



# Audit & Risk Committee Agenda

Thursday 12 December 2024, 8.30 am

The meeting will be held in the Manawātū District Council Chambers, 135 Manchester Street, Feilding, and a video recording made available on [www.mdc.govt.nz](http://www.mdc.govt.nz).

[www.mdc.govt.nz](http://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**

Committee delegated authority to act on all matters within its Terms of Reference (except those excluded by Clause 32(1) Schedule 7, Local Government Act 2002).

### **Quorum**

Four members of the committee.



Shayne Harris  
**Chief Executive**

# ORDER OF BUSINESS

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| <b>2. APOLOGIES</b>   |   |
| <b>3. CONFIRMATION OF MINUTES</b>   | 6   |
| <i>Recommendation</i>   |   |
| <i>That the minutes of the Audit &amp; Risk Committee meeting held 26 September 2024 be adopted as a true and correct record.</i> |   |
| <b>4. DECLARATIONS OF INTEREST</b>  |   |
| 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  |
| <b>5. NOTIFICATION OF LATE ITEMS</b>  |   |
| 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. |
| <b>6. OFFICER REPORTS</b>   |   |
| <b>6.1 COMMITTEE WORKPLAN (SUMMARY)</b>   | 13  |
| Report of the General Manager – People and Corporate.   |   |
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| <b>6.3 QUARTERLY PERFORMANCE REPORT TO 30 SEPTEMBER 2024</b>  | 21  |
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| Report of the General Manager – People and Corporate.   |   |

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| <b>7. CONSIDERATION OF LATE ITEMS</b>  |             |
| <b>8. UPDATE FROM GOVERNANCE HEALTH AND SAFETY REPRESENTATIVE</b>  |             |
| Progress update from the Council’s Governance Health and Safety Representative.  |             |
| <b>9. NOTIFICATION OF ITEMS FOR RISK REGISTER</b>  |             |
| <b>10. NOTIFICATION OF ITEMS FOR NEXT MEETING</b>  |             |
| <b>11. PUBLIC EXCLUDED BUSINESS</b>  |             |
| COMMITTEE TO RESOLVE:  |             |
| That the public be excluded from the following parts of the proceedings of this meeting, namely:   |             |
| 1. Confirmation of Minutes; 26 September 2024  |             |
| 2. Key Project Status Report   |             |
| 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 |
|---|---|--|
| 12.1 Confirmation of Minutes; 26 September 2024 | <i>To consider the accuracy of the minutes of the public excluded Audit &amp; Risk Committee meeting on 26 September 2024</i>   | s48(1)(a)  |
| 12.2 Key Project Status Report                  | s7(2)(h) – commercial activities<br><i>This report is public excluded as it contains detailed information on the status of key reports, which may include sensitive and/or commercially-related information</i> | 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.

### 13. MEETING CLOSURE

|                                   |                |
|-----------------------------------|----------------|
| MEETING MINUTES                   |                |
| <b>AUDIT &amp; RISK COMMITTEE</b> | TIME           |
| <b>THURSDAY 26 SEPTEMBER 2024</b> | <b>8:30 AM</b> |

Minutes of a meeting of the Audit & Risk Committee meeting held on Thursday 26 September 2024, which commenced at 8.30 am in the Manawātū District Council Chambers, 135 Manchester Street, Feilding.

|                  |                     |                                  |
|------------------|---------------------|----------------------------------|
| PRESENT:         | Cr Stuart Campbell  | Chairperson                      |
|                  | Mr John Fowke       | Independent Member               |
|                  | Cr Lara Blackmore   |                                  |
|                  | Cr Grant Hadfield   | (via Zoom)                       |
|                  | Cr Colin McFadzean  |                                  |
|                  | Cr Alison Short     |                                  |
|                  | Mayor Helen Worboys |                                  |
| IN ATTENDANCE:   | Hamish Waugh        | Acting Chief Executive           |
|                  | Lyn Daly            | General Manager – Community      |
|                  | Amanda Calman       | Chief Financial Officer          |
|                  | Ash Garstang        | Governance and Assurance Manager |
|                  | Andrew Leighton     |                                  |
|                  | Anna Dellow         |                                  |
|                  | Cr Fiona Underwood  |                                  |
|                  | Cr Andrew Quarrie   |                                  |
|                  | Cr Steve Bielski    |                                  |
|                  | Cr Michael Ford     |                                  |
|                  | Cr Bridget Bell     | (via Zoom)                       |
| Cr Kerry Quigley |                     |                                  |

ARC 22-25/134

**MEETING OPENING**

ARC 22-25/135

**APOLOGIES**

There were no apologies.

ARC 22-25/136

**CONFIRMATION OF MINUTES**

**RESOLVED**

**That the minutes of the Audit & Risk Committee meeting held 13 June 2024 be adopted as a true and correct record.**

**Moved by: Mayor Helen Worboys**

**Seconded by: Cr Lara Blackmore**

**CARRIED (7-0)**

|                            |         |
|----------------------------|---------|
| MEETING MINUTES            |         |
| AUDIT & RISK COMMITTEE     | TIME    |
| THURSDAY 26 SEPTEMBER 2024 | 8:30 AM |

ARC 22-25/137

#### DECLARATIONS OF INTEREST

There were no declarations of interest.

ARC 22-25/138

#### PRESENTATION – SAFETY AND WELLBEING DEEP DIVE– COMMUNICATIONS & ENGAGEMENT, AND INFORMATION SERVICES TEAMS

Andrew Leighton (Safety and Wellbeing Adviser) provided an overview of health, safety and wellbeing risks for the Communications & Engagement and Information Services Teams.

Andrew Leighton also covered elected member’s due diligence responsibilities for health and safety.

ARC 22-25/139

#### PRESENTATION – CREDIT RATING UPDATE

Amanda Calman (Chief Financial Officer) provided an overview of the benefits and costs of seeking an independent credit rating. Highlights of this discussion included:

- Now is a good time to look at this as there is more certainty around three waters remaining in Council’s ownership
- Becoming credit rated would increase the “net debt / total revenue” threshold with the Local Government Funding Agency (LGFA), lifting it up to 280%
- The LGFA provides lower interest rates if Council’s have credit ratings in the ‘A’ range
- Existing debt would retain their interest rates until renewed. New debt would receive the discounted interest rate (if MDC is credit rated)
- Seeking a credit rating requires annual costs, and due to the lower interest rates only applying to new and renewed debt, it would take several years for the Council to financially benefit (depending on the rating received)
- The Council could seek a shadow rating at the cost of around \$15,000. This would give the Council a better understanding of whether it is worth the investment to seek a full rating. Elected members decided that this was not worth pursuing

#### RESOLVED

**The Committee recommends that the Council:**

- 1. Consider as part of the Annual Plan 2025/26 process the costs of applying for a credit rating.**

**Moved by: Mayor Helen Worboys**

|                            |         |
|----------------------------|---------|
| MEETING MINUTES            |         |
| AUDIT & RISK COMMITTEE     | TIME    |
| THURSDAY 26 SEPTEMBER 2024 | 8:30 AM |

**Seconded by: Cr Colin McFadzean**

**CARRIED (7-0)**

ARC 22-25/140

NOTIFICATION OF LATE ITEMS

There were no late items of business notified for consideration.

ARC 22-25/141

COMMITTEE WORKPLAN UPDATE

Report of the General Manager – People and Corporate.

**RESOLVED**

**That the Audit and Risk Committee Workplan Update be received.**

**Moved by: Cr Stuart Campbell**

**Seconded by: Mr John Fowke**

**CARRIED (7-0)**

ARC 22-25/142

LGOIMA REQUESTS: 27 MAY – 09 SEPTEMBER 2024

Report of the General Manager – People and Corporate.

**RESOLVED**

**That the report detailing the requests for information received under the Local Government Official Information and Meetings Act 1987 from 27 May 2024 to 09 September 2024 be received.**

**Moved by: Cr Alison Short**

**Seconded by: Mayor Helen Worboys**

**CARRIED (7-0)**

ARC 22-25/143

SAFETY AND WELLBEING QUARTERLY REPORT Q4, 2023/24

Report of the General Manager – People and Corporate.

**RESOLVED**

**That the Audit and Risk Committee receives the Safety and Wellbeing report for quarter four of the 2023-24 year.**

|                            |         |
|----------------------------|---------|
| MEETING MINUTES            |         |
| AUDIT & RISK COMMITTEE     | TIME    |
| THURSDAY 26 SEPTEMBER 2024 | 8:30 AM |

**Moved by: Cr Lara Blackmore**

**Seconded by: Mayor Helen Worboys**

**CARRIED (7-0)**

ARC 22-25/144

QUARTERLY REPORT TO 30 JUNE 2024

Report of the Chief Financial Officer.

**RESOLVED**

**The Audit and Risk Committee recommends that the Council:**

- **Receive the Quarterly Performance Report and Treasury Report to 30 June 2024.**

**Moved by: Mayor Helen Worboys**

**Seconded by: Cr Lara Blackmore**

**CARRIED (7-0)**

*The meeting was adjourned at 10.00 am and reconvened at 10.20 am.*

ARC 22-25/145

DRAFT ANNUAL REPORT FOR THE YEAR ENDING 30 JUNE 2024

Report of the Chief Financial Officer.

**RESOLVED**

**The Audit and Risk Committee recommends that the Council:**

- **Receive the draft Annual Report for the year ended 30 June 2024 and approve its release to Audit NZ.**

**Moved by: Mayor Helen Worboys**

**Seconded by: Mr John Fowke**

**CARRIED (7-0)**

ARC 22-25/146

INTERNAL CONTROLS UPDATE

Report of the General Manager – People and Corporate.

**RESOLVED**

|                            |         |
|----------------------------|---------|
| MEETING MINUTES            |         |
| AUDIT & RISK COMMITTEE     | TIME    |
| THURSDAY 26 SEPTEMBER 2024 | 8:30 AM |

**That the Committee receives the Internal Controls Update, covering the period 02 June to 08 September 2024.**

**Moved by: Cr Lara Blackmore**

**Seconded by: Cr Alison Short**

**CARRIED (7-0)**

ARC 22-25/147

INTERNAL AUDIT UPDATE

Report of the General Manager – People and Corporate.

**RESOLVED**

**That the Committee receives the Internal Audit Update.**

**Moved by: Cr Lara Blackmore**

**Seconded by: Cr Alison Short**

**CARRIED (7-0)**

ARC 22-25/148

STRATEGIC RISKS

Report of the General Manager – People and Corporate.

**RESOLVED**

**That the Committee notes the seven strategic risks presented in this report for discussion.**

**Moved by: Cr Alison Short**

**Seconded by: Cr Colin McFadzean**

**CARRIED (7-0)**

ARC 22-25/149

CONSIDERATION OF LATE ITEMS

There were no late items notified for consideration.

ARC 22-25/150

UPDATE FROM GOVERNANCE HEALTH AND SAFETY REPRESENTATIVE

No update.

|                            |         |
|----------------------------|---------|
| MEETING MINUTES            |         |
| AUDIT & RISK COMMITTEE     | TIME    |
| THURSDAY 26 SEPTEMBER 2024 | 8:30 AM |

ARC 22-25/151

NOTIFICATION OF ITEMS FOR RISK REGISTER

There were no items to be added to the risk register.

ARC 22-25/152

NOTIFICATION OF ITEMS FOR NEXT MEETING

There were no additional items to be added to the agenda for the next meeting.

ARC 22-25/153

PUBLIC EXCLUDED BUSINESS

**RESOLVED**

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

1. **Confirmation of Minutes; 13 June 2024**
2. **Key Projects Report**

**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 Confirmation of Minutes; 13 June 2024      | <i>To consider the accuracy of the minutes of the public excluded Audit &amp; Risk Committee meeting on 13 June 2024.</i>   | s48(1)(a)  |
| 13.2 Key Projects Report                        | s7(2)(f)(ii) – effective conduct of public affairs<br><br><i>This report is public excluded as it contains detailed information on the status of key reports, which may include sensitive and/or commercially-related information</i> | 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.**

|                            |         |
|----------------------------|---------|
| MEETING MINUTES            |         |
| AUDIT & RISK COMMITTEE     | TIME    |
| THURSDAY 26 SEPTEMBER 2024 | 8:30 AM |

**Moved by:** Cr Stuart Campbell

**Seconded by:** Mayor Helen Worboys

**CARRIED (7-0)**

*The meeting went into public excluded session at 10.50 am. For items ARC 22-25/154 to ARC 22-25/156 refer to public excluded proceedings. The meeting returned to open session at 11.41 am.*

ARC 22-25/157

MEETING CLOSURE

The meeting was declared closed at 11.41 am.

### **Meeting Video**

<https://www.mdc.govt.nz/about-council/meetings-agendas-and-minutes/videos-of-council-and-committee-meetings/audit-and-risk-committee-meeting-videos>

## Audit and Risk Committee

Meeting of 12 December 2024

Business Unit: People and Corporate

Date Created: 04 December 2024

### Committee Workplan (Summary)

#### Purpose Te Aronga o te Pūrongo

The Committee Workplan lays out the 2024 reporting schedule for the Committee. The Workplan is updated throughout the year as required, and an update is being provided to this meeting for the Committee's reference.

#### 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 Workplan Update be received.

Report prepared by:

Ash Garstang

Governance and Assurance Manager

Approved for submission by:

Frances Smorti

General Manager - People and Corporate

**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 Committee Workplan for 2024 was adopted by the Committee at its meeting 14 March 2024. The Workplan (and any updates) is presented to each Committee meeting for receipt.

**3 Updates Ngā Whakahōu**

3.1 The below updates have been made to the Workplan since the last update in September 2024:

- a. The management letter from Audit NZ have not yet been provided to staff in time to review the external audit findings for 2023/24. This will come to the March 2025 meeting instead.
- b. Review Insurance Renewals: staff have only recently received the final renewal figures and need more time to prepare/discuss our current insurance coverage with the wider teams.

**4 Te Kīwai (o te kete)**

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

5 **Community Engagement** Te Whai Wāhitanga mai o te Hapori

5.1 No community engagement is warranted.

6 **Operational Implications** Te Whai Pānga Atu ki ngā Kaupapa Mahi

6.1 Additions or amendments to the Workplan may be subject to the capacity of officers.

7 **Financial implications** Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

7.1 There are no financial implications.

8 **Statutory Requirements** Ngā Here ā-Ture

8.1 Items on the Workplan are subject to various legislative requirements, which will be detailed within their individual reports.

9 **Delegations** Te Mana Whakatau

9.1 The Committee has the delegation to review this Workplan.

10 **Attachments** Ngā ĀpitiHanga

- Audit and Risk Committee Workplan 2024

## Audit and Risk Committee

### Workplan 2024

| Meeting date            | March   | June   | September  | December  |
|-------------------------|---|--|--|---|
| Governance              | Committee Workplan (full)   | Committee Workplan (summary)   | Committee Workplan (summary)   | Committee Workplan (summary)  |
| Audit NZ and Compliance |   | Draft Audit Plan for 2023/24   | Review the management representation letter from the CEO/CFO to the external auditors<br><br>Review draft Annual Report 2023/24 and release for external audit | Review external audit findings for 2023/24<br><i>Deferred to March 2025</i>   |
| Audits                  | Review of audit reports   | Audit programme (full)<br><br>Review of audit reports <ul style="list-style-type: none"> <li>• Information Services Security and Audit Update</li> </ul> | Audit programme (summary)  | Audit programme (summary)<br><br>Review of audit reports  |
| Risk Management         | Update on proposed risk work programme<br><br>Review risk appetite as part of LTP | Review risk management policy  | Strategic risks  | Review risk mitigation plans for significant operational risks<br><i>Deferred from June 2024</i><br><br>Adoption of strategic risks |
| Internal Controls       | Key Project Reporting<br><br>Internal Controls Update (1-pager report)            | Key Project Reporting<br><br>Internal Controls Update (1-pager report)   | Key Project Reporting<br><br>Internal Controls Update (1-pager report)   | Key Project Reporting<br><br>Internal Controls Update (1-pager report)  |

|  |   |  |  |  |
|--|---|--|--|--|
|  | <ul style="list-style-type: none"> <li>• Breaches</li> <li>• Policy refresh work programme</li> <li>• Protected disclosures etc</li> </ul>  | <ul style="list-style-type: none"> <li>• Breaches</li> <li>• Policy refresh work programme</li> <li>• Protected disclosures etc</li> </ul>                                     | <ul style="list-style-type: none"> <li>• Breaches</li> <li>• Policy refresh work programme</li> <li>• Protected disclosures etc –</li> </ul>   | <ul style="list-style-type: none"> <li>• Breaches</li> <li>• Policy refresh work programme</li> <li>• Protected disclosures etc</li> </ul>   |
| Financial and Performance reporting  | <p>Quarterly Performance Report, for December quarter</p> <ul style="list-style-type: none"> <li>• Management Accounts</li> <li>• Compliance with Treasury Mgmt Policy</li> </ul> | <p>Quarterly Performance Report, for March quarter</p> <ul style="list-style-type: none"> <li>• Management Accounts</li> <li>• Compliance with Treasury Mgmt Policy</li> </ul> | <p>Quarterly Performance Report, to review year-end financial statements and accounting policies</p> <ul style="list-style-type: none"> <li>• Management Accounts</li> <li>• Compliance with Treasury Mgmt Policy</li> </ul> | <p>Quarterly Performance Report, for September quarter</p> <ul style="list-style-type: none"> <li>• Management Accounts</li> <li>• Compliance with Treasury Mgmt Policy</li> </ul> |
| 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   |  |  | Review renewals<br><i>Deferred to March 2025</i>   |
| Legislative Compliance   |   |  |  | Review the effectiveness of the system for monitoring legislative compliance   |
| Local Government Official Information and Meetings Act 1987 – Requests for Information | LGOIMA Report   | LGOIMA Report  | LGOIMA Report  | LGOIMA Report  |

## Audit and Risk Committee

Meeting of 12 December 2024

Business Unit: People and Corporate

Date Created: 22 November 2024

## Safety and Wellbeing Quarterly Report

### 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 receives the Safety and Wellbeing report for quarter one of the 2024-25 year.

Report prepared by:  
Andrew Leighton  
Safety and Wellbeing Adviser

Approved for submission by:  
Frances Smorti  
General Manager - People and Corporate

---

**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 ending 30 September 2024

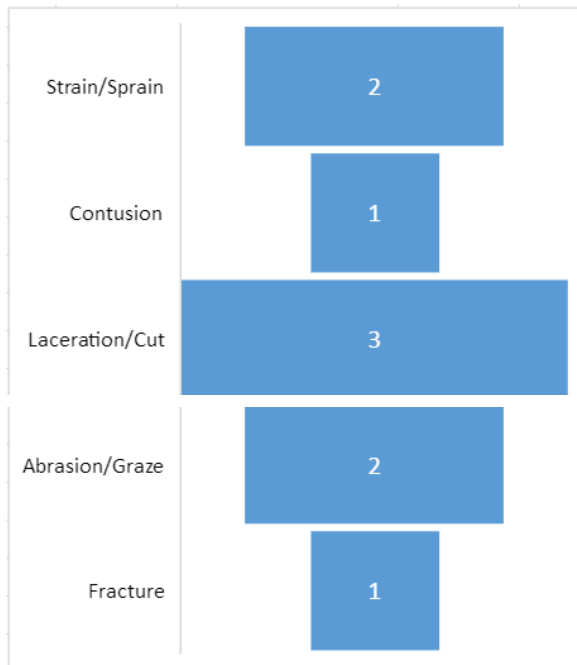
## Lead and Lag Indicators

| Indicator                  | Goal | Current |
|----------------------------|------|---------|
| Notifiable incidents (lag) | 0    | 0       |
| Inductions for new staff   | 100% | 99%     |
| Contractors pre-qual       | 100% | 94%     |
| H&S engagement score       | 80%  | 74%     |

### Significant Incidents:

There have been no significant incidents this quarter.

### Injuries This Quarter



## Strategic Activities

**3.0** MDC staff actively participated in Mental Health Awareness Week, engaging in a variety of wellbeing activities designed to promote positive mental health and wellbeing. Throughout the week, we hosted mindfulness sessions and team-building exercises, creating a supportive environment for awareness and self-care.

**5.3** MDC staff proudly volunteered their time to host a stall for Daffodil Day, contributing to the fundraising efforts for the Central Districts Cancer Society. We along with other volunteers helped raise an impressive \$14,000 to support those affected by cancer in our region.

**5.3** A number of MDC staff participated in STEPtember and together raised a total of \$952.35 to support Cerebral Palsy research, and walked a total of 3,882,845 steps.

## Wellness & Communication

- Lung Function Test: 3
- Workstation Assessments: 3
- GP Health Checks: 2
- Eye Tests: 3
- Noise Cancelling Headphones: 4

## Training

- 4 Wheel Drive: 5
- Hazard & Risk Management: 2
- Sitewise Training: 1
- Height Safety: 1
- Confined Space Entry: 1
- First Aid: 5
- My Everyday Wellbeing Webinars: 3
- Inductions: 7

## Audits & Compliance

### Site Audits

- Feilding Dog Pound
- Feilding WWTP
- Resource Recovery Centre

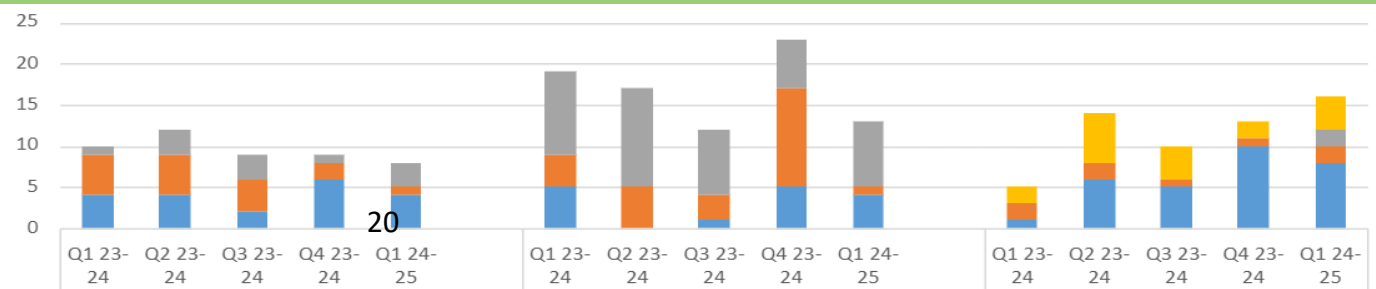
### SafePlus Assessment

The MWLASS Health, Safety and Wellbeing Practitioners Forum have been working to identify the next independent assessor.

### Deep Dive

No deep dive was undertaken in this quarter.

## Events Reported



## Audit and Risk Committee

Meeting of 12 December 2024

Business Unit: Finance

Date Created: 03 December 2024

## Quarterly Performance Report to 30 September 2024

### Purpose Te Aronga o te Pūrongo

To provide a summary both financial and non-financial performance against the targets outlined within year one of the 10-year plan (Referred to as Long Term Plan 2024-34).

### 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

The Audit and Risk Committee recommends that the Council:

- Receive the Quarterly Performance Report and Treasury Report to 30 September 2024

Report prepared by:  
Jenna Glenny  
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 rauhitia 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 To provide a summary both financial and non-financial performance against the targets outlined within year one of the 10-year plan (Referred to as Long Term Plan 2024-34).
- 2.2 During the year, any adjustments to budget approved within the delegation’s policy by General Managers, Chief Executive or Council, result 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 month ending 30 September 2024 reflects a deficit of \$1M against a year to date budgeted deficit of \$1.1M. This is the result of lower than budgeted revenue of \$810k combined with lower than budget expenditure of \$897k.
- 3.2 Capital expenditure to date is \$6.8M plus commitments of \$13.7M making a total of \$20.5M against a year to date budget of \$17.2M. The annual plan budget is \$47M. The increased budget from Annual Plan to the revised budget of \$69M is outlined in the report named 'Approved Variations to Annual Plan'.
- 3.3 Levels of service reflect 68 measures that are on track to be met by year end, 17 noted as requiring monitoring and 7 not yet met. The seven not met measures are within Water Supply and details of these can be found in the report under ‘Water Supply section’.
- 3.4 Debt position at 30 September 2024 reflects a closing position of \$96.7M against a budget position of \$108.8M and debt cap of \$116.9M.

3.5 The Quarterly treasury report highlights a cost of funds of 4.40%, and that Council is compliant with its Liability Management Policy around the fixed rate hedging bands for all periods.

#### 4 Te Kīwai (o te kete)

4.1 Te Kīwai is the engagement process which guides Council's practice and ensures the onus to engage and include Māori is shared between Council and all partners. In this manner, we progress both the articles and principles of Te Tiriti o Waitangi by maintaining the balance between Kawanatanga (Governance) of the Council and Tino Rangatiratanga (Sovereignty) of whānau, hapū, and iwi Māori.

4.2 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 Any financial implications would be reported separately to Council.

#### 8 Statutory Requirements Ngā Here ā-Ture

8.1 Quarterly 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 30 September 2024
- Quarterly Treasury Report to 30 September 2024

# Manawatū District Council






## Quarterly Performance Report September 2024

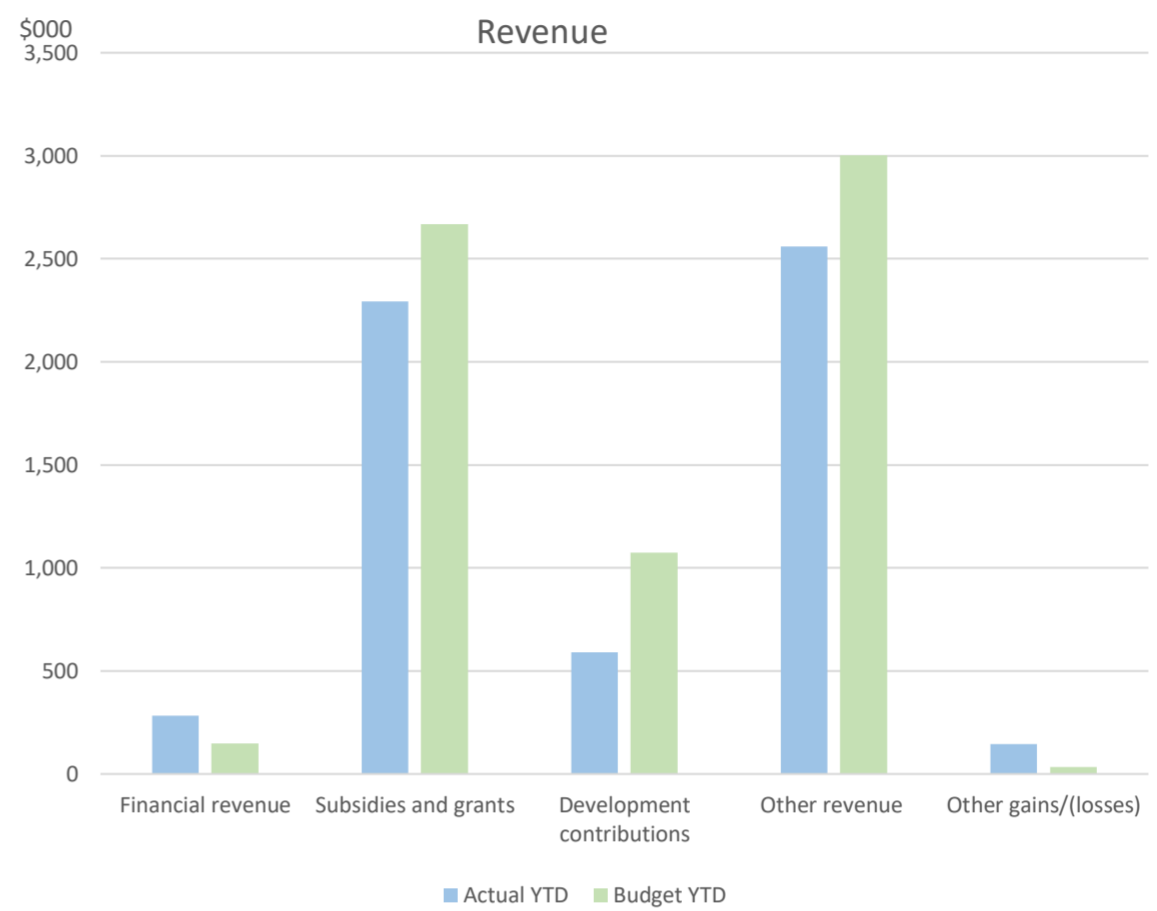


## How Did Council Perform?





The financial result for the three months ending 30 September 2024 reflects a deficit of \$1M against a year to date budgeted deficit of \$1.1M. Operating expenditure was \$897k below budget and revenue was \$810k below budget.

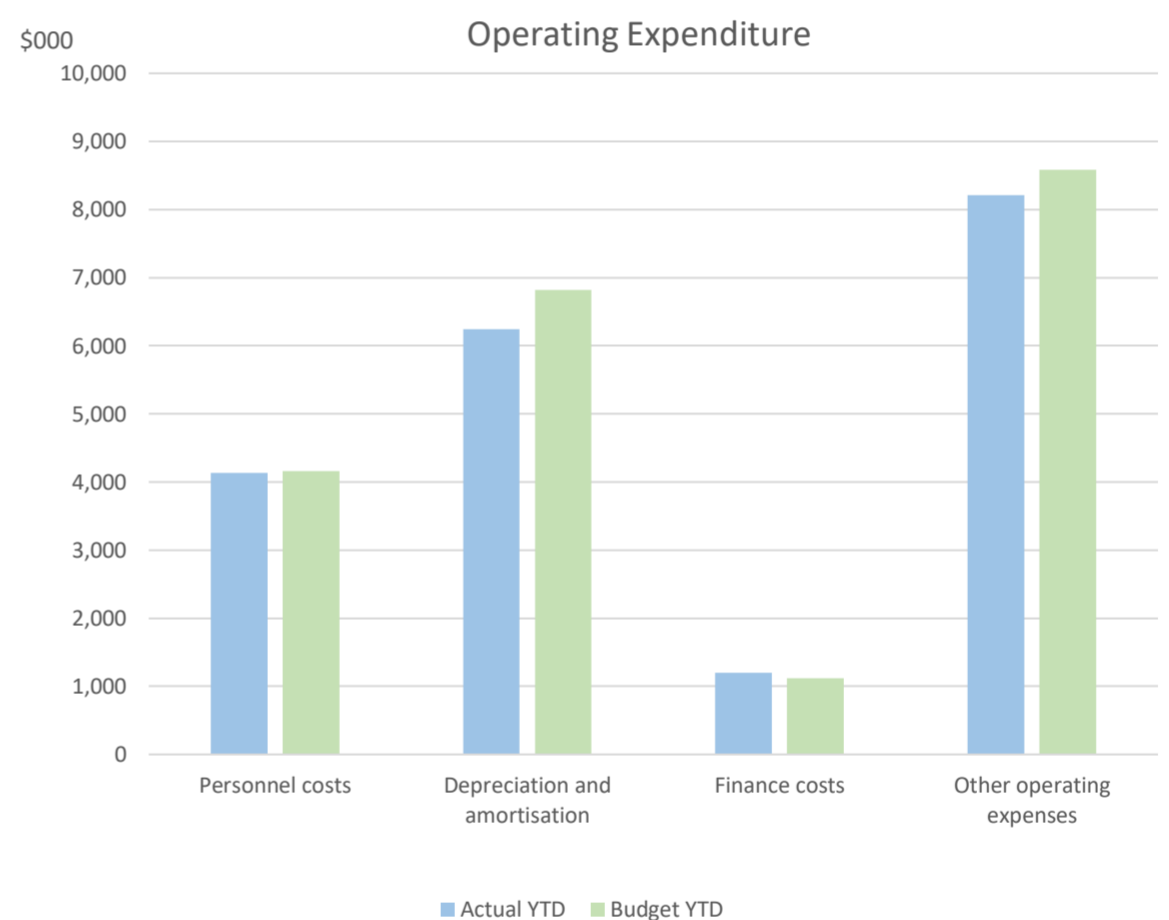
### Revenue - \$810k below budget

-  Financial revenue is \$136k above budget reflecting a higher amount of interest received on investments.
-  Subsidies and Grants are \$373k below budget mainly due to lower capital grants received for the Flood Resilience Funding which were below budget by \$300k and NZTA operational subsidies being \$270k below budget. This was offset by higher operational subsidies for waste minimisation from MFE being \$117k above budget.
-  Development contributions are \$485k below budget as subdivision applications have slowed considerably.
-  Other revenue is \$443k below budget. These variances are detailed in the activity reports; the major variances being Building Consents \$167k below budget, Refuse Bags and Holders below budget by \$133k, and Transfer Station Gate Takings \$130k below budget.
-  Other Gains/Losses are \$112k above budget due to Insurance Claims recoveries.






