project

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

SERVICE PERFORMANCE MEASURES

You can expect	Measure	Target/Result	Q1	Commentary
<p>Governance: Leadership and Investments</p>  <p>■ No data available , 1, 25%</p> <p>■ On track, 3, 75%</p>				
Decision making in compliance with provisions of the Local Government Act 2002 (LGA).	Number of successful challenges to the decision making process.	Target: 0 Result: On track	●	No challenges to the decision making process as at end of Quarter 1.
Consultation is in accordance with the procedures outlined in LGA. Depending on the nature of the consultation, the procedure will either be the Special Consultative Procedure or a process that gives effect to the requirements of section 82 of the LGA.	Number of successful challenges to the decision making process.	Target: 0 Result: On track	●	No challenges to the decision making process as at end of Quarter 1.
Effective communication with the community.	Percentage of residents satisfied with the effectiveness and usefulness of Council Communications	Target: 90% Result: N/A	●	Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
Investments are managed prudently and in a manner that promotes the current and future interests of the community.	Analysis of investment financials and activity including investment company reporting statements are reported to Council and made available to the public as applicable.	Target: 2 reports per year Result: 1	●	One report received and on track to meet target.

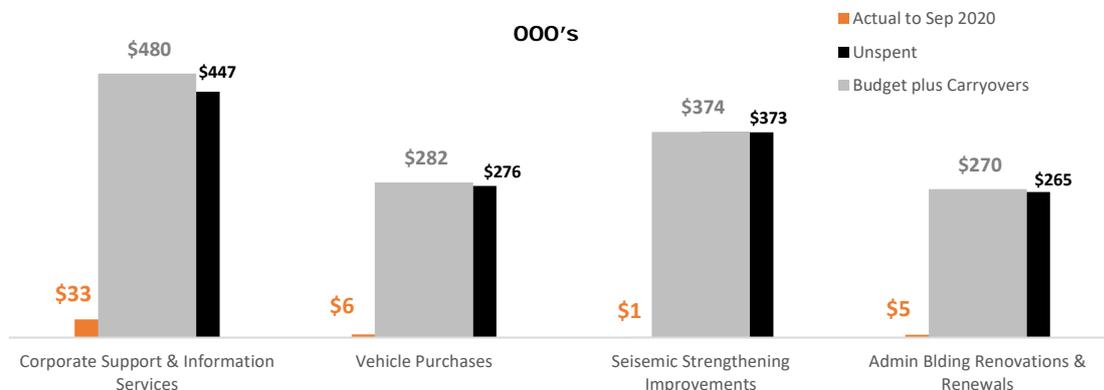
FINANCIAL UPDATE

OPERATING EXPENDITURE

GOVERNANCE: LEADERSHIP AND INVESTMENT (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Sep 2020	YTD Actual Sep 2020	Variance Sep 2020	Var %/ Note Ref
Direct Expenditure						
- Representation	350	445	111	86	(25)	A
- Planning & Policy & Monitoring	102	568	109	33	(76)	B
- District and Urban Development	0	0	0	0	0	
- Investments	94	82	26	23	(3)	
- Treasury Management and Overhead Accounts	128	2	0	0	0	
Total Direct Expenditure	674	1,097	246	142	(104)	-42%
- Allocated Costs	1,017	1,219	294	326	32	
- Interest	95	148	38	9	(29)	C
- Depreciation	502	539	135	125	(10)	
Total Operating Expenditure	2,288	3,003	713	602	(111)	-16%
Operating Revenue						
- Representation	(465)	(461)	(36)	(15)	21	D
- Investments	(87)	(108)	(20)	(24)	(4)	
- Treasury Management and Overhead Accounts	(120)	(13)	(6)	(5)	1	
Total Operating Revenue	(672)	(582)	(62)	(44)	18	-29%
Net Operating Cost/(Surplus)	1,616	2,421	651	558	(93)	-14%

Variance comments:

- A Representation activity expenditure for elected members' remuneration was less as the budget includes remuneration for RMA Commissioners for the District Plan hearings. The District Plan hearings are now expected to be in the 2021/22 year.
- B Planning, Policy and Monitoring activity expenditure budgets for consultancy and risk management were not spent in the first quarter.
- C Interest expense on the floating rate note for Investments activity borrowing was significantly less than the interest assumed in the budget.
- D Rates penalties revenue was less as the first instalment penalty charged in September was reduced to 4% of the outstanding instalment.



Total expenditure for Q1 was \$44,000 against a full year budget (including carryovers) of \$1.45 million. Refer to projects and programme updates section for progress on key capital projects.

COMMUNITY SERVICES | PROGRESS

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

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

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

Lease Agreements

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

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

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

BAU | Ongoing

Te Kuiti Aerodrome

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

Progress: This project is currently being scoped and planned. A progress update will be provided once this planning is completed.

Project Stage: Scoping
Esplanade Reserves: Mokau

Project Summary: Maintaining beach access points in Mokau. This project is currently in the planning phase.

Progress: The contractor for project delivery has been notified to proceed.

Project Stage: Implementing

End date: 31 December 2020

Piopio Hall

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

Project Stage: Planned to commence

Start date: 2 November 2020

End date: 15 December 2020

Public Toilet Counters

Project: Information gathering initiative.

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

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

Location of Public Toilet	Date	Count
	16/10/2020	433

BAU | Ongoing 

Mokau Peak Season Temporary Toilet Facilities

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

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

Project Stage **Completed** 

Te Maika Jetty

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

Progress: In late September 2020 the existing timber and concrete main jetty was removed and replaced with marine grade timber and new concrete deck along with new marine grade timber handrailing. The retaining wall along the high tide line and aims to protect the shore from stormy seas and large swells. This work has now been completed and no further work will be required on this jetty for many years.

Project Stage **Completed** 

Motakiora / Brook Park Tree Planting

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

The drone spraying will be undertaken in November 2020. A further update will be provided in Q2. The trees are being planted in autumn of 2021.

Progress: The funding agreement was signed 28th July 2020. The trees have been ordered.

Project Stage **Planning** 

Civil Defence

Programme Summary: WDC provides Civil Defence and Emergency Management functions for the District as required by the Civil Defence and Emergency Management Act 2002. Emergency Management activities are assisted by the Emergency Management Operations Manager and Emergency Management Coordinator employed by Waipā District Council to provide a shared service arrangement for Waitomo, Waipā and Ōtorohanga District Councils; jointly operating and collaborating as the Western Waikato Emergency Operating Area (WWEOA).

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

Progress:

Reduction – No reduction activities were undertaken during the first quarter due to the COVID-19 response.

Readiness – Local Controllers and Welfare Managers have conducted a series of workshops to discuss readiness in regard to a resurgence response for COVID-19 and in particular the engagement with Iwi partners.

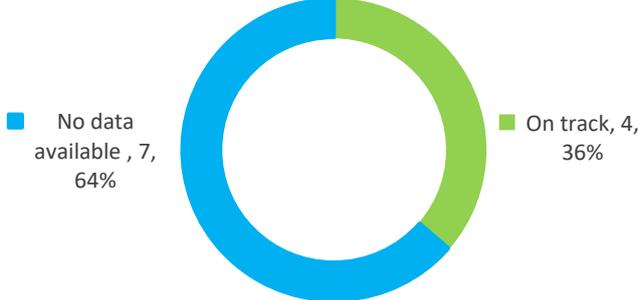
Foodbanks were heavily relied upon during the initial COVID-19 response and this has been reflected in \$1.8 million dollars being provided by the Ministry of Social Development to foodbanks in the Waikato, including the Western Waikato area.

Response – In late September 2020 two severe weather systems passed through Western Waikato, predominantly centred in the Waitomo District, classified respectively as a 'weather watch' and 'water warning' by MetService. Minor surface flooding was experienced in Awakino.

Recovery – Discussions have been held and continue to be held with the majority of Iwi partners lead from the Group Emergency Management Office (GEMO). The mayors of Waitomo, Waipā, Ruapehu and Ōtorohanga Districts have met with Maniapoto Māori Trust Board (MMTB) to discuss potential opportunities to partner in recovery activities.

BAU | Ongoing 

SERVICE PERFORMANCE MEASURES

Community Services	Overall result for GOA (as at 30 September 2020)			
	 <p data-bbox="587 434 746 517">■ No data available, 7, 64%</p> <p data-bbox="1082 434 1225 488">■ On track, 4, 36%</p>			
You can expect	Measure	Target/Result	Q1	Commentary
High quality Parks and Reserves will be provided.	Percentage of residents satisfied with the quality of Parks and Reserves.	Target: ≥ 80% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
Provision and maintenance of Elderly Persons Housing that meets the needs of the tenants.	Percentage of tenants satisfied with the provision and maintenance of Elderly Persons Housing.	Target: > 80% Result: N/A		Performance will be reported in Q4 when the Elderly Persons Housing is undertaken.
Quality public amenities will be provided.	Percentage of residents satisfied with the quality of public amenities (Public Toilets and Cemeteries).	Target: ≥ 85% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
Provision of effective pool facilities for the community.	Percentage of residents satisfied with the quality of the pool facilities and service.	Target: ≥ 80% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
Provision of effective Arts and Culture facilities for the community.	Provision of effective Arts and Culture facilities for the community.	Target: ≥ 80% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
Council's public facilities are provided to standards of fitness for use.	Current Building Warrant Of Fitness (BWOFF) for facilities with compliance schedules.	Target: 100% Result: 100%		All BWOFF's have been received and are current.
Pool is safe for use of pool patrons at all times.	Pool accreditation in place.	Target: 100% Result: 100%		Poolsafe accreditation is in place until 31/03/2021.
	Number of pool non complying water quality readings per year.	Target: < 2 Result: 0		Compliant water reading for September 2020. Readings for July and August 2020 not undertaken as complex closed and pool empty.

You can expect	Measure	Target/Result	Q1	Commentary
Community education and information provided to build community awareness and preparedness.	The number of residents who understand the need to plan for the ability to survive on their own for 3 days if there was an emergency event.	Target: ≥ 75% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021)
WDC is resourced and staff trained to a level sufficient to efficiently operate the Civil Defence Headquarters during an emergency.	One major training exercise involving Civil Defence HQ staff will be held per year.	Target: One exercise per year Result: N/A		Will be reported when completed within the year. Planning is currently underway.
Playground equipment is safe to use for parks and reserves playground users.	Number of accidents directly attributable to playground equipment failure.	Target: Nil Accidents Result: On track		No service requests or incident reports received.

