



MEETING

of the

Audit and Risk Committee

AGENDA

Time: 1:00 pm
Date: Wednesday, 22 May 2024
Venue: Waiata House, 27 Lincoln Road,
Masterton

MEMBERSHIP

Chair Philip Jones (Chairperson)

Mayor Gary Caffell

Councillor Bex Johnson

Councillor Craig Bowyer

Councillor Brent Goodwin

Iwi Representative Jo Hayes

Councillor David Holmes

Councillor Tom Hullena

Councillor Stella Lennox

Councillor Tim Nelson

Councillor Marama Tuuta

Values

1. **Public interest:** members will serve the best interests of the people within the Masterton district and discharge their duties conscientiously, to the best of their ability.
2. **Public trust:** members, in order to foster community confidence and trust in their Council, will work together constructively and uphold the values of honesty, integrity, accountability and transparency.
3. **Ethical behaviour:** members will not place themselves in situations where their honesty and integrity may be questioned, will not behave improperly and will avoid the appearance of any such behaviour.
4. **Objectivity:** members will make decisions on merit; including appointments, awarding contracts, and recommending individuals for rewards or benefits.
5. **Respect for others:** will treat people, including other members, with respect and courtesy, regardless of their ethnicity, age, religion, gender, sexual orientation, or disability. Members will respect the impartiality and integrity of Council staff.
6. **Duty to uphold the law:** members will comply with all legislative requirements applying to their role, abide by this Code, and act in accordance with the trust placed in them by the public.
7. **Equitable contribution:** members will take all reasonable steps to ensure they fulfil the duties and responsibilities of office, including attending meetings and workshops, preparing for meetings, attending civic events, and participating in relevant training seminars.
8. **Leadership:** members will actively promote and support these principles and ensure they are reflected in the way in which MDC operates, including a regular review and assessment of MDC's collective performance.

These values complement, and work in conjunction with, the principles of section 14 of the LGA 2002; the governance principles of section 39 of the LGA 2002; and our MDC governance principles:

Whakamana Tangata	Respecting the mandate of each member, and ensuring the integrity of the committee as a whole by acknowledging the principle of collective responsibility and decision-making.
Manaakitanga	Recognising and embracing the mana of others.
Rangatiratanga	Demonstrating effective leadership with integrity, humility, honesty and transparency.
Whanaungatanga	Building and sustaining effective and efficient relationships.
Kotahitanga	Working collectively.

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1 CONFLICTS OF INTEREST

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

2 APOLOGIES

The Chair invites notice from members of apologies, including apologies for lateness and early departure from the meeting.

3 PUBLIC FORUM

4 ITEMS NOT ON THE AGENDA

The Chairperson will give notice of items not on the agenda as follows:

Matters requiring urgent attention as determined by resolution of the Council

- The reason why the item is not on the agenda; and
- The reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor matters relating to the general business of Council

No resolution, decision or recommendation may be made in respect of the item except to refer it to a subsequent meeting of Masterton District Council for further discussion.

5 REPORTS FOR DECISION

5.1 ENDORSING THE MASTERTON DISTRICT COUNCIL SENSITIVE EXPENDITURE POLICY MANUAL, FRAUD, DISHONESTY AND CORRUPTION POLICY AND FRAUD AND CORRUPTION PROCEDURE

File Number:

Author: Karen Yates, General Manager Strategy & Development

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to seek the Audit and Risk Committee's endorsement of the Sensitive Expenditure Policy Manual, the Fraud, Dishonesty and Corruption Policy, and the Fraud and Corruption Procedure.

RECOMMENDATIONS

1. That the Audit and Risk Committee
1. **notes** that the Sensitive Expenditure Policy Manual ("the Manual") has been updated to align with best practice guidance from the Office of the Auditor General;
2. **notes** the Fraud, Dishonesty and Corruption Policy ("the Policy") and the Fraud and Corruption Procedure ("the Procedure") have been reviewed in line with Ministry of Justice guidance;
3. **notes** all documents require approval before 30 June 2024 to apply for the 2024/25 financial year;
4. **notes** the Manual, Policy and Procedure were approved at the Executive Leadership Team meeting on 9 May 2024; and
5. **endorses** and **recommends Council adopts** the:
 - (a) Sensitive Expenditure Policy Manual;
 - (b) Fraud, Dishonesty and Corruption Policy; and
 - (c) Fraud and Corruption Procedure.

CONTEXT

The Sensitive Expenditure Policy Manual, the Fraud, Dishonesty and Corruption Policy, and the Fraud and Corruption Procedure were last approved in 2018. The policies were prioritised for review in 2023/24 based on recommendations of the Audit and Risk Committee ("the Committee").

It is best practice for organisations to have these policies and procedures in place and aligns with our role to provide prudent stewardship and efficient and effective use of our resources. They help ensure the community can maintain a high level of trust and confidence in Council.

The Sensitive Expenditure Policy Manual, the Fraud, Dishonesty and Corruption Policy, and the Fraud and Corruption Procedure apply to Masterton District Council (“MDC”) staff, elected members, contractors, and volunteers. The Committee monitors these policies and procedures.

The Executive Leadership Team reviewed the documents on 9 May. All documents require approval before the end of the financial year to ensure the policies apply for the 2024/25 financial year.

Purpose of the Sensitive Expenditure Policy Manual

As a Council we spend public money which is not the property of our elected members or employees. We have a duty to uphold good standards of probity and financial prudence and ensure our systems and processes can withstand parliamentary and public scrutiny.

The Sensitive Expenditure Policy Manual (“the Manual”) aims to provide a framework for staff entering into or approving sensitive expenditure and other financial transactions on behalf of Council (see Attachment 1). The Manual includes MDC’s policies on:

- Sensitive Expenditure
- Staff Reimbursement
- Goods and Services
- Travel and Accommodation
- Food and Hospitality
- Gifts and Koha
- Credit Card and Debit Card Use.

The Sensitive Expenditure Policy and Staff Reimbursement Policy underpin all sub policies within the Manual.

Purpose of the Fraud and Corruption Control Policy

The purpose of the Fraud and Corruption Control Policy (“the Policy”) is twofold (see Attachment 2). First, it aims to provide clear guidance to people who encounter or suspect fraud and corruption. Second, it should be used to raise awareness among employees, elected members, managers, contractors and, where relevant, our community about how to recognise fraud and corruption, as well as behaviours and circumstances known to be associated with it.

The Policy ensures that employees respond promptly and appropriately to suspected instances of fraud and corruption; that evidence is gathered and handled properly; and that the outcomes of investigations are appropriate.

Purpose of the Fraud and Corruption Procedure

The Fraud and Corruption Procedure (“the Procedure”) supports the Policy and provides the processes for reporting and investigating suspected fraud or corruption (see Attachment 3). Fraud and corruption incidents are distinguished from unintentional errors and other breaches of MDC policies (e.g. privacy breaches). The key factor in determining if the Procedure applies is the element of dishonesty for an unfair, unjustified or unlawful gain.

ANALYSIS AND ADVICE

Sensitive Expenditure Policy Manual has been updated to align with best practice

The Manual has been updated to reflect best practice outlined in the Office of the Auditor General (“OAG”) guide¹ and to address recommendations from Audit New Zealand (“Audit NZ”) identified in the Report to the Council on the audit of MDC for the year 30 June 2022 (provided June 2023)².

The relevant Audit NZ recommendations were:

- **Lack of segregation of duties in expenditure system:** Management should review its expenditure process and implement segregation of duties as far as practicable to ensure the person approving the invoice and/or confirming receipt of goods and services is different to the persons authorising payment of the related invoice.
- **Sensitive expenditure approvals not within delegation or does not align with good practice:** Management should review its sensitive expenditure policies against our good practice guidelines and review its processes around approval of sensitive expenditure to ensure compliance with policies and delegations.

The Manual requires the approval of sensitive expenditure to be by a manager the next level up to the person who incurs the expenditure, and to have the appropriate budget provision and financial delegation. The Manual also outlines approval processes for senior management and elected officials in a manner that avoids reciprocal approval arrangements.

Key updates include:

- The principles of sensitive expenditure have been aligned more closely with those set out by the OAG.
- We have provided more explicit reference to the need for pre-approval and appropriate documentation to support the expenditure. Our Travel and Accommodation Policy has been updated to include other transport options and a preference for alternative technology-based solutions where appropriate. This aligns both with fiscal prudence and reducing carbon emissions.
- We have collated items that were previously spread across the Manual within a new sub policy called the Goods and Services Policy to improve the flow and readability.
- Our Gifts and Koha Policy now includes a delineation between gifts and koha. It provides guidance on when koha is appropriate within a cultural context. The Policy also encourages staff to seek guidance from the Pou Ahurea Māori on this expenditure to best align with tikanga (cultural practice).

Minor clarification updates made to the Fraud and Corruption Control Policy and Procedure

The Policy and Procedure have had relatively minor updates to align with Ministry of Justice guidance.

The Policy and Procedure updates:

- reinforce our zero-tolerance approach to fraud and corruption and outlines our key objectives to prevent, detect and respond to these matters;

¹ Controlling sensitive expenditure: Guide for public organisations (2020)

² [Council Report 8.1 28 June 2023 refers.](#)

- provide distinction between privacy breaches and fraud and corruption; and
- revise key roles and responsibilities and includes reference to Our Tikanga.

OPTIONS CONSIDERED

A summary of the options considered is included in the table below.

Option	Advantages	Disadvantages
<p>1 Endorse the Sensitive Expenditure Policy Manual, the Fraud, Dishonesty and Corruption Policy, and the Fraud and Corruption Procedure</p>	<p>Supports efficient and effective use of our resources.</p> <p>Community can maintain a high level of trust and confidence in Council.</p> <p>Reinforces our zero-tolerance approach to Fraud and Corruption.</p> <p>Aligns with guidance from the OAG, Ministry of Justice, recommendations from Audit NZ, and sector best-practice.</p> <p>Ensures Council’s policies and procedures are up to date.</p>	<p>No disadvantages have been identified.</p>
<p>2 Do not endorse the Sensitive Expenditure Policy Manual, the Fraud, Dishonesty and Corruption Policy, and the Fraud and Corruption Procedure</p>	<p>No advantages identified.</p>	<p>May not support efficient and effective use of our resources.</p> <p>Audit NZ recommendations will not be resolved.</p> <p>Council procedures would be out of date and not align with best and current practice.</p>

RECOMMENDED OPTION

Option 1 is recommended. This option ensures the Sensitive Expenditure Policy Manual, the Fraud, Dishonesty and Corruption Policy, and the Fraud and Corruption Procedure are up to date and supports efficient and effective use of our resources, responds to recommendations, and applies best practice.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

Section 101 of the Local Government Act 2002 (LGA) requires Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that promotes the current and future interests of the community. The Manual presented is designed to ensure Council is managing expenses in a prudent manner in accordance with the LGA.

The Public Services Act 2020 sets out the values and principles necessary of public servants to maintain the integrity of the public sector. The principles-based approach of the Sensitive Expenditure Policy is derived from these principles.

Section 240 the Crimes Act 1961 sets out crimes involving deceit. The Policy and Procedure align with the definitions provided within the Act.

Significance, Engagement and Consultation

No consultation with the community is required on the Manual, Policy or Procedure. We have engaged relevant staff through the review process.

Financial Considerations

The financial implications of the endorsement of the Manual, the Policy, and the Procedure presented are low, relating largely to officer and elected member training undertaken. This can be accommodated within approved budgets.

Implications for Māori

The Gifts and Koha Policy, within the Manual, has been reviewed by the Pou Ahurea Māori and updated to better align with tikanga (cultural practice).

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impacts or considerations arising from the endorsement of the Manual, the Policy, or the Procedure.

The Manual (Travel and Accommodation Policy) encourages the use of public transport, and technology enabled solutions, where appropriate, which are both fiscally prudent and reduces our carbon emissions.

NEXT STEPS

Subject to endorsement by the Committee, the documents will be recommended for adoption by Council on 26 June.

The approved Sensitive Expenditure Policy Manual, the Fraud, Dishonesty and Corruption Policy, and the Fraud and Corruption Procedure will be promulgated to officers, with the previous versions being replaced. Training will be provided as part of ongoing implementation.

ATTACHMENTS

1. Sensitive Expenditure Policy Manual [↓](#)
2. Fraud Dishonesty and Corruption Policy [↓](#)
3. Fraud and Corruption Procedure [↓](#)

SENSITIVE EXPENDITURE POLICY MANUAL

Applicable to:	All employees and elected members
Issued by:	Chief Executive
Policy Number:	MDC005
Review Date:	May 2027 (TBC)
Contact Person:	General Manager Finance

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Introduction

Purpose

The purpose of the Sensitive Expenditure Policy Manual is to ensure that Masterton District Council's (MDC) sensitive expenditure is appropriate, justifiable and can withstand public scrutiny.

Scope

The Sensitive Expenditure Policy Manual includes MDC's policies on:

- Staff Reimbursement
- Goods and Services
- Travel
- Food and Hospitality
- Gifts and Koha
- Credit and Debit Card Use

This manual and related policies apply to:

- all MDC employee and contractors;
- all MDC elected members; and
- all expenditure defined as sensitive under this policy.

Sensitive expenditure is any spending by an organisation that could be seen to be giving private benefit to staff additional to the business benefit to the organisation. (see Definitions on page 5).

General provisions applicable to all Policies in this Manual

Consequences for Breach of Policy

Any employee who does not comply with the requirements of any policy within this manual may be subject to disciplinary action, in accordance with the disciplinary procedures of their employment agreement.

Responsibilities

Employees are responsible for:

- ensuring all expenses they incur adhere to MDC's principles of expenditure; and
- behaving honestly, responsibly and in accordance with the policies within this manual.

Managers are responsible for:

- only giving approval for expenses that are within their delegated authority and that adhere to the principles of this policy;
- approving expense claims promptly; and
- ensuring expense claims are correct and complete before approving.

Executive Leadership Team and the Chief Executive are responsible for:

- providing clear guidelines to all employees on what is appropriate spending and modelling that behaviour to the highest standard; and
- using good judgement when determining whether to give prior approval for an expense or approve an expense claim that does not adhere to the provisions in this policy.

Review of Manual

This manual will be reviewed every three years.

Definitions

Food and Hospitality Expenditure: Expenditure for food and beverages for meetings, conferences, employee welcomes and farewells, celebrations such as Christmas parties and staff recognition events. It also includes non-catering items that are related to hosting a function.

Gift: An item or service (including entertainment and hospitality) offered to or given by an employee in association with their position at MDC. Entertainment and hospitality includes, but is not limited to, restaurant meals, cocktail functions, sporting and cultural events. Where a gift is given, an invoice must be provided.

Koha: A gift, present, offering, donation or contribution given on appropriate occasions with particular regard to acknowledging relationships. A koha may be given in the form of a gift or cash. The appropriate form of koha should be taken under advisement. If uncertain, the appropriate form of koha should be discussed with the Pou Ahurea Māori.

Sensitive Expenditure: Any expenditure that provides, has the potential to provide, or has the perceived potential to provide, a private benefit to an individual employee

or elected member that is additional to the business benefit to MDC. It also includes expenditure by MDC that could be considered unusual for MDC's purpose or functions.

Manaakitanga showing respect, generosity and care for others.

Mātanga means a person with expertise to carry out a particular task. Mātanga can include kaumatua and kuia.

Tangihanga is the enduring Māori ceremony for mourning someone who has died.

Related Documents

Chief Executive and Staff Delegations

Collective and Individual Employment Agreements

Fraud, Dishonesty and Corruption Policy

Elected Members Allowances and Expense Reimbursement Policy

References

[Controller and Auditor General \(2020\) Controlling Sensitive Expenditure Guidelines for Public Organisations](#)

[Inland Revenue Department Te tāke moni whiwhi me te koha Income tax and koha](#)

Version Control

Date	Summary of Amendments	Approved By
2006	New policy	Masterton District Council
23/8/2018	Sensitive Expenditure Policy merged with existing policies for gifts and koha, credit card use and staff reimbursement. Updated with additional policies on travel and food and hospitality.	Senior Management Team Endorsed by Audit and Risk Committee 29/8/2018
2024	Changes made to align with the Office of Auditor General's Controlling sensitive expenditure: Guide for public organisations	Executive Leadership Team

Sensitive Expenditure Policy

MDC is committed to responsible financial management and will act at all times in the best interest of ratepayers and residents. The following principles underpin all aspects of sensitive expenditure outlined in this manual.

Principles of Sensitive Expenditure

All sensitive expenditure decisions will:

- have a justified business purpose consistent with our objectives as an organisation;
- preserve impartiality;
- be made with integrity;
- be moderate and conservative, having regard to the circumstances;
- not derive personal financial gain;
- be made transparently; and
- be made with appropriate authority.

Approval of Sensitive Expenditure

Sensitive expenditure should be approved before the expenditure is incurred (unless allowed in instances in this Manual or in exceptional circumstances). Sensitive expenditure should be approved only when:

- the approver is satisfied that the expenditure is for a justifiable business purpose that is consistent with the principles of sensitive expenditure as defined above;
- it is within MDC's statutory limits;
- the expenditure is within budget provision and where delegated authority exists (refer to the Delegations Register); and
- the expenditure is reviewed and approved by a manager the next level up to the person who will benefit (incur the sensitive expenditure), or who might be perceived to benefit, from the expenditure.

Wherever possible, expenditure for MDC should be invoiced directly to the organisation and paid through the MDC purchasing portal (DX2). The benefit of this is the transparency of prior approval and the avoidance of credit card surcharges. Where this is not possible, payment should be by use of an MDC credit card (see Credit and Debit Card Use Policy).

The following table outlines approvals for senior management and elected officials:

Sensitive expenditure incurred by	Must be reviewed and approved by
The Chief Executive	The Mayor
The Mayor	Expenditure of less than \$100 that is undertaken by the Executive Assistant on behalf of the Mayor must be reviewed and approved by their direct line manager.

Sensitive expenditure incurred by	Must be reviewed and approved by
	Expenditure of \$100 and above or below \$100 incurred directly by the Mayor: Reviewed by the Deputy Mayor (or another Elected Member) and approved by the Chief Executive.
All other Elected Members	Pre- approved by the Mayor and approved by the Chief Executive.
Executive Leadership Team (ELT) Member	The Chief Executive

Controls and Judgement

In exceptional circumstances (such as the absence of a specific rule for a given situation), approvers of expenditure will exercise good judgement by taking into account the principles of this policy and the context of the situation.

Monitoring and Documentation

As noted above, sensitive expenditure must be approved in advance. This approval should be through the MDC purchasing portal (DX2) where appropriate. In some instances, for new suppliers, you may be required to complete a supplier form in advance. Further guidance and training on this process can be sought from the Finance Team.

All sensitive expenditure must be supported by clear documentation. This documentation must identify the date, venue (if applicable), costs (GST receipts¹), recipients and benefits derived and/or reasons for the expenditure or event.

¹ Note: receipts may not always be available for koha.

Staff Expense Reimbursement Policy

MDC acknowledges that many expenses employees commonly claim reimbursement for are forms of sensitive expenditure.

MDC will reimburse staff for expenses that directly relate to authorised MDC work and meet the requirements of the Sensitive Expenditure Policy (refer above).

Authorised expenses must be approved by the appropriate delegated manager. No staff member is permitted to approve reimbursement of their own expenses.

Cash Advances

All cash advances must be authorised by the employee's manager.

Expenses that can be anticipated ahead of time can be paid in advance through payroll.

Amounts under \$50 can be paid via petty cash. This requires the employee to complete a Petty Cash Reimbursement Form with relevant GL Code. Petty cash is managed by the Finance Team.

Following the expenditure the employee must provide all supporting information (e.g.: GST receipts, or ticket stubs) to the Finance Team to include with the Petty Cash Reimbursement Form within two weeks (or agreed timeframe). If the cash advance is greater than the actual expenditure, the employee is required to refund the difference to MDC.

Expense Claims: Reimbursement

Following approved expenditure, staff seeking reimbursement must complete a Staff Expense Reimbursement Claim form (which is available on Tohu) and:

- clearly state the purpose of the expenditure must be completed;
- submitted with all supporting receipts to Payroll for payment;
- be returned to Payroll within two weeks (or agreed timeframe) of incurring the expense.

GST receipts are required for all expenses, except where it is explicitly stated that this is not required within the MDC PSA Collective Employment Agreement (CEA) or any policy in this manual. Eftpos receipts alone or credit card statements are not sufficient. Where receipts are unavailable for small expenditure the expense claim must document the date, amount, description and purpose of expenditure.

Separate claims should be made for each person wherever possible. Expense claims for entertainment and hospitality that relate to more than one person must include names of all people who attended and the reason for providing the entertainment/hospitality. The claim should be submitted by the most senior person (see Food and Hospitality Policy).

Kilometre rates and expense amounts will be reviewed annually in accordance with the Collective Employment Agreement (CEA).

Exceptions

There may be occasions where it is considered fair and reasonable to act outside the provisions of a policy within this manual. In this circumstance, prior written approval must be obtained from the Chief Executive.

Goods and Services Policy

All decisions regarding goods and services expenditure will be made in accordance with the Sensitive Expenditure Policy (refer above) and relevant employment agreements.

Goods and Services

Wherever possible, goods and services that are purchased for MDC should be invoiced directly to the organisation.

MDC acknowledges that this is not always possible and will reimburse employees for all genuine business expenses they incur that adhere to the principles of expenditure defined in this Sensitive Expenditure Policy.

Employees must have the prior approval from their manager before incurring any expenses for goods and services that are not explicitly defined within this Manual.

Use of Personal Assets

MDC may reimburse employees for their use of personal assets for MDC business, at the discretion of their manager. Circumstances where this may be approved include cost, convenience and availability where MDC would not fully use such an asset if it were acquired directly e.g. private cell phones, home telephones and computers.'

Flexible Working

In accordance with the Flexible Working Policy, MDC will assist in providing relevant IT equipment and systems to enable and support flexible working. Requests for additional IT equipment will be assessed on a case-by case basis.

When working remotely the cost of internet, power, or other services and equipment will need to be covered by staff. This includes any physical changes or alterations to the staff member's home to provide for an office or other working space.

Clothing

In exceptional circumstances, and with approval from their line manager, employees may claim reimbursement for cleaning or repair of clothing required as a result of undertaking MDC business.

Professional Memberships

MDC may reimburse employees for professional memberships only where it is directly relevant to the employee's position and if the membership provides clear benefit to MDC.

Staff support and wellbeing expenditure

MDC may provide for staff support and wellbeing to benefit both the organisation and staff and to meet its "good employer" obligations and in accordance with Our Tikanga (organisational values).

Social Club

MDC recognises the importance of the staff Social Club. MDC will contribute up to \$35.00 per social club member per annum. Additional monetary contributions to the social club are made from staff who opt to join on a voluntary basis.

Sponsorship

Employees can apply for funding as an individual to any of the community funding streams administered by MDC.

In general, MDC will not sponsor individual employees that take part in an activity that is not part of their role at MDC, however MDC may provide funding support for sports teams or management challenge teams that represent MDC in local or national competitions. The maximum level of support for such sponsorship is \$60 per person.

Travel and Accommodation Policy

All decisions regarding travel expenditure will be made in accordance with the Sensitive Expenditure Policy (refer above).

Technology-Enabled Solutions

Employees are encouraged to consider technology-enabled solutions as opposed to travel in person where remote options are available, appropriate for the circumstances, and where similar benefits as in person attendance can be achieved.

Domestic Airfares

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

- book flights as early as possible to ensure the most cost-efficient fare is secured; and
- select the most cost-effective flight available at the time of booking.

Amending or Cancelling Airfares

Employees may amend or cancel a travel booking if there is a genuine business reason for doing so.

- If there is uncertainty regarding travel plans at the time of booking, employees should book a flexible fare.
- If a booking is changed for personal convenience, all additional costs incurred will be paid by the employee.

International Travel

The provisions stated above for Domestic Airfares apply to international travel, with the following additions.

Approval

International travel must have prior written approval from the Chief Executive.

In some instances, a cash advance may be required. This will be determined on length of stay and location, having regard to the circumstance, properly documented and accounted for, and reconciled to actual expenses on return.

Travel Class

Flights booked will be economy class. In exceptional circumstances, the Chief Executive may consider a higher class of travel if there are clearly explained reasons. Consideration will be given to:

- purpose, distance, time and urgency of travel;
- work schedule on arrival; and
- personal health, safety and security.

MDC will not pay for first class travel.

Upgrades

Upgrades offered by the airline may be accepted if there is no additional cost to MDC.

Employees may upgrade their airfare at their own expense. The cost of the upgrade must be paid for by the employee at the time of the upgrade.

Passport, Visas and Insurance

Employees are responsible for organising and paying for their own passport.

MDC will pay for, and assist with obtaining, a visa required for an employee who is travelling for a genuine business purpose.

Travel insurance for international travel should be taken out at the time of booking the airfares and will be paid for by MDC.

Stopovers

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

Accommodation Bookings

Employees must book accommodation as early as possible in order to secure the best rate. To the extent practical, employees must select the most cost-effective accommodation.

If the event the employee is travelling for is being held at a particular hotel or motel, the employee may stay at that hotel or motel.

Room upgrades may be accepted if offered by the provider and there is no additional cost to MDC.

Accommodation should be charged directly to MDC via invoice or payment by an MDC credit card. The employee must personally pay when they check out for any expenditure:

- for items not allowed under the Staff Expense Reimbursement Policy (refer above); or
- above the maximum reimbursement limit for allowable items.

Exceptions

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

Amending or Cancelling Accommodation

If an accommodation booking needs to be amended or cancelled, the employee is responsible for advising the provider at least 24 hours before check-in, or in accordance with the provider's policies on amending or cancelling bookings, wherever possible.

Private Stay

Employees may choose to stay overnight with a friend or relative, rather than a hotel. Employees may claim reimbursement to cover the costs of reciprocal hospitality or koha to their hosts. Refer to the Staff Expense Reimbursement Policy above.

If an employee chooses to stay overnight with a friend or relative, rather than a hotel, they may claim reimbursement of up to \$60 per night to cover the costs of reciprocal hospitality or koha to their hosts.

Receipts are not required. The employee may still claim the meal allowance.

Spouse or Companion Travel

MDC will not pay for travel expenses of a spouse or any other person accompanying an employee on business travel unless:

- their involvement directly contributes to a clear and genuine business purpose; and
- the Chief Executive has given written approval prior to the travel.

A spouse or companion may accompany an employee on a business trip at the employee's own expense.

Hotel Mini Bars and Entertainment

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

Combining Leisure with Business Travel

Employees may undertake private travel before, during or after business travel provided that:

- the private travel is incidental to the business travel; and
- there is no additional cost or loss of time for MDC.

Rental Car Bookings

Employees may hire a rental car when travelling on MDC business if it will be more cost-effective than alternative transport options. The most economical type and size of vehicle, consistent with the requirements of the travel, will be hired.

Vehicle upgrades may be accepted if offered and there is no additional cost to MDC.

All rental car charges will be charged directly to MDC.

Employees considering renting a vehicle should familiarise themselves with the terms and conditions of the booking company.

Amending or Cancelling Rental Car Bookings

If a rental car booking needs to be amended or cancelled, the employee is responsible for advising the provider at least 24 hours in advance, or in accordance with the provider's policies on amending or cancelling bookings, wherever possible.

Private Use of a Rental Car

Private use of a rental car hired for MDC business is only allowed under exceptional circumstances, with prior approval from the employee's manager and only if there is no additional cost to MDC.

Parking and Traffic Offences

Employees are personally responsible for any parking, traffic or vehicle offences incurred while driving rental car hired for MDC business, unless the fine relates to the condition of the car that is outside the driver's control.

Travel Membership Programmes

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

Employees may not retain frequent flyer programme benefits such as Airpoints or status points when travelling on MDC business.

Other Transportation

Public Transport

Employees are encouraged to use public transport where available and appropriate. In the Wellington Region most public transport is paid through Snapper (either via card or app) or in cash. If the app or card is set up to use preloaded personal credit, staff will need to apply for reimbursement (see Staff Expense Reimbursement Policy).

Alternatively, staff can seek petty cash in advance of their travel (see Staff Expense Reimbursement Policy).

Taxi Use and Rideshare

Taxi and rideshare options use will be moderate, conservative and cost-effective relative to other options available.

In most instances rideshare options are charged through an application (app) linked to a credit card. If the app is set up to use a personal credit card, staff will need to apply for reimbursement (see Staff Expense Reimbursement Policy).