### Operating expenditure - \$897k below budget

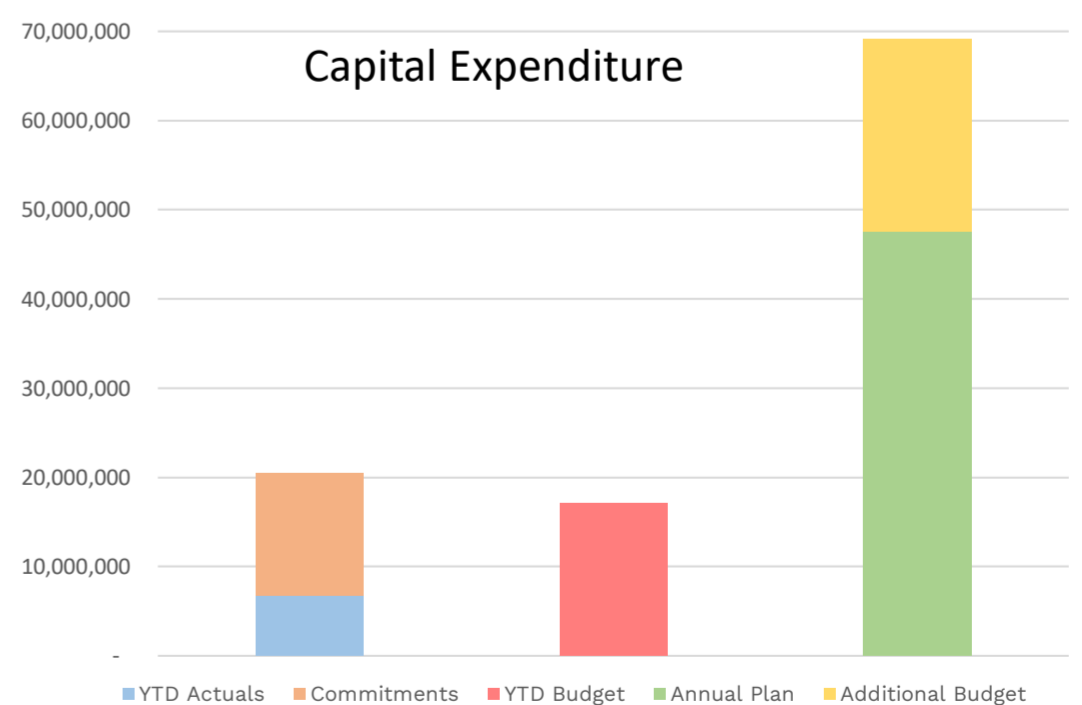
-  Staff costs are \$28k below budget, this reflects the timing of the budget (1/12th each month) against the actual costs incurred which are impacted by staff leave and vacancies.
-  Depreciation is \$573k below budget because capital works in previous financial year weren't completed while the budget had assumed completion.
-  Interest costs are \$80k above budget which reflects the higher interest rates on debt, currently this is entirely offset against the higher than budget interest revenue being earned from higher investment rates received.
-  Other operating expenditure is \$375k below budget mostly due to Solid Waste and Building Control contracts behind budget which is also reflected in the lower revenue noted above.



### Capital Expenditure

Spend to date is \$6.8M with commitments of \$13.7M totalling \$20.5M against a YTD budget of \$17.2M. The key variances are:

-  Community facilities works are \$1M below budget. Coach House Museum new works are \$371k below budget, Civic Centre renewals are \$193k below budget, Makino Pool renewals are \$143k below budget, and Feilding Walkway growth is \$128k below budget. These are offset by Library renewals and new works \$590k above budget.
-  Total 3 waters works are \$6.2M behind budget as most of the works will be scheduled over the summer months.
-  Total Roading is \$2M below budget resulting from road resurfacing works being behind by \$476k, Renewal Emergency Works by \$1.3M and non subsidised road works by \$293k.



## Level of Service Indicators



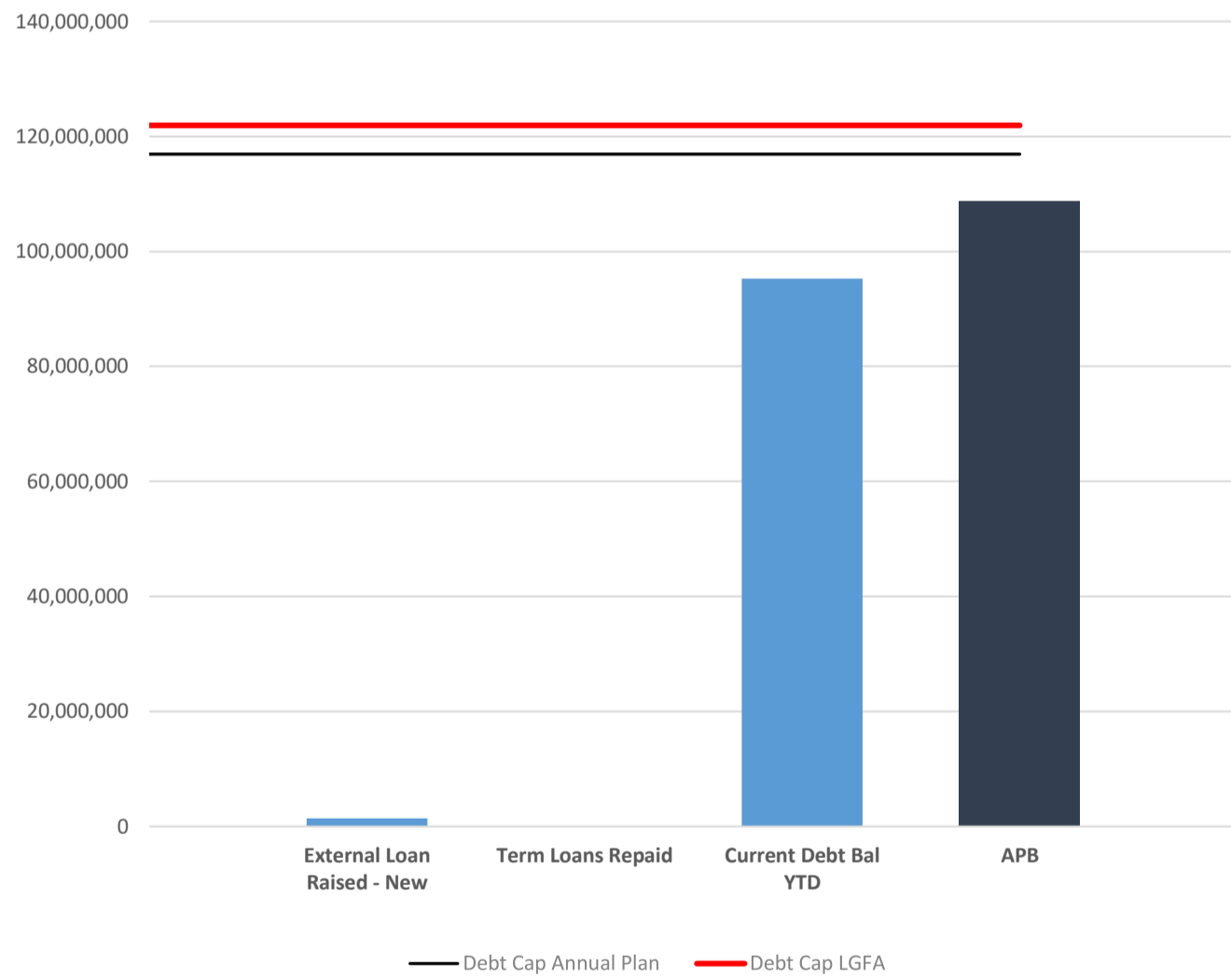
## Debt Management

**Total Debt**  
\$96.7M

**Annual Plan Budgeted Debt**  
\$108.8M

**Debt Cap Annual Plan**  
\$116.9M

**New Debt Raised**  
\$1.4M

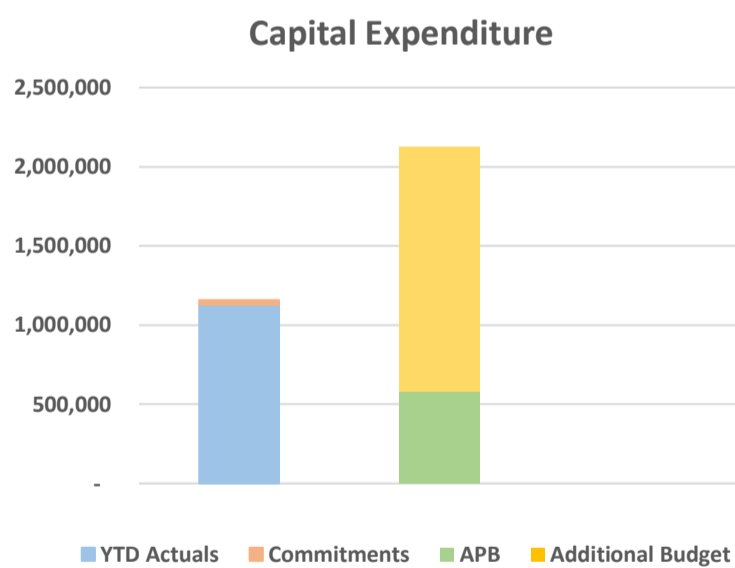


|                              | Year to Date<br>Actuals | Year to Date<br>Budget | Variance      | AP Budget<br>2023/24 | Total<br>Budget  |
|------------------------------|-------------------------|------------------------|---------------|----------------------|------------------|
| Revenue                      | 579,699                 | 542,492                | 37,207        | 2,165,965            | 2,170,906        |
| Expenditure                  | 747,629                 | 742,878                | (4,751)       | 2,473,421            | 2,518,891        |
| <b>Net Surplus/(Deficit)</b> | <b>(167,930)</b>        | <b>(200,386)</b>       | <b>32,456</b> | <b>(307,457)</b>     | <b>(347,985)</b> |

Variance is \$32k above budget. Revenue is \$37k above budget with the last instalment of the grant for makerspace equipment received from Central Energy Trust which was linked to the Hub Completion.

Expenditure is over budget by \$5k with a range of minor variances of no significance, mostly a result of timing. This includes programme expenses, as programmes were delayed until September due to the Hub not opening until July.

| Measure  | Target | Prior Year<br>Result | Q1 Result   | Comment   |
|--|--------|----------------------|-------------|---|
| Monitoring the number of physical and digital collection items borrowed or accessed per capita   | 5      | 10.1                 | In Progress | 1.38 issues per capita at the end of Q1                             |
| Monitoring the number of online transactions and users of Wi-Fi and internet   | 49,317 | 49,317               | In Progress | 17,120 logins to library e-resources and apps                       |
| Number of participants satisfied with quality of their experience attending programmes, classes, exhibitions, events, digital learning programmes or other social interaction groups at the Manawatū Community Hub Libraries | 80%    | New Measure 2024/25  | Target Met  | 12 programmes delivered with each receiving 100% satisfied feedback |



Overall capital spend is \$1.1M with final construction works on the Community Hub being carried out.

Annual Plan budget is \$581k with \$1.5M in approved carry forwards resulting in a total budget of \$2.1M.

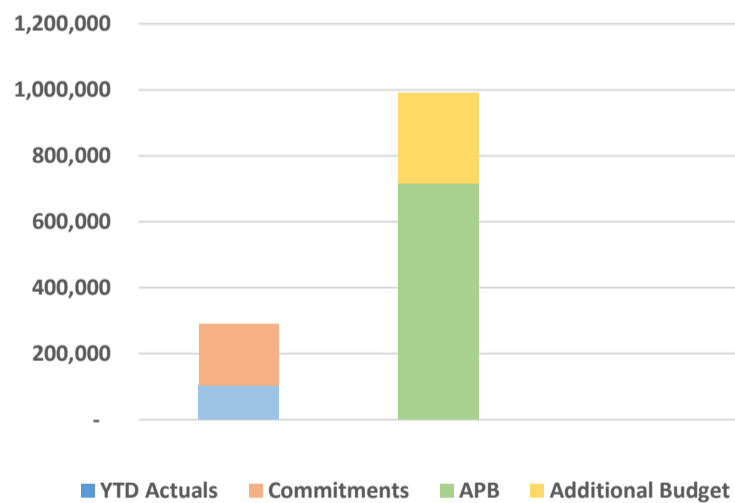
|                              | Year to Date<br>Actuals | Year to Date<br>Budget | Variance      | AP Budget<br>2023/24 | Total<br>Budget  |
|------------------------------|-------------------------|------------------------|---------------|----------------------|------------------|
| Revenue                      | 772,407                 | 766,075                | 6,332         | 3,030,303            | 3,030,946        |
| Expenditure                  | 688,418                 | 729,694                | 41,276        | 3,253,161            | 3,271,675        |
| <b>Net Surplus/(Deficit)</b> | <b>83,989</b>           | <b>36,381</b>          | <b>47,608</b> | <b>(222,859)</b>     | <b>(240,729)</b> |

Variance is \$48k above budget. Revenue is \$6k above budget with the latest instalment of Swim School fees being received .

Expenditure is \$41k below budget. This is due to lower expenditure on gas, with issues in previous years being addressed, and low spend on maintenance as the majority of these works are planned for later in the financial year. This is offset by overspend on chemicals due to increased prices from suppliers and additional usage due to leaks earlier in the year. This has been addressed by changing chemicals used in pool treatment to a cheaper alternative.

| Measure  | Target     | Prior Year<br>Result | Q1 Result   | Comment   |
|--|------------|----------------------|-------------|---|
| Pool safe accreditation  | Accredited | Accredited           | Target Met  | Currently PoolSafe accreditation remains valid until April 2025                                 |
| Participants in water activities and learning to swim programmes               | 51,000     | 45,142               | In Progress | There has been a total of 11,289 participants in water activities and learning to swim programs |
| Percentage of customers satisfied overall with their experience at the complex | 90%        | 92%                  | In Progress | The Annual Customer Satisfaction Survey will be carried out in quarter 3.                       |

### Capital Expenditure



Overall capital spend is \$104k with an additional \$186k in commitments.

The majority of works are planned to take place later in quarters 3 and 4 as scheduled under the Makino Maintenance Programme.

Total budget is \$989k.

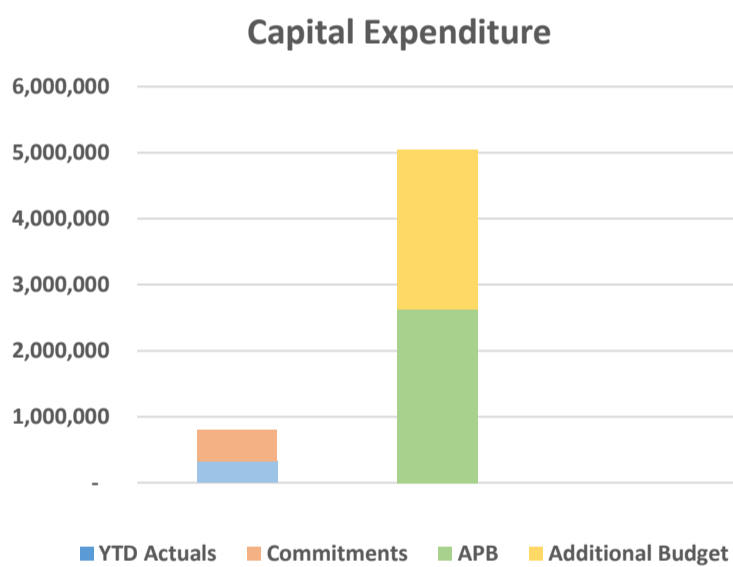


## Parks, Reserves and Sportsgrounds

|                              | Year to Date<br>Actuals | Year to<br>Date<br>Budget | Variance       | AP Budget<br>2023/24 | Total<br>Budget  |
|------------------------------|-------------------------|---------------------------|----------------|----------------------|------------------|
| Revenue                      | 1,020,091               | 1,038,460                 | (18,369)       | 4,153,828            | 4,153,830        |
| Expenditure                  | 950,373                 | 1,102,223                 | 151,850        | 4,358,908            | 4,473,769        |
| <b>Net Surplus/(Deficit)</b> | <b>69,717</b>           | <b>(63,763)</b>           | <b>133,480</b> | <b>(205,080)</b>     | <b>(319,939)</b> |

Variance is \$133k above budget. This is the result of lower interest on loans not raised due to slower progression of capex works in 2023/24, as well as \$88k in operational projects which are to take place during the summer season. There has been an increase in electricity expenditure due to additional usage of safety lighting in some areas.

| Measure   | Target | Prior Year<br>Result | Q1 Result         | Comment                                      |
|---|--------|----------------------|-------------------|--|
| Percentage of survey participants satisfied with Council's parks, reserves and sportsgrounds  | 90%    | 90%                  | <b>Target Met</b> | 91% satisfaction in the Q1 residents survey. |
| 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                    | <b>Target Met</b> | No reports received in the first quarter     |



Overall capital spend is \$328k with an additional \$471k in commitments - totalling \$799k year to date.

Key projects:

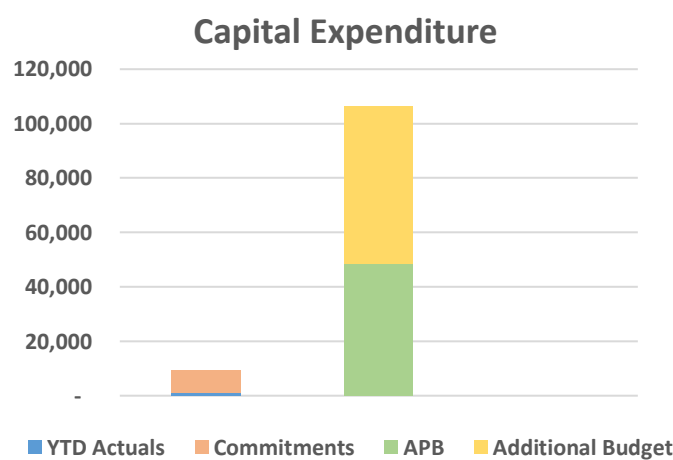
- Fencing and planting for Korotangi scheduled for quarter 4
- Detention Ponds scheduled for quarter 4 pending consent being issued
- Waughs road walkway land acquisition scheduled for quarter 3/4
- James Palmer walkway land acquisition carried out in quarter 2 with development scheduled to begin quarter 3

## Cemeteries

|                              | Year to Date<br>Actuals | Year to Date<br>Budget | Variance       | AP Budget<br>2023/24 | Total<br>Budget |
|------------------------------|-------------------------|------------------------|----------------|----------------------|-----------------|
| Revenue                      | 130,013                 | 139,565                | (9,552)        | 558,265              | 558,264         |
| Expenditure                  | 133,876                 | 139,566                | 5,690          | 558,265              | 558,266         |
| <b>Net Surplus/(Deficit)</b> | <b>(3,863)</b>          | <b>(1)</b>             | <b>(3,862)</b> | <b>0</b>             | <b>(2)</b>      |

Variance is \$4k below budget. Revenue is \$10k below budget driven due to low number of interments. Expenditure is \$6k below budget with operational projects at Feilding Cemetery in early stages.

| Measure  | Target              | Prior Year<br>Result | Q1 Result  | Comment   |
|--|---------------------|----------------------|------------|---|
| Percentage of responses to our residents perception survey that are satisfied with the maintenance of cemeteries | Baseline<br>2024/25 | -                    | Target Met | Result was 79% satisfaction from the first quarter residents survey |
| Monitoring the number of complaints about late or inadequate interment services                                  | No<br>complaints    | 0                    | Target Met | No complaints received during the first quarter                     |



Majority of works for Cemeteries are in early stages and planned to take place later in the financial year.

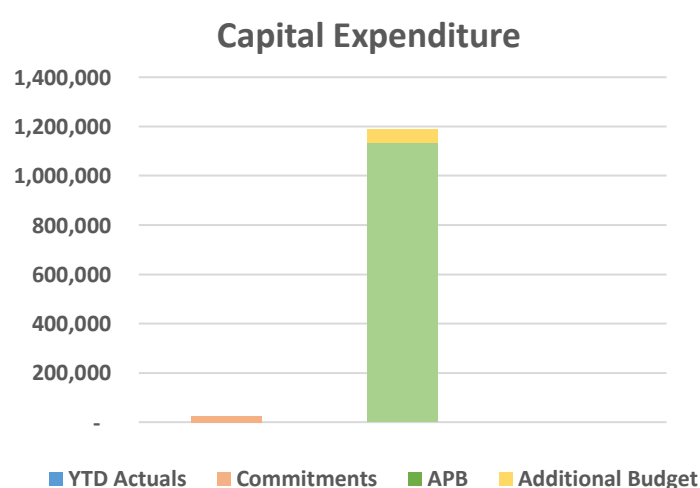
Total budget is \$106k

## Halls and Recreation Complexes

|                              | Year to Date<br>Actuals | Year to Date<br>Budget | Variance      | AP Budget<br>2023/24 | Total<br>Budget  |
|------------------------------|-------------------------|------------------------|---------------|----------------------|------------------|
| Revenue                      | 266,774                 | 252,920                | 13,854        | 1,011,682            | 1,011,681        |
| Expenditure                  | 325,343                 | 362,706                | 37,363        | 1,470,981            | 1,567,675        |
| <b>Net Surplus/(Deficit)</b> | <b>(58,569)</b>         | <b>(109,786)</b>       | <b>51,217</b> | <b>(459,299)</b>     | <b>(555,994)</b> |

Variance is \$51k above budget. Total expenditure is \$37k below budget with operational projects and scheduled maintenance planned for later in the financial year.

| Measure   | Target | Prior Year<br>Result | Q1 Result   | Comment   |
|---|--------|----------------------|-------------|---|
| 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 | 9 halls that do not have a current BWoF. This is due to the number of non-compliances that were identified by BWoF Audit's undertaken by Council's Building Compliance Officer. All Council-owned community halls are currently compliant with FENZ requirements. |



Key projects include:

- Te Kawa Rec Centre carpet replacement scheduled for quarter 3
- Civic Centre HVAC scheduled for quarter 3
- Himitangi Beach Surf Club roof flashing replacement scheduled for quarter 3/4

Total budget is \$1.2M

## Property

|                              | Year to Date Actuals | Year to Date Budget | Variance       | AP Budget 2023/24 | Total Budget     |
|------------------------------|----------------------|---------------------|----------------|-------------------|------------------|
| Revenue                      | 239,440              | 147,893             | 91,547         | 591,581           | 591,581          |
| Expenditure                  | 154,589              | 200,329             | 45,740         | 874,466           | 879,195          |
| <b>Net Surplus/(Deficit)</b> | <b>84,851</b>        | <b>(52,436)</b>     | <b>137,287</b> | <b>(282,885)</b>  | <b>(287,614)</b> |

Variance is \$137k above budget. Revenue is \$92k above budget with the insurance claim received for material damage at 341 Kawakawa Road. Total expenditure is \$46k below budget with operational projects yet to take place.

| Measure   | Target | Prior Year Result | Q1 Result  | Comment   |
|---|--------|-------------------|------------|---|
| Council-owned buildings and properties are compliant with the relevant safety regulations | 100%   | 100%              | Target Met | 100% of in-use buildings and properties compliant for the first quarter |

### Capital Expenditure



Key projects yet to take place:

- Coachhouse Museum purchase and development \$1.3M (a paper will be presented to Council in February following the due diligence period)
- South Street development \$65k (as required with sale of land)
- Feilding Depot Development \$107k (dependent on Te Arawhiti and LINZ negotiations)

Total budget is \$1.7M



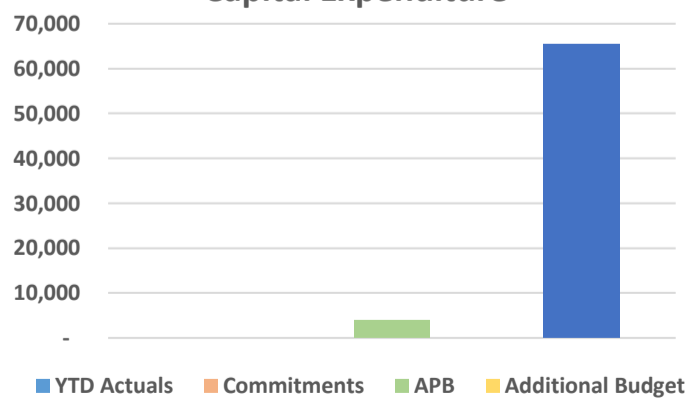
## Public Conveniences

|                              | Year to Date Actuals | Year to Date Budget | Variance      | AP Budget 2023/24 | Total Budget   |
|------------------------------|----------------------|---------------------|---------------|-------------------|----------------|
| Revenue                      | 138,341              | 129,983             | 8,358         | 519,933           | 519,933        |
| Expenditure                  | 108,403              | 122,054             | 13,651        | 519,933           | 523,267        |
| <b>Net Surplus/(Deficit)</b> | <b>29,938</b>        | <b>7,929</b>        | <b>22,009</b> | <b>0</b>          | <b>(3,334)</b> |

Variance of \$22k above budget. Total expenditure is \$14k below budget with a range of minor variances.

| Measure  | Target | Prior Year Result | Q1 Result  | Comment  |
|--|--------|-------------------|------------|--|
| Monitoring the number of complaints we receive about inadequate maintenance and poor cleaning of our toilets | < 8    | 7                 | Target Met | One complaint received about inadequate maintenance and poor cleaning of our toilets |

### Capital Expenditure



Project for minor renewals to take place later in quarters 3/4

## District Development

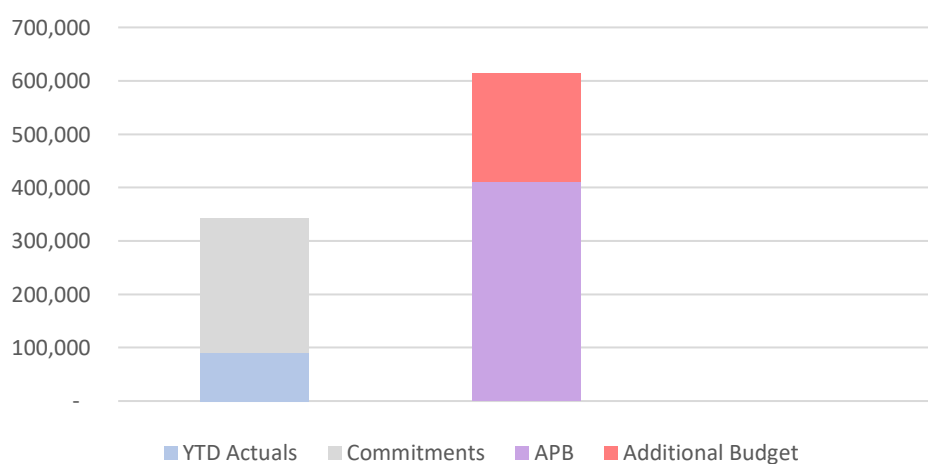
|                              | Year to Date Actuals | Year to Date Budget | Variance       | AP Budget 2023/24 | Total Budget     |
|------------------------------|----------------------|---------------------|----------------|-------------------|------------------|
| Revenue                      | 1,184,381            | 1,121,707           | 62,674         | 4,486,828         | 4,486,829        |
| Expenditure                  | 1,905,802            | 1,954,092           | 48,290         | 4,112,372         | 4,620,335        |
| <b>Net Surplus/(Deficit)</b> | <b>(721,421)</b>     | <b>(832,385)</b>    | <b>110,964</b> | <b>374,456</b>    | <b>(133,506)</b> |

District Development encompasses district planning, community grants and economic and community development initiatives & partnerships.

Variance is \$111k above budget. Revenue is \$63k above budget with interest received on community loans and grants received from Creative Communities. Expenditure is \$48k below budget due to timing around the process of issuing community grants. Progress on district plan reported below.

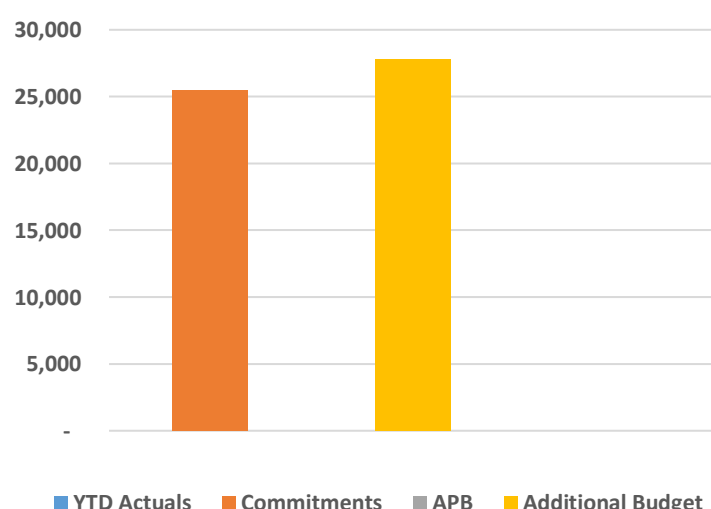
| Measure  | Target | Prior Year Result | Q1 Result   | Comment                          |
|--|--------|-------------------|-------------|----------------------------------|
| Percentage of survey participants satisfied with the level of support received from Council  | 80%    | n/a               | In Progress | This will be reported on in Q3   |
| Percentage of survey participants satisfied with transparency of the decision-making and application process for Community Funding | 80%    | 69%               | In Progress | This will be reported on in Q2   |
| Percentage of Results Based Accountability targets achieved under Priority Services contract                                       | 80%    | 95%               | In Progress | This will be reported on in Q2   |
| Percentage of targets CEDA has achieved under the relevant Statement of intent   | 80%    | 93%               | In Progress | Achievement is reported annually |

District Plan Project



Project on-track. Significant uncertainty projected over the year based on Central Government's RMA review programme & impact on project. For example additional resourcing to submit on proposals, and to respond to new requirements. Equally uncertain around timing of Rural Review.

Capital Expenditure



These funds are provided by third party funders – basketball court funded by NZCT, play trailer by Te Manawa. No spend yet but there are \$25k commitments to complete basketball court work by January 2025 but waiting on Green By Nature to work around scheduling and the weather.

## Animal Control

|                              | Year to Date Actuals | Year to Date Budget | Variance      | AP Budget 2023/24 | Total Budget    |
|------------------------------|----------------------|---------------------|---------------|-------------------|-----------------|
| Revenue                      | 513,579              | 491,977             | 21,602        | 906,778           | 906,778         |
| Expenditure                  | 233,664              | 242,957             | 9,293         | 957,098           | 957,101         |
| <b>Net Surplus/(Deficit)</b> | <b>279,916</b>       | <b>249,020</b>      | <b>30,896</b> | <b>(50,320)</b>   | <b>(50,323)</b> |

Variance is \$31k above budget with the majority of dog registrations received at the beginning of the year. This highlights the positive outcome of having more dog owners meeting registration requirements than anticipated.

| Measure  | Target | Prior Year Result | Q1 Result  | Comment  |
|--|--------|-------------------|------------|--|
| Urgent requests about dog attacks/wandering stock responded to or caller contacted within 15 minutes of Council receiving the request (Priority 1) | 90%    | 94%               | Target Met | 37 requests for urgent service received and responded to within the required timeframe. A result of 100%   |
| Notification of roaming dogs responded to or caller contacted the next working business day of Council receiving the request (Priority 2)          | 90%    | 99%               | Target Met | 13 requests for service relating to roaming dogs received and responded to within the required timeframe. A result of 100%                                 |
| Routine animal control issues responded to or caller contacted the next working business day of Council receiving notification (Priority 3)        | 90%    | 97%               | Target Met | 24 recorded requests for service relating to routine animal control issues were received and responded to within the required timeframes. A result of 100% |

## Building Control

|                              | Year to Date Actuals | Year to Date Budget | Variance      | AP Budget 2023/24 | Total Budget  |
|------------------------------|----------------------|---------------------|---------------|-------------------|---------------|
| Revenue                      | 614,103              | 771,618             | (157,515)     | 4,195,080         | 4,195,080     |
| Expenditure                  | 806,276              | 1,025,268           | 218,992       | 4,195,080         | 4,105,096     |
| <b>Net Surplus/(Deficit)</b> | <b>(192,173)</b>     | <b>(253,650)</b>    | <b>61,477</b> | <b>0</b>          | <b>89,984</b> |

Variance of \$61k above budget. Revenue is \$158k below budget with the volume of building consents received being less than anticipated. This is primarily influenced by several key factors: Economic conditions, government policies (new building products, exempt small buildings) and interest rates.