FINANCIAL UPDATE

OPERATING EXPENDITURE

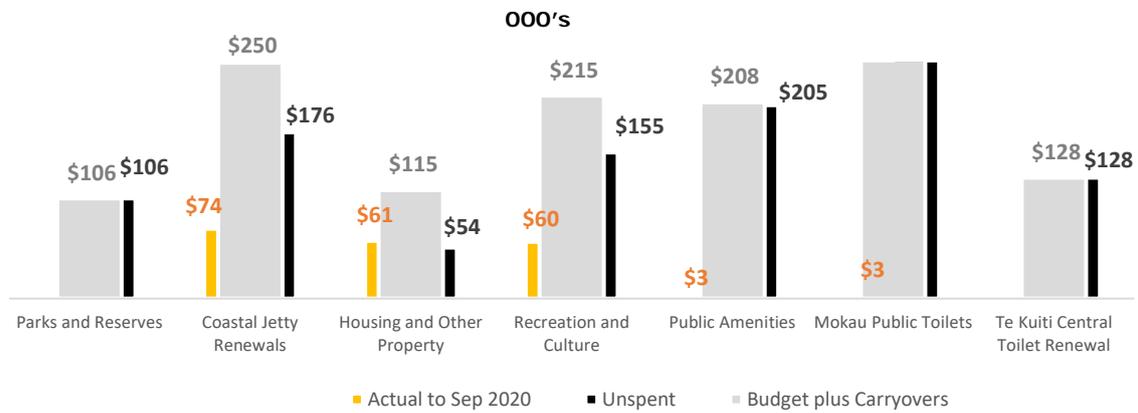
COMMUNITY SERVICE (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Sep 2020	YTD Actual Sep 2020	Variance Sep 2020	Var % Note Ref
Direct Expenditure						
- Parks and Reserves	481	591	134	115	(19)	A
- Housing and Other Property	502	467	255	240	(15)	B
- Recreation and Culture	543	616	124	90	(34)	C
- Public Amenities	665	804	194	149	(45)	D
- Safety	98	124	30	26	(4)	
Total Direct Expenditure	2,289	2,602	737	620	(117)	-16%
- Allocated Costs	867	999	250	244	(6)	
- Interest	102	112	28	28	0	
- Depreciation	926	980	245	232	(13)	
Total Operating Expenditure	4,184	4,693	1,260	1,124	(136)	-11%
Operating Revenue						
- Parks and Reserves	(62)	(23)	(6)	(15)	(9)	E
- Housing and Other Property	(384)	(329)	(82)	(65)	17	F
- Recreation and Culture	(104)	(147)	(22)	(21)	1	
- Public Amenities	(307)	(78)	(13)	(13)	0	
Total Operating Revenue	(857)	(577)	(123)	(114)	9	-7%
Net Operating Cost/(Surplus)	3,327	4,116	1,137	1,010	(127)	-11%

Variance comments:

- A Parks and Reserves budgets for repairs and maintenance and materials and supplies were not fully spent for the period.
- B Housing and Other Property activity expenditure was less for building repairs and maintenance.
- C Recreation and Culture activity expenditure was less for library software licences, electricity and gas, and repairs and maintenance for the period.
- D Public Amenities expenditure was also less during the period for building repairs and maintenance and other minor repairs.
- E Parks and Reserves revenue was more than forecast as a grant was received from Ministry of Primary Industries for the Brook Park mixed native tree planting project.

F Housing and Other Property revenue was less than forecast. Included in the revenue budget is a capitation fee from a commercial licensee that is based on the volume of visitor numbers, as the number of visitors to the area have reduced due to the impact of the pandemic, associated revenue has also decreased.

CAPITAL EXPENDITURE



Total expenditure for Q1 was \$0.2 million against a full year budget (including carryovers) of \$1.32m. Refer to projects and programme updates section for progress on key capital projects.

COMMUNITY DEVELOPMENT | PROGRESS

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

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

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

Vibrant Safe Waitomo (VSW)

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

Progress: The 12-month Action Plan is currently being implemented with progress reporting against the actions presented via monthly meetings.

BAU| Ongoing 

Youth Liaison/ Waitomo District Youth Council

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

Progress: The Waitomo District Youth Council (WDYC) was formally inducted on 16 June 2020 and continue to deliver the activities and promotions as outlined in the WDYC Work Programme.

BAU| Ongoing 

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

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

Progress: The Agreement with Local Government New Zealand was finalised in November 2020. Arrangements for delivery of the programme are being finalised.

Project Stage: **Delivering** 

Start date: 1 November 2020

End date: 30 June 2021

Novice Driving Training Programme

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

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

Progress: A total of 15 learner licences, 14 restricted licences and 6 full driver licences have been successfully attained between July and September 2020.

Project Stage: Delivering 

Start date: 1 July 2020

End date: 30 June 2021

Community Development Fund Policy

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

Progress: Three grants rounds have been administrated between July and September 2020. 23 applications were received, with 18 applicants being successful in receiving funding allocation.

BAU | Ongoing 

Community / Civic Events

Programme Summary: This programme of work includes the Citizens Awards, Mayor's Taskforce for Jobs Awards, Citizenship Ceremony, the Great NZ Muster and Te Kuiti Christmas Parade.

Progress: The dates for the Waitomo District Christmas Parade and the 2021 Muster have been confirmed. The MTFJ Awards were held on 12 November 2020. At its meeting of 29 September 2020, Council approved the deferment of the Waitomo District Citizens Awards Ceremony to May/June 2021.

Ordinarily taking the Oath and receiving one's Citizen Certificate at a Citizenship Ceremony is the final stage in a person's journey to becoming a New Zealand citizen. Due to the COVID-19 pandemic, on Friday 20 March 2020 the Minister of Internal Affairs temporarily waived the requirement for new citizens to attend citizenship ceremonies and no new ceremonies will be scheduled in 2020. Ceremonies are expected to resume in 2021.

Currently, the Department of Internal Affairs is issuing Citizenship Certificates directly to all applicants who have been approved for a grant of citizenship and are affected by the cancellation of citizenship ceremonies.

BAU | Ongoing 

SERVICE PERFORMANCE MEASURES

Overall result for GOA (as at 30 September 2020)				
<div style="display: flex; align-items: center;"> <div style="background-color: #f4a400; padding: 10px; margin-right: 10px; text-align: center;"> Community Development </div> <div style="text-align: center;"> <p>■ No data available, 3, 43%</p> <p>■ On track, 4, 57%</p> </div> </div>				
You can expect	Measure	Target/Result	Q1	Commentary
Provide assistance for community support activities.	Advertisement and administration of all WDC Funding Rounds as per the Community Development Fund Policy.	Target: 100% Compliance Result: 100% in Q1	●	<ul style="list-style-type: none"> Discretionary Grant Round 1 Community Partnership DC Tynan Trust
Support the positive development of youth within the District.	Youth Council meet with Council once per year.	Target: 1 per annum Result: N/A	●	Performance will be reported in Q4
	Youth Council undertakes two youth related projects per year.	Target: 2 per annum Result: 1	●	<ul style="list-style-type: none"> Arts Competition Art Exhibition in collaboration with VFM is currently underway
Council will support major District events that build community pride and raise the District's profile.	Council provide support for major district events.	Target: 2 per annum Result: 0	●	<ul style="list-style-type: none"> The Waitomo District Christmas Parade will be held on 27 November 2020. The Great NZ Muster will be held on 10 April 2021.
Provision of comprehensive library facilities for the community.	Percentage of residents satisfied with the quality of the library facilities and service.	Target: ≥ 85% Result: N/A	●	Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
Council will encourage and support sustainable economic development opportunities within the District.	Enhance the promotion of the District with the support of Hamilton Waikato Tourism through taking up District promotion opportunities in key publications and industry events.	Target: > 4 promotion opportunities taken up Result: N/A	●	Performance will be reported in Q3.
	Involvement in economic development initiatives alongside Waikato means business.	Target: 1 initiative per annum Result: N/A	●	Performance will be reported in Q4.

FINANCIAL UPDATE

OPERATING EXPENDITURE

COMMUNITY DEVELOPMENT (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Sep 2020	YTD Actual Sep 2020	Variance Sep 2020	Var % Note Ref
Direct Expenditure						
- Community Support	689	1,798	306	274	(32)	A
- District Development	147	311	111	52	(59)	B
Total Direct Expenditure	836	2,109	417	326	(91)	-22%
- Allocated Costs	755	765	191	171	(20)	
- Depreciation	13	13	3	3	0	
Total Operating Expenditure	1,604	2,887	611	500	(111)	-18%
Operating Revenue						
- Community Support	(10)	(2)	0	0	0	
- District Development	(21)	(32)	(7)	(1)	6	
Total Operating Revenue	(31)	(34)	(7)	(1)	6	-86%
Net Operating Cost/(Surplus)	1,573	2,853	604	499	(105)	-17%

Variance comments:

- A Expenditure for the Community Support activity is less than budget largely due to timing of grant expenditure.
- B Expenditure for the District Development activity, incorporating district and regional promotion and Visitor Information Centre, was less than budget for the period.

COMPLIANCE | PROGRESS

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

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

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

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

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

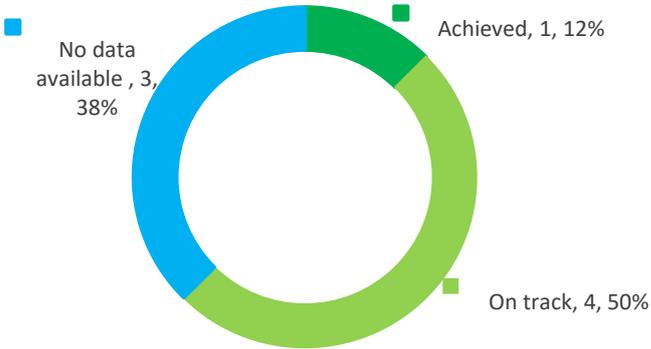
The work programmes in the Compliance Group are statutory in nature and 'business as usual' to comply with Council's legislative requirements. Progress reporting on the programme of work will be undertaken on an exceptions basis.

At this stage all programmes of work are progressing well and there are no significant exceptions to report.

Swimming pools continue to be inspected, with the program slightly delayed due to the COVID-19 pandemic lock down period. The Earthquake Prone Building work programme is progressing, with initial profiling of buildings have been completed and the review is underway.

BAU | Ongoing 

SERVICE PERFORMANCE MEASURES

Compliance	Overall result for GOA (as at 30 September 2020)			
	 <p>■ No data available, 3, 38%</p> <p>■ Achieved, 1, 12%</p> <p>■ On track, 4, 50%</p>			
You can expect	Measure	Target/Result	Q1	Commentary
All food and liquor retail premises will be inspected and appropriately registered and licensed.	Percentage of food and alcohol premises that are licensed or registered.	Target: 100% Compliance Result: 100% for Q1		100% compliance achieved for Q1.
Provision of an effective environmental health service for the community.	Percentage of residents satisfied with the provision of the Environmental Health Service.	Target: > 85% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
Building consents and project information memoranda (PIMs) processed within 20 working days.	Building consents and project information memoranda (PIMs) processed within 20 working days.	Target: 100% Result: 100% for Q1		100% of consents were processed within 20 working days for this period.
Council will process, inspect and certify building work in the Waitomo District.	WDC maintains building control systems and process to meet IANZ Audit requirements Target BCA Accreditation.	Target: BCA Accreditation achieved Result: Achieved		Accreditation achieved.
Provision of an effective building control service to the community.	Percentage of users satisfied with the provision of the Building Control Service.	Target: > 75% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
Council meets its obligations under the Dog Control Act 1996.	Percentage of Special Owner Status properties (SOPs) inspected per year.	Target: 100% Result: 0		No inspections have been undertaken this quarter, however this KPI is on track to achieve.
Provision of an effective Animal Control Service.	Percentage of residents satisfied with the provision of the Animal Control Service.	Target: ≥ 75% Result: N/A		Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
Dog Owners are well informed of their responsibilities and WDC Support.	Number of Dog/Owner Education initiatives.	Target: ≥ 2 Result: 0		This KPI is on track to achieve.