Scooter and bike share schemes

Scooter and bike share schemes are often cost effective and environmentally friendly ways to travel for short distances. If the app is set up to use a personal credit card, staff will need to apply for reimbursement (see Staff Expense Reimbursement Policy).

Personal Vehicle Use

Employees may **only** use their personal vehicle for MDC business and claim reimbursement for that use if an MDC pool car is not available or practical for the circumstances. Employees must have prior approval from their manager.

Employees must record their mileage appropriately. Reimbursement will be at a rate set by reference to the Inland Revenue Department's approved vehicle reimbursement rate.

Employees using their own vehicle for MDC business are not covered by the Council's motor vehicle insurance policy, so are advised to have their own vehicle insurance that provides sufficient cover.

Employees will not be reimbursed for any traffic or vehicle offences incurred while driving any work or personal vehicle for MDC business.

Mileage cannot be claimed for use of private vehicles to and from work.

Parking

MDC will reimburse employees for reasonable parking costs they incur while on genuine MDC business. Employees will not be reimbursed for parking fines.

Transport Reimbursement

MDC will reimburse employees for reasonable transportation costs they incur while travelling on genuine MDC business, including travel via taxi, bus, shuttle and other public transport. Employees are expected to use the most cost-effective means of travel available, in accordance with this Policy.

Method of Travel

Travel options that are reasonable, realistic and efficient should be discussed and approved by the responsible Executive Leadership Team member.

Other than granting time-in-lieu, there will be no compensation payable for travel time required over and above normal working hours.

Meal allowances

Where staff are required to stay overnight outside the Wairarapa region or is required to work overtime, actual and reasonable breakfast, lunch and/ or dinner expenses will be reimbursed in accordance with the relevant clause of the Collective Employment Agreement.

As an alternative to this clause, a daily allowance to cover meals can be authorised by a staff member's line Manager up to the amount of, but not exceeding \$60. If this option is authorised, no receipts are required.

If meals are part of a paid registration, the daily allowance will be appropriately adjusted to take account of this.

MDC acknowledges that the reimbursement amounts may not be sufficient for international travel. The maximum reimbursement for international meal expenses will be determined by the General Manager Finance prior to departure, based on the country being visited.

Tipping

MDC will reimburse employees for moderate tips when travelling internationally in countries where tipping is customary.

Food and Hospitality Policy

MDC may provide food and hospitality where it is cost-effective and appropriate for the occasion. All decisions regarding food and hospitality expenditure will be made in accordance with the principles of the Sensitive Expenditure Policy (refer above).

Principles

There are four business purposes for MDC providing food and hospitality:

- Building relationships.
- Representing the organisation.
- Reciprocating hospitality where there is a clear business purpose and is within normal bounds – acceptance of hospitality is expected to be consistent with the principles and guidance for provision of hospitality.
- Recognising significant business achievement.

The principles of a justified business purpose, moderate and conservative expenditure, should be applied.

Where appropriate, consideration should be given to Māori (and other) cultural practices, and MDC Tikanga when applying this policy (see also Gifts and Koha Policy).

Expenditure Guidance

The table below provides guidance on the maximum value per person for food and hospitality (including beverages) that MDC will fund. These values have been set to provide maximum limits on expenditure. When incurring expenses, all employees are expected to choose the most cost-effective solution.

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

Meal	Maximum Value per Person (including GST)
Morning Tea	\$7.50
Lunch	\$10.00
Dinner	\$30.00

MDC will not pay for corporate box entertainment.

Alcohol

MDC will not reimburse employees (or allow charge back) for alcohol.

MDC will pay for conservative amounts of alcohol when served with food at official functions. Staff functions where alcohol is provided must be pre-approved by the Chief Executive.

'Conservative' is defined as no more than two drinks per person at the function.

Spouses and Partners

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

Monitoring and Documentation

All food and hospitality expenditure must be pre-approved where practical and always supported by clear documentation. The most senior person present (with delegated authority) should approve and confirm the expenditure as being appropriate.

Gift and Koha Policy

MDC recognises the need to give appropriate amounts of koha or gifts from time to time. All decisions regarding gift and koha expenditure will be made in accordance with the Sensitive Expenditure Policy (refer above).

Receiving Gifts and Koha

Gifts and koha will not be accepted if acceptance could be perceived as influencing MDC decisions, now or in the future.

If a gift or koha is offered or received, the employee must advise their Executive Leadership Team member as soon as possible.

Gifts with an assessed value \$50 or less may be kept by the employee, with the approval of the employee's Executive Leadership Team member. Gifts valued over \$50 must be reported to the Chief Executive who will determine how the gift will be used. This may include:

- using the gift or koha for MDC activities, such as social events;
- keeping the gift or koha for display in a MDC office; or
- returning the gift or koha (where this will not cause offence).

Gift Register

MDC maintains a Gift Register that records all gift or koha offered that are valued over \$50, regardless of whether the gift or koha was accepted.

Culturally Significant Gift or Koha

Under exceptional circumstances and where a gift or koha is of cultural significance, an employee may be able to personally keep a gift or koha valued over \$50, at the discretion of the Chief Executive.

Infrequent and Inexpensive Gifts

Employees may personally acquire infrequent and inexpensive gifts that are openly distributed by suppliers and customers e.g. pens, badges and calendars. These gifts do not need to be logged on the Gift Register.

Koha

It is important when giving koha to consider both the sensitive nature of the act of giving and the importance within te Ao Māori.

In accordance with tikanga (Māori customary practice), koha is the kawa (protocol) of giving in recognition of contribution, commitment and generosity, and fulfils the obligation of utu (reciprocity), which is key to the upholding of the mana (prestige) of both the giver and receiver.

Koha can be monetary or non-monetary (e.g. taonga: waka huia (treasure box), pounamu (greenstone), whakairo (carving), or kai (food), or resources readily available to MDC (e.g. staff time, facilities, or outdoor equipment).

The Pou Ahurea Māori or General Manager Corporate (in their absence) can provide advice on the appropriate form of koha in advance of seeking approval of the expenditure.

Gifts or Koha to External Parties

There may be circumstances where it is appropriate for MDC to fund a gift or koha to an external person or organisation. Given the cultural context of koha, gifts and koha are treated separately in the following sections.

Appropriate circumstances for **gifts** include, but are not limited to, showing appreciation to:

- participants in significant consultation or promotional campaigns;
- an individual, group or organisation that hosts an MDC employee or elected member; or
- an individual who is asked to speak at an MDC event (and is not paid to do so).

In addition, situations where the giving of **koha** is appropriate:

- Tangihanga;
- For use on or for a marae;
- Mātanga (expert) support for pōwhiri, mihi whakatau, meetings, or other events (eg kaikaranga, kaikōrero);
- Hui or meetings with Māori organisations (including iwi), rōpū and senior individuals;
- To an expert who has led a tikanga process on behalf of the Council on a case by case basis; or
- To whānau pani (bereft family) during tangihanga on behalf of the Council.

Koha is not always expected to be given

Situations where **koha** would not normally be expected include:

- when attending any hui as an individual *not* representing Council (staff can give their own personal koha should they wish);
- staff attendance at a regular meeting held at a marae; or
- informal or ongoing discussions between staff and iwi representatives about a Council matter.

In determining an appropriate amount of koha for any particular occasion, Council must give due regard to standards of probity and financial prudence while being mindful of the cultural imperative of giving adequate or reasonably generous koha. If you require further guidance on giving koha, including tikanga practice, consult with the Pou Ahurea Māori as to best practice.

Gifts and koha are given voluntarily, an unconditional gift, on behalf of MDC, and without the expectation of anything in return.

The person with the appropriate delegated authority must give prior written approval of the form and value of all gift or koha. The approval must be attached to the expense claim or invoice when submitted to the Finance Team.

Payment to a speaker

A payment to an MC, performer or speaker, that is more than actual expenses incurred (such as travel costs), is classified as payment for service, which is subject to withholding tax, and must be paid upon receipt of invoice or by payroll.

Before engaging a speaker and/or engaging in an agreement for services you should check if there are any tax implications with the Finance Team.

See also IRD guidance [Payments and Gifts in the Māori Community](#).

Gifts to MDC Employees

Farewell Gifts

MDC may contribute to a farewell gift for long-serving employees (those who have been employed five years or more).

There may be other special circumstances where a contribution from MDC to a farewell gift is justified.

MDC's contribution to a farewell gift will be commensurate to the employee's contribution and length of service to a maximum value of \$250. Elected Members may make a contribution to the gift in addition to this amount should they wish.

All farewell gifts for employees must have prior written approval from the Chief Executive or relevant Executive Leadership Team member.

Flowers or care package for Childbirth, Hospitalisation or Bereavement

Managers can authorise the purchase of a medium-sized bouquet of flowers or care package up to the value of \$120 (plus delivery if required) if an employee:

- or their partner gives birth to or adopts /whāngai a child; or
- is hospitalised or has suffered a significant injury or loss (e.g. pregnancy loss); or
- suffers a bereavement in their immediate family.

Budget and Limits

In consultation with the General Manager Corporate, employee gifts should be recorded against the Staff Grants Budget and relevant GL code. If you do not have access to this code, then you will need to consult with the People & Culture Team.

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

Exceptions

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

Loyalty Card and Prizes

Personal loyalty cards (such as Fly Buys and Airpoints cards) must not be used when purchasing goods or services on behalf of MDC.

Any prize won from lottery or raffle tickets received as a gift or from any free competition while undertaking MDC business, will be declined where possible. In any

other circumstance, the prize will be treated as a gift and will be managed in accordance with this policy.

Donations

Any donation made by MDC is made voluntarily and without expectation of goods and services in return. Donations may include cash payments or contribution of goods or staff time to support a community initiative. Donations will be:

- lawful in all respects;
- disclosed in aggregate in MDC's annual report; and
- made to recognised organisations (not individuals) by normal commercial means, not in cash and not political.

Donations must be approved in advance by a member of the Executive Leadership Team or the Chief Executive.

Credit and Debit Card Use Policy

MDC acknowledges that credit cards are a common method of payment for sensitive expenditure and will ensure that credit cards are used in accordance with the Sensitive Expenditure Policy (refer above).

Corporate Credit Cards

MDC has two corporate credit cards that may only be used for expenditure with a genuine MDC business purpose. The combined credit facility available is \$40,000. The credit limit on the Finance card is \$30,000 and the Library card is \$10,000. A credit card is issued in the name of the:

- **General Manager Finance** - for payment of expenses that are most efficiently paid by credit card and is able to be used by nominated staff (with prior approval from budget holders); and
- **Library and Archive Manager** - for library and archive use only, specifically for small but common purchases only able to be transacted online and overseas book purchases.

The Chief Executive may authorise the issue of additional credit cards where it is considered necessary and appropriate to do so.

Conditions of Use

Where it is not possible to use the MDC purchasing portal (DX2), MDC credit cards may be used for purchases where credit card is the most efficient form of payment available including, but not limited to:

- travel;
- accommodation;
- training courses;
- one-off product or license purchases;
- registration of vehicles;
- road user charges; and
- library books and resources from overseas.

Online credit card payments should only be made to established and reputable organisations. A copy of the online order form and invoice must be retained to support the payment.

Personal use and cash advances are not permitted.

Any unauthorised credit card use constitutes a breach of this policy and may trigger an investigation under the Fraud and Corruption Procedure.

In all cases of unauthorised use or misuse, MDC reserves the right to recover any monies from the cardholder by appropriate legal means and/or cancel the card.

Controls

Approval

A Creditor Payment Approval (CPA) form must be completed for every credit card purchase. The CPA must be signed by both the manager responsible for the budget area where the costs are to be charged and the General Manager Finance.

All credit card expenditure must be supported by original GST acceptable documentation that states the transaction date, amount paid, and description of items purchased and be attached to the CPA form.

Credit Card purchases must also be documented on the Credit Card register available on Tohu (MDC intranet).

Processing Credit Card Payments

The CPA form (with supporting documentation) is held by the Finance Team to match up against the credit card statement, once it is received. The Finance Team will process the payment of the sum owing on the credit card statement, checking for discrepancies or unauthorised expenditure.

Credit Card Locations

Both credit cards are kept locked in safe storage facilities at MDC premises.

Cancelling Credit Cards

Credit cards will be cancelled when the cardholder's employment with MDC ends. The Financial Accountant will arrange with the bank for the card to be cancelled and ensure that the card is physically destroyed.

Corporate Debit Cards

MDC has two corporate debit cards that may only be used for expenditure with a genuine MDC business purpose. A debit card is issued in the name of the:

- **Finance Administrator** - for the purposes of topping up petty cash (this became necessary once cheque payments ceased); and
- **Road Safety Manager of the Wairarapa Road Safety Council** – as Council administers the Road Safety accounts this card is for topping up Road Safety petty cash.

Debit Card Controls and Locations

The Debit Cards are topped up as necessary to reimburse the petty cash expenditure. This requires two authorised banking approvers to action in the banking software. The Finance Team are required to check petty cash forms are correctly coded and authorised.

The Finance debit card is held in a locked safe storage facility. Once funds are withdrawn it has a zero balance and cannot be used until it is loaded again.

The Road Safety Manager is responsible for keeping their card safe and providing all receipts and documentation if further funds are required on it.

The Chief Executive may authorise the issue of additional debit cards where it is considered necessary and appropriate to do so.

FRAUD, DISHONESTY AND CORRUPTION POLICY

Applicable to:	Council staff and Elected Members	Policy Number:	MDC016
Issued by:	Chief Executive	Last Approved:	May 2024
Contact Person:	General Manager Finance	Review Date:	May 2027

Purpose

The purpose of the Fraud, Dishonesty and Corruption Policy (the Policy) is to provide guidelines for the prevention, detection and response to any fraud and corruption incidents at Masterton District Council (MDC).

Scope

The Policy applies to all suspected, alleged or proven fraud and corruption incidents that are either:

- committed against MDC by any person; or
- committed by an MDC employee (including former employees), volunteer, secondee or elected member (referred to in this policy as “employees”) against any third party.

The Policy is supported by the Fraud and Corruption Investigation Procedure (the Procedure).

Distinction from Privacy breaches and other misconduct

Fraud and corruption incidents are distinguished from unintentional errors and other breaches of MDC policies (e.g. privacy breaches) which invoke MDC’s disciplinary procedures. The key factor in determining if the Policy applies is the element of dishonesty for an unfair, unjustified or unlawful gain.

Where Privacy breaches are the result of a fraudulent or corrupt act, this Policy applies. If you are unsure as to which policy applies, contact Finance or the People and Culture team.

Policy Statement

MDC is committed to maintaining the highest standards when it comes to matters of integrity and takes a **zero-tolerance approach** to fraud and corruption incidents. All incidents will be treated seriously in order to protect the assets, reputation and employees of MDC.

A **zero-tolerance approach** means that MDC will:

- ensure all suspected or alleged incidents of fraud and corruption are reported and investigated in good faith, consistently and promptly;
- treat all proven fraudulent or corrupt activities as serious misconduct in accordance with provisions within MDC’s employment contracts;

- refer all proven fraudulent or corrupt activities to the New Zealand Police, Serious Fraud Office or other appropriate enforcement agency where statutes may have been breached or loss suffered; and
- take all appropriate measures to recover any loss or expenditure attributable to fraudulent or corrupt behaviour.

Objectives

Internal procedures are maintained to achieve our three key objectives:

- **Prevention:** identify and mitigate the risk of fraud and corruption to prevent it from occurring in the first place;
- **Detection:** uncover fraud and corruption at the earliest opportunity and provide effective options to report, manage and respond; and
- **Response:** take corrective action immediately and remedy the harm caused.

Prevention Measures

Chief Executive and Staff Delegations

Responsibilities are delegated to appropriate positions. The position holder is accountable for the proper execution of their responsibilities and must disclose if they become aware of any improper or fraudulent actions by any person, in accordance with the Procedure.

Systems, Policies and Procedures

Other preventative measures include:

- accounting systems and relevant internal controls are established and designed to prevent and detect the occurrence of fraud;
- financial statements are prepared according to New Zealand Generally Accepted Accounting Principles and relevant legislation;
- annual independent audit of financial statements and performance information;
- financial policies and procedures; and
- human resources policies and procedures.

Responsibilities

Employees (including volunteers) are responsible for being familiar with and adhering to the requirements of this policy and MDC's Tikanga, which are:

- Hīkina te Mānuka: We rise to the challenge
- Mana Tāngata: We value the individual
- He Toa Takitini: We are one team

Chief Executive, Executive Leadership Team and Managers are responsible for:

- ensuring their team (including contractors and consultants) are aware of this policy and their obligations under it;
- supporting a culture of honesty and openness where employees are not discouraged from questioning events or processes and reporting suspected fraud or corruption; and

- identifying fraud risks in their area and notifying the General Manager Finance of these risks.
- The Chief Executive is responsible for appointing the lead for investigations. If an elected member is the subject of the allegation, the matter will be reported to and investigated by the independent member of the Audit and Risk Committee. If there is no independent member, an appropriately qualified person will be appointed to conduct the investigation (see the Procedure for further details).

The General Manager Finance is responsible for:

- developing and maintaining effective controls to prevent and detect fraud and corruption; and
- leading a lessons-learned process following all fraud investigations.

The General Manager Corporate, and People and Culture Team are responsible for:

- providing advice to ensure any fraud or corruption investigation is in line with the employee's employment agreement and other employment-related policies and procedures; and
- facilitating relevant education and training to staff regarding the Policy and related procedures as part of induction process for new staff.

All employees, including managers and Elected Members, are responsible for:

- being aware of and complying with this policy, associated procedure and internal controls;
- acting honestly, fairly and with integrity in undertaking MDC tasks and activities;
- reporting any suspected fraud or corrupt behaviour or control failures immediately; and
- cooperating with any investigation into suspected fraud or corruption.
- Responsible business units must ensure all agreements for or with seconded personnel, contractors, consultants or any other person that has a business involvement with MDC, contain an express obligation on them to understand and comply with this policy.

Review of Policy

The Policy will be reviewed every three years.

Definitions

Fraud is the deliberate practice of deception in order to receive unfair, unjustified or unlawful gain and, for the purposes of the policy, includes forms of dishonesty. Within this definition, examples of fraud may include, but are not limited to:

- dishonest possession, or use, or misappropriation of funds or other assets, including theft of sensitive equipment like laptop computers or cell phones;
- impropriety in the handling or reporting of money or financial transactions forgery or alteration of any document or computer file/record belonging to MDC, including falsely modifying a bank account number on our creditors/debtors Masterfile or payments system;
- forgery or alteration of a bank draft or any other financial instrument;

- bribery, corruption or coercion;
- destruction, removal or inappropriate use/disclosure of records, data, materials, intellectual property or assets for unlawful gain;
- submitting of false invoices for payment;
- submitting false personal expense claims or false travel claims;
- falsification of time records; or
- dishonest use of an MDC-supplied credit card, tax card, fuel card or purchasing card.

Corruption is the lack of integrity or honesty (especially susceptibility to bribery) or the use of a position of trust for dishonest gain. Examples of when corrupt conduct occurs include but are not limited to:

- improper use of commercially sensitive client information or our own intellectual property for either your own or another person's pecuniary gain;
- a public official improperly uses, or tries to improperly use, the knowledge, power or resources of their position for personal gain or the advantage of others;
- a public official acts dishonestly or unfairly, or breaches public trust;
- a member of the public influences, or tries to influence, a public official, employee or contractor, or any other party that has a business involvement with MDC to use his or her position in a way that is dishonest, biased or breaches public trust, for example by offering or giving an inducement or reward; or
- the failure to declare a conflict of interest in making decisions that have a financial or beneficial impact upon the MDC employee, elected member or their close associates.

Misuse of resources is used to describe employee behaviour that is not criminal in nature but is beyond what we would consider as fair and reasonable. This behaviour, if proven, could reasonably be seen as serious misconduct. Examples of when misuse of resources occurs include but are not limited to:

- claiming reimbursement for privately incurred expenses, where these expenses could be seen as borderline or as doubtful business-related expenses;
- committing MDC to pay for purchases which could be seen as borderline or as doubtful business expenses;
- private use of MDC resources (including photocopying for private purpose, computers, vehicles); or
- private use of MDC cell phones and internet.

Whether these types of employee actions represent serious misconduct or poor judgment is a question to be addressed by investigation of the individual circumstances.

The setting of reasonable and unequivocal expectations within sensitive expenditure policies and delegations helps provide an appropriate level of certainty for employees. It is this level of certainty that we would use to help determine what is 'fair and reasonable'.

Related Documents

- Fraud and Corruption Investigation Procedure
- Our Tikanga
- Elected Member Code of Conduct
- Expectations of Integrity and Conduct
- Protected Disclosures Policy
- Sensitive Expenditure Policy Manual
- Delegations Register
- Procurement Policy
- Email and Internet Usage Policy
- Motor Vehicle Policy
- Relocations Expenses Policy
- Use of Council Orders Procedure
- Mobile Device Policy

References

- Ministry of Justice Fraud and Corruption Policy Framework
- Local Government Act 2002
- Crimes Act 1961
- Protected Disclosures Act 2000
- Local Electoral Act 2001
- Local Authorities (Members Interests) Act 1968

Version Control

Date	Summary of Amendments	Approved By
30/12/16	Minor updates to Misuse of Resources Section	Chief Executive
24/4/18	Updated policy statement and responsibilities and added preventative measures section	Chief Executive Endorsed by Audit and Risk Committee 9/5/18
X/05/2024	Updated to align with Ministry of Justice Fraud and Corruption Policy Framework	Executive Leadership Team Endorsed by Audit and Risk Committee x/05/2024

FRAUD AND CORRUPTION PROCEDURE

Applicable to:	Council staff and Elected Members	Policy Number:	MDC016A
Issued by:	Chief Executive	Last Approved:	
Contact Person:	General Manager Finance	Review Date:	May 2027 (TBC)

Purpose

The Fraud and Corruption Procedure (the Procedure) accompanies the Fraud, Dishonesty and Corruption Policy. The Procedure provides the processes for reporting and investigating suspected or alleged fraud or corruption at Masterton District Council (MDC).

Scope

The Procedure applies to all suspected, alleged or proven fraud and corruption incidents that are either:

- committed against MDC by any person; or
- committed by an MDC employee (including former employees), volunteer, secondee or elected member against any third party.

Fraud and corruption incidents are distinguished from unintentional errors and other breaches of MDC policies (e.g. privacy breaches). The key factor in determining if the Procedure applies is the element of dishonesty for an unfair, unjustified or unlawful gain.

To assess whether a potential issue should be investigated under the Fraud, Dishonesty and Corruption Policy and this Procedure contact Finance or People and Culture.

Resolving Fraud or Corruption Allegations

Appendix 1 (Resolving Fraud or Corruption Allegations) outlines the key steps to the process further detail on each step is outlined below.

Reporting Suspected Fraud or Corruption

Any employee who suspects that a fraudulent or corrupt act has occurred must report the matter immediately by either:

- notifying their manager;
- notifying the General Manager Finance;
- notifying any other member of the Executive Leadership Team (ELT); or
- making a protected disclosure (see below).

Where you have any concerns about telling your manager, or you suspect that your manager is involved in the suspected fraud or corruption, you can immediately inform an ELT member, or General Manager Finance.

Sufficient details to enable the matter to be investigated fully must be provided. This includes:

- details about the events or acts constituting the suspected fraud or corruption;
- the quantity and/or value of the fraud or corruption;
- dates, times and names of people alleged to be involved;
- any documentary evidence or verifiable facts that support the allegation; and
- how the employee came to be aware of the matter.

The person making the report must not undertake their own investigations, unless assigned to do so by the person in charge of investigations.

The person who receives the report (verbally or in writing) must immediately inform the Chief Executive (CE). All reports will be treated confidentially.

If the CE is the subject of the allegation, the report must be made to the Chair of the Audit and Risk Committee (the Chair). In this circumstance, all actions required of the CE in this procedure will be completed by the Chair.

If an elected member is the subject of the allegation, the matter will be reported to and investigated by the independent member of the Audit and Risk Committee. If there is no independent member, an appropriately qualified person will be appointed to conduct the investigation.

Reports made under the Protected Disclosure Act

Employees who report serious wrongdoing in the workplace may be protected by the Protected Disclosure Act 2000. Refer to the Protected Disclosure Policy when making or handling a report of suspected fraud or corruption under the Protected Disclosure Act.

Determining Initial Action

When informed of suspected fraud or corruption the CE must, within 24 hours (where practicable):

- record the details of the allegation;
- if not already received, request a confidential written statement from the person who reported the matter (as detailed above);
- decide on the initial actions to be taken, including consultation with relevant manager/s; and
- inform the Chair of the Audit and Risk Committee of the information received and consult with the Chair as appropriate.

Based on the information received and subsequent consultation, the CE will decide whether it appears that fraud or corruption of any sort has occurred. If it appears that an act of fraud or corruption:

- **has not occurred**, the CE will document this decision and no further action will be taken.
- **may have occurred**, the CE will investigate the matter further (see Investigation below).

- **is very likely to have occurred** (as evidenced by credible supporting documentation), the CE will immediately take appropriate action (see Fraud or Corruption is Confirmed below).

Investigation

The CE may seek advice as appropriate on how to proceed with the investigation.

The CE will appoint an Investigator. Where appropriate, the Investigator may appoint a team to assist with the investigation. Only the person/s appointed may investigate the matter. Any person appointed to investigate a suspected case of fraud or corruption must be independent, objective and appropriately skilled to carry out the investigation.

Where an allegation of fraud or corruption is made against an MDC employee, advice must be sought from the General Manager Corporate before proceeding. This is to ensure that any investigation is in line with the employee's employment agreement and other employment relationship policies and procedures.

The first step of the investigation is to meet with the person who is the subject of the allegation (the Subject) to discuss the complaint against them. The process below must be followed:

- **Step 1:** Inform the Subject in writing of the allegation that has been received. Request a meeting with the Subject at which their representative/s will be invited to attend.
- **Step 2:** Meet with the Subject and their representative/s to explain the complaint against them.
- **Step 3:** Obtain a response from the Subject, preferably in writing. If the response is given verbally at the meeting, the response must be recorded in the minutes of the meeting and the accuracy of the minutes must be attested by all attendees.
- **Step 4:** Advise the Subject of the process going forward.

A comprehensive, written record of the investigation must be kept. All evidence must be handled carefully as it may be required for court proceedings, to achieve this it is recommended that the investigation team/ investigator:

- Retains a hard copy of documents and originals during the investigation held in a secure location (e.g.: locked cupboard); and
- Uses a secure electronic file with access restricted to the investigation team and CE to file relevant documentation during or post investigation.

All employees are required to cooperate with any investigation into fraud or corruption.

When the investigation is complete, the Investigator will provide the CE with a detailed written report, stating the findings of the investigation.

Outcome

The CE will review the final report and consult with the Chair of the Audit and Risk Committee regarding the final decision. If necessary, legal or other advice may be sought regarding how to proceed.

The final decision must be documented.

Fraud or Corruption is Confirmed

Fraud or corruption will only be considered confirmed by the organisation if there is clear and convincing evidence in support of that allegation.

If fraud or corruption is confirmed, the CE will, as appropriate:

- take disciplinary action (refer the employee's employment agreement);
- report the matter to the Police;
- notify the Serious Fraud Office (if the amount concerned is over \$500,000, if there are particularly complex issues involved or if it is a matter of significant public interest);
- notify any other enforcement agency as appropriate; and/or
- take recovery action.

Should the Police or other enforcement agency decline to investigate the matter, the CE may choose to conduct an internal investigation ([see Investigation above](#)).

Fraud or Corruption is Not Confirmed

If fraud or corruption is not confirmed by the organisation, but the investigation has identified serious misconduct resulting in dismissal or a written warning, MDC will use civil remedies to recover any monies lost.

If fraud or corruption is not confirmed and no misconduct is identified, this finding will be documented, and no further action will be taken.

Final Steps

At the conclusion of the investigation process the CE will (as relevant):

- inform the employee who reported the matter of the outcome;
- release any statement deemed appropriate; and
- represent MDC in any subsequent legal processes.

Lessons Learned

All allegations of fraud or corruption will be logged on the Fraud Register and reported to the Audit and Risk Committee.

MDC will follow up fraud investigation results to determine the causes of the fraud and test whether existing internal controls or procedures can be improved.

Confidentiality

All information relating to the matter will remain strictly confidential. Should any employee improperly disclose information, this will be considered a breach of procedure and the employee may be subject to disciplinary action.

Review of Procedure

This procedure will be reviewed every three years.

