



Audit & Risk Committee Agenda

Thursday 09 March 2023, 8.30 am

The meeting will be held in the Manawatū District Council Chambers, 135 Manchester Street, Feilding, and a video recording made available on www.mdc.govt.nz.

www.mdc.govt.nz

MEMBERSHIP

Chairperson

Councillor Stuart Campbell

Deputy Chairperson

Mr John Fowke

Members

Councillor Lara Blackmore

Councillor Grant Hadfield

Councillor Colin McFadzean

Councillor Alison Short

Her Worship the Mayor, Helen Worboys

TERMS OF REFERENCE

Purpose

To check and ensure continuity of business, enhance governance framework, risk management practices and the controls used to monitor Council's achievements.

Responsibilities

Analysing the financial reports in line with the Council's strategic direction and national accounting standards, including the following:

- 1
 - a. long term planning including the financial strategy;
 - b. appropriateness of accounting policies;
 - c. annual report; and
 - d. internal report (monthly and/or quarterly)
- 2 Risk management and the system of internal controls:
 - a. setting the Council's appetite for risk;
 - b. understanding the key risk areas including likelihood and consequences;
 - c. effectiveness of internal controls; and
 - d. fraud risk and procurement risk.
- 3 External audit:
 - a. relationship with auditor;
 - b. understanding scope and engagement;
 - c. review significant audit findings /recommendations; and
 - d. monitor progress on recommendations.
- 4 Internal audit:
 - a. appointment and relationship with internal auditor;
 - b. scope of work; and
 - c. responses to internal audit recommendations.

Delegated Authority

Manawatu District Community Honours Awards – decide on recipients of Community Honours Awards under the Community Honours Scheme.

Quorum

Five members of the committee.



Shayne Harris
Chief Executive

ORDER OF BUSINESS

	PAGE
1. MEETING OPENING	
2. APOLOGIES	
3. CONFIRMATION OF MINUTES	6
As this is the first Audit & Risk Committee meeting of the triennium, there are no minutes for review.	
4. DECLARATIONS OF INTEREST	
Notification from elected members of:	
4.1	Any interests that may create a conflict with their role as an elected member relating to the items of business for this meeting; and
4.2	Any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968
5. PRESENTATIONS	
There are no presentations scheduled for this meeting.	
6. NOTIFICATION OF LATE ITEMS	
Where an item is not on the agenda for a meeting, that item may be dealt with at that meeting if:	
6.1	The Committee by resolution so decides; and
6.2	The Chairperson explains at the meeting at a time when it is open to the public the reason why the item is not on the agenda, and the reason why the discussion of the item cannot be delayed until a subsequent meeting.
7. OFFICER REPORTS	
7.1 COMMITTEE WORKPLAN 2023	5
Report of the General Manager – Corporate Services dated 22 February 2023	
7.2 INTERNAL CONTROLS UPDATE	9
Report of the General Manager – Corporate Services dated 22 February 2023	
7.3 QUARTERLY PERFORMANCE REPORT TO 31 DECEMBER 2022	11
Report of the Chief Financial Officer dated 23 February 2023	

7.4 SAFETY AND WELLBEING QUARTERTLY REPORT 01 SEP – 31 DEC 2022 47

Report of the General Manager – People and Culture dated 25 January 2023

8. CONSIDERATION OF LATE ITEMS

9. UPDATE FROM GOVERNANCE HEALTH AND SAFETY REPRESENTATIVE

Progress update from the Council’s Governance Health and Safety Representative.

10. UPDATE ON PROPOSED RISK WORK PROGRAMME

Update and discussion with the General Manager – Corporate Services.

11. NOTIFICATION OF ITEMS FOR RISK REGISTER

12. NOTIFICATION OF ITEMS FOR NEXT MEETING

13. PUBLIC EXCLUDED BUSINESS

COMMITTEE TO RESOLVE:

That the public be excluded from the following parts of the proceedings of this meeting, namely:

1. Project Reporting
2. Information Services Audit Overview
3. Three Waters Update

That the general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Grounds under Section 48(1) for the passing of this resolution
13.1 Project Reporting	s7(2)(h) – commercial activities s(7)(2)(i) – negotiations	s48(1)(a)
13.2 Information Services Audit Overview	s7(2)(j) – improper gain or improper advantage	s48(1)(a)
13.3 Three Waters Update	s7(2)(c)(i) – obligation of confidence	s48(1)(a)

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

14. MEETING CLOSURE

Audit and Risk Committee

Meeting of 09 March 2023

Business Unit: Corporate Services

Date Created: 22 February 2023

Committee Workplan 2023

Purpose Te Aronga o te Pūrongo

The Committee Workplan lays out the 2023 reporting schedule for the Committee. The Workplan will be updated throughout the year as required, and an update provided to each Committee meeting.

Significance of Decision Te Hira o te Whakataunga

The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohinga

That the Committee Workplan for 2023 be adopted without amendment.

OR

That the Committee Workplan for 2023 be adopted with the below amendments:

-
-

Report prepared by:

Ash Garstang

Principal Governance Adviser

Approved for submission by:

Cathy Robinson

General Manager - Corporate Services

1 Background Ngā Kōrero o Muri

- 1.1 The Chair and Deputy Chair of the Committee met with Council officers on 12 December 2022, in order to draft a Workplan for 2023.
- 1.2 Based on this meeting, other subsequent exchanges over email, and further officer considerations, the Workplan is now presented to the Committee for adoption.

2 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

- 2.1 The Workplan is intended to provide a well-rounded schedule of reporting that aligns with the Committee's purpose, role and outcomes. These are listed in the Committee's Terms of Reference, which are detailed on pages 2 and 3 of this agenda.
- 2.2 The Workplan will be presented at each subsequent Committee meeting, to provide members with an opportunity to review it and make adjustments.

3 Te Kīwai (o te kete)

- 3.1 There are no known cultural considerations associated with the matters addressed in this report.

4 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

- 4.1 Additions or amendments to the Workplan will be subject to the operational capacity of officers.

5 Attachments Ngā ĀpitiHanga

- Audit and Risk Committee Workplan 2023

Audit and Risk Committee

Workplan 2023

Meeting date	March	June	September	December
Governance	Committee Workplan (full)	Committee Workplan (summary)	Committee Workplan (summary)	Committee Workplan (summary)
External Audit and compliance		<p>Meet with external auditors to discuss scope of audit for 2023/24</p> <p>Review external audit findings for 2021/22</p>	Review the management representation letter from the CEO/CFO to the external auditors	<p>Review external audit findings for 2022/23</p> <p>Review Annual Report 2022/23 and release for external audit</p>
Internal Audit	<p>Review of internal audit reports</p> <ul style="list-style-type: none"> • ALGIM web audit • Security Road Map 	<p>Review of internal audit reports</p> <ul style="list-style-type: none"> • CCR Privacy Audit • External IT Penetration Testing 	<p>Review of internal audit reports</p> <ul style="list-style-type: none"> • ALGIM cyber Security compliance report 	Review of internal audit reports
Risk Management	Update on proposed risk work programme	<p>LTP organisational risk review</p> <p>Strategic risk update</p>	<p>Review risk appetite as part of LTP</p> <p>Review risk mitigation plans for significant risks</p>	Review risk management policy
Internal Controls	<p>Project Reporting</p> <p>Internal Controls Update (1-pager report)</p> <ul style="list-style-type: none"> • Breaches • Policy refresh work programme 	<p>Project Reporting</p> <p>Internal Controls Update (1-pager report)</p> <ul style="list-style-type: none"> • Breaches • Policy refresh work programme 	<p>Project Reporting</p> <p>Internal Controls Update (1-pager report)</p> <ul style="list-style-type: none"> • Breaches • Policy refresh work programme 	<p>Project Reporting</p> <p>Internal Controls Update (1-pager report)</p> <ul style="list-style-type: none"> • Breaches • Policy refresh work programme

	<ul style="list-style-type: none"> Protected disclosures etc 	<ul style="list-style-type: none"> Protected disclosures etc 	<ul style="list-style-type: none"> Protected disclosures etc 	<ul style="list-style-type: none"> Protected disclosures etc
Financial and Performance reporting	<p>Quarterly Performance Report, for December quarter</p> <ul style="list-style-type: none"> Management Accounts Compliance with Treasury Mgmt Policy 	<p>Quarterly Performance Report, for March quarter</p> <ul style="list-style-type: none"> Management Accounts Compliance with Treasury Mgmt Policy 	<p>Quarterly Performance Report, to review year-end financial statements and accounting policies</p> <ul style="list-style-type: none"> Management Accounts Compliance with Treasury Mgmt Policy 	<p>Quarterly Performance Report, for September quarter</p> <ul style="list-style-type: none"> Management Accounts Compliance with Treasury Mgmt Policy
Health and Safety Reporting Including Deep Dives	Review Health and Safety Quarterly Report	Review Health and Safety Quarterly Report	Review Health and Safety Quarterly Report	Review Health and Safety Quarterly Report
Insurances			Review renewals	
Legislative Compliance			Review the effectiveness of the system for monitoring legislative compliance	

Audit and Risk Committee

Meeting of 09 March 2023

Business Unit: Corporate Services

Date Created: 22 February 2023

Internal Controls Update

Purpose Te Aronga o te Pūrongo

To provide an update to the Committee on several key internal controls, including cybersecurity breaches, policy reviews, and protected disclosures.

Significance of Decision Te Hira o te Whakataunga

The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohinga

That the Committee receives the Internal Controls Update.

Report prepared by:

Ash Garstang

Principal Governance Adviser

Approved for submission by:

Cathy Robinson

General Manager - Corporate Services

1 Background Ngā Kōrero o Muri

1.1 This report provides a high-level summary of several key internal controls, and any notable breaches of these. The period of reporting for this update is **01 October 2022 to 22 February 2023**.

2 Cybersecurity Breaches

2.1 There have been no cybersecurity breaches during this reporting period.

3 Policy Work Programme

3.1 The Council currently has 26 Governance Policies and 35 Management Policies. These policies are subject to review at set intervals, and the below table provides a brief breakdown of the status of these reviews.

Governance Policies (x26)	Management Policies (x35)
16 are current, and due for review in 2024 or later.	14 are current, and due for review in 2024 or later.
5 are current, and due for review in 2023.	13 are current, and due for review in 2023.
5 are overdue for review.	8 are overdue for review.

3.2 The following policies have recently been reviewed or are undergoing review:

- a. Privacy Policy 2022. This policy was updated on 07 February 2023. The policy needed to be brought in line with the Privacy Act 2020. The policy details how personal information is collected, stored, used and disclosed. There is a program of work planned for 2023 to upskill MDC staff on their understanding of the Privacy Act 2020 and how it applies to MDC.
- b. Halls Management Policy 2022. This policy is currently under review and once the draft is finalised it will be distributed to Hall Committees for feedback.
- c. Conflicts of Interest Policy 2019. Currently under review by People and Culture.
- d. Flexible Working Policy. Currently under review by People and Culture.

4 Protected Disclosures

4.1 There have been no protected disclosures during this reporting period.

5 Fraudulent Activity

5.1 There has been no reported fraudulent activity during this reporting period.

Audit and Risk Committee

Meeting of 09 March 2023

Business Unit: Finance

Date Created: 23 February 2023

Quarterly Performance Report to 31 December 2022

Purpose Te Aronga o te Pūrongo

To provide a summary of both financial and non-financial performance against the targets outlined within year two of the 10-year plan (referred to as Annual Plan 22/23) and the Revised Budget 22/23.

Significance of Decision Te Hira o te Whakataunga

The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohinga

That the Audit and Risk Committee recommend:

- That the Council receive the Quarterly Performance Report and Treasury Report to 31 December 2022.

Report prepared by:
Joel Richards
Management Accountant

Approved for submission by:
Amanda Calman
Chief Financial Officer

1 Contribution to Community Well-being and Council’s Community Outcomes Te Tūhono ki ngā Whāinga a te Kaunihera mō te Oranga Hapori me te Whakawhanake Hapori

1.1 Relationship to Council’s strategic priorities (community outcomes):

A place to belong and grow He kāinga e ora pai ai te katoa	
A future planned together He kāinga ka whakamaherea tahitia tōna anamata e te hapori tonu	
An environment to be proud of He kāinga ka rauhītia tōna taiao	
Infrastructure fit for future He kāinga ka tūwhena tonu ōna pūnahahanga, haere ake nei te wā	
A prosperous, resilient economy He kāinga ka tōnui tōna ōhanga	✓
Value for money and excellence in local government He kāinga ka eke tōna kāwanatanga ā-rohe ki ngā taumata o te kairangi	✓

2 Background Ngā Kōrero o Muri

2.1 The quarterly performance reports provide interim updates for the performance against the Annual Plan levels of service and revised budget. The final quarterly update forms part of the Annual Report 2022/23.

2.2 During the year, any adjustments to budget approved within the delegation’s policy by General Managers, Chief Executive or Council, results in the forming of a revised budget, which is outlined next to the Annual Plan within the reports. A summary of these adjustments is also included within the report.

3 Discussion and Options Considered Ngā Matapakinga me ngā Kōwhiringa i Wānangahia

3.1 The financial result for the quarter ending 31 December 2022 reflects a surplus of \$3.7M against a budget deficit of \$183k. This is the result of higher than budget revenue of \$6.3M combined with higher than budget expenditure of \$2.7M. Further information is contained within the report.

3.2 Depreciation is \$11.9M against a budget of \$9.8M. This reflects a higher than budgeted movement in asset values following the Infrastructure and Land and Building revaluations carried out on 30 June 2022 this variance will continue to year end with an expected end result of \$4M over budget.