FINANCIAL UPDATE

OPERATING EXPENDITURE

COMPLIANCE (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Sep 2020	YTD Actual Sep 2020	Variance Sep 2020	Var % Note Ref
Direct Expenditure						
- Compliance	231	311	76	37	(39)	A
Total Direct Expenditure	231	311	76	37	(39)	-51%
- Allocated Costs	881	928	232	204	(28)	
- Depreciation	7	8	2	2	0	
Total Operating Expenditure	1,119	1,247	310	243	(67)	-22%
Operating Revenue						
- Compliance	(497)	(465)	(237)	(257)	(20)	B
Total Operating Revenue	(497)	(465)	(237)	(257)	(20)	8%
Net Operating Cost/(Surplus)	622	782	73	(14)	(87)	-119%

Variance comments:

- A Expenditure for contractors' costs for animal control, legal costs, WLASS Waikato Building Consent costs and District Licencing Committee were less than budget. Contractor cost variations generally relate to timing of receipt of invoices, and these costs are expected to be incurred in 2020/21, subject to any impacts of the COVID-19 Pandemic.
- B Building control revenue and alcohol licencing was more than budget for the period. Alcohol licencing revenue directly relates to the number of special licences and other licence types applied for during this period. It is noted that there are normal timing variations in relation to when applications are required to be renewed (i.e. managers certificates).

SOLID WASTE MANAGEMENT | PROGRESS

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

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

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

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

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

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

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

Landfill

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

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

Description	Tonnes Deposited Feb 2020	Tonnes Deposited Mar 2020	Tonnes Deposited April 2020	Tonnes Deposited May 2020	Tonnes Deposited June 2020	Tonnes Deposited July 2020	Tonnes Deposited Aug 2020	Tonnes Deposited Sep 2020
Deposited to Date	177,268.11	177,971.08	178,646.64	179,089.43	179,762.87	180,481.79	181,330.59	182,131.82
Total To Landfill	702.97	675.56	442.79	673.44	718.92	848.8	801.23	708.85
Tonnage Space Remaining	54840.55	54164.99	53722.2	53048.76	53329.84	51481.04	50679.81	49970.96

Diverted Material

- To date a total of 117.2 tons of recyclables has been diverted from the landfill for this financial year.
- To date a total of 380.7 tons of recyclables have been collected from kerbside collections this financial year.

Landfill Operation

Update [Contractual Reporting – 500/16/041](#)

Month	Score	%
July 20	390	98%
Aug 20	390	98%
Sept 20	390	98%

Update [Contractual Reporting – 500/16/038 – Kerbside And Recycling Collection Contract](#)

Month	Score	%
July 20	390	78%
Aug 20	460	92%
Sept 20	400	80%

SERVICE PERFORMANCE MEASURES

You can expect	How we measure performance	Target/Result	Q1	Commentary
<p>■ No data available, 2, 40% ■ On track, 1, 20% ■ Not achieved, 2, 40%</p>				
Provision of safe solid waste facilities within District.	Percentage of users that rate the safety of the facilities (landfill and rural transfer service stations) as satisfactory or better.	Target: ≥ 85 Result: N/A	●	Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
Provision of effective solid waste management services for the community.	Average number of complaints received per month regarding solid waste activities.	Target: ≤ 10 Result: 6.33	●	19 Complaints were received in Q1.
	Percentage of users satisfied with the provision of waste management facilities (Landfill and rural transfer stations).	Target: 80% Result: N/A	●	Performance will be reported in Q4 when the Resident Satisfaction Survey has been undertaken (Survey is expected to be completed by June 2021).
To work towards a waste minimisation outcome.	Percentage reduction per annum in quantity of recyclables (like paper and plastics) in bag collection that goes to landfill.	Target: 1.0% reduction Result: 0.6% increase	●	There was a 0.6% increase in recyclables found in kerbside rubbish bags in the 2020 waste audit to the 2018 waste audit. This may be due to lack of access, education or promotion around recycling.
	Percentage reduction per annum in quantity of organic waste (like food scraps) in bag collection that goes to landfill.	Target: 1.0% reduction Result: 4.7% increase	●	There was a 4.7% increase in food/organic waste found in kerbside rubbish bags in the 2020 waste audit compared to the 2018. Increasing amounts of food waste going to landfill is a national problem. Education and funding of initiatives will continue to address this issue.

FINANCIAL UPDATE

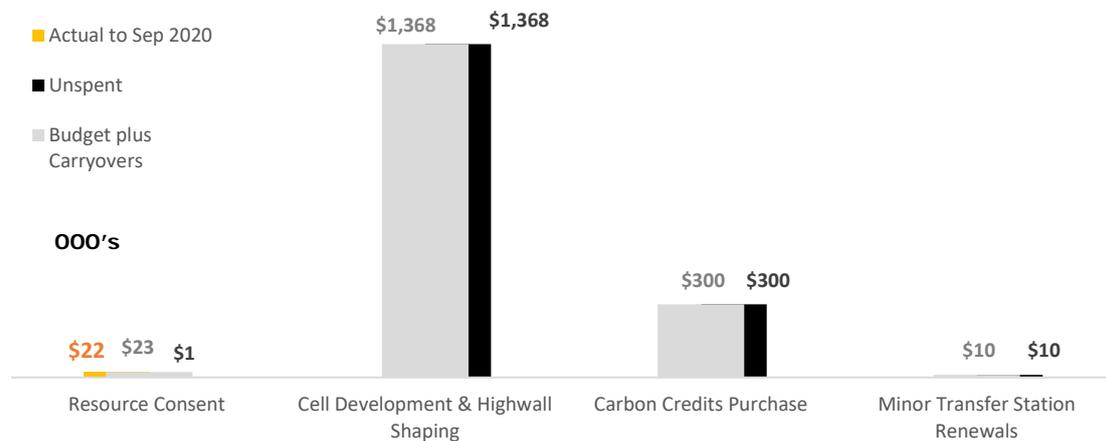
OPERATING EXPENDITURE

SOLID WASTE MANAGEMENT (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Sep 2020	YTD Actual Sep 2020	Variance Sep 2020	Var % Note Ref
Direct Expenditure						
- Collection	278	311	87	75	(12)	
- Landfill Management	1,361	1,445	307	265	(42)	A
Total Direct Expenditure	1,639	1,756	394	340	(54)	-14%
- Allocated Costs	404	462	116	103	(13)	
- Interest	154	154	38	37	(1)	
- Depreciation	86	81	20	23	3	
Total Operating Expenditure	2,283	2,453	568	503	(65)	-11%
Operating Revenue						
- Collection	(135)	(147)	(37)	(37)	0	
- Landfill Management	(1,247)	(1,404)	(351)	(307)	44	B
Total Operating Revenue	(1,382)	(1,551)	(388)	(344)	44	-11%
Net Operating Cost/(Surplus)	901	902	180	159	(21)	-12%

Variance comments:

- A Landfill management costs are less than budget due to lower resource consent compliance expenditure, landfill operational costs and waste minimisation levy.
- B Revenue received at the landfill was less than budget due to a decrease in revenue from general refuse charges. This is partly offset by an increase in revenue from special waste disposal.

CAPITAL EXPENDITURE



Total expenditure for Q1 was \$23,000 against a full year budget (including carryovers) of \$1.7 million. Refer to projects and programme updates section for progress on key capital projects.

STORMWATER DRAINAGE | PROGRESS

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

The main activities of this group are:

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

COMMUNITY OUTCOMES

<p><i>Vibrant communities</i></p> 	<p><i>Thriving business</i></p> 	<p><i>Effective leadership</i></p> 	<p><i>Sustainable Infrastructure</i></p> 
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PROJECTS AND PROGRAMME UPDATES

Completion of Stormwater Catchment Plans

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

Progress: Consultant engaged Oct/Nov 2020

Project Stage: Planning 

Start date: Oct 2020

End date: March 2021



Completion of the annual renewal's programmes based on conditions assessment

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

Issue: Currently there is limited capacity with competing priorities.

Project Stage: Scoping / Planning 

Monitoring and maintenance of stormwater exit and entry points

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

Progress:

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

Project Stage: Delivering 

Start date: 2018

End date: 2021

SERVICE PERFORMANCE MEASURES

Overall result for GOA (as at 30 September 2020)				
Stormwater Drainage				
	■ On track, 8, 100%			
You can expect	Measure	Target/Result	Q1	Commentary
Stormwater drainage system is adequate and is sufficiently maintained.	The number of flooding events* that occur in the district in a financial year.	Target: 0 Result: 0	●	There have been no flooding events in this quarter.
	For each flooding event* the number of habitable floors affected in a financial year.	Target: ≤ 1 per 1000 connections Result: 0	●	There have been no flooding events in this quarter.
Compliance with resource consent conditions for discharge from the Council's urban stormwater system that relate to environmental effects.	Compliance with resource consents for discharge from its Stormwater system, measured by the number of the following (received by Council within a financial year):			
	abatement notices	Target: 0 Result: 0	●	There have been no notices received.
	infringement notices	Target: ≤ 2 Result: 0	●	There have been no notices received.
	enforcement orders	Target: 0 Result: 0	●	There have been no enforcement orders.
	successful prosecutions	Target: 0 Result: 0	●	There have been no successful prosecutions.
The Council responds to failures and request for service in a prompt and efficient way.	The median response time to attend a flooding event*, (measured from the time that the notification is received to the time that service personnel reach the site).	Target: ≤ 180 minutes (3hrs) Result: 0	●	There have been no flooding events in this quarter.
The Council provides a reliable stormwater collection service.	The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	Target: ≤ 4 complaints per 1,000 properties (2,056 connections) Result: 0	●	There have been no flooding events in this quarter.
<p>* 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.</p>				

FINANCIAL UPDATE

OPERATING EXPENDITURE

STORMWATER DRAINAGE (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Sep 2020	YTD Actual Sep 2020	Variance Sep 2020	Var % Note Ref
Direct Expenditure						
- Te Kuiti Stormwater	94	126	56	48	(8)	
- Rural Stormwater	20	8	1	1	0	
Total Direct Expenditure	114	134	57	49	(8)	-14%
- Allocated Costs	50	99	25	16	(9)	
- Interest	10	9	2	3	1	
- Depreciation	192	196	49	48	(1)	
Total Operating Expenditure	366	438	133	116	(17)	-13%
Operating Revenue						
- Te Kuiti Stormwater	(22)	0	0	(8)	(8)	A
Total Operating Revenue	(22)	0	0	(8)	(8)	0%
Net Operating Cost/(Surplus)	344	438	133	108	(25)	-19%

Variance comments:

A Connection fees were received for Te Kuiti.