Definitions

Corruption: Lack of integrity or honesty or the use of a position of trust for dishonest gain. Refer to the Fraud, Corruption and Dishonesty Policy for examples of corruption.

Employee: Includes current employees, former employees, contractors, secondees and volunteers.

Fraud: The deliberate practice of deception in order to received unfair, unjustified or unlawful gain. Refer to the Fraud, Corruption and Dishonesty Policy for examples of fraud.

Serious Wrongdoing: Unlawful, corrupt or irregular use of public funds or resources

Related Documents

Fraud, Dishonesty and Corruption Policy

Protected Disclosures Policy

MDC Employment Agreements (Collective or Individual)

Our Tikanga

Fraud Register

References

Ministry of Justice Fraud and Corruption Policy Framework

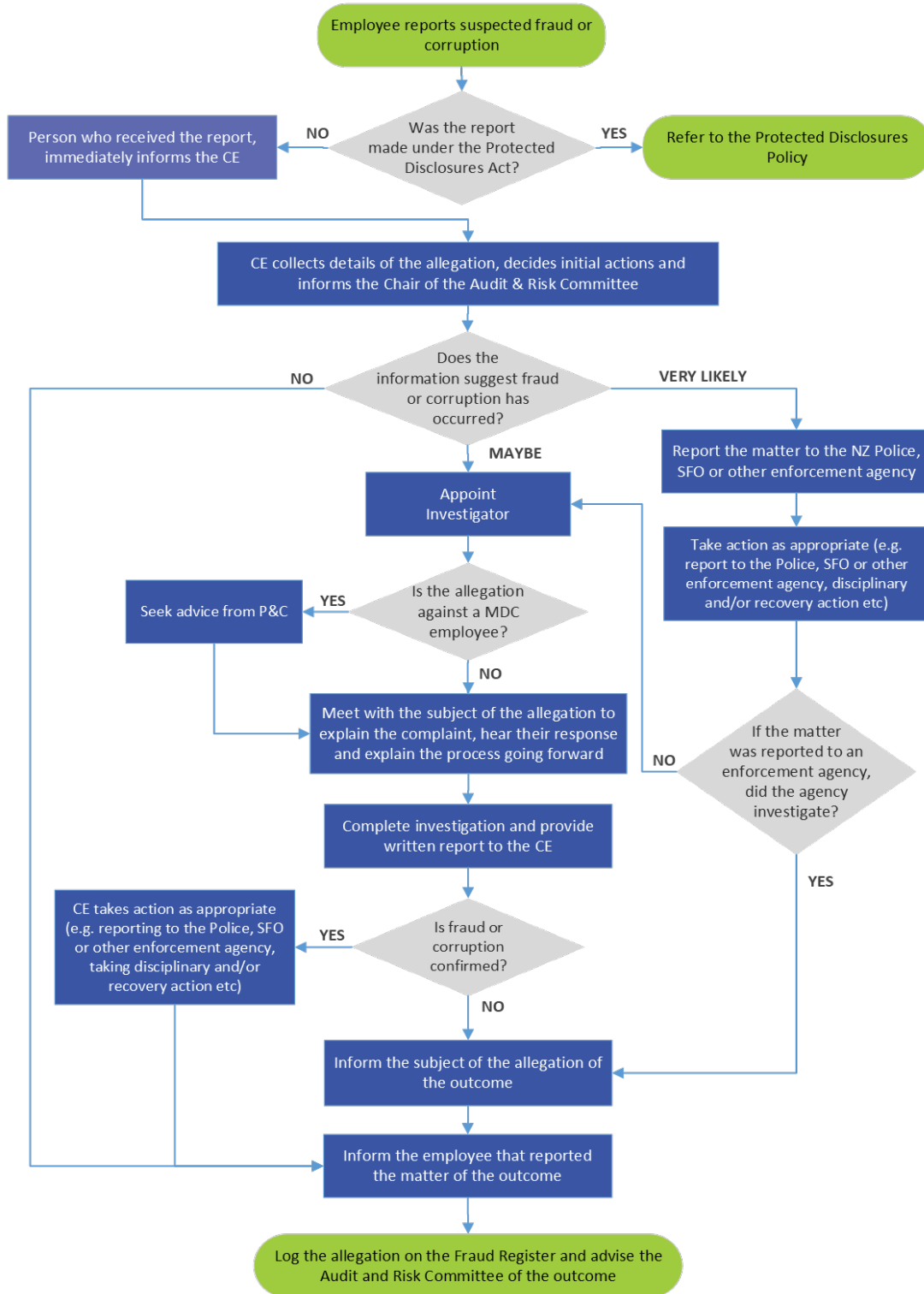
Appendices

Appendix 1: Resolving Fraud or Corruption Allegations

Version Control

Date	Summary of Amendments	Approved By
24/01/2017	New Procedure	Senior Management Team
10/03/2017	Added statement that if an elected member is the subject of an allegation, the independent member of the Audit and Risk Committee will investigate the matter.	Endorsed by Audit and Risk Committee, 8/02/2017
X/05/2024	Updated to align with Ministry of Justice Fraud and Corruption Policy Framework	Executive Leadership Team Endorsed by Audit and Risk Committee.

Appendix 1: Resolving Fraud or Corruption Allegations Flowchart



6 REPORTS FOR INFORMATION

6.1 MINUTES OF THE PREVIOUS MEETING HELD ON 21 FEBRUARY 2024

File Number:

Author: Harriet Kennedy, Governance Advisor

Authoriser: Kym Fell, Chief Executive

PURPOSE

For the Audit and Risk Committee to receive the minutes of the previous meeting held 21 February 2024.

EXECUTIVE SUMMARY

The minutes of the Committee held on 21 February 2024 were confirmed by Council at its meeting on 3 April 2024 and are being brought to the Committee for their receipt.

RECOMMENDATION

That the Audit and Risk Committee receives the minutes of the previous meeting held 21 February 2024.

ATTACHMENTS

- 1. Minutes of the Audit and Risk Committee Meeting held on 21 February 2024** [↓](#)



MINUTES

Audit and Risk Committee Meeting Wednesday, 21 February 2024

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6.7	Audit Report for the Year Ended 30 June 2023	7
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**MINUTES OF MASTERTON DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT WAIATA HOUSE, 27 LINCOLN ROAD, MASTERTON
ON WEDNESDAY, 21 FEBRUARY 2024 AT 1:00 PM**

PRESENT: Philip Jones (Chair), Mayor Gary Caffell, Councillors B Johnson, C Bowyer, B Goodwin, D Holmes, S Lennox, T Nelson and M Tuuta and Iwi Representative Jo Hayes

IN ATTENDANCE: Chief Executive, General Manager Finance, General Manager Community, General Manager Corporate, Interim General Manager Infrastructure and Assets, Pou Ahurea Māori, Strategy and Policy Manager, Health and Safety Advisor, Building Control Services Manager Economic Development Advisor, Policy Advisor and Governance Team Leader.

1 CONFLICTS OF INTEREST

No conflicts of interest were declared.

2 APOLOGIES

COMMITTEE RESOLUTION 2024/1

Moved by Councillor C Bowyer
Seconded by Councillor D Holmes

That apologies from Councillor Tom Hullena for non-attendance and from Councillor Johnson for lateness, be received and accepted.

CARRIED

3 PUBLIC FORUM

There was no public forum

4 ITEMS NOT ON THE AGENDA

There were no late items.

Items 6.2 and 6.3 were taken first due to the attendance of the General Manager Destination Wairarapa and the Director Aratoi.

Item 6.3 was deferred to 2.00pm when Nuku ora were available to available to present

Item 6.7 was taken before Item 6.6 due to the attendance of Council's Auditor on Teams

5 REPORTS FOR DECISION

5.1 HEALTH AND SAFETY QUARTERLY REPORT AND HEALTH & SAFETY POLICY

Under the Health and Safety at Work Act 2015, all elected members are deemed 'officers' and

must exercise a duty of due diligence in relation to health and safety. The quarterly report provides information to assist elected members to carry out that role. The report also asked Council to endorse the updated Masterton District Council Workplace Health and Safety and Staff Wellbeing Policy and was presented by the General Manager Corporate and the Health and Safety Advisor.

In relation to the next quarterly report on contractor management, the Chair asked for a summary of the number of visits done and the number of compliant and non-compliant contractors.

COMMITTEE RESOLUTION 2024/2

Moved by Councillor S Lennox
Seconded by Councillor C Bowyer

That the Audit and Risk Committee

1. notes the content and receives the Health and Safety Report for the quarter: (1 Oct 2023 to 31 December 2023).
2. notes a review of the Health and Safety Policy has been completed and the revised Policy was approved by the Strategic Leadership Team on 26 October 2023; and
3. recommends that Council endorses the updated MDC (Masterton District Council) Workplace Health and Safety and Staff Wellbeing Policy included as Attachment 1.

CARRIED

6 REPORTS FOR INFORMATION

6.1 MINUTES OF THE PREVIOUS MEETING HELD ON 15 NOVEMBER 2023

For the Audit and Risk Committee to receive the minutes of the previous meeting held 15 November 2023.

COMMITTEE RESOLUTION 2024/3

Moved by Councillor D Holmes
Seconded by Councillor C Bowyer

That the Audit and Risk Committee receives the minutes of the previous meeting held 15 November 2023.

CARRIED

6.2 DESTINATION WAIRARAPA QUARTERLY REPORT (1 OCTOBER 2023 TO 31 DECEMBER 2023)

The report providing the Audit and Risk Committee with the second quarter (1 October 2023 – 31 December 2023) progress report on key deliverables for Destination Wairarapa was presented by the General Manager, Destination Wairarapa who noted that the report related to the last quarter and that she was expecting the next quarter to be more positive as there was a lot on, although people were more conscious of their spending at the moment.

(Councillor Johnson joined the meeting at 1.06pm)

The deliverable to increase the number of visitors which had not been not achieved was discussed and a request made for an overview of the last couple of years of the data where the peaks and lows were and why. The General Manager advised that she would report back.

COMMITTEE RESOLUTION 2024/4

Moved by Councillor M Tuuta
Seconded by Councillor S Lennox

That the Audit and Risk Committee receives the second quarter report (1 October 2023 – 31 December 2023) from Destination Wairarapa.

CARRIED

6.3 SERVICE PROVISION REPORT: ARATOI REGIONAL TRUST AND NUKU ORA

The report providing the Audit and Risk Committee with the quarterly report against key result indicators for Aratoi Regional Trust, and the six-month key initiatives for Nuku Ora was introduced by the General Manager Community.

The Director, Aratoi was in attendance to present the report.

The agenda item was held over until 2.00pm, when Nuku Ora were available to present.

The meeting adjourned at 1.55pm and reconvened at 2.00pm.

All members were present when the meeting reconvened.

Nuku Ora presented their report.

Michelle Hayward, General Manager Partnerships, presented the Nuku Ora report. She was accompanied by Andrea Jackson, Programme Advisor – Wairarapa, Antonia Thompson, Neighbourhood Manager Wairarapa, Lily Joiner – Partnership Advisor Spaces and Places, and Marcus Sherwood – General Manager Delivery

A request was made for Nuku Ora to provide reporting that was more specific to Masterton.

COMMITTEE RESOLUTION 2024/5

Moved by Councillor C Bowyer
Seconded by Councillor B Goodwin

That the Audit and Risk Committee receives the Service Provision Report Aratoi Regional Trust and Nuku Ora, covering the summary of key result indicators for the quarter 1 July – 31 December 2023 and key initiatives for the six months 1 July – 31 December 2023.

CARRIED

6.4 NON-FINANCIAL REPORT QUARTER 2 2023-2024

The report advising the Audit and Risk Committee of performance against non-financial measures year to date, for the the period from 1 July 2023 to 31 December 2023 was presented by the Strategic Planning Manager.

In relation to swimming pool inspections, a request was made for property owners to be advised when an inspection was going to take place and what the cost would be.

COMMITTEE RESOLUTION 2024/6

Moved by Councillor D Holmes
Seconded by Councillor B Johnson

That the Audit and Risk Committee receives the Quarter 2 non-financial performance report for the 2023/24 financial year.

CARRIED

6.5 KEY POLICIES MONITORED BY THE AUDIT AND RISK COMMITTEE

The report providing an update on policies monitored by the Audit and Risk Committee was presented by the Policy Advisor.

It was noted that the Fraud Dishonesty and Corruption Control Policy and the Sensitive Expenditure Policy would come to the May Audit and Risk Committee meeting.

COMMITTEE RESOLUTION 2024/7

Moved by Philip Jones
Seconded by Councillor S Lennox

That the Audit and Risk Committee:

1. **notes** that the following policies are monitored by the Audit and Risk Committee:
 - Asset Management Policy
 - Fraud, Dishonesty and Corruption Control Policy
 - Workplace Health and Safety and Staff Wellbeing Policy
 - Procurement Policy
 - Revenue and Financing Policy
 - Risk Management Policy
 - Significance and Engagement Policy
 - Sensitive Expenditure Policy, and
 - Treasury Management Policy.
2. **notes** the status update for each of these policies in this Report.

CARRIED

6.6 2024-34 LONG-TERM PLAN UPDATE

The report providing the Audit and Risk Committee with an update on progress with the development of the 2024-34 Long Term Plan was presented by the Strategic Planning Manager.

COMMITTEE RESOLUTION 2024/8

Moved by Councillor B Goodwin
Seconded by Councillor S Lennox

That the Audit and Risk Committee

1. Receives the 2024-34 Long-Term Plan update report.
2. Notes the risks identified in this report.

CARRIED

6.7 AUDIT REPORT FOR THE YEAR ENDED 30 JUNE 2023

The report providing the Committee with the auditor's report on the recently completed audit of the Annual Report for the year ended 30 June 2023 was presented by the General Manager Finance.

Council's Auditor was in attendance via Teams to answer any questions.

COMMITTEE RESOLUTION 2024/9

Moved by Councillor B Johnson
Seconded by Councillor M Tuuta

That the Audit and Risk Committee **receives** the Auditor's Report to the Council on the audit of Masterton District Council for the year ended 30 June 2023.

CARRIED

6.8 SIX MONTHS TO DATE FINANCIAL REPORT 2023/2024

The report providing the Audit & Risk Committee with financial reporting for the six months to 31 December 2023 was presented by the General Manager Finance.

COMMITTEE RESOLUTION 2024/10

Moved by Councillor D Holmes
Seconded by Councillor B Johnson

That the Audit and Risk Committee receives the 6 months to date financial report and commentary.

CARRIED

6.9 BETTER OFF FUNDING UPDATE

The report providing Council with an update on progress with Better Off Funding projects was presented by the Strategic Planning Manager.

COMMITTEE RESOLUTION 2024/11

Moved by Councillor M Tuuta
Seconded by Councillor C Bowyer

That Council receives the Better Off Funding Update report.

CARRIED

7 PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION 2024/12

Moved by Councillor D Holmes
Seconded by Councillor B Johnson

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter 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 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	Ground(s) under section 48 for the passing of this resolution
<p>7.1 - Minutes of the Audit and Risk Committee Meeting held with the public excluded on 15 November 2023</p>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p> <p>s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

	<p>interest</p> <p>s7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public</p> <p>s7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that prevent or mitigate material loss to members of the public</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	
7.2 - Wairarapa Recovery Risk Report	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.3 - ELT Risk Discussion	<p>s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p> <p>s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely</p>	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7

	otherwise to damage the public interest	
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CARRIED

The Meeting moved into public excluded at 3.00pm

The Meeting moved out of public excluded at 4.02pm

The Meeting closed at 4.02pm

The minutes of this meeting were confirmed at the Council meeting held on 3 April 2024.

.....

MAYOR

6.2 SERVICE PROVISION REPORT ARATOI REGIONAL TRUST

File Number:

Author: Corin Haines, General Manager Community

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to provide the Committee with the quarterly report against key result indicators for Aratoi Regional Trust.

RECOMMENDATION

That the Audit and Risk Committee receives the Service Provision Report Aratoi Regional Trust, covering the summary results of the key result indicators for the quarter 1 January – 31 March 2024.

CONTEXT

The Aratoi Regional Trust provides the Council with a report for the funding they receive, and the agreement made through a Provision of Services Agreement and Memorandum of Understanding. Please see Attachment 1 for the Aratoi Regional Trust 2023-24 Quarter 3 Report.

The Aratoi Regional Trust provides community infrastructure and a community service, to support council's outcome "*Pride in our Identity and Heritage.*"

Funding for this service provider was confirmed via the 2021-31 Long Term Plan.

A Provision of Services Agreement and Memorandum of Understanding commenced on 1 July 2021, for a six-year term and will expire on 30 June 2027.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implication

Aratoi Regional Trust contributes towards Council's community outcomes and key strategies: *He Hiringa Tangata, He Hiringa Whenua*, the Arts, Culture and Heritage Strategy and the Wairarapa Economic Development Strategy.

Significance, Engagement and Consultation

The information contained in this report has been assessed against Council's Significance and Engagement Policy and is of no significance as there is no decision that impacts on any matters identified in the assessment of significance.

Financial Considerations

Funding to Aratoi Regional Trust was via the 2021-31 Long-Term Plan and as agreed in the Provision of Services Agreement and Memorandum of Understanding.

Implications for Māori

Included in Aratoi's key result indicators is a measure to ensure that Taonga Māori is displayed and an ongoing relationship between the institution and iwi is maintained and fostered.

Communications/Engagement Plan

There is no requirement for communication or engagement on the report provided.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impact considerations arising out of the report provided.

ATTACHMENTS

1. **Aratoi Regional Trust 2023-2024 Quarter 3 Report** [↓](#)

Aratoi Regional Trust 2023-24 Quarter 3

Key Result Indicators	Result	Assurance (How Achieved)
<p>A sustainable and thriving organisation:</p> <ul style="list-style-type: none"> ▪ Revenue from other sources (other than Masterton District Council and Masterton Trust Lands Trust) is greater than or equal to 20% of total revenue. ▪ Increases in self-generated revenue. <ul style="list-style-type: none"> ➢ [Baseline: increase on 2020-21 result] ▪ Resident and visitor satisfaction with Aratoi services. <ul style="list-style-type: none"> ➢ [Baseline for 2023-24 80% (4 or 5 stars)] 	<p>In progress</p> <p>In progress</p> <p>On Track</p>	<p>37% of Aratoi’s income was from sources other than Masterton District Council and Masterton Trust Lands Trust for the nine-month period of 1 July 2023 to 31 March 2024.</p> <p>Aratoi’s self-generated income streams for the year to date are 11% above budget.</p> <p>Satisfaction with Aratoi services was achieved as per the online ratings of:</p> <ul style="list-style-type: none"> ➢ 4.6 stars on Google ➢ 4.4 stars on Facebook ➢ 4.5 starts on TripAdvisor. <p>The visitor survey took place in April 2024.</p>
<p>Provider of arts, culture and heritage services that reflect the history and heritage of the Masterton district and wider Wairarapa region:</p> <ul style="list-style-type: none"> ▪ Number of programmes/events/activities undertaken annually that include local artists (or artists that whakapapa to the Wairarapa region). <ul style="list-style-type: none"> ➢ [Baseline established in 2019-20, then no decreases based on the previous year] ▪ Taonga Māori display held annually. <ul style="list-style-type: none"> ➢ [Baseline: 1 or more per annum] 	<p>Achieved</p> <p>Achieved</p>	<p>500+ artists in exhibitions and programmes including:</p> <ul style="list-style-type: none"> ▪ James Bragge: <i>Splendid Scenic Gems</i> ▪ Lester Blair: <i>Twenty-Four Churches</i> ▪ Lisa Chandler: <i>Landscape of Loss</i> ▪ Painting a Still Life: <i>Tatyana Kulida</i> demonstration ▪ Kathy Bartlett artist talk ▪ Lester Blair artist talk ▪ Lisa Chandler artist and curator talk ▪ Presentation of Sam Te Tau’s portrait of Tikawenga Te Tau ▪ Natasha Ratuva: Buiniga closing talks/events ▪ King Street Artworks biennial exhibition ▪ NZ Sotheby’s International Realty Wairarapa art review people’s choice announcement ▪ Friends of the NZ Portrait Gallery exhibition tour ▪ Rangitāne tour of collection store ▪ WCM Legal taonga handover ▪ Autumn openings. <p>25+ local artists represented in the retail space.</p> <p>The display of Waipūpū Waka in the Main Gallery, Dwyane Duthie’s Double Edge Sword and exhibitions in development.</p>

<ul style="list-style-type: none"> ▪ Exhibition held that tells the stories of our local history and heritage. <ul style="list-style-type: none"> ➤ <i>[Baseline: 1 or more per annum]</i> 	<p>Achieved</p>	<p>Exhibitions include Bragge’s historic photographs of the Wairarapa, the upcoming exhibitions <i>In Recognition</i>, and the ongoing vestibule exhibitions that display historical objects from the collection as in the current ‘Choice’ exhibition.</p>
<p>To professionally manage and maintain all Aratoi assets, including the permanent collection:</p> <ul style="list-style-type: none"> ▪ Collections housed in best practice conditions – adherence to professional museum standards. ▪ Taonga, artworks and heritage objects are managed in line with the Aratoi Collection Policy. ▪ Collections are documented in line with professional museum standards. 	<p>Achieved</p> <p>Achieved</p> <p>Achieved (Vernon database)</p>	<p>Housed in best practice conditions with adherence to professional museum standards.</p> <p>Managed in accordance with the Aratoi Collection Policy.</p> <p>Documented in line with professional museum standards.</p>
<p>Genuine partnerships and effective relationships:</p> <ul style="list-style-type: none"> ▪ Iwi and Māori are offered opportunities to contribute towards key projects/initiatives led by Aratoi. <ul style="list-style-type: none"> ➤ <i>[Baseline: annual reporting]</i> ▪ Key partnerships are offered to contribute towards key projects/initiatives led by Aratoi. <ul style="list-style-type: none"> ➤ <i>[Baseline: annual reporting]</i> 	<p>Achieved</p> <p>Achieved</p>	<p>Two representatives from each of the following iwi are on the Trust Board:</p> <ul style="list-style-type: none"> ▪ Ngāti Kahungunu ki Wairarapa ▪ Rangitāne o Wairarapa. <p>Exhibitions developed with iwi and Māori input (Waipūpū Waka).</p> <ul style="list-style-type: none"> ▪ Breadcraft Wairarapa Limited for <i>Wairarapa Schools Art</i> ▪ Lions Club for <i>International Peace Posters</i> ▪ King Street Artworks, ConArt, Hau Kāinga, Wairarapa Word, NZ Pacific Studios for the <i>Arts Quarter evening</i>. ▪ <i>Ara Toi : Pathway to Art</i> monthly radio programme with Arrow FM ▪ Weekly articles in Wairarapa Midweek with assistance from Aratoi educators and Friends of Aratoi.

6.3 DESTINATION WAIRARAPA QUARTERLY REPORT (1 JANUARY 2024 TO 30 MARCH 2024)

File Number:

Author: Matt Steele, Economic Development Lead

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to provide the Audit and Risk Committee with the third quarter (1 January 2024 – 30 March 2024) progress report on key deliverables for Destination Wairarapa

RECOMMENDATION

That the Audit and Risk Committee receives the third quarter report (1 January 2024 – 30 March 2024) from Destination Wairarapa.

CONTEXT

Destination Wairarapa is a regional tourism organisation (RTO) servicing the Wairarapa region. Their role is to attract visitors to the region, to help grow tourism revenue, and to support local tourism operators.

The three Wairarapa District Councils and Destination Wairarapa have a Memorandum of Understanding (MOU) that sets out key deliverables to be met by Destination Wairarapa in alignment with council funding and investment. An updated MOU was endorsed by all three Wairarapa District Councils in September 2022, with Masterton and South Wairarapa committing to a three-year funding term. Carterton committed to a two-year funding term, with funding being reviewed as part of their Long-Term Plan process.

The Wairarapa Destination Management Plan, endorsed by the three Wairarapa District Councils in 2022, further details tourism priorities for the region. This plan is reflected in the Wairarapa Economic Development Strategy (WEDS).

The following table outlines the results against each of the key deliverables of Destination Wairarapa:

Key Deliverables	Result	Assurance (How Achieved)
To increase the number of visitors to the Wairarapa, the length of time they stay in the region and the amount they spend.	Achieved Accommodation Data for this period reflects growth.	Accommodation Data ³ , February 2024: <ul style="list-style-type: none"> Total guest nights: 28,800 (February 23 – 26,200) Average nights stayed: 1.9 (February 23 – 1.9)

³ The Accommodation Data Programme replaced Commercial Accommodation Monitor in 2019. This data captures 33 registered accommodation establishments in Wairarapa. This methodology does not capture unregistered establishments.

Key Deliverables	Result	Assurance (How Achieved)
<p>Specifically, Destination Wairarapa are tasked with delivering growth in domestic and in international visitor spend per annum and in line with the Tourism Industry Aotearoa's Tourism Beyond 2025 framework.</p> <p>In particular this growth needs to be seen across the winter period. This information will be reported as Wairarapa-wide and by TLA where available.</p>	<p>Spending data is unavailable due to an MBIE review.</p>	<p>Nationwide (all RTO's) - Apart from Whanganui and Taranaki, total guest nights were up in February on last year's levels. Apart from Whanganui and Hamilton, international guest nights were up nationally.</p> <p>Wairarapa experienced growth in both domestic and international guest nights, with 500 additional domestic guest nights and 2,100 additional international guest nights (a growth of 47.7% on February 2023).</p> <p>The Monthly Unique Regional Population Estimates (MURPEs) provide estimates for monthly unique local and international visitor populations in each regional tourism organisation (RTO) in New Zealand. The Ministry of Business, Innovation, and Employment (MBIE) paused the release of the MURPEs following the data release on 5 October 2023 to undertake a review process. The review process is ongoing.</p>
<p>Represent the Wairarapa in the Business Events market in partnership with suitable venues, activities and other services.</p>	<p>In progress</p>	<p>Provide support and promotion for a wide range of events:</p> <ul style="list-style-type: none"> • Mayhem at Masterton Drags • Wairarapa Wines Harvest Festival • Castlepoint Races • Martinborough Fair (x2) • Tauherenikau Races • Greytown Heritage House and Garden tour • Hops in the Vines at Matahiwi Estate • Greytown Sidewalk Sale • The Gladstone Sunflower Patch • Lavender picking in several

Key Deliverables	Result	Assurance (How Achieved)
		<p>locations around the region, some with a Dark Sky viewing experiences</p> <ul style="list-style-type: none"> • Golden Shears • Summer Hummer • The Hendrick's Hootenanny • National Drag Racing Championship • Autumn Equinox at Stonehenge Aotearoa • Molewood Orchard Apple & Pear Picking
Destination Management Plan	Completed	The Wairarapa Destination Management Plan (DMP) has been received and endorsed by all three of the Wairarapa District Councils. It is a plan for the sustainable growth of tourism in the region, and key elements are reflected in the new MOU, as well as the refreshed Wairarapa Economic Development Strategy (WEDS).
To provide an online Wairarapa events calendar and a PDF downloadable version of major events.	Achieved	Available on the Destination Wairarapa website.
Represent the Wairarapa in the Inbound market in partnership with suitable venues and activities.	Achieved	<p>Attended the Regional Tourism New Zealand Trade event in Auckland for inbound travel companies, meeting with over 200 people.</p> <p>Preparation for TRENZ 2024 being hosted in Wellington. Destination Wairarapa is attending as an exhibitor.</p> <p>Destination Wairarapa is working with Classic New Zealand Wine Trail regional partners to develop a familiarisation for TRENZ 2024 along the whole trail. Competition is fierce to attract buyers with 7 key buyers committed to Wairarapa and along the trail.</p>

Key Deliverables	Result	Assurance (How Achieved)
Host the Wairarapa core economic development information around “Buy & Invest”, “Live & Work” and “Study” on the Destination Wairarapa website.	Achieved	Accessible on the following website link: https://wairarapanz.com/live-work
To provide a balanced budget.	Achieved	The Quarter 3 General Manager’s and Marketing Board ended March 2024 has been received.
To report quarterly to the council, including attending council meetings. The report is to cover progress towards all deliverables.	Achieved	The Quarter 3 General Manager’s and Marketing Board Report ended March 2024 has been received and reported on in this report.

