

# **MASTERTON DISTRICT COUNCIL**

## **AGENDA**

### **AUDIT AND RISK COMMITTEE**

**WEDNESDAY 17 AUGUST 2022**

**2.00PM**

#### **MEMBERSHIP OF THE COMMITTEE**

Philip Jones (Chairperson)

Her Worship the Mayor

Cr B Gare

Cr G McClymont

Cr T Nelson

Cr T Nixon

Cr C Peterson

Iwi representative T Te Tau

Quorum: Four

Notice is given that the meeting of the Masterton District Council Audit and Risk Committee will be held on Wednesday 17 August 2022 at Waiata House, 27 Lincoln Road, commencing at 2.00pm.

**RECOMMENDATIONS IN REPORTS ARE NOT TO BE CONSTRUED AS COUNCIL  
POLICY UNTIL ADOPTED**

12 August 2022



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## **AGENDA ITEMS**

1. CONFLICTS OF INTEREST (Members to declare conflicts, if any)
2. APOLOGIES
3. PUBLIC FORUM
4. LATE ITEMS
5. **MINUTES OF PREVIOUS MEETING TO BE RECEIVED** (063/22) Pages 401-405

## **FOR RECOMMENDATION**

6. **NON-FINANCIAL PERFORMANCE 2021/22 QUARTER 4/YEAR END REPORT**  
(099/22) Pages 411-433

## **FOR INFORMATION**

7. **SERVICE PROVISION REPORT: ARATOI REGIONAL TRUST and NUKU ORA**  
(097/22) Pages 434-445
8. **SERVICE PROVISION REPORT: DESTINATION WAIRARAPA** (098/22)  
Pages 446-451
9. **HEALTH AND SAFETY QUARTERLY REPORT** (100/22) Pages 452-462
10. **TREASURY MANAGEMENT REPORT** (101/22) Pages 463-467
11. **RATES RECEIVABLE REPORT** (102/22) Pages 468-470
12. **INTERIM 2021/2022 FINANCIAL REPORT** (103/22) Pages 471-476
13. **INTERIM CAPITAL EXPENDITURE REPORT 2021/22** (104/22) Pages 546-554
14. **INSURANCE REPORT** (105/22) Pages 555-556

## MATTERS TO BE TAKEN WITH THE PUBLIC EXCLUDED

Moved by

Seconded by

Under section 48 (1) of the Local Government Official Information and Meetings Act 1987 the following matters will be taken with the public excluded :-

Minutes of the previous meeting

15. Receive the Minutes of the previous meeting held with the public excluded 18 May 2022.

General Business

16. Risk Policy and Corporate Risk Register Update
17. SLT Risk Discussion.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Minutes of Previous Meeting held 18 May 2022	See pages 404-405	s48(1)(a)(i) That the public conduct of the whole or 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.
Risk Management Policy and Risk Register Update	7(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.	s48(1)(a) That the public conduct of the whole or 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. Where the local authority is named or specified in the First Schedule to this Act, under section 6 or section 7 except section 7(2)(f)(i) of this Act.
	7(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	

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information would be likely to damage the public interest

SLT Risk Discussion

7(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.

7(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 to damage the public interest.

s48(1)(a)

That the public conduct of the whole or 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.

# 401

063/22

**REPORT OF THE AUDIT & RISK COMMITTEE MEETING HELD AT WAIATA HOUSE, 27  
LINCOLN ROAD, MASTERTON ON WEDNESDAY 18 MAY 2022 AT 12.30 PM**

**PRESENT**

Philip Jones (Chair), Councillors B Gare, G McClymont, T Nixon, T Nelson, C Peterson and iwi representative Tiraumaera Te Tau

**IN ATTENDANCE**

Councillor D Holmes, Chief Executive, Manager Finance, Manager Governance and Strategy, Manager Community Facilities and Activities, Manager Regulatory Services, Communications and Engagement Manager, People and Capability Manager, Manager Assets and Operations, Policy Manager, Corporate Planner, Senior Policy Advisor, Health and Safety Advisor, and Governance Advisor.

**CONFLICT OF INTEREST**

Councillor Nixon declared an interest re Hood Aerodrome.

**LATE ITEMS FOR INCLUSION UNDER SECTION 46A(7) OF THE LOCAL  
GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987**

There were no late items.

**APOLOGIES**

Moved Councillor T Nixon

**That the apologies from Mayor L Patterson for non-attendance be received.**

Seconded by Councillor B Gare CARRIED

**MINUTES OF PREVIOUS MEETING TO BE RECEIVED** (013/22)

Moved by Tiraumaera Te Tau

**That the minutes of the previous meeting of the Audit and Risk Committee held 16 February 2022 be received.**

Seconded by Philip Jones and CARRIED

**SERVICE PROVISION REPORT – ARATOI** (054/22)

The report providing the Committee with the quarterly progress report against key result areas for Aratoi Regional Trust was taken as read.

Moved by Councillor T Nixon

**That Council receives the Service Provision Report 054/22, which provides Aratoi Regional Trust's summary of Key Result Areas for the third quarter period of 1 January – 31 March 2022.**

Seconded by Councillor B Gare and CARRIED

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## **SERVICE PROVISION REPORT – DESTINATION WAIRARAPA** (055/22)

The report providing the Audit and Risk Committee with the third quarter (1 October – 31 December 2021) progress report on key deliverables of Destination Wairarapa was taken as read.

Moved by Councillor C Peterson

**That the Audit and Risk Committee receives the third quarter report (1 January 2022 – 31 March 2022) from Destination Wairarapa.**

Seconded by Councillor Gare and CARRIED

## **NON-FINANCIAL PERFORMANCE 2021/22 THIRD QUARTER REPORT** (056/22)

The report advising the Committee of performance against non-financial measures for the period from 1 July 2021 to 31 March 2022 as taken as read.

In relation to how many days people had portaloos during the flooding event a request was made for specific days to be reported. Staff advised that that specific information could be provided. *[Note to minutes: The deployment of portaloos ranged from 1 to 13 days with an average of 4 days.]*

The median response time for a flooding event was discussed with staff advising that how that was reported was clearly explained and that it was consistent with how it had always been reported. There had also been discussion in the past with the Department of Internal Affairs about how useful those measures were.

In response to a question about compliance with building and resource consent timeframes, staff advised that staffing was a significant problem but that the shortage of materials had helped as work was slowing. The length of time for an inspection was raised as a potential problem as that created its own pressures for the building industry.

Moved by Councillor C Peterson

**That the Audit and Risk Committee receives the Quarter 3 non-financial performance report for the 2021/22 financial year.**

Seconded by Tiraumaera Te Tau and CARRIED

## **HEALTH AND SAFETY QUARTERLY REPORT** (057/22)

The report providing an update to assist elected members carry out their role as officers under the Health and Safety at Work Act 2015 was taken as read.

In relation to the due diligence reporting a request was made for the next report to include what needed to be done to get to green – including what would be focussed on in the next quarter with some targets.

Leave balances were discussed. A request was made for more information so the Committee could see whether there was a problem with leave being accrued, due to work pressure. Staff advised that it wasn't an issue at the moment but that further information would be provided.

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Moved by Councillor T Nixon

**The Audit and Risk Committee notes the content and receives the Health and Safety Report for the quarter (1 February 2022 to 30 April 2022).**

Seconded by Councillor G McClymont and CARRIED

## **NINE MONTHS TO DATE FINANCIAL REPORT 2021/22** (058/22)

The report providing the Committee with the financial report for the nine months to 31 March 2022 was taken as read, noting that the better than plan result was due to income and made the bottom line look better, however the extra revenue was offset by increased costs in other areas.

Moved by Philip Jones

**That Audit & Risk Committee receives the nine months to date financial report and commentary, including the Operating and Capital Expenditure Statements contained in Report 058/22.**

Seconded by Councillor Gare and CARRIED

## **PROGRESS REPORT ON AUDIT NZ RECOMMENDATIONS FOR THE YEAR ENDED 30 JUNE 2021** (059/22)

To provide the Audit and Risk Committee with an update on progress against the recommendations made by Audit NZ following their audit for the financial year ended 30 June 2021.

Revaluation of Council's assets was discussed. There was a high likelihood that Council would need to do a revaluation after two years instead of three. It was noted that the revaluation of Council's underground assets was unlikely have any bearing of the transfer of the assets to a new three waters entity. The indication is that the value of Council's debt over those assets would be refunded by the entity.

Moved Philip Jones

**That the Audit & Risk Committee receives the report on the progress against recommendations made by Audit NZ following the audit of Masterton District Council for the year ended 30 June 2021.**

Seconded Councillor McClymont and CARRIED

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## MATTERS TO BE TAKEN WITH THE PUBLIC EXCLUDED

Moved by Tiraumaera Te Tau

Under section 48 (1) of the Local Government Official Information and Meetings Act 1987 the following matters will be taken with the public excluded :-

### Minutes of the previous meeting

12. Receive the Minutes of the previous meeting held with the public excluded 16 February 2022.

### General Business

13. SLT Risk Discussion.

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Minutes of Previous Meeting held 16 February 2022	See page 405	s48(1)(d) That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceeding to which this paragraph applies
SLT Risk Discussion	<p>7(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>7(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</p>	s48(1)(d) That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceeding to which this paragraph applies



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compelled to provide under the authority of any enactment, where the making available of the information would be likely to damage the public interest.

Seconded by Philip Jones and CARRIED

**The public was excluded at 1.34pm**

**The meeting returned to open session at 2.28pm**

**The meeting concluded at 2.28pm**

<b>To:</b>	Audit and Risk Committee
<b>From:</b>	Tania Madden, Corporate Planner
<b>Endorsed by:</b>	David Hopman, Chief Executive
<b>Date:</b>	17 August 2022
<b>Subject</b>	<b>Non-Financial Performance 2021/22 Quarter 4/Year End Report</b>
<b>RECOMENDATION</b>	
<b>Recommendation:</b>	
That the Audit and Risk Committee	
<ol style="list-style-type: none"> <li>1. Receives the Quarter 4 non-financial performance report for the 2021/22 financial year.</li> <li>2. Recommends Council confirm the Year 2 targets for the two water measures that are reported annually as follows: <ul style="list-style-type: none"> <li>• Percentage of Real Water Loss – target for Year 2: no more than 32.5%.</li> <li>• Average Consumption - target for Year 2: no more than 578/litres/person/day.</li> </ul> </li> </ol>	

#### **PURPOSE**

The purpose of this report is to advise the Audit and Risk Committee of performance against non-financial measures year to date and to recommend that Council adopts revised Year 2 targets for two water measures. The figures in this report are for the period from 1 July 2021 to 30 June 2022.