CAPITAL EXPENDITURE



Total expenditure for Q1 was nil against a full year budget (including carryovers) of \$133,000. Refer to projects and programme updates section for progress on key capital projects.

RESOURCE MANAGEMENT | PROGRESS

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

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

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

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

At this stage all programmes of work are progressing well and there are no exceptions to report.

BAU| Ongoing

District Plan Review

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

The Proposed Waitomo District Plan (PDP) must be legally robust and provide guidance for long term resource management in the District and is inherently complex with many associated workstreams.

Project Stage: **Delivering**

Programme life: 6 years

Actual to date: 3 years

Progress: A number of draft chapters were workshopped with Council in September 2020.

- Future Urban Zone
- Settlement Zone
- Te Maika Precinct
- Amenity Precinct
- Statutory Context
- General Approach
- Cross Boundary Matters
- Relationships Between Spatial Layers
- Noise Chapter
- Financial Contributions Chapter
- Urban Form Chapter
- Energy Chapter

SERVICE PERFORMANCE MEASURES

You can expect	Measure	Target/Result	Q1	Commentary
Overall result for GOA <i>(as at 30 September 2020)</i>				
				
Resource consents are processed consistently, efficiently and to a high standard.	The percentage of resource consent applications which are processed within statutory timeframes.	Target: 100% Result: 100% for Q1	●	All resource consents have been processed within statutory timeframes for this quarter.
Land use consents are monitored to ensure they comply with the conditions of consent.	All land use consents that require monitoring are monitored.	Target: 100% Result: 0	●	Consents are monitored when required by the consent conditions. The consent conditions requiring monitoring are current therefore no monitoring has been undertaken this quarter.

FINANCIAL UPDATE

OPERATING EXPENDITURE

RESOURCE MANAGEMENT (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Sep 2020	YTD Actual Sep 2020	Variance Sep 2020	Var % Note Ref
Direct Expenditure						
- District Plan Administration	99	171	108	110	2	
- District Planning	99	720	180	7	(173)	A
Total Direct Expenditure	198	891	288	117	(171)	-59%
- Allocated Costs	622	638	159	141	(18)	
- Interest	25	38	10	9	(1)	
Total Operating Expenditure	845	1,567	457	267	(190)	-42%
Operating Revenue						
- District Plan Administration	(267)	(165)	(41)	(42)	(1)	
- District Planning	(36)	0	0	0	0	
Total Operating Revenue	(303)	(165)	(41)	(42)	(1)	2%
Net Operating Cost/(Surplus)	542	1,402	416	225	(191)	-46%

Variance comments:

- A This is mainly due to reduced expenditure in relation to the District Plan Review due to project timing variances affecting when expenditure was expected to be incurred. It is noted that the expenditure will still be required.

SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE | PROGRESS

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

There are three activities under this Group, namely:

- Maintenance
- Renewals and replacements
- Improvements

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

Wastewater Treatment Plant Bulk Lime Silo

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

Progress: Caustic tank is in place and a new pump set is scheduled to arrive mid-October. The next phase of this project includes installation of pipework and integration with SCADA. Completion date is expected to be early December 2020.

Project Stage: Delivering 

Start date: 2018/19

End date: 2020

Reticulation Renewal - Minor

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

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

Project Stage: Delivering 

Start date: 2018/19

End date: 2025/26

Treatment Plant Renewal – Minor, Te Kuiti

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

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

Project Stage: Delivering 

Start date: 2018/19

End date: 2025/26

Te Kuiti Sewer Renewals

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

Progress: Quarter 1, sewer realignment for Bayne Street was completed in August 2020. This is completion of a project that was delayed due to the COVID-19 pandemic.

A detailed design for the 2020/21 programme of work has been commissioned.

BAU | Ongoing 

Renew and Extend Soakage Field (Te Waitere)

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

Progress: Investigation into the performance now complete. Some remedial work has been undertaken to date, and a more detailed design is required for loading rates and soakage area necessary for compliance with discharge consent.

Project Stage: Delivering 

Start date: 2018/19

End date: 2025/26

Treatment Plant Renewal Minor (Benneydale)

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

Progress: Completed the installation of an outlet flow meter.

Project Stage: Complete 

Start date: 2018/19

End date: 2020

SERVICE PERFORMANCE MEASURES

Overall result for GOA (as at 30 September 2020)				
Sewerage and Treatment and Disposal of Sewage	 <p>■ On track, 8, 100%</p>			
	You can expect	Measure	Target/Result	Q1
Sewerage System is adequate and is sufficiently maintained.	Number of complaints received in a financial year about; sewage odour, sewage system faults, sewage system blockages, and Council's response to issues with the sewage system.	Target: Total complaints per 1,000 connections ≤ 35 <i>(Total number of connections 1,966)</i> Result: 19.33	●	For the first quarter a total of 37 complaints were received for Sewerage - 1 for Odour - 14 for System faults (13 of these related solely to Piopio) and 22 for Blockages/overflows (6 of these related solely to Piopio)
Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of the following (received by Council in a financial year)	Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of the following (received by Council in a financial year)			
	abatement notices	Target: 0 Result: 0	●	On track to achieve
	infringement notices	Target: 0 Result: 0	●	On track to achieve
	enforcement orders	Target: 0 Result: 0	●	On track to achieve
	convictions received	Target: 0 Result: 0	●	On track to achieve
Timely response and resolution for sewage overflows.	The median response times for attendance, in a year, measured from the time that the Council receives notification to the time that service personnel reach the site.	Target: ≤ 180 minutes (3hrs) Result: 1.27 hrs	●	On track to achieve
	The median response times for resolution, in a year, measured from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault.	Target: ≤ 540 minutes (9hrs) Result: 8.48 hrs	●	On track to achieve
Provision of effective and reliable sewerage systems and service to the community.	Number of dry weather sewage overflows from the Council's sewerage system in a financial year.	Target: Total complaints per 1,000 connections ≤ 15 <i>(Total number of connections 1,966)</i> Result: 0	●	No Dry weather overflows for Q1

FINANCIAL UPDATE

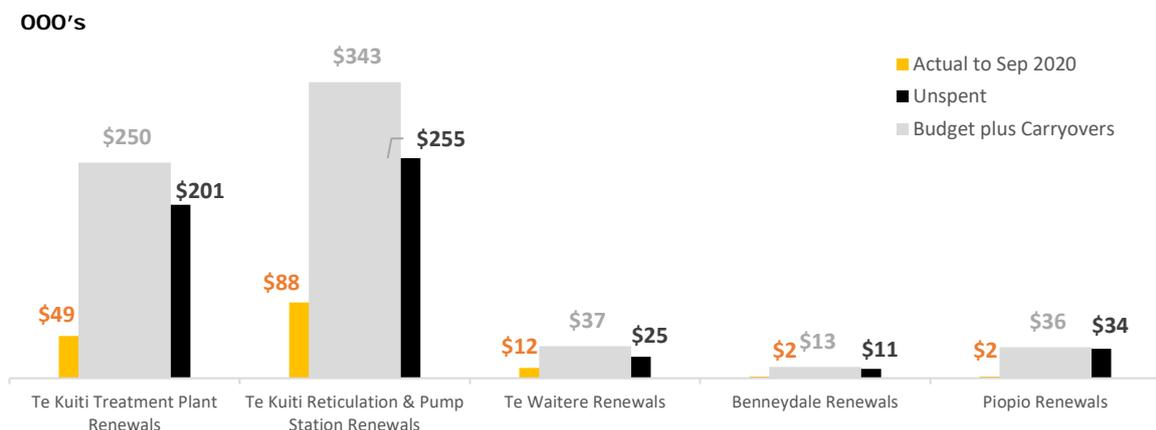
OPERATING EXPENDITURE

SEWERAGE AND TREATMENT AND DISPOSAL OF SEWAGE (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Sep 2020	YTD Actual Sep 2020	Variance Sep 2020	Var % Note Ref
Direct Expenditure						
- Te Kuiti	1,085	1,402	388	327	(61)	A
- Te Waitere	30	43	13	9	(4)	
- Maniaiti / Benneydale	73	85	29	30	1	
- Piopio	131	131	35	38	3	
Total Direct Expenditure	1,319	1,661	465	404	(61)	-13%
- Allocated Costs	250	254	64	63	(1)	
- Interest	278	253	63	73	10	
- Depreciation	822	828	207	206	(1)	
Total Operating Expenditure	2,669	2,996	799	746	(53)	-7%
Operating Revenue						
- Te Kuiti	(976)	(810)	(202)	(208)	(6)	
- Te Waitere	(4)	0	0	0	0	
- Maniaiti / Benneydale	(1)	(1)	(1)	(1)	0	
- Piopio	(11)	(10)	(8)	(9)	(1)	
Total Operating Revenue	(992)	(821)	(211)	(218)	(7)	3%
Net Operating Cost/(Surplus)	1,677	2,175	588	528	(60)	-10%

Variance comments:

- A Expenditure for plant operations and reticulation maintenance, internal WSU costs, chemicals, resource consent compliance, sludge disposal and sampling costs were less for Te Kuiti.

CAPITAL EXPENDITURE



Total expenditure for Q1 was \$153,000 against a full year budget (including carryovers) of \$679,000. Refer to projects and programme updates section for progress on key capital projects.

WATER SUPPLY | PROGRESS

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

There are three aspects of operations under this group:

- Maintenance
- Renewals and replacements
- Improvements

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

Investigate raw storage dam

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

A revised, four stage, sequential investigation programme was then prepared, with the intention of first locating the depth, geology and water quality of the target aquifer through construction of a relatively low-cost pilot investigation bore. If the results of that work proved positive, construction of a separate production bore in the target aquifer would follow. The four stages comprise:

1. Stage 1 – Construction of an investigation bore at a greenfield site **[Completed]**
2. Stage 2 – Construction of a test/production bore **[Planning]**
3. Stage 3 – Resource consent application (ex WRC) for abstraction
4. Stage 4 – Defining preliminary source protection zones around the new wellhead and undertake a catchment risk assessment.

Progress: Stage 1 was completed in April 2019 – construction of a monitoring bore at Te Kuiti Domain. Stage 2 is currently being planned.

Project Stage: Delivering

Start date: 2018

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

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

Progress: This work is ongoing; old tobies are replaced with new manifold backflow preventers.

BAU | Ongoing

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

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

Progress: On track to be completed in 2020.