Total expenditure is \$219k below budget with less consultants required due to the low number of consents.

| Measure   | Target | Prior Year Result | Q1 Result   | Comment   |
|---|--------|-------------------|-------------|---|
| Number of the district's commercial and public buildings holding a current compliance schedule that are audited every 3 years | 95%    | 81%               | In Progress | 398 buildings need inspections for compliance schedules. 237 inspections have been completed with 161 still pending. To tackle the backlog, the Council's Building Compliance Officer is taking proactive measures. A detailed plan has been developed to ensure that all buildings are audited within the required timeframe, and additional resources have been allocated to support this |
| Complaints relating to our building control service are responded to within specified timeframes                              | 90%    | 92%               | Target Met  | 28 complaints received and 26 were responded to within the required timeframe. Resulting in a response rate of 92.9%,   |
| Number of residential swimming pools that are inspected every 3 years to ensure compliance with the Building Act              | 95%    | 98%               | Target Met  | 98.9% of swimming pools have been inspected as scheduled  |
| Number of building consent applications and code compliance certificates processed and approved within 20 working days        | 95%    | 90%               | Target Met  | 98.58% of building consents and 99.4% of CCC's were processed and approved within 20 working days   |
| Number of fixed fee (small works) building consent applications are processed and approved within 10 working days             | 95%    | 89%               | Target Met  | 65 fast track building consents for small building work were received, processed and approved within 10 working days. A result of 100%  |

## Environmental Health

|                              | Year to Date<br>Actuals | Year to<br>Date Budget | Variance     | AP Budget<br>2023/24 | Total<br>Budget |
|------------------------------|-------------------------|------------------------|--------------|----------------------|-----------------|
| Revenue                      | 82,519                  | 83,679                 | (1,160)      | 334,712              | 334,713         |
| Expenditure                  | 74,218                  | 83,682                 | 9,464        | 334,712              | 334,712         |
| <b>Net Surplus/(Deficit)</b> | <b>8,300</b>            | <b>(3)</b>             | <b>8,303</b> | <b>0</b>             | <b>1</b>        |

Variance of \$8k above budget with a range of small variances in expenditure.

| Measure   | Target | Prior Year<br>Result | Q1 Result   | Comment  |
|---|--------|----------------------|-------------|--|
| Food premises are verified as per legislative requirements under the Food Regulations 2015  | 90%    | 93%                  | In Progress | There are 104 registered food premises verified by MDC. Of those, 69 verifications are due between 1 July 2024 until 30 June 2025, of which 30 have been completed.              |
| Requests for service related to incidents that endanger public health that are responded to within 24 hours of notification   | 85%    | 95%                  | Target Met  | 1 complaint concerning incidents that endangered public health was received. This complaint was responded to within 24 hours of notification, resulting in a 100% response rate. |
| Urban noise complaints that are responded to within one hour of notification  | 85%    | 98%                  | Target Met  | 43 complaints of excessive noise were received for the urban area. 40 were responded to within 1 hour, achieving a response rate of 93.0%.                                       |
| 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  | 76 complaints were received and responded to within the required timeframe of 48 hours from notification, resulting in a response rate of 100%.                                  |
| 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%    | 98%                  | In Progress | Of the 52 licensed premises, 2 were inspected during the period from 1 July 2024 to 30 September 2024. On track to achieve a 100% inspection rate.                               |

## Alcohol Licencing

|                              | Year to Date<br>Actuals | Year to<br>Date Budget | Variance      | AP Budget<br>2023/24 | Total<br>Budget |
|------------------------------|-------------------------|------------------------|---------------|----------------------|-----------------|
| Revenue                      | 65,469                  | 68,268                 | (2,799)       | 273,065              | 273,065         |
| Expenditure                  | 33,719                  | 68,268                 | 34,549        | 273,065              | 273,064         |
| <b>Net Surplus/(Deficit)</b> | <b>31,750</b>           | <b>0</b>               | <b>31,750</b> | <b>0</b>             | <b>1</b>        |

Variance of \$32k above budget. Revenue is \$3k below budget. Expenditure is \$35k below budget with less staff time charged to the activity. This is expected to increase over the December - January period which tends to be the highest volume period.

## Parking Enforcement

|                              | Year to Date<br>Actuals | Year to<br>Date Budget | Variance     | AP Budget<br>2023/24 | Total<br>Budget |
|------------------------------|-------------------------|------------------------|--------------|----------------------|-----------------|
| Revenue                      | 31,040                  | 31,256                 | (216)        | 125,024              | 125,024         |
| Expenditure                  | 0                       | 42                     | 42           | 125,024              | 125,024         |
| <b>Net Surplus/(Deficit)</b> | <b>31,040</b>           | <b>31,214</b>          | <b>(174)</b> | <b>0</b>             | <b>0</b>        |

Initial works around Parking Enforcement are underway. Currently estimated to be implemented early 2025. Council will be updated as this progresses.



## Consents Planning Activity

|                              | Year to Date<br>Actuals | Year to Date<br>Budget | Variance      | AP Budget<br>2023/24 | Total<br>Budget |
|------------------------------|-------------------------|------------------------|---------------|----------------------|-----------------|
| Revenue                      | 467,550                 | 467,589                | (39)          | 2,018,753            | 2,018,753       |
| Expenditure                  | 425,373                 | 504,690                | 79,317        | 2,018,753            | 2,018,752       |
| <b>Net Surplus/(Deficit)</b> | <b>42,177</b>           | <b>(37,101)</b>        | <b>79,278</b> | <b>0</b>             | <b>1</b>        |

Variance for Consents Planning is \$79k above budget. Revenue is close to budget, with a large influx of subdivision consents received in September after Council discussions around development contributions.

Expenditure is \$79k below budget due to low spend on consultants and less staff time charged to activity.

| Measure  | Target | Prior Year<br>Result | Q1 Result  | Comment  |
|--|--------|----------------------|------------|--|
| Number of applications for permitted boundary activities under the Resource Management Act are processed in accordance with the statutory timeframes | 90%    | 93%                  | Target Met | 3 permitted boundary applications were received and processed within the required timeframe. A result of 100%.                         |
| Number of non-notified resource consents completed within statutory timeframes   | 90%    | 91%                  | Target Met | 68 out of 70 consents (97.14%) processed within the statutory timeframe  |
| Number of notified and limited notified resource consents (not requiring a hearing) completed within statutory timeframes                            | 90%    | n/a                  | Target Met | There were no notified or limited notified consents (not requiring a hearing) received for the period 1 July 2024 to 30 September 2024 |
| Number of limited notified resource consents (with hearing) completed within statutory timeframes  | 90%    | n/a                  | Target Met | There were no notified or limited notified consents (requiring a hearing) received for the period 1 July 2024 to 30 September 2024     |
| Number of non-notified resource consents completed within statutory timeframes   | 90%    | n/a                  | Target Met | There were no notified consents received for the period 1 July 2024 to 30 September 2024   |



## Governance & Strategy

|                              | Year to Date<br>Actuals | Year to<br>Date<br>Budget | Variance      | AP Budget<br>2023/24 | Total<br>Budget |
|------------------------------|-------------------------|---------------------------|---------------|----------------------|-----------------|
| Revenue                      | 1,081,360               | 1,061,856                 | 19,504        | 4,247,427            | 4,247,428       |
| Expenditure                  | 1,057,149               | 1,086,737                 | 29,588        | 4,247,427            | 4,247,423       |
| <b>Net Surplus/(Deficit)</b> | <b>24,211</b>           | <b>(24,881)</b>           | <b>49,092</b> | <b>0</b>             | <b>5</b>        |

Variance is \$49k above budget. Revenue is \$20k above budget due to higher rates received.

Expenditure is under budget by \$29k. This is mainly because the Council Meeting Allowance budget is \$11k below budget and training for Elected Members is \$4k below budget. Other variances are minor and insignificant.

| Measure  | Target | Prior Year<br>Result | Q1 Result  | Comment   |
|--|--------|----------------------|------------|---|
| 100% of meeting and committee agendas made available to the public within statutory timeframes   | 100%   |                      | Target Met | All meeting agendas have been made publicly available in the statutory time frames. |
| Provide and maintain robust processes to ensure all local elections, polls and representation views are held with 100% compliance with statutory requirements and no complaints regarding statutory compliance are upheld by the Ombudsman nor the Courts. | 100%   |                      | Target Met | None of these have occurred in this time frame.                                     |
| 100% of consultations implemented in accordance with the principles of the Local Government Act 2002   | 100%   |                      | Target Met | All consultations properly implemented  |



## Emergency Management

|                              | Year to Date<br>Actuals | Year to<br>Date<br>Budget | Variance      | AP Budget<br>2023/24 | Total<br>Budget |
|------------------------------|-------------------------|---------------------------|---------------|----------------------|-----------------|
| Revenue                      | 117,767                 | 117,757                   | 10            | 471,029              | 471,029         |
| Expenditure                  | 104,307                 | 120,528                   | 16,221        | 471,029              | 471,029         |
| <b>Net Surplus/(Deficit)</b> | <b>13,460</b>           | <b>(2,771)</b>            | <b>16,231</b> | <b>0</b>             | <b>0</b>        |

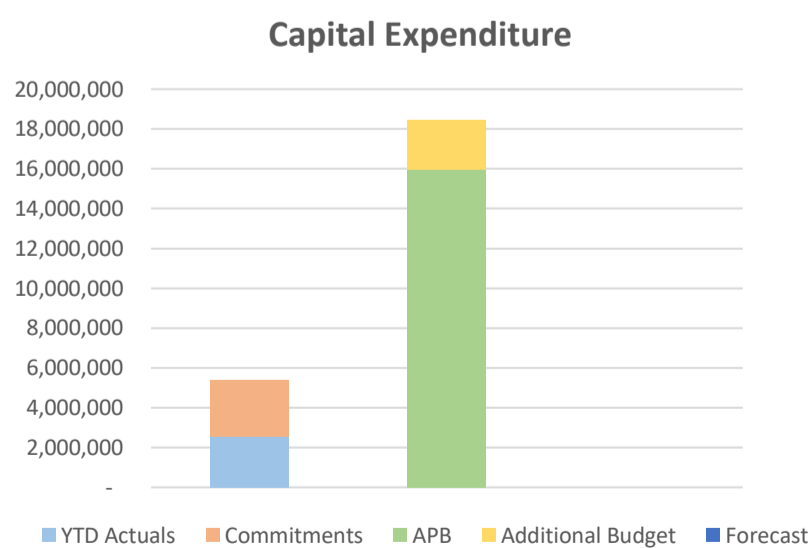
Variance of \$16k above budget. Expenditure is \$16k below budget primarily because of lower conference expenses and printing costs.

| Measure   | Target | Prior Year<br>Result | Q1 Result  | Comment   |
|---|--------|----------------------|------------|---|
| % of Incident Management Team personnel trained to at least intermediate level of the Integrated Training Framework for Emergency Management  | 75%    | 88%                  | Target Met | 88% of IMT are currently Intermediate Trained         |
| % of survey participants involved in the development, delivery or review of Community Response and Recovery Plans that are satisfied with the level of education and information provided by Council. | New    | N/A - New            | Target Met | No emergency events have occurred this quarter or YTD |

|                              | Year to Date Actuals | Year to Date Budget | Variance         | AP Budget 2023/24  | Total Budget       |
|------------------------------|----------------------|---------------------|------------------|--------------------|--------------------|
| Revenue                      | 4,927,874            | 5,369,983           | (442,109)        | 21,479,933         | 21,479,932         |
| Expenditure                  | 5,605,162            | 5,869,816           | 264,654          | 23,479,259         | 23,479,260         |
| <b>Net Surplus/(Deficit)</b> | <b>(677,288)</b>     | <b>(499,833)</b>    | <b>(177,455)</b> | <b>(1,999,326)</b> | <b>(1,999,328)</b> |

Roading variance is \$177k below budget. Revenue is \$442k below budget made up of lower development contributions (\$238k) and NZTA operational subsidies (\$270k). Expenditure is \$265k below as operational projects track behind budget due to delays in projects.

| Measure  | Target  | Prior Year Result | Q1 Result   | Comment   |
|--|---|-------------------|-------------|---|
| The number of fatalities and serious injury crashes on the local road network is lower than the previous financial year, expressed as a number.  | <0  | 0.00053           | In Progress | To the end of the 1st Quarter there have been 2 crashes reported that have resulted in 0 fatalities and 2 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%   | 97%               | In Progress | This will be reported on in Quarter 4.  |
| A percentage of the sealed local road network that is resurfaced   | 5%  | 3.5%              | In Progress | The 2024-25 resealing programme started on 20th September 2024. To date the reseal programme is 7.2% complete. On completion 4.1% 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) | 99.29%            | Target Met  | The 2023 Footpath Rating survey resulted in 99.29% being acceptable.  |
| For urgent requests for service, Council's will respond within three hours of the request being lodged   | 90%   | 95%               | Target Met  | For Quarter 1, 47 urgent requests were received and 43 were responded to within 3 hours. This equates to 91%  |
| 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%   | 84%               | Target Met  | For Quarter 1, 316 Non Urgent requests were received, of which 180 have been resolved within 3 months. This equates to 57%. However as the remaining 136 open CCR's are still within the 3 month timeframe, we are still on track to meet the target. |



Overall capital spend is \$2.5M with an additional \$2.8M in commitments - totalling \$5.4M year to date.

Total budget is \$18.4M



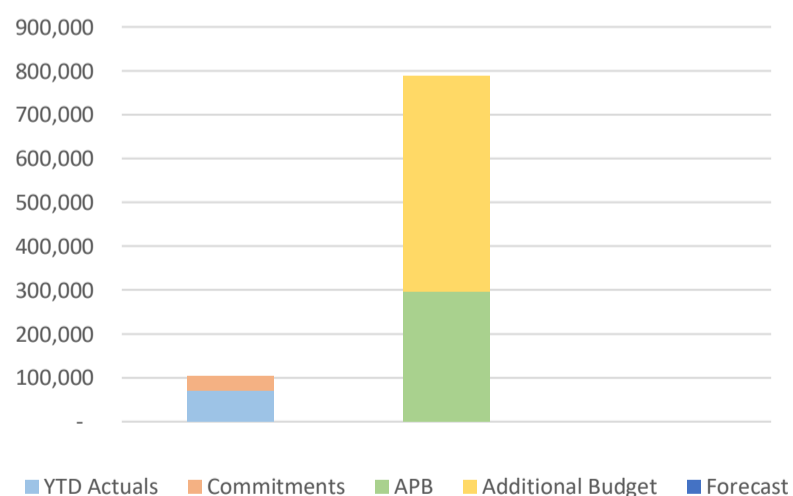
## Solid Waste

|                              | Year to Date Actuals | Year to Date Budget | Variance      | AP Budget 2023/24 | Total Budget  |
|------------------------------|----------------------|---------------------|---------------|-------------------|---------------|
| Revenue                      | 1,238,322            | 1,353,435           | (115,113)     | 4,577,033         | 4,786,208     |
| Expenditure                  | 1,093,546            | 1,251,365           | 157,819       | 4,579,568         | 4,714,719     |
| <b>Net Surplus/(Deficit)</b> | <b>144,776</b>       | <b>102,070</b>      | <b>42,706</b> | <b>(2,535)</b>    | <b>71,489</b> |

Solid Waste variance is \$43k above budget. Revenue is \$115k below budget resulting from lower transfer station gate takings (\$130k) and blue bag sales (\$133k) offset by higher operational subsidies for waste minimisation from MFE (\$117k). Expenditure is \$158k below budget due to low disposal costs as a result of lower tonnage being collected and processed.

| Measure  | Target | Prior Year Result | Q1 Result   | Comment   |
|--|--------|-------------------|-------------|---|
| Percentage of actions set within the Waste Management and Minimisation Plan (WMMP) for that year that are achieved   | 50%    | NEW               | In Progress | At end of first quarter we're on track to achieve this measure. Work has commenced to deliver the new food waste collection service to Feilding, and Waste Not Want Not Funding has been awarded for this calendar year.                      |
| The number of missed collections of kerbside refuse, food waste, and recycling.  | <100   | NEW               | In Progress | There were 44 missed collections this quarter. A large number of these missed collections were due to road works and construction and misunderstanding between residents, construction workers and contractors which has since been resolved. |
| Percentage of issues raised with Council about kerbside collection of refuse, food waste or recycling, other than a missed collection, that are responded to* within 3 days. | 95%    | NEW               | Target Met  | 96.77% of issues raised in this quarter have been responded to within 3 days.   |
| Rural residents have convenient council refuse bag drop-off points close to their homes  | 90%    | 90%               | Target Met  | The present collection routes ensure this measurement is reached  |
| Mobile recycling centres are conveniently located within 5km of identified village centres   | YES    | YES               | Target Met  | All Mobile Recycling Centres (MRCs) are in place. Please note Halcombe MRC cannot accept glass.   |

### Capital Expenditure



Overall capital spend is \$70k with an additional \$102k in commitments - totalling \$172K year to date.

Total budget is \$787k.



# Water Supply

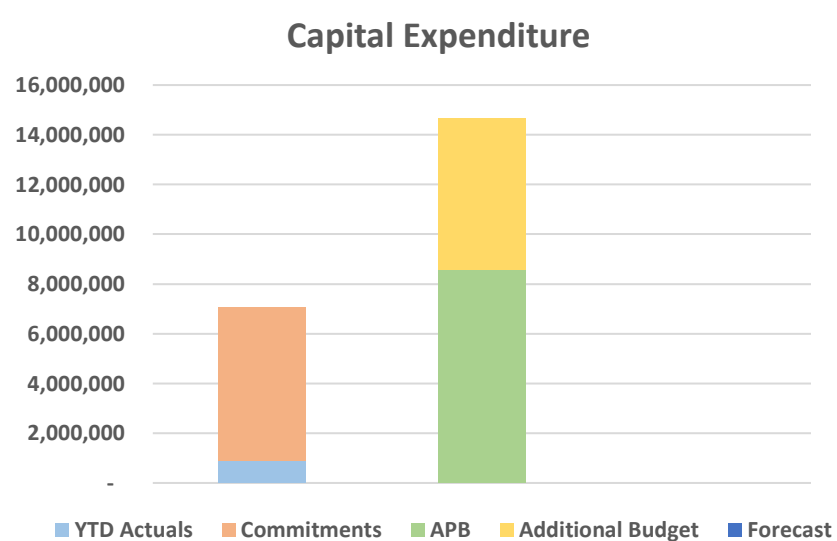
|                              | Year to Date<br>Actuals | Year to<br>Date Budget | Variance         | AP Budget<br>2023/24 | Total<br>Budget  |
|------------------------------|-------------------------|------------------------|------------------|----------------------|------------------|
| Revenue                      | 1,632,562               | 1,956,571              | (324,009)        | 6,026,287            | 7,701,287        |
| Expenditure                  | 1,351,413               | 1,492,410              | 140,997          | 6,379,179            | 6,379,180        |
| <b>Net Surplus/(Deficit)</b> | <b>281,148</b>          | <b>464,161</b>         | <b>(183,013)</b> | <b>(352,892)</b>     | <b>1,322,107</b> |

Variance is \$183k below budget. Revenue is \$324k below budget due to lower capital grants received (\$300k) for the Flood Resilience Funding and lower development contributions(\$44k). Expenditure is \$141k below budget due to lower electricity costs (\$46k), lower internal interest (\$29k) and other small variances.

| Water Supply - Measure  | Target | Prior Year<br>Result | Q1 Result      | Comment   |
|---|--------|----------------------|----------------|---|
| No Public health risk with substantiated positive E-coli detected in the water supply   |        |                      |                |   |
| Feilding - Almadale   | 100%   | Target Not Met       | Target Not Met | Non compliant for FACE for 1 day in the quarter due to high pH of water   |
| Feilding - Awa Street   | 100%   | Target Not Met       | Target Not Met | Non-compliant for C.T = concentration (C) and the contact time(t) due to no reservoir at this treatment plant, most days. Chlorination is being moved to Campbell Road Bore - This work has started |
| Himatangi Beach   | 100%   | Target Not Met       | Target Not Met | Non-Compliant for Turbidity in treated water due to air in the treatment stream over several days in July   |
| Rongotea  | 100%   | Target Not Met       | Target Met     |   |
| Stanway Halcombe  | 100%   | Target Not Met       | Target Not Met | Due to FACE non-compliance on a number of days  |
| Waituna West  | 100%   | Target Not Met       | Target Met     |   |
| Ohakea (Includes Sanson)  | 100%   | Target Not Met       | Target Met     |   |
| New Zealand Drinking Water Standard Compliance Criteria for protozoa are met, with the exception of the Stanway-Halcombe Rural Water Supply |        |                      |                |   |
| Feilding - Almadale   | 100%   | Target Met           | Target Met     |   |
| Feilding - Awa Street   | 0%     | Target Met           | Target Met     | Bore now have Class 1 classification  |
| Himatangi Beach   | 100%   | Target Met           | Target Met     |   |
| Rongotea  | 100%   | Target Met           | Target Met     |   |
| Stanway Halcombe  | 100%   | Target Met           | Target Not Met | Protozoa treatment project for Halcombe-Stanway has started Treatment plant should be compliant by the last quarter of 2024/2025  |
| Waituna West  | 100%   | Target Met           | Target Not Met | Level T2 plant requires protozoa treatment which is not installed. Changing Plant to a T3 Plant removes the need for Protozoa treatment as deep groundwater bore has Class 1 status under S3 rules  |
| Ohakea (Includes Sanson)  | 100%   | Target Met           | Target Met     |   |

| <b>Water Supply - Measure</b>  | <b>Target</b>              | <b>Prior Year Result</b> | <b>Q1 Result</b>  | <b>Comment</b>   |
|--|----------------------------|--------------------------|-------------------|--|
| 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   |                            |                          |                   |  |
| Feilding   | < 35%                      | 16%                      | <b>Target Met</b> |  |
| Himatangi Beach  | < 35%                      | 31%                      | <b>Target Met</b> |  |
| Rongotea   | < 35%                      | 15%                      | <b>Target Met</b> |  |
| Sanson   | < 35%                      |                          |                   |  |
| Stanway Halcombe   | < 35%                      | 18%                      | <b>Target Met</b> |  |
| Waituna West   | < 35%                      | 34%                      | <b>Target Met</b> |  |
| Attendance time for urgent call-outs: from the time the Council receives notification to the time that service personnel reach the site  |                            |                          |                   |  |
|  | < 2 hours                  | 0.26 hours               | <b>Target Met</b> | Median response time = 0.43 hrs  |
| 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                  | 1.98 hours               | <b>Target Met</b> | Median Resolution time = 0.93 hrs  |
| 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            | 2.1 hours                | <b>Target Met</b> | Median response/attendance time  |
| 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 | 14.6 hours               | <b>Target Met</b> | Median resolution approximately 8 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"> <li>• Drinking water clarity</li> <li>• Drinking water taste</li> <li>• Drinking water odour</li> <li>• Drinking water pressure or flow</li> <li>• Continuity of supply</li> <li>• The local authority's response to any of these issues</li> </ul> | <20                        | 3.6                      | <b>Target Met</b> | 57 complaints for 8515 residential connections. => 6.7 complaints per 1000 connections |

| Water Supply - Measure  | Target | Prior Year Result | Q1 Result      | Comment   |
|---|--------|-------------------|----------------|---|
| The average consumption of drinking water per day, per resident within Council's authority area<br>Measured as litres/person/day for domestic supply only |        |                   |                |   |
| Feilding  | <300   | 184               | Target Met     | Comment   |
| Himatangi Beach   | <1000  | 590               | Target Met     | Comment   |
| Rongotea  | <300   | 153               | Target Met     | Comment   |
| Sanson  | <300   | n/a               | In Progress    | Is now a Zone of the Ohakea Water supply Scheme   |
| Stanway Halcombe  | <1000  | 294               | Target Met     | Comment   |
| Waituna West  | <1000  | 784               | Target Not Met | Comment   |
| Ohakea  | <1000  | 330               | In Progress    | Need to have Base Ohakea meter reading to get a more accurate idea of what Ohakea Rural Area and Sanson are using |



Overall capital spend is \$899k with an additional \$6.2M in commitments - totalling \$7.1M year to date.

Total budget is \$14.7M

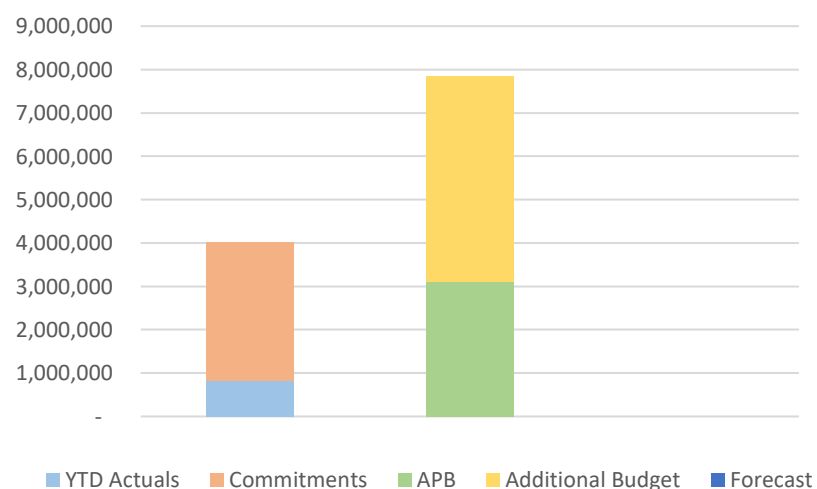
## Stormwater and Drainage

|                              | Year to Date<br>Actuals | Year to<br>Date Budget | Variance         | AP Budget<br>2023/24 | Total<br>Budget  |
|------------------------------|-------------------------|------------------------|------------------|----------------------|------------------|
| Revenue                      | 495,009                 | 831,574                | (336,565)        | 3,326,299            | 3,326,298        |
| Expenditure                  | 516,808                 | 539,682                | 22,874           | 2,223,005            | 2,223,003        |
| <b>Net Surplus/(Deficit)</b> | <b>(21,799)</b>         | <b>291,892</b>         | <b>(313,691)</b> | <b>1,103,295</b>     | <b>1,103,295</b> |

Variance is \$314k below budget. Revenue is \$337k below budget driven by lower development contributions. Expenditure is \$23k below budget primarily because of lower internal interest (\$74k) and offset by higher spend on operational projects of (\$47k).

| Measure  | Target   | Prior Year<br>Result | Q1 Result  | Comment  |
|--|----------|----------------------|------------|--|
| The number of flooding events in the district  | <2       | 1                    | Target Met | Quarter 1= 0 habitable floors flooded  |
| The number of habitable floors per 1000 properties affected by flooding per flooding event that occurred in the district   | <10      | 0.01                 | Target Met | Quarter 1= 0 habitable floors flooded  |
| Abatement notices received by Council in relation to resource consents. (measured per scheme)  | <2       | 0                    | Target Met | Quarter 1= No abatement notices were issued  |
| Compliance with the Council's resource consents for discharge from its stormwater system measured by the number of: <ul style="list-style-type: none"> <li>• Infringement notices</li> <li>• Enforcement orders, and</li> <li>• Convictions</li> </ul> received by Council in relation those resource consents (per scheme). | 0        | 1                    | Target Met | Quarter 1= No infringement notices have been issued  |
| 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 | N/A                  | Target Met | Quarter 1 = 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      | 3.96                 | Target Met | Quarter 1 = 10 complaints received. RDI report = 9267 connections. This equates to 1.08 complaints per 1000 connections. |

### Capital Expenditure



Overall capital spend is \$826k with an additional \$3.2M in commitments - totalling \$4M year to date.

Total budget is \$7.8M



## Wastewater - excluding Nursery

|                              | Year to Date Actuals | Year to Date Budget | Variance         | AP Budget 2023/24 | Total Budget     |
|------------------------------|----------------------|---------------------|------------------|-------------------|------------------|
| Revenue                      | 2,447,393            | 2,311,979           | 135,414          | 9,247,915         | 9,247,916        |
| Expenditure                  | 2,616,649            | 2,303,397           | (313,252)        | 9,482,950         | 9,484,979        |
| <b>Net Surplus/(Deficit)</b> | <b>(169,256)</b>     | <b>8,582</b>        | <b>(177,838)</b> | <b>(235,035)</b>  | <b>(237,063)</b> |

Wastewater variance is \$178k below budget. Revenue is \$135k above budget predominately due to higher sundry revenue relating to Ohakea Wastewater Charges and Makowahi Farm Lease (\$72k), the Wastewater Capital Connection Fees (\$31k) and rates. Expenditure is \$313k above budget primarily because of higher Chemicals (\$104k), Electricity (\$133k) and Maintenance (\$71k).

| Measure  | Target | Prior Year Result | Q1 Result  | Comment  |
|--|--------|-------------------|------------|--|
| Number of dry weather sewerage overflows from Council's sewerage system, expressed per 1000 sewerage connections   | < 6    | 2                 | Target Met | Quarter 1 = 0 dry weather overflows  |
| Abatement notices received by Council in relation to resource consents. (measured per scheme)  | <2     | 1                 | Target Met | Quarter 1 = 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"> <li>• Infringement notices</li> <li>• Enforcement orders, and</li> <li>• Convictions</li> </ul> received by Council in relation those resource consents (per scheme). | 0      | 0                 | Target Met | Quarter 1 = No infringement notices, enforcement orders or convictions received by Council in relation to resource consent conditions per scheme |



## Wastewater - excluding Nursery

|   |  |            |                   |   |
|---|--|------------|-------------------|---|
| Median response time to sewage overflows resulting from blockage or other faults in the Council's sewerage system (urgent)  | < 2 hours  | 0.25 hrs   | <b>Target Met</b> | Quarter 1 = No urgent jobs  |
| Median response time to sewage overflows resulting from blockage or other faults in the Council's sewerage system (non-urgent)  | < 5 Days   | 0.9 hrs    | <b>Target Met</b> | Quarter 1 = Receives notification - 0.059 days  |
| Median response time (combined)   | < 5 Days   | 0.6 hours  | <b>Target Met</b> | Quarter 1 = 0.059 days for notification with only non-urgent responses. There were no urgent                |
| 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  | 1.82 hours | <b>Target Met</b> | Quarter 1 = No urgent jobs  |
| 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  | 2.93 hours | <b>Target Met</b> | Quarter 1 = Resolution 0.13 days  |
| Median resolution time (combined)   | 10 Days  | 2.4 hours  | <b>Target Met</b> | Quarter 1 = 0.13 days for resolution with only non-urgent responses. There were no urgent responses.        |
| The total number of complaints received by Council about the following:<br><ul style="list-style-type: none"> <li>• Sewage odour</li> <li>• Sewerage system faults</li> <li>• Sewerage system blockages</li> <li>• Council's response to issues with its sewerage system</li> </ul> Expressed per 1,000 connections to the council sewerage system. | < 20 complaints in total per 1,000 connections per annum | 4.2        | <b>Target Met</b> | Quarter 1 - 7 complaints received - system blockage 4, system fault 3. 0.78 complaints per 1000 connections |

**Capital Expenditure**



Overall capital spend is \$637k with an additional \$532k in commitments - totalling \$1.7M year to date.