#### **EXECUTIVE SUMMARY**

This is the fourth and final non-financial performance report for Year 1 (2021/22) 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. All 43 measures were available to report.

Of the 43 measures reported, 65.1% (28 measures) were achieved, and 34.9% (15 measures) were not achieved.

Further information is provided in Attachment 1.

## **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 final non-financial performance report for Year 1 of the 2021-31 Long-Term Plan (LTP).

The performance measure framework was 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**

### **Three Waters**

Our water infrastructure activities have generally performed well against targets. However, the rain event in February 2022 (discussed in the May 2022 Q3 report) has impacted 2021/22 year end results for the wastewater and stormwater activities. Four of the six wastewater measures, and two of the five stormwater measures, were not achieved due to the rain event.

All water supply measures were achieved. Two water supply measures are reported annually:

- Percentage of real water loss from MDC's reticulation system: This measure was achieved, with a reduction in water loss from MDC's reticulation system observed, dropping from 34% last year, to 32.5% this year. The reduction is attributed to the fixing of leaks that have been identified since water meters were installed. Once water meter charging is implemented, it is expected that the percentage of water loss will reduce further as further leaks are identified and remedied.
- Average consumption of drinking water per day per resident within the district: This measure was achieved. Consumption of drinking water per day per user has declined compared to the target (set at 30/6/20). There has been a 23 litre/person/day decrease in water consumption compared to 30/6/20. Consistent with comments above, once Council start implementing the water meter charging regime, a further decline in average consumption is expected.

## *Setting Targets for Year 2*

For the two water measures noted above that are reported annually, the Year 2 target was to be established to align with water meter installation and associated data. This was to occur as part of the Annual Plan process, however results for year-end were not available at that time.

Now that results are available, the following targets are proposed for year 2:

- Percentage of Real Water Loss – Given water meter charging is in development and yet to be implemented, the proposed target for Year 2 is: no more than 32.5% (i.e. no more than the current year's result).
- Average Consumption - Given water meter charging is in development and yet to be implemented, the proposed target for Year 2 is: no more than 578/litres/person/day (i.e. no more than the current year's result).

## **Roads, Streets and Footpaths**

Five of the six annual measures for roads, streets and footpaths were achieved. The measure for the number of fatalities and serious injury crashes on the local road network was not achieved. While the number of fatalities (one) was below the 5 year average, there were 12 serious injury crashes in 2021/22, exceeding the 5 year average.

## **Solid Waste**

Two of the three solid waste measures were achieved at year end. In 2021/22 there was 0.599 tonne of waste per head of population transferred to landfill which is an increase on the previous year (0.527 tonne per head of population), resulting in that measure not being achieved.

## **Regulatory**

Year end results for the regulatory team saw five of the eight measures achieved. Results that were not achieved included processing of building consents and code compliance certificates within statutory timeframes, and swimming pool inspections completed. The year end results for these measures reflect the results reported at each quarter and have been impacted by a mix of demand and resourcing challenges over the year.

Animal services exceeded their target for educational/engagement activity for the year, and for response times to attend urgent dog attacks.

## **Community Facilities and Activities**

As reported previously, our community activities measures, in particular the measures relating to usage of the Library and Trust House Recreation Centre, have been impacted by COVID-19 lockdown, subsequent restrictions and community transmission over the year. These measures have not been achieved at year end.

While in-person and physical Library issues have been down given impacts of COVID-19, our community have been engaging digitally - digital issues were over three times, and digital visits were over four times more than the 5 year averages.

For three of the four quarters of 2021/22, recreation trail use was impacted by problems with data loggers which has influenced results. This is being investigated.

All senior housing units are now 100% compliant (or exempt) for heating, ventilation, insulation, moisture/drainage and draught stopping. Despite that, the non-compliance in Quarter 2 (due to ventilation work needing to be completed on a unit that was leased) does mean that the result for this measure was 'not achieved' at year end.

## **COVID-19 Implications**

The COVID-19 Alert Level 4 lock down in Quarter 1, subsequent restrictions in Quarter 2 and community transmission in Quarter 3/4 have impacted results for some measures:

- The target for library usage was not achieved. The library was closed for 19 days and unable to issue physical items due to Alert Level 4 restrictions in Quarter 1. There were also restrictions on numbers in the library, and on the number of computers available to be used, during subsequent alert levels. While the year end result was not achieved, each quarter has seen increasing usage overall compared to Quarter 1.
- The number of in-person library visits has been down in all quarters (compared to the average of approximately 37,000 per quarter for the last five years) but digital visits (in Quarter 1 in particular) and housebound visits (especially in Quarter 2) were up compared to 5-year quarterly averages, resulting in the target being achieved overall and being on track to be achieved at year end.
- The year end result for Trust House Recreation Centre usage was below the 5 year average. This result has also been impacted by COVID-19 Alert level restrictions, and the complete closure of the facility between 18 August and 8 September 2021 lock down. Quarter 3 results were up compared to Quarters 1 and 2 and exceeded the 5 year quarterly average for swim, gym and stadium sports, but there was some drop back in Quarter 4 for swim and gym use, thought to be related to COVID-19 community transmission and winter influenza/colds.
- The target for animal control community education and engagement activities was not achieved in Quarter 1 as sessions were cancelled due to COVID-19 restrictions. However, as already noted, additional sessions were scheduled, and the team have turned the result around, exceeding their year-end target of eight sessions by year end.
- There have also been some indirect impacts of COVID-19 on building team results.

## **SUPPORTING INFORMATION**

### **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.

**Treaty Considerations/Implications for Māori**

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

**Communications/Engagement Plan**

Not applicable.

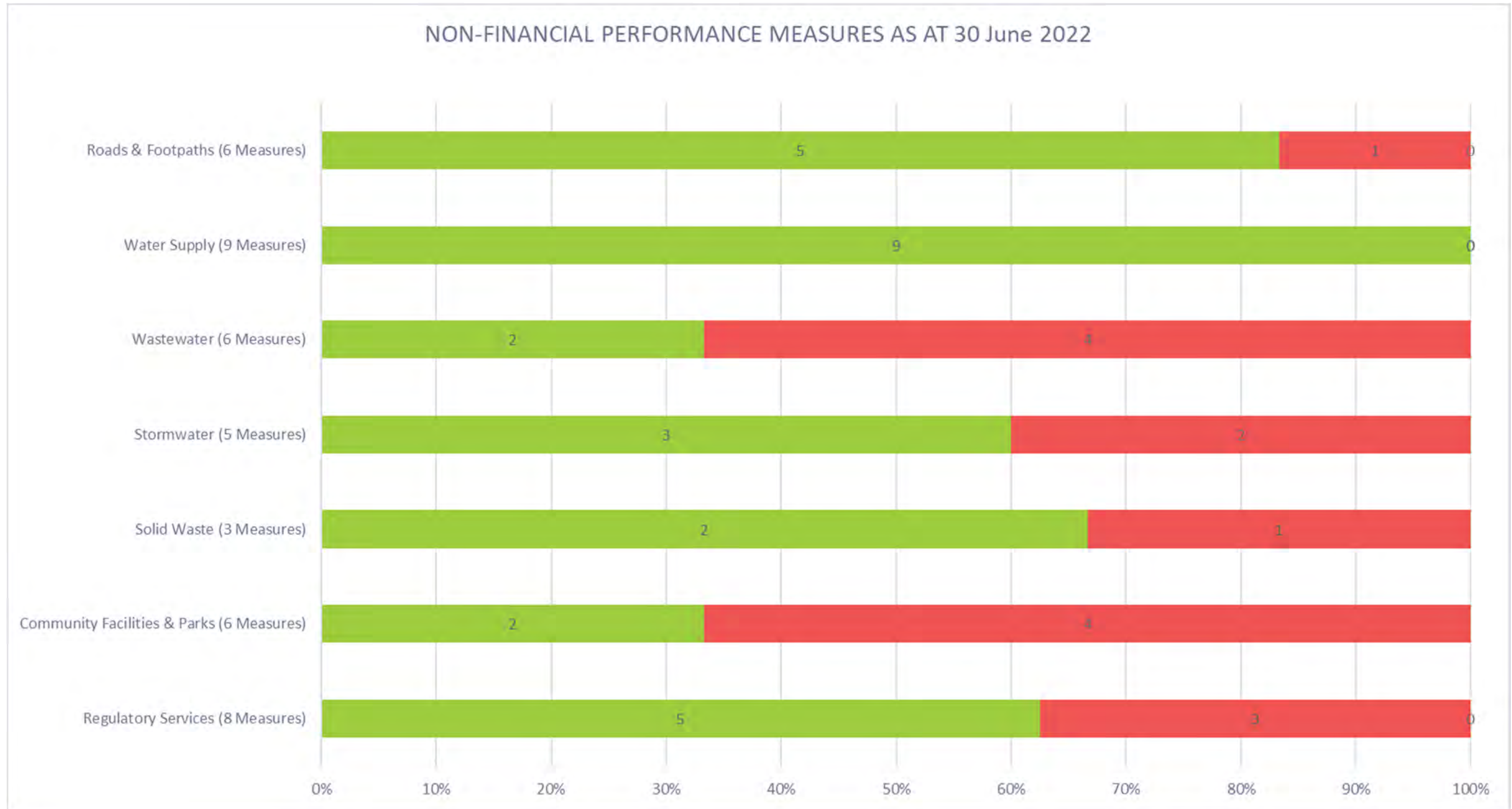
**Environmental/Climate Change Impact and Considerations**

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

## ATTACHMENT 1: Non-Financial Performance Measures for 2021/22 Quarter 4/Year End

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

- have been achieved as at 30 June 2022 (green);
- have not been achieved as at 30 June 2022:
  - and are not expected to be achieved at year end (red) or
  - could be achieved at year end (orange)
- Are not applicable and/or information is not available as at 30 June 2022 (grey).