Project Stage: Delivering 

Start date: 2018/19
End date: 2020

Te Kuiti Supervisory control and data acquisition (SCADA)

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

Progress: Minor improvements have been delivered and work is ongoing as new instruments are installed.

BAU | Ongoing 

Mokau water-main renewals

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

Progress: A Procurement Plan is being developed.

Project Stage: Planning 

Start date: 2018/19
End date: 2025/26

New pumping line to reservoir (Piopio)

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

Progress: Project has been deferred due to budget constraints; programmed for year five of the ten-year plan.

Project Stage: Halted

Additional monitoring and control – Maniaiti / Benneydale

Project Summary: This project includes an additional UV unit.

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

Project Stage: Planning 

Mechanical renewals – Te Kuiti

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

Progress: Seeking quotes for the installation of view ports on sand filter underdrains and install new valve.

Project Stage: Delivering 

Start date: 2018/19
End date: 2025/26

Treatment Plant renewals - Mokau

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

Progress: Procurement plan is being developed.

Project Stage: Planning 

Mechanical renewals - Piopio

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

Project Stage: Planning 

Reticulation Renewals – Piopio and Te Kuiti

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

Progress: Broadfoot Place Te Kuiti portion complete in August 2020.

Project Stage: Delivering 

Start date: 2018/19

End date: 2025/26

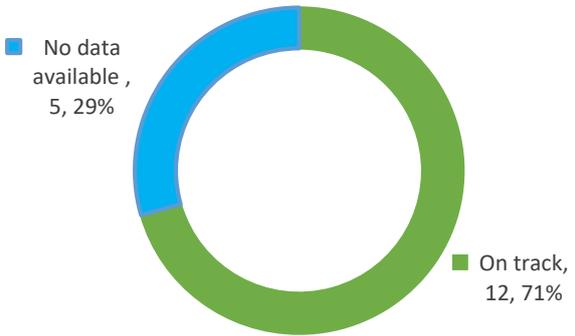
Seismic strengthening of WDC reservoirs

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

Progress: The survey undertaken was a general condition assessment of the reservoirs, not a seismic strengthening survey. Council needs to undertake an actual seismic survey to progress strengthening programme. The project has been put on hold until appropriate planning can be undertaken.

Project Stage: Scoping 

SERVICE PERFORMANCE MEASURES

Overall result for GOA <i>(as at 30 September 2020)</i>				
Water Supply	 <p style="font-size: small;">■ No data available, 5, 29%</p> <p style="font-size: small;">■ On track, 12, 71%</p>			
You can expect	Measure	Target/Result	Q1	Commentary
Water supply system is adequate and sufficiently maintained for public health purposes.	The extent to which WDC's drinking water supplies comply with Part 4 of NZ Drinking-water Standards 2005 (revised 2008) (bacteria compliance criteria).	Target: 100% Result: N/A	●	For Q1 all treatment plants have passed Part 4 of NZDWS standards.
	The extent to which WDC's drinking water supplies comply with Part 5 of NZ Drinking-water Standards 2005 (revised 2008) (protozoal compliance criteria).	Target: 100% Result: N/A	●	Results will be available in Q4.
Water Supply networks are being maintained adequately.	Percentage of real water loss from the Council's networked reticulation system in a financial year in: <i>(Water Losses' includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft. This does not include unauthorised consumption).</i>			
	Te Kuiti	Target: ≤ 25% Result: N/A	●	The minimum night flow is measured June 2021 and July 2022 for the fiscal year of 2020-2021
	Mokau	Target: ≤ 25% Result: N/A	●	
	Piopio	Target: ≤ 25% Result:	●	
	Maniaiti / Benneydale	Target: ≤ 15% Result: N/A	●	
Timely response and resolution of service requests.	The median response times for attendance for urgent call-outs in a financial year**	Target: ≤ 180 minutes (3hrs) Result: 2.45 hrs	●	On track
	The median resolution time of urgent call-outs in a financial year***	Target: ≤ 540 minutes (9 hrs) Result: 5.44 hrs	●	On track
	The median response times for attendance for non-urgent call outs in a financial year**	Target: ≤ 660 minutes (11 hrs) Result: 5.40 hrs	●	On track
	The median resolution time of non-urgent call-outs in a financial year***	Target: ≤ 96 hours (4 days) Result: 21.59 hrs	●	On track

You can expect	Measure	Target/Result	Q1	Commentary
Provision of effective and reliable water supply system to the community.	The total number of complaints received by Council in a year for: (Total number of connections (2623))			
	Drinking water clarity	Target: ≤ 5 per 1000 connections Result: 2.67		On track
	Drinking water taste	Target: ≤ 5 per 1000 connections Result: 0		On track
	Drinking water odour	Target: ≤ 5 per 1000 connections Result: 0		On track
	Drinking water pressure flow	Target: ≤ 30 per 1000 connections Result: 0.38		On track
	Continuity of supply	Target: ≤ 30 per 1000 connections Result: 1.91		On track
	Median response time to any of these issues within a year.	Target: ≤ 540 minutes (9hrs) Result: 5.36 hrs		On track
Efficient management of demand for water for the community.	Average consumption of drinking water per day per resident within the district.	Target: ≤ 400 litres per person per day Result: 295		On track
<p><i>*Achievement will be based on timing of completion of the Te Kuiti Water Treatment Plant Upgrade which is being carried out primarily to ensure compliance with New Zealand Drinking Water Standards requirements.</i></p> <p><i>** measured from the time that the local authority received notification to the time that service personnel reach the site.</i></p> <p><i>*** measured from the time that the local authority received notification to the time that service personnel confirm resolution of the fault or interruption.</i></p>				

FINANCIAL UPDATE

OPERATING EXPENDITURE

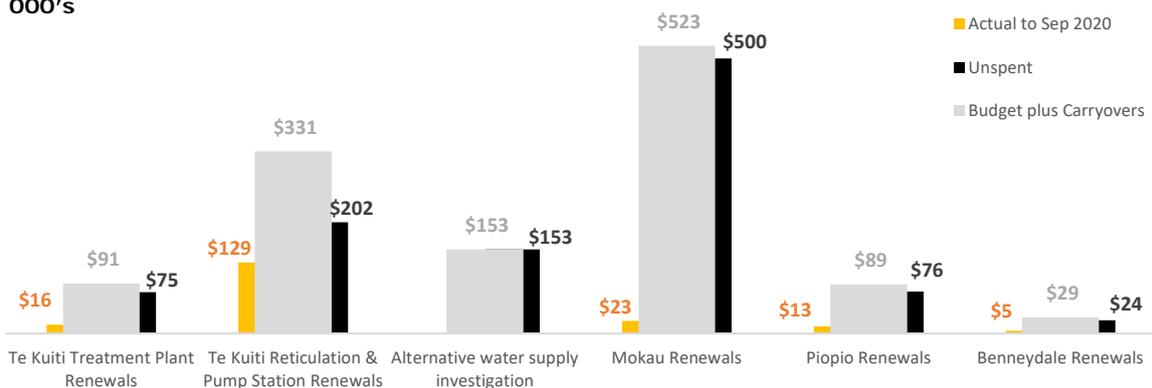
WATER SUPPLY (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Sep 2020	YTD Actual Sep 2020	Variance Sep 2020	Var % Note Ref
Direct Expenditure						
- Te Kuiti	1,078	1,158	313	274	(39)	A
- Mokau	254	193	59	58	(1)	
- Piopio	193	248	72	61	(11)	
- Maniaiti / Benneydale	94	105	39	31	(8)	
- Waitomo Village	10	0	0	0	0	
Total Direct Expenditure	1,629	1,704	483	424	(59)	-12%
- Allocated Costs	245	247	62	64	2	
- Interest	319	300	75	86	11	
- Depreciation	566	626	157	141	(16)	
Total Operating Expenditure	2,759	2,877	777	715	(62)	-8%
Operating Revenue						
- Te Kuiti	(23)	0	0	(14)	(14)	B
- Mokau	(4)	0	0	0	0	
- Piopio	(2)	0	0	0	0	
- Maniaiti / Benneydale	(2)	0	0	0	0	
Total Operating Revenue	(31)	0	0	(14)	(14)	
Net Operating Cost/(Surplus)	2,728	2,877	777	701	(76)	-10%

Variance comments:

- A Te Kuiti scheme expenditure was less than budget for internal WSU costs, water sampling, chemicals and reticulation maintenance.
- B Revenue was recognised for connection fees for Te Kuiti.

CAPITAL EXPENDITURE

000's



Total expenditure for Q1 was \$186,000 against a full year budget (including carryovers) of \$1.2 million. Refer to projects and programme updates section for progress on key capital projects.

ROADS AND FOOTPATHS | PROGRESS

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

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

COMMUNITY OUTCOMES



PROJECTS AND PROGRAMME UPDATES

ROAD AND FOOTPATH MAINTENANCE

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

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

BAU | Ongoing

Sealed Road Pavement Rehabilitation

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

Road pavements which have reached the end of their lives require major rehabilitation - that is strengthening the pavement structure prior to resurfacing.

Rehabilitation involves removing the existing chipseal and constructing an additional layer of road metal on top of the existing pavement reconstruction.

Progress: Road Rehabilitation 2019/20 and 2020/21 Physical Works Contract 500/19/004D was awarded to Inframax Construction Ltd on 18 September 2020. The contractor established on site at the first site, Somerville Road, on 19 October 2020.

Road Rehab Site	Notes	% Complete
Somerville Rd	Under Construction	10%
Totoro Rd	Scheduled for construction in 2021	0%
Taharoa Rd	Scheduled for construction in 2021	0%

Project Stage for the above mentioned sites: Delivering

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

Sealed Road Resurfacing

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

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

Progress: The annual sealing programme of approximately 37km (8% of sealed network) is scheduled to begin in February 2021. Planning is underway including preparing the pre-reseal repair programme and the resurfacing programme.

Programme Stage: Planning 

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

Bridge and Structural Renewals

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

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

Progress: Work is scheduled to commence in Q2.

Programme Stage: *Planning* 

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

Footpath Renewals

Programme Summary: Footpath renewals is a program of work comprising of

- (a) new footpaths that are constructed where there is a gap in the network and
- (b) footpath improvements which involves widening existing footpaths (typically < 1m wide) to meet the 1.5m width standard.

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

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

Progress: Footpaths and Associated Works for 2019/20 and 2020/21 Contract 500/19/005 was awarded to Inframax Construction Ltd on 24 June 2020. The contractor established on site at the first site, Eketone St, on 28 August 2020.

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

Project Stage: Delivering 

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

Minor Improvements Local Roads.

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

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

Taharoa Road Drainage (Lclr)

Project Summary: An open drain on the Taharoa Road 2019 road rehabilitation site has been identified as needing safety improvement. Currently this project is being planned. An update on the progress will be provided at the next update.