Total budget is \$11.8M



\*The nursery is located within the wastewater budget however is reported as a separate activity

|                              | <b>Year to<br/>Date<br/>Actuals</b> | <b>Year to<br/>Date<br/>Budget</b> | <b>Variance</b> | <b>AP Budget<br/>2023/24</b> | <b>Total Budget</b> |
|------------------------------|-------------------------------------|------------------------------------|-----------------|------------------------------|---------------------|
| Revenue                      | 127,582                             | 165,171                            | (37,589)        | 448,523                      | 448,523             |
| Expenditure                  | 142,491                             | 160,011                            | 17,520          | 448,523                      | 448,525             |
| <b>Net Surplus/(Deficit)</b> | <b>(14,909)</b>                     | <b>5,160</b>                       | <b>(20,069)</b> | <b>0</b>                     | <b>(2)</b>          |

Variance for the Nursery is \$20k below budget. Reflecting \$128k of revenue and \$142k of expenditure incurred. This reflects the costs and work required up front to plant/sow the seedlings which have very little value at time of planting. The revenue is earned at sale time (most plants take between 1-2yrs to mature ready for sale). The value of the seedling is recognised as stock on hand into the balance sheet but at this time they are not worth much as their value increases as they grow and is then recognised as income at sale time. The level of stock on hand is 334k plants, with an average age of 10 months

## Statement of Comprehensive Revenue and Expense

|  | 2025<br>Actual YTD<br>\$000 | 2025<br>Budget<br>YTD<br>\$000 | Variance<br>\$000 | 2025<br>Revised<br>Budget<br>\$000 | 2024<br>Annual<br>Plan<br>\$000 |
|--|-----------------------------|--------------------------------|-------------------|------------------------------------|---------------------------------|
| <b>Revenue</b>   |                             |                                |                   |                                    |                                 |
| Rates revenue  | 12,900                      | 12,656                         | 244               | 50,623                             | 50,623                          |
| Financial revenue  | 283                         | 148                            | 136               | 575                                | 575                             |
| Subsidies and grants   | 2,294                       | 2,667                          | (373)             | 9,919                              | 8,033                           |
| Development contributions  | 590                         | 1,075                          | (485)             | 4,299                              | 4,299                           |
| Other revenue  | 2,560                       | 3,003                          | (443)             | 11,962                             | 11,947                          |
| Other gains/(losses)   | 146                         | 35                             | 112               | 311                                | 311                             |
| <b>Total revenue</b>   | <b>18,773</b>               | <b>19,583</b>                  | <b>(810)</b>      | <b>77,688</b>                      | <b>75,787</b>                   |
| <b>Expenses</b>  |                             |                                |                   |                                    |                                 |
| Personnel costs  | 4,134                       | 4,162                          | 28                | 15,525                             | 14,960                          |
| Depreciation and amortisation  | 6,245                       | 6,819                          | 573               | 27,274                             | 27,274                          |
| Finance costs  | 1,197                       | 1,117                          | (80)              | 4,470                              | 4,470                           |
| Other operating expenses   | 8,211                       | 8,587                          | 375               | 32,026                             | 31,680                          |
| <b>Total Expenditure</b>   | <b>19,787</b>               | <b>20,684</b>                  | <b>897</b>        | <b>79,295</b>                      | <b>78,384</b>                   |
| <b>Surplus/(deficit) before tax</b>  | <b>(1,014)</b>              | <b>(1,101)</b>                 | <b>87</b>         | <b>(1,607)</b>                     | <b>(2,589)</b>                  |
| Income tax expense   | -                           | -                              | -                 | -                                  | -                               |
| <b>Surplus/(deficit) after tax</b>   | <b>(1,014)</b>              | <b>(1,101)</b>                 | <b>87</b>         | <b>(1,607)</b>                     | <b>(2,589)</b>                  |
| <b>Other comprehensive revenue &amp; expense</b>   |                             |                                |                   |                                    |                                 |
| Gains/(losses) on the revaluation of property, plant and equipment                         | (1)                         | 0                              | (1)               | 29,711                             | 29,711                          |
| Impairment losses on restricted buildings through other comprehensive revenue and expenses | 0                           | 0                              | 0                 | 0                                  | 0                               |
| <b>Total other comprehensive revenue and expense</b>                                       | <b>(1)</b>                  | <b>0</b>                       | <b>(1)</b>        | <b>29,711</b>                      | <b>29,711</b>                   |
| <b>Total comprehensive revenue and expense</b>   | <b>(1,015)</b>              | <b>(1,101)</b>                 | <b>86</b>         | <b>28,104</b>                      | <b>27,122</b>                   |

## Statement of Financial Position

| YTD Actuals<br>2023/24 |                                      | YTD Actuals<br>2024/25 |
|------------------------|--------------------------------------|------------------------|
|                        | <b>Assets</b>                        |                        |
|                        | <b>Current Assets</b>                |                        |
| 3,885,235              | Cash and Cash Equivalents *          | 12,120,665             |
| 7,020,268              | Receivables and Accruals             | 5,620,228              |
| 275,760                | Inventory on Hand                    | 281,864                |
| 11,770,133             | Other Financial Assets - Current *   | 309,392                |
| 4,740,526              | Non-current Assets for Sale          | 3,824,000              |
| <b>27,691,922</b>      | <b>Total Current Assets</b>          | <b>22,156,149</b>      |
|                        | <b>Non-current Assets</b>            |                        |
| 1,147,421,570          | Property, Plant and Equipment        | 1,182,993,238          |
| 32,289                 | Intangible Assets                    | 25,365                 |
| 6,236,533              | Other Financial Assets - Term        | 7,049,387              |
| <b>1,153,690,391</b>   | <b>Total Non-current Assets</b>      | <b>1,190,067,990</b>   |
| <b>1,181,382,314</b>   | <b>Total Assets</b>                  | <b>1,212,224,139</b>   |
|                        | <b>Current Liabilities</b>           |                        |
| 11,307,147             | Accounts Payable and Accruals        | 9,271,223              |
| 43,714                 | Provisions - Current Portion         | 446,001                |
| 1,650,296              | Employee Entitlements                | 1,692,065              |
| 22,400,000             | Borrowing - Current Position         | 25,900,000             |
| <b>35,401,156</b>      | <b>Total Current Liabilities</b>     | <b>37,309,289</b>      |
|                        | <b>Non-current Liabilities</b>       |                        |
| 1,536,217              | Provisions - Term Portion            | 1,110,236              |
| 71,431,154             | Borrowings - Term Portion            | 70,731,154             |
| <b>72,967,371</b>      | <b>Total Non-current Liabilities</b> | <b>71,841,390</b>      |
| <b>108,368,528</b>     | <b>Total Liabilities</b>             | <b>109,150,680</b>     |
|                        | <b>Equity</b>                        |                        |
| 493,892,955            | Retained Earnings                    | 494,608,578            |
| 577,127,084            | Other Reserves                       | 609,478,893            |
| 1,993,747              | Current Earnings                     | (1,014,012)            |
| <b>1,073,013,786</b>   | <b>Total Equity</b>                  | <b>1,103,073,459</b>   |
| <b>1,181,382,314</b>   | <b>Total Liabilities and Equity</b>  | <b>1,212,224,139</b>   |

### Cash and Cash Equivalents and Other Current Financial Assets comprise:

|   | Oncall            | Short Term     |
|---|-------------------|----------------|
| Kiwibank                                      | 2,100,561         | 0              |
| ASB   | 992               | 0              |
| BNZ On call                                   | 9,997,885         | 0              |
| ANZ On call                                   | 243               | 0              |
| Westpac On call                               | 18,850            |                |
| Float   | 2,135             |                |
| <b>Total Cash and Cash Equivalents</b>        | <b>12,120,665</b> |                |
| Community Loans & Receivables                 |                   | 309,392        |
| <b>Total Other Financial Assets - Current</b> |                   | <b>309,392</b> |

(0)

\* Comparisons of Other Financial Assets - Current, against Cash and Cash Equivalents

Funds on Term Deposit totalling \$11.3M on 30Sep2023 were reflected in Other Financial Assets. A Term Deposit of \$2.1M held on 30Sep2024 was due to mature in mid-October and hence reflected in Cash Equivalents.

## Funding Impact Statement (Whole of Council)

|   | 2025           | 2025           |                | 2025            | 2024            | 2025            |
|---|----------------|----------------|----------------|-----------------|-----------------|-----------------|
|   | Actual YTD     | Budget YTD     | Variance YTD   | Revised Budget  | Annual Plan     | Forecast        |
|   | \$000          | \$000          | \$000          | \$000           | \$000           | \$000           |
| <b>Sources of operating funding</b>                                     |                |                |                |                 |                 |                 |
| General rates, uniform annual general charges, rates penalties          | 4,282          | 4,063          | 219            | 16,251          | 15,715          | 16,251          |
| Targeted rates  | 8,618          | 8,663          | (45)           | 34,652          | 30,915          | 34,652          |
| Subsidies and grants for operating purposes                             | 784            | 926            | (142)          | 3,530           | 3,164           | 3,530           |
| Fees and charges  | 2,175          | 2,645          | (471)          | 10,744          | 9,085           | 10,744          |
| Interest and dividends from investments                                 | 283            | 148            | 136            | 575             | 435             | 575             |
| Local authorities fuel tax, fines, infringement fees and other receipts | 385            | 358            | 28             | 1,219           | 4,341           | 1,219           |
| <b>Total operating funding</b>  | <b>16,527</b>  | <b>16,802</b>  | <b>(275)</b>   | <b>66,970</b>   | <b>63,655</b>   | <b>66,970</b>   |
| <b>Applications of operating funding</b>                                |                |                |                |                 |                 |                 |
| Payments to staff and suppliers   | 12,341         | 12,748         | 408            | 47,531          | 45,735          | 47,605          |
| Finance costs   | 1,197          | 1,117          | (80)           | 4,470           | 3,824           | 4,470           |
| Other operating funding applications                                    | 0              | 0              | 0              | 0               | 0               | 0               |
| <b>Total applications of operating funding</b>                          | <b>13,538</b>  | <b>13,866</b>  | <b>328</b>     | <b>52,001</b>   | <b>49,559</b>   | <b>52,075</b>   |
| <b>Surplus (deficit) of operating funding</b>                           | <b>2,990</b>   | <b>2,937</b>   | <b>(631)</b>   | <b>14,227</b>   | <b>14,096</b>   | <b>14,895</b>   |
| <b>Sources of capital funding</b>                                       |                |                |                |                 |                 |                 |
| Subsidies and grants for capital expenditure                            | 1,450          | 1,695          | (245)          | 6,204           | 6,017           | 6,204           |
| Development and financial contributions                                 | 649            | 1,121          | (472)          | 4,484           | 3,524           | 4,411           |
| Increase (decrease) in debt   | 1,400          | 1,963          | (563)          | 17,500          | 7,850           | 9,353           |
| Gross proceeds from sale of assets                                      | 56             | (10)           | 66             | 139             | (39)            | 56              |
| Lump sum contributions  | 0              | 0              | 0              | 0               | 0               | 0               |
| Other dedicated capital funding   | 0              | 0              | 0              | 0               | 0               | 0               |
| <b>Total sources of capital funding</b>                                 | <b>3,556</b>   | <b>4,769</b>   | <b>(1,213)</b> | <b>28,326</b>   | <b>17,352</b>   | <b>20,023</b>   |
| <b>Applications of capital funding</b>                                  |                |                |                |                 |                 |                 |
| Capital expenditure   |                |                |                |                 |                 |                 |
| - to meet additional demand   | 1,449          | 2,026          | 577            | 10,662          | 3,583           | 0               |
| - to improve the level of service                                       | 1,417          | 5,013          | 3,596          | 20,365          | 14,417          | 18,821          |
| - to replace existing assets  | 3,941          | 9,090          | 5,149          | 38,078          | 14,296          | 0               |
| Increase (decrease) in reserves   | (262)          | (8,424)        | (8,162)        | (26,552)        | (848)           | 16,291          |
| Increase (decrease) of investments                                      | 0              | 0              | 0              | 0               | 0               | (193)           |
| <b>Total application of capital funding</b>                             | <b>6,545</b>   | <b>7,705</b>   | <b>1,160</b>   | <b>42,553</b>   | <b>31,448</b>   | <b>34,919</b>   |
| <b>Surplus (deficit) of capital funding</b>                             | <b>(2,990)</b> | <b>(2,937)</b> | <b>(53)</b>    | <b>(14,227)</b> | <b>(14,096)</b> | <b>(14,895)</b> |
| <b>Funding balance</b>  | <b>0</b>       | <b>0</b>       | <b>0</b>       | <b>0</b>        | <b>0</b>        | <b>0</b>        |

**Capital Expenditure Report**  
**For Period Ended 30 September 2024**

| <b>Job</b>                             | <b>YTD Actuals</b> | <b>YTD Budget</b> | <b>YTD Variance</b> | <b>Total Commitments</b> | <b>Actual + Commitments</b> | <b>Total Budget</b> | <b>Total AP Budget</b> | <b>Comments</b>  |
|--|--------------------|-------------------|---------------------|--------------------------|-----------------------------|---------------------|------------------------|--|
| <b>Grand Total</b>                     | <b>6,803,746</b>   | <b>17,165,279</b> | <b>10,361,533</b>   | <b>13,687,677</b>        | <b>20,491,423</b>           | <b>69,104,848</b>   | <b>47,495,910</b>      |  |
| <b>21. Roading Network</b>             |                    |                   |                     |                          |                             |                     |                        |  |
| CB3001. CBD Redevelopment Projects     | 180                | 128,625           | 128,445             | 0                        | 180                         | 514,500             | 514,500                |  |
| RD1009. Sub Unsealed Road Metalling    | 133,719            | 75,927            | -57,792             | 31,161                   | 164,881                     | 303,704             | 303,704                |  |
| RD1010. Sub Sealed Road Resurfacing    | 408,291            | 884,340           | 476,049             | 1,686,386                | 2,094,677                   | 3,537,361           | 3,537,361              | Resurfacing has begun and on track to be finished by January   |
| RD1016. Sub Roading Footpath Renewal   | 2,427              | 13,935            | 11,508              | 41,397                   | 43,824                      | 55,744              | 55,744                 | TIO budget is significantly lower, will look at CF 50% of budget to next year  |
| RD1018. Subsidised Bridge Renewals     | 70,780             | 0                 | -70,780             | 3,001                    | 73,780                      | 0                   | 0                      | Additional work to bridge between stage 1 and stage 2 upgrades on Roots St East  |
| RD1025. Roading Growth                 | 556,801            | 352,205           | -204,596            | 329,542                  | 886,343                     | 1,594,230           | 0                      | Road 1B budget to be used for discharge of comp certs which is including some negotiations on uncompleted aspects of agreements, e.g. fences not constructed |
| RD1030. Sub Drainage Renewals          | 84,656             | 134,409           | 49,753              | 237,437                  | 322,092                     | 537,632             | 537,632                |  |
| RD1031. Sub Structures Renewals        | 38,117             | 221,364           | 183,247             | 47,800                   | 85,917                      | 885,454             | 885,454                |  |
| RD1032. Sub Traffic Services Renewal   | 30,830             | 121,386           | 90,556              | 40,951                   | 71,781                      | 485,548             | 485,547                |  |
| RD1034. Sub Pavement Rehabilitation    | 1,025,545          | 414,792           | -610,753            | 132,527                  | 1,158,072                   | 1,158,072           | 1,659,174              | Rehabs are complete. Will need to transfer remainder to other codes due to TIO budget being less   |
| RD1047. Sub Renewal Surplus >NZTA Budg | 0                  | 125,025           | 125,025             | 0                        | 0                           | 0                   | 0                      | These funds will be transferred to other codes to increase local share for budgets that are now less than TIO  |
| RD1057. 357 Resilience Improvements    | 0                  | 69,483            | 69,483              | 0                        | 0                           | 277,933             | 277,933                | Looking at doing this work Nov/Dec   |
| RD1058. 451 Walking Facilities         | 0                  | 79,359            | 79,359              | 0                        | 0                           | 0                   | 317,438                | No TIO budget for this   |
| RD1059. 452 Cycling Facilities         | 0                  | 0                 | 0                   | 6,000                    | 6,000                       | 0                   | 0                      |  |
| RD1060. Sub Renewal Emergency Works    | 191,434            | 1,532,571         | 1,341,137           | 294,898                  | 486,332                     | 7,131,510           | 6,103,023              | Enabling works have begun \$380k, Bridge Replacement likely to start Jan 25  |
| RD1061. Land Purchase 37 Roots St      | 0                  | 15,192            | 15,192              | 0                        | 0                           | 60,763              | 0                      |  |
| RD1062. Sub New Emergency Works        | 0                  | 0                 | 0                   | 0                        | 0                           | 317,438             | 0                      |  |
| RD4021. Non Sub Road Works             | 0                  | 292,956           | 292,956             | 0                        | 0                           | 1,171,833           | 1,171,833              | Need to confirm how much of this is allocated to Root St East upgrade. Initially all funding was from DC's.  |
| RD4034. Non Subsidised Roading Renewal | 569                | 89,697            | 89,128              | 4,431                    | 5,000                       | 358,790             | 105,309                |  |
| RD4039. Non Sub Mitigation Sealing     | 0                  | 4,461             | 4,461               | 0                        | 0                           | 17,844              | 0                      |  |
| <b>Total 21. Roading Network</b>       | <b>2,543,349</b>   | <b>4,555,727</b>  | <b>2,012,378</b>    | <b>2,855,531</b>         | <b>5,398,879</b>            | <b>18,408,356</b>   | <b>15,954,652</b>      |  |

**Capital Expenditure Report**  
**For Period Ended 30 September 2024**

| <b>Job</b>                             | <b>YTD<br/>Actuals</b> | <b>YTD<br/>Budget</b> | <b>YTD<br/>Variance</b> | <b>Total<br/>Commitments</b> | <b>Actual<br/>+<br/>Commitments</b> | <b>Total<br/>Budget</b> | <b>Total<br/>AP<br/>Budget</b> | <b>Comments</b>  |
|--|------------------------|-----------------------|-------------------------|------------------------------|-------------------------------------|-------------------------|--------------------------------|--|
| <b>23. Solid Waste</b>                 |                        |                       |                         |                              |                                     |                         |                                |  |
| SW1005. Purchase of New Recycling Bins | 619                    | 5,664                 | 5,045                   | 0                            | 619                                 | 22,660                  | 22,660                         | Replaced as required   |
| SW1007. Recycling Inventory            | -828                   | -1,236                | -408                    | 0                            | -828                                | -4,944                  | -4,944                         | Replaced as required   |
| SW2005. Resource Recovery Centre       | 70,704                 | 78,804                | 8,100                   | 102,353                      | 173,057                             | 315,220                 | 0                              | Weighbridge work to be completed within allocated budget end of October 2024   |
| SW2007. Est Mobile Recycling Centres   | 0                      | 2,004                 | 2,004                   | 0                            | 0                                   | 8,017                   | 0                              |  |
| SW2010. Himatangi RTS                  | 0                      | 4,278                 | 4,278                   | 0                            | 0                                   | 17,110                  | 0                              |  |
| SW3500. New Bin Purchases              | 0                      | 220,180               | 220,180                 | 0                            | 0                                   | 428,755                 | 278,100                        | Procurement documentation being prepared   |
| <b>Total 23. Solid Waste</b>           | <b>70,494</b>          | <b>309,694</b>        | <b>239,200</b>          | <b>102,353</b>               | <b>172,848</b>                      | <b>786,818</b>          | <b>295,816</b>                 |  |
| <b>25. Wastewater</b>                  |                        |                       |                         |                              |                                     |                         |                                |  |
| WW2002. Feilding WWTP Asset Renewal    | 263,801                | 940,145               | 676,344                 | 500,088                      | 763,889                             | 3,025,607               | 2,651,695                      | Pumps and electrical work paid for last FY, only installation to left to go<br>Commitment is a PO for purchase of pumps, yet to be receipted.<br>Nothing has been receipted yet for this project, POs are all setup, we anticipate payment certs to start next month<br>Weighbridge work to be completed within allocated budget end of October 2024<br>PO setup for contractor for design, team are finalising<br>Project is ongoing, spend is tracking as envisioned<br>Spend is for hydrant tester<br>Underway, costs for lease and representation on water quality panel<br>Remainder will be used to help address leaks in Digester to finalise commissioning |
| WW2003. Feilding WW Retic Renewals     | 2,187                  | 140,322               | 138,135                 | 0                            | 2,187                               | 561,284                 | 416,000                        | CCTV project being finalised with RFT to go out Nov/Dec24  |
| WW2009. Rongotea WWTP Renewals         | 12,812                 | 5,133                 | -7,679                  | 5,066                        | 17,877                              | 20,533                  | 0                              |  |
| WW2012. Himatangi WW Asset Replacement | 0                      | 6,501                 | 6,501                   | 0                            | 0                                   | 26,000                  | 26,000                         | Work has not yet started   |
| WW2013. Feilding WWTP Upgrade          | 152,967                | 306,981               | 154,014                 | 4,803                        | 157,769                             | 1,227,920               | 1,210,297                      | Design underway for pump station and reception facility.<br>Tender getting prepared for pipeline in Dalgetty line later to be tendered this calendar year  |
| WW2016. Feilding Wastewater Growth     | 105,436                | 25,704                | -79,732                 | -25,096                      | 80,340                              | 102,816                 | 0                              | Will be fully expended this year   |
| WW2023. Wastewater New Connections     | 201                    | 14,301                | 14,100                  | 0                            | 201                                 | 57,200                  | 57,200                         | As requested   |
| WW2032. Feilding WWTP Nursery New Work | 9,270                  | 2,391                 | -6,879                  | 0                            | 9,270                               | 9,568                   | 9,568                          | De-plugger machine purchased   |
| WW2035. Kimbolton WWTP Renewals        | 1,965                  | 0                     | -1,965                  | 0                            | 1,965                               | 0                       | 0                              | Stage 1 of neighbouring site valuation underway  |
| WW2038. Feilding WWTP - Irrigation     | 19,874                 | 111,621               | 91,747                  | 0                            | 19,874                              | 446,488                 | 337,750                        | Bond excavators supplied material for buffer planting  |

**Capital Expenditure Report**  
**For Period Ended 30 September 2024**

| <b>Job</b>                            | <b>YTD<br/>Actuals</b> | <b>YTD<br/>Budget</b> | <b>YTD<br/>Variance</b> | <b>Total<br/>Commitments</b> | <b>Actual<br/>+<br/>Commitments</b> | <b>Total<br/>Budget</b> | <b>Total<br/>AP<br/>Budget</b> | <b>Comments</b>  |
|---------------------------------------|------------------------|-----------------------|-------------------------|------------------------------|-------------------------------------|-------------------------|--------------------------------|--|
| WW2090. Turners Road Extension Growth | 432                    | 30,942                | 30,510                  | 0                            | 432                                 | 123,770                 | 0                              | Design is being finalised, no works planned until year 2   |
| WW3004. Wastewater Centralisation     | 67,722                 | 1,543,485             | 1,475,764               | 47,593                       | 115,314                             | 6,173,949               | 4,418,600                      | Design and construction Engineer's Estimate for Rongotea to Awahuri Road being prepared for construction 2024/25 |
| <b>Total 25. Wastewater</b>           | <b>636,667</b>         | <b>3,127,526</b>      | <b>2,490,859</b>        | <b>532,453</b>               | <b>1,169,120</b>                    | <b>11,775,135</b>       | <b>9,127,110</b>               |  |

**Capital Expenditure Report**  
**For Period Ended 30 September 2024**

| <b>Job</b>                               | <b>YTD Actuals</b> | <b>YTD Budget</b> | <b>YTD Variance</b> | <b>Total Commitments</b> | <b>Actual + Commitments</b> | <b>Total Budget</b> | <b>Total AP Budget</b> | <b>Comments</b>   |
|--|--------------------|-------------------|---------------------|--------------------------|-----------------------------|---------------------|------------------------|---|
| <b>26. Stormwater and Drainage</b>       |                    |                   |                     |                          |                             |                     |                        |   |
| ST1009. Stormwater Growth Feilding       | 618,440            | 985,467           | 367,027             | 2,780,953                | 3,399,393                   | 3,941,895           | 0                      | Land acquisition underway for Road 03<br>Roots Street scheduled for completion October 2024<br>Precient 4 Attenuation - Contract PO for construction currently being formed.  |
| ST1012. Stormwater New Work Feilding     | 33,378             | 263,973           | 230,596             | 30,051                   | 63,429                      | 1,055,887           | 693,469                | Stormwater modelling by GHD is currently underway, final GHD work to issue final report and then PO will be closed<br>Negotiations with Saleyards regarding legal costs are underway  |
| ST1013. Unplanned Renewals Feilding      | 13,079             | 38,406            | 25,327              | 60,000                   | 73,079                      | 153,624             | 109,747                | Ongoing as needed   |
| ST1024. SW Unplanned Renewals-Villages   | 2,562              | 12,999            | 10,437              | 0                        | 2,562                       | 52,000              | 52,000                 | Work underway   |
| ST1031. Stormwater Flooding New Works    | 11,803             | 245,394           | 233,592             | 3,500                    | 15,303                      | 981,565             | 894,111                | Staff time  |
| ST2001. Stormwater - District wide new   | 131,264            | 551,394           | 420,130             | 310,804                  | 442,068                     | 1,605,656           | 1,371,760              | Design work to be done in years 2 and 3<br>Commitment is an old PO for 22/23 FY, looking at closing this<br>Staff time to be requested to be transferred to ST1031 102 and this one closed<br>Purchased pump and all other part for job, including electrical install. Tracking to have budget left over<br>Second stage of modelling for detention ponds is underway |
| ST2090. Turners Road Extension Growth    | 15,278             | 16,347            | 1,069               | 2,043                    | 17,321                      | 65,387              | 0                      | Works to begin in year 2  |
| <b>Total 26. Stormwater and Drainage</b> | <b>825,802</b>     | <b>2,113,980</b>  | <b>1,288,178</b>    | <b>3,187,352</b>         | <b>4,013,154</b>            | <b>7,856,014</b>    | <b>3,121,087</b>       |   |

**Capital Expenditure Report**  
**For Period Ended 30 September 2024**

| <b>Job</b>                             | <b>YTD<br/>Actuals</b> | <b>YTD<br/>Budget</b> | <b>YTD<br/>Variance</b> | <b>Total<br/>Commitments</b> | <b>Actual<br/>+<br/>Commitments</b> | <b>Total<br/>Budget</b> | <b>Total<br/>AP<br/>Budget</b> | <b>Comments</b>   |
|--|------------------------|-----------------------|-------------------------|------------------------------|-------------------------------------|-------------------------|--------------------------------|---|
| <b>28. Water Supply</b>                |                        |                       |                         |                              |                                     |                         |                                | \$3,850,000 forecast for WTP. Additional budget request for \$1,294,985 went to Council 17.10.24  |
| WS2001. Feilding WTP Renewals          | 164,259                | 850,836               | 686,577                 | 318,323                      | 482,582                             | 4,377,903               | 2,731,933                      | Allocated to equipment for Campbell Rd Exemption upgrades (038)<br>Pump replacement in Waituna completed<br>Will be fully expended this year. Includes Access and hardstand, chlorine shed, pipework install etc.<br>asset condition assessments to take place with projects to start Yr2 |
| WS2002. Feilding WS Reticulation Renew | 26,674                 | 65,076                | 38,402                  | 7,558                        | 34,232                              | 260,306                 | 260,306                        |   |
| WS2004. Himatangi Water Asset Renewals | 0                      | 9,099                 | 9,099                   | 0                            | 0                                   | 36,400                  | 36,400                         |   |
| WS2007. Stanway/Halcombe RWS Renewals  | 6,312                  | 50,505                | 44,193                  | 0                            | 6,312                               | 202,023                 | 26,000                         | Nothing planned yet   |
| WS2008. Waituna West RWS Renewals      | 20,940                 | 6,162                 | -14,778                 | 0                            | 20,940                              | 24,648                  | 24,648                         | As required   |
| WS2023. Himatangi Water Supply New     | 0                      | 50,001                | 50,001                  | 0                            | 0                                   | 200,000                 | 0                              |   |
| WS2024. Feilding Water Supply Growth   | 131,386                | 499,053               | 367,667                 | 671,205                      | 802,590                             | 1,996,221               | 520,000                        | Awaiting confirmation of Roots St stage 2 upgrade<br>To be used for legalisation of road corridor - survey and registration<br>Stage 1 scheduled for completion November 2024. Balance of budget to be allocated to future stages.  |
| WS2025. Water Supply New Connections   | 37,780                 | 30,420                | -7,360                  | 55,163                       | 92,943                              | 121,680                 | 121,680                        | As required   |
| WS2029. Feilding Water Pressure Zones  | 0                      | 90,942                | 90,942                  | 0                            | 0                                   | 363,765                 | 363,765                        |   |
| WS2039. Stanway/Halcombe RWS           | 0                      | 7,599                 | 7,599                   | 0                            | 0                                   | 30,400                  | 0                              |   |
| WS2040. WS Unplanned Renewals-Villages | 1,176                  | 2,601                 | 1,425                   | 0                            | 1,176                               | 10,400                  | 10,400                         | UV plant has been moved, electrical equipment still to be moved   |
| WS2041. Stanway/Halcombe WTP New Works | 444,272                | 1,251,832             | 807,560                 | 4,286,591                    | 4,730,863                           | 5,464,150               | 3,303,085                      | Bartletts farm hardstand complete, reservoir underway<br>Filtec undertaking WTP build, completion late February   |
| WS2070. Vinegar Hill RWS New Works     | 702                    | 8,304                 | 7,602                   | 0                            | 702                                 | 33,217                  | 0                              |   |
| WS2071. District Wide Improvements     | 0                      | 284,400               | 284,400                 | 814,845                      | 814,845                             | 1,137,591               | 1,040,000                      | Turners Rd reservoir. Land purchased and design and construction contract awarded. Scheduled for completion 2024/25   |
| WS2075. Feilding Reticulation Improvem | 0                      | 62,499                | 62,499                  | 0                            | 0                                   | 250,002                 | 0                              |   |
| WS2090. Turners Road Extension Growth  | 144                    | 1,251                 | 1,107                   | 0                            | 144                                 | 5,000                   | 0                              | Project to start in year 2  |
| WS3008. Waituna West New Works         | 65,749                 | 42,474                | -23,275                 | 8,135                        | 73,884                              | 169,907                 | 158,562                        | All land matters completed. Remaining funding to be used for fencing as needed.   |
| <b>Total 28. Water Supply</b>          | <b>899,394</b>         | <b>3,313,054</b>      | <b>2,413,660</b>        | <b>6,161,820</b>             | <b>7,061,214</b>                    | <b>14,683,613</b>       | <b>8,596,779</b>               |   |
| <b>Totals for Three Waters</b>         | <b>2,361,863</b>       | <b>8,554,560</b>      | <b>6,192,697</b>        | <b>9,881,625</b>             | <b>12,243,488</b>                   | <b>34,314,762</b>       | <b>20,844,976</b>              |   |

**Capital Expenditure Report**  
**For Period Ended 30 September 2024**

| <b>Job</b>                             | <b>YTD<br/>Actuals</b> | <b>YTD<br/>Budget</b> | <b>YTD<br/>Variance</b> | <b>Total<br/>Commitments</b> | <b>Actual<br/>+<br/>Commitments</b> | <b>Total<br/>Budget</b> | <b>Total<br/>AP<br/>Budget</b> | <b>Comments</b>   |
|--|------------------------|-----------------------|-------------------------|------------------------------|-------------------------------------|-------------------------|--------------------------------|---|
| <b>33. District Development</b>        |                        |                       |                         |                              |                                     |                         |                                |   |
| CD5000. Community Trailer              | 0                      | 1,242                 | 1,242                   | 0                            | 0                                   | 4,974                   | 0                              |   |
| CD5001. Community New Assets           | 0                      | 5,697                 | 5,697                   | 25,500                       | 25,500                              | 22,789                  | 0                              |   |
| <b>Total 33. District Development</b>  | <b>0</b>               | <b>6,939</b>          | <b>6,939</b>            | <b>25,500</b>                | <b>25,500</b>                       | <b>27,763</b>           | <b>0</b>                       |   |
| <b>35. Emergency Management</b>        |                        |                       |                         |                              |                                     |                         |                                |   |
| EM1001. CDEM New Asset Purchases       | 64,522                 | 64,523                | 1                       | 1,189                        | 65,712                              | 67,657                  | 51,500                         | On course to be fully completed by end of Nov 2024  |
| EM3000. Civil Defence Emergency Mgmt   | 274                    | 7,725                 | 7,451                   | 0                            | 274                                 | 30,900                  | 30,900                         |   |
| EM4000. Emergency Management Renewals  | 6,453                  | 16,104                | 9,651                   | 12,520                       | 18,973                              | 64,406                  | 0                              | Ongoing project.  |
| <b>Total 35. Emergency Management</b>  | <b>71,250</b>          | <b>88,352</b>         | <b>17,102</b>           | <b>13,709</b>                | <b>84,959</b>                       | <b>162,963</b>          | <b>82,400</b>                  |   |
| <b>37. Community Facilities</b>        |                        |                       |                         |                              |                                     |                         |                                |   |
| CM3001. Feilding Cem New Works         | 0                      | 13,269                | 13,269                  | 0                            | 0                                   | 53,070                  | 0                              |   |
| CM4000. Feilding Cemetery Renewals     | 0                      | 9,996                 | 9,996                   | 4,999                        | 4,999                               | 39,981                  | 34,982                         |   |
| CM4002. Districtwide Cemetery Renewals | 1,179                  | 1,890                 | 711                     | 3,100                        | 4,279                               | 7,563                   | 7,563                          | As and when needed  |
| CM4012. Kimbolton Cemetery             | 0                      | 1,461                 | 1,461                   | 0                            | 0                                   | 5,842                   | 5,842                          |   |
| HL3001. Halls New Projects             | 0                      | 33,378                | 33,378                  | 0                            | 0                                   | 133,510                 | 133,510                        | New door handles for doors and other new compliance works   |
| HL4000. Himatangi Beach Renewals       | 0                      | 16,416                | 16,416                  | 0                            | 0                                   | 65,666                  | 65,666                         |   |
| HL4001. Hall Renewals                  | 0                      | 11,553                | 11,553                  | 0                            | 0                                   | 46,215                  | 46,215                         |   |
| HL4004. Renewals - Halcombe Hall       | 0                      | 2,496                 | 2,496                   | 0                            | 0                                   | 9,982                   | 0                              |   |
| HL4006. Medium-Profile Hall Renewals   | 0                      | 17,067                | 17,067                  | 0                            | 0                                   | 68,265                  | 68,265                         |   |
| HL4006. Medium-Profile Hall Renewals   | 0                      | 12,837                | 12,837                  | 0                            | 0                                   | 51,350                  | 51,350                         |   |
| HL4007. Feilding Civic Centre          | 0                      | 192,564               | 192,564                 | 5,500                        | 5,500                               | 770,250                 | 770,250                        |   |
| HL8000. High Profile Hall Renewals     | 0                      | 3,000                 | 3,000                   | 18,650                       | 18,650                              | 11,997                  | 0                              |   |
| LB1001. Library Collection Purchases   | 8,566                  | 69,249                | 60,683                  | 18,674                       | 27,240                              | 276,984                 | 288,400                        | Collection underspent at the beginning of the year due to moving into the new library. Will increase as the year goes on. |
| LB3000. Library New Works              | 72,975                 | 64,557                | -8,418                  | 0                            | 72,975                              | 258,239                 | 185,400                        | Quotes for Commnity connector vehicle underway  |
| LB3200. Community Hub New Works        | 15,306                 | 120,177               | 104,871                 | 0                            | 15,306                              | 480,714                 | 0                              | Carpark about to go to tender   |
| LB4000. Library Renewals               | 7,606                  | 19,605                | 11,999                  | 10,477                       | 18,082                              | 78,415                  | 106,863                        |   |