## 2021/22 Quarter 4/Year End Non-Financial Performance Measure Results

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
<b>Roading</b>						
Number of fatalities and serious injury crashes on the local road network. <b>(Mandatory Measure)</b>	No more than the 5 year average.	1 fatal and 12 serious injury crashes.	<b>Not Achieved</b>	No fatalities and twelve serious injury crashes.	One fatality and nine serious injury crashes.	The five-year average (to 30/06/2021) is 1.6 fatalities and 10.2 serious injury crashes.  1 reported fatal crash is consistent with the average over the last 5 years. The number of serious injury crashes is comparable with previous years but exceeds the 5-year average. Given that, this result is not achieved in 2021/22.
Average quality of ride on a sealed local road network, measured by smooth travel exposure. <b>(Mandatory Measure)</b>	Maintain or improve on 90%	94% network smooth travel exposure (as at 30/6/22).	<b>Achieved</b>	91% network smooth travel exposure (as at 30/06/21).	92% network smooth travel exposure (as at 30/6/20).	The Condition Rating Survey sampling size has increased from 20% to 100% of the treatment length.
Percentage of sealed local road network that is resurfaced. <b>(Mandatory Measure)</b>	Maintain within 5-7%	5% Resurfaced 28.5km of the total 534.5km sealed local road network.	<b>Achieved</b>	5% Resurfaced 26.4km of the total 532.5km sealed local road network.	6.5% Resurfaced 34.4km of the total 529.5km sealed local road network.	
Percentage of footpaths where the condition falls within the level of service defined in MDC's Asset Management Plan <b>(Mandatory Measure)</b>	90% of footpaths are rated excellent, good or fair	92% 193km of 210km of the footpath network surveyed to June 2022 is condition rated excellent, good or fair.	<b>Achieved</b>	92% 181.6km of 198.2km of the footpath network surveyed to June 2021 is condition rated excellent, good or fair.	94% 182.5km of 195km of the footpath network surveyed to June 2020 is condition rated excellent, good or fair.	Council now has an accelerated footpath renewal programme to improve the state of footpaths in the district. Footpaths that are assessed as less than 'fair' are useable and do not present any health and safety risks. Work on these footpaths is prioritised and repairs are programmed. Any health and safety related matters that are identified are addressed urgently.
Percentage of urgent customer service requests responded to within 2 days. <b>(Mandatory Measure)</b>	95% within specified timeframe	99.6% 283 out of 284 urgent requests were responded to within two days.	<b>Achieved</b>	Year End Result: 99.7%  360 out of 361 urgent requests have been responded to within specified timeframes.  2020/21 Quarterly Results: Q1: 100% (128/128) Q2: 100% (103/103) Q3: 100% (62/62) Q4: 98.5% (67/68)	Year End Result: 100%  347 of 348 urgent requests were responded to within two days.  2019/20 Quarterly Results: Q1: 100% (107/107) Q2: 99.1% (110/111) Q3: 100% (70/70) Q4: 100% (60/60)	YTD: 99.6%  283 out of 284 urgent requests have been responded to within specified timeframes.  2021/22 Quarterly Results: Q1: 100% (79/79) Q2: 97.8% (44/45) Q3: 100% (101/101) Q4: 100% (59/59)  There have been fewer urgent requests in 2021/22 than for the same period in the previous two financial years. 99.6% of all urgent requests have been responded to on time.



MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 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><b>(Mandatory Measure)</b></p>	70% within specified timeframe	91.5%  762 out of 833 non-urgent requests were responded to within the timeframe.	Achieved	<p>Year End Result: 91.3% 705 out of 772</p> <p>2020/21 Quarterly Results: Q1: 92.2% (200/217) Q2: 90.7% (165/182) Q3: 89.6% (146/163) Q4: 92.4% (194/210)</p>	<p>Year End Result: 69% 515 out of 749</p> <p>2019/20 Quarterly Results: Q1: Not Available Q2: 62.4% (128/205) Q3: 70.6% (161/228) Q4: 76% (75/99)</p>	<p>YTD: 91.5%</p> <p>762 out of 833 non-urgent requests have been responded to within specified timeframes.</p> <p>2021/22 Quarterly Results: Q1: 100% (173/173) Q2: 81.3% (161/198) Q3: 89.3% (217/243) Q4: 96.3% (211/219)</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.</p> <p>In 2021/22 Q4 96.3% of non-urgent service requests were responded to within specified timeframes.</p> <p>The year-end result at 91.5% exceeds the target of 70%. The result is comparable with response rates for the previous year (2020/21) and a significant improvement on 2019/20 results, noting there has also been an increase in non-urgent requests in 2021/22 compared to the previous two years. Reasons for this are being explored.</p>
<b>Water Supply</b>						
<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><b>(Mandatory Measure)</b></p>	Less than or equal to 6 complaints/1000 connections	2.37 complaints/1000 connections  Actual Complaints: 23	Achieved	<p>Year End Result: 2.45 complaints/1000 connections</p> <p>Year End: Actual Complaints: 23</p> <p>2020/21 Quarterly Results: Q1 Result: 0.42/1000 (4) Q2 Result: 0.53/1000 (5) Q3 Result: 0.85/1000 (8) Q4 Result: 0.64/1000 (6)</p>	<p>Year End Result: 3 complaints/1000 connections</p> <p>Actual Complaints: 27</p> <p>2019/20 Quarterly Results: Q1: 1/1000 (9) Q2: 0.89/1000 (8) Q3: 0.89/1000 (8) Q4: 0.22/1000 (2)</p>	<p>YTD: 2.37 complaints/1000 connections</p> <p>Year End: Actual Complaints: 23</p> <p>2021/22 Quarterly Results: Q1Result:0.41/1000(4) Q2 Result: 0.52/1000 (5) Q3 Result: 0.72/1000 (7) Q4 Result: 0.72/1000 (7)</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><b>(Mandatory Measure)</b></p>	60 minutes or less	38 minutes	Achieved	<p>Year End: 34 minutes</p> <p>2020/21 Quarterly Results: Q1: N/A – no call outs Q2: 20 minutes Q3: 43 minutes Q4: 6 minutes</p>	<p>Year End: 15 minutes</p> <p>2019/20 Quarterly Results: Q1: 12.5 minutes Q2: 40 minutes Q3: 16 minutes Q4: N/A - none</p>	<p>YTD: 38 minutes</p> <p>2021/22 Quarterly Results: Q1: 39 minutes Q2: 30 minutes Q3: 38 minutes Q4: 28 minutes</p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
b) resolution of urgent call outs (from notification to confirmation of resolution)  <b>(Mandatory Measure)</b>	480 minutes or less	137 minutes	Achieved	Year End: 102 minutes  2020/21 Quarterly Results: Q1: N/A – no call outs Q2: 49 minutes Q3: 111 minutes Q4: 104 minutes	Year End: 25 minutes  2019/20 Quarterly Results: Q1: 22.5 minutes Q2: 342 minutes Q3: 28.5 minutes Q4: N/A - none	YTD: 137 minutes  2021/22 Quarterly Results: Q1: 196 minutes Q2: 142 minutes Q3: 78 minutes Q4: 58 minutes
c) attendance at non-urgent call outs (from notification to arrival on site)  <b>(Mandatory Measure)</b>	7 days or less	53 minutes	Achieved	Year End: 119 minutes  2020/21 Quarterly Results: Q1: 665 minutes Q2: 21 minutes Q3: 73 minutes Q4: 88 minutes	Year End: 47 minutes  2019/20 Quarterly Results: Q1: 15 minutes Q2: 63 minutes Q3: 55 minutes Q4: 26 minutes	YTD: 53 minutes  2021/22 Quarterly Results: Q1: 22 minutes Q2: 67 minutes Q3: 49 minutes Q4: 34 minutes  Median time from notification to arrival on site has decreased compared to last year. In the 2020/21 financial year staff were working on water meter installation as a priority. This resulted in longer response times. Meter installation is now almost complete.
d) resolution of non-urgent call outs (from notification to confirmation of resolution)  <b>(Mandatory Measure)</b>	3 months or less	115 minutes	Achieved	Year End: 172 minutes  2020/21 Quarterly Results: Q1: 704 minutes Q2: 43 minutes Q3: 93 minutes Q4: 132 minutes	Year End: 86.5 minutes  2019/20 Quarterly Results: Q1: 81 minutes Q2: 112 minutes Q3: 104 minutes Q4: 46 minutes	YTD: 115 minutes  2021/22 Quarterly Results: Q1: 53 minutes Q2: 94 minutes Q3: 137 minutes Q4: 71 minutes  Median time from notification to arrival on site has decreased compared to last year. In the 2020/21 financial year staff were working on water meter installation as a priority. This resulted in slower response times. Water meter installation is now almost complete.
Council's drinking water supply complies with:						
a) part 4 of the Drinking Water Standards (bacteria compliance criteria).  <b>(Mandatory Measure)</b>	Fully compliant	Fully Compliant	Achieved	Fully compliant	Fully compliant	YTD: Fully Compliant
b) part 5 of the Drinking Water Standards (protozoal compliance criteria).  <b>(Mandatory Measure)</b>	Fully compliant	Fully Compliant	Achieved	Fully compliant	Fully compliant	YTD: Fully Compliant