3.3 Interest costs is the other key variance of significance with \$634k unfavourable variance, this is a direct reflection of the increasing interest rates being paid. The Long-Term Plan assumed an interest rate of 2.4% - 2.8% whereas the rates being received on new debt or floating debt resets is over the 5% level.

3.4 Capital expenditure to date is \$13.7M against a revised budget of \$60.8M. The Annual plan budget is \$33.7M. Capital work that is committed adds another \$13.6M which brings the capital spend up to \$27.3M. Further information is contained within the report.

3.5 Levels of service – there are 45 levels of service measures that are met, 25 pending and 5 not met. Further explanations are included within the attached report

4 Te Kīwai (o te kete)

4.1 There are no known cultural considerations associated with the matters addressed in this report. No engagement with Māori is necessary.

5 Community Engagement Te Whai Wāhitanga mai o te Hapori

5.1 There is no community engagement required with this report. Community engagement was sought and received during the setting of the budget.

6 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

6.1 There are no capital or operational implications associated with this report.

7 Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

7.1 Financial implications are outlined within the body of the report

8 Statutory Requirements Ngā Here ā-Ture

8.1 Quarterly governance reports provide an overview of results towards the Annual Report, which will be prepared and audited in accordance with the requirements of the Local Government Act 2002.

9 Delegations Te Mana Whakatau

9.1 The Audit and Risk Committee's Terms of Reference includes the responsibility for financial reporting, including the following:

- long term planning including the financial strategy;
- appropriateness of accounting policies;
- annual report; and
- internal report (monthly and/or quarterly).

10 Conclusion Whakatepenga

10.1 Quarterly reports are a mechanism of transparently reporting against progress towards achieving targets set in the Annual Plan and the Long Term Plan.

11 Attachments Ngā Āpitihanga

- Quarterly Performance Report to 31 December 2022
- Quarterly Treasury Report to 31 December 2022



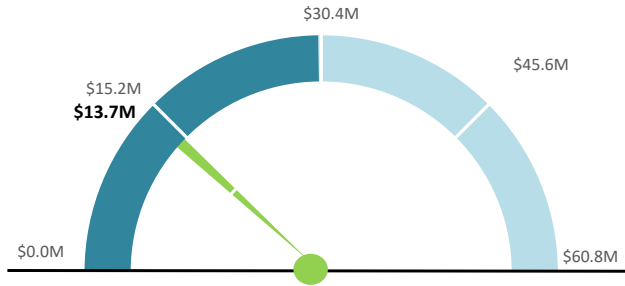
Manawatu District Council
Quarterly Report
December 2022

Key Indicators

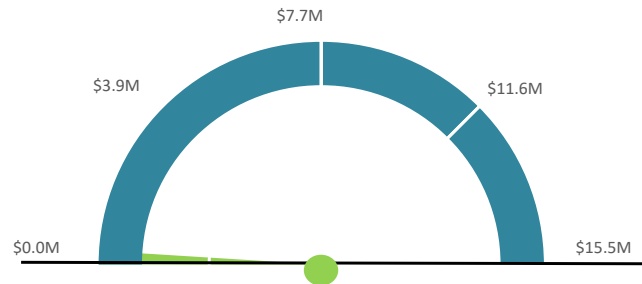
For the period ended 31 December 2022



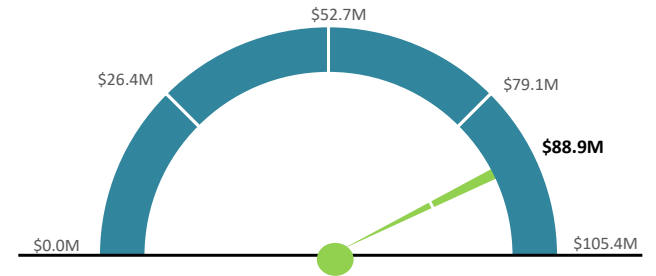
Capital Expenditure



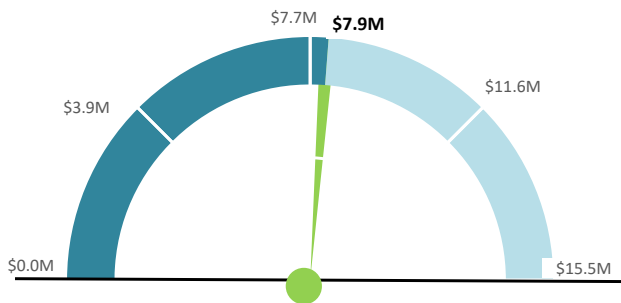
Loans Raised (excluding refinancing loans)



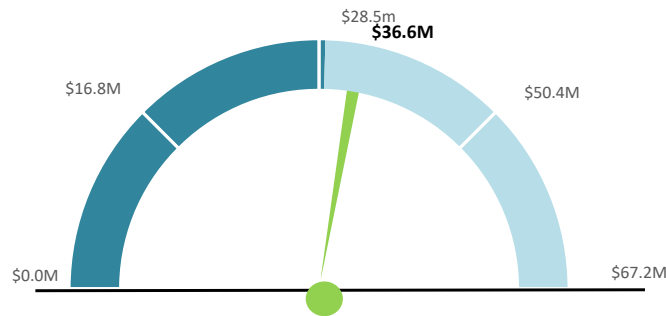
Total External Debt



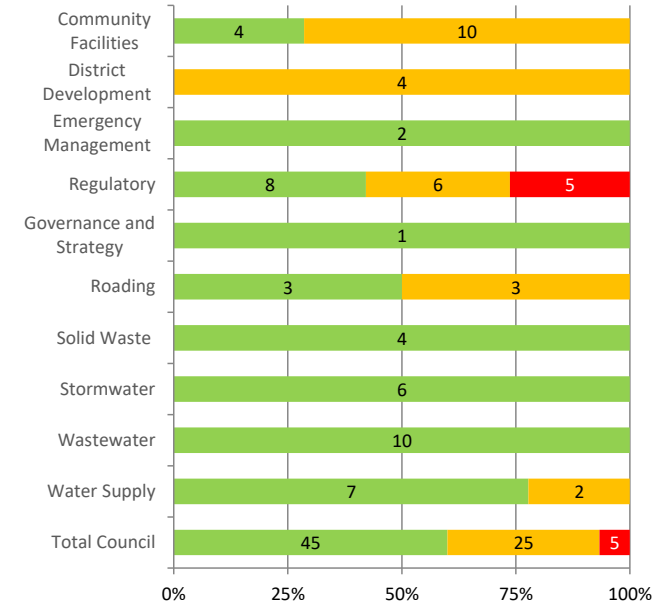
Total Operating Revenue (excluding rates)



Total Operating Expenses



Key Performance Indicators



Key

- Total Budget
- YTD Revised Budget
- Actual - On Track
- Actual - Needs Monitoring
- Actual - Not achieving

Summary

The financial result for the quarter ending 31 December 2022 reflects a surplus of \$3.7M against a budgeted deficit of \$183k. This is the result of higher than budget revenue of \$6.3M offset partly due to higher than budget expenditure of \$2.4M.

Revenue - \$6.3M favourable

Financial revenue is \$148k favourable reflecting a higher amount of interest received than budgeted.

Subsidies and Grants are \$6.4M favourable due to \$3.2M of funding from NZ Defence Force for work carried out as part of Wastewater centralisation, \$1.2M received from the Department of Internal Affairs for Water Reform projects, and \$1.6M from the Ministry of Environment for Ohakea. This is offset by \$516k lower NZTA capital subsidies due to timing of the capital works programme.

Development contributions are \$50k under budget.

Other gains/losses are \$442k favourable due to the sale of Manfeild Development land on Kawakawa Road/South Street (budgeted in previous years).

Operating expenditure - \$2.4 unfavourable

Personnel costs are \$304k favourable as a result of ongoing staff vacancies and the recruitment climate. Overall operating costs are close to budget.

Finance costs are \$634k unfavourable to budget, reflecting higher interest rates incurred, offset by interest received on funds invested.

Key variances in other Operating expenditure which result in an overall variance of \$1k and are outlined in more detail in the activity reports

Depreciation is unfavourable by \$2M reflecting the increase in asset values for the 30 June 2022 infrastructural revaluation. This year's budget reflected an expected revaluation of between 3-4% (based on prior year valuations) however the overall movement for infrastructure assets was 32.4%. Land and Buildings were revalued a year earlier than expected, resulting in higher depreciation in the Community Facilities area.

The variance in depreciation will continue to year end and is expected to result in approximately \$4M unfavourable budget. As this is a non cash item it does not affect the cash position of Council.

Group of Activities	YTD Expenditure	YTD Budget	YTD Variance	Total Budget
Roading Network	6,644,668	5,136,228	-1,508,440	10,272,448
Solid Waste	68,741	78,852	10,111	157,709
Wastewater	1,738,850	1,402,488	-336,362	2,804,986
Stormwater	460,074	387,372	-72,702	774,751
Water Supply	1,379,993	1,358,064	-21,929	2,716,116
Community Facilities	1,212,521	1,024,746	-187,775	2,049,487
Other Activities	396,857	423,078	26,221	846,173
Total	11,901,703	9,810,828	-2,090,875	19,621,670

Capital spend

Spend to date is \$13.7M against a year to date budget of \$30M. The Annual plan budget is \$33.7M. The increased budget from Annual Plan to the revised budget can be seen in the approved variation report.

When the committed spend is taken into account the current position is \$27.2M. This reflects the larger contracts that have been tendered and awarded across the 3 waters and roading.

Statement of Comprehensive Revenue and Expense

	2023 Actual YTD \$000	2023 Budget YTD \$000	Variance \$000	2023 Revised Budget \$000	2023 Annual Plan \$000
Revenue					
Rates revenue	21,423	21,415	7	43,016	43,016
Financial revenue	263	115	148	229	229
Subsidies and grants	10,884	4,442	6,442	8,885	8,692
Development contributions	1,605	1,655	(50)	3,309	3,502
Other revenue	5,625	6,321	(696)	11,892	11,143
Other gains/(losses)	450	8	442	16	16
Total revenue	40,249	33,956	6,293	67,347	66,598
Expenses					
Personnel costs	7,591	7,895	304	15,841	15,745
Depreciation and amortisation	11,902	9,811	(2,091)	19,622	19,622
Finance costs	1,586	952	(634)	1,896	1,896
Other operating expenses	15,480	15,481	1	29,839	27,598
Total expenditure	36,559	34,139	(2,420)	67,198	64,861
Surplus/(deficit) before tax	3,690	(183)	3,873	149	1,738
Income tax expense	-	-	-	-	-
Surplus/(deficit) after tax	3,690	(183)	3,873	149	1,738
Other comprehensive revenue & expense					
Gains/(losses) on the revaluation of property, plant and equipment	61	0	61	28,434	28,434
Impairment losses on restricted buildings through other comprehensive revenue and expenses	0	0	0	0	0
Total other comprehensive revenue and expense	61	0	61	28,434	28,434
Total comprehensive revenue and expense	3,751	(183)	3,933	28,584	30,172

Funding Impact Statement (Whole of Council)

	2023	2023		2,023	2023
	Actual YTD	Budget YTD	Variance YTD	Revised Budget	Annual Plan
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	7,772	7,523	250	15,005	15,005
Targeted rates	13,928	14,118	(190)	28,236	28,011
Subsidies and grants for operating purposes	2,055	1,676	379	3,352	3,352
Fees and charges	3,790	4,141	(351)	7,843	7,826
Interest and dividends from investments	263	115	148	229	229
Local authorities fuel tax, fines, infringement fees and other receipts	1,834	2,180	(346)	4,049	3,317
Total operating funding	29,642	29,752	(110)	58,714	57,740
Applications of operating funding					
Payments to staff and suppliers	23,082	23,386	304	45,628	43,343
Finance costs	1,586	952	(634)	1,896	1,896
Other operating funding applications	0	0	0	0	0
Total applications of operating funding	24,668	24,338	(330)	47,524	45,239
Surplus (deficit) of operating funding	4,974	5,414	(440)	11,190	12,501
Sources of capital funding					
Subsidies and grants for capital expenditure	8,744	2,670	6,074	5,340	5,340
Development and financial contributions	1,690	1,751	(61)	3,502	3,502
Increase (decrease) in debt	0	3,053	(3,053)	17,500	12,211
Gross proceeds from sale of assets	450	0	450	0	0
Lump sum contributions	0	0	0	0	0
Other dedicated capital funding	0	0	0	0	0
Total sources of capital funding	10,885	7,474	3,411	26,342	21,053
Applications of capital funding					
Capital expenditure					
- to meet additional demand	1,436	7,944	6,508	15,410	6,684
- to improve the level of service	4,759	10,045	5,286	20,194	14,704
- to replace existing assets	7,580	12,194	4,614	25,213	12,325
Increase (decrease) in reserves	2,083	(17,295)	(19,378)	(23,285)	(158)
Increase (decrease) of investments	0	0	0	0	0
Total application of capital funding	15,859	12,888	(2,971)	37,532	33,554
Surplus (deficit) of capital funding	(4,974)	(5,414)	440	(11,190)	(12,501)
Funding balance	0	0	0	0	0