**Capital Expenditure Report**  
**For Period Ended 30 September 2024**

| <b>Job</b>                        | <b>YTD<br/>Actuals</b> | <b>YTD<br/>Budget</b> | <b>YTD<br/>Variance</b> | <b>Total<br/>Commitments</b> | <b>Actual<br/>+<br/>Commitments</b> | <b>Total<br/>Budget</b> | <b>Total<br/>AP<br/>Budget</b> | <b>Comments</b>                |
|-----------------------------------|------------------------|-----------------------|-------------------------|------------------------------|-------------------------------------|-------------------------|--------------------------------|--------------------------------|
| LB4100. Library Major Dev Renewal | 1,024,607              | 258,222               | -766,385                | 0                            | 1,024,607                           | 1,032,891               | 0                              | Library project tracking well. |

**Capital Expenditure Report**  
**For Period Ended 30 September 2024**

| <b>Job</b>                             | <b>YTD Actuals</b> | <b>YTD Budget</b> | <b>YTD Variance</b> | <b>Total Commitments</b> | <b>Actual + Commitments</b> | <b>Total Budget</b> | <b>Total AP Budget</b> | <b>Comments</b>  |
|--|--------------------|-------------------|---------------------|--------------------------|-----------------------------|---------------------|------------------------|--|
| MA3200. Outdoor Complex New Works      | 0                  | 1,797             | 1,797               | 0                        | 0                           | 7,189               | 7,189                  | Ramp being investigated.   |
| MA4007. Makino Pool 5yr Maint Closure  | 4,125              | 8,238             | 4,113               | 8,696                    | 12,821                      | 32,955              | 0                      | Carry forward money - makino maintenance programme                 |
| MA4008. Indoor Pool - Equipment        | 4,630              | 3,231             | -1,399              | 0                        | 4,630                       | 12,937              | 0                      | Aqua fitness equipment being assessed                              |
| MA4009. Outdoor Pool Mechanical        | 30,018             | 25,806            | -4,212              | 61,139                   | 91,157                      | 103,226             | 0                      | Project for DE filtration 1/3 way through.                         |
| MA4014. Indoor Pool - Equipment        | 0                  | 195               | 195                 | 0                        | 0                           | 783                 | 0                      | Carry forward money - makino maintenance programme                 |
| MA4100. Indoor Complex Renewals        | 9,533              | 10,551            | 1,018               | 1,345                    | 10,878                      | 42,200              | 30,810                 | Carry forward money - makino maintenance programme                 |
| MA4200. Outdoor Complex Renewals       | 48,060             | 187,230           | 139,170             | 113,881                  | 161,941                     | 748,914             | 644,697                | Investigation to come to ensure this can be done as expected.      |
| MA4300. Equipment Renewals             | 7,456              | 10,266            | 2,810               | 0                        | 7,456                       | 41,054              | 32,864                 | Project yet to start   |
| PC4000. Public Conv Renewals           | 0                  | 978               | 978                 | 0                        | 0                           | 3,910               | 3,910                  | Scheduled for Q4   |
| PP2001. South Street Development       | 662                | 16,260            | 15,599              | 31,035                   | 31,697                      | 65,043              | 0                      |  |
| PP2006. Property Feilding Depot        | 0                  | 26,817            | 26,817              | 0                        | 0                           | 107,264             | 0                      |  |
| PP3003. Coach House Museum             | 3,935              | 375,369           | 371,434             | 0                        | 3,935                       | 1,501,474           | 1,501,474              |  |
| PP4000. Property Renew Projects        | 0                  | 6,810             | 6,810               | 0                        | 0                           | 27,244              | 20,540                 |  |
| PP4000. Property Renew Projects        | 0                  | 10,224            | 10,224              | 0                        | 0                           | 40,891              | 40,891                 | As and when needed   |
| PP4001. Little Theatre Remediation     | 0                  | 8,310             | 8,310               | 0                        | 0                           | 33,243              | 0                      |  |
| PR2010. Kowhai Park Growth Projects    | 4,950              | 2,478             | -2,472              | 0                        | 4,950                       | 9,917               | 0                      | Carry-forward from last year                                       |
| PR2013. Korotangi Growth               | 0                  | 26,625            | 26,625              | 37,361                   | 37,361                      | 106,503             | 0                      |  |
| PR2013. Korotangi Growth               | 567                | 71,046            | 70,479              | 0                        | 567                         | 284,187             | 284,187                | Awaiting fencing of park before commencing works                   |
| PR2015. Parakaraka Growth              | 0                  | 189,705           | 189,705             | 600                      | 600                         | 758,816             | 0                      |  |
| PR2017. Victoria Park Growth           | 0                  | 6,675             | 6,675               | 0                        | 0                           | 26,706              | 0                      |  |
| PR2018. Waughs Road Amenity Growth     | 0                  | 64,437            | 64,437              | 0                        | 0                           | 257,744             | 257,744                | Awaiting return of Property Advisor - Feb 2025                     |
| PR2019. Feilding Walkway Growth        | 15,401             | 144,414           | 129,013             | 6,133                    | 21,534                      | 1,381,783           | 571,756                | Work will commence once legalisation complete                      |
| PR2020. Johnston Park Growth Projects  | 0                  | 1,725             | 1,725               | 0                        | 0                           | 6,906               | 0                      |  |
| PR2020. Johnston Park Growth Projects  | 0                  | 16,398            | 16,398              | 0                        | 0                           | 65,588              | 65,588                 | Dependent on decision to invest in Johnston Park or the Sports Hub |
| PR3000. AF-KP New Works                | 0                  | 20,034            | 20,034              | 182,232                  | 182,232                     | 80,132              | 0                      |  |
| PR3002. Districtwide Reserve New Works | 0                  | 2,910             | 2,910               | 0                        | 0                           | 11,636              | 11,636                 | As and when required by the community                              |
| PR3004. Feilding Reserves New Works    | 0                  | 6,243             | 6,243               | 0                        | 0                           | 24,967              | 0                      |  |

**Capital Expenditure Report**  
**For Period Ended 30 September 2024**

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|--|------------------------|-----------------------|-------------------------|------------------------------|-------------------------------------|-------------------------|--------------------------------|--|
| PR3005. Feilding CBD New Works         | 0                      | 0                     | 0                       | 19,400                       | 19,400                              | 0                       | 0                              |  |
| PR3007. Himatangi Beach Res New Works  | 32,925                 | 50,550                | 17,625                  | 3,000                        | 35,925                              | 202,206                 | 87,243                         |  |
| PR3008. Johnston Park New Works        | 0                      | 54,270                | 54,270                  | 0                            | 0                                   | 217,086                 | 156,686                        | Dependent on decision to invest in Johnston Park or the Sports Hub           |
| PR3010. Kowhai Park New Work           | 0                      | 20,766                | 20,766                  | 0                            | 0                                   | 83,068                  | 83,068                         | Scheduled for Q2   |
| PR3011. Makino Precinct New Works      | 124,547                | 32,310                | -92,237                 | 11,823                       | 136,370                             | 129,236                 | 0                              | Library landscaping  |
| PR3012. Mt Lees New Works              | 0                      | 92,301                | 92,301                  | 0                            | 0                                   | 369,204                 | 369,204                        | Campground development - awaiting Council workshop decision                  |
| PR3013. Pohangina Valley New Works     | 0                      | 3,852                 | 3,852                   | 0                            | 0                                   | 15,405                  | 15,405                         | To be carried out during the summer months                                   |
| PR3014. Rangiwahia Res New Works       | 0                      | 1,455                 | 1,455                   | 0                            | 0                                   | 5,818                   | 5,818                          |  |
| PR3015. Rongotea Res New Works         | 0                      | 2,118                 | 2,118                   | 0                            | 0                                   | 8,472                   | 8,472                          | Skatepark drainage remedial works to be carried out during the summer months |
| PR3017. Sanson Res New Works           | 0                      | 11,403                | 11,403                  | 0                            | 0                                   | 45,617                  | 45,617                         | Next planting season   |
| PR3026. Oroua River Walkway            | 0                      | 0                     | 0                       | 0                            | 0                                   | 0                       | 1                              |  |
| PR4000. AF-KP Renewals                 | 2,073                  | 9,156                 | 7,083                   | 5,000                        | 7,073                               | 36,628                  | 0                              |  |
| PR4024. Makino Park Playground & Skate | 120,971                | 9,327                 | -111,644                | 59,651                       | 180,622                             | 37,313                  | 0                              | Library landscaping  |
| PR4037. Apiti Valley Reserve Renewals  | 0                      | 897                   | 897                     | 14,500                       | 14,500                              | 3,594                   | 0                              |  |
| PR4038. Cheltenham Res New Works       | 0                      | 6,780                 | 6,780                   | 0                            | 0                                   | 27,125                  | 0                              |  |
| PR4039. Districtwide Res Renewals      | 13,718                 | 8,724                 | -4,994                  | 0                            | 13,718                              | 34,908                  | 34,908                         | As and when palyground renewals required                                     |
| PR4051. Johnston Park Renewals         | 0                      | 75,831                | 75,831                  | 0                            | 0                                   | 303,318                 | 303,318                        | Dependent on decision to invest in Johnston Park or the Sports Hub           |
| PR4053. Kimbolton Res Renewals         | 0                      | 16,293                | 16,293                  | 8,381                        | 8,381                               | 65,167                  | 65,167                         |  |
| PR4054. Kowhai Park Renewals           | 0                      | 45,543                | 45,543                  | 0                            | 0                                   | 182,169                 | 81,710                         | Scheduled for Q2   |
| PR4055. Makino Precinct Renewals       | 0                      | 23,226                | 23,226                  | 49,699                       | 49,699                              | 92,900                  | 87,624                         | By the minigolf course; secheduled for the resealing season (Q3)             |
| PR4056. Mt Lees Reserve Renewals       | 13,301                 | 0                     | -13,301                 | 65,925                       | 79,226                              | 0                       | 0                              |  |
| PR4056. Mt Lees Reserve Renewals       | 0                      | 16,350                | 16,350                  | 0                            | 0                                   | 65,404                  | 0                              |  |
| PR4057. Pohangina Valley Renewals      | 0                      | 7,725                 | 7,725                   | 0                            | 0                                   | 30,900                  | 30,900                         | To be carried out during the summer months                                   |
| PR4058. Rangiwahia Reserve Renewals    | 0                      | 2,280                 | 2,280                   | 0                            | 0                                   | 9,124                   | 9,124                          |  |
| PR4060. Tangimoana Reserve Renewals    | 0                      | 10,299                | 10,299                  | 0                            | 0                                   | 41,200                  | 41,200                         |  |
| PR4061. Timona Park Renewals           | 0                      | 4,383                 | 4,383                   | 6,650                        | 6,650                               | 17,531                  | 7,189                          | Scheduled for Q4   |
| PR4064. Feilding Walkways              | 0                      | 2,574                 | 2,574                   | 0                            | 0                                   | 10,300                  | 10,300                         |  |
| <b>Total 37. Community Facilities</b>  | <b>1,567,109</b>       | <b>2,600,922</b>      | <b>1,033,813</b>        | <b>748,555</b>               | <b>2,315,664</b>                    | <b>11,207,839</b>       | <b>6,680,546</b>               |  |

**Capital Expenditure Report**  
**For Period Ended 30 September 2024**

| <b>Job</b>                                 | <b>YTD<br/>Actuals</b> | <b>YTD<br/>Budget</b> | <b>YTD<br/>Variance</b> | <b>Total<br/>Commitments</b> | <b>Actual<br/>+<br/>Commitments</b> | <b>Total<br/>Budget</b> | <b>Total<br/>AP<br/>Budget</b> | <b>Comments</b>   |
|--|------------------------|-----------------------|-------------------------|------------------------------|-------------------------------------|-------------------------|--------------------------------|---|
| <b>41. Regulatory</b>                      |                        |                       |                         |                              |                                     |                         |                                |   |
| RG3000. Regulatory - Parking Feilding      | 0                      | 1,068                 | 1,068                   | 0                            | 0                                   | 4,277                   | 4,277                          | Parking needs currently being assessed  |
| <b>Total 41. Regulatory</b>                | <b>0</b>               | <b>1,068</b>          | <b>1,068</b>            | <b>0</b>                     | <b>0</b>                            | <b>4,277</b>            | <b>4,277</b>                   |   |
| <b>61. Business Support</b>                |                        |                       |                         |                              |                                     |                         |                                |   |
| IT1001. Computer Hardware Renewal          | 9,379                  | 167,301               | 157,922                 | 240                          | 9,619                               | 669,210                 | 419,210                        | Hardware arrives in November; expect to spend by Nov/Dec  |
| IT3001. IT - Capital New Jobs              | 0                      | 3,219                 | 3,219                   | 0                            | 0                                   | 12,875                  | 12,875                         | Expect to spend by December   |
| <b>Total 61. Business Support</b>          | <b>9,379</b>           | <b>170,520</b>        | <b>161,141</b>          | <b>240</b>                   | <b>9,619</b>                        | <b>682,085</b>          | <b>432,085</b>                 |   |
| <b>62. Organisational Management</b>       |                        |                       |                         |                              |                                     |                         |                                |   |
| AB3000. MDC Admin Bldg New Works           | 0                      | 4,401                 | 4,401                   | 15,329                       | 15,329                              | 17,602                  | 0                              |   |
| AB4000. Admin Building Renewals            | 0                      | 676,362               | 676,362                 | 0                            | 0                                   | 2,705,440               | 2,705,440                      | Consent process for strengthening and re-roofing delayed. Project due for completion by June2025, |
| MV2000. Motor Vehicle Renewals             | 152,580                | 186,432               | 33,852                  | 43,319                       | 195,898                             | 745,743                 | 454,518                        | Will be used later in financial year. Expect to order vehicles around April2025.                  |
| OM1001. General Renewals                   | 15,361                 | 5,151                 | -10,210                 | 1,516                        | 16,877                              | 20,600                  | 20,600                         | Will be used as required  |
| OM2001. General New Assets                 | 12,361                 | 5,151                 | -7,210                  | 0                            | 12,361                              | 20,600                  | 20,600                         | Will be used as required  |
| <b>Total 62. Organisational Management</b> | <b>180,302</b>         | <b>877,497</b>        | <b>697,195</b>          | <b>60,164</b>                | <b>240,466</b>                      | <b>3,509,985</b>        | <b>3,201,158</b>               |   |

## Accounts Receivable and Rating

### Outstanding Rates

| <b>Accounts Receivable (Rates)</b>                | <b>YTD Prior Year<br/>30/09/2023<br/>\$000</b> | <b>YTD Current<br/>30/09/2024<br/>\$000</b> |
|---|--|---|
| Current Year's Rates Outstanding (incl Penalties) | 2,450  | 2,771                                       |
| Total Rates invoiced to date (incl GST)           | 36,481   | 26,474                                      |
| Outstanding rates as a % of total rates levied    | 6.70%  | 10.50%                                      |
| Prior Year's Rates Outstanding                    | 388  | 352   |
| Outstanding at Beginning of Year                  | 908  | 1,163                                       |
| % Prior Years Arrears Outstanding                 | 43%  | 30%   |
| Rate Received in Advance                          | (1,220)  | (1,136)                                     |
| <b>Total Rates Outstanding</b>                    | <b>1,618</b>                                   | <b>1,987</b>                                |

### Rates Arrears (\$000)

|           | Arrears as at<br>30Sep2024 | Sep2024<br>collections | Total paid<br>to date | % to date<br>collected | Arrears<br>outstanding | % previous<br>year |
|-----------|----------------------------|------------------------|-----------------------|------------------------|------------------------|--------------------|
| 30-Sep-24 | 1,580                      | 169                    | 523                   | 34%                    | 1049                   | 29.25%             |

### Sundry Receivables (Non Rates)

| <b>Accounts Receivable (Sundry)</b>                 | <b>Current</b> | <b>30 day</b> | <b>60 day</b> | <b>90 day</b> | <b>Total</b> |
|---|----------------|---------------|---------------|---------------|--------------|
| <b>Aging (\$000)</b>                                | 448            | 9             | 233           | 126           | 815          |
| % of Total  | 54.96%         | 1.07%         | 28.53%        | 15.44%        | 100.00%      |
| <b>Analysis</b>                                     |                |               |               |               |              |
| 90 day debt (incl top 10)<br>managed by MDC (\$000) |                |               |               | 65            | 51.34%       |
| Managed by DMC (\$000)                              |                |               |               | 61            | 48.66%       |



# Quarterly Treasury Report

As of 30 September 2024

STRICTLY PRIVATE AND CONFIDENTIAL



**BANCORP**

BANCORP TREASURY SERVICES LIMITED



# Economic Commentary

## Global (for the September 2024 quarter)

The US Federal Reserve (“Fed”) began its cutting cycle on 18 September, lowering the Fed Funds rate by 50 basis-points (“bps”) to a target range of 4.75% - 5.00%. The Federal Open Market Committee (“FOMC”) indicated 2 more 25 bps cuts by the end of the year. Notably, the FOMC vote was 11-1 in favour of the 50bps cut, with Governor Michelle Bowman instead advocating for a 25bps cut, the first dissenting vote by a Fed governor since 2005. The post-meeting statement declared, *“The Committee has gained greater confidence that inflation is moving sustainably toward 2 percent, and judges that the risks to achieving its employment and inflation goals are roughly in balance,”* with Fed Chair Jerome Powell stating in a news conference that *“We’re trying to achieve a situation where we restore price stability without the kind of painful increase in unemployment that has come sometimes with this inflation. That’s what we’re trying to do, and I think you could take today’s action as a sign of our strong commitment to achieve that goal.”*

Markets are now projecting the Fed Funds rate to fall to 4.00% by the end of the year, 3.00% by August 2025 and 2.75% by the end of 2025. The benchmark US 10-year Treasury bond rate opened the quarter at 4.47% which represented the high for the quarter, fell to a low of 3.60% on the day of the September Fed meeting, but subsequently retraced a little of the down move and finished September at 3.78%. This post Fed meeting increase demonstrates that the markets were expecting a 50bps cut, so it was a classic case of ‘buy the rumour sell the fact’.

The Bank of England (“BoE”) and Sweden’s Riksbank cut their cash rates over August. Despite the ongoing weakness in the Chinese economy, the People’s Bank of China (“PBoC”), after its July rate cuts, initially left its key interest rates unchanged in September. However, in late September the PBoC released a multitude of stimulus measures which included reducing a number of key interest rates to try boost its slowing economy.

Against the global rate-cutting trend, the Bank of Japan (“BoJ”) remains an outlier and increased its cash rate by 15bps to 0.25%. The BoJ also intervened to support the yen, spending USD36.6bn in August following on from June’s USD65.0bn of US dollar sales. This time it was helped by general US dollar weakness, which saw investors aggressively unwind yen sourced carry trades. Markets are not expecting any further BoJ rate hikes until December.

The Reserve Bank of Australia (“RBA”) again left its cash rate unchanged at 4.35% at its 24 September meeting and implied no cuts until early 2025. The RBA reiterated its commitment to combating inflation while acknowledging the uncertain economic outlook. The unemployment rate was steady at 4.2%, with a positive employment change of 47,500 workers, better than the expected 26,400.

# Economic Commentary

## New Zealand (for the September 2024 quarter)

|           | OCR    | 90 day | 2 years | 3 years | 5 years | 7 years | 10 years |
|-----------|--------|--------|---------|---------|---------|---------|----------|
| 30-Jun-24 | 5.50%  | 5.63%  | 4.80%   | 4.51%   | 4.38%   | 4.38%   | 4.46%    |
| 30-Sep-24 | 5.25%  | 4.87%  | 3.58%   | 3.47%   | 3.55%   | 3.70%   | 3.89%    |
| Change    | -0.25% | -0.76% | -1.22%  | -1.04%  | -0.83%  | -0.68%  | -0.57%   |

The Reserve Bank of New Zealand (“RBNZ”) cut the Official Cash Rate (“OCR”) by 25bps to 5.25% at its August *Monetary Policy Statement* as the central bank was, “*Confident inflation (will be) back in its target band*”. Following the MPS, at the Government’s Finance and Expenditure Select Committee, RBNZ Governor Adrian Orr emphasised the need for OCR cuts to address the weak economy, and reiterated the RBNZ’s commitment to controlling inflation stating, “*The current economic environment is weak (and the) economy is weaker than anticipated 6-months ago. We have strong control over the inflation story. There was no talk on committee of raising rates again. We are not done yet on inflation, but it’s definitely moving in the right direction. If inflation expectations are well anchored, we can look through some of the noise*”. There is no doubt that the economy warrants an accelerated cutting cycle, but it does raise the question of credibility given the RBNZ’s abrupt change in its outlook since the prior May MPS.

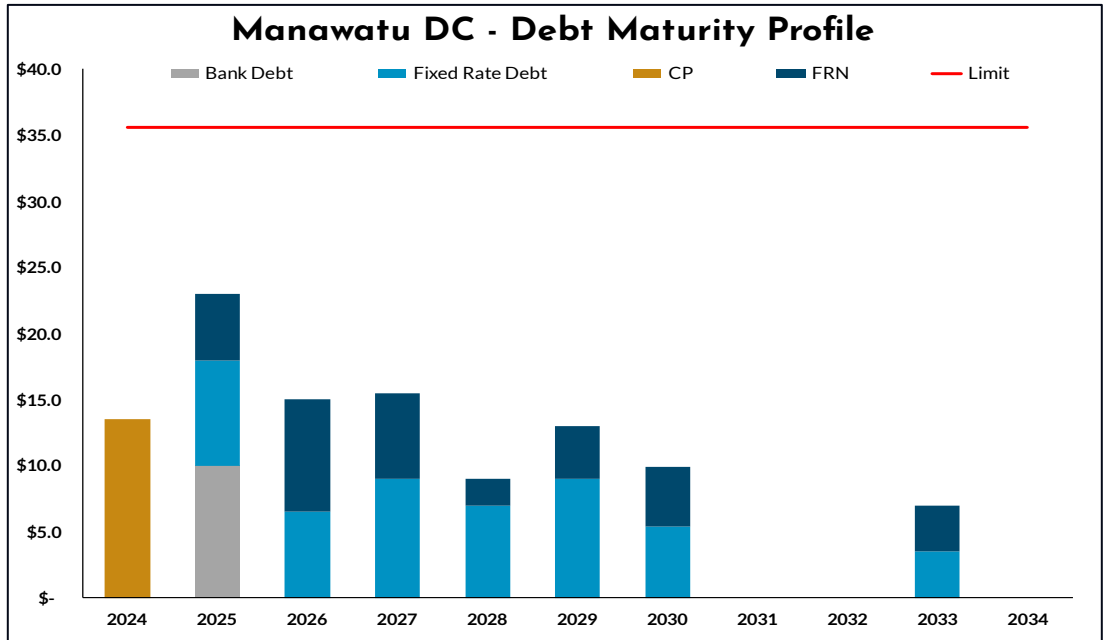
GDP fell in the June quarter by -0.2%, with an annual decrease of -0.5%, slightly better than forecasts of -0.4% and -0.6%, respectively. GDP per capita fell 0.5% in the second quarter and was down 2.7% for the year. Primary industries saw the greatest decline over the quarter, with a -1.6% drop. Goods-producing industries increased by 0.7% over the quarter, although with a -3.2% decrease over the year, manufacturing increasing by 1.9% over the quarter and a -4.3% decrease over the year. Services were overall flat over the quarter, with a 0.7% increase over the year.

The current account deficit grew to \$27.8 billion in the year to June, or around 6.7% of GDP. This is slightly worse than the previous \$27.6 billion for the year to March. The deficit for the June quarter was \$7.2 billion, \$269 million more than the March quarter. The goods deficit widened by \$110 million to \$2.6 billion, as goods imports increased by \$183 million, led by transport equipment, while exports were up by \$74 million, led by meat and other commodities such as aluminium, wine, and fish. The services deficit narrowed by \$28 million to \$501 million over the quarter, with exports up \$127 million, led by transportation services, while imports increased \$99 million, led by New Zealanders spending while travelling overseas.

The weak GDP figures are expected to help reduce inflation, which the RBNZ is projecting to fall to 2.3% in the September 2024 year (currently it is 3.3%). Markets are pricing in a 100% probability of the OCR being at 5.00% in October 2024 and a 72% probability that it will be at 4.75%, while for November 2024 markets are pricing a 100% probability that the OCR will be at 4.50% and a 56% probability that it will be at 4.25%. By November 2025 markets are projecting it to have fallen to 2.75%.

Interest rate swap rates fell sharply over the quarter, even more so at the shorter end of the yield curve where the presumed future OCR cuts have more of an influence than at the longer end of the curve which is largely driven by moves in US and global bond rates. However the moves at the long end of the curve have still been significant driven by the moves in US and global bond yields. This flattening of the local yield curve reduces the benefit of forward start swaps compared to spot swaps but given the fall in spot swaps they are now providing more benefit than earlier in the year.

# Liquidity and Funding



External Council Core Debt  
**\$95.5m**  
 External Council Drawn Debt (excludes on-lending to Manawatu Community Trust)

Total LGFA Debt  
**\$96.9m**  
 Funds Drawn from LGFA (includes on-lending to Manawatu Community Trust)

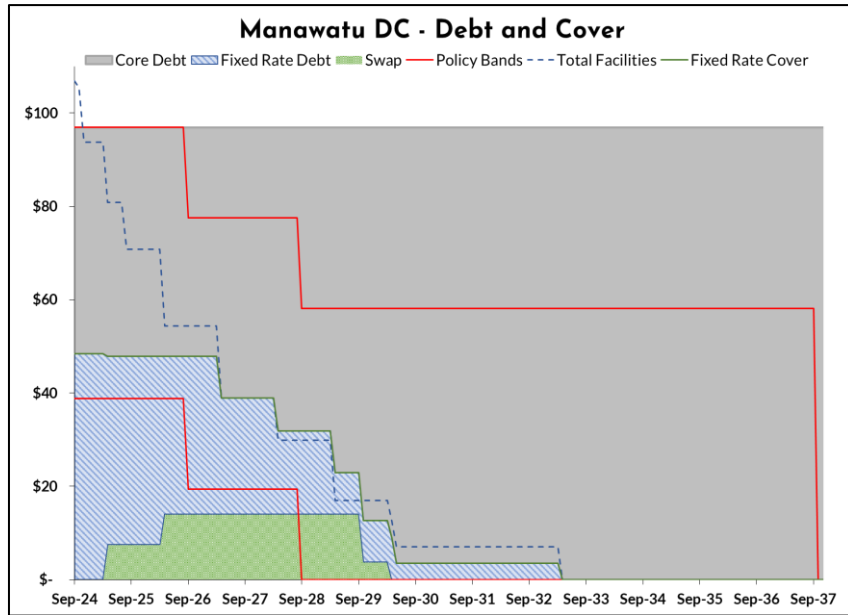
Liquidity = cash in bank, term deposits and undrawn bank facility  
**\$21.07m**

Liquidity Ratio (must be >110%)  
**121.74%**  
 Definition: (Cash Reserves + Lines of Credit + Drawn Debt)/Drawn Debt \$98.3m)

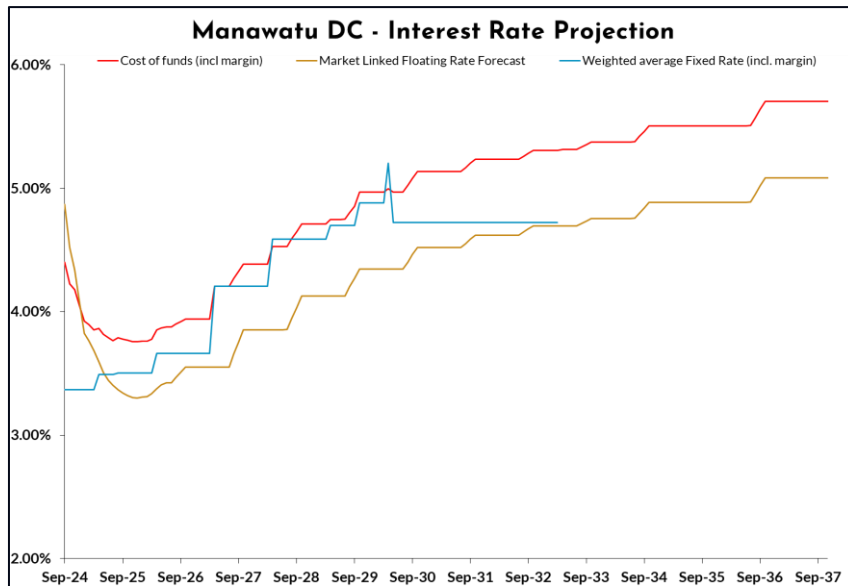
Cost of Funds as at 30 September 2024  
**4.40%**

| Policy Compliance  | Compliant |
|--|-----------|
| 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 counterparty exposures within policy control limits?         | Yes       |

# Interest Rate Risk Management



|  |         |
|--|---------|
| <b>Current % of Debt Fixed</b>                         | 49.9%   |
| <b>Current % of Debt Floating</b>                      | 50.05%  |
| <b>Value of Fixed Rate (m)</b>                         | \$48.4  |
| <b>Weighted Average Cost of Fixed Rate Instruments</b> | 3.37%   |
| <b>Value of Floating Rate (m)</b>                      | \$48.5  |
| <b>Current Floating Rate</b>                           | 4.87%   |
| <b>Current Floating Rate (incl margin)</b>             | 5.43%   |
| <b>All Up Weighted Average Cost of Funds</b>           | 4.40%   |
| <b>Total Facilities In Place</b>                       | \$106.9 |
| <b>Facility Headroom</b>                               | \$10.0  |



| <b>Fixed Rate Hedging Bands</b> |                |                |               |
|---------------------------------|----------------|----------------|---------------|
|                                 | <b>Minimum</b> | <b>Maximum</b> | <b>Policy</b> |
| 0 - 2 years                     | 40%            | 100%           | Compliant     |
| 2 - 4 years                     | 20%            | 80%            | Compliant     |
| 4 - 13 years                    | 0%             | 60%            | Compliant     |

# LGFA Borrowing Rates

Listed below are the credit spreads and applicable interest rates as at 30 September 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%  | 5.07%            | N/A    |
| 6-month CP | 0.20%  | 5.19%            | N/A    |
| April 2025 | 0.57%  | 5.44%            | 5.15%  |
| April 2026 | 0.65%  | 5.52%            | 4.35%  |
| April 2027 | 0.77%  | 5.64%            | 4.23%  |
| May 2028   | 0.91%  | 5.78%            | 4.35%  |
| April 2029 | 1.06%  | 5.93%            | 4.54%  |
| May 2030   | 1.17%  | 6.04%            | 4.73%  |
| May 2031   | 1.25%  | 6.12%            | 4.89%  |
| April 2033 | 1.35%  | 6.22%            | 5.127% |
| May 2035   | 1.42%  | 6.29%            | 5.30%  |
| April 2037 | 1.49%  | 6.36%            | 5.47%  |

# Funding

As at 30 September 2024, MDC had \$96.9 million of total debt (including the on-lending to MCT), all of which is sourced from the LGFA using Commercial Paper ("CP"), Floating Rate Notes ("FRN's") and Fixed Rate Bonds ("FRB's"), details contained below.

| Instrument | Maturity  | Yield | Margin | Amount       |
|------------|-----------|-------|--------|--------------|
| LGFA CP    | 11-Oct-24 | 5.79% | N/A    | \$1,439,739  |
| LGFA CP    | 8-Nov-24  | 5.64% | N/A    | \$11,661,563 |
| LGFA FRN   | 15-Apr-25 | 6.38% | 0.82%  | \$5,000,000  |
| LGFA FRB   | 15-Apr-25 | 3.47% | N/A    | \$5,000,000  |
| LGFA FRB   | 15-Apr-25 | 3.05% | N/A    | \$3,000,000  |
| LGFA FRN   | 15-Apr-26 | 6.47% | 0.91%  | \$4,000,000  |
| LGFA FRB   | 15-Apr-26 | 3.89% | N/A    | \$4,000,000  |
| LGFA FRN   | 15-Apr-26 | 6.44% | 0.88%  | \$2,000,000  |
| LGFA FRN   | 15-Apr-26 | 6.35% | 0.79%  | \$2,500,000  |
| LGFA FRB   | 15-Apr-26 | 2.90% | N/A    | \$2,500,000  |
| LGFA FRN   | 15-Apr-26 | 6.18% | 0.58%  | \$1,400,000  |
| LGFA FRB   | 15-Apr-27 | 1.11% | N/A    | \$7,000,000  |
| LGFA FRB   | 15-Apr-27 | 1.95% | N/A    | \$2,000,000  |
| LGFA FRN   | 15-Apr-27 | 6.21% | 0.66%  | \$3,000,000  |
| LGFA FRN   | 15-Apr-27 | 6.21% | 0.65%  | \$3,500,000  |
| LGFA FRN   | 15-Apr-28 | 6.45% | 0.89%  | \$2,000,000  |
| LGFA FRB   | 15-Apr-28 | 3.12% | N/A    | \$2,000,000  |
| LGFA FRB   | 15-Apr-28 | 2.20% | N/A    | \$3,000,000  |
| LGFA FRB   | 15-Apr-28 | 2.12% | N/A    | \$2,000,000  |
| LGFA FRB   | 20-Apr-29 | 2.42% | N/A    | \$1,000,000  |
| LGFA FRB   | 20-Apr-29 | 2.41% | N/A    | \$2,500,000  |
| LGFA FRN   | 20-Apr-29 | 6.18% | 0.63%  | \$2,000,000  |
| LGFA FRN   | 20-Apr-29 | 6.41% | 0.86%  | \$2,000,000  |
| LGFA FRB   | 20-Apr-29 | 5.45% | N/A    | \$5,500,000  |
| LGFA FRN   | 15-Apr-30 | 6.25% | 0.69%  | \$4,500,000  |
| LGFA FRB   | 15-May-30 | 5.51% | N/A    | \$5,400,000  |
| LGFA FRN   | 14-Apr-33 | 6.50% | 0.94%  | \$3,500,000  |
| LGFA FRB   | 14-Apr-33 | 4.72% | N/A    | \$3,500,000  |

## Disclaimer

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## GET IN TOUCH

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09 912 7600

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## Audit and Risk Committee

Meeting of 12 December 2024

Business Unit: People and Corporate

Date Created: 25 November 2024

## LGOIMA Requests 10 September 2024 to 22 November 2024

### Purpose Te Aronga o te Pūrongo

To present requests for information received by Council under the Local Government Official Information and Meetings Act 1987.