1. Other activities undertaken during this reporting period

a) Examples of promotion:

- Provided support and promotion for a wide range of events including the Mayhem at the Masterton Drags, Wairarapa Wines Harvest Festival, Castlepoint Races, Hops in the Vines at Matahiwi Estate, Golden Shears, Summer Hummer and the National Drag Racing Championships.
- Given the current economic situation, affordable activities have been popular. Queen Elizabeth Park, particularly the miniature train, paddle boats and skatepark have been popular with visitors. A promoted video of the skatepark reached nearly 65,000 people.
- Wellington Anniversary weekend was a strong focus for the period, with a campaign focused on the good weather and the large number of activities on over the weekend, including Hops in the Vines at Matahiwi.
- Golden Shears was successful, with strong attendance by competitors and audiences. Campaign activity included a prize package aimed at Wellington families seeking a day at the event but also taking in nearby attractions including the Woolshed and QE Park. Growing awareness of this event supports the World Championships in 2026.

b) Media:

- Range of media stories on the success of events hosted across the Wairarapa during the summer period.
- Supported a Kia Ora Magazine feature on Wairarapa cellar doors, including Le Gra winery in Masterton.

c) Funding:

- Destination Wairarapa receives funding through the three Wairarapa district councils, subject to a memorandum of understanding (MOU). The MOU is due to expire on 30 September 2025.

d) Trade promotion

- Hosted a Tourism NZ Japanese media familiarisation showcasing organic wine and gin.
- Attended the Regional Tourism New Zealand Trade event in Auckland for inbound travel companies, meeting with over 200 people.
- Preparation for TRENZ 2024 being hosted in Wellington. Destination Wairarapa is attending as an exhibitor.
- Destination Wairarapa is working with Classic New Zealand Wine Trail regional partners to develop a familiarisation for TRENZ 2024 along the whole trail. competition is fierce to attract buyers with 7 key buyers committed to Wairarapa and along the trail.

Other relevant updates

a) Website development:

- The new website is nearing completion, with Stun confirming that the site will be built, ready for content uploads by the end of April. All website features, APIs, and design elements are now being integrated to complete the development.
- Content creation is underway with a focus on best practices for search engine optimisation and readability, ensuring a positive overall user experience.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The work undertaken by Destination Wairarapa supports Council's community outcome and economic development vision statement in *He Hiringa Tangata, He Hiringa Whenua* (Councils Wellbeing Strategy): *Masterton/Whakaoriori has a strong, sustainable economy that supports our people and places.*

Significance, Engagement and Consultation

The information contained in this report has been assessed against Council's Significance and Engagement Policy. The report does not include any decisions that impact on matters identified in the assessment of significance within the policy.

Financial Considerations

Funding for Destination Wairarapa is part of the Memorandum of Understanding with the three Wairarapa District Councils.

Implications for Māori

Destination Wairarapa secured funding to support the development of a Māori Tourism Strategy. Key to the successful development of this Strategy will be inclusion and support from iwi, hapū, marae and those leading Māori tourism initiatives.

Communications/Engagement Plan

There are no decisions for this report that require either a communication or engagement plan.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impacts or considerations arising out of the report provided.

ATTACHMENTS

Nil

6.4 CORPORATE CARBON EMISSIONS REDUCTION PLAN IMPLEMENTATION: PROGRESS REPORT

File Number:

Author: Karen Yates, General Manager Strategy & Development

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to advise the Audit and Risk Committee of progress on the implementation of the Corporate Carbon Emissions Reduction Plan (CCERP 2021).

RECOMMENDATION

That the Audit and Risk Committee receives the third six-monthly progress report on the implementation of the Corporate Carbon Emissions Reduction Plan.

CONTEXT

Masterton District Council (Council) is taking up the challenge of climate change action in two ways. Firstly, we developed an internal Corporate Carbon Emissions Reduction Plan in 2021, which sets out the ways the Council will reduce its climate pollution as an organisation. Secondly, we established a Climate Advisory Group (CAG) in 2023 to support implementation of the Climate Action Plan for the Masterton District that was developed with community input and adopted in 2022.

The Corporate Carbon Emissions Reduction Plan (CCERP) was approved by the Senior Leadership Team (SLT) on 4 March 2021. The CCERP has 50 actions that fall under the categories of:

1. improve energy efficiency/conservation
2. minimise waste
3. prepare to adapt for future changes
4. work towards a low carbon economy
5. promote cleaner transport
6. general.

These categories align with the environmental objectives under the Council's Well-Being Strategy *He Hiringa Tangata, He Hiringa Whenua*.

Each action has been assigned a responsibility/lead(s) and a timeframe for action (immediate; ongoing; short term <1 year; medium term 1 to 3 years; long term >5 year). Certain actions in the CCERP are the collective responsibility of the organisation. Other actions are the responsibility of individual teams or business groups.

Regular monitoring to track progress of the CCERP is essential to keep it front and centre in the Council's business-as-usual work and decision-making. It was agreed by SLT in 2022 that progress reports would be provided to the Audit and Risk Committee every six months. This is the

third progress report, following reports to the Audit and Risk Committee in May 2023 and November 2023.

ANALYSIS AND ADVICE

Progress against each of the actions in the CCERP is detailed in Attachment 1.

The tables below summarise the current status of the CCERP actions.

Action by theme	Not started	In progress	Completed	Combined Total
Energy efficiency section	0	11	0	11
Waste section	1	7	2	10
Adaptation/resilience section	0	9	0	9
Low carbon economy section	4	3	0	7
Transport section	0	1	4	5
General section	0	1	6	7
All of plan	5	32	12	49

Action by timeframe	Not started	In progress	Completed	Combined Total
Immediate [2021]	0	0	5	5
Short term actions [2021/22]	2	3	4	9
Short term (ongoing) actions [2021/22]	0	3	2	5
Short to medium term actions [2021-2023]	3	11	0	14
Medium term actions [2021-2023]	0	10	0	10
Medium to long term actions [2021-2025+]	0	1	0	1
Long term actions [2026+]	0	0	0	0
Ongoing [2021+]	0	4	1	5
Total	5	32	9	49

Of the total 49 actions:

To date, we have completed twelve actions (in our last report to the November 2023 meeting three had been completed). These include eight actions that have been embedded into “business as usual” processes but action continues and will be monitored. For example, for action #48 (establish and support a climate champions group) the group has been established and is meeting regularly every two months.

Five actions are yet to start (November 2023: 14 not started)—three relate to wastewater treatment emissions, one data on office waste, and one refrigerants at Council offices.

Actions categorised as ‘ongoing actions’ are those that are not one-off initiatives but where we may do things periodically or continually. An example of this is action #10 where we promote energy savings behaviour.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

The CCERP is our internal plan to reduce our climate pollution as an organisation. Actions in the CCERP align with the Masterton District Climate Action Plan.

Significance, Engagement and Consultation

Providing a progress report on the implementation of the CCERP does not trigger the requirements for consultation under the Significant and Engagement Policy.

Financial Considerations

The CCERP actions currently underway will be resourced from within existing budgets. The Policy team will work with teams across the business to ensure that any projects planned are within planned budgets. Other actions may require a business case to be considered for incorporating actions into business-as-usual or project budgets as part of developing the next annual or long-term plan.

Implications for Māori

Items of specific and general interest to iwi and mana whenua are incorporated in the actions under the CCERP and the CAP. This progress report on the implementation of the CCERP has not identified any specific issues to highlight for iwi and mana whenua.

Communications/Engagement Plan

The CCERP has an internal focus. The CAP however is outward-facing and its implementation will include communications and engagement with the community. This is an opportunity to highlight emission reduction successes arising from CCERP actions.

Environmental/Climate Change Impact and Considerations

The CCERP highlights where emissions reductions are desirable within MDC’s operations. Reducing organisational emissions will have a positive environmental benefit to the Masterton District and contributes to climate change mitigation.

ATTACHMENTS

1. **Corporate Carbon Emissions Reduction Plan** [📄](#)

Attachment 1 – CCERP review (last updated May 2024)

Action #	Action	Timeline	Status: - in progress, - completed, - not started.	Action update (description of progress to date, any next steps for the project, explanation of delays, links to associated policies/plans/news articles etc).
ENERGY EFFICIENCY				
1	Undertake energy assessments for: <ul style="list-style-type: none"> • Waiata house • Recreation centre 	Short to medium term [2021-2023]	In progress	The Condition and Energy Report for the Recreation Centre was completed and released to Council in early February 2024. Conducting an energy assessment for Waiata House was raised as part of the LTP Workshops, but was not prioritised at this stage.
2	Identify any other council buildings and facilities that have potential to significantly reduce carbon emissions	Medium term [2021-2023]	In progress	All existing fluorescent lighting at Waiata House is progressively being upgraded to LED when the fluorescents reach end of life. Offices and meeting rooms have movement sensors to turn off lighting when not in use. There are opportunities at the animal shelter. The building design incorporates rainwater collection and pre-wiring for solar.
3	Implement energy assessment recommendations as practicable	Medium term [2021-2023]	In progress	The energy assessment recommendations for the Recreation Centre will be considered during the 2024/25 works programme for the facility. Conducting Energy Assessments for the remaining Council buildings was raised as part of the LTP Workshops, but was not prioritised at this stage.
4	Choose sustainable materials, energy efficient technology and low-emission options when acquiring new office spaces and facilities	Ongoing [2021+]	In progress	To be included in the project checklist and in the technology procurement - timeframe: 90 days.
5	Aim for Green Star rating no less than 5 Star 'NZ Excellence' for any new build and major refurbishments	Medium term [2021-2023]	In progress	To be included in the project checklist and in the technology procurement - timeframe: 90 days.
6	Aim for NABERSNZ 4 star 'excellent performance' rating or higher for any new build and major refurbishments	Medium term [2021-2023]	In progress	To be included in the project checklist and in the technology procurement - timeframe: 90 days.
7	Prioritise energy-efficient and low-emission options when replacing or planning new infrastructure and infrastructure facilities	Medium term [2021-2023]	In progress	The Waiata House vehicle compound fence upgrade created opportunity to add extra exterior power points for overnight trickle charging of electric fleet. Future opportunities for solar and low-emission options may arise for library/archives, town hall, and recreation centre (depending on LTP outcomes).
8	Secure budget for energy efficiency improvements	Medium term [2021-2023]	In progress	LTP budgets include an allowance to undertake business cases, but this may be inadequate and priorities are yet to be determined. Conducting energy assessments for Waiata House and the remaining Council buildings was raised as part of the LTP Workshops, but was not prioritised at this stage. To be considered again for Annual Plan 2025/26.
9	Investigate investing in renewable energy including types of renewable energy are most fit for purpose e.g. water and wastewater plants, office buildings	Short to medium term [2021-2023]	In progress	As more opportunities arise.

Attachment 1 – CCERP review (last updated May 2024)

Action #	Action	Timeline	Status: - in progress, - completed, - not started.	Action update (description of progress to date, any next steps for the project, explanation of delays, links to associated policies/plans/news articles etc).
10	Promote energy savings behaviour: <ul style="list-style-type: none"> • Maintain an internal optimum temperature for offices between 19°C and 21°C • Ensure that heating systems are switched off when not required • Only operate offices between the hours of 7am to 7pm (unless otherwise required) • Ensure building heating systems will run to match office peak occupancy hours, e.g. between 8am and 5pm • Where there is sufficient natural light, switch off lights • Switch off and unplug any electrical equipment that is not in use • Ensure that all external doors and windows are kept closed when heating or cooling systems are in operation • Avoid using electrical portable heaters while air con is on 	Ongoing [2021+]	In progress	Lights on timers. More staff education needed.
11	Identify and install LED lights where practicable	Short term - ongoing [2021/22]	In progress	<ul style="list-style-type: none"> • New builds - standard specification • Replacement - standard practice (see Action #2) • Dark Sky status will require the lighting rules to be adopted in the District Plan (currently being consulted) and we will need to move all our publicly owned lights to LED.
WASTE				
12	Improve data on the volume of office waste	Short term [2021/22]	Not started	To be considered as part of review of E-Bench
13	Improve management of office waste	Short term [2021/22]	In progress	To be considered as part of review of E-Bench to provide baseline data
14	Investigate concrete recycling	Short to medium term [2021-2023]	In progress	Opportunities for concrete recycling will be included as projects that involve demolition are undertaken.
15	Implement and promote waste minimisation at every council event e.g. zero waste, plastic free	Short term (and ongoing) [2021/22]	In progress	Budget set aside for waste minimisation event plans. Online forms and guidance to be updated. Suites of modern recycling bins are being installed into Park spaces to consolidate the amount of bins and reduce mixed waste to landfill.
16	Requirements for catering to be no or only minimal food packaging (no plastic) for council sponsored/held workshops/meetings	Short term (and ongoing) [2021/22]	Completed	Carry out review at year end.
17	Investigate viability of using shredded office recycled paper for garden mulch	Short term [2021/22]	In progress	
18	Develop less paper policy/guideline	Short to medium term [2021-2023]	In progress	
19	Improve our business systems and develop more online services – electronic purchase orders, data management system, electronic forms, e-signatures for all staff	Short to medium term [2021-2023]	In progress	<ul style="list-style-type: none"> • All finance systems now complete, including leave and full workflow for purchases • Electronic forms - progressing through each form • General work continues on the internal culture to encourage the uptake of on-line services • Otherwise complete

Attachment 1 – CCERP review (last updated May 2024)

Action #	Action	Timeline	Status: - in progress, - completed, - not started.	Action update (description of progress to date, any next steps for the project, explanation of delays, links to associated policies/plans/news articles etc).
20	Monitor paper usage	Short term (and ongoing) [2021/22]	In progress	Carry out review at year end.
21	Improved signage and information for recycling in the office	Short term [2021/22]	Completed	Carry out review of compliance at year end.
ADAPTATION / RESILIENCE				
22	Develop and embed clear criteria and objectives around sustainability and carbon emissions reduction in all of our procurement processes including what is required from suppliers/contractors	Short to medium term [2021-2023]	In progress	Procurement policy adopted in 2022 and due for review in February 2025. Procurement guidelines and training to be developed - project plan by end of May 2024.
23	Develop and embed requirements for carbon reduction in all business case and project management processes and frameworks	Short to medium term [2021-2023]	In progress	Opportunities to incorporate carbon reduction measures in projects will be taken as projects develop. Business case documents are required to reference Council strategies and policies.
24	Embed the sustainability principles and incentivise sustainable technologies in the Wairarapa Combined District Plan (e.g. low carbon footprint buildings; energy efficiency; renewable energy use in buildings; enhanced green/sustainable urban/subdivision design, blue/green infrastructure)	Medium term [2021-2023]	In progress	The proposed Wairarapa Combined District Plan (the WCDP) includes, <i>inter alia</i> : <ul style="list-style-type: none"> • a requirement for 5,000 litre water tanks for new builds • no longer requires car parks on developments • encourages climate-friendly urban design, eg minimum % permeable surfaces, rain gardens • more permissive land use for renewable energy WCDP hearings scheduled for August 2024.
25	Ensure the Wairarapa Combined District Plan review futureproofs a long-term management approach for our changing coastline	Medium term [2021-2023]	In progress	The proposed WCDP does not have changes to provisions, but they are to be applied more rigorously. Develop policy on coastal management alongside regional adaptation plan.
26	Integrate connected, nature-based solutions in development planning; such as protecting, restoring or enhancing natural habitats or incorporating natural elements into built environment projects e.g. green infrastructure	Medium to long term [2021-2025+]	In progress	Environmentally sensitive solutions are encouraged. The upcoming National Engineering Design Standard (NEDS) will set out national requirements in this area. Identify level two definition with the Environmental Lead. Add to an operational plan as part of green space development.
27	Ensure climate change impacts are embedded into MDC spatial planning	Medium term [2021-2023]	In progress	MDC has scheduled development of a spatial plan/growth strategy in Y1 of the LTP. The Wellington region Future Development Strategy has also been completed and WCDP is considering growth.
28	Increase indigenous tree plantings in road corridors, parks and open spaces	Short to medium term [2021-2023]	In progress	Street Tree policy to be reviewed and updated in Year 1 of 2024-34 LTP. Parks contract includes maintaining a tree register. Approximately 60 juvenile trees are introduced annually. Plan to regularly report planting statistics. Bark preferred as soft fall over rubber in parks where practicable. Where balance is required in play spaces for inclusivity and accessibility, soft pour products will be UV resistant and fully recyclable.
29	Plant permanent forest on suitable council land for sequestration and to increase biodiversity	Short to medium term [2021-2023]	In progress	Forest 360 report has been received. The next step is to work through each opportunity identified. See also Action #38.
30	Continue to collaborate with local and central government colleagues, in particular, work collectively through the Wellington Regional Leadership Committee.	Ongoing [2021+]	In progress	Contributing to the three climate-related projects: <ul style="list-style-type: none"> • the Regional Emissions Reduction Plan • the Regional Climate Change Impacts Assessment • the Regional Food Systems Strategy

Attachment 1 – CCERP review (last updated May 2024)

Action #	Action	Timeline	Status: - in progress, - completed, - not started.	Action update (description of progress to date, any next steps for the project, explanation of delays, links to associated policies/plans/news articles etc).
LOW CARBON ECONOMY				
31	Investigate how to address high emissions associated with wastewater and wastewater treatment process	Short to medium term [2021-2023]	Not started	Will be investigating research project on measuring emissions from treatment processes at Homebush. This may be Wairarapa-wide. Action #33 should precede #31 and #32. It is possible that wastewater and its treatment may be the biggest contributor to MDC's emissions (as well as indirectly through the larger service providers such as City Care, Higgins, and Recreation Services).
32	Improve our understanding of how to improve the wastewater emissions calculations	Short to medium term [2021-2023]	Not started	Will be investigating research project on measuring emissions from treatment processes at Homebush. This may be Wairarapa-wide. Action #33 should precede #31 and #32.
33	Collaborate on a regional study into wastewater emissions if opportunity arises	Short to medium term [2021-2023]	Not started	Will be investigating research project on measuring emissions from treatment processes at Homebush. This may be Wairarapa-wide. Action #33 should precede #31 and #32.
34	Develop appropriate procedures and recording for use of refrigerants in MDC buildings/operations	Short term [2021/22]	Not started	The HVAC upgrade at Waiata House, planned to start July 2024, will provide an opportunity to develop the procedures and recording mechanisms for refrigerants.
35	Investigate opportunities for partnership with local developers to showcase a green/sustainable village/subdivision		REMOVED	This action has been removed from the Emissions Reduction Plan. It is not an action that relates to reducing the emissions of the organisation. It is more appropriate to be included in the implementation of the Council's Climate Action Plan, which covers external, community-focussed actions.
36	Develop a guideline/plan for sustainable practices in parks and gardens	Short to medium term [2021-2023]	In progress	The development of guidelines has started.
37	Encourage the adoption of innovation, green technology and circular solutions, and support suppliers as they transition to a lower carbon economy	Medium term [2021-2023]	In progress	Was considered as part of ICT infrastructure renewal programme. We support the Resource Centre to re-use or recycle old technology. Identify level two definition with Environmental Lead and align with WMMP local and regional implementation plan to be signed off in June.
38	Identify opportunities to sequester the equivalent carbon through forestry activities	Short to medium term [2021-2023]	In progress	Forest 360 report has been received. The next step is to work through each opportunity identified. A review of under-utilised holding paddocks and land parcels identified through the development of the Acquisitions and Disposals Policy may provide further opportunities to create micro-forests for carbon sequestration on appropriate land.
TRANSPORT				
39	Adopt a target of a fully electric corporate vehicle fleet by 2030 (if mature technology is available)	Short term [2021/22]	In progress	The parking compound has four charging stations. The fleet currently includes one EV (down from three) and three Hybrid EV vehicles. See also Action #42. Keeping a watching brief on new technology (vehicles need to be fit for purpose).
40	Investigate and evaluate options for off-road and high-performance electric vehicles	Short term (and ongoing) [2021/22]	Completed - incorporated in BAU processes	Investigation by Facilities Officer when looking at replacement fleet vehicles.
41	Prioritise petrol over diesel in the absence of mature EV technology for off road and high-performance vehicles	Short term [2021/22]	Completed - incorporated in BAU processes	There are two vehicles due for replacement. Both are petrol vehicles and will be replaced with plug-in hybrids before the end of this financial year.
42	Incorporate E-bikes into the fleet	Short term [2021/22]	Completed	Staff training for a leased e-bike was delivered and staff used the bike during a year-long trial. Use of the e-bike by staff was infrequent as it did not meet needs. Staff either walk to CBD locations or otherwise required a vehicle. The financial costs outweighed the current benefit. Therefore a decision was made to not include e-bikes in the fleet.

Attachment 1 – CCERP review (last updated May 2024)

Action #	Action	Timeline	Status: - in progress, - completed, - not started.	Action update (description of progress to date, any next steps for the project, explanation of delays, links to associated policies/plans/news articles etc).
43	Construct MDC car fleet parking compound	Short term [2021/22]	Completed	
GENERAL				
44	Allocate responsibility for corporate carbon emissions through cascading KPIs [SMART KPIs] from CE through to ELT and staff	Immediate [2021]	Completed - incorporated in BAU processes	The CE has a KPI related to corporate carbon emissions. All staff have growth and development goals, an opportunity to embed emissions reduction ambitions throughout the organisation.
45	Executive Leadership Team demonstrates climate change priority and leadership throughout our business to staff and councillors	Immediate [2021]	Completed - incorporated in BAU processes	Our procedures reflect the action as laid out in this document. ELT meet regularly to discuss climate change and this is a standing item on the strategic meeting agenda.
46	Executive Leadership Team takes collective responsibility for the overall climate change and emissions reduction actions implementation	Immediate [2021]	Completed - incorporated in BAU processes	Our procedures reflect the action as laid out in this document. ELT meet regularly to discuss climate change and this is a standing item on the strategic meeting agenda.
47	Executive Leadership Team meetings - climate change and emissions reduction reporting as a regular agenda item	Immediate [2021]	Completed - incorporated in BAU processes	Our procedures reflect the action as laid out in this document. ELT meet regularly to discuss climate change and this is a standing item on the strategic meeting agenda.
48	Establish and support a climate champions group to support, drive and promote implementation of this plan	Immediate [2021]	Completed - incorporated in BAU processes	The Climate Champions Group has been established, with a representative from each division. They meet alternate months and support their General Manager with the implementation of this plan.
49	Seek opportunities for central government funding and grants	Ongoing [2021+]	Completed - incorporated in BAU processes	Continually looking for opportunities.
50	Celebrate our success and share our story	Ongoing [2021+]	In progress	A communications and engagement plan for the Climate Action work has been created. Ongoing updates to this to occur between Climate Activators and the Communications Teams as the climate work programme progresses/changes.

6.5 NON FINANCIAL PERFORMANCE 2023/2024 QUARTER 3 REPORT

File Number:

Author: Tania Madden, Strategic Planning Manager

Authoriser: Kym Fell, Chief Executive

PURPOSE

The purpose of this report is to advise the Audit and Risk Committee of performance against non-financial measures year to date. The figures in this report are for the period from 1 July 2023 to 31 March 2024.

EXECUTIVE SUMMARY

This is the third non-financial performance report for Year 3 (2023/24) of the 2021-31 Long-Term Plan (LTP).

Results against performance measures are reported for seven activity areas. The activity areas are:

- Roads and Footpaths
- Water Supply
- Wastewater
- Stormwater
- Solid Waste
- Community Facilities and Parks
- Regulatory Services

In total there are 43 measures across the seven activity areas, with 36 available to report in Quarter 3 of 2023/24.

Of the 36 measures reported, 94.4% (34 measures) were achieved or expect to be achieved, and 5.6% (2 measures) were not achieved or not on track to be achieved at year end. Seven measures were not available to report, with the majority of these being measures that are only reported at year-end. Further information is provided in Attachment 1.

For comparison, at the end of Quarter 3 of the 2022/23 financial year, of the 35 measures reported, 85.7% (30 measures) were achieved/expected to be achieved, and 14.3% (5 measures) were not achieved or not expected to be achieved at year end. Eight measures were not available to report.

Results for Quarter 3 of the 2023/24 financial year are an improvement on the same quarter last year. In particular, regulatory, wastewater and stormwater results have seen an increase in the number of measures that have been achieved or are expected to be achieved compared to the equivalent period last year.

Q3 Results – Current Year vs Previous Year

	Q3 2023/24 (current year)	Q3 2022/23 (previous year)
Achieved/Expect to Achieve	94.4% (34)	85.7% (30)
Not Achieved/Not Expected to be Achieved at Year End	5.6% (2)	14.3% (5)
Total Available to Report:	36	35
Not Available to Report	7	8
Total Measures:	43	43

The number of measures achieved/expected to be achieved compared to Q3 of the previous year:

Number of Measures Achieved:	Q3 2023/24 (current year)	Q3 2022/23 (previous year)
Roads (6 measures - 4 reported at year end)	2	2
Wastewater (6 measures)	6	3
Stormwater (5 measures)	5	4
Water Supply (9 measures – 2 reported at year end)	5	7
Solid Waste (3 measures)	3	2 One measure was not available to report.
Community Facilities & Activities (6 measures – 1 no longer available to report)	5	5
Regulatory (8 measures)	8	5
Total:	34	28

RECOMMENDATION

That the Audit and Risk Committee receives the Quarter 3 non-financial performance report for the 2023/24 financial year.

CONTEXT

The Local Government Act 2002 requires Councils to include performance measures and targets for activity areas in its Long-Term Plan. This is the third non-financial performance report for Year 3 of the 2021-31 Long-Term Plan (LTP).

The performance measure framework was last reviewed and revised as part of the 2021-31 Long-Term Plan process.

There are some mandatory measures identified by the Department of Internal Affairs (DIA) that all Councils must report on. These primarily relate to infrastructure services and have been included in the performance measure framework. They are identified as Mandatory Measures in Attachment 1.

The measures that were adopted as part of the 2021-31 Long-Term Plan apply from 1 July 2021.

Council is required to report on progress against the measures and targets at least annually.

Highlights in Quarter 3 include:

Roading

The two measures available to report have been achieved. There has been a decrease in the number of complaints YTD compared to the same period last year, noting weather impacts in the previous two years. Urgent complaints are down from 232 last year to 141 this year; and non-urgent complaints have decreased from 843 to 658.

Three Waters

As noted in previous reports to Audit & Risk, rain and weather events since February 2022 impacted results for Council's wastewater and stormwater services in the previous two years (2021/22 and 2022/23). However, for Quarters 1-3 of this year, the majority of measures that are available to report have been achieved.

- Wastewater complaints are significantly lower with 50 complaints year to date compared to 222 for the same period last year. Ten complaints were received in Q3, comparable with results prior to the February 2022 rain event. (12 complaints in Q2 of 2021/22).
- Stormwater complaints have also decreased from 91 in 2022/23 to 19 as at Q3 this year.
- No port-a-loos were deployed in Q3 compared to 29 for the same period last year. YTD only 2 port-a-loos have been deployed, compared to 160 in the 2022/23 year
- No flooding events were reported.

As noted in previous reports for the 2023/24 year, two water measures are reported as not achieved. These relate to compliance with Part 4 and Part 5 of the Drinking Water Standards. The data requirements for these measures changed, resulting in a technical non-compliance. This has been addressed but given the non-compliance early in the financial year, these measures will not be achieved at year end.

Community Facilities and Parks

Quarter 3 results for community facilities and parks continue to be positive. All five measures that are available to report were again achieved or on track to be achieved at year end.

In the Library, the number of in-person visits at Q3 has exceeded the number of in person visits at year end for the previous two years. There have been 117,847 in person visits YTD compared to 99,132 and 83,400 in the previous two reporting years at year-end. Overall library use continues to trend up compared to the Q3 period in the last two years, and results are on track to be achieved at year end.

Overall Trust House Recreation Centre usage YTD is on track to achieve the target of exceeding the 5 year average. Usage in the Q3 period (1 January – 31 March 2024) compared to Q3 last year, shows an increase in gym use and stadium events, which included the Golden Shears competition. Swim use is comparable. Stadium sports are lower than the same period last year, a trend observed across all three quarters YTD. This seems to be due to groups not rebooking as a result of funding shortfalls. Pricing structures and marketing strategies are being reviewed for the new financial year.

Regulatory

Seven of the eight regulatory measures were achieved in Q3, and one measure is on track to be achieved. That measure is the number of animal control community education and engagement activities. There is a target of six education/engagement activities per annum. As at the end of Q3, two had been held. More are scheduled in Q4 and the team expect to achieve the target of six by year end.

In the Q3 period (1 January – 31 March 2024) all 36 urgent dog call outs that were received were attended within one hour.