Statement of Financial Position

YTD Actuals 2021/22		YTD Actuals 2022/23
	<u>Assets</u>	
	Current Assets	
8,450,893	Cash and Cash Equivalents	14,911,330
5,098,724	Receivables and Accruals	4,408,699
274,117	Inventory on Hand	334,455
415,788	Other Financial Assets - Current	418,549
5,192,188	Non-current Assets for Sale	4,834,000
19,431,710	Total Current Assets	24,907,032
	Non-current Assets	
794,400,997	Property, Plant and Equipment	1,031,744,361
42,247	Intangible Assets	86,086
5,958,749	Other Financial Assets - Term	5,807,944
800,401,994	Total Non-current Assets	1,037,638,391
819,833,704	Total Assets	1,062,545,423
	<u>Liabilities</u>	
	Current Liabilities	
9,479,348	Accounts Payable and Accruals	8,376,677
133,550	Provisions - Current Portion	42,981
1,057,220	Employee Entitlements	1,212,487
18,500,000	Borrowing - Current Position	18,500,000
29,170,118	Total Current Liabilities	28,132,145
	Non-current Liabilities	
2,071,881	Provisions - Term Portion	1,497,267
66,764,844	Borrowings - Term Portion	70,288,879
68,836,725	Total Non-current Liabilities	71,786,146
98,006,843	Total Liabilities	99,918,291
	<u>Equity</u>	
477,610,960	Retained Earnings	490,581,758
237,860,228	Other Reserves	468,355,247
6,355,672	Current Earnings	3,690,127
721,826,861	Total Equity	962,627,132
819,833,704	Total Liabilities and Equity	1,062,545,423

Cash and Cash Equivalents is comprised of the following:

Kiwibank On call and Term deposit	2,024,601	14%
ASB On call	520	0%
BNZ On call	2,864,009	19%
ANZ	10,001,191	67%
Westpac On call	18,875	0%
Float	2,135	0%
	14,911,331	

Activity Summary

	Revenue			Expenditure			Net Surplus/(Deficit)			Full Year Net Surplus/(Deficit)	
	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	AP Budget 2022/23	Total Budget
Community Facilities											
Libraries and Archives	1,512,318	889,576	622,742	1,029,160	993,426	(35,734)	483,158	(103,850)	587,008	0	(168,214)
Halls and Recreation Complexes	436,109	408,286	27,823	648,169	578,742	(69,427)	(212,060)	(170,456)	(41,604)	(308,514)	(403,005)
Makino Aquatic Centre	1,271,147	1,337,914	(66,767)	1,465,205	1,342,223	(122,982)	(194,058)	(4,309)	(189,749)	(20,000)	(20,001)
Parks, Reserves & Sportsgrounds	2,245,595	2,145,580	100,015	1,872,319	2,110,253	237,934	373,275	35,327	337,948	168,595	(33,242)
Cemeteries	161,797	178,116	(16,319)	164,569	177,955	13,386	(2,772)	161	(2,933)	0	(2)
Public Conveniences	231,371	214,374	16,997	244,692	217,766	(26,926)	(13,321)	(3,392)	(9,929)	0	(3)
Property	689,500	238,366	451,134	482,320	320,159	(162,161)	207,180	(81,793)	288,973	(69,722)	(134,705)
Total Community Facilities	6,547,837	5,412,212	1,135,625	5,906,435	5,740,524	(165,911)	641,402	(328,312)	969,714	(229,641)	(759,172)

Libraries and Archives

Favourable to budget by \$587k. Revenue is ahead of budget by \$623k for capital grants received lotteries commission and national library fund. Expenditure is \$36k unfavourable as a result of maintenance and subscriptions costs being incurred ahead of budget.

Halls and Recreation Complexes

Unfavourable to budget by \$42k predominately due to higher depreciation as a result of significant increases in property values.

Makino Aquatic Centre

Unfavourable to budget by \$190k. Revenue is behind budget by \$67k predominantly due to lower patronage as a result of a wet early summer season. Expenditure is \$122k over budget due to higher gas costs and an increase in insurance premiums, the ongoing gas costs is still under investigation.

Parks, Reserves & Sports Grounds

Favourable to budget by \$338k. Revenue is ahead of budget by \$100k due to receipt of a capital grant for the Makino Precinct . Expenditure is \$238k behind budget, with many operational projects yet to begin for the year.

Cemeteries

Unfavourable to budget by \$3k. Revenue is lower than budget as a result of lower interment fees. Expenditure is behind budget due to wet weather impacting maintenance schedules.

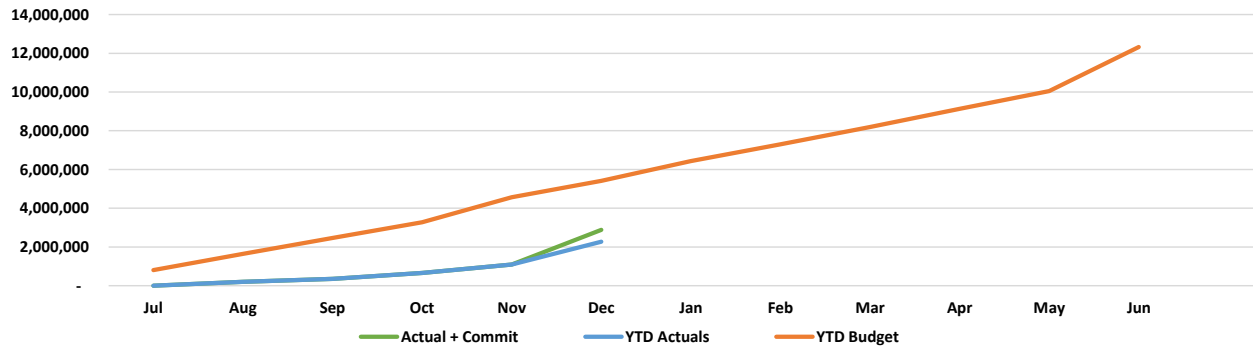
Public Conveniences

Unfavourable to budget by \$10k. Predominately due to the timing of maintenance.

Property

Favourable to budget by \$289. Revenue is ahead of budget by \$451k due to the sale of land in South Street which creates a gain on sale transaction, this revenue generated is budgeted to repay debt. Expenditure is \$162k ahead of budget due to \$86k higher interest costs and \$80k higher depreciation than expected.

Capital Expenditure 2022/23



Overall capital spend is \$2.1M with an additional \$612k in commitments - totalling \$2.7M year to date.

The total revised budget spend is \$12.3M against an Annual Plan budget of \$9.4M reflecting the carry forwards from 2021/22

Further information is available in the capital expenditure report.

Activity Summary

	Revenue			Expenditure			Net Surplus/(Deficit)			Full Year Net Surplus/(Deficit)	
	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	AP Budget 2022/23	Total Budget
Regulatory											
Animal Control	600,016	576,162	23,854	358,882	368,950	10,068	241,134	207,212	33,922	0	0
Building Control	1,628,017	1,611,884	16,133	1,618,621	1,628,280	9,659	9,396	(16,396)	25,792	0	2
Environmental Health	133,024	142,464	(9,440)	105,745	142,458	36,713	27,279	6	27,273	0	(1)
Alcohol Licensing	99,129	76,172	22,957	72,789	76,165	3,376	26,340	7	26,333	0	(2)
District Consents Planning	691,741	811,986	(120,245)	692,997	811,995	118,998	(1,256)	(9)	(1,247)	0	1
Total Regulatory	3,151,928	3,218,668	(66,740)	2,849,034	3,027,848	178,814	302,894	190,820	112,074	0	0

Animal Control

Favourable to budget by \$34k. Revenue is \$24k higher than budget due to increased income predominately coming from infringements. Expenditure is under budget by 10k due to a lower negotiated contract price.

Building Control

Favourable to budget by \$26k. Revenue is \$16k higher than budget. Expenditure over by \$10k with a range of minor variances.

Environmental Health

Favourable to budget by \$27k. Revenue and expenditure is behind budget due to the shared service arrangement with Rangitikei not occurring at this time while recruitment is ongoing.

Alcohol Licensing

Favourable to budget by \$26k as a result of higher than budget licence fees revenue.

District Consents Planning

Unfavourable to budget by \$1k. Revenue is lower than budget by \$120k mostly due a reduction in subdivision application fees and this is offset by lower consultants costs.

Activity Summary - Infrastructure

	Revenue			Expenditure			Net Surplus/(Deficit)			Full Year Net Surplus/(Deficit)	
	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	AP Budget 2022/23	Total Budget
Infrastructure											
Roading	8,363,552	8,806,444	(442,892)	10,611,529	8,367,500	(2,244,029)	(2,247,977)	438,944	(2,686,921)	1,035,856	877,871
Solid Waste	2,221,227	2,234,778	(13,551)	1,797,147	2,263,757	466,610	424,081	(28,979)	453,060	73,722	(47,615)
Stormwater and Drainage	1,387,260	1,526,426	(139,166)	1,185,018	1,261,998	76,980	202,242	264,428	(62,186)	580,027	521,829
Water Supply	5,422,310	2,616,220	2,806,090	2,912,901	2,977,836	64,935	2,509,409	(361,616)	2,871,025	(660,240)	(733,762)
Wastewater	7,288,554	4,312,808	2,975,746	4,300,996	4,215,451	(85,545)	2,987,557	97,357	2,890,200	439,160	166,992
Nursery	47,049	37,902	9,147	176,188	165,876	(10,312)	(129,138)	(127,974)	(1,164)	0	1
Total Infrastructure	24,729,952	19,534,578	5,195,374	20,983,778	19,252,418	(1,731,360)	3,746,174	282,160	3,464,014	1,468,526	785,316

Roading Unfavourable to budget by \$2.7M. Revenue is \$443k unfavourable to budget due lower capital subsidises as there has been a focus the remedial emergency works which is operational, and in assessing the impacts of weather events. Expenditure is \$2.2M unfavourable predominately due to higher depreciation costs of \$1.5M reflecting the increase incurred from recent revaluations, combined with higher maintenance costs incurred earlier than expected in response to the weather events.

Solid Waste Favourable to budget by \$453k. Revenue is \$14k unfavourable resulting from lower transfer station gate takings and blue bag sales. Expenditure is \$467k favourable resulting from low contract payments and disposal costs due to lower tonnage collected and processed. Revenue has not been impacted by lower tonnages due to being funded via targeted rates.

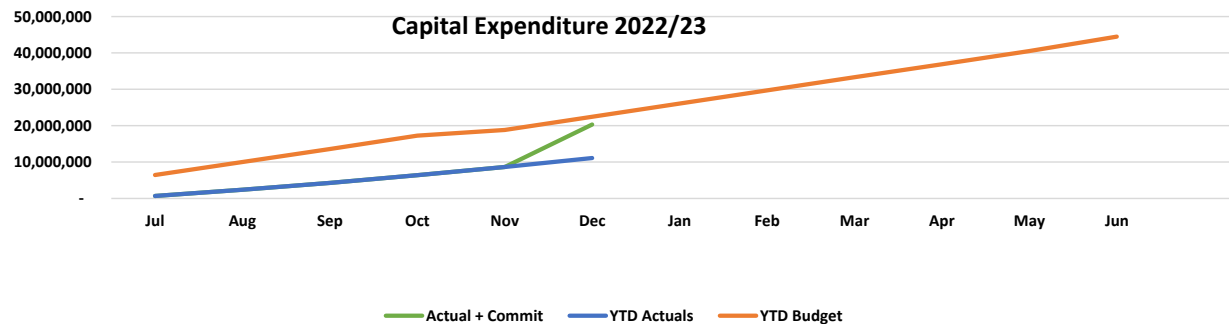
Stormwater and Drainage Unfavourable to budget by \$62k. Revenue is \$139k unfavourable due to lower development contributions. Total expenditure is \$65k favourable with lower operational project expenditures however this is expected to be just a timing issue.

Water Supply Favourable to budget by \$2.9M. Revenue is \$2.8M favourable due to two capital contributions from Crown Infrastructure Partners Limited for \$1.2M in relation to Three Waters Reform and \$1.57M from Ministry of Environment in relation to Ohakea. Expenditure is \$65k favourable with lower total expenditure across chemicals and electricity.

Wastewater Favourable to budget by \$2.9M. Revenue is \$3M favourable due to a capital subsidy from NZ Defence Force received in September, this subsidy is for the extension of the Wastewater Centralisation project to include the Ohakea Base and this will fund the additional capex required. The additional revenue has been offset by lower than budgeted trade waste charges. Expenditure is \$85k unfavourable due to higher depreciation costs of \$330k more than budgeted due to the increase in revaluations, this variance will continue. There is a partial offset from a range of minor costs.

**The nursery is located within the wastewater budget however is currently being reported as a separate entity.*

Nursery Unfavourable to budget by \$1k. Revenue is \$9k favourable to budget. Expenditure is \$10k unfavourable to budget with the majority of the variance due to increased staffing levels. The additional costs was required to increase productivity and is expected to be recovered by increased sales by the end of the financial year.



Overall capital spend is \$11M plus commitments \$9.2M making \$20.2M for year to date.

The total revised budget spend is \$45M against an Annual Plan budget of \$22.5k reflecting carry forwards from 21/22 financial year.

Further information is available in the capital expenditure report.

Activity Summary

	Revenue			Expenditure			Net Surplus/(Deficit)			Full Year Net Surplus/(Deficit)	
	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	Year to Date Actuals	Year to Date Budget	Variance	AP Budget 2022/23	Total Budget
Other Activities											
District Development	2,305,058	2,280,932	24,126	2,572,831	2,681,989	109,158	(267,774)	(401,057)	133,283	209,691	(160,020)
Emergency Management	176,441	159,554	16,887	160,332	159,281	(1,051)	16,109	273	15,836	0	(1)
Governance Team	1,772,607	1,738,088	34,519	1,783,626	1,831,891	48,265	(11,019)	(93,803)	82,784	0	5

District Development

Favourable to budget by \$133k as the district plan change project is progressing slower than expected offset by a \$6k deposit received for a private plan change.