### 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 report detailing the requests for information received under the Local Government Official Information and Meetings Act 1987 from 10 September 2024 to 22 November 2024 be received.

Report prepared by:

Dianne McKay

Information Officer

Approved for submission by:

Frances Smorti

General Manager - People and Corporate

**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 | ✓ |

The Council makes decisions on behalf of the wider public interest, taking into account the needs of current and future generations, and the strategic priorities identified by the Council. The matter addressed by this report relates to the Council’s Kawanatanga (Governance) role and therefore to all of the above strategic priorities in a wider sense.

**2 Background Ngā Kōrero o Muri**

2.1 The Local Government Official Information and Meetings Act 1987 makes provision for public access to Council information.

2.2 The Act also provides requirements for how the Council must deal with any requests for access to information that it holds.

2.3 Details of all requests received are available on Council's website.

2.4 This report covers the period 10 September 2024 to 22 November 2024.

| <b>SUMMARY</b>     | <b>27 May 2024 to 09 September 2024</b> | <b>10 September 2024 to 22 November 2024</b> |
|--------------------|---|--|
| <b>Received</b>    | 19                                      | 24   |
| <b>Closed</b>      | 20                                      | 22   |
| <b>In Progress</b> | 1                                       | 3  |

| <b>FINANCIAL YEAR</b>       | <b>1 July 2024 to<br/>22 November 2024</b> | <b>1 July 2023<br/>to 30 June 2024</b> |
|-----------------------------|--|--|
| <b>Total</b>                | 40   | 77                                     |
| <b>Closed</b>               | 37   | 77                                     |
| <b>% Sent in time frame</b> | 100%                                       | 98%                                    |

## 2.5 Requests received and/or closed from 10 September 2024 to 22 November 2024

| LGOMA Number | Date Received | Request Summary  | Due Date   | Request Status | Completed Date |
|--------------|---------------|--|------------|----------------|----------------|
| LG2292       | 6/09/2024     | Information about Councils approach to and use of artificial intelligence  | 4/10/2024  | Complete       | 2/10/2024      |
| LG2293       | 10/09/2024    | Information about Wall Walk courses attended by staff the over last three years  | 8/10/2024  | Complete       | 27/09/2024     |
| LG2294       | 11/09/2024    | Over road structures and the corresponding signage   | 9/10/2024  | Complete       | 17/09/2024     |
| LG2295       | 2/09/2024     | What civil defence measures are there in case of nuclear attack?   | 30/09/2024 | Complete       | 27/09/2024     |
| LG2296       | 18/09/2024    | All Documents/information in relation to CCR79236, Stormwater discharge issues between 37 and 39 Haggitt Street              | 16/10/2024 | Complete       | 7/10/2024      |
| LG2297       | 19/09/2024    | All documents/information pertaining to the removal of the walk bridge at Almadale Reserve.                                  | 17/10/2024 | Complete       | 16/10/2024     |
| LG2298       | 30/09/2024    | Budgeted and actual costs for food and beverages for Council meetings, employee meetings and functions for 2021, 2022 & 2023 | 4/11/2024  | Complete       | 17/10/2024     |
| LG2299       | 30/09/2024    | Costs of maintenance of motor vehicles for 2022 and 2023   | 4/11/2024  | Complete       | 3/10/2024      |
| LG2300       | 1/10/2024     | Questions about the costs of renovating Manawatū Community Hub Library   | 30/10/2024 | Complete       | 30/10/2024     |
| LG2301       | 3/10/2024     | Makino Aquatic Centre financial and staffing information   | 1/11/2024  | Complete       | 16/10/2024     |
| LG2302       | 5/10/2024     | Clarification of consenting and capital improvements costs for Feilding wastewater system as quoted in the LTP               | 4/11/2024  | Complete       | 1/11/2024      |
| LG2303       | 8/10/2024     | Request for rating RID data  | 6/11/2024  | Complete       | 14/10/2024     |
| LG2304       | 10/10/2024    | Policy on council workshops and briefings  | 11/11/2024 | Complete       | 14/10/2024     |
| LG2305       | 15/10/2024    | Information about any incidents with Assist/service dogs in the Manawatū District Council area                               | 13/11/2024 | Complete       | 1/11/2024      |
| LG2306       | 25/10/2024    | Information about new CCTV cameras in Feilding CBD and entry/exit points   | 27/11/2024 | Complete       | 27/11/2024     |
| LG2307       | 25/10/2024    | Request for copy of service contract between MDC and FDP   | 25/11/2024 | Complete       | 14/11/2024     |

|        |            |   |            |                               |            |
|--------|------------|---|------------|-------------------------------|------------|
| LG2308 | 2/11/2024  | Questions about trade waste separation and treatment and, what form of Nitrogen does the trickling filter convert NH4/NH3 to?                   | 29/11/2024 | Complete                      | 11/11/2024 |
| LG2309 | 5/11/2024  | Information about District Licensing Committees and the Sale and Supply of Alcohol Act (Community Participation) Bill Amendments                | 3/12/2024  | Complete                      | 13/11/2024 |
| LG2310 | 6/11/2024  | Liabilities for Council as a BCA and details of liability cover   | 4/12/2024  | Complete                      | 14/11/2024 |
| LG2311 | 6/11/2024  | Details of complaints relating to any stock road usage and dog complaints for our property  | 4/12/2024  | Complete                      | 26/11/2024 |
| LG2312 | 7/11/2024  | All funds Manchester House and Feilding District Promotions have received from our gambling corporations through grants over the last ten years | 5/11/2024  | Complete                      | 11/11/2024 |
| LG2313 | 10/11/2024 | Organisational and financial information about MDC operations   | 6/12/2024  | With SME                      |            |
| LG2314 | 8/11/2024  | Any correspondence with Central Government about the fast track process and any fast track projects in MDC area                                 | 6/12/2024  | Complete                      | 28/11/2024 |
| LG2315 | 21/11/2024 | Details of rating arrears, rates recovery from mortgagee and rating sales from 2018 to 2024   | 19/12/2024 | Information Officer to Review |            |
| LG2316 | 22/11/2024 | Information relating to Dog Control Activity  | 13/01/2025 | Awaiting approval to release  |            |

## 2.6 Ongoing Ombudsman investigations as at 22 November 2024

| LGOIMA Number | Date Received | Organisation            | Request Summary   | Due Date   | Request Status |
|---------------|---------------|-------------------------|---|------------|----------------|
| LG2195        | 13/06/2023    | Office of the Ombudsman | Investigation into delay in responding to complaint CCR 71998 lodged 01/08/22 | 22/02/2024 | With Ombudsman |
| LG2291        | 29/08/2024    | Office of the Ombudsman | Notification of investigation - rezoning of a property on Dundas Road         | 26/09/2024 | With Ombudsman |

### 3 Te Kīwai (o te kete)

3.1 Te Kīwai is the engagement process which guides Council's practice and ensures the onus to engage and include Māori is shared between Council and all partners. In this manner, we progress both the articles and principles of Te Tiriti o Waitangi by maintaining the balance between Kawanatanga (Governance) of the Council and Tino Rangatiratanga (Sovereignty) of whānau, hapū, and iwi Māori.

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

### 4 Community Engagement Te Whai Wāhitanga mai o te Hapori

4.1 There are no community engagement requirements associated with this report.

### 5 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

There are no operational implications associated with this report.

### 6 Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

6.1 There are no financial implications associated with this report.

### 7 Statutory Requirements Ngā Here ā-Ture

7.1 The statutory requirements for access to local authority information, and procedures for dealing with requests received for information held by local authorities is set out in Parts 1, 2, 3, 4, 5 and 6 of the Local Government Official Information and Meetings Act 1987.

### 8 Delegations Te Mana Whakatau

8.1 The Audit and Risk Committee has authority to consider this matter.

### 9 Conclusion Whakatepenga

9.1 The Requests for Information that have been received from 10 September 2024 to 22 November 2024 are reported to the Audit and Risk Committee for information.

## Audit and Risk Committee

Meeting of 12 December 2024

Business Unit: People and Corporate

Date Created: 05 December 2024

### Strategic Risks

#### Purpose Te Aronga o te Pūrongo

To present seven strategic risk profiles to the Audit & Risk Committee for review and adoption.

#### 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 & Risk Committee adopt the seven strategic risk profiles (Attachment 3 to this report) without amendment.

**OR**

That the Audit & Risk Committee adopt the seven strategic risk profiles (Attachment 3 to this report) with amendments.

**OR**

That the Audit & Risk Committee does not adopt the seven strategic risk profiles (Attachment 3 to this report).

Report prepared by:

Ash Garstang

Governance and Assurance Manager

Approved for submission by:

Frances Smorti

General Manager - People and Corporate

**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 PWC provided a strategic risk session to elected members in 2023, which included an exercise where members prioritised which strategic risk areas were of most importance to them. This exercise resulted in nine areas of focus (see Attachment 1) being highlighted for further exploration.

2.2 The top four areas of focus were:

- a. CBD planning, investment and revitalisation
- b. Regular emergency events impacting financial position
- c. Uncertainty over Government reform agenda
- d. Lack of iwi relationship and engagement

2.3 A concept map showing the connection between these nine areas of focus and the proposed seven strategic risks is included in Attachment 2.

2.4 Officers also considered the strategic priorities and projects included in the adopted Long-term Plan 2024-34, and ensured that these were reflected through the strategic risk profiles (and/or the operational risk register where applicable).

2.5 The draft strategic risk profiles were first brought to the Audit & Risk Committee meeting on 26 September 2024. The key feedback from this meeting was the inclusion of the positive aspects of risk (i.e., opportunities). Officers implemented this feedback.

2.6 The draft strategic risk profiles were then presented to all elected members at Workshop on 28 November 2024 for further review and discussion. Given the general agreement with the list of the seven proposed risks (and the concept map at Attachment 2), officers made no subsequent changes.

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

3.1 The seven proposed strategic risks are each articulated in a 'strategic risk profile' (Attachment 3). This profile template is based on similar formatting at several other councils, and includes information around both risks (i.e., negative uncertainty) and opportunities (i.e., positive uncertainty).

3.2 The proposed strategic risks are all considered to exceed the Council's current risk appetite (see Attachment 4). This is unsurprising, given that the risks stem from external, large-scale uncertainties that impact the Council's strategic goals. While the Council's ability to manage these risks varies, it is generally lower than for risks of a more operational nature. The Council's control over these risks primarily lies in areas such as identifying 'early indicators' and mitigating impacts, rather than in reducing the likelihood of the risks occurring.

3.3 The ownership of the strategic risks will lie with the Council and the Audit & Risk Committee. However, each risk will have a member of the Executive Leadership Team notionally designated as the 'day-to-day' owner. The goal of this approach is to enhance oversight and ensure that changes in the strategic risk environment are promptly captured.

3.4 Officers recommend that the seven strategic risk profiles are adopted with or without amendment, noting the Committee's right to make any changes or to reject them outright.

### 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 was necessary.

### 5. Community Engagement Te Whai Wāhitanga mai o te Hapori

5.1 Given the complex and internal nature of strategic risks, it was not considered beneficial to engage the community.

### 6. Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

6.1 There are no operational implications to this report.

### 7. Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

7.1 There are no financial implications to this report.

### 8. Statutory Requirements Ngā Here ā-Ture

8.1 While there are no legislative requirements directly dictating the need to adopt strategic risks, best practice advice contained in ISO 31000:2018 (Risk management – Guidelines)

recommends that the Governance body of any organisation is involved in the oversight of high-level risks, and that they appropriately incorporate this into decision-making.

## 9. Delegations Te Mana Whakatau

9.1 While the Committee's terms of reference does not explicitly include the term 'strategic risks' (as this term did not exist prior to the refresh of the risk management framework in 2023), the Committee has responsibility for key risk areas, including likelihood and consequences.

9.2 On this basis (and that the strategic risk profiles presented in this report are unchanged from those presented to all elected members in Workshop), officers are comfortable that the adoption of the strategic risk profiles sit within the Committee's delegation.

## 10. Next Steps

10.1 Assuming that the strategic risk profiles are adopted, officers will present two strategic risks to each of the four Audit & Risk Committee meetings in 2025 for a 'deep dive' analysis. The intent of this future reporting schedule is to provide the Committee an opportunity to better understand and discuss each of the risks across the year.

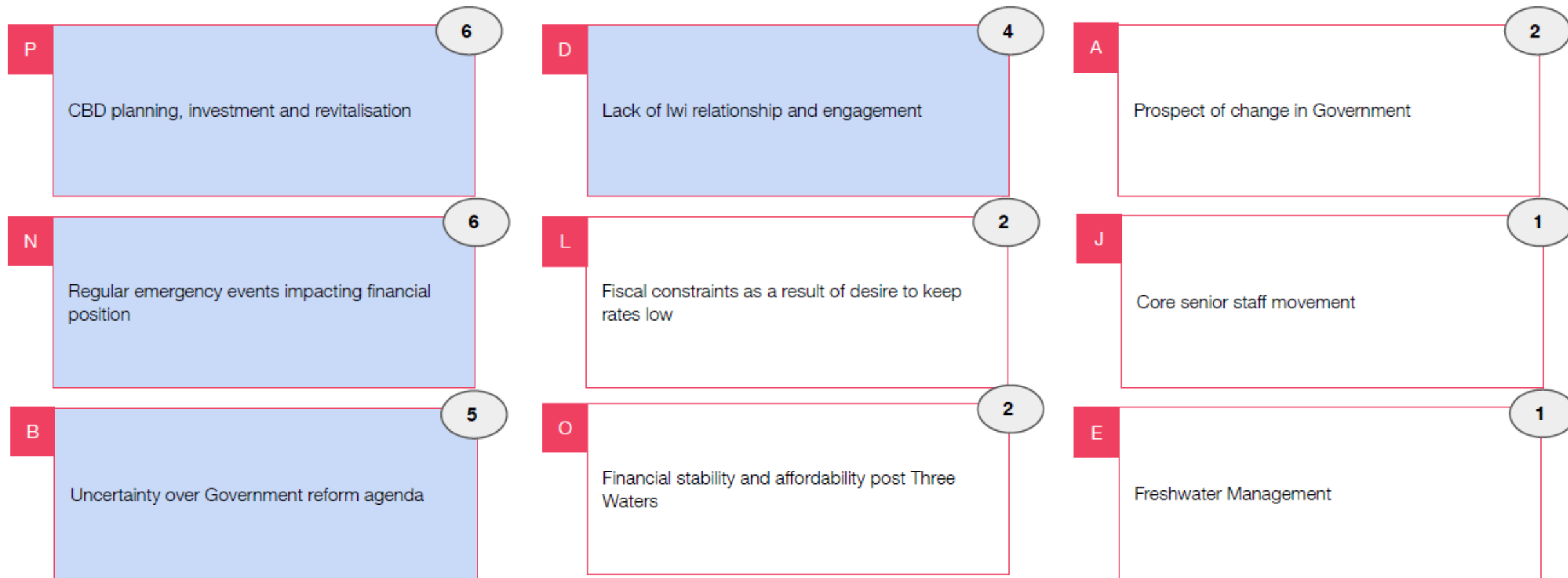
10.2 Further risk training will be delivered to elected members and executive leadership in March 2025 by an external training provider.

## 11. Attachments Ngā Āpitihanga

1. PWC: Nine areas of focus
2. Concept map
3. Strategic risk profiles
4. Risk appetite statement (excerpt from the Risk Management Policy)

# Initial voting indicated four risks elected members would prioritise for further progression

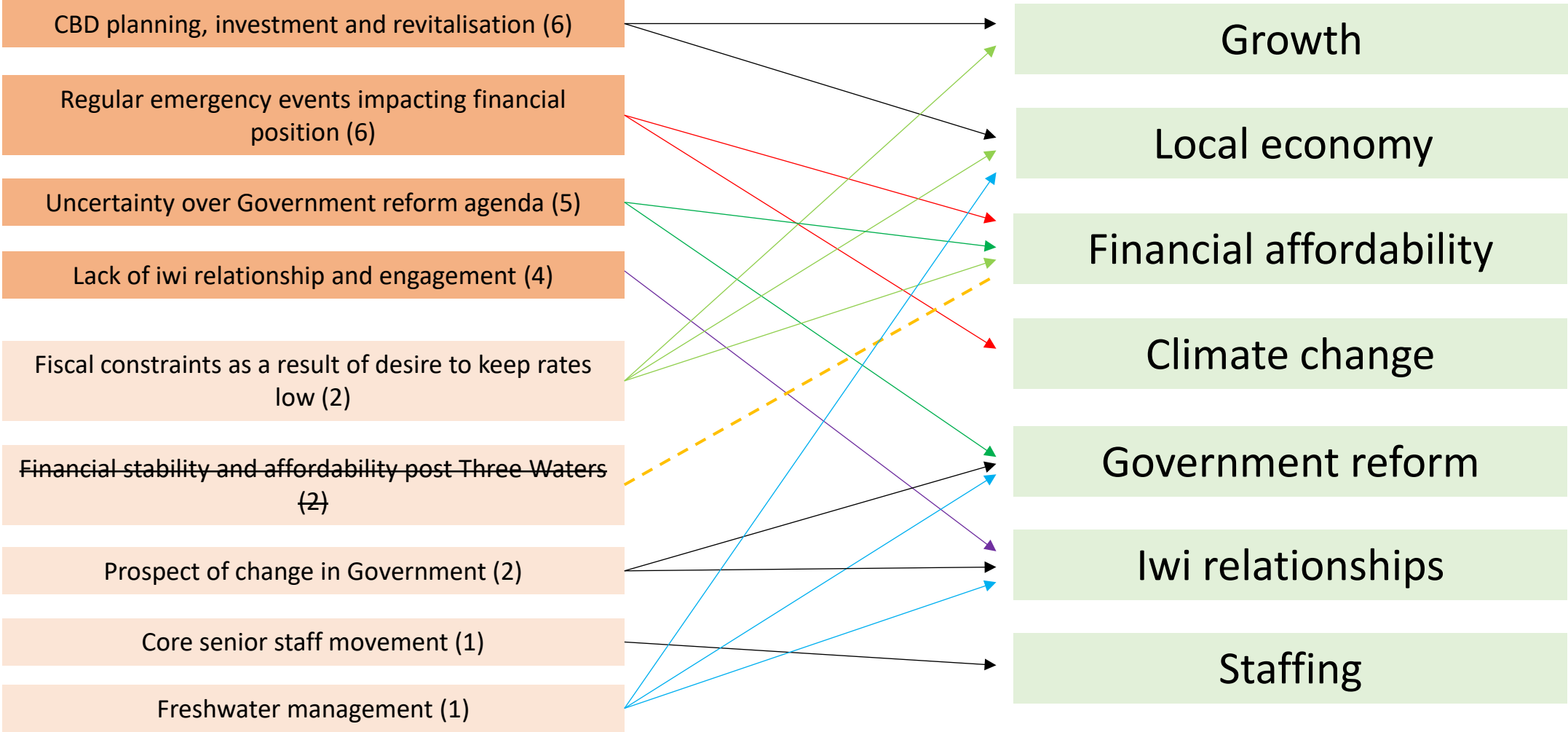
Each elected member was asked to identify the four risks they would prioritise for progression. **Note:** these risk statements have not been updated to reflect the recommendations earlier in this report.



# Denotes number of elected member votes received.

PwC

MDC



|               |  |                        |
|---------------|--|------------------------|
| <b>Growth</b> | The ability to adequately respond to growth demand in the District | <b>[adoption date]</b> |
|---------------|--|------------------------|

|   |
|---|
| <b>Risks – Causes and consequences</b>  |
| <p>Causes</p> <ul style="list-style-type: none"> <li>• Cost of infrastructure (See Risk: Financial Affordability)</li> <li>• Changing Government policy (See Risk: Government Reform)</li> <li>• Unclear strategic direction</li> <li>• Incomplete regional soil and flood mapping data</li> <li>• The consenting system (across councils) is too complex for many users</li> <li>• Outdated District Plan</li> </ul> <p>Consequences</p> <ul style="list-style-type: none"> <li>• Unrealised potential housing capacity (See Risk: Local Economy)</li> <li>• Growth in suboptimal areas of the District</li> <li>• Substandard infrastructure services for new growth</li> </ul> |
| <b>Opportunities – Causes and outcomes</b>  |
| <p>Causes</p> <ul style="list-style-type: none"> <li>• Cheaper infrastructure costs</li> <li>• Government deregulation</li> <li>• Long-term strategic vision</li> <li>• Thorough and up-to-date regional soil and flood mapping data</li> <li>• Effective consenting system</li> <li>• Relevant District Plan</li> </ul> <p>Outcomes</p> <ul style="list-style-type: none"> <li>• Can develop key infrastructure projects more quickly</li> <li>• Introduce new projects to the capital growth programme</li> <li>• Expand settlements across the District</li> <li>• High-quality infrastructure services for new growth</li> </ul>  |
| <b>Assurance and accountability</b>   |
| <p>Reporting: Deep dive report to the Audit and Risk Committee (annually)</p> <p>Ongoing monitoring: <b>Lyn Daly</b> (GM – Community)</p>   |

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| <b>Controls/enablers in place</b>   |
| <ul style="list-style-type: none"> <li>• Regular updating of District Plan chapters</li> <li>• Reconsideration of the affordability and timing of the growth programme each Long-term Plan</li> <li>• Engagement with the business community and developers (e.g., Development Navigator)</li> <li>• Quality Manager review of consenting processes (with a view towards simplification and ease-of-use)</li> </ul> |
| <b>Controls/enablers planned</b>  |
| <ul style="list-style-type: none"> <li>• Growth strategy</li> <li>• Economic Development strategy</li> <li>• Community Development strategy</li> </ul>  |
| <b>Factors outside of Council’s control</b>   |
| <ul style="list-style-type: none"> <li>• Cost of construction</li> <li>• Strategic priorities of partner agencies (e.g., NZTA, Powerco, Chorus)</li> </ul>  |
| <b>References</b>   |
| <p>Legislation</p> <ul style="list-style-type: none"> <li>• Resource Management Act 1991</li> </ul> <p>Council Documentation</p> <ul style="list-style-type: none"> <li>• Long-term and Annual planning</li> </ul> <p>Previous Reporting:</p> <ul style="list-style-type: none"> <li>• Initial Strategic Risk Update – Audit and Risk Committee 26 September 2024</li> </ul>  |

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| <b>Risk Appetite</b>   |
| <p>Financial &amp; Investment – Cautious</p> <p>Environmental – Open</p> <p>Legal Compliance – Averse-Minimalist</p> |

|                      |   |                        |
|----------------------|---|------------------------|
| <b>Local Economy</b> | Opportunities, downturns or volatility in the local economy | <b>[adoption date]</b> |
|----------------------|---|------------------------|

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| <b>Risks – Causes and consequences</b>   |
| <p>Causes</p> <ul style="list-style-type: none"> <li>• Global pandemic or financial crises</li> <li>• Downturn in primary industry production and exports</li> <li>• Disruptions to international trade and supply-chain issues</li> <li>• Legislative changes to immigration and trade (See Risk: Government Reform)</li> <li>• Changing requirements around land use (See Risk: Growth)</li> <li>• National recessions</li> </ul> <p>Consequences</p> <ul style="list-style-type: none"> <li>• Labour constraints for local businesses</li> <li>• Decreased business resilience and sustainability issues</li> <li>• Less tourism</li> <li>• Less vibrancy in Feilding and villages</li> </ul> |
| <b>Opportunities – Causes and outcomes</b>   |
| <p>Causes</p> <ul style="list-style-type: none"> <li>• Strong economic growth</li> <li>• Global peace</li> <li>• Government support for primary industries</li> <li>• Strong national training and education systems</li> </ul> <p>Outcomes</p> <ul style="list-style-type: none"> <li>• Appropriately skilled and available work force</li> <li>• High export prices for primary industries</li> <li>• Increased tourism to the District</li> <li>• Increase in numbers of people moving to the District</li> </ul>   |
| <b>Assurance and accountability</b>  |
| <p>Reporting: Deep dive report to the Audit and Risk Committee (annually)</p> <p>Ongoing monitoring: <b>Lyn Daly</b> (General Manager – Community)</p>   |

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| <b>Controls/enablers in place</b>  |
| <ul style="list-style-type: none"> <li>• Business continuity planning</li> <li>• Tailoring levels of service and rates levels to match community affordability</li> <li>• Support of CEDA, who assist businesses with networking and identifying alternative opportunities</li> <li>• Monitoring of consenting numbers and complaints (early indicators of economic downturn)</li> <li>• Direct relationships with local businesses (e.g., Development Navigator)</li> <li>• Long-term and annual planning processes (in relation to community affordability)</li> <li>• Regular economic data reporting to Council</li> </ul> |
| <b>Controls/enablers planned</b>   |
| <ul style="list-style-type: none"> <li>• Growth strategy</li> </ul>  |
| <b>Factors outside of Council’s control</b>  |
| <ul style="list-style-type: none"> <li>• Toll roads</li> <li>• Affordability of development in neighbouring areas</li> </ul>   |
| <b>References</b>  |
| <p>Council Documentation</p> <ul style="list-style-type: none"> <li>• Long-term and Annual planning</li> <li>• Feilding Town Centre Refresh Strategy</li> </ul> <p>Previous Reporting:</p> <ul style="list-style-type: none"> <li>• Initial Strategic Risk Update – Audit and Risk Committee 26 September 2024</li> </ul>  |

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| <b>Risk Appetite</b>   |
| <p>People &amp; Capability – Open</p> <p>Financial &amp; Investment – Cautious</p> |

|                                |   |                        |
|--------------------------------|---|------------------------|
| <b>Financial Affordability</b> | The financial ability of the Council to continue operating and delivering its services and projects | <b>[adoption date]</b> |
|--------------------------------|---|------------------------|

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| <b>Risks – Causes and consequences</b>  |
| <p>Causes</p> <ul style="list-style-type: none"> <li>Increasing regularity of emergency weather events (See Risk: Climate Change)</li> <li>Increasing number of regulations (See Risk: Government Reform)</li> <li>Insurance costs</li> <li>Depreciation costs</li> <li>Inflation</li> <li>Interest rate fluctuations</li> <li>Reduction in the scope of Council activities, and decreased borrowing power</li> </ul> <p>Consequences</p> <ul style="list-style-type: none"> <li>Community affordability</li> <li>Deferral of key capital projects</li> <li>Reduction in services</li> <li>Non-compliance with regulatory requirements</li> <li>Reaching the borrowing cap with LGFA</li> <li>Poor liquidity</li> </ul> |
| <b>Opportunities – Causes and outcomes</b>  |
| <p>Causes</p> <ul style="list-style-type: none"> <li>Government deregulation</li> <li>Lower costs (e.g., insurance, depreciation, inflation, interest)</li> <li>Increase in the scope of Council activities, and greater borrowing power</li> </ul> <p>Outcomes</p> <ul style="list-style-type: none"> <li>More choice during long-term planning (e.g., increased number of projects)</li> <li>Higher quality services</li> <li>Ease of compliance</li> <li>Greater liquidity</li> </ul>  |
| <b>Assurance and accountability</b>   |
| <p>Reporting: Deep dive report to the Audit and Risk Committee (annually)</p> <p>Ongoing monitoring: <b>Amanda Calman</b> (Chief Financial Officer)</p>   |

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| <b>Controls/enablers in place</b>   |
| <ul style="list-style-type: none"> <li>Delegations Manual</li> <li>Financing facilities (e.g., emergency bank fund)</li> <li>Covenant Trustees (the external agency that audit our benchmarks)</li> <li>Audit NZ auditing</li> <li>Internal audit programme</li> <li>Bancorp (third-party treasury advisory)</li> <li>International Report standards</li> </ul>   |
| <b>Controls/enablers planned</b>  |
| Nil   |
| <b>Factors outside of Council’s control</b>   |
| <ul style="list-style-type: none"> <li>National economy</li> <li>Willingness of other councils to partner with us (e.g., to deliver more efficient services)</li> </ul>   |
| <b>References</b>   |
| <p>Legislation</p> <ul style="list-style-type: none"> <li>Local Government Act 2002, Local Government (Rating) Act 2002</li> </ul> <p>Council Documentation</p> <ul style="list-style-type: none"> <li>Long-term Plans and Annual Plans, Investment Policy, Liability Management, Financial Strategy</li> </ul> <p>Previous Reporting:</p> <ul style="list-style-type: none"> <li>Initial Strategic Risk Update – Audit and Risk Committee 26 September 2024</li> </ul> |

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|---|
| <b>Risk Appetite</b>  |
| <p>Financial &amp; Investment – Cautious</p> <p>Service Delivery – Cautious-Open</p> <p>Reputational - Cautious</p> |

|                       |   |                        |
|-----------------------|---|------------------------|
| <b>Climate Change</b> | Council’s resilience to climate related issues and extreme weather events | <b>[adoption date]</b> |
|-----------------------|---|------------------------|

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|---|
| <b>Risks – Causes and consequences</b>  |
| <p>Causes</p> <ul style="list-style-type: none"> <li>• Underinvestment in the stormwater network, affecting existing residential and industrial areas</li> <li>• Increasing frequency of high-intensity rainfall events</li> </ul> <p>Consequences</p> <ul style="list-style-type: none"> <li>• Flooding of residential dwellings and commercial premises</li> <li>• Less suitable land for development (See Risks: Local Economy, Growth)</li> <li>• Ongoing recovery costs after extreme weather events (See Risk: Financial Affordability)</li> <li>• Increased risks to life and property</li> <li>• Decreasing resilience of roading and other infrastructure (e.g., damage and debris)</li> </ul> |
| <b>Opportunities – Causes and outcomes</b>  |
| <p>Causes</p> <ul style="list-style-type: none"> <li>• Technological improvements in responding to adverse weather events</li> <li>• Lowering costs of protection against extreme weather events (e.g., stormwater banks)</li> <li>• Deregulation of environmental protection</li> </ul> <p>Outcomes</p> <ul style="list-style-type: none"> <li>• Better value for investment in weather protection (e.g., stormwater network)</li> <li>• Lesser emphasis on maintaining the natural states of environmental features (e.g., rivers, streams)</li> </ul>  |
| <b>Assurance and accountability</b>   |
| <p>Reporting: Deep dive report to the Audit and Risk Committee (annually)</p> <p>Ongoing monitoring: <b>Hamish Waugh</b> (GM – Infrastructure)</p>  |

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| <b>Controls/enablers in place</b>   |
| <ul style="list-style-type: none"> <li>• Reid Line Spillway</li> <li>• Capital upgrade programme for stormwater investment in Villages</li> <li>• Proactive drainage maintenance requirements in the road maintenance contract</li> <li>• Proactive stormwater network management regime within the reticulation team (e.g., checking and clearing drains prior to significant rainfall events)</li> <li>• Flood mapping between the Council and Horizons Regional Council to inform the subdivision and building consent processes</li> <li>• Emergency management function and close coordination with Horizons Regional Council</li> <li>• Physical protection of water supply intake points, wastewater drains and pump stations</li> </ul> |
| <b>Controls/enablers planned</b>  |
| <ul style="list-style-type: none"> <li>• Capital upgrade programme for stormwater investment in Feilding</li> <li>• Planned construction of large stormwater detention area in Maewa to facilitate residential growth, and mitigate effects of high-rainfall events</li> <li>• Further coordination of stormwater and floodwater management with Horizons Regional Council for the Makino stream (e.g., use management and carrying capacity)</li> </ul>  |
| <b>Factors outside of Council’s control</b>   |
| <ul style="list-style-type: none"> <li>• Private property owners restricting natural water flow on their land</li> <li>• Operational investment decisions by external agencies (e.g., Horizons Regional Council, NZTA, KiwiRail)</li> </ul>   |

| References   |
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| <p>Legislation</p> <ul style="list-style-type: none"><li>• Resource Management Act 1991</li><li>• Civil Defence Emergency Management 2002</li><li>• Building Act 2004</li><li>• Land Drainage Act 1908</li></ul> <p>Council Documentation</p> <ul style="list-style-type: none"><li>• Flood Action Management Plans</li><li>• Long-term Plans and Annual Plans</li><li>• Infrastructure Strategy</li></ul> <p>Previous Reporting:</p> <ul style="list-style-type: none"><li>• Initial Strategic Risk Update – Audit and Risk Committee 26 September 2024</li></ul> |
| Risk Appetite  |
| <p>Financial &amp; Investment – Cautious<br/>Environmental – Open<br/>Political – Open</p>   |