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
<p>Percentage of real water loss from MDC's reticulation system (calculated using minimum night flow).</p> <p><b>(Mandatory Measure)</b></p>	<p>No more than 37%</p> <p>Note: From Year 2 - Target to be established to align with water meter installation and associated data.</p>	32.5%	Achieved	34%	37%	<p>This measure is only reported at year end. The result is a decrease of real water loss from MDC's reticulation system compared to the previous two years. This reflects work that has been undertaken to fix leaks that have been identified since water meters were installed. The charging regime for urban users is being developed. It is anticipated that once Council this is implemented, further leaks will be identified and remedied.</p> <p>Year 2 Target is to be established:</p> <p>Given water meter charging is in development, the proposed target for Year 2 is: no more than 32.5% (i.e. no more than the current year's result).</p>
<p>Average consumption of drinking water per day per resident within the district.</p> <p><b>(Mandatory Measure)</b></p>	<p>Year 1: No more than 601 litres/person/day</p> <p>Note: From Year 2 - Target to be established (to align with water meter installation and associated data).</p>	578 litres/person/day	Achieved	<p>639 litres/person/day</p> <p>The rainfall events over summer were less frequent than the previous year resulting in slightly higher garden watering demand.</p>	601 litres/person/day	<p>This measure is only reported at year end. Consumption of drinking water per day per user has declined compared to the previous year and the target set based on the 30/6/20 result. There has been a 23 litre/person/day decrease in water consumption compared to 30/6/20. Consistent with comments above, once Council implement the charging regime for water use, we anticipate average consumption will decline further.</p> <p>Year 2 Target is to be established:</p> <p>Given water meter charging is in development, the proposed target for Year 2 is: no more than 578/litres/person/day (i.e. no more than the current year's result).</p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
<b>Wastewater</b>						
<p>Number of complaints received about sewerage odour, system faults, system blockages, MDC's response to issues with its sewerage system.</p> <p><b>(Mandatory Measure)</b></p>	Less than or equal to 8 complaints/1000 connections.	15.95 complaints/1,000 connections Actual Complaints: 152	<b>Not Achieved</b>	<p>Year End: 7.34 complaints/1000 connections</p> <p>Actual Complaints: 69</p> <p>2020/21 Quarterly Results: Q1: 3.09/1000 (29 complaints) Q2: 2.02/1000 (19) Q3: 0.64/1000 (6) Q4: 1.60/1000 (15)</p>	<p>Year End: 5.22 complaints/ 1000 connections</p> <p>Actual Complaints: 47</p> <p>2019/20 Quarterly Results: Q1: 2.11/1000 (19 complaints) Q2: 1.56/1000 (14) Q3: 1/1000 (9) Q4: 0.56/1000 (5)</p>	<p>YTD: 15.95 complaints/1000 connections</p> <p>YTD Actual Complaints: 152</p> <p>2021/22 Quarterly Results: Q1: 1.99/1000 (19 complaints) Q2: 1.26/1000 (12 complaints) Q3: 11.43/1000 (109 complaints) Q4: 1.26/1000 (12 complaints)</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>
Median response time to sewerage overflows resulting from a blockage or other fault to MDC's sewerage system:						
<p>a) attendance (from time of notification to the time service personnel arrive onsite)</p> <p><b>(Mandatory Measure)</b></p>	6 hours or less	131 minutes (2.18 hours)	<b>Achieved</b>	<p>Year End: 27 minutes</p> <p>2020/21 Quarterly Results: Q1: 27 minutes Q2: 23 minutes Q3: 21 minutes Q4: 46 minutes</p>	<p>Year End: 32 minutes</p> <p>2019/20 Quarterly Results: Q1: 31 minutes Q2: 33 minutes Q3: 33 minutes Q4: 32 minutes</p>	<p>YTD: 131 minutes (2.18 hours)</p> <p>2021/22 Quarterly Results: Q1: 30 minutes Q2: 47 minutes Q3: 2829 minutes (47.15 hours) Q4: 48 minutes</p> <p>The flooding event happened afterhours during Saturday-Sunday. The volume of complaints received over the period of the rain event resulted in longer attendance times despite staff working extra hours and over the weekend.</p>
<p>b) resolution (from time of notification to the time service personnel confirm resolution)</p> <p><b>(Mandatory Measure)</b></p>	12 hours or less	1084 minutes (18.07 hours)	<b>Not Achieved</b>	<p>Year End: 139 minutes</p> <p>2020/21 Quarterly Results: Q1: 153 mins Q2: 63 mins Q3: 146 minutes Q4: 219 minutes</p>	<p>Year End: 143 minutes</p> <p>2019/20 Quarterly Results: Q1: 190 minutes Q2: 149.5 minutes Q3: 143 minutes Q4: 97 minutes</p>	<p>YTD: 1084 minutes (18.07 hours)</p> <p>2021/22 Quarterly Results: Q1: 161 minutes Q2: 147 minutes Q3: 3950 minutes (65.83 hours) Q4: 105 minutes</p> <p>The cleaning up of overflows in Q3 could not be completed until the water subsided. This took several days, impacting resolution times.</p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
<p>Number of dry weather sewerage overflows from MDC's sewerage system</p> <p><b>(Mandatory Measure)</b></p>	Less than or equal to 2/ 1000 connections	1.15 complaints/1000 connections (11 complaints)	Achieved	<p>Year End: 0.96 complaints/1000 connections</p> <p>Actual: 9 complaints</p> <p>2020/21 Quarterly Results: Q1: 0.53/1000 (5 complaints) Q2: 0.21/1000 (2 complaints) Q3: 0/1000 (no complaints) Q4: 0.21/1000 (2 complaints)</p>	<p>Year End: 1.22/1000 connections</p> <p>Actual Complaints: 11</p> <p>2019/20 Quarterly Results: Q1: 0.44/1000 (4 complaints) Q2: 0.33/1000 (3 complaints) Q3: 0.22/1000 (2 complaints) Q4: 0.22/1000 (2 complaints)</p>	<p>YTD: 1.15 complaints/1000 connections</p> <p>YTD Actual: 11 complaints</p> <p>2021/22 Quarterly Results: Q1: 0.31/1000 (3 complaints) Q2: 0.21/1000 (2 complaints) Q3: 0.42/1000 (4 complaints) Q4: 0.21/1000 (2 complaints)</p>
<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><b>(Mandatory Measure)</b></p>	100% - no consent breaches	One infringement received	Not Achieved	100% - no consent breaches	100% - no consent breaches	<p>YTD: One infringement</p> <p>Q1: No consent breaches Q2: Infringement received Q3: No consent breaches Q4: No consent breaches</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>Note: This was incorrectly reported as an infringement for stormwater rather than wastewater in the Q2 report.</p>
<p>Alternative system provided where loss of service exceeds 24 hours</p>	Less than or equal to 1/1000 connections	6.4/1000 connections (61 port-a-loos required)	Not Achieved	<p>0.64/1000 connections (6 port-a-loos provided)</p> <p>Three port-a-loos were deployed on 10 November 2020 and three were deployed on 21 June 2021, both due to heavy rain causing a sewer back up in Cockburn Street and Colombo Road.</p>	<p>0/1000 connections (No port-a-loos provided)</p> <p>No loss of service exceeded 24 hours.</p>	<p>YTD: 6.4/1000 connections (61 port-a-loos required)</p> <p>Q1: 0/1000 connections (No port-a-loos required) Q2: 0/1000 connections (No port-a-loos required) Q3: 6.2/1000 connections (59 port-a-loos required) Q4: 0.21/1000 connections (2 port-a-loos required)*</p> <p>Port-a-loos were provided to properties that experienced wastewater overflows as a result of the 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>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
<b>Stormwater:</b>						
Number of flooding events that occur in the district  <b>(Mandatory Measure)</b>	10 events or less	2 Flooding Events	<b>Achieved</b>	Year End: 2 Flooding Events  Q1: No events Q2: One flooding event Q3: No events Q4: One flooding event	Year End Result: No events  All Quarters: No events	YTD: 2 Flooding Events  Q1: No flooding events Q2: No flooding events Q3: 2 flooding events* Q4: No flooding events  *In Q3 it was reported that there had been 3 flooding events. This was an error and has been corrected in the current report.
For each flooding event, the number of habitable floors affected  <b>(Mandatory Measure)</b>	Less than or equal to 1/1000 connections	0.33/1000 connections. 3 habitable floors affected	<b>Achieved</b>	Year End: 0.22/1000 connections. Two habitable floors affected  Q1: No events Q2: One habitable floor affected Q3: No events Q4: One habitable floor affected	Year End result: No habitable floors affected as no events  All Quarters: No habitable floors affected as no events	YTD: 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.
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.  <b>(Mandatory Measure)</b>	100% compliance	100% - no consent breaches	<b>Achieved</b>	100% - no consent breaches	100% - no consent breaches	YTD: 100% - no consent breaches  In Quarter 2 it was reported that we had received an infringement for stormwater. This infringement should have been reported against our wastewater measure. This was corrected in the Q3 report.
Number of complaints received about the performance of MDC's stormwater system  <b>(Mandatory Measure)</b>	Less than or equal to 3/1000	4.11 complaints/1000 connections  Actual Complaints: 37	<b>Not Achieved</b>	Year End: 2.33 complaints/1000 connections  Actual: 21 complaints  2020/21 Quarterly Results: Q1: 0.44/1000 (4 complaints) Q2: 0.56/1000 (5 complaints) Q3: 0.33/1000 (3 complaints) Q4: 0.99/1000 (9 complaints)	Year End: 0.67 complaints/ 1000 connections  Actual: 6 complaints  2019/20 Quarterly Results: Q1: 0.11/1000 (1) Q2: 0/1000 (None) Q3: 0.55/1000 (5) Q4: 0/1000 (None)	YTD: 4.11 complaints/1000 connections  YTD Actual: 37 complaints  2021/22 Quarterly Results: Q1: 0.56/1000 (5 complaints) Q2: 0.67/1000 (6 complaints) Q3: 2/1000 (18 complaints) Q4: 0.89/1000 (8 complaints)  The rain event in Q3 contributed to an increased number of complaints in that quarter.



MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
<p>Median response time to attend a flooding event (from time of notification to the time service personnel arrive onsite)</p> <p><b>(Mandatory Measure)</b></p>	60 minutes or less	6531 (109 hours)	<b>Not Achieved</b>	<p>Year End: 22 minutes</p> <p>Q1: No flooding events Q2: 30 minutes Q3: No flooding events Q4: 14 minutes</p>	<p>Year End: No flooding events</p> <p style="text-align: center;">N/A</p> <p>No flooding events occurred through the year.</p>	<p>YTD: 6531 (109 hours)</p> <p>Q1: N/A – no flooding events reported Q2: N/A – no flooding events reported Q3: 6530 minutes Q4: 25 minutes*</p> <p>The volume of complaints received 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>
<b>Solid Waste</b>						
Number of call backs due to non-collection of official rubbish bag in each weekly collection	No more than 52 call-backs per annum.	5 call backs	<b>Achieved</b>	<p>Year End: 26 Call Backs</p> <p>2020/21 Quarterly Results: Q1 Result: 2 Q2 Result: 10 Q3 Result: 6 Q4 Result: 8</p>	<p>Year End: 49 Call Backs</p> <p>2019/20 Quarterly Results: Q1 Result: 4 Q2 Result: 15 Q3 Result: 18 Q4 Result: 12</p>	<p>YTD: 9 Call Backs</p> <p>2021/22 Quarterly Results: Q1 Result: 1 Q2 Result: 1 Q3 Result: 2 Q4 Result: 5</p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
Tonnage of waste transferred to landfill per head of population	Reduction on previous year (0.527 tonne per head of population)  Note: When the new bylaw is implemented, a new baseline will be established for reporting purposes.	0.599 tonne per head of population (Q4 annualised) <i>(est. population as at 30/6/21: 28,200)</i>  16,883 tonnes of waste transferred ex Masterton  (16.6% increase on prior YTD tonnage and excludes 277 tonnes of recyclable materials that were damaged and dumped as a result of a fire in the MRF in August 2021)	<b>Not Achieved</b>	0.527 tonne per head of population <i>(est. population as at 30/6/20: 27,500)</i>  14,480 tonnes of waste transferred (25.9% increase on previous year)  <i>Note: The 30 June 2020 and 30 June 2021 results both refer to population as at 30 June 2020 but the estimated population is different. That is because the estimated population as at 30 June 2020 was revised after the 2019/20 results were published. If the revised population was used as the basis for the calculation, the tonnage per head of population in 2019/20 would be less than reported. This would not change the not achieved result in 2020/21.</i>	0.429 tonne per head of population <i>(est. population as at 30/6/20: 26,800)</i>  11,505 tonnes of waste transferred (19.3% decrease on previous year)  The 2019/20 waste tonnages were affected by the COVID-19 lockdown and the increased competition between waste collection contractors, some of whom take waste directly to Wellington landfills.	Q1 Result: 0.549 tonne per head of population (annualised)  Q2 Result: 0.581 tonne per head of population (annualised)  Q3 Result: 0.605 tonne per head of population (annualised)  Q4 Result: 0.599 tonne per head of population (annualised)  <i>All quarterly results are based on estimated population of 28,200</i>  Excluded from the tonnage figures are 277 tonnes of materials diverted from recycling to landfill due to a fire in the Earthcare recycling facility.
Urban and rural transfer stations, recycling, composting facilities and landfills operate within approved resource consent conditions	100% compliance	100% compliance	<b>Achieved</b>	100% compliance	Two non-compliance conditions.  The Greater Wellington Regional Council compliance report gave MDC 2 stars out of 4 stars for compliance.  The non-compliance conditions were a result of not turning windrows monthly and failing to seek advice when a minor exceedance occurred with a COD (Chemical Oxygen Demand) reading. Action has been taken to ensure these matters are addressed and do not result in future non-compliance.	The next compliance report will be issued in February 2023.



MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
<b>Community Facilities and Parks</b>						
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 for overall library usage</p> <p>Usage consists of:</p> <ul style="list-style-type: none"> <li>Physical issues</li> <li>Digital issues</li> <li>Computer/Wi-Fi sessions</li> </ul>	<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>	<b>Not Achieved</b>	N/A – New Measure	N/A – New Measure	<p>The 5 year average for Library Usage is: 318,686 (this equates to a quarterly average of 79,671) made up of:</p> <ul style="list-style-type: none"> <li>Physical issues: 231,430 (57,584 average per quarter)</li> <li>Digital issues: 12,958 (3,239 average per quarter)</li> <li>Computer/Wi-Fi sessions: 74,298 (18,574 average per quarter)</li> </ul> <p>YTD Library Usage: 278,960</p> <ul style="list-style-type: none"> <li>Physical issues: 182,546</li> <li>Digital issues: 44,838</li> <li>Computer/Wi-Fi sessions: 51,576</li> </ul> <p>Q1 Library Usage: 53,666</p> <ul style="list-style-type: none"> <li>Physical issues: 40,529</li> <li>Digital issues: 8,751</li> <li>Computer/Wi-Fi sessions: 4,386</li> </ul> <p>Q2 Library Usage: 63,777</p> <ul style="list-style-type: none"> <li>Physical issues: 47,147</li> <li>Digital issues: 11,844</li> <li>Computer/Wi-Fi sessions: 4,786</li> </ul> <p>Q3 Library Usage: 71,517</p> <ul style="list-style-type: none"> <li>Physical issues: 46,638</li> <li>Digital issues: 10,400</li> <li>Computer/Wi-Fi sessions: 14,479</li> </ul> <p>Q4 Library Usage: 87,326</p> <ul style="list-style-type: none"> <li>Physical issues: 48,226</li> <li>Digital issues: 12,073</li> <li>Computer/Wi-Fi sessions: 27,027</li> </ul> <p>For the year, lower usage compared to the 5 year average is primarily attributed to COVID-19 impacts and restrictions. The Library was closed for 19 days and unable to issue physical items due to COVID-19 Alert Level 4 restrictions in Quarter 1. The number of computers also had to be reduced (from ten to four) to maintain physical distancing requirements which has also impacted library usage. Since Q2 we have seen an increase in numbers. The move from 'red' to 'orange' in the Covid framework in Q3 saw further increases in Q4. While physical issues and computer/Wi-Fii use has been down (impacted by the restrictions noted above), digital issues are over three times the 5 year average.</p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
<p>Visits:</p> <p>No less than 5 year average for number of visits to the library and archive</p> <p>Visits consists of:</p> <ul style="list-style-type: none"> <li>In Person Visits</li> <li>Digital (website, OPAC, social media)</li> <li>Housebound</li> </ul>	<p>Library Visits: 363,490</p> <p>Visits consists of:</p> <ul style="list-style-type: none"> <li>In Person Visits: 83,400</li> <li>Digital Visits: 278,944</li> <li>Housebound Visits: 1,146</li> </ul>	<p><b>Achieved</b></p>	N/A – New Measure	N/A – New Measure	<p>The 5 year average for Library Visits is: 215,501 (this equates to a quarterly average of 53,875) made up of:</p> <ul style="list-style-type: none"> <li>In Person Visits: 148,062 (37,105 per quarter average)</li> <li>Digital (website, OPAC, social media) Visits: 66,745 (16,686 per quarter average)</li> <li>Housebound Visits: 694 (174 per quarter average)</li> </ul> <p>YTD Library Visits: 363,490</p> <ul style="list-style-type: none"> <li>In Person: 83,400</li> <li>Digital (website, OPAC, social media): 278,944</li> <li>Housebound: 1,146</li> </ul> <p>Q1 Library Visits: 64,440</p> <ul style="list-style-type: none"> <li>In Person: 20,798</li> <li>Digital: 43,412</li> <li>Housebound: 230</li> </ul> <p>Q2 Library Visits: 54,911</p> <ul style="list-style-type: none"> <li>In Person: 21,469</li> <li>Digital: 33,041</li> <li>Housebound: 401</li> </ul> <p>Q3 Library Visits: 58,268</p> <ul style="list-style-type: none"> <li>In Person: 19,361</li> <li>Digital: 38,675</li> <li>Housebound: 232</li> </ul> <p>Q4 Library Visits: 185,871</p> <ul style="list-style-type: none"> <li>In Person: 21,772</li> <li>Digital: 163,816 (social media is measured at year end contributing to the increase for Q4 results)</li> <li>Housebound: 283</li> </ul> <p>Q4 results exceed the 5 year quarterly average for library, noting social media results are only included at year end.</p> <p>At year end, Library visits exceed the 5 year average. Our in-person visits are down year to date (compared to the annual and quarterly averages). This is attributed to COVID-19 impacts. In particular, in Q1 the library was closed due to COVID-19 restrictions. Digital visits and housebound visits exceeded the 5 year average. In particular, digital visits in 2021/22 were more than four times the 5 year average.</p>	

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 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.	96% responded to within 4 hours.  56 urgent requests were received and 54 were responded to within 4 hours.	<b>Achieved</b>	N/A – New Measure	N/A – New Measure	Year to Date: 96% responded to within 4 hours.  56 urgent requests received. 54 were responded to within 4 hours.  Q1: 100% (7 urgent requests) Q2: 100% (14 urgent requests) Q3: 100% (10 urgent requests) Q4: 92% (25 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  Targets change from Year 2:  Year 2: Utilisation = at least the 3 year average  Year 3: Utilisation = at least the 4 year average  From Year 4: Utilisation = at least the 5 year average	101,024	<b>Not Achieved</b>	Year End: Results unable to be reported due to issues with data loggers through the year.	Year End: 266,783  2019/20 Q1 & Q2 result: 148,309  2019/20 Q3 & Q4 result: 118,474  There were issues with data loggers in 2019/20 that impacted results. Given that, the actual results in 2019/20 are likely to be higher than the reported result.	The 2 year average (as at 30/6/20) was: 289,612 (this equates to approximately 72,403 per quarter).  YTD Result: 101,024  Q1: 47,531 Q2: 12,219 Q3: 14,208 Q4: 27,066  The quarter 2-4 results have been impacted by issues with data loggers. This is being investigated.  The 2 year average was calculated based on year end results for: 2019/20: 266,783 2018/19: 312,440 2020/21: Data was unable to be reported at year end due to issues with data loggers through the year.