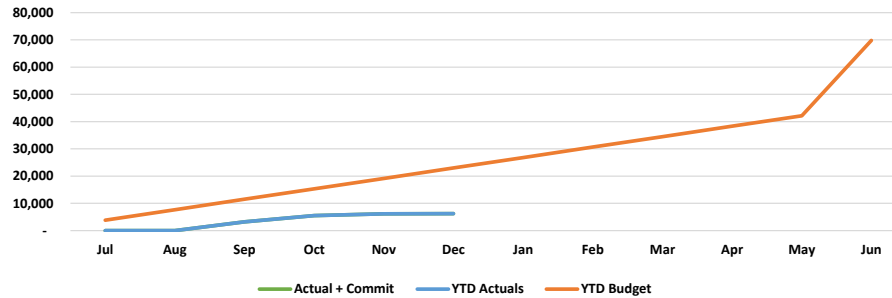
Emergency Management

Favourable by \$16k. Revenue is favourable due to cost recoveries from NEMA for training. Expenditure is unfavourable by \$1k this is due to staff time for a weather event in July.

Governance

Favourable to budget by \$83k. Revenue favourable with minor variances. Expenditure favourable predominately due to lower EQP grant applications - since the start of the EQP grant fund, only three have been completed.

Capital Expenditure 2022/23



Overall capital spend is \$6k for the year to date.

The total revised budget spend is \$46k against an Annual Plan budget of \$0.

Further information is available in the capital expenditure report.

Capital Expenditure Report
For the period ended 31 December 2022

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
Community Facilities									
Cemeteries									
Feilding Cemetery New Works	New LOS	2	24	(21)	5	7	83	78	New lowering device on order from the USA, and suppliers as experiencing delays. Works are in the planning stage for the cemetery extension.
Kimbolton Cemetery New Works	New LOS	0	20	(20)	0	0	20	20	Project is in the planning stage for the cemetery road extension, waiting on contractor availability to complete works.
Rangiwahia Cemetery New Works	New LOS	0	3	(3)	0	0	7	7	
Feilding Cemetery Renewals	Renewal	0	32	(32)	0	0	32	32	
Halcombe Cemetery Monument	New LOS	0	5	(5)	0	0	10	10	
Districtwide Cemetery Renewals	Renewal	1	4	(2)	0	1	15	15	
District Libraries									
Library Collection Purchases	Renewal	35	81	(47)	16	50	134	91	Collection spend progressing well, but is still low due to temporary location and availability of space. We will continue to monitor the spend.
Library Major Dev New	New LOS	1,512	2,605	(1,093)	496	2,008	5,210	5,210	Community Hub/Library project progressing to plan. We are yet to be sure how accurate our cashflow predictions for this financial year are given the disruptions of moving to a temporary premises in the CBD.
Library Major Dev Renewal	Renewal	19	526	(507)	0	19	1,052	1,052	As above
Library Renewals	Renewal	1	6	(4)	0	1	40	0	Furniture needs currently being assessed.
Library Asset Purchases	New LOS	3	6	(2)	0	3	6	0	Spending on portable filtration system for temporary library facility came in under budget with good discounts received for the units.
Makino Aquatic Centre									
Makino Pool 5yr Maintenance Closure	Renewal	127	488	(361)	8	134	508	508	Maintenance completed in November. Services have not fully been completed with more work scheduled for remainder of the year.
Makino Pool 5yr Maintenance Closure	Renewal	29	16	13	0	29	32	0	This job is completed.
Halls and Recreation Complexes									
Himatangi Beach Renewals	Renewal	0	0	0	0	0	11	11	
Hall Renewals	Renewal	0	1	(1)	0	0	2	2	
Renewals - Halcombe Hall	Renewal	0	0	0	0	0	94	94	
High Profile Hall Renewals	Renewal	9	21	(12)	0	9	94	94	
Little Theatre Remediation	Renewal	7	136	(129)	1	8	272	0	Architectural design work is under review. The construction component was carried forward from FY2021/22. A contractor will be sought when designs and consents are completed for remediation works.

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
Parks, Reserves and Sports Grounds									
Pharazyn Park Growth	Growth	6	0	6	0	6	682	682	Park development is delayed due to staff availability.
Rimu Park Growth	Growth	7	302	(295)	13	20	760	184	Land purchase is progressing with Mr Bayley.
Feilding Walkway Growth	Growth	12	453	(442)	9	20	907	0	Land purchase is progressing with Mr Bayley.
AF-KP New Works	New LOS	0	89	(89)	0	0	179	125	Flood protection works are being investigated by consultant through the AFKP trust. Signage works are also progressing with the trust.
Districtwide Reserve New Works	New LOS	7	0	7	0	7	11	11	Projects completed earlier than budgeted
Feilding Reserve New Works	New LOS	10	24	(15)	17	26	80	73	
Himatangi Beach New Works	New LOS	17	48	(31)	25	42	102	22	
Johnston Park New Works	New LOS	0	0	0	0	0	60	60	
Kowhai Park New Work	New LOS	19	10	10	0	19	19	0	
Makino Precinct New Works	New LOS	0	0	0	0	0	52	52	
Mt Lees New Works	New LOS	58	72	(15)	0	58	452	208	Signage has been constructed and awaiting on contractors for installation.
Sanson Res New Works	New LOS	56	52	3	0	56	56	56	
Timona Park New Works	New LOS	1	0	1	0	1	0	0	
Victoria Park New Works	New LOS	0	0	0	0	0	284	284	
Sanson Reserve New Works	Renewal	0	5	(5)	0	0	9	0	
Himatangi Beach Renewal Work	Renewal	24	14	10	0	24	28	28	
Makino Park Playground and Skate	New LOS	0	40	(40)	0	0	79	0	
Apiti Valley Reserve Renewals	Renewal	5	12	(6)	0	5	23	0	
Districtwide Res Renewals	Renewal	14	17	(3)	16	30	34	34	
Feilding CBD Renewals	New LOS	0	19	(19)	0	0	37	0	Project scoping underway
Himatangi Beach Res Renew	New LOS	93	5	88	0	93	90	57	
Kowhai Park Renewals	New LOS	11	45	(34)	5	15	233	143	Project scoping for car park renewal underway.
Districtwide Reserve Renewals	Renewal	0	18	(18)	0	0	36	0	
Mt Lees Renewals	Renewal	12	77	(65)	1	12	153	56	Scoping of works to be carried out at Mt Lees Homestead is underway, working with Fire engineer to establish safety access points and exits.
Property									
Property Feilding Depot	New LOS	0	0	0	0	0	107	107	
South Street Development	New LOS	4	39	(35)	3	6	78	0	Costs for South Street development. A single site is still available for sale.
Property Renew Projects	Renewal	20	52	(32)	0	20	105	74	Quotes have been sort from contractors for replacements works for Te Manawa building.
Public Conveniences									
Insurance Repairs	Renewal	28	40	(12)	0	28	40	0	Awaiting final invoice for repairs to Kowhai Park Cricket rooms and public toilets.
Total Community Facilities		2,149	5,408	(3,257)	612	2,761	12,323	9,480	

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
Administration Building									
Administration Building - Renewals	Renewal	0	3	(3)	2	2	7	0	
Administration Building - New Works	New LOS	195	1,457	(1,262)	31	226	1,457	1,057	Air conditioning renewal portion is complete with the design process underway for reroof and strengthening of building.
Total Administration Building		195	1,460	(1,262)	31	226	1,464	1,057	
Emergency Management									
CDEM New Asset Purchases	New LOS	1	2	(1)	0	1	4	0	
Emergency Management Renewals	Renewal	0	21	(21)	0	0	42	0	Awaiting technical rigger to install aerial on North Range Road site.
EOC Building	New LOS	5	0	5	0	5	24	599	Geotechnical testing completed. This project has been deferred and will be considered as part of the LTP process.
Total Emergency Management		6	23	(17)	0	6	70	599	
Roading									
Sub Unsealed Road Metalling	Renewal	217	161	56	0	217	322	249	Programme currently underway.
Sub Sealed Road Resurfacing	Renewal	1,069	1,190	(121)	0	1,069	2,380	2,181	The sealing programme commenced in September and should be complete by May 2023.
Sub Roading Footpath Renewal	Renewal	34	47	(12)	0	34	93	51	The footpath renewal programme has been delayed by inclement weather.
Subsidised Bridge Renewals	Renewal	202	498	(296)	486	688	992	424	Awaiting designs and RMA consent for Kaimatarau DRd Bridge S78 and Leen Rd Bridge S96
Sub Cycle Facilities	New LOS	150	370	(221)	649	799	741	0	
Roading Growth	Growth	666	1,602	(936)	2,444	3,109	3,306	2,192	Works for Precinct 5 (Turners Road) has commenced.
Sub Drainage Renewals	Renewal	323	338	(14)	8	331	660	474	The drainage renewal programme is underway
Sub Structures Renewals	Renewal	153	259	(106)	332	485	519	445	Structural component replacements. Works in rivers are programmed Jan to March
Sub Traffic Services Renewal	Renewal	127	189	(61)	26	154	393	378	Road marking and signage.
Sub Pavement Rehabilitation	Renewal	720	491	229	0	720	982	967	Reids Line East, Stewart Rd, and Rangiwahia Rd complete. Kimbolton Rd/Coulter Rd Int ans Taonui Rd/Valley Rd Int completion due in March
2021-21 LCLR Programme Budget	New LOS	0	147	(147)	286	286	294	511	Kawakawa RTB, constructed as part of Turners Rd.
324 Road Improvements	New LOS	428	661	(233)	447	875	1,321	595	Halcombe Rd and Rongotea Rd Seal Widening. Cemetery Rd and Mangamako Improvement Designs
341 Low Cost - Low Risk Prgm	New LOS	150	185	(34)	167	318	377	318	Various Safety Barriers
341 Road to Zero	New LOS	240	537	(296)	268	508	998	735	Safer Journeys for schools; electronic signage, traffic calming
357 Resilience Improvements	New LOS	14	23	(10)	22	35	47	65	Various bridges: scour protection
451 Walking Facilities	New LOS	235	102	133	36	271	272	143	New Footpaths: Rongotea and Himitungi
452 Cycling Facilities	New LOS	50	423	(374)	0	50	847	845	Waka Kotahi has approved the use of this budget for the Te Arorua Trail Construction
Non Subsidised Roading Renewal	Renewal	0	75	(75)	0	0	149	101	
Non Sub Road Works	New LOS	65	144	(79)	175	240	288	0	Aorangi Marae, delayed by Kiwirail, completion due March
Te Arorua Trail Construction	Renewal	0	123	(123)	0	0	245	0	Waka Kotahi will subsidise the Te Arorua Trail Construction therefore this budget is surplus
Non Sub Mitigation Sealing	Renewal	0	9	(9)	0	0	18	0	
NZTA New Surplus	New LOS	95	0	95	0	95	0	0	
Total Roading		4,938	7,573	(2,635)	5,344	10,282	15,244	10,673	

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
Solid Waste									
Purchase of New Recycling Bins	New LOS	52	75	(23)	0	52	107	23	Purchasing will be done as required.
Recycling Inventory	New LOS	14	(3)	17	0	14	(5)	(5)	Inventory in/out as required.
Est Mobile Recycling Centres	New LOS	9	10	(1)	0	9	21	0	Container upgrade complete, concrete pad to be commissioned.
Kaimatarau RTS Improvements	New LOS	0	6	(6)	10	10	13	0	Clean up of site after closure.
Himatangi RTS	New LOS	0	9	(9)	0	0	17	0	Scope to be confirmed.
Resource Recovery Centre	New LOS	27	52	(25)	62	89	103	0	Second weighbridge underway.
Total Solid Waste		103	149	(47)	72	174	256	18	
Stormwater									
Stormwater - District Wide New	New LOS	238	307	(68)	161	400	700	506	First stage of Rongotea stormwater project complete. Negotiations with contractor to determine if an additional stage will be completed this financial year.
Stormwater Growth Feilding	Growth	263	4,092	(3,829)	139	402	6,401	2,122	Works are underway in Precinct 4 (Road 1A & 4B) and Precinct 5 Turners Rd. Root Street stormwater design is complete and planning underway for new contract. Detention pond for precinct 4 design concept, consultation underway with developer and iwi.
Turners Road Extension	Growth	22	160	(137)	375	397	420	0	Turners Road contract awarded, works for stage 1 to commence in February 2023
Turners Road New Works	New LOS	0	63	(63)	0	0	250	0	
Stormwater New Connections	New LOS	0	8	(8)	0	0	16	16	New connections have been completed as required.
Stormwater New Work Feilding	New LOS	26	131	(106)	0	26	279	53	Design complete for Woodland Grove, construction to be completed before end of financial year.
Unplanned Renewals Feilding	Renewal	44	39	5	25	69	97	62	Reticulation renewals are done as required.
Stormwater Land Acquisition	New LOS	0	0	0	0	0	0	0	
Stormwater Flooding New Works	New LOS	25	125	(100)	4	30	500	0	Design for Glasgow Terrace is complete with works to be tendered early February 2023.
Total Stormwater		619	4,924	(4,306)	705	1,323	8,662	2,759	
Wastewater									
Wastewater Centralisation	Renewal	3,358	3,808	(450)	3,507	6,865	7,676	1,464	Sanson pump station project underway, as well as Rongotea pipework. Contract awarded for intermediate pumps for Sanson. Full year revised budget is excluding budget capital subsidies for this project of \$781k.
Feilding Wastewater - New Work	New LOS	10	6	4	0	10	12	0	Asset analysis underway.
Feilding WWTP Asset Renewal	Renewal	58	367	(310)	90	147	617	884	Pumps 1 & 2 in need of replacement.
Feilding WW Retic Renewals	Renewal	54	55	(1)	3	57	216	192	Asset analysis underway and reactive works to be completed as required.
Feilding WWTP Upgrade	New LOS	392	562	(171)	492	884	1,182	772	Wetland earthworks complete, design for inlet/outlet works including pipework underway.
Feilding Wastewater Growth	Growth	146	317	(171)	289	435	800	714	Works are underway in Precinct 4 (Road 1A & 4B) and Precinct 5 Turners Rd.
Turners Road Extension	Growth	135	228	(94)	306	440	457	0	Turners Road contract awarded, works for stage 1 to commence in February 2023
Feilding WWTP - Irrigation	New LOS	22	222	(200)	0	22	469	300	Zone 4 underway, new areas to be mapped for Nursery team.
Rongotea WWTP Renewals	Renewal	0	5	(5)	0	0	11	5	Asset analysis underway.
Himatangi WW Asset Replacement	Renewal	0	11	(11)	0	0	21	11	Asset analysis underway.
Desludging Oxidation Ponds	Renewal	0	3	(3)	0	0	7	0	
District WWPS Telemetry	Renewal	43	50	(6)	30	73	99	0	Upgrade Trent St Rongotea and Mahinui pump station upgrade
Wastewater New Connections	New LOS	39	29	9	0	39	59	59	New connections completed as required.
Unplanned Renewals -Villages	Renewal	0	0	0	0	0	0	0	
Feilding WWTP Nursery New Work	New LOS	27	27	0	0	27	27	0	Construction of shadehouse is almost complete.
Total Wastewater		4,284	5,691	(1,408)	4,717	9,000	11,652	4,401	