Project Stage: *Planning* 

Start date: 30 June 2019

End date: 30 June 2021

Unsealed Road Metalling

Programme Summary: This programme of works is a seasonal activity and is best completed in the wet winter months. The recognised average life for metalling is about 30 years and depending on the actual need, the KPI target is to re-metal a minimum of 15% each year, which is about 83km or 348,000m² per year. Structural metalling is occasionally undertaken to strengthen the base-course of unsealed roads.

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

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

BAU | Ongoing 

Te Ara Tika

Project Summary: This project is about replacing the overbridge in Te Kuiti.

Progress: Tender process has been completed and the tender has been awarded to Fulton Hogan. Currently work is being undertaken to develop a communications plan.

The construction will begin in the New Year and the timeframes are as follows.

Start date: 12 Jan 2021

End date: 75 working days from commencement.

SERVICE PERFORMANCE MEASURES

Roads and Footpaths	Overall result for GOA (as at 30 September 2020)			
	<p> ■ No data available, 2, 33% ■ Achieved, 1, 16% ■ On track, 1, 17% ■ off track, 1, 17% ■ Not achieved, 1, 17% </p>			
You can expect	Measure	Target/Result	Q1	Commentary
Monitor safety of local roads to assist in planning and prioritising works required to upgrade, maintain or change the condition of the roading environment in order to reach and maintain a specified level of safety.	The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	Target: 1 (or maintain at 0) Result: 2		There have been three serious crashes and zero fatal crashes on the Waitomo District Council network this reporting year. (Year to date at the same time last year: one crash).
Maintain the overall condition of local roads to a specified adequate standard. <i>* NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort.</i>	The average quality of ride on a sealed local road network, measured by smooth travel exposure, in a financial year. <i>(Percentage of measured sealed road lane kilometres not exceeding a NAASRA* roughness count rating of 150 to be at least 90%.)</i>	Target: 90% (of total) Result: 91.92%		This is measured every three years. The latest NAASRA roughness count from 2019 was 91.92%. This is due to be re-measured in 2022
Maintain the overall condition of the unsealed roads to a specified adequate standard.	Percentage of unsealed road metalled each year.	Target: 10% (of total) Result: 6%		On track for achievement of 10%
Maintain the overall condition of sealed roads to a specified adequate standard	Percentage of the sealed local road network that is resurfaced each year	Target: 7% (of total) Result: N/A		The annual sealing programme is scheduled to begin in February 2021
Maintain the overall condition of footpaths to a specified adequate standard	The percentage of footpath network that falls within a condition rating of 3.	Target: 90% Result: N/A		Condition rating report is due to be undertaken prior to July 2021 – Results will be reported in Q4.
Manage the timeliness and appropriateness of responses to problems and service requests	The percentage of customer service requests relating to roads and foot paths responded to within 10 working days.	Target: 85% Result: 78%		162 Roading related service requests were received this quarter. 14 were state highway related. Of the remaining 148 requests, 115 were responded to in 10 days or less, 33 were closed in more than 10 days.

FINANCIAL UPDATE

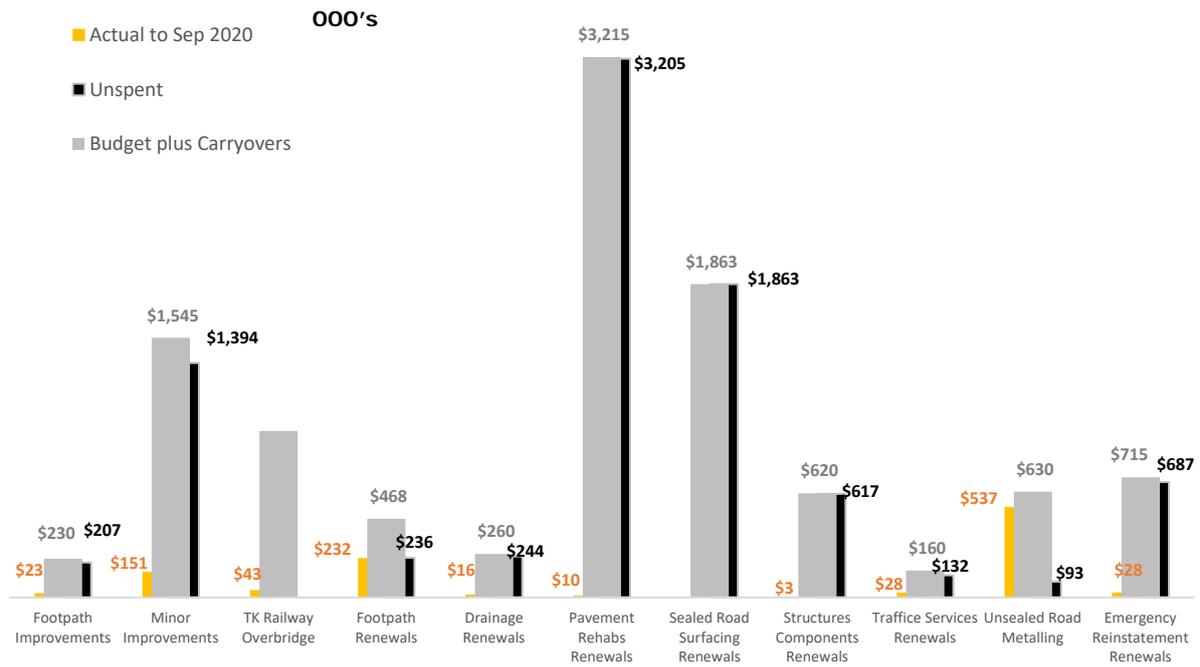
OPERATING EXPENDITURE

ROADS AND FOOTPATHS (Amounts in \$000's)	Actual 2019/20	EAP Budget 2020/21	YTD Budget Sep 2020	YTD Actual Sep 2020	Variance Sep 2020	Var % Note Ref
Direct Expenditure						
- Subsidised Roads	6,841	6,492	1,623	1,433	(190)	A
- Unsubsidised Roads	62	131	64	62	(2)	
Total Direct Expenditure	6,903	6,623	1,687	1,495	(192)	-11%
- Allocated Costs	156	16	4	5	1	
- Interest	451	411	103	115	12	
- Depreciation	2,906	2,838	710	818	108	B
Total Operating Expenditure	10,416	9,888	2,504	2,433	(71)	-3%
Operating Revenue						
- Subsidised Roads	(8,078)	(9,871)	(2,468)	(1,849)	619	C
- Unsubsidised Roads	(102)	(100)	(10)	(4)	6	
Total Operating Revenue	(8,180)	(9,971)	(2,478)	(1,853)	625	-25%
Net Operating Cost/(Surplus)	2,236	(83)	26	580	554	2131%
Subsidised Roads Maintenance (Excluding losses on asset disposals)	6,841	6,398	1,599	1,383	(216)	
Subsidised Road Capital	4,009	6,802	1,700	1,070	(630)	
Combined Maintenance and Capital	10,850	13,200	3,299	2,453	(846)	-26%
Subsidy Revenue for Subsidised Roads	(7,944)	(9,658)	(2,415)	(1,785)	630	-26%

Variance comments:

- A Sealed and unsealed pavement maintenance were less than budget for the period along with the professional services and RBU costs. These were partly offset by an increase in routine drainage maintenance and environmental maintenance. The overspend in environmental maintenance was due to unexpected large number of hazardous trees identified and removed during the period.
- B Depreciation expense was more than budget due to the revaluation of roads assets at 30 June 2020. The year end forecast for depreciation is also expected to be higher than the full year budget. The reason for the increase in depreciation is due to two drivers; the unit rate for the sealed surface asset component increased significantly due to an increase in contract unit rates applicable to reseal work; and the increase in the size and quantity of rural road culverts being included in the valuation.
- C Subsidy revenue is based on both maintenance and capital expenditure and for most work categories the subsidy rate is 73%. As operational and capital expenditures were less than budget, the subsidy associated was also less than budget.

CAPTIAL EXPENDITURE



Total expenditure for Q1 was \$1.088 million against a full year budget (including carryovers) of \$11.22 million. Refer to projects and programme updates section for progress on key capital projects.

CONFIDENTIAL

TREASURY REPORT

FOR



FOR THE QUARTER ENDED 30 SEPTEMBER 2020



BANCORP

BANCORP TREASURY SERVICES LIMITED

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1. MARKET ENVIRONMENT

1.1 GLOBAL MARKETS OVERVIEW (FOR THE SEPTEMBER 2020 QUARTER)

September was packed with action as US equities reached record highs (driven by the surge in the tech sector) early in the month before sentiment flipped as a result of the potential threats of second COVID-19 waves and lockdowns, the political ramifications of appointing a replacement for Supreme Court Justice, Ruth Ginsburg, the continuing failure by Congress to pass a new fiscal stimulus package, a looming US election, and continuing US-China tensions saw a large sell off in risky assets. Headline US equity indices such as the NASDAQ and S&P500 were down 11.8% and 9.6% respectively at one point, but by quarter end had recovered some of the lost ground. The sell-off also translated into other asset classes, with gold falling and the USD strengthening.

Adding to the risk off sentiment over the latter part of September was the renewed surge in COVID-19 cases outside of the US, with the UK and the several other European countries registering resurging daily cases as the second wave gathered pace. By the end of September, a grim milestone had been reached with 1 million COVID-19 deaths and 33 million cases recorded worldwide, with the latter increasing by around 2 million cases per week.

The US Federal Reserve ("Fed") left its Federal Funds target range unchanged at 0%-0.25% signalling it would stay there through to 2023, or possibly longer. There was also a subtle change in the statement with the inclusion that the Committee *"will aim to achieve inflation moderately above 2.0% for some time, so that inflation averages 2.0%."*

The US 10 Year Treasury bond yield consolidated between 0.60% and 0.77% over the last six weeks of the quarter as the markets appeared to have found some equilibrium. Yields were kept low in response to the massive amount of Quantitative Easing from the Fed this year, but markets were also mindful of possible inflation pressures emerging as a result of the amount of stimulus pumped into the US economy. The 10 year yield ended September at 0.68%.

European bond yields continue to be anchored in negative territory with the German 10 year bund closing September at minus 0.52%, having reached a 'high' of minus 0.26% in early June. The UK 10 year gilt has managed to avoid negative territory, falling to a low of 0.08% in early August, but finished September at 0.20%. What transpires with Brexit, which is looking increasingly fraught, will have a large influence in the near term direction of UK gilt yields.

In the UK, the outlook looks decidedly pessimistic given the triple threat of a second COVID-19 wave with enhanced lockdowns, Brexit, and the acknowledgement that negative rates are a distinct possibility after the BoE revealed that voting members had been briefed on the Bank's plans to explore how a negative bank rate could be implemented.