In Q2 we reported that the number of swimming pool inspections completed was expected to be achieved by year end. In Q3 the target (80%) was exceeded, with 91% of total pools inspected.

SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

Under legislation, Council is required to identify performance measures and targets for its activity areas and periodically report on these. Council must also report on those measures that are identified as mandatory for all Councils.

Significance, Engagement and Consultation

The recommendation to receive this report does not trigger criteria under the significance and engagement policy.

Financial Considerations

There are no specific financial considerations associated with this update.

Implications for Māori

There are considerations or implications specific to Māori arising out of the receipt of this report.

Communications/Engagement Plan

Not applicable.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impacts or considerations arising from the receipt of this report.

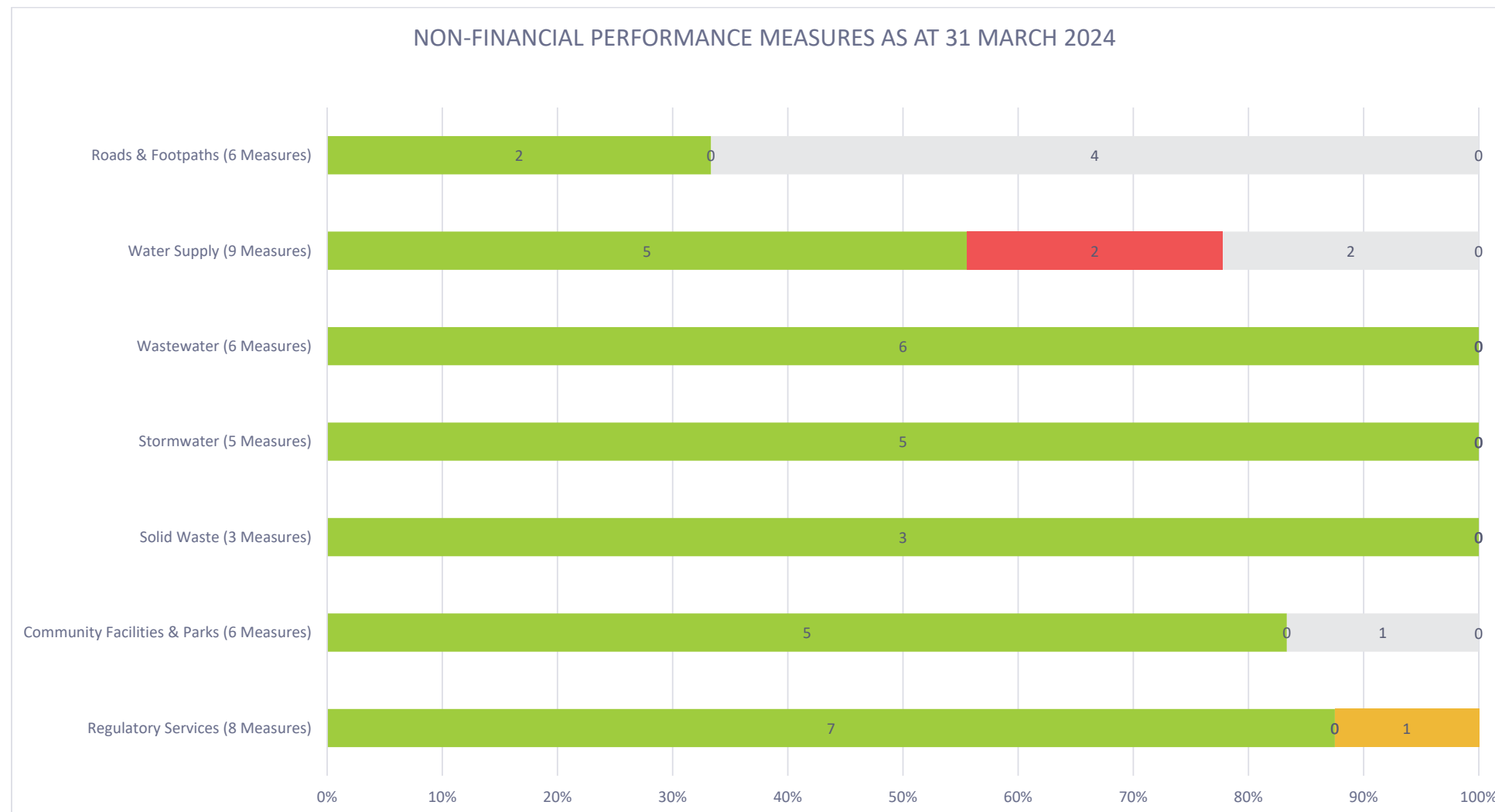
ATTACHMENTS

1. **Non-Financial Performance Measures for 2023/2024 Quarter 3** [↓](#)

ATTACHMENT 1: Non-Financial Performance Measures for 2023/24 Quarter 3

The graph below shows the percentage of measures against each activity area that:

- have been achieved as at 31 March 2024 (green);
- have not been achieved as at 31 March 2024 but expect to be achieved at year end (orange);
- have not been achieved as at 31 March 2024 and not expected to be achieved at year end (red);
- Are not applicable and/or information is not available as at 31 March 2024 (grey).



2023/24 Quarter 3 Non-Financial Performance Measure Results

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Roading						
Number of fatalities and serious injury crashes on the local road network. (Mandatory Measure)	No more than the 5 year average.	Reported at Year End	Not Available to Report	No fatalities and nine serious injury crashes.	One fatality and twelve serious injury crashes.	
Average quality of ride on a sealed local road network, measured by smooth travel exposure. (Mandatory Measure)	Maintain or improve on 90%	Reported at Year End	Not Available to Report	94% network smooth travel exposure (as at 30/6/23)	94% network smooth travel exposure (as at 30/6/22)	
Percentage of sealed local road network that is resurfaced. (Mandatory Measure)	Maintain within 5-7%	Reported at Year End	Not Available to Report	1.9% Resurfaced 10.05 km of the total 535 km sealed local road network.	5% Resurfaced 28.5km of the total 534.5km sealed local road network.	
Percentage of footpaths where the condition falls within the level of service defined in MDC's Asset Management Plan (Mandatory Measure)	90% of footpaths are rated excellent, good or fair	Reported at Year End	Not Available to Report	91.7% 196.2km of 214km of the footpath network surveyed to June 2023 was condition rated excellent, good and Average. (Other condition ratings are poor, very poor and unknown)	92% 193km of 210km of the footpath network surveyed to June 2022 was condition rated excellent, good or fair.	
Percentage of urgent customer service requests responded to within 2 days. (Mandatory Measure)	95% within specified timeframe	95.7% 135 of 141 urgent requests were responded to within two days.	Achieved	98.9% 270 of 273 urgent requests were responded to within two days. Q1: 100% (96/96) Q2: 100% (62/62) Q3: 97.3% (72/74) Q4: 97.6% (40/41)	99.6% 283 out of 284 urgent requests were responded to within two days. Q1: 100% (79/79) Q2: 97.8% (44/45) Q3: 100% (101/101) Q4: 100% (59/59)	YTD Result: 95.7% 135 out of 141 urgent requests have been responded to within specified timeframes. 2023/24 Quarterly Results: Q1: 97.5% (39/40) Q2: 100% (51/51) Q3: 90% (45/50)

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
<p>Percentage of non-urgent customer service requests responded to within the timeframes specified in MDC's Asset Management Plan and placed on appropriate maintenance programme. Specified response times for non-urgent requests vary by category, ranging from 7 days to 30 days.</p> <p>(Mandatory Measure)</p>	70% within specified timeframe	83.5% 561 out of 658 non-urgent requests were responded to within the timeframe.	Achieved	82.9% 978 out of 1167. Q1: 81.5% (276/340) Q2: 87.5% (175/200) Q3: 79.2% (240/303) Q4: 88.6% (287/324)	91.5% 762 out of 833 Q1: 100% (173/173) Q2: 81.3% (161/198) Q3: 89.3% (217/243) Q4: 96.3% (211/219)	<p>YTD Result: 85.3%</p> <p>561 out of 658 non-urgent requests have been responded to within specified timeframes.</p> <p>2023/24 Quarterly Results: Q1: 82.4% (220/261) Q2: 88.5% (169/191) Q3: 83.5% (172/206)</p> <p>The variability in results for non-urgent requests responded to on time reflects the broad variety and often complex nature of requests in this category. Often a request is responded to within the specified timeframe but not resolved.</p>
Water Supply						
<p>Number of complaints received about drinking water clarity, taste, odour, pressure or flow, continuity of supply, or MDC's response to any of these issues.</p> <p>(Mandatory Measure)</p>	Less than or equal to 6 complaints/1000 connections	1.79 complaints/1000 connections Actual Complaints: 18	Achieved	4.88 complaints/1000 connections Actual Complaints: 48 Q1: 0.711/1000 (7) Q2: 0.61/1000 (6) Q3: 2.03/1000 (20) Q4: 1.52/1000 (15)	2.37 complaints/1000 connections Actual Complaints: 23 Q1 Result: 0.41/1000(4) Q2 Result: 0.52/1000 (5) Q3 Result: 0.72/1000 (7) Q4 Result: 0.72/1000 (7)	<p>YTD: 1.79 complaints/1000 connections</p> <p>Year to date: Actual Complaints: 18</p> <p>2023/24 Quarterly Results: Q1: 0.50/1000 (5 complaints) Q2: 0.40/1000 (4 complaints) Q3: 0.89/1000 (9 complaints)</p>
Response time to call outs to a fault or unplanned interruption to MDC's networked reticulation system:						
<p>a) attendance at urgent call outs (from notification to arrival on site)</p> <p>(Mandatory Measure)</p>	60 minutes or less	20 minutes	Achieved	50 minutes Q1: 50 minutes Q2: 54 minutes Q3: 32 minutes Q4: 47 minutes	38 minutes Q1: 39 minutes Q2: 30 minutes Q3: 38 minutes Q4: 28 minutes	<p>YTD: 20 minutes</p> <p>2023/24 Quarterly Results: Q1: 23 minutes Q2: No urgent calls Q3: 20 minutes</p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
b) resolution of urgent call outs (from notification to confirmation of resolution) (Mandatory Measure)	480 minutes or less	56 minutes	Achieved	113 minutes Q1: 125 minutes Q2: 155 minutes Q3: 85 minutes Q4: 113 minutes	137 minutes Q1: 196 minutes Q2: 142 minutes Q3: 78 minutes Q4: 58 minutes	YTD: 56 minutes 2023/24 Quarterly Results: Q1: 177 minutes Q2: No urgent calls Q3: 53 minutes
c) attendance at non-urgent call outs (from notification to arrival on site) (Mandatory Measure)	7 days or less	43 minutes	Achieved	69 minutes Q1: 102 minutes Q2: 68 minutes Q3: 61 minutes Q4: 59 minutes	53 minutes 2021/22 Qtly Results: Q1: 22 minutes Q2: 67 minutes Q3: 49 minutes Q4: 34 minutes	YTD: 57 minutes 2023/24 Quarterly Results: Q1: 57 minutes Q2: 91 minutes Q3: 43 minutes
d) resolution of non-urgent call outs (from notification to confirmation of resolution) (Mandatory Measure)	3 months or less	109 minutes	Achieved	108 minutes Q1: 130 minutes Q2: 188 minutes Q3: 100 minutes Q4: 182 minutes	115 minutes Q1: 53 minutes Q2: 94 minutes Q3: 137 minutes Q4: 71 minutes	YTD: 109 minutes 2023/24 Quarterly Results: Q1: 94 minutes Q2: 186 minutes Q3: 93 minutes
Council's drinking water supply complies with:						
a) part 4 of the Drinking Water Standards (bacteria compliance criteria). (Mandatory Measure)	Fully compliant	Partially Compliant	Not Achieved	Fully compliant	Fully compliant	Changes to DWQAR in 2022 have resulted in technical non-compliance. Data is collected but there is a new requirement to now continually monitor parameters. This has required installation of new technology. Systems are now installed.
b) part 5 of the Drinking Water Standards (protozoal compliance criteria). (Mandatory Measure)	Fully compliant	Partially Compliant	Not Achieved	Fully Compliant for 98.9% of days (361 out of 365 days). There were 4 days where filtered turbidity exceeded the standard for more than 1% of the time.	Fully compliant	Changes to DWQAR in 2022 have resulted in technical non-compliance. Data is collected but there is a new requirement to now continually monitor parameters. This has required installation of new technology. Systems are now installed.

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Percentage of real water loss from MDC's reticulation system (calculated using minimum night flow). (Mandatory Measure)	Year 2: No more than 32.5% Note: The Year 3 Target is to be established (to align with water meter installation and associated data).	Reported at Year End	Not Available to Report	32.4%	32.5%	
Average consumption of drinking water per day per resident within the district. (Demand management). (Mandatory Measure)	Year 2: No more than 578 litres/person/day Note: The Year 3 Target is to be established (to align with water meter installation and associated data).	Reported at Year End	Not Available to Report	586 litres/person/day	578 litres/person/day	

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Wastewater						
<p>Number of complaints received about sewerage odour, system faults, system blockages, MDC's response to issues with its sewerage system.</p> <p>(Mandatory Measure)</p>	Less than or equal to 8 complaints/ 1000 connections.	5.05 complaints/ 1,000 connections Actual Complaints: 50	Achieved	<p>26.56 complaints/1000 connections</p> <p>Actual Complaints: 257</p> <p>Q1: 14.16/1000 (137) Q2: 4.3/1000 (42) Q3: 4.44/1000 (43) Q4: 3.62/1000 (35)</p> <p>The higher number of complaints this year were primarily related to a continuation of issues with the wastewater network resulting from groundwater tables that have remained high since the February 2022 heavy rain event.</p>	<p>15.95 complaints/1000 connections</p> <p>Actual Complaints: 152</p> <p>Q1: 1.99/1000 (19) Q2: 1.26/1000 (12) Q3: 11.43/1000 (109) Q4: 1.26/1000 (12)</p> <p>During the February 2022 record rain event water infiltrated the sewer system leading to overflows. As a result, there were an increased number of complaints. Port-a-loos were provided to impacted properties, and overflows were cleaned up once the water subsided, which took several days.</p> <p>The increased number of complaints, and the time it took for water to subside, also impacted results for attendance and resolution, as noted below.</p>	<p>YTD: 5.05 complaints/1000 connections</p> <p>YTD Actual Complaints: 50</p> <p>2023/24 Quarterly Results: Q1: 2.83/1000 (28 complaints) Q2: 1.21/1000 (12 complaints) Q3: 1.01/1000 (10 complaints)</p> <p>Complaint numbers have been declining since Q1 of the current year and in Q2 and Q3 are comparable with results prior to the February 2022 rain event.</p> <p>Work is being progressed to mitigate the impact of heavy rainfall on our wastewater networks, especially in areas that have experienced challenges for an extended period of time.</p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Median response time to sewerage overflows resulting from a blockage or other fault to MDC's sewerage system:						
a) attendance (from time of notification to the time service personnel arrive onsite) (Mandatory Measure)	6 hours or less	25 minutes	Achieved	YTD: 52 minutes Q1: 75 minutes Q2: 50 minutes Q3: 37 minutes Q4: 35 minutes	Year End: 131 minutes (2.18 hours) Q1: 30 minutes Q2: 47 minutes Q3: 2829 minutes (47.15 hours) Q4: 48 minutes The February 2022 flooding event happened afterhours. The volume of complaints received resulted in longer attendance times despite staff working extra hours and over the weekend.	YTD: 25 minutes 2023/24 Quarterly Results: Q1: 32 minutes Q2: 22 minutes Q3: 18 minutes
b) resolution (from time of notification to the time service personnel confirm resolution) (Mandatory Measure)	12 hours or less	125 minutes	Achieved	102 minutes 2022/23 Quarterly Results: Q1: 159 minutes Q2: 75 minutes Q3: 59 minutes Q4: 136 minutes	1084 minutes (18.07 hours) Q1: 161 minutes Q2: 147 minutes Q3: 3950 minutes (65.83 hours) Q4: 105 minutes The clean-up of overflows in Q3 following the February 2022 flood event could not be completed until the water subsided. This took several days, impacting resolution times.	YTD: 125 minutes 2023/24 Quarterly Results: Q1: 135 minutes Q2: 84 minutes Q3: 140 minutes
Number of dry weather sewerage overflows from MDC's sewerage system (Mandatory Measure)	Less than or equal to 2/1000 connections	0.71 complaints/1000 connections (7 complaints)	Achieved	0.41/1000 connections Actual: 4 complaints Q1: 0.10/1000 (1) Q2: 0.10/1000 (1) Q3: 0.10/1000 (1) Q4: 0.10/1000 (1)	1.15/1000 connections Actual: 11 complaints Q1: 0.31/1000 (3) Q2: 0.21/1000 (2) Q3: 0.42/1000 (4) Q4: 0.21/1000 (2)	YTD: 0.71 complaints/1000 connections YTD Actual: 7 complaints 2023/24 Quarterly Results: Q1: 0.4/1000 (4 complaints) Q2: 0.10/1000 (1 complaints) Q3: 0.20/1000 (2 complaints)

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
<p>Compliance with MDC's resource consents for discharge from its sewerage system, measured by the number of abatement notices, infringement notices, enforcement orders or convictions received by MDC in relation to those consents.</p> <p>(Mandatory Measure)</p>	100% - no consent breaches	100% compliant	Achieved	<p>One abatement notice served.</p> <p>An Abatement Notice was served on MDC on 25/8/22, requiring compliance with consent conditions.</p> <p>This related to a breach of Resource Consent conditions due to occasional high E-Coli results detected in the final treatment pond (not the wastewater discharge).</p>	<p>One infringement received</p> <p>An infringement was received in Quarter 2 due to an overflow (with limited effects) that resulted from a sewer line blockage. The blockage was caused by foreign material being flushed into the sewer. The blocked line was in the process of being upgraded and work has now been completed on that section.</p>	<p>YTD: 100% compliant</p> <p>Q1: 100% compliant Q2: 100% compliant Q3: 100% compliant</p>
<p>Alternative system provided where loss of service exceeds 24 hours</p>	Less than or equal to 1/1000 connections	0.2/1000 connections (2 port-a-loos provided)	Achieved	<p>YTD: 16.53/1000 connections (160 port-a-loos required)</p> <p>2022/23 Quarterly Results: Q1: 8.37/1000 (81 required) Q2: 2.79/1000 (27 required) Q3: 2.99/1000 (29 required) Q4: 2.38/1000 (23 required)</p> <p>The high number of port-a-loos provided in Q1 were primarily a result of issues with the wastewater network resulting from groundwater tables remaining high following the heavier than usual rainfall through before and during Q1. The groundwater conditions and heavy rainfall continued to impact through the year.</p>	<p>6.4/1000 connections (61 port-a-loos required)</p> <p>Q1: 0/1000 Q2: 0/1000 Q3: 6.2/1000 (59 required) Q4: 0.21/1000 (2 required)</p> <p>Port-a-loos were provided to properties that experienced wastewater overflows as a result of the February 2022 rain event in Q3.</p> <p>The two port-a-loos reported in Q4 related to the flooding event in Q3. Service requests for these two port-a-loos were completed in Q4.</p>	<p>YTD: 0.2/1000 connections (2 port-a-loos required)</p> <p>2023/24 Quarterly Results: Q1: 0.1/1000 connections (1 required) Q2: 0.1/1000 connections (1 required) Q3: 0/1000 connections (0 required)</p> <p>The results YTD are more comparable with results prior to the February 2022 rain event.</p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Stormwater:						
Number of flooding events that occur in the district (Mandatory Measure)	10 events or less	No Flooding Events reported	Achieved	5 Flooding Events Q1: 3 flooding events Q2: 2 flooding events Q3: No flooding events Q4: No flooding events	2 Flooding Events Q1: No flooding events Q2: No flooding events Q3: 2 flooding events Q4: No flooding events	YTD: No Flooding Events Reported Q1: No flooding events Q2: No flooding events Q3: No Flooding events
For each flooding event, the number of habitable floors affected (Mandatory Measure)	Less than or equal to 1/1000 connections	0/1000 connections. No habitable floors affected	Achieved	0/1000 connections. No habitable floors affected Q1: No habitable floors affected Q2: No habitable floors affected Q3: No habitable floors affected Q4: No habitable floors affected	0.33/1000 connections. 3 habitable floors affected Q1: No habitable floors affected Q2: No habitable floors affected Q3: 2 habitable floors affected Q4: 1 habitable floors affected The habitable floor reported in Q4 was related to the flooding event in Q3. The service request was completed in Q4.	YTD: 0/1000 connections. No habitable floors affected Q1: No habitable floors affected Q2: No habitable floors affected Q3: No habitable floors affected
Compliance with MDC's resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders or convictions received by MDC in relation to those consents. (Mandatory Measure)	100% compliance	100% - no consent breaches	Achieved	100% - no consent breaches	100% - no consent breaches	YTD: 100% - no consent breaches

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
<p>Number of complaints received about the performance of MDC's stormwater system</p> <p>(Mandatory Measure)</p>	Less than or equal to 3/1000	<p>2.2 complaints/1000 connections</p> <p>Actual Complaints: 19</p>	Achieved	<p>10.11 complaints/1000 connections</p> <p>Actual: 91 complaints</p> <p>Q1: 3.44/1000 (31) Q2: 1.33/1000 (12) Q3: 2.22/1000 (20) Q4: 3.11/1000 (28)</p> <p>The higher number of complaints are primarily related to groundwater tables remaining high following the heavier than usual rainfall since February 2022.</p>	<p>4.11 complaints/1000 connections</p> <p>Actual: 37 complaints</p> <p>Q1: 0.56/1000 (5) Q2: 0.67/1000 (6) Q3: 2/1000 (18) Q4: 0.89/1000 (8)</p> <p>The February 2022 rain event in Q3 contributed to an increased number of complaints in that quarter.</p>	<p>YTD: 2.2 complaints/1000 connections</p> <p>YTD Actual: 19 complaints</p> <p>Q1: 1.56/1000 (14 complaints) Q2: 0.56/1000 (5 complaints) Q3: 0.56/1000 (5 complaints)</p> <p>The number of complaints received has continued to decline. Q2 and Q3 results are comparable with results prior to the February 2022 rain event.</p>
<p>Median response time to attend a flooding event (from time of notification to the time service personnel arrive onsite)</p> <p>(Mandatory Measure)</p>	60 minutes or less	N/A – no flooding events reported	Achieved	<p>21 minutes</p> <p>2022/23 Quarterly Results: Q1: 47 minutes – 3 flooding events reported Q2: 16 minutes – 2 flooding events reported Q3: N/A – no flooding events reported Q4: N/A – no flooding events reported</p>	<p>6531 (109 hours)</p> <p>Q1: No flooding events Q2: No flooding events Q3: 6530 minutes Q4: 25 minutes</p> <p>The volume of complaints relating to flooding and wastewater issues over the period of the rain event in Q3 resulted in longer response times, despite staff working extra hours and over the weekend.</p> <p>The response time reported in Q4 was related to the flooding event in Q3. The service request was completed in Q4.</p>	<p>YTD: N/A</p> <p>2023/24 Quarterly Results: Q1: No flooding events Q2: No flooding events Q3: No flooding events</p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Solid Waste						
Number of call backs due to non-collection of official rubbish bag in each weekly collection	No more than 52 call-backs per annum.	9 call backs	Achieved	8 Call Backs Q1 Result: 2 Q2 Result: 3 Q3 Result: 3 Q4: Result: 0	9 Call Backs 2021/22 Quarterly Results: Q1 Result: 1 Q2 Result: 1 Q3 Result: 2 Q4 Result: 5	YTD: 9 Call Backs Q1 Result: 6 Q2 Result: 2 Q3 Result: 1
Tonnage of waste transferred to landfill per head of population	Reduction on previous year (0.513 tonne per head of population) Note: When the new bylaw is implemented, a new baseline will be established for reporting purposes.	0.469 tonne per head of population (Q3 annualised) <i>(est. population as at 30/6/23: 29,000)</i> 10,193 tonnes of waste transferred ex Masterton in first 9 months (last year 11,687 tonnes)	Achieved	0.513 tonne per head of population (Q4 annualised) <i>(est. population as at 30/6/22: 29,000)</i> 14,882 tonnes YTD of waste transferred ex Masterton	0.599 tonne per head of population <i>(est. population as at 30/6/21: 28,200)</i> 16,883 tonnes of waste transferred (16.6% increase on previous year) Result excludes 277 tonnes of recyclable materials that were damaged and dumped as a result of a fire in the MRF in August 2021.	YTD Result: 0.469 tonne per head of population (annualised) – 10,193 tonne of waste transferred Q1 – 0.472 tonne per head of population (annualised) – 3,420 tonne of waste transferred Q2 – 0.483 tonne per head of population (annualised) – 7,009 tonne of waste transferred Q3 – 0.469 tonne per head of population (annualised) – 10,193 tonne of waste transferred <i>Results are based on estimated population of 29,000 as at 30/6/22.</i>
Urban and rural transfer stations, recycling, composting facilities and landfills operate within approved resource consent conditions	100% compliance	100% compliance	Achieved	100% compliance	100% compliance	