		Actuals YTD \$000	Budget YTD \$000	Variance YTD \$000	Commitments \$000	Commitments & Actual YTD \$000	Full Year Revised Budget \$000	Annual Plan \$000	Notes/Comments
Water Supply									
Feilding WTP Renewals	Renewal	575	2,118	(1,543)	570	1,144	4,645	1,187	Feilding water strategy works. Feilding exploratory bore complete, quality testing completed. Production bore to commence February 2023. Additional funding to be sought to complete project.
Feilding WS Reticulation Renew	Renewal	55	58	(3)	0	55	158	158	Asset analysis underway and reactive works to be completed as required.
Feilding Water Supply Growth	Growth	174	639	(465)	195	369	1,378	974	Works are underway in Precinct 4 (Road 1A & 4B) and Precinct 5 Turners Rd.
Turners Road Extension	Growth	6	150	(144)	234	240	300	0	Turners Road contract awarded, works for stage 1 to commence in February 2023
Water Supply New Connections	New LOS	4	12	(8)	0	4	23	23	New connections completed as required.
Feilding Water Pressure Zones	New LOS	0	150	(150)	0	0	300	466	Fraser Drive project design complete.
District Wide Improvements	New LOS	13	58	(45)	0	13	116	85	Ranfurly booster pump design underway.
Feilding Reticulation Improvements	New LOS	0	0	0	0	0	0	521	Investigations underway as part of the Feilding water strategy.
Himatangi Water Asset Renewals	Renewal	0	4	(4)	0	0	9	9	Asset analysis underway.
Himatangi Water Supply New	New LOS	(0)	0	(0)	0	(0)	0	106	Himatangi water strategy underway.
WS Unplanned Renewals-Villages	Renewal	5	9	(3)	0	5	17	17	Asset analysis underway.
Stanway/Halcombe RWS Renewals	Renewal	4	104	(100)	21	25	209	40	Intake pump replacement underway.
Waituna West RWS Renewals	Renewal	2	6	(4)	0	2	12	12	Asset analysis underway.
Stanway/Halcombe RWS	Renewal	0	12	(12)	0	0	24	14	Asset analysis underway.
Stanway/Halcombe WTP New Works	New LOS	59	285	(225)	266	325	703	213	Bore pump to be replaced over the next two months if access is available.
Ohakea RWS New Works	New LOS	2	19	(17)	29	31	38	0	Project nearing completion.
Ohakea RWS - Source/Treatment	New LOS	270	352	(83)	392	662	704	0	Project nearing completion.
Ohakea RWS - Network	New LOS	4	232	(228)	168	173	464	0	Project nearing completion.
Ohakea RWS - Connections	New LOS	39	62	(23)	9	47	124	0	Project nearing completion.
Ohakea RWS - Variations	New LOS	11	0	11	0	11	0	0	Project nearing completion.
Vinegar Hill RWS New Works	New LOS	0	0	0	61	61	100	0	
Waituna West New Works	New LOS	0	11	(11)	0	0	21	21	Waiting on pricing for standby bore pump.
Vested Asset Water Supplies	New LOS	0	53	(53)	0	0	106	106	
Total Water Supply		1,223	4,334	(3,111)	1,945	3,168	9,453	3,954	
Support Services and Other									
Motor Vehicle Renewals	Renewal	87	333	(247)	48	134	923	442	Two Utes and one side by side delivered, and one Ute on order. Supply and delivery remain an issue.
Council Chamber Sound System	Renewal	22	12	11	0	22	23	0	Project complete.
Computer Hardware Renewals	Renewal	7	207	(199)	74	81	414	179	Renewals programme is delayed, and the expectation remains for delivery and supply issues.
Software Replacement	Renewal	(18)	0	(18)	0	(18)	205	61	Part of the budget will not be spent as the ERP project is funded as a non capital item.
Other IM New Projects	New LOS	3	13	(10)	31	35	26	26	The Urban Aerial Imagery contract has now been signed and work has begun.
IT - Capital New Jobs	New LOS	39	14	26	0	39	21	6	Over budget due to IT requirements for new staff roles created.
Call Centre Autex Panelling	New LOS	0	4	(4)	0	0	7	7	The project is no longer required.
General Renewals	Renewal	4	25	(21)	0	4	50	26	Bulk purchase stand-up desks as part of councils commitment to an ergonomic environment.
General New Assets	New LOS	4	12	(7)	1	5	23	23	Bulk purchase stand-up desks for new staff roles as part of councils commitment to an ergonomic environment.
Total Support Services and Other		150	619	(469)	154	303	1,693	771	
TOTAL CAPITAL EXPENDITURE		13,665	30,182	(16,516)	13,581	27,246	60,817	33,711	

Accounts Receivable and Rating

Outstanding Rates

Accounts Receivable (Rates)	YTD Prior Year 31/12/2021 \$000	YTD Current 31/12/2022 \$000
Current Year's Rates Outstanding (incl Penalties)	793	827
Total Rates invoiced to date (incl GST)	22,339	24,321
Outstanding rates as a % of total rates levied	3.50%	3.40%
Prior Year's Rates Outstanding	386	516
Outstanding at Beginning of Year	890	908
% Prior Years Arrears Outstanding	43%	54%
Rate Received in Advance	(2,290)	(2,161)
Total Rates Outstanding	(1,111)	(847)

Prior Year Rate Details

Rates Arrears (\$000)

Reconciliation Date	Arrears as at 1 July 2022	Collection Current Month	Collection to date	% of arrears collected YTD	Arrears Outstanding	% of arrears collected in prior years
31-Dec-22	908	29	420	46%	487	56.62%

Sundry Receivables (Non Rates)

Accounts Receivable (Sundry) Aging (\$000)	Current	30 day	60 day	90 day	Total
	928	64	10	138	1,139
% of Total	81.42%	5.58%	0.89%	12.10%	100.00%
Analysis					
90 day debt (incl top 10) managed by MDC (\$000)				115	83.66%
Managed by DMC (\$000)				62	44.87%

Approved Variation to Annual Plan

These items consolidate to form the variance between Annual Plan and Revised Budget.

Annual Plan Net Surplus/(Deficit) 1,728,000 Surplus

Revenue Adjustments

Revenue from on charged projects	GM Approval	432,000
Three waters transition funding	CE Approval	99,000
Staffing changes	CE Approval	35,000
Add funding for MAC holiday programme	GM Approval	18,000
Future Leaders Programme	Correction	126,000

Total Revenue Adjustments 710,000 Revenue

Operational Expenditure Adjustments

Council Approval

Carry Forwards 1,612,000

Total additional council approved expenditure 1,612,000

Executive Approvals

Covid Rapid Antigen Tests	CE	10,000
Corporate and Community Structure Changes	CE	3,000
Costs for on charged projects	GM	432,000
Add budget for transition work	CE	99,000
Staffing Changes	CE	115,000
Add funding for MAC holiday programme	GM Approval	18,000

Total additional CE approved expenditure 677,000

Revised Budget Net Surplus/(Deficit) 149,000 Deficit

Annual Plan Capital Budget

33,713,000

Council Approval

Carry forwards 26,299,000

Chief Executive approved items

Repairs to Kowhai Park Toilets	CE	40,000	
Library Air Purification Filter	CE	5,000	
Recycling Bin Clips	CE	51,000	
Deferred Capital Projects	GM	2,699,000	
Wastewater Centralisation NZDF	GM	3,281,000	Offset in revenue
Vinegar Hill Rural Water Scheme	CE	100,000	
Shadehouse for Nursery	CE	27,000	

Total movements to capital budget 27,104,000

Revised Capital Budget 60,817,000

Levels of Service

Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	Comments
Cemeteries					
Percentage of responses to our residents perception survey that are satisfied with the maintenance of cemeteries	95%	91%	In Progress	In Progress	Current results from the resident's survey have satisfaction of cemeteries at 84%. Officers are in discussions with our contractor Recreational Services, they have been having issues with getting staff and unseasonable growth has meant specs haven't been met. Plans are in place to rectify.
Monitoring the number of complaints about late or inadequate interment services	No complaints about late or inadequate interment services	0	In Progress	In Progress	No complaints about late or inadequate interment services have been received for the second quarter.
District Libraries					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	Comments
Monitoring the number of issues per capita per annum.	6	8.96	In Progress	In Progress	By the end of the second quarter we achieved 4.59 issues per capita and are on track to meet target by year end. Digital borrowing has grown as a proportion as a change in one platforms reporting system has produced different numbers for this digital resource. Physical borrowing has reduced with the move to temporary facilities and a smaller collection currently available for direct browsing. It is remaining steady at this newly established level. Digital borrowing is still staying strong.
Monitoring the number of online transactions and users of Wi-Fi and internet	40,000	53,901	In Progress	In Progress	By the end of the second quarter we are sitting at 12,717 logins to library e-resources and apps (including digital learning apps and heritage platforms). This includes the September APNK wifi figure of 1,714 which was unavailable last quarter. Wifi and computer use are down on regular levels due to the smaller facility the library currently occupies. They are remaining steady at the new levels.
Monitoring the number of participants attending programmes, exhibitions, classes and events per annum	8,000	9,592	In Progress	In Progress	By the end of the second quarter we had a total of 5,754 participants attending programmes, classes, exhibitions, events, digital learning programmes or social interaction groups. The target for this year was set as if the library had re-opened with a target of 22,000 this year. The second quarter of the year has been interesting. We have managed to increase the number of programmes we are offering including heading off site more, however we are still finding numbers are limited, which we believe is a result of the location of the temporary library and the limited space we have available to run classes / events. We are finding night classes are limited to 10-12 depending upon the activity in the Library. We also saw our afterschool club participation drop significantly, which resulted in initially brining the activities back to the Library but has ultimately seen them placed on hold while we undertake a review of best practice in terms of what to offer and when. Highlights: There have been a number of very successful highlights for the second quarter. We successfully delivered our first school holiday programme off site at Manchester Street School which saw good numbers of people attending the various activities we had on offer. Being off site also allowed us the opportunity to bring Zappo the Magician in which as a huge success with the community. We also took part in Rural Day. The team were very hesitant to be part of the day but despite the wind we had a fantastic day and was able to deliver a successful craft activity to the community as well as be able to communicate with the community outside the Library walls. The team came away excited for attending Rural Day 2023. We successfully undertook our annual Harry Potter Quiz night and Family Fun day at the Feilding United Football Club rooms. Over the two events we had close to 300 people attend. Was great to deliver a programme in an alternative

Halls and Recreation Complexes					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
Number of in-use Council-owned halls and recreational complexes that are compliant with current building warrant of fitness requirements and FENZ evacuation procedures	100%	100%	In Progress	Target Met	All council halls and recreation facilities are compliant with current Building Warrant of fitness requirements, and FENZ evacuation procedures for the second quarter.
Makino Aquatic Centre					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
Pool safe accreditation	Accredited	Target Met	Target Met	Target Met	We currently have our Poolsafe award, which will remain valid until April 2023. The Poolsafe accreditation renewal process is currently underway, and our site visit assessment will take place in February 2023.
Participants in water activities and learning to swim programmes	51,000	37,839	In Progress	In Progress	From 1 July 2022- 31 December 2022 there have been a total of 21,124 participants in water activities and learning to swim programmes.
Percentage of customers satisfied overall with their experience at the complex	90%	96.5%	In Progress	In Progress	The Annual Customer Satisfaction Survey will be carried out in March 2023
Number of general admissions (swimmers and spectators)	65,000	59,152	In Progress	In Progress	From 1 July- 31 December 2022 there have been a total of 33,344 general admissions (swimmers) and spectators.
Parks, Reserves and Sportsgrounds					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
Percentage of survey participants satisfied with Council's parks, reserves and sportsgrounds	90%	95%	In Progress	Target Met	92% of survey participants are satisfied with Council's parks, reserves and sportsgrounds.
Monitoring the number of health and safety incidents or injuries reported that occurred due to inadequate or poor maintenance in our parks, reserves and sports grounds	0	0	In Progress	In Progress	We have not received any reports of health and safety incidents due to inadequate or poor maintenance in our parks and sports grounds for the second quarter.
Property					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
Council-owned buildings and properties are compliant with the relevant safety regulations	100%	100%	In Progress	Target Met	All Council owned buildings and properties are compliant with the relevant safety regulations for the second quarter.
Public Conveniences					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
Monitoring the number of complaints we receive about inadequate maintenance and poor cleaning of our toilets	< 8	1 (Target <6)	In Progress	In Progress	There were not any complaints received about inadequate maintenance and poor cleaning of our toilets in the second quarter.
Animal Control					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
Urgent requests about dog attacks/wandering stock responded to or caller contacted within 15 minutes of Council receiving the request (Priority 1)	90%	96%	Target Met	Target Met	There were 81 incidents reported between 1 July 2022 - 31 Dec 22. 79 were responded to within the target timeframe = 98%
Notification of roaming dogs responded to or caller contacted the next working business day of Council receiving the request (Priority 2)	90%	100%	Target Met	Target Met	There were 97 incidents reported between 1 July 22 - 31 Dec 22. 95 were responded to within the target timeframe = 98%
Routine animal control issues responded to or caller contacted the next working business day of Council receiving notification (Priority 3)	90%	91%	Target Met	Target Met	There were 395 incidents reported between 1 July 22 - 31 Dec 22. 389 were responded to within the target timeframe = 99%