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|--------------------------|--|------------------------|
| <b>Government Reform</b> | The unanticipated impacts of Government legislative reforms and changes to national directions | <b>[adoption date]</b> |
|--------------------------|--|------------------------|

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| <b>Risks – Causes and consequences</b>   |
| <p>Causes</p> <ul style="list-style-type: none"> <li>• Change of Government</li> <li>• Tempo increase of policy change at a national level (e.g., regionalisation vs centralisation)</li> <li>• Transfer of activity functions from Government to Council, without compensatory financial help</li> <li>• Shifting priorities at a national level</li> <li>• Unwillingness of regional partners to collaborate with the Council (e.g., in joint activities and services)</li> </ul> <p>Consequences</p> <ul style="list-style-type: none"> <li>• Inability to effectively plan for the long-term (See Risk: Growth)</li> <li>• Unforeseen costs with compliance (See Risk: Financial Affordability)</li> <li>• Reputational damage with the Community (See Risk: Iwi Relationships)</li> </ul> |
| <b>Opportunities – Causes and outcomes</b>   |
| <p>Causes</p> <ul style="list-style-type: none"> <li>• Stability of Government (e.g., multi-term Governments)</li> <li>• More shared services and collaboration between local authorities</li> <li>• Amalgamation of local authorities</li> </ul> <p>Outcomes</p> <ul style="list-style-type: none"> <li>• Better conditions for strategic and long-term planning</li> <li>• Less compliance costs and more opportunity for efficiency gains</li> <li>• Positive reputational improvements with the community</li> </ul>   |
| <b>Assurance and accountability</b>  |
| <p>Reporting: Deep dive report to the Audit and Risk Committee (annually)</p> <p>Ongoing monitoring: <b>Shayne Harris</b> (Chief Executive)</p>  |

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| <b>Controls/enablers in place</b>   |
| <ul style="list-style-type: none"> <li>• Regular reporting to elected members</li> <li>• Anticipating impending legislation wherever possible at a political level</li> <li>• Mechanisms that serve as early indicators of impending and potentially disruptive change, such as membership with LGNZ, and high participation with Taituara and other advisory bodies</li> <li>• Internal capability to monitor and influence upcoming Government proposals (e.g., Strategy Team’s work in submissions)</li> <li>• Responding proactively to Audit NZ’s recommendations that arise out of their end-of-year assessments</li> <li>• Internal audit programme, and the ability to add items to this on an “as-needed” basis</li> <li>• Conscious efforts by senior leadership (both elected members and executive leadership) to build regional relationships</li> </ul> |
| <b>Controls/enablers planned</b>  |
| <p>Nil</p>  |
| <b>Factors outside of Council’s control</b>   |
| <ul style="list-style-type: none"> <li>• National sentiment and the political change in response to this</li> <li>• The occurrence of significant events in other areas that subsequently drive Government reform (e.g., 2016 Havelock North water contamination, 2010 Pike River Mine disaster)</li> </ul>   |
| <b>References</b>   |
| <p>Legislation</p> <ul style="list-style-type: none"> <li>• Acts of Parliament</li> <li>• National Policy Statements</li> </ul> <p>Council Documentation</p> <ul style="list-style-type: none"> <li>• Long-term Plan 2024-34</li> </ul> <p>Previous Reporting:</p> <ul style="list-style-type: none"> <li>• Initial Strategic Risk Update – Audit and Risk Committee 26 September 2024</li> </ul>   |

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| <b>Risk Appetite</b>  |
| <p>Financial &amp; Investment – Cautious</p> <p>Service Deliver – Cautious-Open</p> |

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|--------------------------|--|------------------------|
| <b>Iwi Relationships</b> | Relationships with iwi and tangata whenua engagement | <b>[adoption date]</b> |
|--------------------------|--|------------------------|

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| <b>Risks – Causes and consequences</b>  |
| <p><b>Causes</b></p> <ul style="list-style-type: none"> <li>• Lack of will to engage among Council or iwi (e.g., Te Kōtui Reo)</li> <li>• Limited resources or expertise</li> <li>• Changes in political landscape (See Risk: Government Reform)</li> <li>• Local and central government decisions that impact negatively on iwi</li> <li>• Historical grievances</li> </ul> <p><b>Consequences</b></p> <ul style="list-style-type: none"> <li>• Reputational damage</li> <li>• Difficulty with gaining iwi agreement for resource consenting and other matters</li> <li>• Lack of relationship building and co-operation</li> <li>• Lack of iwi input into Council policy and decision-making</li> <li>• Minimal iwi engagement with projects</li> <li>• Deterioration of trust between Council and iwi</li> </ul> |
| <b>Opportunities – Causes and outcomes</b>  |
| <p><b>Causes</b></p> <ul style="list-style-type: none"> <li>• Active participation in the relationship between Council and iwi</li> <li>• Māori ward</li> <li>• Changes in political landscape</li> <li>• Resourcing of iwi participation</li> </ul> <p><b>Outcomes</b></p> <ul style="list-style-type: none"> <li>• Improved relationship between Council and iwi</li> <li>• Positive collaboration in navigating resource consenting</li> <li>• Iwi are engaged in Council decision-making</li> </ul>   |
| <b>Assurance and accountability</b>   |
| <p>Reporting: Deep dive report to the Audit and Risk Committee (annually)</p> <p>Ongoing monitoring: <b>Frances Smorti</b> (GM – People and Corporate)</p>  |

|  |
|--|
| <b>Controls/enablers in place</b>  |
| <ul style="list-style-type: none"> <li>• The employment of a Principal Advisor – Māori</li> <li>• Community marae funding (through the Community and Marae Committee Policy)</li> <li>• Continuing efforts by senior leadership to build relationships with iwi</li> <li>• Mana Whakahaere (Ōroua River Accord)</li> <li>• Engagement with iwi in the formation of Long-term Plans</li> <li>• Involvement of iwi by the District Planning Team in key planning processes</li> <li>• Supporting iwi with developing marae emergency preparedness plans</li> <li>• Supporting marae to increase resilience in an emergency (e.g., Powerco generator switch installations)</li> <li>• Increasing staff’s cultural competencies (e.g., te reo Māori lessons)</li> <li>• Council liaisons to marae</li> </ul> |
| <b>Controls/enablers planned</b>   |
| <ul style="list-style-type: none"> <li>• Iwi will be engaged with during the development of Council’s community development strategy, economic development strategy and environmental strategy</li> <li>• Te Ao Māori programme for staff</li> <li>• More formal arrangements for iwi participation in District Planning</li> </ul>  |
| <b>Factors outside of Council’s control</b>  |
| <ul style="list-style-type: none"> <li>• New Government legislation</li> <li>• Iwi interest in Council business</li> </ul>   |
| <b>References</b>  |
| <p><b>Legislation</b></p> <ul style="list-style-type: none"> <li>• Local Government Act 2002</li> <li>• Local Government (Electoral Legislation and Māori Wards and Māori Constituencies) Act 2024</li> </ul> <p><b>Council Documentation</b></p> <ul style="list-style-type: none"> <li>• Long-term Plan 2024-34</li> <li>• Te Kīwai (o te Kete)</li> </ul> <p><b>Previous Reporting:</b></p> <ul style="list-style-type: none"> <li>• Initial Strategic Risk Update – Audit and Risk Committee 26 September 2024</li> </ul>  |

| Risk Appetite  |
|--|
| Cultural – Cautious<br>Reputational – Cautious<br>Political – Open |

|                 |   |                        |
|-----------------|---|------------------------|
| <b>Staffing</b> | The ability to attract and retain qualified Council staff | <b>[adoption date]</b> |
|-----------------|---|------------------------|

|  |
|--|
| <b>Risks – Causes and consequences</b>   |
| <p>Causes</p> <ul style="list-style-type: none"> <li>• Low unemployment</li> <li>• Inability to attract residents to the Manawatū (See Risk: Local Economy)</li> <li>• Wage competition, particularly from Government departments (See Risk: Government Reform)</li> <li>• Poor organisational leadership, culture or reputation</li> </ul> <p>Consequences</p> <ul style="list-style-type: none"> <li>• Skill shortages</li> <li>• Limits or interruptions to Council services and projects</li> <li>• Reduced migration to the District (e.g., families and spouses)</li> <li>• Low staff morale and poor staff wellbeing</li> <li>• Loss of institutional knowledge</li> </ul>                |
| <b>Opportunities – Causes and outcomes</b>   |
| <p>Causes</p> <ul style="list-style-type: none"> <li>• Many qualified candidates available in the local job market</li> <li>• The District being an attractive place to live and work in</li> <li>• Government decentralisation</li> <li>• Strong organisational reputation</li> <li>• Positive organisational culture</li> </ul> <p>Outcomes</p> <ul style="list-style-type: none"> <li>• Fully staffed teams with highly qualified professionals</li> <li>• Increased quality of Council services and projects</li> <li>• Greater migration to the District</li> <li>• High staff morale and commitment</li> <li>• Longevity within Council’s internal knowledge base and expertise</li> </ul> |
| <b>Assurance and accountability</b>  |
| <p>Reporting: Deep dive report to the Audit and Risk Committee (annually)</p> <p>Ongoing monitoring: <b>Frances Smorti</b> (GM – People and Corporate)</p>   |

|   |
|---|
| <b>Controls/enablers in place</b>   |
| <ul style="list-style-type: none"> <li>• Annual employee engagement survey and action plan (AskYourTeam)</li> <li>• Health, safety and wellbeing strategy and programmes (Wellbeing Policy, Health Support Policy)</li> <li>• Leadership development and assessment programmes (Future Leaders, Emerging Leaders, New Leaders, MDC Leaders Forum, ELT development)</li> <li>• Staff development programmes (MDC Academy, Study Assistance, Professional Membership Support, Technical Training)</li> <li>• Continuous application of MDC values</li> <li>• Performance management processes and systems</li> <li>• Annual salary and wage reviews, using benchmark data</li> <li>• Succession planning and staff cross-training</li> <li>• Counselling services (Vitae services)</li> </ul> |
| <b>Controls/enablers planned</b>  |
| <ul style="list-style-type: none"> <li>• Speak up/shout out programme</li> <li>• School education programme</li> </ul>  |
| <b>Factors outside of Council’s control</b>   |
| <ul style="list-style-type: none"> <li>• Labour market</li> <li>• District reputation</li> <li>• Local government reputation</li> <li>• Demographic shifts</li> <li>• Education system development of relevant skills</li> </ul>  |

| References  |
|---|
| Legislation <ul style="list-style-type: none"><li>• Employment Relations Act 2000</li><li>• Health and Safety at Work Act 2015</li></ul> Council Documentation <ul style="list-style-type: none"><li>• Safety and Wellbeing Strategy 2024-27</li></ul> Previous Reporting: <ul style="list-style-type: none"><li>• Initial Strategic Risk Update – Audit and Risk Committee 26 September 2024</li></ul> |
| Risk Appetite   |
| People and Capability – Open<br>Health, Safety and Wellbeing – Minimalist   |

## Appendix 1 – Risk Appetite Statement 2024

Risk appetite is the level of risk that we are willing to accept in the pursuit of positive outcomes.

A higher appetite generally means that the Council and officers can make more aspirational decisions, be innovative and pursue future opportunities. Nevertheless, there will be certain risks that the Council is not prepared to accept and MDC’s appetite varies across different areas of risk. These levels are reflected in the below table.

Maintaining an optimistic risk appetite is contingent upon having effective mechanisms in place to accurately assess risk severity, and understanding all potential benefits when considering decisions.

MDC expects all decision-makers to take the following risk appetite levels into account:

| Risk Areas                 | Averse            | Minimalist | Cautious | Open | Ambitious |
|----------------------------|-------------------|------------|----------|------|-----------|
| People & Capability        | Open              |            |          |      |           |
| Service Delivery           | Cautious-Open     |            |          |      |           |
| Reputational               | Cautious          |            |          |      |           |
| Legal Compliance           | Averse-Minimalist |            |          |      |           |
| Financial & Investment     | Cautious          |            |          |      |           |
| Health, Safety & Wellbeing | Minimalist        |            |          |      |           |
| Environmental              | Open              |            |          |      |           |
| Cultural                   | Cautious          |            |          |      |           |
| Political                  | Open              |            |          |      |           |

**Appetite levels** are defined as:

|            |   |
|------------|---|
| Ambitious  | Due to the potential for very high reward, the Council is willing to aspirationally seek out positive outcomes and try new ways of conducting business. |
| Open       | The Council is prepared to proactively take risks in this area where there is the potential for high reward and value for money.                        |
| Cautious   | Opportunities will be broadly considered, but only where a careful analysis of risk-reward provides a solid justification for decision-making.          |
| Minimalist | Risk-taking is only considered where it is essential to achieving the Council’s core objectives and priorities.   |
| Averse     | The Council has no appetite for risks in this area. No opportunities will warrant risk-taking, regardless of the possible benefits.                     |

**People & Capability** – The Council has an OPEN appetite. Morale is a constantly evolving factor in organisational capability, and increasing staff’s commitment to MDC is vital to ensuring that performance is at its highest levels. New initiatives in organisational culture,

staff management and recruitment, can result in increased performance and more valuable contributions from MDC staff.

**Service Delivery** – The Council has a CAUTIOUS to OPEN appetite. Continuous improvement in MDC's processes, systems and tools, are essential to increasing the range of services we offer and in providing value for ratepayer money. Trying new ways of doing things carries inherent risks to our service delivery, but are crucial in ensuring that the way MDC delivers its services remain relevant and efficient.

**Reputational** – The Council has a CAUTIOUS appetite. MDC's reputation is a raw measure of how the community perceives us. While it's important that the community is happy with the job that elected members and staff are doing, many decisions are complex and will have long-term payoffs, potentially risking public criticism in the short-term.

**Legal Compliance** – The Council has an AVERSE to MINIMALIST appetite. While legal compliance is not optional, failure to comply can often be accidental and/or minor. There can also be ambiguity with competing pieces of legislation or national policy, and at times it may be worth pursuing a positive outcome in spite of the risk of non-compliance.

**Financial & Investment** – The Council has a CAUTIOUS appetite. Many decisions that MDC implements have uncertain financial impacts. Where appropriate, risks of financial loss or overspend are appropriate in the pursuit of positive opportunities.

**Health, Safety & Wellbeing** – The Council has a MINIMALIST appetite. Risks in this category can be unavoidable (driving MDC vehicles, for instance). While they need to be controlled for as much as possible, avoiding all HS&W risks is impossible. Some risks may be acceptable if positive outcomes could potentially increase staff health, safety and wellness instead.

**Environmental** – The Council has an OPEN appetite. There is often tension between environmental outcomes and social or economic outcomes. At times it may be necessary to accept risks to natural and built environments in the quest for positive outcomes in other areas.

**Cultural** – The Council has a CAUTIOUS appetite. MDC has many diverse communities, whose interests are not always perfectly aligned. There may be occasions where it's necessary to accept risks in this space in order to pursue positive outcomes and opportunities for specific communities, or for the District as a whole.

**Political** – The Council has an OPEN appetite. MDC processes are complicated, with a lot of external influences affecting how we do our work. This complexity naturally gives rise to risks around both elected members and staff performance. These risks have to be accepted in many situations, and the strong positive relationship between members and staff act as a buffer to any failings on either party.

## Audit and Risk Committee

Meeting of 12 December 2024

Business Unit: People and Corporate

Date Created: 05 December 2024

### Operational Risks

#### Purpose Te Aronga o te Pūrongo

To update the Committee on progress made towards implementing the operational risk register, and to review the current risks (tranche 1).

#### 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 & Risk Committee receives the Operational Risks report.

Report prepared by:

Ash Garstang

Governance and Assurance Manager

Approved for submission by:

Frances Smorti

General Manager - People and Corporate

**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 In 2023 management noted that the existing risk register, and its related processes, was being underutilised. In conjunction with a request from Governance for more risk oversight to be carried out, management decided to undertake a refresh of the Council’s risk framework.
- 2.2 The first step in this refresh was training from PWC in June 2023, followed by officer research and drafting of the risk framework.
- 2.3 The Risk Management Policy was adopted by the Council at its meeting 20 June 2024. The Policy describes how the Council’s risk framework works, which with regards to the operational risk register specifically covers:
  - a. The likelihood scales (1 to 5) and impact scales (1 to 16);
  - b. Risk areas (e.g., Reputational, Service Delivery);
  - c. Quality and effectiveness of controls; and
  - d. Review and reporting schedules.
- 2.4 Officers have developed a risk assessment tool which is intended to aid staff in carrying out effective risk analyses. Officers considered buying an off-the-shelf product for risk management, but after exploring several possibilities it was decided that an in-house tool could be developed that would better meet our goals in this space (for less cost).

- 2.5 Managers, team leaders and some staff were introduced to the risk framework (and risk assessment tool) through August – November 2024. Additionally, a risk governance group has been established to meet periodically, for the purpose of reviewing the risk framework (insofar as it applies to the operational space) and to help advocate for good risk management practice across the teams.
- 2.6 The population of risks for the operational risk register began in November 2024, but this process has not yet been completed. For that reason, the report includes those risks that have been loaded and approved (see Attachment 1) as “tranche 1” of the risk register. The remaining risks will be worked through in December 2024 and the new year, and will be reported to the Committee in March 2025 as “tranche 2”. Several teams (e.g., Infrastructure and Finance) received their introduction to the risk framework at a later stage than others – hence the staggered implementation of risks into the register.

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

- 3.1 This report goes into some detail around the mechanics of risk management at an operational level, and finally presents the first tranche of risks for demonstration and review. The intent of this is to provide the Committee an opportunity to review and critique the overall process.

#### Process from a user perspective

- 3.2 All staff have access to the risk assessment tool (however not all staff have been introduced to it). An officer who has identified a risk can access the risk assessment tool, which will then guide them through the analysis and evaluation of their risk.
- 3.3 The initial (inherent) risk and final (residual) risk assessments are quantifiable and measured against the impact and likelihood scales detailed within the Policy.
- The initial risk assessment is completed first and it guides the user to disregard any controls that might currently be in place.
  - Next the user describes the controls that are either fully effective, partially effective or planned.
  - Lastly, the user completes a final risk assessment which accounts for the controls.
- 3.4 If good controls are in place, the user and approver should expect the final risk score to be lower than the initial risk score, which will reflect the effectiveness of the controls in reducing the overall level of risk. If there are not sufficient controls in place, the two risk scores will be closer together.
- 3.5 The articulation of controls within the tool is a descriptive process (not quantifiable). Several risk programmes on the open market make this aspect of risk management quantifiable, but officers felt this was not worth replicating, as translating control practices into an accurate equation is difficult to do well. The preferred approach was therefore for officers to use their professional judgement in determining the effectiveness of their controls when completing the final risk assessment.
- 3.6 Once a risk is submitted for approval, it goes to the staff member’s manager if it is within the Council’s appetite, or to their General Manager if it is beyond the Council’s appetite. The approver’s role is to: a) check for accuracy, b) check the controls for completeness and c) consider if the overall risk scores are correct and meaningful.

3.7 Once a risk is ready for submission, officers are presented with summary page – example below:

| LGOIMA Act 1987 compliance (LGOIMA requests) |   |                      |                  |
|--|---|----------------------|------------------|
| Risk Details                                 |   | Controls             |                  |
| Description:                                 | Lack of compliance with the LGOIMA Act 1987, particularly around:<br>1. Providing answers to all parts of a LGOIMA request<br>2. Providing an initial response, and final answers, within the legislated time.... |                      |                  |
| Date Logged:                                 | 06/11/2024  | Revision Date:       | 08/05/2025       |
| Status:                                      | Approved  | Type:                | Existing         |
| Inherent Likelihood:                         | Certain   | Inherent Risk Score: | Extreme (40)     |
| Residual Likelihood:                         | Possible  | Residual Risk Score: | Medium (12)      |
| Risk Appetite:                               | Within Appetite   | Highest Risk Area:   | Service Delivery |
| Owner:                                       | Anna Dellow   | Manager:             | Frances Smorti   |
| Link to the item:                            | <a href="#">Click here to view the item on JARVIS</a>   |                      |                  |

3.8 The Controls tab shows the controls that the user has entered:

| LGOIMA Act 1987 compliance (LGOIMA requests)   |  |   |  |
|--|--|---|--|
| Risk Details   |  | Controls  |  |
| <b>LGOIMA training</b>   |  |   |  |
| Training for relevant managers and subject matter experts                                |  |   |  |
| Owner: Anna Dellow   |  | Status: Partially effective (requires updating) |  |
| Effect: Reduces both likelihood and impacts  |  | Hierarchy of Control:                           |  |
| <b>LGOIMA process mapping</b>  |  |   |  |
| The process is kept up to date and accounts for the requirements dictated by LGOIMA 1987 |  |   |  |
| Owner: Anna Dellow   |  | Status: Current and fully effective             |  |
| Effect: Reduces both likelihood and impacts  |  | Hierarchy of Control:                           |  |

3.9 Once entered, risks are reviewed by the Governance and Assurance Manager. This is mostly to ensure consistency and avoid duplication. For example, while a risk of fraud could affect various teams in different ways, we preferably only want one fraud entry in the operational risk register. In this instance, we can add more controls if there are treatments that are particular to different teams. The overall intent is to maintain a relatively concise operational

risk register. If concise, it is easier to manage and ‘keep live’ by incorporating it into decision-making and everyday activities.

- 3.10 As per the standing item in the Audit & Risk Committee agenda, Committee members can suggest risks for inclusion within the risk register.

#### Monitoring, Review and Reporting

- 3.11 Risk owners are expected to take responsibility for ongoing monitoring of their risk and significant changes should prompt the user to update the risk in the risk register.

- 3.12 Formal review is prompted via an automated workflow that goes to the risk owner at either a six-monthly or annual interval, based on the final (residual) risk score:

- Extreme, high or moderate – six-monthly
- Low – annually

- 3.13 Reporting will be provided to ELT and Audit & Risk on a quarterly-basis.

#### 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 Given the internal nature of operational risks, it was not considered beneficial to engage the community.

#### 6 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

- 6.1 There are no operational implications to this report.

#### 7 Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

- 7.1 There are no financial implications to this report.

#### 8 Statutory Requirements Ngā Here ā-Ture

- 8.1 While there are no legislative requirements directly dictating how to manage operational risks, best practice advice contained in ISO 31000:2018 (Risk management – Guidelines) recommends that management and staff regularly review risks of an operational nature. There are varying practices across councils of reporting operational risks to Governance, with some councils not reporting them and others doing so.

#### 9 Delegations Te Mana Whakatau

- 9.1 The Committee has the delegation to receive this report.

## 10 Next Steps

- 10.1 Throughout December 2024 and the new year, the remaining operational risks will be entered into the register for review and approval. These will be reported to Audit & Risk in March 2025.
- 10.2 A new Council and Committee report template will soon be implemented. This report template includes numerous changes and improvements, including a new section around 'risk management', which will be particularly useful for reports that suggest any type of new action or expenditure.

## 11 Attachments Ngā Āpiti hanga

- Operational Risk Register (tranche 1)

| Name   | Description  | Inherent Risk | Controls   |  |  | Residual Risk | Appetite        | Review Date |
|--|--|---------------|--|--|--|---------------|-----------------|-------------|
|  |  |               | Name & Description   | Effect   | Status                                       |               |                 |             |
| Widespread Plant Mortality                   | High percentage death of stock due to environmental causes   | Extreme (32)  | <b>Site Checks</b><br>- Outside of the Christmas break period: Twice-weekly (Monday and Friday) site checks carried out. Entire site checked for signs of irrigation faults (dry spots, pooling etc), pests and diseases. Full irrigation system checks and maintenance carried out approximately once per month. During the Christmas break period: Site checks carried out once every 2-3 days. Entire site checked for signs of irrigation faults, pests and diseases. Manual operation of entire irrigation system is run once per check, with each sprinkler system monitored during operation to detect faults   | Reduces likelihood & impacts                                       | Fully effective                              | High (16)     | Within Appetite | 29-May-25   |
| IT: Staff Single Points of Failure           | We have a few key staff members/roles that would be hard to replace, and are currently a single point of failure:<br>- IT Systems Engineer<br>- Senior Developer and Database Administrator  | Extreme (32)  | <b>1. Cross Training</b><br>- We are currently training one additional staff member in System Administration and System Engineering tasks, however this is not their primary role, and they would only be able to occasionally help out, due to capacity<br><br><b>2. Third Party Partnerships</b><br>- We are working to developing closer ties with some of our existing IT partners to allow us to phone them for support if we reach our limits, or we end up losing key staff. In some cases this could work really well, e.g. Systems Engineering/Systems Administration, however this would have limited success in the area of Systems Integration/Senior Software Development, due to custom/unique MDC setup | 1. Reduces impacts<br>2. Reduces impacts                           | 1. Planned<br>2. Partially effective         | High (16)     | Within Appetite | 3-May-25    |
| LGOIMA Act 1987 Compliance (LGOIMA requests) | Lack of compliance with the LGOIMA Act 1987, particularly around:<br><br>1. Providing answers to all parts of a LGOIMA request<br>2. Providing an initial response, and final answers, within the legislated timeframes<br>3. Refusals to provide information being adequately justified by the LGOIMA provisions under sections 6 and 7 | Extreme (40)  | <b>1. LGOIMA Training</b><br>- Training for relevant managers and subject matter experts<br><br><b>2. LGOIMA Process Mapping</b><br>- The process is kept up to date and accounts for the requirements dictated by LGOIMA 1987   | 1. Reduces likelihood & impacts<br>2. Reduces likelihood & impacts | 1. Partially effective<br>2. Fully effective | Medium (12)   | Within Appetite | 8-May-25    |
| Call Centre Resourcing                       | If we have an ongoing event we don't have somebody who can come and relieve our staff on the phones (beyond PNCC).   | Extreme (32)  | <b>PNCC After Hours</b><br>- We have contracted PNCC to look after our phones after hours and in the case of staff shortages   | Reduces likelihood & impacts                                       | Fully effective                              | Medium (12)   | Within Appetite | 1-May-25    |
| BCA Accreditation                            | Inconsistencies in data reporting have been identified from both IANZ and Audit NZ for the last 3 years - different reports for the same stats report different outcomes.<br><br>Loss of BCA Accreditation   | High (20)     | <b>1. Reporting</b><br>- Reports minimised and coming from one source<br><br><b>2. Building Services System</b><br>- The Building Services system will be replaced in 2025, and a requirement of the new system will be that it provides more consistent reporting   | 1. Reduces likelihood & impacts<br>2. Reduces likelihood & impacts | 1. Partially effective<br>2. Planned         | Medium (8)    | Beyond Appetite | 9-Apr-25    |
| Pool Contamination                           | Risk of water contamination. E.g., human waste, environmental, chemical  | Extreme (32)  | <b>1. Separation of the Pool Filtration Systems (outdoor)</b><br>- Separating the outdoor pool will reduce the impacts of contamination<br><br><b>2. Chemical Shock Dosing</b><br>- Evacuating the contaminated pools, doing chemical shock dosing (adding extra chlorine to kill bugs), and waiting a fixed period for the pool to return to a safe state   | 1. Reduces impacts<br>2. Reduces impacts                           | 1. Planned<br>2. Fully effective             | Medium (8)    | Within Appetite | 6-May-25    |
| Performance Management                       | Poor performance management processes and execution  | High (24)     | <b>1. Mentoring Managers/Team Leaders</b><br>- Mentoring Managers/Team Leaders through the performance management policy and process<br><br><b>2. MDC Policies</b><br>- Performance Management Policy, Disciplinary Policy   | 1. Reduces likelihood & impacts<br>2. Reduces likelihood & impacts | 1. Fully effective<br>2. Fully effective     | Low (6)       | Within Appetite | 28-Nov-25   |
| Onboarding                                   | Poor recruitment or lack of training for staff   | Low (6)       | <b>Training Managers/Team Leaders</b><br>- Training managers/team leaders through recruitment process and onboarding process   | Reduces likelihood & impacts                                       | Partially effective                          | Low (6)       | Within Appetite | 30-Nov-25   |
| Staff Misconduct                             | Issues with staff behaviour e.g bullying and harassment between staff  | Low (6)       | <b>MDC Policies</b><br>- Making sure all managers/team leaders and staff are aware of MDC's expectations and policies/processes available to deal with any misconduct: <ul style="list-style-type: none"> <li>•Harassment and Bullying Policy</li> <li>•Disciplinary Policy</li> <li>•Whistle Blower Policy</li> <li>•MDC Values</li> <li>•Health, Safety and Wellbeing Policy</li> </ul>  | Reduces likelihood & impacts                                       | Fully effective                              | Low (6)       | Within Appetite | 30-Nov-25   |

|   |   |              |   |  |   |         |                 |           |
|---|---|--------------|---|--|---|---------|-----------------|-----------|
| Threatening Customers at FOH                  | Customers using threatening behaviour in the reception area either directed at FOH staff or members of the public.  | Medium (12)  | <p><b>1. Physical Controls</b><br/>- This includes the physical separation of front desk staff from the public (e.g., glass barrier) and availability of panic alarms. The Safety and Wellbeing Adviser is also looking into the possibility of automatically locking the front doors without staff having to enter the reception area</p> <p><b>2. De-escalation Training</b><br/>- Customer services staff undergo mandatory de-escalation training</p> | <p>1. Reduces impacts<br/>2. Reduces impacts</p>   | <p>1. Fully effective<br/>2. Fully effective</p>                        | Low (6) | Within Appetite | 28-Nov-25 |
| Animal Control - Euthanasia of Impounded Dogs | If the wrong dog is euthanised by the Animal Control Officers there are several potential risks and consequences that could impact the organisation, mainly from a reputational standpoint. | Medium (8)   | <p><b>Process in Place</b><br/>- As per Promapp procedure:<br/>•Select correct dog to be euthanised and remove from kennel<br/>•Selecting the correct dog for euthanasia<br/>•Check Pound Sheet details<br/>•Scan and check for Microchip<br/>•Ensure that all details match up<br/>•If there are any doubts around identifying the correct dog - DO NOT PROCEED WITH THE EUTH!</p>   | Reduces likelihood   | Fully effective   | Low (4) | Within Appetite | 29-Nov-25 |
| Staff Discontent                              | Breakdown in communication and engagement between staff and management. Possible outcomes can be strike or personal grievances.   | Extreme (80) | <p><b>1. Public Service Association Union Relationship</b><br/>- Open and ongoing communication with the PSA Union rep</p> <p><b>2. Your Voice</b><br/>- Initiative that encourages staff to report both good and poor behaviour early</p> <p><b>3. MDC Culture</b><br/>- Maintaining a positive workplace culture, through various initiatives and good business practices</p>   | <p>1. Reduces likelihood &amp; impacts<br/>2. Reduces likelihood &amp; impacts<br/>3. Reduces likelihood &amp; impacts</p> | <p>1. Fully effective<br/>2. Fully effective<br/>3. Fully effective</p> | Low (4) | Within Appetite | 4-Dec-25  |

## Audit and Risk Committee

Meeting of 12 December 2024

Business Unit: People and Corporate

Date Created: 19 November 2024

### 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, protected disclosures and fraudulent activity.

#### 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 Tūtohunga

That the Committee receives the Internal Controls Update, covering the period 09 September to 24 November 2024.