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Community Facilities and Parks						
Number of people using our library and archive reflected by: Overall library usage and number of visits to the library and archive.	<p>Library Usage:</p> <p>No less than 5 year average (277,238) for overall library usage</p> <p>Usage consists of:</p> <ul style="list-style-type: none"> Physical issues Digital issues Computer/Wi-Fi sessions 	<p>YTD Library Usage: 264,004</p> <ul style="list-style-type: none"> Physical issues: 143,705 Digital issues: 46,705 Computer/Wi-Fi sessions: 73,594 	On Track to Achieve	<p>Library Usage: 324,662</p> <p>Physical issues: 187,344</p> <p>Digital issues: 52,431</p> <p>Computer/Wi-Fi sessions: 84,887</p> <p>The 5 year average for Library usage was: 290,315 made up of:</p> <p>Physical issues: 214,591</p> <p>Digital issues: 16,614</p> <p>Computer/Wi-Fi sessions: 59,110</p> <p>Q1 Library Usage: 79,668</p> <p>Physical issues: 46,211</p> <p>Digital issues: 13,369</p> <p>Computer/Wi-Fi sessions: 20,088</p> <p>Q2 Library Usage: 80,294</p> <p>Physical issues: 46,517</p> <p>Digital issues: 11,745</p> <p>Computer/Wi-Fi sessions: 22,032</p> <p>Q3 Library Usage: 76,205</p> <p>Physical issues: 46,777</p> <p>Digital issues: 13,000</p> <p>Computer/Wi-Fi sessions: 16,428</p> <p>Q4 Library Usage: 88,495</p> <p>Physical issues: 47,839</p> <p>Digital issues: 14,317</p> <p>Computer/Wi-Fi sessions: 26,339</p>	<p>Library Usage: 278,960</p> <p>Physical issues: 182,546</p> <p>Digital issues: 44,838</p> <p>Computer/Wi-Fi sessions: 51,576</p> <p>The 5 year average for Library usage was: 318,686 made up of:</p> <p>Physical issues: 231,430</p> <p>Digital issues: 12,958</p> <p>Computer/Wi-Fi sessions: 74,298</p> <p>Q1 Library Usage: 53,666</p> <p>Physical issues: 40,529</p> <p>Digital issues: 8,751</p> <p>Computer/Wi-Fi sessions: 4,386</p> <p>Q2 Library Usage: 63,777</p> <p>Physical issues: 47,147</p> <p>Digital issues: 11,844</p> <p>Computer/Wi-Fi sessions: 4,786</p> <p>Q3 Library Usage: 71,517</p> <p>Physical issues: 46,638</p> <p>Digital issues: 10,400</p> <p>Computer/Wi-Fi sessions: 14,479</p> <p>Q4 Library Usage: 87,326</p> <p>Physical issues: 48,226</p> <p>Digital issues: 12,073</p> <p>Computer/Wi-Fi sessions: 27,027</p>	<p>YTD Library Usage: 264,004</p> <ul style="list-style-type: none"> Physical issues: 143,705 Digital issues: 46,705 Computer/Wi-Fi sessions: 73,594 <p>The 5 year average for Library Usage is: 277,238 (this equates to a quarterly average of 69,310) made up of:</p> <ul style="list-style-type: none"> Physical issues: 202,520 Digital issues: 20,636 Computer/Wi-Fi sessions: 54,082 <p>Quarterly Results:</p> <p>Q1 Library Usage: 87,840</p> <ul style="list-style-type: none"> Physical issues: 50,531 Digital issues: 15,993 Computer/Wi-Fi sessions: 21,316 <p>Q2 Library Usage: 85,376</p> <ul style="list-style-type: none"> Physical issues: 45,046 Digital issues: 15,866 Computer/Wi-Fi sessions: 24,464 <p>Q3 Library Usage: 90,788</p> <ul style="list-style-type: none"> Physical issues: 48,128 Digital issues: 14,846 Computer/Wi-Fi sessions: 27,814 <p>Physical and digital issues are on the rise over the previous two years. Computer and wi-fi sessions are increasing with the increase heavily in wi-fi sessions.</p> <p>Overall, this result is on track to be achieved at year end.</p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
<p>Library Visits:</p> <p>No less than 5 year average (245,616) for number of visits to the library and archive</p> <p>Visits consists of:</p> <ul style="list-style-type: none"> In Person Visits Digital Housebound <p>Note: Digital visits include website, OPAC and social media.</p>	<p>YTD Library Visits: 271,519</p> <p>Visits consists of:</p> <ul style="list-style-type: none"> In Person: 117,847 Digital: 152,808 Housebound: 864 	Achieved	<p>Library Visits: 329,929</p> <p>In Person: 99,132</p> <p>Digital: 229,709</p> <p>Housebound: 1,088</p> <p>The 5 year average for Library visits was: 233,332 made up of:</p> <p>In Person Visits: 128,351</p> <p>Digital Visits: 104,178</p> <p>Housebound Visits: 803</p> <p>Q1 Library Visits: 59,240</p> <p>In Person: 24,748</p> <p>Digital: 34,168</p> <p>Housebound: 324</p> <p>Q2 Library Visits: 71,457</p> <p>In Person: 23,405</p> <p>Digital: 47,740</p> <p>Housebound: 312</p> <p>Q3 Library Visits: 78,484</p> <p>In Person: 24,021</p> <p>Digital: 54,249</p> <p>Housebound: 214</p> <p>Q4 Library Visits: 98,216</p> <p>In Person: 26,709</p> <p>Digital: 71,269</p> <p>Housebound: 238</p>	<p>Library Visits: 363,490</p> <p>In Person: 83,400</p> <p>Digital: 278,944</p> <p>Housebound: 1,146</p> <p>The 5 year average for Library visits was: 215,501 made up of:</p> <p>In Person Visits: 148,062</p> <p>Digital Visits: 66,745</p> <p>Housebound Visits: 694</p> <p>Q1 Library Visits: 64,440</p> <p>In Person: 20,798</p> <p>Digital: 43,412</p> <p>Housebound: 230</p> <p>Q2 Library Visits: 54,911</p> <p>In Person: 21,469</p> <p>Digital: 33,041</p> <p>Housebound: 401</p> <p>Q3 Library Visits: 58,268</p> <p>In Person: 19,361</p> <p>Digital: 38,675</p> <p>Housebound: 232</p> <p>Q4 Library Visits: 185,871</p> <p>In Person: 21,772</p> <p>Digital: 163,816 (social media only measured at year end)</p> <p>Housebound: 283</p>	<p>YTD Library Visits: 271,519</p> <ul style="list-style-type: none"> In Person: 117,847 Digital: 152,808 Housebound: 864 <p>The 5 year average for Library Visits is: 245,616 (this equates to a quarterly average of 61,404) made up of:</p> <ul style="list-style-type: none"> In Person Visits: 113,191 (28,298 per quarter average) Digital Visits: 131,524 (32,881 per quarter average) Housebound Visits: 901 (225 per quarter average) <p>Digital visits include website, OPAC and social media.</p> <p>Quarterly Results:</p> <p>Q1 Library Visits: 82,374</p> <ul style="list-style-type: none"> In Person: 39,027 Digital: 43,123 Housebound: 224 <p>Q2 Library Visits: 87,736</p> <ul style="list-style-type: none"> In Person: 36,201 Digital: 51,103 Housebound: 432 <p>Q3 Library Visits: 101,409</p> <ul style="list-style-type: none"> In Person: 42,619 Digital: 58,582 Housebound: 208 <p>Overall visits have increased in Q3 of this year compared to the previous two years. In person have continued to trend up (compared to Q2 of the previous two years), likely reflecting people returning to the library in person after previous years with COVID-19 concerns and restrictions. There has also been an increasing trend in digital visits. Housebound visits are higher than the same quarter in the previous two years.</p> <p>This measure has been achieved in Q3.</p>	

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Percentage of Council parks and open spaces urgent customer service requests that are resolved within 4 work hours.	90% resolved within 4 work hours.	100 % responded to within 4 hours. All 13 urgent requests have been responded to within 4 hours.	Achieved	93.8% responded to within 4 hours. 46 out of 49 urgent requests received were responded to within 4 hours. Q1: 90% (18/20) Q2: 90% (9/10) Q3: 100% (11) Q4: 100% (8)	96% responded to within 4 hours. 54 out of 56 urgent requests were responded to within 4 hours. Q1: 100% (7) Q2: 100% (14) Q3: 100% (10) Q4: 92% (25)	Year to Date: 100% responded to within 4 hours. 13 out of 13 urgent requests received were responded to within 4 hours. Q1: 100% (5/5 urgent requests) Q2: 100% (4/4 urgent requests) Q3: 100% (4/4 urgent requests)
Number of people using the recreational trails that are part of our parks and reserves network	Utilisation = at least the 2 year average The 2 year average (as at 30/6/20) equates to: 289,612 See note regarding targets in commentary column.	This measure was set as part of the 2021-31 Long-Term Plan process. At that time, data loggers were recording the number of people using the recreational trails. However, over the past two years we have been unable to report results due to ongoing issues with the data loggers that have not been permanently resolved.	Not Available to Report	Year End: Results unable to be reported due to issues with data loggers through the year.	Year End: Results unable to be reported due to issues with data loggers through the year.	Work to resolve the Trail Counter functionality has been attempted but has not produced reliable results over the reporting period. Despite being unable to report usage, staff have received consistent positive feedback about the trails.

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Number of people using the Trust House Recreation Centre	No less than 5 year average for overall Trust House Recreation Centre usage total Usage consists of: <ul style="list-style-type: none">SwimGymStadium SportsStadium Events	Trust House Recreation Centre Usage YTD 118,568: <ul style="list-style-type: none">Swim: 80,071Gym: 26,584Stadium Sports: 3,536Stadium Events: 8,377	On Track to Achieve	Usage:152,095 made up of: Swim: 106,191 Gym: 27,687 Stadium Sports: 5,830 Stadium Events: 12,387 The 5 year usage was: 121,703. This consists of: Swim: 79,983 Gym: 30,152 Stadium Sports: 3,367 Stadium Events: 8,202 Q1 Usage: 34,476 Swim: 24,333 Gym: 6,244 Stadium Sports: 1,775 Stadium Events: 2,124 Q2 Usage: 39,272 Swim: 28,490 Gym: 6,715 Stadium Sports: 1,137 Stadium Events: 2,930 Q3 Usage: 44,213 Swim: 28,728 Gym: 7,972 Stadium Sports: 1,760 Stadium Events: 5,753 Q4 Usage: 34,134 Swim: 24,640 Gym: 6,756 Stadium Sports: 1,158 Stadium Events: 1,580	Usage: 99,899 made up of: Swim: 65,357 Gym: 25,214 Stadium Sports: 3,717 Stadium Events: 5,601 The 5 year usage was: 106,018. This consists of: Swim: 70,348 Gym: 25,695 Stadium Sports: 2,761 Stadium Events: 7,215 Q1 Usage: 21,716 Swim: 14,247 Gym: 5,002 Stadium Sports: 787 Stadium Events: 1,680 Q2 Usage: 23,697 Swim: 15,241 Gym: 6,653 Stadium Sports: 757 Stadium Events: 1,046 Q3 Usage: 28,413 Swim: 18,721 Gym: 7,844 Stadium Sports: 724 Stadium Events: 1.124 Q4 Usage: 26,063 Swim: 17,148 Gym: 5,715 Stadium Sports: 1,449 Stadium Events: 1,751	YTD Usage: 118,568 <ul style="list-style-type: none">Swim: 80,071Gym: 26,584Stadium Sports: 3,536Stadium Events: 8,377 The 5 year average for Trust House recreation Centre usage is: 123,364 (equating to a quarterly average of 30,841). This consists of: <ul style="list-style-type: none">Swim: 82,366 (quarterly average: 20,591)Gym: 28,383 (quarterly average: 7,096)Stadium Sports: 3,844 (quarterly average: 961)Stadium Events: 8,771 (quarterly average: 2,193) Q1 33,693 <ul style="list-style-type: none">Swim: 22,878Gym: 8,729Stadium Sports: 1,579Stadium Events: 507 Q2 40,087 <ul style="list-style-type: none">Swim: 29,985Gym: 8,263Stadium Sports: 890Stadium Events: 1,949 Q3 44,788 <ul style="list-style-type: none">Swim: 28,208Gym: 9,592Stadium Sports: 1,067Stadium Events: 5,921 Compared to Q3 last year, overall use has slightly increased. Gym use and stadium events have improved with swim usage marginally lower. Stadium events for Q3 includes the Golden Shears competition. The YTD quarterly average is tracking well at 59,284 compared to the 5 year quarterly average of 30,841. With one more quarter to complete, the usage for 2023/24 (YTD 118,568) looks set to exceed the target of exceeding the 5 year average (123,364).

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Compliance with the healthy homes standards for Council owned rental units and houses.	Applies to all Council rental units/houses: All units/houses comply with the healthy home standards (or have exemptions).	Proportion of new/renewed tenancy agreements where the unit/house rented is compliant (or has an exemption) at the time of lease: 100% (10/10)	Achieved	100% Five units were let and all five were fully compliant at the time of lease	83.3% Six units were let and five were fully compliant at the time of lease. The non-compliance was addressed within the same quarter.	YTD: 100% - 8 units and 2 houses have been Let. All were fully compliant at the time of lease. Q1: 100% - 1 unit was let. That unit was fully compliant. Q2: 100% - 3 units and 1 house was let. All were fully compliant. Q3: 100% - 4 units and 1 house were let. All were fully compliant or have exemptions. All Council housing is now fully compliant with new standards, ahead of schedule (31 December 2022) and the legal deadline for compliance (1 July 2024).
Regulatory:						
Response time to attend Priority 1 urgent call outs (e.g. dog attacks).	90% attended within one hour	94.02% (110 out of 117 urgent call-outs attended on time)	Achieved	Year End: 95.3% 162/170 attended on time Q1 – 93.54% (29/31) Q2 – 90.39% (47/52) Q3 – 100% (48/48) Q4 - 97.5% (38/39)	Year End: 94% 141/150 attended on time Q1 – 98.08% (51/52) Q2 – 90.62% (29/32) Q3 – 86.21% (25/29) Q4 – 92.11% (35/38)	YTD: 94.02% (110/117 attended on time) Q1 – 86.4% (38/44) Q2 – 97.29% (36/37) Q3 – 100.00% (36/36) Priority 1 call outs include dog attacks on people, animals, protected wildlife and stock, as well as rushing's, stock worrying, welfare and police assistance. In Q1 – 10 of the 44 call outs were for attacks on people. All of these call outs were attended within time. In Q2 - eight of the 37 call outs in Q2 were for attacks on people. All of these call outs were attended within time. In Q3 – 1 of the 36 call outs in Q3 was for an attack on a person. This was attended within time.
Response time to attend noise control call outs.	90% attended within one hour	95.2% (456 out of 479 complaints attended within one hour)	Achieved	Year End: 93% 573/616 attended on time Q1 – 95.83% (115/120) Q2 – 91.38% (159/174) Q3 – 89.1% (139/156) Q4 – 96.4% (160/166)	Year End: 93.7% 687/733 attended on time Q1 – 95.6% (132/138) Q2 – 96% (264/275) Q3 – 92.5% (149/161) Q4 – 89.3% (142/159)	YTD: 95.2% (456/479 attended on time) Q1 – 93.8% (122/130) Q2 – 97.4% (189/194) Q3 – 93.55% (145/155)

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Number of animal control community education and engagement activities.	A minimum of 6 per annum related to high priority issues or concerns	Engagement Activities YTD: 2	Not Achieved at Q3 but expect to achieve at year-end.	YTD: 8 education/engagement activities Q1 – No education/engagement activities Q2 – 5 Q3 – 3 Q4 – No education/engagement activities	8 education/engagement activities Q1 – No education/engagement activities Q2 – 2 Q3 – 4 Q4 – 2	YTD: Two education/engagement events have been held. Q1 – No education/engagement activities Q2 – 1 education/engagement activity Q3 – 1 education/engagement activity The team have engagement/education activities scheduled in Q4 and expect to meet the target of six activities by year end.
Percentage of resource consents processed within statutory timeframes	90%	93.8% (122 of 130 resource consents were processed within statutory timeframes)	Achieved	92.2% 142 of 154 resource consents were processed within statutory timeframes Q1: 90% (28/33) Q2: 97.5% (39/40) Q3: 94.1% (32/34) Q4: 91.5% (43/47)	93% 210 of 226 resource consents were processed within statutory timeframes Q1: 98% (52/53) Q2: 100% (72/72) Q3: 90.2% (46/51) Q4: 89.7% (35/39)	YTD: 93.8% (122/130) Q1: 97.7% (42/43) Q2: 89.6% (43/48) Q3: 94.9% (37/39) The target was not quite achieved in Q2 but YTD the target has been achieved. The Q2 result is a reflection of the proposed WCDP being notified and applications now having to be assessed against two district plans; and an increased number of sub-division applications received prior to notification of the proposed plan. Fifty sub-division consents have been received YTD compared to 34 in the same period last year.
Percentage of building consents processed within statutory timeframes	90%	92.3% (400/433 consents issued were processed within statutory timeframes)	Achieved	83% 538 of 649 consents issued were processed within statutory timeframes. The average processing time was 16.5 working days. Q1: 73% (141/194) / 17 days Q2: 77% (124/161) / 19 days Q3: 94% (130/138) / 15 days Q4: 92% (143/156) / 15 days	65% 442 of 685 consents issued were processed within statutory timeframes. The average processing time was 20 working days. Q1: 52% (93/178) / 22 days Q2: 74% (102/138) / 15 days Q3: 87% (144/165) / 16 days Q4: 75% (156/207) / 17 days	Quarter 3: 104 of 113 building consents were issued within statutory timeframes. The average processing time was 13 working days. YTD: 92.3% (400/433) / 14.8 average working days Q1: 91% (158/174) / 14 working days Q2: 92.5% (136/147) / 15 working days Q3: 93.8% (106/113) / 13.2 working days Targets for processing consents have been achieved in all quarters YTD. Consent numbers were down in Q3. This is attributed to the Christmas/holiday period and slow start to the year for the building industry.

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Percentage of code compliance certificates processed within statutory timeframes	90%	93.5% (364/389 certificates were processed within statutory timeframes)	Achieved	90% 520 of 577 certificates were processed within statutory timeframes. The average processing time was 15 working days. Q1: 83% (130/156)/20.9 days Q2: 87% (159/183)/13 days Q3: 97% (95/98)/16 days Q4: 97% (136/140)/10 days.	79% 453 of 573 code compliance certificates were processed within statutory timeframes. The average processing time was 17 working days. Q1: 72% (118/163)/15 days Q2: 95% (137/145)/9 days Q3: 85% (97/114)/14 days Q4: 85% (139/163)/13 days	Quarter 3: 113 code compliance certificates were issued, with 92% processed within statutory timeframes. The average processing time was 11.3 working days. YTD on time: 94% (364/389) / 13.3 working days Q1: 94% (133/141) / 15 working days Q2: 94.5% (122/129) / 12 working days Q3: 92% (104/113) / 11.3 working days A drop in CCC issued can be attributed to the Christmas/holiday period. Numbers align with previous Q3 results.
Percentage of commercial Building Warrant of Fitness' (BWOFs) that have been reviewed within 20 days of their due date.	At least 90% of BWOFs have been reviewed within 20 days of their due date.	92% of BWOFs received were reviewed within 20 working days	Achieved	100% reviewed within 20 days of the due date. Q1: 100% Q2: 100% Q3: 100% Q4: 100% 98% compliance across 398 Building Warrant of Fitness.	100% reviewed within 20 days of the due date. Q1: 100% Q2: 100% Q3: 100% Q4: 100% 90% compliance across 387 Building Warrant of Fitness.	YTD: 92% reviewed within 20 days of the due date. Q1: 92% - 101 BWOFs were due in Q1 – 8 are overdue. Q2: 89% - 80 BWOFs were due in Q2 – 9 are overdue. Q3: 94% - 68 BWOFs were due in Q3 – 4 are overdue. Overdue means that the building owner (or their agent) has not provided a BWoF in the month of their anniversary date, and MDC are following up.

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2023/24 Annual Target	Quarter 3: Result as at 31/3/24 (Year 3 of 2021-31 LTP)	Status at 31/3/24	Year End Result as at 30/06/23 (Year 2 of 2021-31 LTP)	Year End Result as at 30/06/22 (Year 1 of 2021-31 LTP)	
Proportion of known residential swimming pools that have been inspected.	<p>The year 3 target is 80%</p> <p>The year 1 target was 25%.</p> <p>The year 2 target was 50%</p> <p>Target changes from Year 4:</p> <p>Years 4-10: cycle to be repeated but ensuring 100% of pools have been re-inspected by the end of Years 6 and 9.</p>	<p>91% of total pools inspected</p> <p>75% of total pools compliant</p> <p>YTD: 256 inspections undertaken</p>	Achieved	<p>48% inspected</p> <p>508 inspections undertaken</p> <p>Q1: 233 inspections undertaken over 190 pools = 23% inspected and 13% of total pools compliant</p> <p>Q2: 44 inspections undertaken over 26 pools = 27% inspected and 19% of total pools compliant</p> <p>Q3: 87 inspections undertaken over 87 pools = 37% inspected and 30% of total pools compliant</p> <p>Q4: 144 inspections undertaken over 144 pools = 48% inspected and 39% of total pools compliant</p>	<p>3% inspected</p> <p>28 inspections undertaken.</p> <p>Q1: No inspections.</p> <p>Q2: No inspections.</p> <p>Q3: 15 inspections.</p> <p>Q4: 13 inspections.</p> <p>Pool inspections scheduled for 2021/22 were impacted by a lack of resource in the team due to a resignation.</p>	<p>YTD: 256 inspections undertaken over 256 recorded pools, with 127 of those pools remaining on our database* of pools inspected. YTD 129 pools included on the database were not located upon site inspection and were removed from the database.</p> <p>Q1: 60 inspections undertaken over 27 pools = 53% of total pools inspected and 45% of total pools compliant 33 pools were removed from the database</p> <p>Q2: 131 inspections undertaken over 71 pools = 68% of total pools inspected and 56% of total pools compliant 60 pools were removed from the database</p> <p>Q3: 65 inspections undertaken over 29 pools = 91% of total pools inspected and 76% of total pools compliant 36 pools were removed from the database</p> <p>Based on current results, the team expect to achieve the target of 100% of pools inspected by year end.</p> <p><i>*Note: Some pools are decommissioned following inspection and/or the pool is confirmed as no longer existing when staff visit the site.</i></p>

Leadership, Strategy and Corporate Services

Every year Council produces an Annual Report that informs our community about what has been achieved and how well we performed against the plans and budgets that were set for that year. In addition, there is regular reporting to the Senior Leadership Team and Council on progress with work and projects in this activity group, and once every three years Council undertakes a Community Satisfaction Survey that includes questions about Council's leadership and reputation.

6.6 HEALTH AND SAFETY QUARTERLY REPORT

File Number:

Author: Ben Jessep, General Manager Corporate

Authoriser: Kym Fell, Chief Executive

PURPOSE

Under the Health and Safety at Work Act 2015, all elected members are deemed 'officers' and must exercise a duty of due diligence in relation to health and safety. These quarterly reports provide information to assist elected members to carry out that role.

RECOMMENDATION

That The Audit and Risk Committee notes the content and receives the Health and Safety Report for the quarter: (1 January 2024 to 31 March 2024).

CONTEXT

The last quarter has seen a significant reduction in the MDC (Masterton District Council) annual leave profile within the workforce. The proactive management of annual leave within an organisation is a key staff well-being initiative and a good indicator of successful organisational leadership practice. This is highlighted in the people metrics section of this report. Contractor management continues to have a high health and safety risk profile and therefore is a focus in the current work program. There has also been significant progress in the health and safety culture program which will be launched in the next quarter. The goal is to ensure best practice becomes embedded in all MDC internal processes whilst maintaining momentum in ensuring all MDC external partners keep pace on this journey.

Key Updates for the Quarter

1. Community Behaviours

This quarter the trend of negative community behavioural issues at MDC customer service sites has continued. Many of the issues that persist are from a small number of known persons, and when remediation of this behaviour has not occurred, other agencies and notifications of trespass (short or long-term) have been utilised.

A tiered threat level lockdown procedure has been developed and will be rolled out in the next quarter. This procedure will be operationalised and will include organisational readiness exercises and an approach similar to the current MDC fire and emergency drills. Further security measures are being assessed for future development requirements.

2. H&S Culture change programme

The new Health and Safety reporting tool is now live in the MDC internal technology environment, and supported by the IT team who are overseeing the integration and security of data.

Training and testing of this new system has been completed by the Health, Safety and Wellbeing committee representatives. The focus of the review has been to test functionality and identify areas for development and improvement. This has been successful with positive feedback on the product, the ease of use, reporting capability, and its ability to create clear accountability for actions relating to H&S events.

MDC's ELT team is now engaged in Wellbeing Checks which present the opportunity for the ELT to undertake site visits and audits. This has also enabled ELT to hear any staff concerns regarding HS&W matters as well as get a deeper understanding of ongoing work in business units not in their portfolios. To date 5 visits have been made with more to be completed shortly; which will then be repeated on a quarterly basis. These opportunities give frontline staff a direct line to ELT, allowing for an improved flow of information throughout the organisation.

3. Contractor Management

The addition of a new ELT member in the Infrastructure & Assets space has presented the opportunity to review procedures across this portfolio. Initial discussions on the development of a business unit review plan to support this work and look for current gaps and remedies has taken place.

The current processes regarding contractor prequalification and auditing are two key areas that are being strengthened in order to bolster assurance that MDC is undertaking the required actions to support staff and engaged parties to take the steps towards an improved business partner model, when carrying out works in our facilities and in the community.

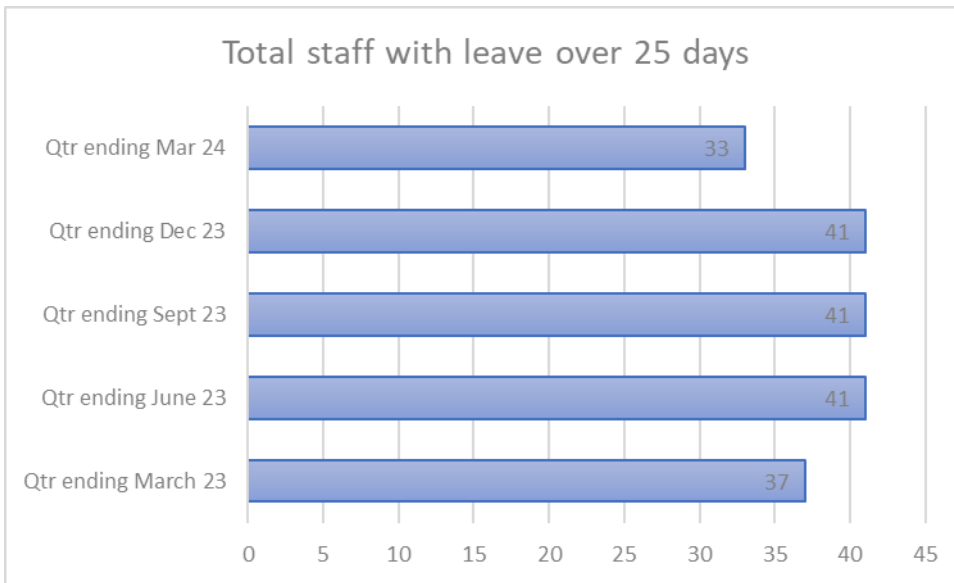
The upcoming Health and Safety Culture programme will also contain information regarding responsibilities for MDC staff around shared responsibility as a PCBU (Person Conducting a Business or Undertaking) in relation to the Health and Safety at Work Act 2015.

The prequalification platform SiteWise continues to progress. Our contractor list to date shows that 78 of 141 contractors are signed on and/or developing their registration with SiteWise with 78 of these contractors scoring an average of 87%.

People and Culture Metrics

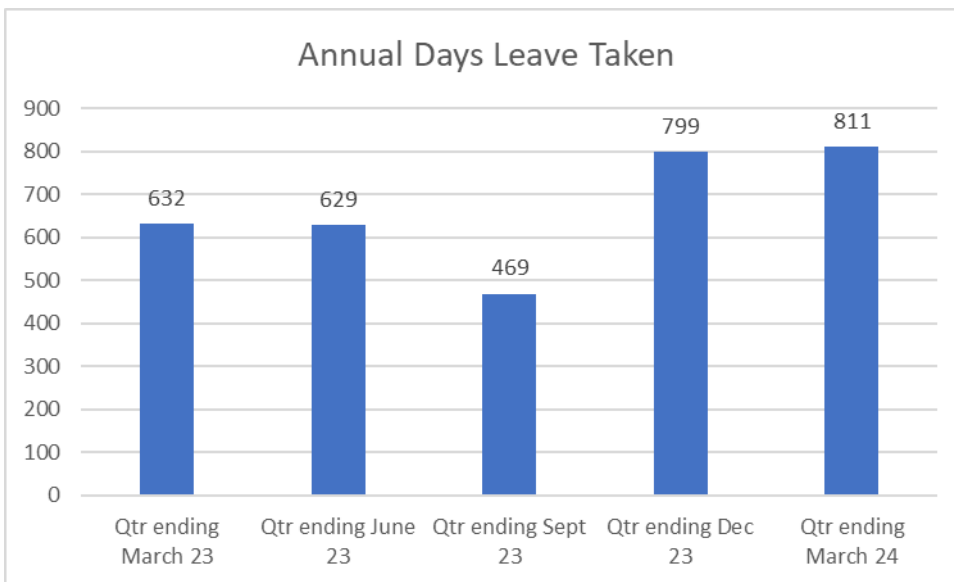
Metrics were first reported to the Audit and Risk Committee meeting in August 2022. These are now part of the MDC regular reporting cycle, enabling greater insights into key issues such as health, safety, and wellbeing initiatives.

Excessive Annual Leave



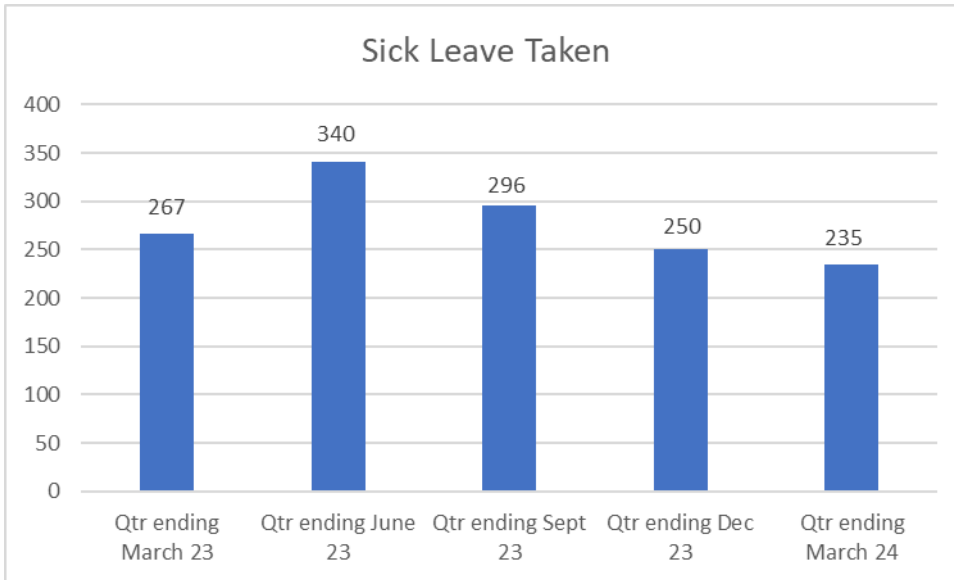
Excessive leave balances have dropped, due to an increase in leave taken over the months of January and February. This will continue to be a focus for the ELT for the next quarter. The recent review and development of the existing MDC leave policy includes a more deliberate process to address employees who have excessive annual leave balances.