Building Control					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
Number of the district's commercial and public buildings holding a current compliance schedule that are audited every 3 years	100%	73.40%	Target Not Met	Target Not Met	There are 391 compliance schedules within our district. 300 have had an inspection done within 3 years = 77% This is due to a continued vacancy in the team and reliance on a contractor and support for the building control team who are under time pressures and also under resourced. The building control team is undergoing a review for delivery of this service.
Complaints relating to our building control service are responded to within specified timeframes	90%	91%	Target Met	Target Not Met	64 complaints/requests for service were received between 1 July 22 - 31 Dec 22. 57 were responded to within the specified timeframe = 89% 31 were in relation to stormwater following heavy rain and flooding events.
Number of residential swimming pools that are inspected every 3 years to ensure compliance with the Building Act	90%	99%	Target Met	Target Met	There are 347 pools within the district. 341 have been inspected within the 3 year anniversary date = 98%
Number of building consent applications and code compliance certificates processed and approved within 20 working days	95%	77%	Target Not Met	Target Not Met	23 building consents were issued between 1 July 22 - 31 Dec 22. 39 were not issued within the 20 day timeframe = 88% 318 CCCs were issued between 1 July 22 - 31 Dec 22. 18 were not issued within the 20 day timeframe = 94% A vacancy within the building team has caused the delay in timeframes.
Number of fixed fee (small works) building consent applications are processed and approved within 10 working days	95%	80%	Target Not Met	Target Not Met	25 fast track building consents were issued between 1 July 22 - 31 Dec 22. 19 were not issued within the 10 day timeframe = 85% A vacancy within the building team has caused the delay in timeframes.
Compliance and Monitoring					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
Food premises are verified as per legislative requirements under the Food Regulations 2015.	100%	100%	In Progress	In Progress	No inspections have been undertaken of food premises since July 2022 due to the absence of an Environmental Health Officer. Our new EHO commenced with MDC on 19th December 2022, Plans are in place to have all inspections completed by the end of the reporting period
Requests for service related to incidents that endanger public health that are responded to within 24 hours of notification.	85%	94%	Target Not Met	Target Met	3 complaints were received for this reporting period, of those 12 were responded to within 24hrs. A result of 92%
Urban noise complaints that are responded to within one hour of notification	85%	94%	Target Met	Target Met	There have been 129 complaints of excessive noise in the urban area over this reporting period, of those 127 have been responded to within 1 hour, a result of 98%
Requests for service related to incidents that do not endanger public health that are responded to within 48 hours of notification	85%	97%	Target Met	Target Met	24 complaints not endangering public health were received by the Compliance Team during the July 2022 to December 2022 period. Of those 123 were responded to within 48hrs, a total of 99%
Number of licensed premises that are inspected annually to ensure compliance with the conditions of their license and to work with those who do not comply to bring them up to compliance.	95%	100%	In Progress	In Progress	For the quarter ending 31 December 2022, 15 out of 53 premises have been inspected (28%) to ensure compliance with the conditions of their licence.
Consents Planning					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
Number of applications for permitted boundary activities under the Resource Management Act are processed in accordance with the statutory timeframes	100%	89%	Target Met	Target Met	There have been 17 permitted boundary activity consents issued for the reporting period. Of these all 17 were processed within 10 working days. a total of 100%
Number of non-notified resource consents completed within statutory timeframes	90%	49%	Target Met	Target Not Met	There were 182 non notified consents issued over this period, of these 160 were issued within the required timeframes. A total of 87%
Number of notified and limited notified resource consents (not requiring a hearing) completed within statutory timeframes	90%	100%	In Progress	In Progress	There have been no notified or limited notified consents issued for this period.
Number of limited notified resource consents (with hearing) completed within statutory timeframes	90%	100%	In Progress	In Progress	There have been no notified or limited notified consents requiring a hearing in this period.
The number of Resource Consent applications for resource consents returned to applicant as incomplete (under section 88 of the RMA)for: Permitted boundary activities Resource Consents	Number Recorded	6	In Progress	In Progress	There have been no permitted boundary activities returned as incomplete for this reporting period
The number of applications for which a request for further information has been made. (under section 92 of the RMA)	Number Recorded	141	In Progress	In Progress	For the reporting period of July 2022 to December 2022 a total of 71 consents were returned for further information under the RMA 1991

Governance and Strategy					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
The number of breaches in rates limits od debt levels as set in the Financial Strategy	0	0	Target Met	Target Met	Zero breaches of rating or debt levels
District Development					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
Percentage of targets CEDA has achieved under the relevant Statement of intent	80%	82.20%	In Progress	In Progress	
Percentage of Results Based Accountability targets achieved under Priority Services contract	80%	80%	In Progress	In Progress	The six-monthly reports to 31 December 2022 from organisations who have a Results Based Accountability priority services contract with Council are not due until 28 February. These organisations will be presenting to the 25 May 2023 District Development Committee.
Creative Communities Scheme projects administered by Council	Number Recorded	14 projects approved	In Progress	In Progress	There were no funding allocations made in the second quarter. The next funding round for Creative Communities closes 31 March 2023.
Percentage of survey participants who feel a sense of connection with others in their neighbourhood/community	Baseline set 2021/22	71%	In Progress	In Progress	No survey results were available to report in the second quarter.
Emergency Management					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
% of Incident Management Team personnel trained to at least intermediate level of the Integrated Training Framework	75%	80%	Target Met	Target Met	90% of Incident Management team trained to ITF Intermediate level.
% of survey participants who were satisfied with information and advice provided by Council in relation to an emergency event	Set in 2021/22	48%	Target Met	Target Met	No emergency events meeting the threshold in the reporting period.
Roading					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network.	Lower than the previous financial year, measured on a per capita basis	0.00070	In Progress	In Progress	To the end of the 2nd Quarter there have been 12 crashes reported that have resulted in 1 fatality and 14 serious injuries.
The average quality of ride on a sealed local road network, measured by Smooth Travel Exposure (STE) index ratings (percentage of assessed network length where roughness is under the relevant threshold)	90%	98%	In Progress	In Progress	The STE data will be reported at the end of Quarter 4
A percentage of the sealed local road network that is resurfaced	5%	5.6%	In Progress	In Progress	To date the reseal programme is 65% complete. On completion 5% of the local road network will have been resurfaced.
The percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in Council's Activity Management Plan	95% of the districts footpaths are within acceptable defect levels (condition rating 1 – 4)	99.70%	Target Met	Target Met	The 2020 Footpath Rating survey resulted in 99.7% being acceptable.
For urgent requests for service, Council's will respond within three hours of the request being lodged.	90%	90.70%	Target Met	Target Met	For the period 1 July - 31 December 2022, 110 urgent service requests were received. 104 were responded to within 3 hours. This equates to 94.5%
For non-urgent requests for service the contractor will include the repairs in the 3 month rolling programme or as instructed by Council's Roading Team.	90%	89.20%	Target Met	Target Met	For the period 1 July - 31 December 2022, 560 non-urgent service requests were received. 449 were responded to within 3 months and a further 92 are still within the 3-month timeframe. This equates to 96.6%

Solid Waste					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
Rural residents have convenient council refuse bag drop-off points close to their homes.	90% of rural residents have a refuse bag drop-off points close to their home	94%	Target Met	Target Met	Present collection route meets success measurement
Mobile recycling centres are conveniently located within 5km of identified village centres.	100%	100%	Target Met	Target Met	All stations in place. Halcombe MRC presently not accepting glass
Funding provided for waste education programmes that promote reduce and reuse.	100% achievement of confirmed participants in the Council-supported waste education programmes	YES	Target Met	Target Met	19 Kindergarten/Preschools & Primary Schools are participating in the Enviroschools programme.
Number of complaints received by Council about its performance of its solid waste services.	<100 complaints received per 100,000 annual collections	55.75	Target Met	Target Met	Quarter 2 = 39 complaints regarding waste services. RDI report = 7551 collections. This equates to 39.72 complaints per 100,000 collections.
Stormwater					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
The number of flooding events in the district	0	4	Target Not Met	Target Met	Quarter 1 = 0 flooding events. Quarter 2 = 0 flooding events. YTD = 0 flooding events.
The number of habitable floors per 1000 properties affected by flooding per flooding event that occurred in the district	<10	4.78	Target Met	Target Met	Quarter 1 = 0 complaints. Quarter 2 = 0 complaints. YTD = 0 complaints.
Abatement notices received by Council in relation to resource consents. (measured per scheme)	<2	0	In Progress	Target Met	No abatement notices received.
Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of: <ul style="list-style-type: none"> • Infringement notices • Enforcement orders, and • Convictions received by Council in relation those resource consents (per scheme).	0	0	In Progress	Target Met	No enforcement action has occurred
The median response times to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site	<2 hours	7.35 hours	Target Not Met	Target Met	Quarter 1 = 0 flooding events. Quarter 2 = 0 flooding events. YTD = 0 flooding events.
The number of complaints received by Council about the performance of its stormwater system. (Expressed per 1,000 properties connected to Council's stormwater system).	<20	33.33	Target Met	Target Met	Quarter 2 = 9 complaints. RDI report = 8479 connections. This equates to 1.06 complaints per 1000 connections. YTD = 19 complaints. RDI report = 8479 connections. This equates to 2.24 complaints per 1000 connections.

Wastewater					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
Number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections.	< 6	0.24	Target Met	Target Met	Quarter 1 = 0 dry weather overflows. Quarter 2 = 1 dry weather overflow. YTD = 1 dry weather overflow.
Abatement notices received by Council in relation to resource consents. (measured per scheme)	<2	0	In Progress	Target Met	No Abatement notices received.
Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of: • Infringement notices • Enforcement orders, and • Convictions received by Council in relation those resource consents (per scheme).	0	0	In Progress	Target Met	No enforcement action has been received.
Median response time to sewage overflows resulting from blockage or other faults in the Council's sewerage system (urgent)	< 2 hours	0.72 hrs	Target Met	Target Met	Quarter 1 = 0. Quarter 2 = 3.52 median resolution hours. YTD = 3.52 median resolution hours.
Median response time to sewage overflows resulting from blockage or other faults in the Council's sewerage system (non-urgent).	< 5 Days	1.53 hrs	Target Met	Target Met	Quarter 1 = 24 median response hours. Quarter 2 = 15.14 median response hours. YTD = 24 median response hours.
Median response time (combined)	< 5 Days	1.35 hours	Target Met	Target Met	Quarter 1 = 24 median response hours. Quarter 2 = 6.28 median resolution hours. YTD = 24 median resolution hours.
Median resolution time to sewage overflows resulting from blockage or other faults in the Council's sewerage system (from the time Council received notification to the time service personnel confirm resolution of the blockage or other fault) (urgent)	< 5 hours	12.43 hours	Target Met	Target Met	Quarter 1 = 0. Quarter 2 = 0.52 median response hours. YTD = 0.52 median response hours.
Median resolution time to sewage overflows resulting from blockage or other fault in the Council's sewerage system (from the time Council received notification to the time service personnel confirm resolution of the blockage or other fault) (non-urgent).	< 10 Days	4.18 hours	Target Met	Target Met	Quarter 1 = 24 median response hours. Quarter 2 = 12.36 median response hours. YTD = 24 median response hours.
Median resolution time (combined)	< 10 Days	4.02 hours	Target Met	Target Met	Quarter 1 = 24 median response hours. Quarter 2 = 0.72 median response hours. YTD = 24 median response hours.
The total number of complaints received by Council about the following: • Sewage odour • Sewerage system faults • Sewerage system blockages • Council's response to issues with its sewerage system Expressed per 1,000 connections to the council sewerage system.	< 20 complaints in total per 1,000 connections per annum	6.75	Target Met	Target Met	Quarter 2 = 7 total complaints. RDI report = 8389 connections. This equates to 0.83 complaints per 1000 connections. Odour = 3, system blockage = 3, system fault = 1, councils response = 0. YTD = 14 total complaints. RDI report = 8389. This equates to 1.67 complaints per 1000 connections. Odour = 3, system blockage = 9, system fault = 2, councils response = 0.