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
Number of people using the Trust House Recreation Centre	<p>No less than 5 year average for overall Trust House Recreation Centre usage total</p> <p>Usage consists of:</p> <ul style="list-style-type: none"> <li>Swim</li> <li>Gym</li> <li>Stadium Sports</li> <li>Stadium Events</li> </ul>	<p>Trust House recreation Centre Usage: 99,899</p> <p>Usage consists of:</p> <ul style="list-style-type: none"> <li>Swim: 65,357</li> <li>Gym: 25,214</li> <li>Stadium Sports: 3,717</li> <li>Stadium Events: 5,601</li> </ul>	<b>Not Achieved</b>	N/A – New Measure	N/A – New Measure	<p>The 5 year average for Trust House recreation Centre Usage is: 106,018 (equating to a quarterly average of 26,505). This consists of:</p> <ul style="list-style-type: none"> <li>Swim: 70,348 (quarterly average: 17,587)</li> <li>Gym: 25,695 (quarterly average: 6424)</li> <li>Stadium Sports: 2,761 (quarterly average: 690)</li> <li>Stadium Events: 7,215 (quarterly average: 1804)</li> </ul> <p>Year End Usage: 99,899</p> <ul style="list-style-type: none"> <li>Swim: 65,357</li> <li>Gym: 25,214</li> <li>Stadium Sports: 3,717</li> <li>Stadium Events: 5,601</li> </ul> <p>Q1 Usage: 21,716</p> <ul style="list-style-type: none"> <li>Swim: 14,247</li> <li>Gym: 5,002</li> <li>Stadium Sports: 787</li> <li>Stadium Events: 1,680</li> </ul> <p>Q2 Usage: 23,697</p> <ul style="list-style-type: none"> <li>Swim: 15,241</li> <li>Gym: 6,653</li> <li>Stadium Sports: 757</li> <li>Stadium Events: 1,046</li> </ul> <p>Q3 Usage: 28,413</p> <ul style="list-style-type: none"> <li>Swim: 18,721</li> <li>Gym: 7,844</li> <li>Stadium Sports: 724</li> <li>Stadium Events: 1.124</li> </ul> <p>Q4 Usage: 26,063</p> <ul style="list-style-type: none"> <li>Swim: 17,148</li> <li>Gym: 5,715</li> <li>Stadium Sports: 1,449</li> <li>Stadium Events: 1,751</li> </ul> <p>The year end result (99,889) is close to achieving the 5-year average (106,018) at year end.</p> <p>Numbers have been impacted by the cancellation of events (e.g. swimming and big stadium events), reduced capacity due to COVID-19 restrictions, and the complete closure of the facility at Alert Levels 3 and 4 between 18 August and 8 September 2021. With many Covid restrictions now being lifted numbers are slowly increasing as families and regular users are returning to use all areas of the facility, noting very recent impacts of COVID-19, flu and colds within the community.</p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
<p>Compliance with the healthy homes standards for Council owned rental units and houses.</p>	<p><b>Year 1 and Year 2:</b></p> <p>Applies to all new or renewed tenancy agreements for Council rental units/houses from 1 July 2021:</p> <p>All units/houses comply with the healthy home standards (or have exemptions) at the time they are leased.</p> <p><b>From Year 3:</b></p> <p>Applies to all Council rental units/houses:</p> <p>All units/houses comply with the healthy home standards (or have exemptions).</p> <p><i>Note: This aligns with the requirement for all private rentals to comply (or have been granted exemptions) by 1 July 2024. Council properties are categorised as private rentals</i></p>	<p>Proportion of new/renewed tenancy agreements where the unit/house rented is compliant (or has an exemption) at the time of lease:</p> <p>83.3% (5/6)</p>	<p><b>Not Achieved</b></p>	N/A – New Measure	N/A – New Measure	<p>In Year 1 and 2, the measure applies to new or renewed tenancy agreements for Council rental units/houses from 1 July 2021. From Year 3 the measure applies to all Council rental units/houses.</p> <p>YTD: 83.3% - Six units have been let. Five were fully compliant at the time of lease.</p> <p>Q1: 100% - One unit was let. That unit was fully compliant. Q2: 50% - Two units were let in Q2. One was fully compliant at the time of lease. The non-compliance in the other unit has been addressed and that unit is also compliant now. Q3: 100% - Two units were let. Both were fully compliant. Q4: 100% - One house was let. That house was fully compliant.</p> <p>The non-compliance in Q2 was due to the ventilation in that unit not being completed at the time of lease. The non-compliance has been addressed and the unit is now fully compliant.</p> <p>Mechanical ventilation in all bathrooms and kitchens, and air conditioning units in all housing was completed on schedule by 30/06/2022.</p> <p>Heat pump installation is now complete. All units and rental properties now have heating that complies with the healthy home standards.</p> <p>Insulation standards were revised. As a result, 14 units needed an insulation 'top up' or under floor moisture barriers installed. This work was completed in March 2022.</p> <p>Air conditioner installation was completed in December 2021.</p> <p>All Council housing is expected to be fully compliant with new standards by year end 2022.</p> <p>Compliance relates to the following individual standards: Heating – 100% Insulation – 100% (85/85 compliant or exempt) Ventilation – 100% (85/85) Moisture/Drainage – 100% (85/85) Draught Stopping – 100%</p> <p><i>Note: This aligns with the requirement for all private rentals to comply (or have been granted exemptions) by 1 July 2024. Council properties are categorised as private rentals.</i></p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
<b>Regulatory:</b>						
Response time to attend Priority 1 urgent call outs (e.g. dog attacks).	90% attended within one hour	94% (141 out of 150 urgent call-outs attended on time)	Achieved	N/A – New Measure	N/A – New Measure	YTD: 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)
Response time to attend noise control call outs.	90% attended within one hour	93.7% (687 of 733 complaints attended within one hour)	Achieved	N/A – New Measure	N/A – New Measure	YTD: 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)  The increased number of call outs in Quarter 2 is likely to reflect seasonal change – i.e. moving into spring/early summer with more people socialising outdoors, using power tools etc.
Number of animal control community education and engagement activities.	A minimum of 6 per annum related to high priority issues or concerns	8 Education/Engagement Activities	Achieved	N/A – New Measure	N/A – New Measure	Quarter 4: 2 education/engagement activities  YTD: 8 education/engagement activities  Q1 – No education/engagement activities Q2 – 2 Q3 – 4 Q4 – 2  Two sessions were booked for Q1 at Masterton Intermediate School's career day. These were cancelled due to COVID-19 restrictions. Staff scheduled additional sessions in Q3 to make up for this. At year end, staff have exceeded the annual target of 6 sessions.
Percentage of building consents processed within statutory timeframes	90%	65% (442/685 consents issued were processed within statutory timeframes)	Not Achieved	78% (664 of 851 consents issued were processed within statutory timeframes)	91.4% (635 of 695 consents received were processed within statutory timeframes)	Quarter 4: 207 building consents were issued. The average processing time was 17 working days.  YTD: 65% (442/685/ 20 days)  Q1: 52% (93/178) / 22 working days Q2: 74% (102/138) / 15 working days Q3: 87% (144/165) / 16 working days Q4: 75% (156/207) / 17 working days



MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
	2021/22 Annual Target	Quarter 4: Result as at 30/6/22 (Year 1 of 2021-31 LTP)	Status at 31/3/21	Year End Result as at 30/06/21 (Year 3 of 2018-28 LTP)	Year End Result as at 30/06/20 (Year 2 of 2018-28 LTP)	
Percentage of code compliance certificates processed within statutory timeframes	90%	79% (453 of 573 certificates were processed within statutory timeframes)	<b>Not Achieved</b>	N/A – New Measure	N/A – New Measure	<p>Quarter 4: 163 code compliance certificates were issued, with 85% processed within statutory timeframes. The average processing time was 13 working days.</p> <p>YTD: 79% (453/573) / 17 working days</p> <p>Q1: 72% (118/163) / 15 working days Q2: 95% (137/145) / 9 working days Q3: 85% (97/114) / 14 working days Q4: 85% (139/163) / 13 working days</p>
Percentage of resource consents processed within statutory timeframes	90%	93% (210 of 226 resource consents were processed within statutory timeframes)	<b>Achieved</b>	98% (202 of 207 resource consents received were processed within statutory timeframes)	97.5% (116 of 119 resource consents received were processed within statutory timeframes)	<p>YTD: 93% (210/226)</p> <p>Q1: 98% (52/53) Q2: 100% (72/72) Q3: 90.2% (46/51) Q4: 89.7% (35/39)</p>
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.	100%	<b>Achieved</b>	N/A – New Measure	N/A – New Measure	<p>90% current compliance across 387 Building Warrant of Fitness.</p> <p>YTD: 100% reviewed within 20 days of the due date.</p> <p>Q1: 100% Q2: 100% Q3: 100% Q4: 100%</p> <p>The addition of dedicated compliance staff working in this area has enabled improvements and an increase in the proportion of commercial buildings with current compliance schedules (up from 64% in 2019/20 to 90% by the end of 2021/22). Throughout this year 100% of BWOFs have been reviewed within 20 days of their due date.</p>
Proportion of known residential swimming pools that have been inspected.	25%  Target changes from Year 2: Year 2: 50% Year 3: 80%  Years 4-10: cycle to be repeated but ensuring 100% of pools have been re-inspected by the end of Years 6 and 9.	3%	<b>Not Achieved</b>	N/A – New Measure	N/A – New Measure	<p>Quarter 4: 13 inspections completed.</p> <p>YTD: 28 inspections undertaken.</p> <p>Q1: No swimming pool inspections undertaken. Q2: No swimming pool inspections undertaken. Q3: 15 inspections undertaken. Q4: 13 inspections undertaken.</p> <p>Pool inspections scheduled for 2021/22 were impacted by a lack of resource in the team due to a resignation. The vacancy has now been filled and we expect to see the number of pool inspections increase in the coming year.</p>

MEASURE	CURRENT YEAR END RESULTS			PREVIOUS YEAR END RESULTS (WHERE APPLICABLE)		COMMENTARY
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#### 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.



<b>To:</b>	Audit and Risk Committee
<b>From:</b>	Corin Haines, Manager Community Facilities and Activities Deanna Elwin, Personal Assistant
<b>Endorsed by:</b>	David Hopman, Chief Executive
<b>Date:</b>	17 August 2022
<b>Subject:</b>	<b>Service Provision Report: Aratoi and Nuku Ora</b>
<b>FOR INFORMATION</b>	
<b>Recommendation:</b>	
That Council receives Service Provision Report 097/22, which covers:	
(a) the summary results of the key result indicators for the quarter 1 April – 30 June 2022 from <b>Aratoi Regional Trust</b>	
(b) the summary results of the key initiatives for the six months 1 January – 30 June 2022 from <b>Nuku Ora</b> .	

### **Purpose**

The purpose of this report is to provide the Committee with the quarterly report against key result indicators for Aratoi Regional Trust, and the six-month report against key initiatives for Nuku Ora (previously known as Sport Wellington Wairarapa).