1.2 NEW ZEALAND MARKET OVERVIEW (FOR THE SEPTEMBER 2020 QUARTER)

	OCR	90 day	2 years	3 years	5 years	7 year	10 years
30 June 2020	0.25%	0.31%	0.21%	0.23%	0.35%	0.51%	0.74%
30 Sept 2020	0.25%	0.31%	0.05%	0.05%	0.13%	0.28%	0.51%
Change	0 bps	0bps	-16 bps	-18 bps	-22 bps	-23 bps	-23 bps

The Reserve Bank of New Zealand (“RBNZ”) announced in the August *Monetary Policy Statement* that “the Monetary Policy Committee (“MPC”) agreed to expand the Large Scale Asset Purchase (“LSAP”) programme up to \$100 billion, and the Official Cash Rate (“OCR”) is being held at 0.25 percent in accordance with the guidance issued on 16 March.”

In the RBNZ’s September *Monetary Policy Review* (“MPR”), the MPC agreed to maintain the LSAP programme of up to \$100 billion in order to “further lower household and business borrowing rates in order to achieve the Committee’s inflation and employment remit.” Regarding further monetary stimulus, the Committee again noted the possible use of a Funding for Lending Programme which would be ready before the end of 2020, and a negative OCR.

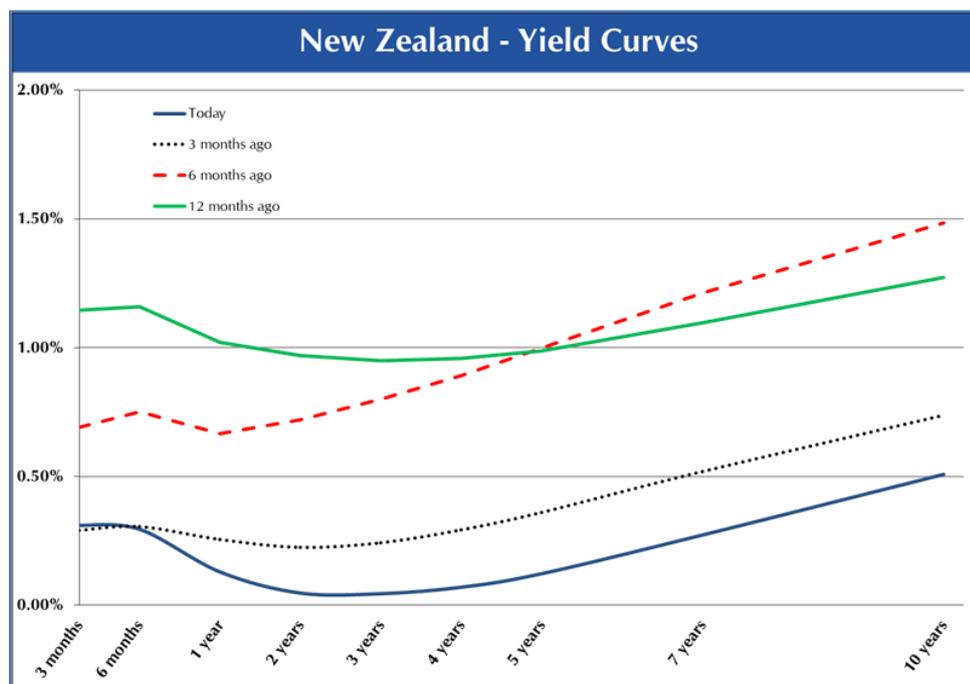
In what was obviously a dovish MPR the RBNZ noted that “In line with the weak underlying international and domestic economic conditions, the Committee expects a rise in unemployment and an increase in firm closures, as resource reallocation continues. Members agreed that monetary policy will need to provide significant economic support for a long time to come to meet the inflation and employment remit and promote financial stability.”

The strict lockdown that started in March to eliminate the spread of COVID resulted in the worst economic slump since the Great Depression. While the March quarter GDP rate was revised up to -1.4%, the June quarter print headlined at a record -12.2% contraction. The only good news was that it was better than the 16.0% drop the Treasury had forecast the day before.

With the RBNZ openly discussing the possibility of negative interest rates, short term pricing expectations indicate a 100% probability that the OCR will be at zero by May 2021, with a 76% probability that it will be at minus 0.25% by October 2021. Additionally, three of the ‘big four’ banks are projecting the OCR to fall to minus 0.50%, with the outstanding bank forecasting a bottom of minus 0.25%.

In September some Government bond yields and swap rates dipped below 0.00% for the first time. Interest rate swaps briefly fell below zero in the inter-bank market, however, they did not trade in negative territory for ‘corporates’ after bank adjustments for credit value, funding value and trader execution pushed the rates above zero. The 10 year swap rate finished in September at 0.46%, having been as high as 0.80% in early July. The following chart shows the changes in the shape of the yield curve over the past year and highlights the sharp fall in outright levels over this period of time.





1.3 LOCAL AUTHORITY SECTOR

Listed in the table below are the credit spreads and interest rates for Commercial Paper (“CP”), Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB”), at which Waitomo District Council (“WDC”) could source debt from the Local Government Funding Agency (“LGFA”).

Maturity	Credit Spread	FRN (or CP) Rate	Fixed Rate Bond
3 month CP	0.25%	0.56%	N/A
6 month CP	0.25%	0.44%	N/A
May 2021	0.50%	0.81%	0.72%
April 2022	0.59%	0.90%	0.64%
April 2023	0.60%	0.91%	0.63%
April 2024	0.64%	0.95%	0.67%
April 2025	0.68%	0.99%	0.74%
April 2026	0.73%	1.04%	0.85%
April 2027	0.81%	1.12%	0.94%
April 2029	0.87%	1.18%	1.22%
April 2033	1.07%	1.38%	1.56%
April 2037	1.15%	1.46%	1.90%

Margins for LGFA debt have contracted slightly over the September quarter as conditions in the credit markets have eased with the government’s ongoing commitment to the LSAP programme, which includes \$3 billion of LGFA bonds. However, the big move has been in the yields for FRBs, which have fallen sharply as a result of the fall in swap rates. At the time of the last report at the end of June, the April 2025 FRB was trading at 1.17%, compared to its current level of 0.74%.

2. DEBT AND HEDGING

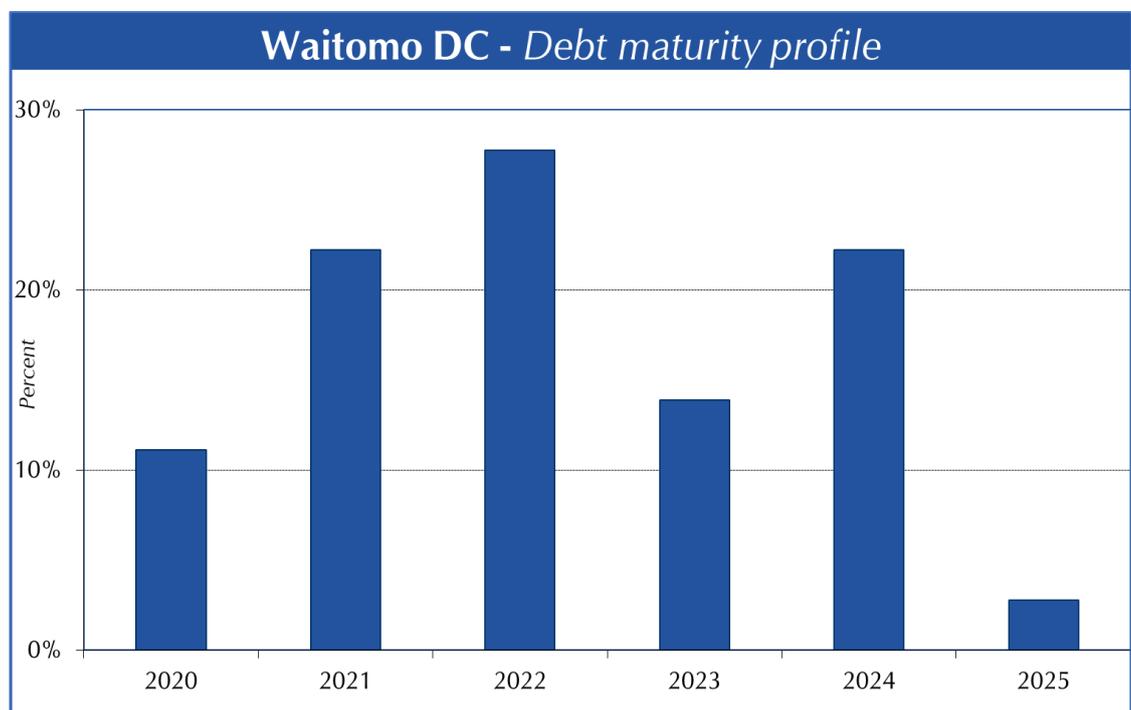
2.1 DEBT

As at 30 September 2020, WDC had \$36.0 million of external debt, down from \$37.0 million at the end of June 2020. All of WDC's debt was sourced from the LGFA through a combination of CP, FRNs and one FRB.

WDC also has a Westpac Bank Multi Option Credit Line Facility for \$10.0 million that matures on 1 July 2021, has an annual line fee of 0.35% and a margin of 0.90%. As at 30 September, there were no drawings under the Westpac facility. A breakdown of the funding profile (excluding the Westpac facility), is contained in the table below with the row highlighted in bold representing new debt raised during the September quarter:

Instrument	Start Date	Maturity Date	Margin	Rate	Amount
LGFA CP	18-May-20	13-Nov-20	41 bps	0.67%	\$4,000,000
LGFA CP	27-Jul-20	26-Jan-21	31bps	0.64%	\$2,000,000
LGFA FRN	19-Jun-17	15-Nov-21	55.5 bps	0.835%	\$6,000,000
LGFA FRN	18-Jul-18	18-Apr-22	60 bps	0.90%	\$5,000,000
LGFA FRN	28-Jun-19	30-Aug-22	59.5 bps	0.885%	\$5,000,000
LGFA FRN	19-Jun-17	24-Apr-23	64 bps	0.94%	\$5,000,000
LGFA FRN	19-Jun-17	18-Apr-24	65.5 bps	0.955%	\$3,000,000
LGFA FRN	10-Sep-20	11-Sep-24	69 bps	0.9899%	\$5,000,000
LGFA FRB	19-Jun-17	19-Apr-25	71 bps	3.68%	\$1,000,000
			TOTAL		\$36,000,000

The maturity profile of WDC's drawn debt as at 30 September is depicted in the following chart.



Section 7.2 of WDC's Liability Management Policy ("LMP") states that "to avoid a concentration of debt maturity dates Council will, where practicable, aim to have no more than 33% of debt subject to refinancing in any 12 month period." As at 30 September, WDC was complying with this guideline.