Water Supply					
Measure	Target for 2023	Prior Year Result	Result Q1	Result Q2	
No Public health risk with substantiated positive E-coli detected in the water supply	100%	100%	In Progress	Target Met	100% compliance with part 4 of the drinking water standards has been achieved. As of 1 January 2023 compliance is based on the Water Assurance Rules. Due to Chlorine Contact time within the Feilding scheme 100% compliance will not be achieved Access to Stanway Halcombe has been limited in the last three months. This is likely to have implications for bacteria compliance due to coms failure at the site.
New Zealand Drinking Water Standard Compliance Criteria for protozoa are met, with the exception of the Stanway-Halcombe Rural Water Supply	100%	100%	In Progress	Target Met	With the exception of Stanway Halcombe 100% Compliance with part 3 of the standards has been achieved. As of 1 January 2023 compliance is based on the Water Assurance Rules. Protozoa compliance in the next quarter is at risk due to sanitary bore requirements. Upgrades to Stanway Halcombe have been delayed due to ongoing consultation with local land owners. Limited access to the current site is likely to compromise future compliance.
Percentage of real water loss from Council's networked reticulation system. This will be calculated for each water supply scheme using Method 1 - Water Balance as per the Department of Internal Affairs guidelines	< 35%	22%	In Progress	In Progress	On track. 12 months of data are required to complete this assessment.
Attendance time for urgent call-outs: from the time the Council receives notification to the time that service personnel reach the site	2 hours	0.73 hours	Target Met	Target Met	Quarter 1 = 0.32 median response hours. Quarter 2 = 2.74 median response hours. YTD = 1.65 median response hours. It has been identified that CCR 74273 and 74278 were responded to outside of the 2 hour maximum time. Operations Manager has been notified.
Resolution time of urgent call-outs: from the time that Council receives notification to the time that service personnel confirm that the water supply has been reinstated.	9 hours	1.52 hours	Target Met	Target Met	Quarter 1 = 2.78 median resolution hours. Quarter 2 = 13.28 median resolution hours. YTD = 3.65 median resolution hours. It has been identified that CCR 74449 and 74278 were resolved outside of the 9 hour maximum time. Operations Manager has been notified.
Attendance time for non-urgent call-outs: from the time that Council receives notification to the time that service personnel reach the site	5 working days	24 hours	Target Met	Target Met	Quarter 1 = 24 median response hours. Quarter 2 = 24 median response hours. YTD = 24 median response hours.
Resolution time for non-urgent call-outs: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption.	A further 5 working days	24 hours	Target Met	Target Met	Quarter 1 = 24 median resolution hours. Quarter 2 = 24 median resolution hours. YTD = 24 median resolution hours.
Monitoring the total number of complaints (per 1,000 connections) received by Council about any of the following: <ul style="list-style-type: none"> • Drinking water clarity • Drinking water taste • Drinking water odour • Drinking water pressure or flow • Continuity of supply • The local authority's response to any of these issues 	<20	7.35	Target Met	Target Met	Quarter 2 = 15 total complaints. RDI report = 7908 connections. This equates to 1.90 complaints per 1000 connections. clarity = 6, taste = 0, pressure/flow = 4, continuity or supply = 5, councils response = 0. YTD = 24 total complaints. RDI report = 7908 connections. This equates to 3.03 complaints per 1000 connections. clarity = 7, taste = 1, pressure/flow = 8, continuity of supply = 8, councils response = 0.
The average consumption of drinking water per day, per resident within Council's authority area	300 litres/person/day for domestic supply only	142 litres/person/day for domestic supply only	In Progress	In Progress	On track. 12 months of data required to complete this assessment



Treasury Reporting Dashboard

31 December 2022

STRICTLY PRIVATE AND CONFIDENTIAL



BANCORP

BANCORP TREASURY SERVICES LIMITED



Economic Commentary

Global (as at 31 December)

2

Reining in inflation has continued to be the forefront of global central banks monetary policy action, and with inflation continuing to surprise on the upside most central banks have signaled that further interest rate increases are likely to be needed in 2023 to return inflation to target levels.

In the December quarter, the US Federal Reserve (“Fed”) raised the Fed Funds target rate by 1.25% (to between 4.25 and 4.50%) and has indicated that while the pace of increases would likely slow, further increases should still be expected. This a remarkable and forceful response considering that in the first quarter of 2022, the Fed Funds rate was at 0.00% and it now sits at 4.25-4.50% which represents a 7-year high. Even against the backdrop of an increasing likelihood of recession, the Fed has appeared to push back on market hopes of an easing in 2023 stating that “*a restrictive policy stance would need to be maintained*” until data shows inflation is on a sustained downward path, according to minutes from the December Fed policy meeting.

On a more positive note, recent surveys from the ISM’s Purchasing Manager Index indicate easing price concerns. The ISM Manufacturing Prices Paid Index has dropped from 76.1 in January 2022 to 49.6 in December. While supply-side inflation appears to have peaked as global supply-chain pressures ease and as petroleum and industrial commodity prices drop, demand-side inflation which is more directly under the influence of central bank policy remains high and rising.

The other major global story relates to the China reopening story, which through the fourth quarter, weighed on global growth and commodity prices. Uncertainty continues on how China will manage its health and economic risks. In the short term, both supply and demand are impacted by large-scale covid-19 infections. However, an eventual return to ‘normal’ should be seen as inflationary positive as the economy reopens and global supply lines fully reopen.

The Reserve Bank of Australia (“RBA”) increased its cash rate by 0.75% in the December quarter, raising rates by 0.25% at each of the three meetings during the quarter. Consistent with other central banks, it stated that inflation was too high, but importantly it focused on monetary policy lags and stated that it was not on a pre-set course in relation to further interest rate increases but that it was concerned about the possibility of a price-wages spiral.

On the bond market the benchmark US 10-year Treasury bond yield had a volatile quarter, trading in a range between 3.85% in early October up to 4.27% by late October, but then declined to 3.42% by early December as recessionary fears pushed yields lower. However, by 31 December yields had once gain moved higher with the 10-year bond back up to 3.84% as markets factored in a more extended Fed tightening cycle.



Economic Commentary

New Zealand (as at 31 December)

In the December quarter the Reserve Bank of New Zealand (“RBNZ”) increased the Official Cash Rate (“OCR”) by 0.50%, to 3.50%, on the 5th of October and by 0.75% on the 23rd of November to 4.25%. Further, it indicated that the “OCR needs to reach a higher level, and sooner than previously indicated, to ensure inflation returns to within its target range over the medium term. Core consumer price inflation is too high, employment is beyond its maximum sustainable level, and near-term inflation expectations have risen”. The RBNZ closed its 22 November statement by stating that “monetary conditions needed to continue to tighten further, so as to be confident there is sufficient restraint on spending to bring inflation back within its 1-3 percent per annum target range. The Committee remains resolute in achieving the Monetary Policy Remit”.

The RBNZ concerns focus on stubbornly strong employment and the subsequent impact on wage pressures and a continuing price-wages spiral, a stronger-than-expected rebound in tourism, and that household spending remained robust, especially considering the rise in debt servicing costs.

The RBNZ’s inflationary concerns appeared to be vindicated by NZ’s Q3 GDP which showed quarterly growth at 2.0%, which was well ahead of both the markets and RBNZ expectations. Following this release, the market moved quickly to price in a further 0.75% OCR increase in February with a terminal rate of around 5.55%.

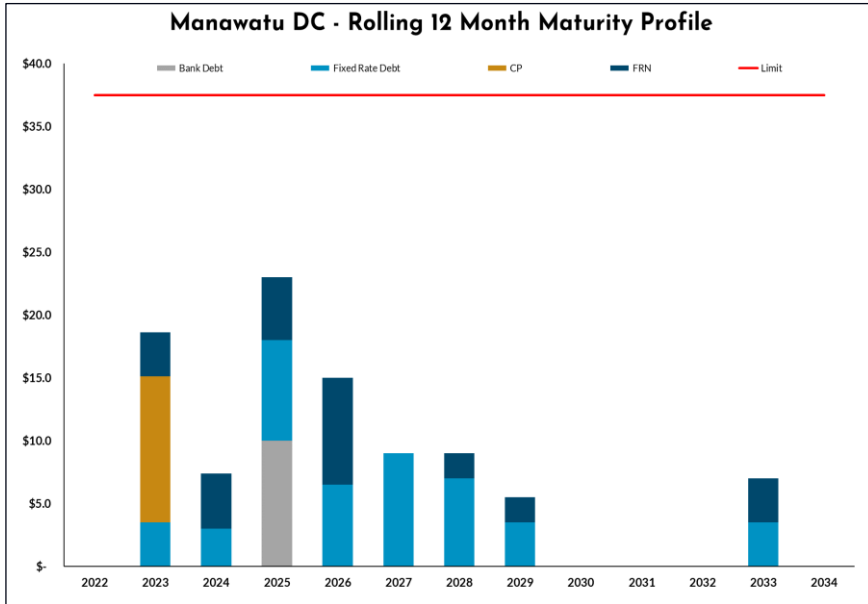
During the quarter, the yield curve inverted further, with the spread between the 2- and 10-year swap rates increasing from minus 0.26% on 1 October to minus 0.83% by 31 December. This inversion illustrates the market’s belief that the result of the tightening cycle will be a recession. It is worth noting that the last time the yield curve was this inverted was during the GFC induced recession.

Given the backdrop of higher rates, it is no surprise that consumer confidence surveys continue to deteriorate, with December’s Westpac McDermott Miller survey the most pessimistic it has ever been since the survey began in 1988. This period includes the 1991 economic meltdown, the GFC, the Christchurch earthquakes and the COVID lockdown. Current consumer sentiment readings suggest that domestic spending is set to take a large hit as interest rate hikes erode consumers spending ability.

Along with consumer confidence, business confidence has fallen to a fresh record low, suggesting that the RBNZ appears to have achieved shock value with its sharp increase in the OCR, hawkish forecasts, and warning of deliberate recession in 2023. However, within the surveys are indications that firm's biggest issue is finding skilled labour (though indicators are showing signs of easing pressures), still intense inflationary pressures and increases in wage expectations, showing that the battle to defeat inflation has some way yet to run.

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
30 Sep 2022	3.00%	3.85%	4.74%	4.67%	4.55%	4.51%	4.50%
31 Dec 2022	4.25%	4.82%	5.38%	5.13%	4.86%	4.80%	4.80%
Change	+1.25%	+0.97%	+0.64%	+0.46%	+0.31%	+0.29%	+0.30%

Funding and Liquidity



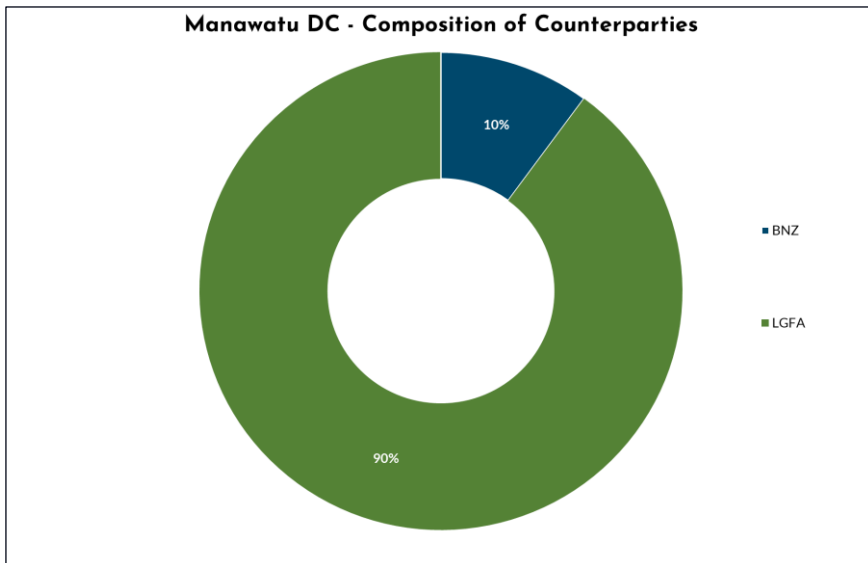
Funding KPIs	Minimum %	Maximum %	Actual	Compliant?
Liquidity	110%	N/A	128%	Yes
Funding Maturity Profile <i>No more than 40% of debt to mature in any rolling 12 month period</i>				Yes

Debt
\$89.03m
 Total External Council Drawn Debt

LGFA
\$89.03m
 Funds Drawn from LGFA

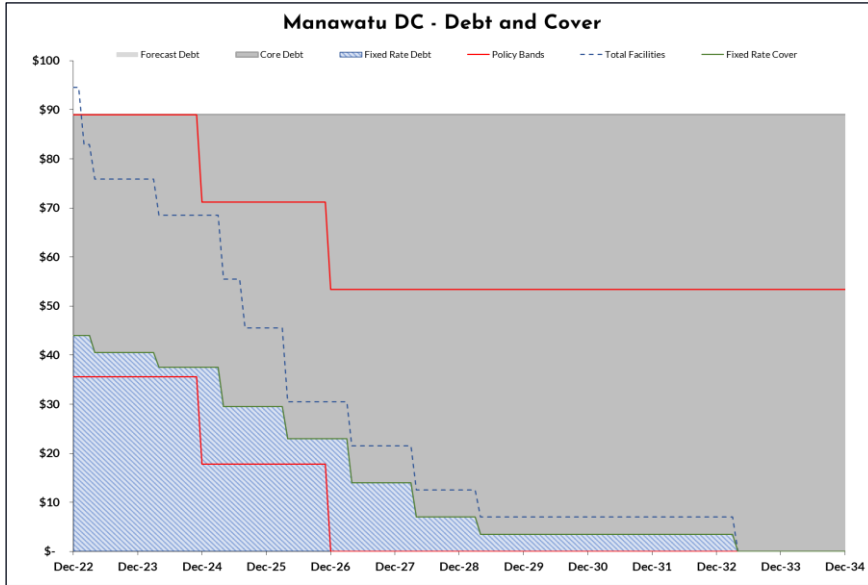
Headroom
\$10.0m
 Undrawn Bank Facilities

Liquidity Ratio
128%
 Definition: (Cash Reserves + Lines of Credit + Drawn Debt)/Drawn Debt