### **Context**

The Aratoi Regional Trust and Nuku Ora provide Council with reports for funding they respectively receive, and agreements made through a Provision of Service Agreement /Memorandum of Understanding, and a Partner Plan.

Funding for these service providers was confirmed via the 2021-31 Long Term Plan.

### **Aratoi Regional Trust**

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

The three-year term Provision of Services Agreement and Memorandum of Understanding expired on 30 June 2021 and has been renewed for 6 years expiring 30 June 2027.

The existing key performance indicators remain in place for the Aratoi Regional Trust and from 1 July 2022 the baseline for resident and visitor satisfaction with Aratoi services has been set at 80% (4 or 5 stars). This was unsettled from during the previous MOU.

## ***Nuku Ora***

Nuku Ora provides a community public service to support Council's outcome "*An Engaged and Empowered Community*".

A Partner Plan was established in April 2018 between the Chief Executive, Masterton District Council and Chief Executive Officer, Nuku Ora. This is currently being reviewed by MDC and Nuku Ora.

MDC takes part in the Regional Places and Spaces Steering group which has representation from the councils across the greater Wellington region and is chaired by the Regional Spaces and Places Lead who is co funded across the councils in the greater Wellington region.

## Aratoi Regional Trust

Key Result Areas	Result	Assurance (How Achieved)
<p><b>A sustainable and thriving organisation:</b></p> <ul style="list-style-type: none"> <li>▪ Revenue from other sources (other than Masterton District Council and Masterton Trust Lands Trust) is greater than or equal to 20% of total revenue</li>   <li>▪ Increases in self-generated revenue               <ul style="list-style-type: none"> <li>➤ <i>[Baseline: increase on 2020/21 result]</i></li> </ul> </li>   <li>▪ Resident and visitor satisfaction with Aratoi services               <ul style="list-style-type: none"> <li>➤ <i>[Baseline: 80% 4 or 5 stars]</i></li> </ul> </li> </ul>	<p>Achieved</p> <p>Achieved</p> <p>Achieved</p>	<p>40% of Aratoi's income was from other sources for the period for the 2021-22 year</p> <p>Self-generated income streams are at budget for the year</p> <p>Baseline established</p>

Key Result Areas	Result	Assurance (How Achieved)
<p><b>Provider of arts, culture and heritage services that reflect the history and heritage of the Masterton district and wider Wairarapa region:</b></p> <ul style="list-style-type: none"> <li>▪ 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"> <li>➤ <i>[Baseline: to be established in 2019/20, then no decreases based on the previous year]</i></li> </ul> </li> </ul>	Achieved	<p>Over 25 local artists represented in the shop</p> <p>Over 1,050 artists in exhibitions and programmes including:</p> <ul style="list-style-type: none"> <li>▪ <i>Pukana:</i> <i>Te Kura o Te Ika – Moments in Māori Performance</i></li> <li>▪ Astro photographers</li> <li>▪ The Disappearing Woman</li> <li>▪ More Precious than Rubies – Treasures from 40 years of Stitch</li> <li>▪ Breadcraft Wairarapa Schools Art</li> <li>▪ Linda Tilyard - A Year and More of Magical Thinking</li> <li>▪ Wairarapa Camera Club</li> <li>▪ King Street Artworks</li> <li>▪ Esther Bunning,</li> <li>▪ Wairarapa Art Review</li> <li>▪ ConArt</li> <li>▪ William’s Legacy – The Beetham Portraits</li> <li>▪ Hamish Kummer – The way I see it</li> <li>▪ Ngā Haerenga/Journeys – Celebrating Matariki</li> <li>▪ Karen Madoc – The Shape of Things</li> </ul>



Key Result Areas	Result	Assurance (How Achieved)
<p><b>Genuine partnerships and effective relationships:</b></p> <ul style="list-style-type: none"> <li>▪ Iwi and Māori are offered opportunities to contribute towards key projects/initiatives led by Aratoi <ul style="list-style-type: none"> <li>➤ <i>[Baseline: annual reporting]</i></li> </ul> </li>   <li>▪ Key partnerships are offered to contribute towards key projects/initiatives led by Aratoi <ul style="list-style-type: none"> <li>➤ <i>[Baseline: annual reporting]</i></li> </ul> </li> </ul>	<p>Achieved</p> <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"> <li>▪ Ngāti Kahungunu ki Wairarapa</li> <li>▪ Rangitāne o Wairarapa</li> </ul> <p>Exhibition</p> <ul style="list-style-type: none"> <li>▪ <i>Pukana: Te Kura o Te Ika – Moments in Māori Performance</i> developed in partnership with the local Māori community</li> <li>▪ <i>Eye to Eye: Portraits from the Collection</i></li> </ul> <ul style="list-style-type: none"> <li>▪ Alexander Turnbull Library and the local Māori Community for <i>Pukana: Te Kura o Te Ika – Moments in Māori Performance</i></li> <li>▪ Breadcraft Wairarapa Limited for <i>Wairarapa Schools Art</i></li> <li>▪ CIRCUIT Artist, Film &amp; Video for <i>Steve Carr: Making Space</i></li> <li>▪ Print Council Aotearoa NZ for <i>Distant Kinship / Verre Verwanten</i></li> <li>▪ Local businesses for <i>Wairarapa Art Review</i></li> <li>▪ Masterton Trust Lands Trust for <i>Masterton Museum: A Cabinet of Curiosities and Continuing Legacy: 150 Years of Masterton Trust Lands Trust</i></li> </ul>

## Nuku Ora

Key Initiatives	Result	Assurance (how achieved)
<p><b>1. Participation Opportunities:</b>  <b>Customer Insights</b> - ensure a thorough understanding of current and potential participants and share information to support informed, evidence-based decision making</p>	<p>Achieved</p>	<p><u>Wairarapa Wellbeing</u>  Nuku Ora delivered the Well Wairarapa through Healthy Neighbourhoods plan to the Wairarapa DHB at the end of January, in support of Hauora Mō Tātou, Wairarapa DHB's Strategic Direction 2020 – 2030.</p> <p>Wellbeing is first and foremost about people and evidence shows that where people live play a key role in their health. Housing, workplaces, street design, and transportation all influence individual and community health factors such as safety, physical activity, access to healthy food, community engagement, and affordable living. Wellness is an active process of making choices toward a healthy and fulfilling life.</p> <p>all.</p> <p>There are four key objectives in the plan that will support neighbourhoods to develop and maintain healthy behaviours that lead to improved wellness:</p> <ul style="list-style-type: none"> <li>• Engaged neighbourhoods</li> <li>• Creating a Connector workforce</li> <li>• Easily accessed spaces and places</li> <li>• Provider network development</li> </ul> <p>Wairarapa DHB has contracted Nuku Ora to apply community-led and community development principles alongside the use of data and evidence to identify priority neighbourhoods to support the next phase of the implementation of the plan.</p>

Key Initiatives	Result	Assurance (how achieved)
<p><b>2. Participation Opportunities:</b>  <b><i>Integration of Physical Literacy Approach</i></b> – take a holistic view of the participant and ensure that delivery meets participant needs and inspires ongoing participation</p>	<p>In Progress</p>	<p><u>Wairarapa: Power of Play Report</u>  The Wairarapa Power of Play huddle took place on the 13 June at the Carterton Events Centre and was hosted by Masterton District Council, Carterton District Council and South Wairarapa District Council.</p> <p>All three councils invited key stakeholders and influencers across the Wairarapa to connect, reflect and understand how local enablers can shape the future of play, ensuring tamariki and whanau voice are at the centre. Play enablers and local organisations left with an understanding of the importance of their role in enabling play across the region.</p>



Key Initiatives	Result	Assurance (how achieved)
<p><b>3. Participation Opportunities:</b>  <b>Low Participant Group Initiatives</b> – work alongside low participation communities to develop targeted programmes and services which reduce barriers and increase participation in sport and physical activity</p>	<p>In Progress</p>	<p><u>Green Prescription and Active Families</u>  Over the past 12 months Green Prescription (GRx) and Active Families have supported 98 individuals and whānau from the Wairarapa with healthy eating, physical activity, and wellbeing support, enabling participants to progress towards their health and wellbeing goals.</p> <p>Supporting equity of access and working with referrers that support our priority groups, we have seen a 29% increase in referrals for participants who identify as Māori or Pasifika over the past three months.</p> <p>Due to the environment influenced by the pandemic, alongside one-to-one support, group programme delivery was centered on our popular contactless programmes. These programmes involve weekly challenges and drop offs of kai, physical activity equipment and other whānau engagement tools directly to participant homes. This approach supports whānau to take steps towards a healthier lifestyle in ways that meet their needs, meeting them exactly where they are at.</p>
<p><b>4. Spaces and Places: Regional Facilities Plan</b> – develop an integrated network of local and regional places and spaces that provide more people in the region</p>	<p>In Progress</p>	<p>The delivery of key projects in the Regional Facilities Plan has been a key focus for this reporting period.</p> <ul style="list-style-type: none"> <li>▪ Appointment of Tara Fevre to the position of Spaces and Places Lead and an increase of FTE to 30 hours per week in June 2022.</li> <li>▪ Development of a three-year implementation plan, contributed to by all Wellington Region Councils’ setting out the work needed to bring to life the Wellington Region Spaces and Places</li> </ul>

Key Initiatives	Result	Assurance (how achieved)
		<p>Plan.</p> <ul style="list-style-type: none"> <li>▪ Establishment of the Wellington Region Spaces and Places Steering Group to provide strategic oversight. Two meetings have been held, with a further three planned for the remainder of the year.</li> </ul> <p>All eight councils, including Masterton District Council are represented, alongside Nuku Ora and Sport New Zealand. Work is underway to engage the Ministry of Education and local iwi. A Terms of Reference has been developed and agreed by all partners.</p> <ul style="list-style-type: none"> <li>▪ Initiation of both the Sports Field Review and Indoor Court Audit Projects. The projects are currently in data analysis phase.</li> <li>▪ Whilst the regional facility investment decision-making model is not an immediate priority, it will be an item for the Steering Group to discuss in due course. Priority for the Steering Group firstly is collaboration with key stakeholders, to oversee the development and implementation of a detailed process for developing and evaluating proposals for facility development.</li> <li>▪ Progress in this work area is expected to accelerate next financial year as we look to solidify the role of the</li> <li>▪ Steering Group and clarify with the sector how we, as a collective can support and guide those sector</li> <li>▪ organisations with facility challenges. Developing strong relationships and commitment to the intent of the</li> <li>▪ Regional Framework will be crucial to the success of this initiative and therefore continues to be a core focus</li> <li>▪ for Nuku Ora next financial year.</li> </ul>