Annual Leave



Annual leave usage has seen a significant increase for the last quarter compared to the corresponding quarter last year. Good leave management will continue to be promoted by leaders via the MDC digital leave system, which would also support a potential smoothing of MDC leave profile due to staff conducting more considered medium and long-term annual leave planning. This will be a challenge over the next two quarters, which traditionally have a low uptake of annual leave.

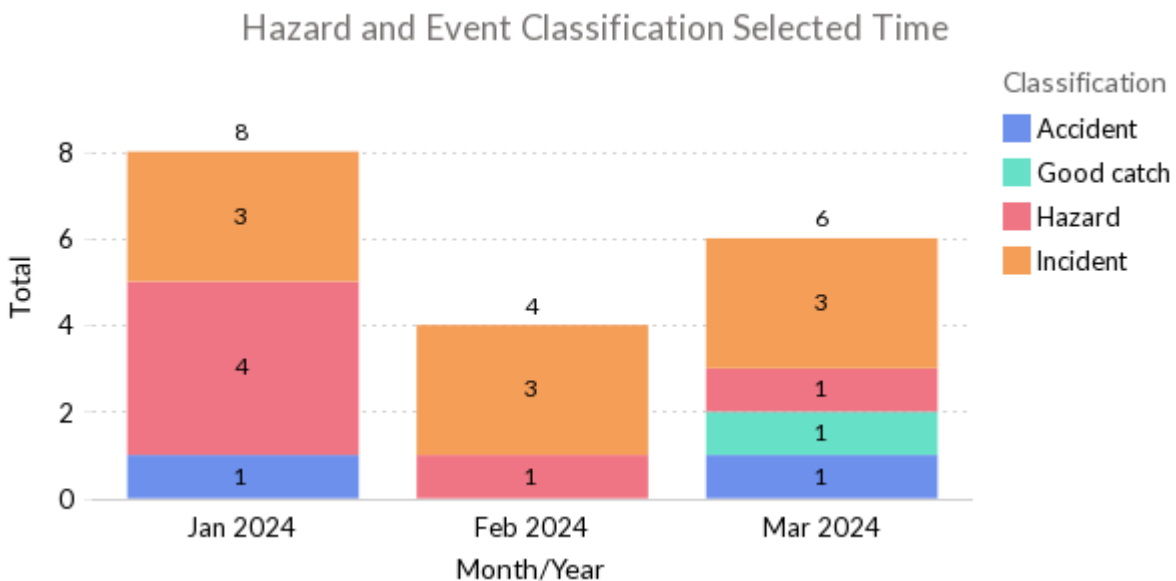
Sick Leave



Total sick leave taken for this quarter has decreased. This is not seen as a significant risk at this point but will be monitored as MDC continue to manage long-term sick leave through robust return to work plans. There has though been an increase in the number of Covid cases in the last quarter which we will continue to monitor as there is a potential significant risk to business continuity.

Lag Health and Safety Indicators

All incidents notified via the H&S system are reviewed by the relevant manager in addition to the H&S Committee, who then review the implementation of appropriate measures to mitigate the likelihood of future incidents.



Reported incidents logged into the health and safety reporting system (GOSH) reflect the greatest area of reporting. The biggest trend of incidents relates to abusive behaviours or other interactions, for customer facing roles. The incidents logged where hazards have been detected have been resolved through appropriate mitigation plans. The accidents logged here were small injuries caused by collision or tripping.

Due Diligence Summary

There has been no change to the traffic light reporting below for this quarter. See Attachment 1 for details.

MDC Top Health and Safety Risks

Description of risk	Controls and reduction measures	Update
Contractor Management	<ul style="list-style-type: none"> Regular communication between contractors and MDC relationship managers. <ul style="list-style-type: none"> Quarterly/annual reporting. Auditing as BaU (business as usual) and exception 	<p>MDC's Contractor Management approach is a key part of the Health and Safety Review, and updates are to be made over the next quarter.</p> <p>These include:</p> <ul style="list-style-type: none"> Stage 3 of implementation of a third-party contractor pre-qualification system to ensure all contractors fulfil their H&S obligations prior to engagement by MDC. Exempt contractors are being processed and manually entered Sitewise. These make up a small proportion of our database. Regular auditing of contractors undertaken by staff monitoring projects and works. <p>Contractors are required to prove they have robust H&S systems in place. Following their engagement on any high risk or longer-term projects, daily or weekly site visits will be conducted, including health and safety checks. For smaller low risk projects, only contractors from an approved database are to be used and monitoring will be on an as needed basis; particularly if they have been previously engaged without incident.</p>
Vehicles, Roads, Driving	<ul style="list-style-type: none"> Driver training. Fleet 	Driver training for 4x4 vehicles. Review of Vehicle policy taking place.

Description of risk	Controls and reduction measures	Update
(1) Driver risk factors (2) Journey risk factors (3) Vehicle risk factors (4) Working with/near vehicles risk factors.	<ul style="list-style-type: none"> • maintenance. • Hazard identification. • Fatigue Management practice 	
Stressors Fatigue (physical & mental), workforce capacity, time pressure, bullying, harassment, mental health.	<ul style="list-style-type: none"> • Employee Assistance Programme (EAP). • Leadership support. • Staff engagement. • Staff Surveys. • Workforce Planning activities • Recruitment • Succession Planning • Employee Development 	MDC's employee assistance provider Vitae's proactive services continues. People leaders communicate the opportunity for any staff to contact Vitae via online/app based or direct contact to access appropriate services. There is a continued commitment to workforce planning mitigations to manage excessive workload risk. This has included an implementation of a growth and goal setting program, remuneration and benefits strategy, and continued workplace culture programs.
Pandemic response Global pandemic. Public health risk.	<ul style="list-style-type: none"> • Workplace H&S plans • Hygiene protocols. • Business Continuity Planning. 	MDC will monitor the ongoing effects of Covid in the community and within its workforce, including the effects of long Covid amongst staff. This issue is decreasing with an observed downward trend of employees contracting Covid.

Lead Health and Safety Indicators

Lead indicators are proactive in nature and focus upon regular activities carried out to prevent accidents, injuries and/or incidents and control risk.

Lead Indicators	
H&S committee meetings	Meetings continue to be held every six weeks.

H&S training	The H&S Committee is aiming to get all members trained to a minimum of H&S rep training Level 2.
H & S Culture	<p>Training sessions have cemented organisational awareness of the importance of each person's role in contributing to a successful H&S culture across the workplace and the wider Masterton region as representatives of MDC. The connection between business units and access to teams via leaders has improved the dissemination of information throughout the organisation.</p> <p>Measures have been discussed and prepared regarding behavioural incidents in MDC public facing spaces. The effectiveness of these will be monitored over the coming months against incident report numbers for the previous year.</p>
Staff inductions	<p>All new staff have been inducted following MDC established H&S induction process.</p> <p>The Health and Safety Committee members and team leaders conduct the site H&S inductions with new staff.</p> <p>The development of an MDC induction handbook has been completed.</p> <p>The revamp of the Health and Safety manual will become a key mitigation to ensure MDC conducts best health and safety practice</p>
Wellbeing initiatives	<p>Employee Assistance Program (EAP) contracted onsite visits continue to occur, with the representative ensuring coverage of MDC workplaces.</p> <p>Staff participation has been key in the development of The Wellbeing Calendar. The calendar has flexibility to add additional special interest events, such as health, financial and charity events.</p> <p>The LMS (Learning Management System) provides a useful and positive tool for staff learning and to source relevant topics.</p>
Good catch: A good catch is action oriented; staff recognise a situation or condition with potential to cause an incident, but it does not because of corrective	<p>All incidents notified via the H&S system are reviewed by the appropriate manager who must be satisfied that appropriate action has been taken to reduce the likelihood of future incidents.</p> <p>Good catch summary Q3 Jan - Mar 24 = 1</p>

action and/or timely intervention.	
Near miss: Event not causing harm, but potential to.	All incidents notified via the H&S system are reviewed by the appropriate manager who must be satisfied that appropriate action has been taken to reduce the likelihood of future incidents.

Supporting Information

Strategic, Policy and Legislative Implications:

In accordance with Health and Safety at Work Act 2015, Masterton District Council, as a Person Conducting a Business or Undertaking (PCBU), must ensure, as far as is reasonably practicable, the health and safety of Council's employees, volunteers, or contractors (including their subcontractors), and that other people are not put at risk by our work. This includes visitors to our workplaces and members of the public who could be affected by work done.

Significance, Engagement and Consultation

The recommendation to receive this report does not trigger criteria under the significance and engagement policy.

Financial Considerations

There are no specific financial considerations associated with this update. There are financial implications associated with the recruitment and retention of staff, provision of leave, health, safety, and wellbeing.

Implications for Māori

There are no Treaty considerations or implications for Māori arising out of this report.

Communications/Engagement Plan

Not applicable.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impact or considerations arising from this report.

ATTACHMENTS

1. **Due Diligence Summary** [↓](#)

Attachment 1

Due Diligence Summary:

There has been no change to the traffic light reporting below for this quarter.

MDC OFFICERS H&S DUE DILIGENCE PLAN MONITORING

	Objectives	Status	Rating
Know	Keep up to date with health and safety matters	Health, Safety and Wellbeing is a standing item at each ELT meeting. Currently, requests and issues from the H&S committee are escalated via the HSW Advisor. Each ELT member is also able to escalate requests and issues via this forum.	
Understand	Understand the nature of the Council's business and its hazards and risks	The main organisational risks continue to be reviewed and assessed with each work group identifying their specific work group risks (ongoing). The hazard & risk register is currently being updated in conjunction with each work group. Worksite safety inspections for risks; including actions for Managers to address any issues identified. (This is a regular audit for non-project-based sites also).	
Resource	Ensure H & S person has appropriate resources and processes to manage risks	Action items are addressed on a priority basis. MDC has an on-line reporting tool to record incidents and the relevant actions, mitigations, and controls.	
Monitor	Ensure there are appropriate reporting and investigation processes in place	The H&S system ensures work group managers are aware of investigations and act in conjunction with the People and Culture team. People leaders will be upskilled, and the H & S Committee will ensure that Investigations are completed for all reported incidents, accidents, and near misses.	
Comply	Ensure the Council has, and implements, processes for complying with	Processes are being reviewed across all work groups in consultation with H&S Committee and subject matter experts.	

	duties under the HSWA Act 2015	The ongoing message to staff and managers is H&S is everyone's responsibility (not just the committee and P&C) and that all workers and managers are expected to give H&S high priority across all activities carried out by Council.	
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6.7 NINE MONTHS TO DATE FINANCIAL REPORT 2023/24

File Number:

Author: David Paris, General Manager Finance

Authoriser: Kym Fell, Chief Executive

PURPOSE

To provide the Audit & Risk Committee with financial reporting for the nine months to 31 March 2023.

RECOMMENDATION

That the Audit and Risk Committee receives the 9 months to date financial report and commentary.

CONTEXT

The Council sets operating and capital budgets through its Long Term Plan and Annual Plan and receives reports on the actual financial results against those budgets on a quarterly basis.

Revenue from rates is set in June each year, based on the budgets and is collected in four instalments across the financial year. The degree to which the rates revenue has been collected, paid or is still outstanding is reported quarterly to the Council via this report.

DISCUSSION

The financial statements commentary for the 9 months to 31 March 2024 is reported below. A full year forecast will be included in the next CE's Report to Council.

The **Statement of Revenue & Expenditure** (below) shows an accounting surplus of \$6.48 million which is 5.8% less than the planned \$6.88 million at 9 months to date. This result is influenced by the following major aspects:

- Revenue from financial contributions of \$1.8 million is 10.5% more than planned YTD reflecting an up-swing in the number of subdivisions paying their contributions to obtain title. Also one large subdivision at Riversdale Beach has paid multiple sewerage scheme connection contributions in the last quarter.
- Fees, charges and other revenue of \$8.67 million is close to the level planned.
- Interest income of \$1.1 million is 26.8% more than planned as a result of better interest rates than planned and having more funds available on deposit due to the short-term drawdown for cashflow purposes.
- Roading subsidies of \$13.23 million are 1.1% less than planned. The shortfall relates to a portion of the cyclone-related repairs not being subsidised at the planned 76%. These figures reflect subsidy now approved and claimed on the 2023/24 emergency works programme completed at 9 months to date.
- Personnel costs of \$10.87 million year to date are very close to the level planned.
- Other Operating expenditure of \$21.6 million is 3.6% more than budgeted, largely as a result of more subsidised road maintenance costs incurred in the first nine months than

planned and higher operational and maintenance costs in the water and wastewater activities.

- Interest expense is \$138k or 6.2% more than planned partly due to drawing down on short term funding while awaiting NZTA confirmation of the acceptance of the cyclone reinstatement programme.

Statement of Revenue & Expenditure						
9 months 2022/23 Actual	9 Months Year to Date to 31 March 2023	9 months 2023/24				Full Year Plan 2023/24
		Actual	Plan	Variance		
	Revenue					
28,200,982	Rates Revenue*	30,648,026	30,495,798	152,228	0.5%	40,891,297
873,025	Interest Received (external)	1,128,454	890,128	238,326	26.8%	1,184,750
10,952,691	Roading Subsidies	13,226,571	13,380,032	(153,461)	-1.1%	22,022,968
2,943,311	Financial Contributions	1,806,592	1,635,122	171,470	10.5%	2,123,500
9,212,125	Fees, Charges & Other Revenue	8,671,089	8,639,080	32,009	0.4%	21,124,580
52,182,134	Total Operating Revenue	55,480,732	55,040,161	440,571	0.8%	87,347,095
	Expenses					
9,482,399	Personnel Costs	10,871,256	10,943,068	71,812	0.7%	14,723,796
21,336,430	Other Operating Expenditure	21,536,789	20,788,144	(748,645)	-3.6%	27,537,524
1,894,177	Interest Expense	2,362,076	2,224,269	(137,807)	-6.2%	2,965,665
12,024,560	Depreciation & amortisation	14,234,537	14,208,379	(26,158)	-0.2%	18,946,210
44,737,565	Total Operating Expenses	49,004,658	48,163,860	(840,798)	-1.7%	64,173,195
\$7,444,569	Operating Surplus/(Deficit)	\$6,476,074	\$6,876,301	(\$400,227)	-5.8%	\$23,173,900

*Rates Revenue excludes rates on Council properties

The **Rates Requirement Summary** to 31 March 2024 (below) shows the Council's net spending of rates funding at \$28.79 million which is 0.4% less than the level planned.

Across all Council activities there are variances from budgets in both income and expenditure, with the main areas listed below.

The \$2.57 million surplus of rates funding is \$245k better than plan year to date. The main reason there is a surplus at this time is the timing of debt repayment that has been allowed for in rates income but not yet paid (an April debt maturity of \$3.2m was repaid).

The Council has used \$5m of short term borrowing in January 2024 to fund a cashflow deficit that arose from a mismatch of costs and revenue, being the non-receipt of Waka Kotahi subsidies on cyclone damage repairs. The borrowing was repaid in April.

Commentary on significant variances of Rates Requirements after 9 months YTD:

Roading \$6.4m is 2.7% over budget YTD. Within the subsidised roading programme staff are managing work within the overall budget for the year. YTD there has been more spent on maintenance and less spent on the renewals programme or minor improvements and these will net each other out by year end. Repair and recovery work relating to weather events has progressed, with some \$10.9m worth of work paid for against a Plan total of \$18.9m. It is expected that some of the \$18.9m will be carried into the 2024/25 year. The subsidy rate on the work done to date was

assumed at 76%, but a portion of the work has only been eligible for a 56% subsidy. Other areas in Roothing where plan has not been met are street trees ordered works and interest on debt.

2023/24 9 Months to 31 March 2024

2022/23 Interim	Rates Requirement Summary	2023/24 Actual	2023/24 Plan	Variance		2023/24 Full Year Plan
\$		\$	\$	\$	%	\$
	RATES REQUIRED BY ACTIVITY					
	Transport					
4,959,737	Roothing	6,400,178	6,232,756	(167,422)	-2.7%	8,834,721
	Water Services					
3,367,013	Urban Water supply	3,432,703	3,266,466	(166,237)	-5.1%	4,522,194
137,210	Rural Water supplies & races	58,771	58,971	200	0.3%	152,816
	Wastewater Services					
3,772,272	Urban Sewerage system	4,401,275	4,122,201	(279,074)	-6.8%	7,556,951
286,755	Rural Sewerage systems	211,192	208,007	(3,185)	-1.5%	441,570
	Stormwater Services					
770,002	Stormwater	706,386	667,698	(38,688)	-5.8%	922,216
	Solid Waste Services					
849,779	Solid Waste Services	820,073	842,844	22,771	2.7%	1,312,957
	Community Facilities/Activities					
2,443,149	Parks, Reserves & Sportsfields	2,537,892	2,615,425	77,533	3.0%	3,543,263
1,034,764	Trust House Recreation Centre	1,182,589	1,195,563	12,974	1.1%	1,503,867
121,700	Cemeteries	168,188	94,497	(73,691)	-78.0%	167,941
1,996,401	Library & Archive	2,117,312	2,141,233	23,921	1.1%	2,841,295
430,645	District Building	374,437	371,068	(3,369)	-0.9%	511,275
237,214	Housing for Elderly	193,752	181,864	(11,888)	-6.5%	195,593
721,986	Other Property	764,692	760,528	(4,164)	-0.5%	1,027,256
165,978	Hood Airport	288,222	256,258	(31,964)	-12.5%	427,755
27,127	Mawley Holiday Park	64,038	83,382	19,344	23.2%	153,971
	Regulatory Services					
937,943	Resource Mgmt & Planning	894,903	969,972	75,069	7.7%	1,259,158
540,536	Building Development	822,000	878,471	56,471	6.4%	1,144,840
430,043	Environmental Services	535,935	533,370	(2,565)	-0.5%	712,562
(13,982)	Parking Control	4,684	2,046	(2,638)	-129.0%	\$2,729
11,710	Animal Services	91,693	108,398	16,705	15.4%	138,455
200,903	Emergency Management	214,659	226,743	12,084	5.3%	284,033
	Leadership, Strategy & Corporate Services					
570,610	Representation	534,492	610,686	76,194	12.5%	918,808
(463,251)	Internal Functions (net)	(346,660)	102,937	449,597		0
887,173	Community Development	930,393	960,700	30,307	3.2%	1,126,373
392,618	Arts & Culture	426,022	433,039	7,017	1.6%	562,232
816,785	Economic Devlpmt	691,090	685,573	(5,517)	-0.8%	912,958
170,430	Environmental Initiatives	273,021	294,118	21,097	7.2%	451,208
\$ 25,803,251	Total Rates Requirement	\$ 28,793,932	\$ 28,904,814	\$ 110,882	0.4%	\$ 41,628,998
	RATES INCOME					
28,808,077	Masterton District Council rates	31,243,144	31,146,748	96,395	0.3%	41,528,998
225,308	Penalty Income	281,259	218,000	63,259	29.0%	275,000
(139,770)	Rates Remissions	(156,712)	(131,250)	(25,462)		(175,000)
28,893,615	Net Rates Income	\$ 31,367,691	\$ 31,233,498	\$ 134,193	0.5%	\$ 41,628,998
\$ 3,090,364	Surplus/(Deficit) of Rates	\$ 2,573,759	\$ 2,328,686	\$ 245,074	0.8%	\$ 0

Urban Water \$3.43m is running at 5.1% more than planned (\$166k) due largely to costs of responding to a higher level of water reticulation repairs than planned.

Wastewater urban is \$4.40m or 6.8% more than planned (\$279k) due largely to unbudgeted costs associated with the temporary sewer pump arrangement at the Colombo Road bridge being required for longer than expected. Also costs of sewer mains and laterals maintenance and cleaning has been more than planned and sales of baleage from the wastewater plant are behind plan expectation YTD.

Stormwater costs of \$706k are 5.8% more than planned YTD due to extra costs associated with cleaning of drains and streams. There is an expectation this budget will be brought back closer to plan by year end.

Solid Waste rates cost of \$820k is less than planned by 2.7%. Waste tonnages received at the transfer station have moved up closer to the level planned, while higher costs for recyclables (including E-waste) have been offset by increased waste levy being received.

Community Facilities net costs are \$7.69 million YTD, which is very close to the YTD planned position. Within that result individual areas are both under and over budget. Cemetery expenditure in particular is over due to project work to cleanup the Riverside northern area. There is potential for some of these costs to be funded from the Lawn Cemetery Reserve Fund, but that call will be made as part of the year end work. Other variances include lower than planned operating costs YTD for library & sportsfields, higher legal fees for airport leases and better than planned YTD result for Mawley Holiday Park.

Regulatory functions net costs are \$2.56 million YTD versus a budget of \$2.72 million. Both Planning and Building departments have achieved cost savings while their revenue is down on last year but is close to the planned levels. Across all activities there is \$155k YTD lower rates required.

Representation activity is running below the YTD plan. Cost savings have included consultation and survey budgets not yet spent and external consultants that were budgeted for CE performance reviews not used.

Across the Council's asset management and corporate functions there have been net savings achieved resulting in \$450k less rates required YTD which amounts to 4.8% of planned expenditure. More interest earned on investments than planned has contributed to this result as well as efficiencies made in the Comms and HR budget areas. Higher audit fees and valuation costs for infrastructural assets have both contributed to costs being over budget in the Finance area.

Summary Statement of Capital Expenditure (below) shows \$18.63 million spent which is 38% of the full year capital budget total.

Commentary on variances and progress on some the major capital projects is included in the Statements on the following pages.

Also included in the Capital statements are full year forecasts for each line item. The forecast year end shows 68% of the capital budget spent by 30 June 2024 with explanations on variances in the commentary.

Summary Statement of Capital Expenditure						Comments
	Actual 9 Months	Plan 9 Months	Full Year Plan 2023/24	Full Year Forecast 2023/24	Variance (over)/under	
	\$000s	\$000s	\$000s	\$000s	\$000s	
Roading - subsidised	3,653	4,485	8,122	6,936	1,186	This includes the urban and rural renewals programme as well as minor improvements work (co-funded by Waka Kotahi). Under spends are managed across both maintenance (opex) and renewal (capex) work programmes with this underspend offsetting an overspend against the subsidised maintenance programme (opex).
Roading - non-subsidised	283	596	977	1,056	(79)	This area includes budget for South Entrance revamp and Kitchener to Gordon Street extension. Work continues on the extension but no more costs expected for the South Entrance. \$756k expected before the end of the financial year to complete Kitchener and Gordon St works.
Roading - Emergency Works	6,435	6,120	18,920	13,641	5,279	Full year budget of \$19m is not all going to be spent this financial year, so will flow over into the 24/25 financial year. Latest forecast is around \$14m spend this year. The expenditure coming through relates to Hale and Gabrielle reinstatement work. The original \$19m allowed for was the total cost of the works identified before more robust timing of expenditure was known. Budget has been allowed in Yr 1 of the LTP to complete.
Water Services	2,642	2,159	2,588	3,452	(865)	Water reticulation renewals are overspent against budget for the first 9 months of the year. This overspend is a combination of increased spend on renewing water connections instead of just repairing, a catchup from contracts let in prior years for water main renewals programme and relaying of the main in Kitchener St for road and stormwater alignment.
Wastewater Services	2,781	2,894	6,415	4,113	2,302	Wastewater reticulation renewals are continuing, while the Colombo Rd bridge sewer pump station has been completed except for fencing. An additional \$2.115m of BOF funding has been allocated for wastewater renewals taking the total renewals budget to \$3.3m. Unspent BOF funding will roll over to the 24/25 financial year to continue spending in this area - around \$700k of the underspend reported. Millard Avenue sewer work of \$1.3m has been deferred.
Stormwater Services	386	399	692	480	213	Stormwater renewal projects are largely completed. The underspend relates to a provision for stopbank improvements which no longer needs to be utilised.
Solid Waste Services	88	116	421	150	271	There is a \$400k budget for the year relating to transfer station renewals. This mainly relates to pit flooring repairs. Initial designs are complete, work needs to be done so as not to disrupt operations. Start date now in 24/25 financial year resulting in an underspend against this budget for this year. Other spending relates to roof repairs (insurance related).
Parks, Reserves & Sportsfields	225	343	2,180	537	1,643	This is a diverse range of budgets relating to parks, reserves and sports building upgrades. The larger budgets are for Memorial Park upgrades, Henley Lake level management, upgrading the Henley Lake playgrounds (co-funding with Lions) and sports building upgrades. Douglas Villa ramp, demolition of the tennis pavilion and work around the South Park building are all imminent or ongoing. The main drivers for the year end forecast underspend are Henley Lake playground (\$160k), sports facilities buildings budget (\$250k) - carried forward to 24/25, henley lake level management - moved to 26/27 (\$400k) and Memorial park upgrades (\$550k) - carried forward to 24/25.
Wellbeings (Amenities)	21	44	347	176	171	The majority of the budget is for a youth hub solution at the skatepark with small budgets for security camera renewals, christmas decorations and decorative streetlighting. The year end forecast underspend is due to the youth hub budget which will not be fully utilised this year.

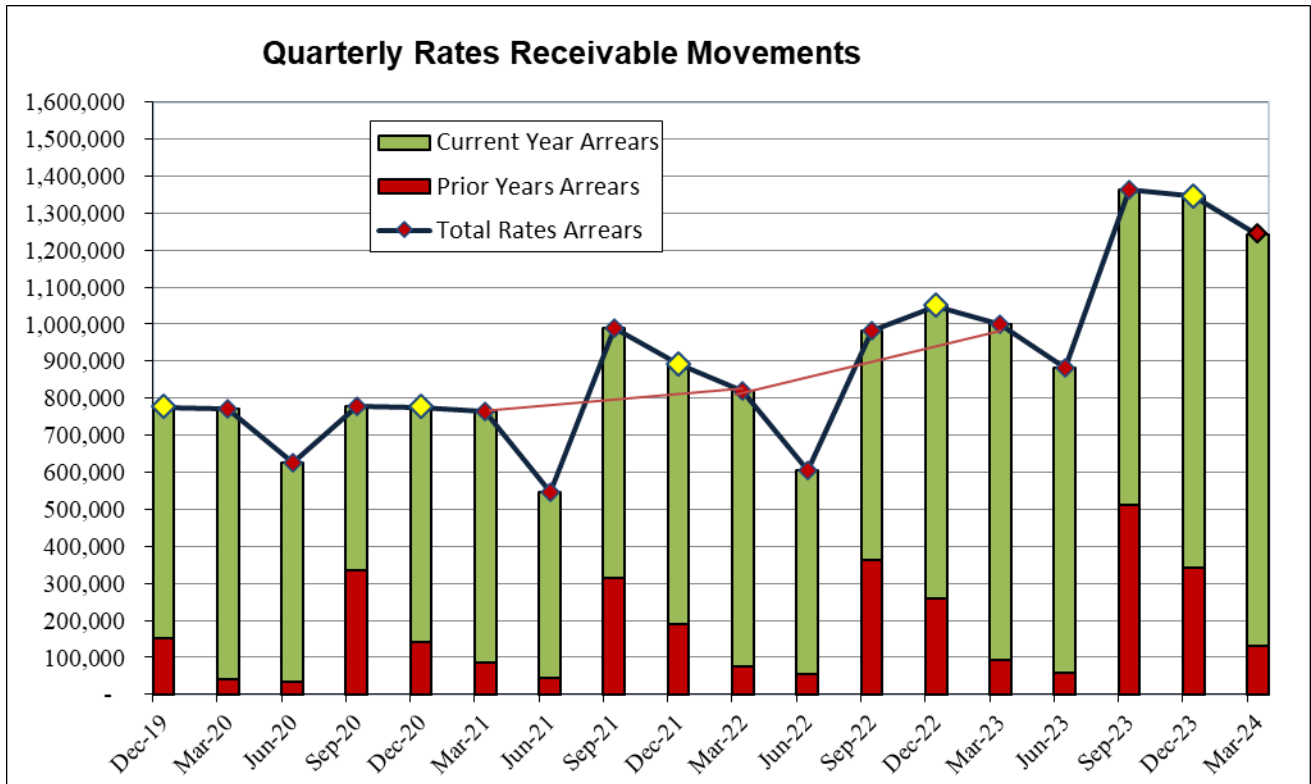
Summary Statement of Capital Expenditure						Comments
	Actual 9 Months	Plan 9 Months	Full Year Plan 2023/24	Full Year Forecast 2023/24	Variance (over)/under	
Other Property	205	204	693	306	387	Includes cemeteries, public conveniences, Mawley Park, rural halls and rental properties. There was a \$120k provision included for asbestos removal which has been mitigated without this significant spend which accounts for some of the underspend. There is also a \$190k underspend forecast for cemeteries relating to Riverside cemetery works.
Civic Facility	119	125	300	175	125	This budget relates to project design options development work for the Library and Town Hall facilities. Forecasting an underspend against the full year budget.
Recreation Centre	117	175	500	300	200	Budget is for upgrades at the Trust House Recreation Centre. BOF funded condition assessment and feasibility study has now been completed. Insurance claim has been settled for the toddler pool roof replacement so spend is coming for this. Heating system and filtration system renewal needs will be clearer after reviewing the masterplan and condition assessment report recently received. Spend will continue into next financial year.
Housing for the Elderly	328	361	448	400	48	This budget relates to renewal work on the senior housing portfolio (Laurent Place, Bodmin Flats, Truro Flats and Panama Village). There has been \$200k spend YTD for work on the Panama carpark. Additional spend planned on the Panama Homestead garages due to be repaired after fire damage. New carpark at Laurent Place is in 24/25.
Library & Archive	107	147	196	172	24	Purchase of books and incidental furniture and equipment as required. Underspend relates to minimal new furniture and equipment needing to be replaced so far this year.
Airport	919	1,292	3,803	1,302	2,500	Runway and apron work is underway but there are now delays relating to weather. Full reseal of the runway, lighting design, supply and installation is now expected to be completed in 2024/25. The majority of the infrastructure services and roading design and construction is expected in 2024/25 with completion expected early in the 2025/26 financial year. 2023/24 spend will include the majority of the fencing workstream this year.
Regulatory Services	44	110	2,547	340	2,207	\$2.5m of the budget relates to the new animal shelter. Minimal spend so far this year on this project, but the construction contract has been let, further refinements and value engineering have been needed. Expected start date June 2024.
Corporate Services	277	332	456	373	84	Includes budgets for IT upgrades and fleet vehicle replacements. Spend is also occurring across both, including meeting room technology upgrades. We have also invested in a Magiq Service request integration to RAMM. GIS aerial photography (led by Wellington) is not due now until next summer so this \$36k budget will remain unspent this financial year.
TOTAL COUNCIL	\$ 18,629	\$ 19,902	\$ 49,604	\$ 33,908	15,696	
% spent of full year Plan	38%			68%		

Rates Receivable

The graphs below provide a picture of the changes in the value of rates receivable by quarter.