Report prepared by:

Ash Garstang

Governance and Assurance Manager

Approved for submission by:

Frances Smorti

General Manager – People and Corporate

## 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 **09 September to 24 November 2024**.

## 2 Cybersecurity Breaches

2.1 There have not been any cybersecurity breaches in this reporting period.

## 3 Governance Policy Work Programme

3.1 The Council currently has 30 Governance Policies, which are subject to review at set intervals. As of 22 November 2024:

- 25 policies are current
- 3 are under review
- 1 is pending obsolescence
- 1 is on hold
- 1 new policy is in development; and
- 1 revoked policy is back in development

3.2 Refer to Attachment 1 for a breakdown of under review or in development policies.

## 4 Protected Disclosures

4.1 There have not been any protected disclosures in this reporting period.

## 5 Fraudulent Activity

5.1 There has not been any reported fraudulent activity in this reporting period.

## 6 Attachments Ngā Āpitihanga

- Governance Policies

| Policy  | Review Date | Comments  |
|---|-------------|---|
| Dog Control Policy 2019   | 10-Oct-29   | Current   |
| Community Development Policy  | 1-Aug-28    | Current   |
| Community Honours Policy  | 1-Jul-28    | Current   |
| Gambling Venues Policy 2021   | 21-Nov-27   | Current   |
| Dangerous, Affected and Insanitary Buildings Policy 2022                                    | 6-Oct-27    | Current   |
| Waste Levy Grants Allocation Policy   | 2-Sep-27    | Current   |
| Rates Remission and Postponement Policies   | 20-Jun-27   | Current   |
| Revenue and Financing Policy  | 20-Jun-27   | Current   |
| Statement of Accounting Policies  | 20-Jun-27   | Current   |
| Road Sealing Policy   | 5-Mar-27    | Current   |
| Investment Policy   | 16-Sep-26   | Current   |
| Liability Management Policy   | 16-Sep-26   | Current   |
| Pitbull Classification Policy   | 12-Sep-26   | Current   |
| Marae and Hapu Committees Policy  | 22-Jul-26   | Current   |
| CEDA Appointment of Directors Policy  | 25-May-26   | Current   |
| Risk Management Policy  | 1-Apr-26    | Current   |
| Community Committees Policy   | 2-Mar-26    | Current   |
| Significance and Engagement Policy 2020   | 5-Jan-26    | Current, but under review early at Council's request  |
| Elected Members Allowances and Expense Reimbursement Policy 2022-25                         | 17-Nov-25   | Current   |
| Manawatu District Council - Standing Orders 2022  | 15-Sep-25   | Current   |
| Code of Conduct (elected members)   | 3-Sep-25    | Current   |
| Smokefree Policy 2022   | 7-Jul-25    | Current   |
| Procurement Policy 2022   | 28-Jun-25   | Current   |
| Capital Contributions Policy  | 27-Mar-25   | Current   |
| Remuneration and Reimbursement for External Appointments to Council Committees              | 25-Mar-25   | Current   |
| Hall Management Policy  | 31-Jan-24   | Under review (Community Assets)   |
| Development and Financial Contributions Policy 2023   | 16-Jan-24   | Under review - adoption hopefully early 2025  |
| Road Planting Policy and Guidelines   | 31-May-23   | This will be obsoleted in due course, as the Community Assets Team is developing a new Policy with a broader scope; looking at planting across the entire District (e.g., roads, reserves, parks) |
| Appointment of Directors to Council Organisations and Council-Controlled Organisations 2009 | 31-May-23   | Under review (Community)  |
| Te Kīwai (o te kete)  | 1-Dec-21    | Not under review at this stage. The Significance and Engagement Policy is under review, after which it will be clearer what course of action to take with this Policy                             |
| Gifted and Vested Community Assets Policy   |             | New policy in development   |
| Trusts, Bequests and Special Funds Policy   |             | This policy was revoked, however CFO advises it should still be current and is in development   |

## Audit and Risk Committee

Meeting of 12 December 2024

Business Unit: People and Corporate  
Date Created: 22 November 2024

### Audit Programme (Summary)

#### Purpose Te Aronga o te Pūrongo

To present a summary of the Internal Audit Programme, and any updates, to the Committee.

#### 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 Audit Programme (Summary).

Report prepared by:  
Ash Garstang  
Governance and Assurance Manager

Approved for submission by:  
Frances Smorti  
GM – People and Corporate

**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 programme for 2024/25 year was adopted by the Committee at its meeting 13 June 2024.

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

3.1 The Internal Audit Programme is intended to provide a continuation of audits completed in previous years, with individual audits generally (but not always) running on a fixed review schedule.

3.2 The programme encompasses recommendations that have been given by Audit NZ via their annual review of the Council’s activities.

3.3 The below updates have been made to the Plan since the last update in September 2024:

- a. The Fraud Awareness Review was brought forward and a staff survey went out in early December 2024, with results expected late December. A Gap Analysis workshop with select staff will take place in early 2025. This review is being conducted by Deloitte.
- b. The Cash Handling and Receipting Processes audit is scheduled to begin March – May 2025. This will look at three sites; front of house (MDC Admin Building), Makino and Community Hub. Final reporting will focus on matters relevant to potential control weaknesses and risks that arise out of the site audits. This audit is being conducted by GrantThornton.

- c. The IT Security: There are currently five open issues identified by the penetration test, listed as “High” priority, that are being worked on. The implementation of MDC’s Illumio firewall has been completed.
- d. Business Continuity and Disaster Recovery Planning: Server Hardware refresh project has commenced, and the new production hardware/cluster has been installed, awaiting configuration in the week starting 2<sup>nd</sup> December. Once the production cluster is live, disaster recovery (DR) will be addressed. IT team will select the preferred supplier in the next couple of weeks allowing cloud-based DR site implementation to commence in Q1 2025 (calendar).

#### 4 Te Kīwai (o te kete)

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

#### 5 Community Engagement Te Whai Wāhitanga mai o te Hapori

- 5.1 No community engagement is warranted.

#### 6 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi

- 6.1 There are no operational implications.

#### 7 Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni

- 7.1 There is a budget of \$51,450 for 2024/25 which will be used for those audits that are organisational-wide, prompted from Audit NZ (via their annual audit of the Council) or are requested by the Audit and Risk Committee.
- 7.2 Other audits are funded from existing departmental and team budgets.

#### 8 Statutory Requirements Ngā Here ā-Ture

- 8.1 There are no statutory requirements for this report.

#### 9 Delegations Te Mana Whakatau

- 9.1 The Committee has the delegation to decide the scope of the internal audit work programme, and to consider responses to audit recommendations.

#### 10 Attachments Ngā ĀpitiHanga

- Internal Audit Programme 2024/25

# Manawatū District Council - Audit Programme

| Business Unit     | Audit Topic  | Description   | Previous Audit        |                 |                 | Next Audit       |           |                               |
|-------------------|--|---|-----------------------|-----------------|-----------------|------------------|-----------|-------------------------------|
|                   |  |   | Last completed        | Reported to ARC | Review schedule | Initiate Review  | Status    | Reported to ARC               |
| IS                | IT Maturity  | <p>High-level assessment of the controls and governance structures in place over the general computer environment and infrastructure including:</p> <ul style="list-style-type: none"> <li>- IT operational and security administration management</li> <li>- Change management (upgrades and enhancements)</li> <li>- Patch management</li> <li>- Problem management</li> <li>- Virus and incident detection</li> </ul> <p>To include review to assess the adequacy and effectiveness of management controls over cyber security. This review will consider:</p> <ul style="list-style-type: none"> <li>- IT security architecture</li> <li>- Threat and vulnerability management</li> <li>- Privacy and data protection</li> <li>- identification and access management</li> <li>- IT security management</li> <li>- Awareness and education</li> </ul> | 2021                  | May 2021        | Annually        | 2024             | Completed | June 2024                     |
| IS                | IT Security: Internal PEN testing                  | Penetration testing on our IT systems, conducted from <b>inside</b> the system and premises   | March 2023            |                 | Annually        | June 2024        | Completed | <i>Planned for March 2025</i> |
| Finance           | Fraud Awareness Review                             | <p>Raise awareness of fraud and corruption risks.</p> <ol style="list-style-type: none"> <li>1) All staff Fraud and Corruption Awareness Survey; and</li> <li>2) Fraud and Corruption Gap Analysis benchmarking workshop with senior staff.</li> <li>3) A third phase may follow if areas of concern are highlighted</li> </ol>   | October 2020          | November 2020   | 3 yearly        | November 2024    | Underway  |                               |
| Finance           | Cash Handling and Receipting Processes             | <p>Compliance with policy and to assess the design and operating effectiveness of key controls identified across the following cash handling processes:</p> <ul style="list-style-type: none"> <li>- point of sale/till application</li> <li>- receipting</li> <li>- cashing up and banking</li> <li>- physical security</li> <li>- electronic payments through on-line systems</li> <li>- reconciliations</li> </ul> <p>Also to include the cash receipting practices at the Makino, Library, Feilding Transfer Station and on-line systems.</p>   | April 2021            | May 2021        | 2 yearly        | March - May 2025 | Scheduled |                               |
| IS                | Business Continuity and Disaster Recovery Planning | <p>There is an upcoming "IT infrastructure research project" being done in 2024/25, which will look to move our IT infrastructure to the cloud (either fully, or hybrid approach). This project will by default include an assessment of business continuity and disaster recovery planning.</p> <p>All server hardware will be refreshed at the end of 2024, and a disaster recovery test will take place in Dec or Jan. These will be completed on an annual basis.</p>   | Not completed in full |                 | Annually        | November 2024    | Planned   |                               |
| IS                | IT Security: External PEN testing                  | Penetration testing on our IT systems, conducted from <b>outside</b> the system and premises  | December 2023         | March 2024      | Annually        | December 2024    | Planned   |                               |
| Organisation Wide | Procurement  | <p>The process for determining the need for the particular procurement is valid. The award procedure is as per MDC's policy and resources being spent in line with applicable criteria.</p> <p>Covers contract management.</p> <p>Description of performance, calculation of contract value, award criteria, award procedure, notification and assessment of tenders.</p> <p>Some teams may benefit from specific attention as part of this audit, due to the depth of involvement that they have with procurement and contract management. Such teams include Utilities, Roading, Parks &amp; Property and IT.</p>   | 2019                  |                 | 3/4 yearly      | June 2025        |           |                               |

|                        |                          |  |               |                |          |                         |
|------------------------|--------------------------|--|---------------|----------------|----------|-------------------------|
| Finance                | Sensitive Expenditure    | This will include compliance with policies, suspicious transaction analysis and compliance testing of a sample of transactions. Identified risk areas are travel and accommodation; entertainment and hospitality.   | May 2022      | September 2022 | 3 yearly | July 2025               |
| Utilities              | Asset Revaluation Review | Looking at the methodology of Asset Revaluations.<br><br>A review of the full valuation and associated report. Checks that the calculations have been carried out diligently and that the valuation process and associated report meets accounting standards. Brian Smith makes recommendations which are incorporated into an improvement plan in the valuation report. On the same three-yearly cycle as the Unit Rate Review.   | 2022/23       |                | 3 yearly | August 2025             |
| Utilities              | Unit Rate Review         | Looking at how MDC prices unit rates for Asset Revaluations.<br><br>To ensure that our rates are comparable with similar councils across the country. WSP review the base rate and provide a comment on the on-costs that are added, as well as any inflation adjustments that are needed. Following the review, the new unit rates are uploaded to the asset register and used in the valuation. On the same three-yearly cycle as the Asset Revaluation Review.  | 2022/23       |                | 3 yearly | October 2025            |
| IS                     | Privacy                  | Review of privacy maturity   | December 2023 |                | 2 yearly | December 2025           |
| Governance & Assurance | Conflicts of Interest    | Review the process surrounding Conflict of Interest (COI) in MDC and providing the assurance that COI are managed appropriately.<br><br>- is the Policy fit for purpose<br>- are the systems and processes adequate<br>- is there sufficient engagement from staff   |               |                |          | December 2025           |
| Safety and Wellbeing   | Health and Safety        | Review of Health and Safety and to identify and provide the assurance that the updates in the Act is reflected in MDC's practices.<br><br>Completed as part of the MWLASS initiative. The audit takes place from February - December and includes visits to various council sites/facilities   | December 2023 |                | 2 yearly | December 2025           |
| Finance                | FBT Audit                | Review of FBT with focus on policies, procedures and source information and rigor of return completion. Detailed review of FBT on vehicles and employee benefits.<br>- It is prudent to initiate own compliance to provide that systems are working as intended. Where any errors are identified, this process allows voluntary disclosure to IRD and therefore avoid any shortfall penalties that could otherwise be imposed if discovered by IRD.  | August 2022   | September 2022 |          | After ERP system update |
| Finance                | GST Audit                | Review of GST with focus on both policies, procedures and source information and the rigor of the return completion. Detailed review of GST treatment, time of supply, land purchase, GST exempt supplies, second hand goods and documentation. - It is prudent to initiate own compliance to provide that systems are working as intended. Where any errors are identified, this process allows voluntary disclosure to IRD and therefore avoid any shortfall penalties that could otherwise be imposed if discovered by IRD. | April 2022    | September 2022 |          | After ERP system update |

## Audit and Risk Committee

Meeting of 12 December 2024

Business Unit: People and Corporate  
Date Created: 19 November 2024

### Legislative Compliance

#### Purpose Te Aronga o te Pūrongo

To provide an update to the Committee on the Council's compliance with key legislation. Ensuring compliance with relevant laws and regulations is a critical aspect of good governance and risk management for the 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 Committee receives the Legislative Compliance report.

Report prepared by:  
Ash Garstang  
Governance and Assurance Manager

Approved for submission by:  
Frances Smorti  
General Manager – People and Corporate

# 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 Achieving legal compliance largely depends on effective planning and taking into account both anticipated and unforeseen costs.

## 2 Background Ngā Kōrero o Muri

2.1 In 2023 the Audit & Risk Committee requested that officers provide a report detailing what legislation either *directly applies* to the Council, or *indirectly affects* the Council. This subject matter was inherently broad in scope, and the Executive Leadership Team canvassed an array of officers across the organisation to compile an accurate list of legislation and other policies and regulations.

2.2 This report was presented at the Committee meeting on 14 December 2023, and it was requested that it become an annual fixture.

2.3 The current report follows on from the 2023 version, and includes further detail on both new and existing legislation. The purpose of officer’s commentary (Attachment 1) is to explain what steps are taken to ensure compliance with key legislation.

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

3.1 The Council has various obligations under local, regional, and national legislation. These legal requirements encompass a wide range of areas, including but not limited to planning and zoning, environmental protection, health and safety, financial reporting, and community welfare. Compliance with these laws is essential for the Council to ensure that it treats all residents fairly, maintains public trust and avoids legal repercussions.

3.2 The Council becomes aware of changes to key legislation through public announcements, Local Government New Zealand and Taituarā, and other professional networks that are in place.

- 3.3 There are typically opportunities for the Council to provide feedback on draft legislation and rules (e.g., parliamentary bills, regional council policies), allowing the Council to express its views on how the proposed legislation might impact its budgets, operations, and residents.
- 3.4 As per Attachment 1 to this report, officers have reviewed what legislation affects the Council, and provided commentary around their compliance and impacts.

#### 4 Council’s Appetite for Risk

- 4.1 At its meeting 20 June 2024, the Council adopted the Risk Management Policy and Risk Appetite Statement. The Council agreed that Legal Compliance was the risk area that members had the lowest appetite for, noting the potential consequences of significant non-compliance:

| Risk Areas                 | Averse            | Minimalist | Cautious | Open | Ambitious |
|----------------------------|-------------------|------------|----------|------|-----------|
| People & Capability        | Open              |            |          |      |           |
| Service Delivery           | Cautious-Open     |            |          |      |           |
| Reputational               | Cautious          |            |          |      |           |
| Legal Compliance           | Averse-Minimalist |            |          |      |           |
| Financial & Investment     | Cautious          |            |          |      |           |
| Health, Safety & Wellbeing | Minimalist        |            |          |      |           |
| Environmental              | Open              |            |          |      |           |
| Cultural                   | Cautious          |            |          |      |           |
| Political                  | Open              |            |          |      |           |

- 4.2 The current appetite for Legal Compliance is **Averse-Minimalist**, reflecting the Council’s focus on risk avoidance (as opposed to opportunity maximisation). Appetite levels of Minimalist and Averse are described as follows:

- Minimalist – *Risk-taking is only considered where it is essential to achieving the Council’s core objectives and priorities.*
- Averse – *The Council has no appetite for risks in this area. No opportunities will warrant risk-taking, regardless of the possible benefits.*

#### 5 Te Kīwai (o te kete)

- 5.1 Te Kīwai is the engagement process which guides Council’s practice and ensures the onus to engage and include Māori is shared between Council and all partners. In this manner, we progress both the articles and principles of Te Tiriti o Waitangi by maintaining the balance between Kawanatanga (Governance) of the Council and Tino Rangatiratanga (Sovereignty) of whānau, hapū, and iwi Māori.
- 5.2 There are no known cultural considerations associated with the matters addressed in this report. No engagement with Māori is necessary.

#### 6 Community Engagement Te Whai Wāhitanga mai o te Hapori

- 6.1 No community engagement is required for this report.

**7 Operational Implications Te Whai Pānga Atu ki ngā Kaupapa Mahi**

7.1 There are no operational implications to this report.

**8 Financial implications Te Whai Pānga Atu ki ngā Kaupapa Ahumoni**

8.1 While there are no financial implications to this report, the introduction of new legislation, policies and regulations can result in unforeseen costs. A strategic risk on government reform is being presented to this meeting for consideration, and officers have separately identified rising compliance costs as an ongoing operational risk.

**9 Statutory Requirements Ngā Here ā-Ture**

9.1 As detailed in Attachment 1.

**10 Delegations Te Mana Whakatau**

10.1 The Committee has the delegation to receive this report.

**11 Attachments Ngā ĀpitiHanga**

- Legislation that applies to Local Government

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## Local Government and Electoral

### Local Government Act 2002

This is one of the central pieces of legislation governing local authorities' powers, responsibilities, and structure. It outlines the functions of local government, including planning, financial management, and community engagement.

Audit NZ audits the financial sections of the Long-term Plans, Annual Plans and Annual Reports.

Various other key documents and activity areas have oversight via our internal audit functions.

Covenant Trustees Services Ltd audit the Council's compliance with the balance benchmark requirements, and contract requirements for the Local Government Funding Agency.

The Special Consultative Procedure is used as a minimum level for formal consultation. Reporting templates and the Significance & Engagement Policy reinforce its use.

Pecuniary interests are detailed by section 54A – 54I of the Act. Annual declarations are requested from elected members in January/February of each year, although responsibility for making a declaration falls solely to members themselves (i.e., liability for non-compliance sits with members).

### Local Government Official Information and Meetings Act 1987

LGOIMA provides a framework for the public's right to access official information held by local authorities and regulates local authority meetings.

The Council has the ability to withhold information under the Act (e.g., privacy, commercial negotiations) in response to LGOIMA requests. Where this is done, the requestor is advised of their right to appeal this to the Ombudsman.

In every LGOIMA response that withholds parts of requested information, the Council advise the requester of their rights to appeal this to the Ombudsman:

*"You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602."*

The Act details the appropriate reasons that the Council might use to exclude the public from meetings for certain items (e.g., privacy, commercial negotiations).

|   |   |
|---|---|
| <p><b>Local Electoral Act 2001</b></p> <p>This Act covers the rules and procedures for local government elections, including the election of mayors, councillors, and community board members.</p>  | <p>Compliance with this act falls to our Electoral Officer, Warwick Lampp of the Election Services company Electionz.com Ltd. The Council signs a contract each election with electionz.com, which details their approach and commitment to meeting the requirements set out in the Local Electoral Act 2001. Council staff who participate in elections (the Deputy Electoral Officer, and Electoral Officials) are ‘sworn in’ to those roles, and the Electoral Office holds training with those staff prior to elections to ensure the obligations are understood.</p> <p>Representation reviews and by-elections are also outsourced to our Electoral Officer, with in-house staff managing non-legislative aspects of these.</p> |
| <p><b>Local Electoral Regulations 2001</b></p> <p>Local councils must adhere to various regulations related to local government elections, which are periodically held to elect mayors, councillors, and community board members.</p>   | <p>Compliance with this Act falls to our Electoral Officer, Warwick Lampp of the Election Services company Electionz.com Ltd. The Council signs a contract each election with electionz.com, which details their approach and commitment to meeting the requirements set out in the Local Electoral Act 2001. Council staff who participate in elections (the Deputy Electoral Officer, and Electoral Officials) are ‘sworn in’ to those roles, and the Electoral Office holds training with those staff prior to elections to ensure the obligations are understood.</p>   |
| <p><b>Local Government (Community Well-being) Amendment Act 2019</b></p> <p>This amendment emphasizes the broader well-being of communities and encourages local authorities to consider social, economic, cultural, and environmental well-being in their decision-making processes.</p>   | <p>The Council’s strategic priorities link to the social, economic, cultural and environmental well-beings. The strategic priorities for Council are at the forefront of all of Council’s decision-making, with officers required to report against these priorities and to demonstrate how they are related to recommendations proposed within Council reporting. It is worth noting that the current Government has signaled its intent to abolish the four well-beings from the Local Government Act.</p>  |
| <p><b>Regulatory</b></p>  |   |
| <p><b>Building Act 2004</b></p> <p>The Building Act 2004 sets out the rules for the construction, alteration, demolition and maintenance of new and existing buildings in New Zealand. The purpose of the Building Act is so that people can use buildings safely and without endangering their health. The Act is used in conjunction with the Building Code which sets performance standards for all New Zealand building</p> | <p>The International Accreditation New Zealand (IANZ) audits Council’s quality management system every two years. In cases where IANZ considers BCAs performance to be higher risk, IANZ may conduct assessments annually or more frequently. The audit IANZ conducts includes the Council’s processes around meeting substantive compliance, code compliance certificates, consent processing, inspections and compliance schedules.</p>   |

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| Burial and Cremation Act 1964 and Cremation Regulations 1973   | <p>As of 2024, Cemetery Officers have access to the Death Documents Service so they can search and view documents to comply with the legal obligations associated with the disposal of a body and notifying the death for registration.</p> <p>Cemetery Officers will be able to print the documents for authenticated customers, to enable them to arrange the disposal of the body and register the death with The Department of Internal Affairs (DIA) as required by legislation.</p> |
| <p>Complaints</p> <p>All fits into either Health Act 1956, Building Act 2004 or even the Freedom Camping Act 2011.</p>   | <p>The Council reports on the number of complaints received around substandard or unsanitary housing, on a quarterly basis. This may be enforced under the Health Act (1956) or the Building Act (2004).</p> <p>The Council's building functions are also subject to external auditing by either The Ministry of Business, Innovation &amp; Employment (MBIE) or IANZ.</p>  |
| <p>Dog Control Act 1996</p> <p>Councils are responsible for administering the provisions of the Act, including dog registration and managing dangerous dogs.</p> | <p>The Council reports each year (under Section 10A of the Act) on dog numbers in the district, registration fees, prosecutions, hearings, disqualified owners, and the number of dogs that are classified as being menacing or dangerous. Internal quarterly reporting also ensures that priority 1, 2 and 3 reports are responded to within agreed timeframes.</p>  |
| Freedom Camping Act 2011   | <p>The Act allows local authorities to pass bylaws to regulate Freedom Camping by identifying Local Authority Areas where Freedom Camping is prohibited or restricted and the restrictions that apply in those areas to manage the effects of Freedom Camping.</p>  |
| <p>Food Act 2014</p> <p>Regulates our food industry ensuring that all food is safe and suitable.</p>   | <p>The Ministry for Primary Industries (MPI) monitors the Council's duties under the Food Act to perform the function of a registration authority and verify food businesses. Details on registered food businesses and verifications (that the Council conducts) are entered onto MPI's TiTiro and MAPS system. Additionally, internal quarterly reporting ensures that food businesses are verified in accordance with timeframes specified by the Act.</p>                             |

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| <p><b>Health Act 1956</b></p> <p>Legislation governing the investigation of health complaints, hoarding, health nuisances and premises such as hairdresser compliance, Funeral parlours, Trade waste applications, offensive trades.</p>  | <p>The Council does quarterly reporting on all inspections completed under the Health Act, such as hairdressers, offensive trades, and funeral parlours. This reporting helps to ensure that inspections are conducted annually, as per legislation.</p>  |
| <p><b>Heritage Regulations</b></p> <p>Local councils may have responsibilities related to the protection and preservation of heritage buildings and sites within their jurisdictions.</p>   | <p>The Council must apply for archaeological authority if undertaking any activity or investigation that will (or may) modify or destroy the whole or any part of an archaeological site. Heritage NZ Pouhere Taonga Act 2014.</p> <p>Modification or demolition of a scheduled heritage building requires consent under the Resource Management Act 1991.</p> <p>The Council must consider the New Zealand Heritage List/Rārangi Kōrero when considering review of District Plan heritage schedules.</p>   |
| <p><b>Impounding Act 1955</b></p> <p>The Impounding Act 1955 in New Zealand provides a legal framework for dealing with livestock (such as cattle, sheep, or horses) that are found trespassing on private property or public land. The Act outlines the process for seizing (impounding) livestock and ensures that owners are held accountable for damages caused by their animals.</p> | <p>Stock control is carried out under the Impounding Act (1955) and aims to remove roaming stock from roads and reserves to prevent hazards and/or damage to the environment. Key Provisions Related to Local Authorities and Pounds:</p> <p>Establishment of Pounds: Under the Act, local authorities have the power to establish and maintain a pound where stray or trespassing livestock can be impounded.</p> <p>Authority to Impound Livestock: The Act gives local authorities the authority to impound animals that are found wandering or trespassing, typically when they are causing damage or posing a danger.</p> <p>Pound Fees and Costs: Local authorities can charge fees for the care and maintenance of impounded livestock, including any damages caused by the animals. These fees are intended to cover the costs of impoundment and, if applicable, any damages to the property owner. If the owner fails to claim the livestock and pay the fees within a certain period, the council may have the authority to sell the animals to recover the costs.</p> <p>Sale of Impounded Livestock: If the livestock are not claimed within the statutory time period the Act allows local authorities to sell the animals at auction to cover the impoundment and other related costs.</p> |

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| <p><b>Local Alcohol Policy</b></p> <p>In addition to the Sale and Supply of Alcohol Act (2012), councils can develop their own Local Alcohol Policies to regulate alcohol sales and licensing in their communities.</p>                          | <p>Not applicable (MDC does not have a local alcohol policy).</p>  |
| <p><b>Sale and Supply of Alcohol Act 2012</b></p> <p>Councils may issue licenses and monitor the sale and supply of alcohol within their areas in compliance with this Act.</p>  | <p>The Council does quarterly KPI reporting on inspections that have been conducted. The Council also reports to the Alcohol Regulatory &amp; Licensing Authority, who oversee our compliance with the Act.</p>  |
| <p><b>Reserves Act 1977</b></p>  | <p>Council can vest land as Reserve to protect the natural environment and for other purposes such as historic, cultural, archaeological, and recreational reasons.</p> <p>Reserve management plans are developed and adhered to for every reserve under Council control.</p> <p>Rangers are appointed to enforce any actions or non-compliance with the Act.</p>                                  |
| <p><b>Health and Safety</b></p>  |  |
| <p><b>Biosecurity Act 1993</b></p> <p>Local councils may be involved in biosecurity efforts to prevent the spread of pests, diseases, and other biosecurity risks within their regions.</p>  | <p>Not applicable for our Council.</p>   |
| <p><b>Health and Safety at Work Act 2015</b></p> <p>Local councils are responsible for ensuring the health and safety of their employees and may have to comply with this Act, which sets out health and safety requirements for workplaces.</p> | <p>SafePlus audit is undertaken an audit every 2 years on the Council’s health and safety compliance under the Act.</p>  |
| <p><b>Infrastructure</b></p>   |  |
| <p><b>Public Works Act 1981</b></p> <p>Local authorities may use this Act to acquire land for public works projects, such as infrastructure development.</p>   | <p>This relates to the Council’s ability to acquire land for a public work under the relevant section of the Public Works Act 1981, depending on what the public work is for. Council must identify that the work meets the definition of a ‘public work’ before undertaking an acquisition using the Act. The Act sets out a framework for land acquisition that can be used whenever Council</p> |

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|   | acquires land as the best practice method to fairly compensate the affected landowner.   |
| <p><b>Waste Minimisation Act 2008</b></p> <p>Councils have responsibilities related to waste management and minimizing waste in their communities, in accordance with this Act.</p>             | <p>A key responsibility of Council under this legislation is to develop, consult on and implement a Waste Management &amp; Minimisation Plan on a six yearly cycle. This Plan should outline how the Council intends to invest the Waste Levy it collects for waste minimisation initiatives. Council last adopted it's Waste Management and Minimisation Plan in 2022 after an extensive review in consultation with the community. Council's spending of waste levy funding remains in line with the adopted Waste Management and Minimisation Plan as required by the Waste Minimisation Act 2008.</p> <p>The Act also outlines what fines the Council can impose for rubbish related offences (i.e., fly-tipping).</p>   |
| <b>Roading</b>  |  |
| <p><b>Land Transport Management Act 2003</b></p> <p>This Act relates to transportation planning, funding, and management, which is often a significant responsibility for local government.</p> | <p>This relates to the Council's function as a Road Controlling Authority (RCA) and includes everything from the setting of speed limits on local roads to the Council's obligation to maintain the roading network in accordance with Waka Kotahi standards. The Council contributes to the development of the Regional Land Transport Plan (a regional council function) which underpins the regional roading investment from the National Land Transport Fund.</p> <p>The Council's obligations around road management and investment are primarily driven by the Land Transport Management Act 2003. The primary aspects of this legislation relate to driver licensing and road user behaviour – these are NZ Police functions.</p> <p>Local authorities have a role in enforcing various offences under the Land Transport Act, including:</p> <p>Illegal parking: Councils can issue infringement notices for illegal parking and other road-related offences under their jurisdiction.</p> <p>Unlicensed or unsafe vehicles: Local authorities may report or take enforcement action against drivers operating unlicensed, unregistered, or unsafe vehicles.</p> <p>Parking restrictions: Local councils have the power to regulate parking within their area. This includes issuing fines for illegal parking, implementing</p> |

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|  | restricted zones (e.g., for loading or public transport).   |
| <p><b>Traffic and Parking Regulations</b></p> <p>Councils often manage traffic flow, parking regulations, and road safety within their areas.</p>  | The Council manages parking and traffic controls via its Traffic Safety and Road Use Bylaw (not subject to audit). The Council does not conduct road safety enforcement.  |
| <b>Other</b>   |   |
| <p><b>Civil Defence Emergency Management Act 2002</b></p> <p>This Act governs emergency management at the local level, including the roles and responsibilities of local authorities during emergencies.</p> | <p>The Council must plan and provide for civil defence emergency management within the district. Additionally, the Council must ensure that it is able to function to the fullest possible extent, even if this is at a reduced level, during and after an emergency. Council follows the National Emergency Management Agency's backed Integrated Training Framework to provide staff with emergency management skills.</p> <p>Council adheres to section 27 of the Act by having appointed Local Controllers. These appointments are noted within the Group Plan.</p> <p>The Council has prepared and delivered Response and Recovery Plans to our communities enabling them to be better prepared for an event. The Council has also prepared and made use of flood and other hazard action plans in liaison with neighbouring districts and the regional council.</p> <p>The Council requires that all staff have completed, at minimum, an introduction to emergency management as per the nationally agreed Integrated Training Framework governed by the National Emergency Management Agency. This is to better prepare staff to operate in an Emergency Operations Centre which is over and above their regular duties. Some individuals within Council have notified roles such as Local Controller and Local Recovery Manager.</p> |
| <b>Employment Relations Act</b>  | The legislation that sets the legal framework for how employees are recruited, managed, and treated. It also documents the rules on working hours and leave entitlements under the Employment Rights Act 1996 and other statutes. Additionally, collective bargaining agreements often influence employment terms, and councils must respect trade union rights   |

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|   | while upholding public sector-specific obligations like transparency and accountability in employment practices.  |
| <p><b>Local Initiatives Fund Regulations</b></p> <p>These regulations govern the Local Initiatives Fund, which allows local councils to apply for funding to support projects and initiatives within their communities.</p>   | Agencies require a range of reporting requirements before the Council can utilise any funds that have been granted to it – these are done as per each funding agreement, including (but not limited to) the Lotteries commission and Department of Internal Affairs.  |
| <p><b>Local Government (Rating) Act 2002</b></p> <p>This Act governs the rating system used by local authorities to collect revenue for funding local services and infrastructure.</p>  | <p>Audit NZ audits the financial sections of the Long-term Plans, Annual Plans, and Annual Reports which include the rating area.</p> <p>Price Water House Cooper reviews the rates resolution before the Council adopts the rating funding impact statement for the Annual Report and Long-term Plan.</p>  |
| <p><b>Resource Management Act 1991</b></p> <p>While not exclusively focused on local government, this Act is crucial for local authorities as it deals with resource management, land use planning, and environmental protection. Councils must administer and adhere to these in their planning and development processes.</p> | <p>The Council reports to the Ministry for the Environment each year in regards to offences and enforcement under sects 9, 11, 12, 13, 14, 15, 16, 327 of the Act.</p> <p>Additionally, the Council completes quarterly KPI reports for consent processing timeframes, hearing reports, permitted boundary consents, and marginal consents processed under the Act.</p> <p>The Council is required to provide information to the Ministry for the Environment, via the National Monitoring System, to ensure our compliance on land use planning, environmental protection and resource management.</p> <p>Sections 35 and 35A of the Act details the duty to gather information and maintain records about the environment and iwi/hapū.</p> |
| <p><b>Gangs Act 2024</b></p> <p>The purpose of this Act is to reduce the ability of gangs to operate, cause fear or disruption to the community. It prohibits the display of insignia and patches in public places. While not enforced by local government, our facilities are public places.</p>                               | Council does not enforce this Act, but has an obligation to provide information if requested by New Zealand Police.   |