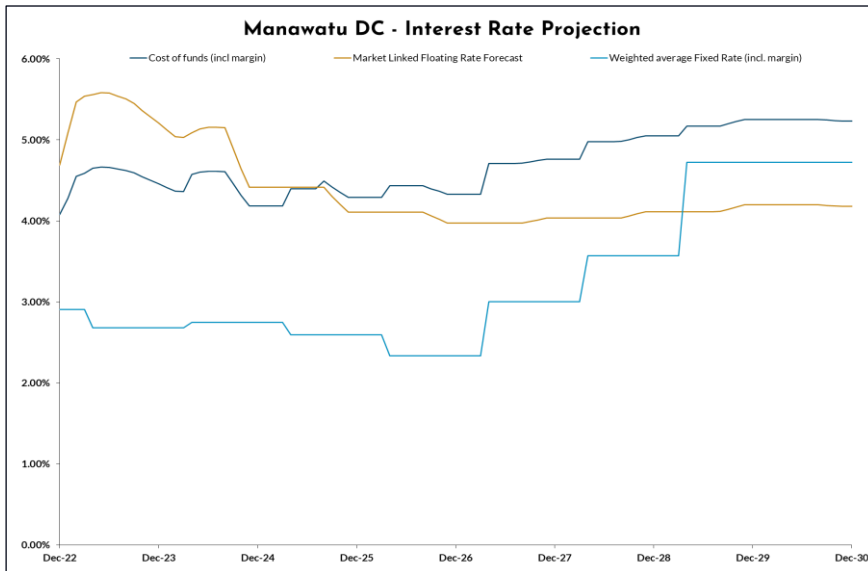


Policy Compliance	Compliant	Flag
Have all transactions been transacted in compliance with policy?	Yes	
Is fixed interest rate cover within policy control limits?	Yes	
Is the funding maturity profile within policy control limits?	Yes	
Is liquidity within policy control limits?	Yes	
Are all counterparty exposures within policy control limits?	Yes	

Interest Rate Risk Management



Current % of Debt Fixed	49.42%
Current % of Debt Floating	50.58%
Value of Fixed Rate (m)	\$44.0
Weighted Average Cost of Fixed Rate Instruments	2.91%
Value of Forward Starting Cover	\$0.0
Weighted Average Cost of Forward Starting Cover	0.00%
Value of Floating Rate (m)	\$44.46
All Up Weighted Average Cost of Funds Including Margin	4.08%
Total Facilities In Place	\$94.5m
Facility Headroom	\$10.0m



Policy Bands			
	Minimum	Maximum	Policy
0 - 2 years	40%	100%	Compliant
2 - 4 years	20%	80%	Compliant
4 - 13 years	0%	60%	Compliant

Current Position

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	10/02/23	4.38500		\$ 11,625,724
LFGA FRN	15/04/23		0.82250	\$ 3,500,000
LGFA FRB	15/04/23	5.56350		\$ 3,500,000
LGFA FRB	15/04/24	1.81323		\$ 3,000,000
LFGA FRN	15/04/24		0.40000	\$ 1,400,000
LFGA FRN	15/04/24		0.43000	\$ 3,000,000
LFGA FRN	15/04/25		0.82000	\$ 5,000,000
LGFA FRB	15/04/25	3.47400		\$ 5,000,000
LGFA FRB	15/04/25	3.05088		\$ 3,000,000
LFGA FRN	15/04/26		0.90750	\$ 4,000,000
LGFA FRB	15/04/26	3.89058		\$ 4,000,000
LFGA FRN	15/04/26		0.88250	\$ 2,000,000
LFGA FRN	15/04/26		0.79000	\$ 2,500,000
LGFA FRB	15/04/26	2.90023		\$ 2,500,000
LGFA FRB	15/04/27	1.11004		\$ 7,000,000
LGFA FRB	15/04/27	1.95019		\$ 2,000,000
LFGA FRN	15/04/28		0.89000	\$ 2,000,000
LGFA FRB	15/04/28	3.12022		\$ 2,000,000
LGFA FRB	15/04/28	2.20014		\$ 3,000,000
LGFA FRB	15/04/28	2.12019		\$ 2,000,000
LGFA FRB	20/04/29	2.42009		\$ 1,000,000
LGFA FRB	20/04/29	2.41013		\$ 2,500,000
LFGA FRN	20/04/29		0.63250	\$ 2,000,000
LFGA FRN	15/04/30		0.69000	\$ 4,500,000
LFGA FRN	14/04/33		0.94000	\$ 3,500,000
LGFA FRB	14/04/33	4.72345		\$ 3,500,000
			Total:	\$89,025,724

LGFA Borrowing Rates

As at 12 January

Listed below are the credit spreads and applicable interest rates as at 12 January (these were not published at the end of December) for Commercial Paper (“CP”), Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB”), at which Manawatu District Council could source debt from the Local Government Funding Agency (“LGFA”).

Maturity	Margin	FRN (or CP) Rate	FRB
3-month CP	0.20%	4.97%	N/A
6-month CP	0.20%	5.46%	N/A
April 2024	0.54%	5.31%	5.92%
April 2025	0.59%	5.36%	5.66%
April 2026	0.66%	5.43%	5.43%
April 2027	0.72%	5.49%	5.29%
May 2028	0.78%	5.55%	5.26%
April 2029	0.85%	5.62%	5.31%
May 2031	0.89%	5.66%	5.29%
April 2033	0.96%	5.73%	5.36%
May 2035	1.06%	5.83%	5.52%
April 2037	1.10%	5.87%	5.65%

Margins for LGFA debt were little changed from those that prevailed at the end of September. However, yields for both CP and FRNs increased sharply during the quarter in line with the increase in the 3-month bank bill rate. The 3-month rate for LGFA CP increased by 0.94% to 4.97%, while the April 2027 FRN yield climbed by 0.90% to 5.49%. Yields for short term FRBs increased with the April 2025 maturity climbing from 5.41% to 5.66%, but further out on the curve the April 2027 declined from 5.43% to 5.29% and the April 2029 fell from 5.50% to 5.31%.



GET IN TOUCH

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Audit and Risk Committee

Meeting of 09 March 2023

Business Unit: People and Culture

Date Created: 25 January 2023

Safety and Wellbeing Quarterly Report 1 Sep - 31 Dec 2022

Purpose Te Aronga o te Pūrongo

The purpose of this report is to update the Audit and Risk Committee on the latest Safety and Wellbeing information relating to the operations of Council.

Significance of Decision Te Hira o te Whakataunga

The Council's Significance and Engagement Policy is not triggered by matters discussed in this report. No stakeholder engagement is required.

Recommendations Ngā Tūtohinga

That the Audit and Risk Committee receive the Safety and Wellbeing report for quarter two of the 2022-23 year.

Report prepared by:

Aimee Flanders

Safety and Wellbeing Adviser

Approved for submission by:

Frances Smorti

General Manager - People and Culture

1 Contribution to Community Well-being and Council’s Community Outcomes Te Tūhono ki ngā Whāinga a te Kaunihera mō te Oranga Hapori me te Whakawhanake Hapori

1.1 Relationship to Council’s strategic priorities (community outcomes):

A place to belong and grow He kāinga e ora pai ai te katoa	
A future planned together He kāinga ka whakamaherea tahitia tōna anamata e te hapori tonu	
An environment to be proud of He kāinga ka rauhītia tōna taiao	
Infrastructure fit for future He kāinga ka tūwhena tonu ōna pūnahahanga, haere ake nei te wā	
A prosperous, resilient economy He kāinga ka tōnui tōna ōhanga	
Value for money and excellence in local government He kāinga ka eke tōna kāwanatanga ā-rohe ki ngā taumata o te kairangi	✓

1.2 Manawatū District Council strives to lead in the Safety and Wellbeing space within the Local Government sector.

2 Te Kīwai (o te kete)

2.1 There are no known cultural considerations associated with the matters addressed in this report. No engagement with Māori is necessary.

Safety and Wellbeing Dashboard

For the period ended 31 December 2022

Lead and Lag Indicators Strategic Activities Audits & Compliance Injuries This Quarter

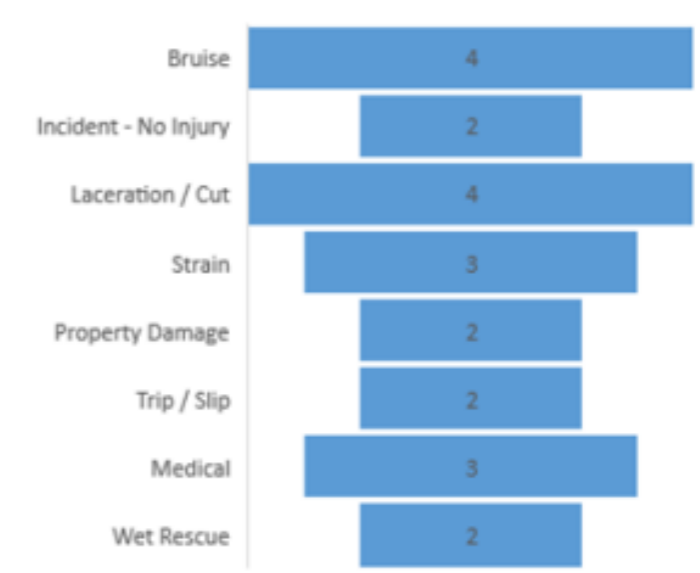
Indicator	Goal	Current
Notifiable incidents (lag)	0	0
Inductions for new staff	100%	100%
Active contractors pre-qual	100%	100%
H&S engagement score	80%	79%

Significant Incidents:
 There have been no significant incidents this quarter.

1.1 / 1.4 Information has been gathered and the Jarvis risk register process and layout have been drafted. This is ready for implementation, but has been delayed due to the delay in Jarvis upgrade.
2.4 Contractor induction and audit tool is in the planning stage.
3.7 Our Diversity, Equity & Inclusion workgroup held a workshop to start the process of developing the groups principals and vision statement for Diversity, Equity and Inclusion at MDC. This group is meeting again this coming quarter to create a vision before starting to put a strategy together.
10.0 The review of the Safety and Wellbeing Strategy is underway.

Site Audits
 No site audits were undertaken in the last quarter due to the new Safety and Wellbeing Adviser starting mid-way through the quarter.

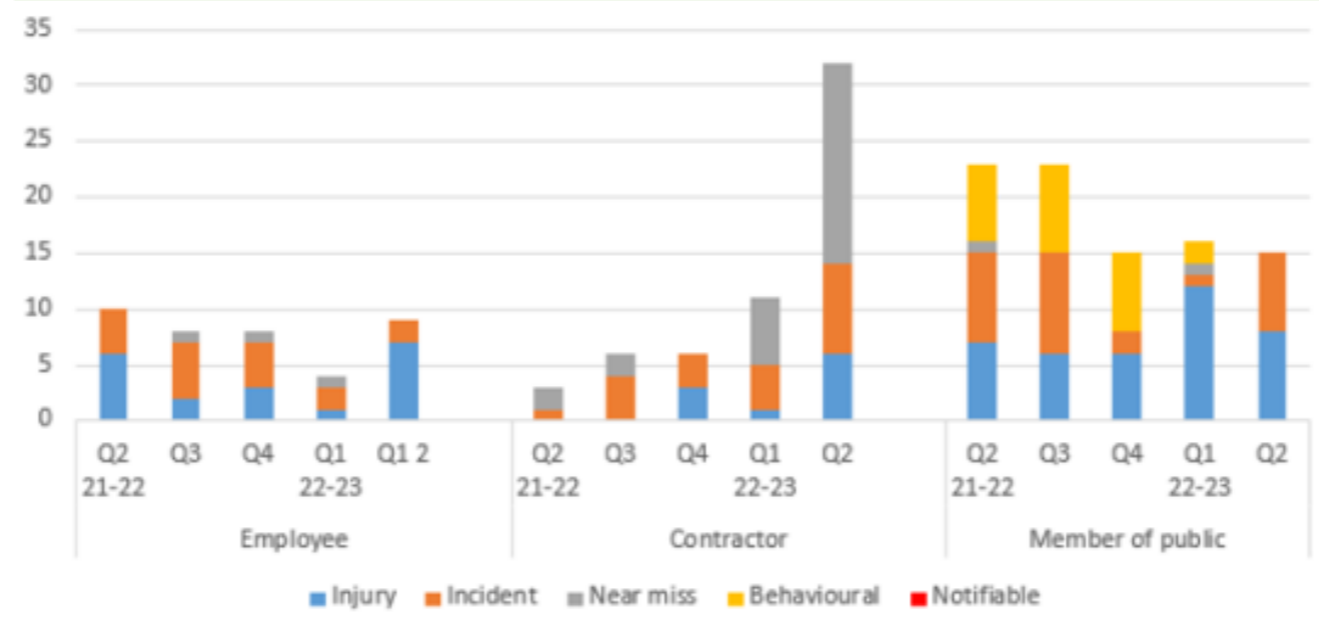
Due Diligence
 Last quarter the new Council received their Health, Safety and Wellbeing Induction. The Elected Members signed up to their Safety and Wellbeing Governance Charter.



Training

Health and Safety Rep Initial: 3
 Height Safety Introduction: 2
 Management and Handling of Hazardous Substances: 2
 Confined Space and Gas Detection: 3
 Situational Safety Training: 24
 Regional HSR Forum: 12
 In October 2022 we hosted the Regional HSR Forum, including 7 participating councils from our region, with 65 attendees and presenters from various organisations and sectors across New Zealand.

Events Reported



Wellness & Communication

Workstation assessments: 12
 Eye Tests: 5
 Random Drug & Alcohol testing: 10
 Pre Employment Drug & Alcohol testing: 6
 GP Health Checks: 5
 Noise Cancelling Headphones: 4