At 31st March 2024 the balance of rates unpaid was \$1,242,643. This is 24% more than the same quarter end last year. Arrears from prior years were \$129,936, which is 40% more than the same quarter last year and 14.7% of the balance of total arrears at 30 June 2023, ie 85.3% of the 30 June 2023 arrears had been paid by 31 March 2024.

Current year rates unpaid at 31 March 2024 were \$1,112,707 compared to \$908,578 at 31 March 2023. This amounts to 2.7% of the value of the first three instalments (last 31 March = 2.4%).

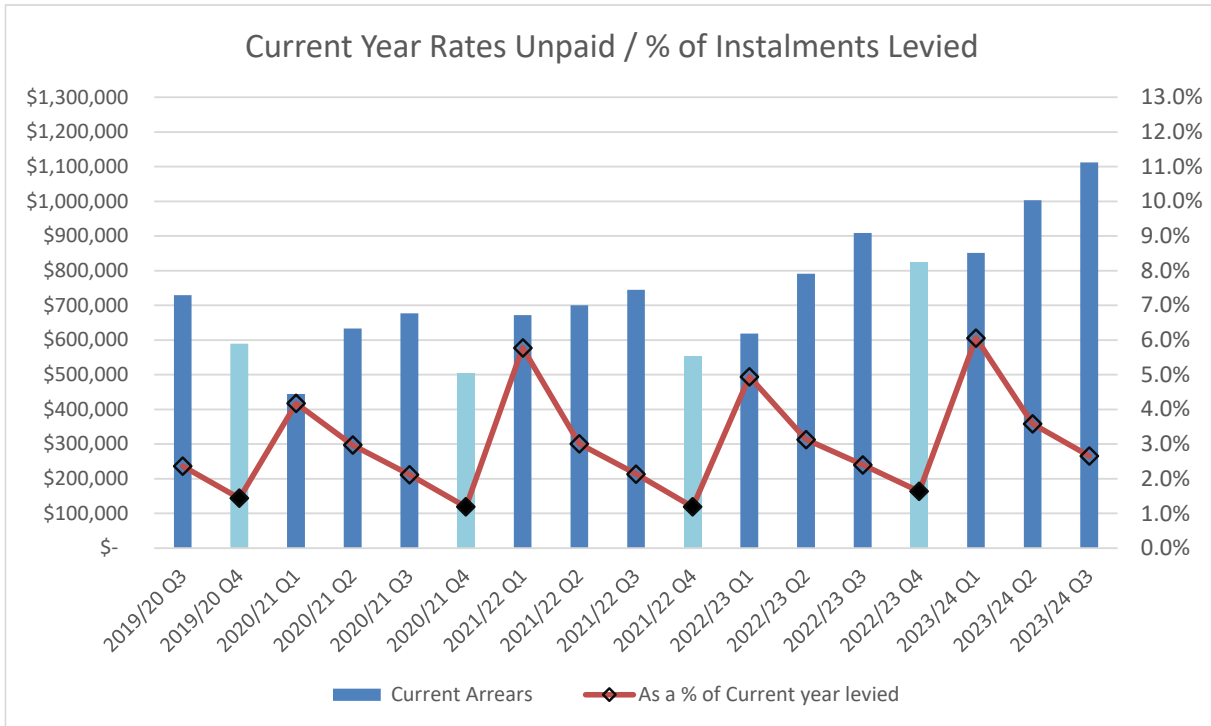


The reduction in rates receivable in the March quarter is consistent with the two prior years. The clearing of the prior year arrears is being achieved slower than usual, partly due to one bank being slow to respond to mortgagee demands.

The Council continues to contact ratepayers who are falling behind, we encourage applications for the Rates Rebate scheme whenever there is an opportunity to apply that Government funding and we try and work with ratepayers to provide payment schemes to help them to catchup. The reported revenue for rates penalties is 29% ahead of planned, but is subject to remissions if ratepayers make (and keep) arrangements to bring their rates up-to-date.

Arrangements to pay off rate arrears have been negotiated with a number of ratepayers with arrears and no mortgage, while for others, legal steps have been taken (seven properties) which can ultimately result in rating sale.

The graph below shows the value of current years rates unpaid at the end of each quarter and that value as a % of the dollars levied progressively through each year. It is noted that the trends are consistent, with the Qtr 3 percentage (of 2.7%) slightly higher than the average of around 2.1%. This percentage is expected to track downwards to an average of below 2% by 30 June 2024.



SUMMARY OF CONSIDERATIONS

Strategic, Policy and Legislative Implications

Any strategic considerations relating to the year to date financial report will be picked up as the Council develops its Long Term Plan for 2024-34.

Significance, Engagement and Consultation

It is noted that the quarterly financial reporting is an important element of Council’s accountability to the community.

Financial Considerations

This report includes summary financial information on the Council’s performance versus the Planned position as at 9 months year-to-date, 2024/25. There are no financial considerations beyond the report itself.

Implications for Māori

The adoption of this report does not trigger any Treaty of Waitangi considerations or implications specific to Māori.

Communications/Engagement Plan

The information included in this report is public and will be available with the agenda. No further communications or engagement is planned.

Environmental/Climate Change Impact and Considerations

There are no environmental/climate change impacts or considerations arising from the adoption of this report. Minimal hard copies will be printed.

ATTACHMENTS

Nil

6.8 INVESTMENT MANAGEMENT UPDATE

File Number:

Author: David Paris, General Manager Finance

Authoriser: Kym Fell, Chief Executive

PURPOSE

To provide the Audit and Risk Committee with information about changes to the management of a portion of the Council's investment portfolio.

EXECUTIVE SUMMARY

The Council holds investments that represent the Special Funds and Reserves portion of the Council's equity. The Investment Policy section of the Treasury Management Policy allows for a portion of those funds to be invested with an external fund manager. That manager is currently the wholesale division of ANZ Investments Limited and they currently manage \$7.1m which is split 50/50 between a two bond fund vehicles.

ANZ Investments have advised that they are winding up the wholesale division of their business and the Council needs to transition to another provider.

RECOMMENDATION(S)

That the Audit and Risk Committee

1. receives the information contained in the Investment Management Update Report.
2. directs staff to follow a procurement process to place the funds with another external fund manager, and that any change to the investment mandate will be a Council decision, varying the Investment Policy.

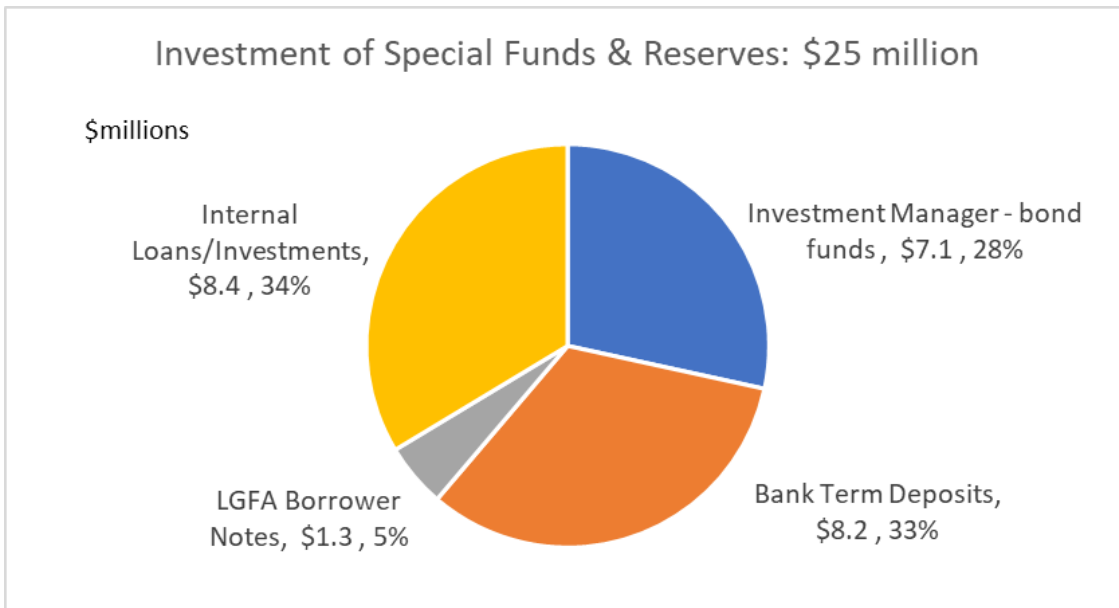
CONTEXT

ANZ Investments have advised they have made the decision to exit their wholesale funds management business, which includes a portion of the Council's investment portfolio. This means they will formally terminate our Investment Management Agreement and have fully transitioned assets out by 31 August 2024.

The implications for the Council are we need to decide where to invest the funds that currently sit in two bond fund investment vehicles (a 50/50 split between High Grade and Sovereign bond funds). The current value of those investments is \$7.1 million (see the pie chart on the following page).

The simplest response is to transition to another provider who will provide a similar low-risk investment product. The Council's Investment Policy has its primary objective to protect the Council's investment capital and ensure a prudent approach to risk/return. The investment in bond funds has been low risk, but the performance of bonds as an investment class has fluctuated along with the interest rate markets.

Returns are measured with mark-to-market valuations and over the 9 months to 31 March 2024 the funds have grown 3.7%. However, over the last five years a return of only 0.6% has been achieved versus a market index benchmark of 0.19%. The investment manager has bettered the index, but the high grade bond market has performed poorly as an asset class.



The chart above depicts the mix of investment types that make up Council’s Special Funds & Reserves. Those reserves include general capital reserves held from the sale of assets, asset depreciation funds, financial contributions from development and funds carried forward for specific purposes.

The policy requires that between \$14m and \$16m of these funds are relatively liquid and can be accessed at relatively short notice in the event of an emergency.

The management fees on the ANZ bond funds is 0.25% pa.

Extract from the Investment Policy:

External Funds Management

Investments made through external fund managers will be to a maximum of \$12 million. Investments must be limited to fixed income and cash/cash equivalent securities only.

The current mandate is as follows:

Asset	Allocation	Credit Range
ANZ Wholesale Sovereign Bond Fund	45% - 55%	AA to AAA
ANZ Wholesale High Grade Bond Fund	45% - 55%	A- to AAA

The credit restrictions for funds placed with any one institution (per Appendix 2) do not apply to externally managed funds as the portfolio is held in wholesale bond fund products via a trustee.

This policy allows the addition of other investment management products and fund managers to complement or replace the ANZ bond funds.

Criteria for the future investment of the \$7.1 million will include:

- assessing whether to move away from the A to AAA credit range for a portion of the investment funds,
- a requirement to earn better than the market index return and
- paying low fees (noting low fees generally translate to a ‘hands off’ rather than ‘active’ investment approach).

Staff propose to assess the market options for funds management and undertake a procurement process before coming back to the Council with a recommendation. The procurement process will take account of the Investment Policy and use both fund managers’ investment performance and low management fees as assessment criteria.

ATTACHMENTS

Nil

6.9 INSURANCE UPDATE

File Number:

Author: David Paris, General Manager Finance

Authoriser: Kym Fell, Chief Executive

PURPOSE

To provide the Audit and Risk Committee with up-to-date advice on the renewal of insurance cover from 1 July 2024, provide information about the expected cost increases of that insurance and provide information about some of the risk decisions the Council can consider with respect to material damage insurance.

EXECUTIVE SUMMARY

The Council buys insurance cover to mitigate a number of risks to the assets and activities of the Council. Council uses Marsh as our insurance brokers for the majority of Council's insurance advice. The one exception is the underground assets disaster cover – the AON administered LAPP scheme. The majority of the insurance programme is purchased as a Wairarapa Councils group, effectively spreading risks and providing a larger portfolio of insurance cover to attract better pricing.

RECOMMENDATIONS

That the Audit and Risk Committee

1. receives the information contained in the Insurance Update Report and notes that options to reduce insurance cover and costs will be brought through the LTP Deliberations report.
2. acknowledges that changing the deductible amount has little impact on premiums
3. requests staff to bring back recommendations to the LTP Deliberations meeting around increasing the risk Council carries in relation to material damage insurance on building assets.

CONTEXT

The New Zealand property insurance market is still experiencing challenging conditions. Severe weather impacts both locally and internationally has continued to put upwards pressure on premium rates. Insurers have little capacity to take on more risk and they are paying closer attention to flood risks. Material Damage premiums for 2024/25 are expected to reflect insurers need to recover losses from claims made over the last 18 months. A 15% uplift in premiums is expected, plus any uplift in the asset values (expected to be around 7%).

In addition, the Wellington region has been further impacted by insurers decreasing appetite to take on more risk associated with earthquakes. The recent inflationary environment has seen the cost of rebuilding increase significantly, although there are signs of this levelling off. Insurance

providers are being selective in offering cover and are still wary of too much exposure in our region.

The Council's Material Damage and business interruption cover has been spread across four insurers - QBE Insurance (Australia) Ltd (40%), NZI (22.5%), AIG (17.5%), Berkshire Hathaway (15%), QBE UK Limited (5%).

Other than Material Damage and Business Interruption mentioned above, the other insurance policies the Council has in place and is looking to renew include:

- Machinery breakdown – insurer QBE Insurance (Australia) Limited
- Motor vehicle – insurer NZI (a division of IAG NZ Ltd)
- Crime – insurer QBE Insurance (Australia) Limited
- Personal Accident – insurer Chubb Insurance New Zealand Ltd
- Forestry / Standing Timber – insurer SAGE Partners Ltd
- Airport Liability Insurance – insurer AIG Insurance (UK) Ltd
- Statutory Liability – insurer QBE Insurance (Australia) Limited
- Employers Liability – insurer QBE Insurance (Australia) Limited
- Hall Hirers (General) Liability – QBE Insurance (Australia) Limited
- Public Liability / Professional Indemnity and Environmental Impairment – insurer QBE Insurance (UK) Ltd and other insurers based in the London insurance market
- Underground assets Disaster Cover – LAPP scheme administered by Civic Financial Services and AON.

COSTS OF INSURANCE RENEWAL

Overall, insurance premiums are expected to increase by up to **15%** over the previous year, plus an escalation in replacement values also need to be factored. There are two main exceptions to this:

The LAPP disaster cover is expected to increase at least **50%** due to the increased incidence and on-going risk of disasters around the globe and closer to home. Those risks include earthquakes and climate change driven events such as wildfires, severe storms/flooding and sea level rise. Insurers based in the London market are where the decisions around risk are made and the feedback to date is that risk is increasing, and that leads to increased cost of our insurance cover.

Over the last two years, there has been significant work done on loss modelling for all LAPP scheme members. The LAPP scheme brokers, Aon, do personally make representations to the London market to ensure they fully understand our assets, our risk exposure and the unique aspects of the LAPP scheme. Despite this, indications are the premium increase will be significant.

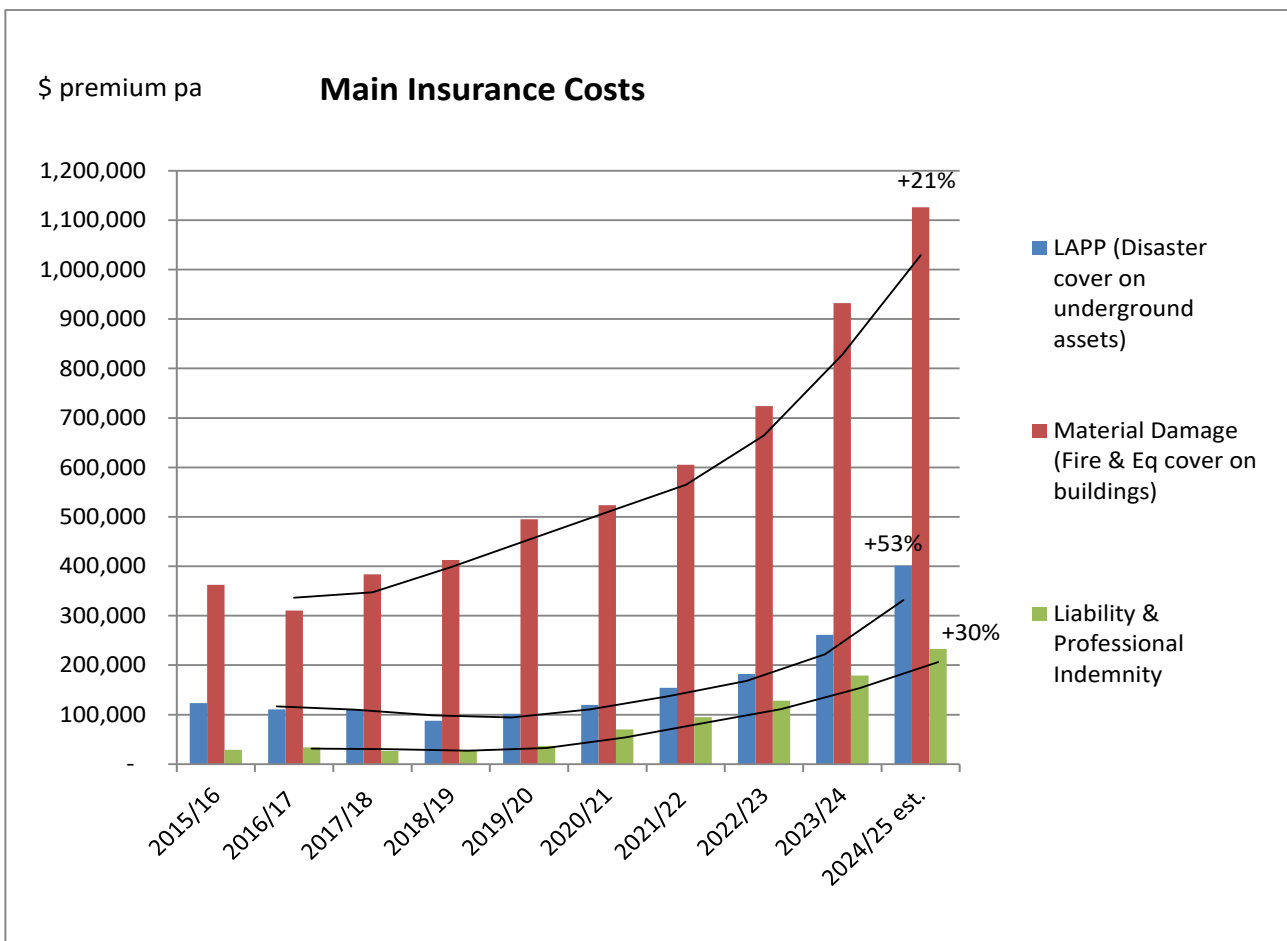
The second exception is Professional Indemnity cover. Council's brokers cannot currently provide an indicative cost for this cover as the London-based re-insurance market have not yet indicated they are prepared to offer the insurance to the New Zealand market. As an alternative, our brokers are working on securing cover from NZ-based insurers, but the extent of that cover and the cost has yet to be determined. Our broker's advice has been to allow for a **30%** increase in premiums.

The graph below shows premium cost escalations for the main policies over 10 years. The reasons for the large increases are combinations of the following:

1. increasing premiums from insurers due to the increasing number of events and claims they are seeing
2. increasing asset values that we are insuring – we insure for reinstatement values (in most cases) and these values have been increasing in the region of 8% to 10% per annum.
3. liability claims against Councils are increasing and insurers are increasing premiums as a result
4. no account is taken of any future calls made by Riskpool for MDC’s share of shortfalls in that mutual insurance scheme’s funds.

Across the three policies included in the graph on the following page, the premium cost is expected to increase from \$1,373,200 to \$1,760,000, which is \$386,800 or **28%**. Increases of approximately \$200,000 or averaging 15% were allowed for when preparing budgets for the 2024/25 LTP year 1. These increases have been one of the factors in the need to increase rates and user charges for the 2024/25 financial year.

The additional \$186,800 will be factored into the reworking of the budgets in conjunction with the review of assets insured that will come to Council as part of the LTP Deliberations report.



VALUE OF ASSETS INSURED

Material Damage insurance premiums paid by Masterton District Council have increased from \$495,000 in 2019/20 to \$923,300 for 2023/24, an 86% increase over four years.

In that time the value of buildings and assets insured has gone from \$127 million to \$189 million, a 49% increase.

In 2023/24 the Material Damage premium was made up of different parts, as follows:

- Company premium 27%
- Earthquake premium 61%
- EQC levy 3%
- Fire Service levy 9%

The \$189 million of assets insured and the premiums paid are made up as follows:

	Value insured \$M	Premium \$Cost
Waiata House	\$ 6.7	\$ 35,324
Town Hall & District Bldg	\$ 6.1	\$ 33,749
QE Park - various	\$ 28.7	\$ 142,355
War Memorial Stadium & Pools	\$ 40.2	\$ 195,297
Memorial Park	\$ 9.2	\$ 44,973
Library	\$ 6.7	\$ 33,648
Water Treatment Plant	\$ 20.8	\$ 102,294
Wastewater Treatment Plant	\$ 11.4	\$ 64,050
Mawley Park	\$ 4.3	\$ 22,135
Rural Halls	\$ 8.5	\$ 42,304
Transfer Station	\$ 5.6	\$ 28,920
Housing for the Elderly	\$ 17.9	\$ 61,893
All other	\$ 17.0	\$ 80,942
Contents	\$ 5.8	\$ 35,384
	\$ 188.9	923,269

The Council commissions insurance valuations on all assets it wants to insure, each year. Those valuations identify the value to reinstate (including inflation provisions), an indemnity value and a cost to demolish. The indemnity value is the depreciated or written down value – what it is worth today.

Of the \$189 million of value insured, \$7.44 million (5.1%) is insured for indemnity value plus demolition cost in 2023/24. Listed below are the assets that are insured for indemnity value in 2023/24:

- The Town Hall & District Building (excl 1980's portion)
- QE Park
 - Tennis pavilion
 - Timber dwelling
 - Brick dwelling

- South Park changing rooms
- Douglas Park changing shed
- Water Treatment Plant
 - Boost Pump shed
 - Workshop buildings and storage sheds
- Old Depot and fire station Tinui
- Halls
 - Taueru
 - Whangaehu
 - Bideford
 - Rangitumau
- Riversdale and Castlepoint transfer station structures
- Henley Lake animal shelters in farm area
- Rental dwellings on Upper Plain Road #767 and #673l
- 88 Manaia Road rental dwelling
- 116 Ngaumutawa Road rental dwelling

Adding more assets to the list of 'insured for indemnity and demolition value only' will reduce insurance premiums, but it will increase Council's risk exposure. If one of these assets is lost, the full cost to reinstate a building or asset will not be recovered from insurers, so Council's options for replacing the building or asset are then reliant on partial insurance payment and finding internal funding sources or loan funding, or the Council may chose not to replace the asset.

An initial assessment has been made of other assets that could be moved from reinstatement to indemnity in order to gauge what the premium savings could be. Ten assets with a total reinstatement value \$11.9 million have been identified for this exercise. There is some sensitivity around the decisions to not insure for reinstatement, so the list of assets considered will not be made public in this report, but will be part of the LTP Deliberations report if Council indicates staff should progress this option.

The effect of moving the selected assets is a reduction of the total value insured by 6.3% or \$11.9 million and an increase to the proportion of assets insured for indemnity value from 5.1% to 10.1%.

The premium savings would be in the range of \$40,000 to \$50,000 per annum.

Marsh have advised that moving buildings from reinstatement to indemnity value may not give a proportional decrease in premiums. It essentially puts a loss limit on individual assets, leaving insurers still exposed to the costs up to indemnity value. Because they factor in lower likelihood of total loss, the reduced value insured will be unlikely to change premiums proportionately.

An indication is sought from the Committee as to whether to continue work on this as part of the LTP budget deliberations.

DEDUCTIBLES / EXCESS

The material damage policy has a number of deductibles (or excess) depending on the cause of the damage:

1. Loss by natural disaster is 5% of site value for post 1934 buildings

2. Loss by natural disaster is 10% of site value for pre 1935 buildings
3. Earthquake prone buildings is 10% of site value
4. Loss from Fluvial and/or Pluvial Flood (per event) \$100,000
5. All other claims \$5,000

For context, the Douglas Villa building has a reinstatement value of \$1,196,000. If it was destroyed in an earthquake, the deductible the Council will need to pay would be \$59,800. If it was damaged or destroyed by fire the deductible would be the first \$5,000 of the reinstatement cost.

In the past six years the Council has made eight claims for fire, wind storm and lightning strike losses that paid out an average claim amount of just under \$20,000 each. These were all low value buildings, but demonstrate that the \$5,000 deductible has benefitted the Council.

Marsh advise that an increase of the deductible amount to \$50,000 would reduce premiums by approximately \$15,000 per annum. Staff do not consider that saving to be sufficient for the Council to take on the greater risk.

FIRE SERVICE LEVY CHANGES

The material damage insurance premiums include a fire service levy. Fire & Emergency New Zealand (FENZ) are currently consulting on a new regime of funding for their organisation that will be implemented from 2024 through to 2026.

In 2023/24 Council has paid \$83,218 in Fire Service levies, with the calculation being based on complex formulas and uses indemnity values. It results in the FENZ levies being 0.0441% of the overall insured value.

The consultation information put out by FENZ indicates reductions in levies for residential properties and little change for non-residential properties except for removal of the capped levy on high value buildings. It is unclear if the levy will now apply to the reinstatement or indemnity values. There is currently not enough information in the FENZ consultation information to enable an assessment of the impact of these changes on the insurance premiums the Council pays. Staff will keep working with our brokers (Marsh) to better understand the proposed changes.

ATTACHMENTS

Nil

7 PUBLIC EXCLUDED

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATIONS

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter 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 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	Ground(s) under section 48 for the passing of this resolution
<p>7.1 - Minutes of the Audit and Risk Committee Meeting held with the public excluded on 21 February 2024</p>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(c)(i) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied</p> <p>s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public</p> <p>s7(2)(e) - the withholding of the information is necessary to avoid prejudice to measures that</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

	<p>prevent or mitigate material loss to members of the public</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	
7.2 - Wairarapa Recovery Risk Report	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(i) - the withholding of the information is necessary to enable Council to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>