2.2 HEDGING

As at 30 September, WDC had five interest rate swaps ("swaps") to convert a portion of the floating interest rate exposures into fixed interest rates. Details of the swaps are contained in the table below:

Start Date	Maturity Date	Rate	Amount	Market Value
31-Mar-2014	17-May-2021	4.900%	6,000,000	(\$209,375)
18-Apr-2017	18-Apr-2023	3.950%	3,000,000	(\$318,544)
24-Jan-2017	24-Jan-2024	3.840%	5,000,000	(\$657,368)
20-Apr-2020	20-Apr-2025	3.930%	5,000,000	(\$903,427)
11-Sep-2020	11-Sep-2026	2.890%	5,000,000	(\$802,964)
Total current swap hedging			24,000,000	(\$2,891,677)

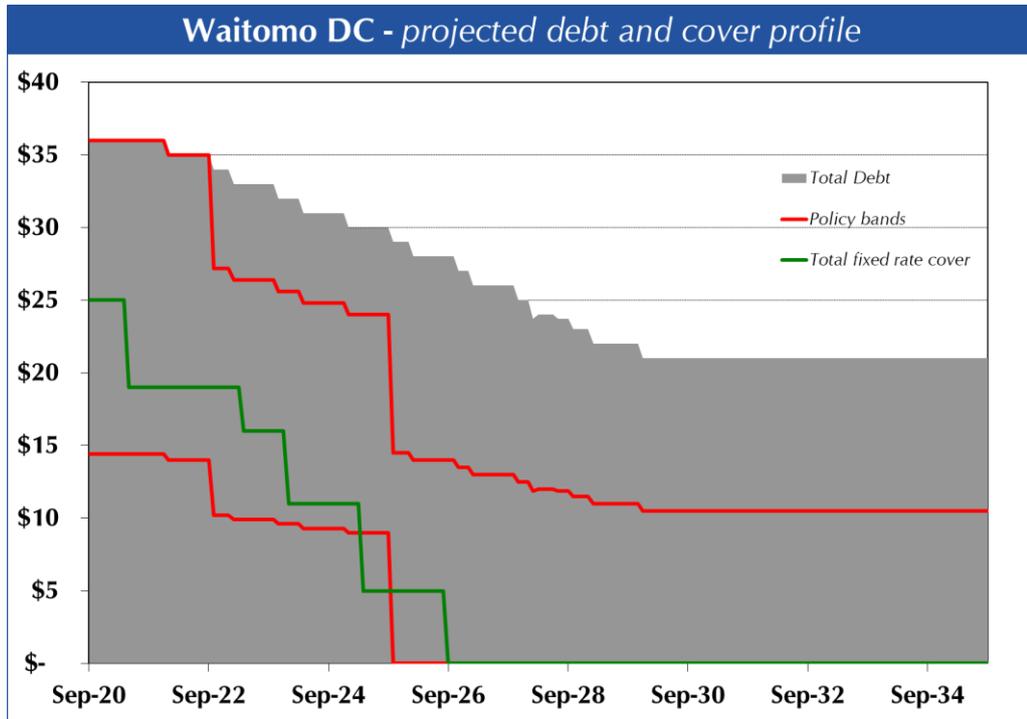
The 'marked to market' valuation on the swap portfolio improved slightly, from a loss of \$2,941,144 at the end of June, to a loss of \$2,891,677 at the end of September. Even though interest rates fell during the quarter the loss from this fall was more than offset by the time erosion of the swap portfolio.

2.3 DEBT AND HEDGING PROFILE

WDC manages the interest rate risk on its debt under the fixed rate hedging parameters detailed in the following table.

Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 – 2 years	40%	100%
2 – 5 years	30%	80%
5 – 15 years	0%	50%

The debt profile incorporating these parameters, the swaps and the FRB, and using the projected debt figures as supplied by WDC, is depicted in the graph on the following page.

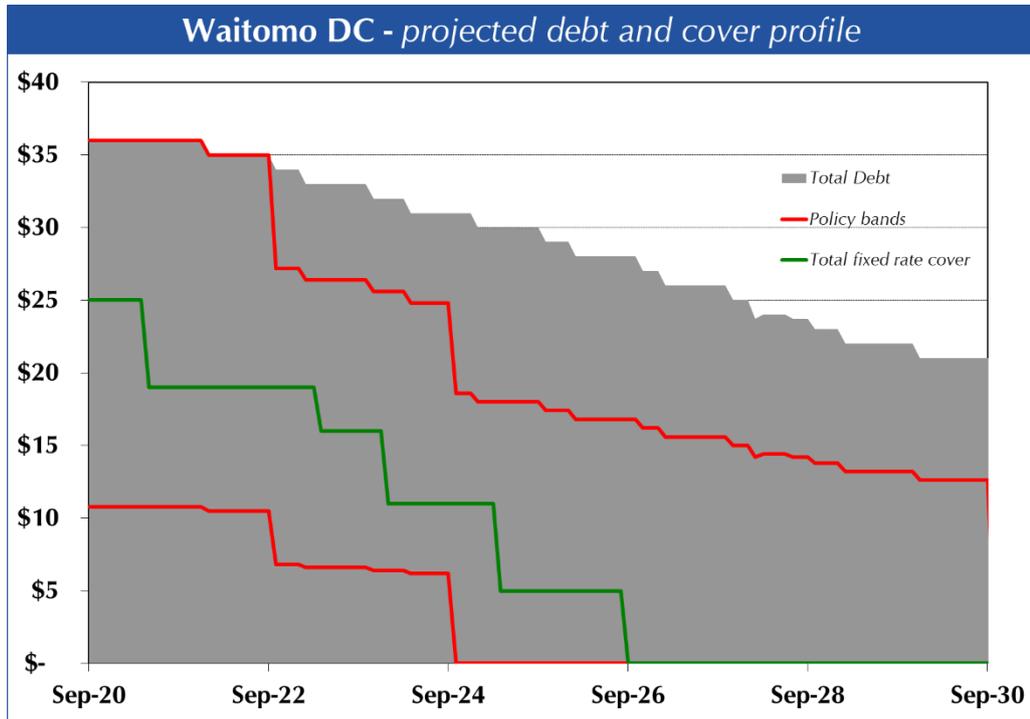


The graph indicates that, as at 30 September, WDC had a relatively minor policy inconsistency, from April 2025 to September 2025. This inconsistency has been noted by WDC management and further debt profile analysis and possible amendments to the Treasury Policy are two possible courses of action being considered to alleviate the inconsistency.

As stated above Bancorp Treasury and WDC have been discussing amending the Treasury Policy bands to take account of the new paradigm that the financial markets are now experiencing, one which has been greatly magnified by the COVID-19 pandemic. The following policy bands are being considered, with the changes marked in red.

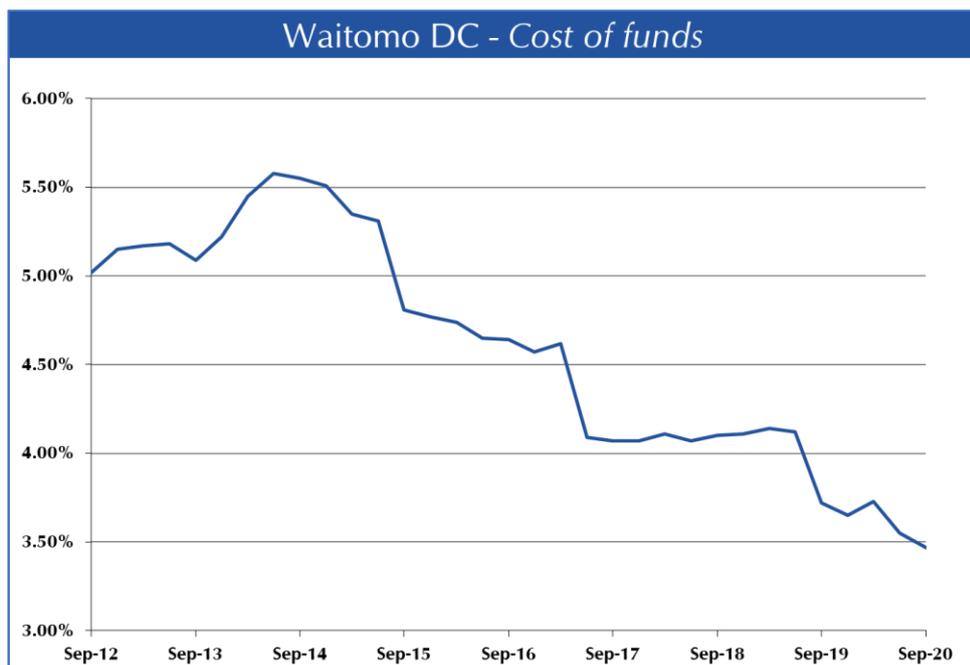
Fixed Rate Hedging Percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0 – 2 years	40%	100%
2 – 4 years	20%	80%
4 – 10 years	0%	60%

The debt profile incorporating these parameters, the swaps and the FRB, and using the projected debt figures as supplied by WDC, is depicted in the graph on the following page.



The graph indicates that, as at 30 September, and using the amended parameters, WDC was policy compliant.

As at 30 September, WDC's cost of funds, including the line fee on the committed Westpac facility, was 3.47%, down from 3.55% at the end of June. WDC's cost of funds is still below that of many other local authorities, a number of which have a credit rating. WDC's cost of funds since September 2012 is depicted in the following graph.



2.4 POLICY COMPLIANCE AS AT 30 SEPTEMBER 2020

	Yes/No
<i>Have all transactions been entered into compliance with policy?</i>	√
<i>Are the fixed rate hedging percentages within policy control limits?</i>	√
<i>Is WDC maintaining liquidity within policy control limits?</i>	√
<i>Are all counterparty exposures within policy control limits?</i>	√
<i>Is WDC compliant with the financial covenants contained in the TMP?</i>	√



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Document No: A494729

Report To: Council



Meeting Date: 24 November 2020

Subject: Motion to Exclude the Public for the Consideration of Council Business

Purpose

- 1.1 The purpose of this business paper is to enable consideration as to whether or not the public should be excluded from the consideration of Council business.
- 1.2 Council may choose whether or not to consider any of the items listed below in the public or public excluded portion of the meeting.

Commentary

- 2.1 Section 48 of the Local Government Official Information and Meetings Act 1987 gives 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.

Suggested Resolutions

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

General Subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Section 48(1) grounds for the passing of this resolution
1. 10 Year Plan Development Project – confirmation of direction	Section 7(2)(f)(i) – To maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority, or any persons to whom section 2(5) applies, in the course of their duty;	Section 48(1)(a)(i)

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
2. Briefing: Water Account – Lionel and Caroline Smith	Section 7(2)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or	Section 48(1)(a)(i)
3. Progress Report: Lawrence Street, Te Kuiti	Section 7(2)(i) – To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or	Section 48(1)(a)(i)

- 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 Committee with its decision making:

Staff Member	Reason for Remaining in Attendance
Chief Executive	Council CEO
Manager – Governance Support	Committee Secretary
General Manager – Strategy and Environment	Business Paper Author
General Manager – Infrastructure Strategy	Business Paper Author
General Manager – Business Support	Portfolio Holder
General Manager – Community Services	Portfolio Holder
Manager – Strategy and Policy	Portfolio Lead (10YP Development)

- 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.



MICHELLE HIGGIE
MANAGER – GOVERNANCE SUPPORT