Key Initiatives	Result	Assurance (how achieved)
<p>5. <b>Workforce Excellence: Improving Sports and Clubs Capability</b> – support sports and clubs to grow their capability and deliver high quality sport and active recreation opportunities to participants</p>	<p>Achieved</p>	<p><u>Coach Development</u>            Thirty students attended the Wairarapa Secondary Student Coach course on 28 June organized by Nuku Ora and Kim Whiteman, Director of Sport at Wairarapa Secondary school Sport. Students attended from Chanel College, Kuranui, Rathkeale, Solway and St Matthews with the student coaches involved in basketball, football, hockey, netball, and rugby.</p> <p>Feedback from the students at the end of the day indicated that almost all of them came away with more confidence to coach.</p> <p><u>Regional Sports Organisation Collective</u>            The Collective met in March as part of the 'coffee club' style hui they are operating. It provides an informal opportunity to share knowledge, stories and recent experiences and provides some collegiality in what can be an isolated roles in Regional Sport Organisations at times. After a break to enable winter sport codes the chance to get up and running after many disruptions over the last two and half years, the Collective met again in late July and intend to return to their 6 weekly catch ups for the remainder of 2022. Nuku Ora's Partnership Manager – Wairarapa will be providing ideas and support to this cohort of the community.</p>
<p>7. Budget – provide balanced budget</p>	<p>Achieved</p>	<p>Financials are provided in the Nuku Ora 6 Month Report for the period 1 January - 30 June 2022</p>

## **SUPPORTING INFORMATION**

### **Strategic, Policy and Legislative Implication**

Both service providers contribute 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 the service providers was via the 2021-31 Long-Term Plan and as stated in the Provision of Services Agreement/ Memorandum of Understanding and Partner Plan.

### **Treaty Considerations/Implications for Māori**

There are no Treaty considerations/Implications for Māori arising out of the reports provided.

### **Communications/Engagement Plan**

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

### **Environmental/Climate Change Impact and Considerations**

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

<b>To:</b>	Audit and Risk Committee
<b>From:</b>	Matthew Steele, Senior Policy Advisor Economic Development
<b>Endorsed by:</b>	David Hopman, Chief Executive
<b>Date:</b>	17 August 2022
<b>Subject:</b>	<b>Service Provision Report: Destination Wairarapa</b>
<b>FOR INFORMATION</b>	
<b>Recommendation:</b>	That the Audit and Risk Committee receives the fourth quarter report (1 April 2022 – 30 June 2022) from Destination Wairarapa.

### **Purpose**

The purpose of this report is to provide the Audit and Risk Committee with the fourth quarter (1 April 2022 – 30 June 2022) progress report on key deliverables of Destination Wairarapa.

### **Context**

Destination Wairarapa is a regional tourism organisation 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 funding and investment from the Councils. A three-year term (1 October 2019 to 30 September 2022) MOU is in place. Work is underway to review and update the MOU for the next three-year term.

The Wairarapa Destination Management Plan has been received and endorsed by all three Wairarapa Councils. Key elements of the Plan will be reflected in the new MOU, and the Wairarapa Economic Development Strategy.

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

<b>Key Deliverables</b>	<b>Result</b>	<b>Assurance (How Achieved)</b>
<p>To increase the number of visitors to the Wairarapa, the length of time they stay in the region and the amount they spend.</p> <p>Specifically, Destination Wairarapa are tasked with delivering 3% growth in domestic and 6% in international visitor spend per annum and in line with the Tourism Industry Aotearoa's Tourism Beyond 2025 framework. 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>	Data reflects continued growth trend	<p>Accommodation Data<sup>1</sup>, May 2022:</p> <ul style="list-style-type: none"> <li>Total guest nights: 18,000 (Q3 21/22 -21,100)</li> <li>Average nights stayed: 1.9 (Q3 21/22-1.9)</li> </ul> <p>For all RTOs, except for Auckland, the number of guest nights in May fell. This is likely due to the continued impact of Omicron, the influenza season, and the impacts of the rise in the cost of living. The anomaly of Auckland is likely due to the stage border reopening and MIQ hotels transition back to their normal business.</p> <p>Tourism Electronic Card Transactions for Wairarapa<sup>2</sup>: \$163m to year end May 2022. This is a 2% increase on the same period the previous year.</p>
Represent the Wairarapa in the Business Events market in partnership with suitable venues, activities and other services	In progress	<p>Events support:</p> <ul style="list-style-type: none"> <li>Provided support for several events including Balloon Festival, Tweed Ride, Matariki events across the region, Booktown and Mangatainoka Motors.</li> <li>Working with and supporting upcoming events including Pukaha Garden Tour, Wai Wines Harvest Festival, Wings over Wairarapa and Toast Martinborough.</li> </ul>
Destination Management Plan	Completed	<ul style="list-style-type: none"> <li>The Wairarapa Destination Management Plan (DMP) has</li> </ul>

<sup>1</sup> 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.

<sup>2</sup> Interim data methodology, Tourism Electronic Card Transactions (TECTs), was used due to the COVID-19 disruptions. It is solely based on physical electronic card transactions and does not include any other form of spending such as cash, pre-purchases or online spend.

<b>Key Deliverables</b>	<b>Result</b>	<b>Assurance (How Achieved)</b>
		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 will be reflected in the new MOU, as well as the refreshed Wairarapa Economic Development Strategy.
To provide an online Wairarapa events calendar and a PDF downloadable version of major events	Achieved	<ul style="list-style-type: none"> <li>Available on the Destination Wairarapa website.</li> </ul>
Represent the Wairarapa in the Inbound market in partnership with suitable venues and activities	Achieved	<ul style="list-style-type: none"> <li>With borders fully reopening on 31 July, this period has seen a significant increase in trade activity. Travel trade events that DW have not been able to attend for the past two years are back.</li> <li>Events attended in the past quarter include: <ul style="list-style-type: none"> <li>Trenz Connect for Western Markets and Australia</li> <li>Market Insights Sydney</li> <li>RTNZ Inbound Trade Days.</li> </ul> </li> </ul>
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: <a href="https://wairarapanz.com/live-work">https://wairarapanz.com/live-work</a>
To provide a balanced budget	Achieved	The Quarter 4 General Manager’s and Marketing Board report for 3 months ended June 2022 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 4 General Manager’s and Marketing Board Report has been received and reported on in this report.

**1. Other activities undertaken during this reporting period****a) Examples of promotion:**

- Support for a number of events including Balloon Festival, Tweed Ride, Matariki events across the region, Booktown and Mangatainoka Motors.
- Promotion of events in the lead up to Easter, including a wrap around the Dominion Post which was then repurposed and used across the Destination Wairarapa social media channels.
- NZMCA partnership – ticket giveaway for the National Tweed Ride.
- Tourism NZ Winter domestic campaign. Worked with Parehaua Resort to develop an offer and secured it as a featured deal in the Tourism New Zealand Winter domestic campaign, which is a first for the region.

**b) Continuous improvement:**

- The 2022 Marketing Plan was presented to Destination Wairarapa members.
- A Stakeholder Communications plan has been developed. Destination Wairarapa have met with South Wairarapa District Council and Masterton District Council communications teams with a commitment to sharing content, imagery, and information. A meeting with Carterton District Council will be scheduled shortly.

**c) Media:**

- Articles on Wairarapa as a destination published both the New Zealand Herald and Stuff websites, including a Tourism NZ funded interactive campaign about Wellington and the Wairarapa on Stuff.
- Featured in the Kia Ora Magazine April edition as part of a Classic New Zealand Wine Trail story.
- Hosted Jo Bates, a freelancer writing about the Classic New Zealand wine trail. Her story was published in the Australian Financial Review.
- Developed an itinerary for and hosted Kelli Brett, editor and owner of Cuisine magazine. This resulted in a detailed spread in Cuisine magazine.

**d) Social media and digital marketing:**

- Rolled out the second tranche of the content programme across the Destination Wairarapa social media channels. As at the end of May the ads had reached 276,825 people across both Facebook and Instagram, with a good level of engagement on the posts.
- The goal with this marketing is to reach Destination Wairarapa core markets – the lower half of the North Island. The key visitor groups of Wellington, Manawatu, Whanganui, and Hawkes Bay are backbone markets and reaching more of them online through this programme is essential to the goal of growing awareness of the region.

**e) Funding:**

- No funding updates for the quarter.



## 2. Other relevant updates

### a) Product development and capability building:

- As identified in the Wairarapa Destination Management Plan under Strategic Imperative 2- ENHANCE THE BEACON – Empowering Destination Development, work has begun on two key identified actions.
  - *Develop experiences that support the positioning of the region.* Martin Jenkins Consultancy have completed a funding application for Dark Skies support to build on the work already completed by the councils to apply for international dark skies accreditation, and work towards achieving some of the outcomes in the JMG Dark Skies Reserve Economic Study commissioned by WEDS in 2019. This application was submitted to the Wellington Regional Economic Development Investment steering committee and has since been acknowledged, along with the Five Towns Trail project, as a project of significance for the region.
  - *Work with iwi to determine tourism aspirations and provide support in the development of experiences.* Kylie Ruwhiu-Karawana from TRC Tourism has been engaged to develop a Wairarapa Māori Tourism Strategy and Implementation Plan. Kylie has met with a number of Wairarapa Māori who have aspirations in tourism to help with the development of a strategy and plan for the region.
  - *Develop a strategic approach for events that will invite investment and assist in positioning the region.* The scoping of this project has begun.
  - *Develop the capability of new and existing operations in the region.* Utilising central government funding a Product Development Manager has been contracted for a year to develop experiences that support the positioning of the region and develop the capability of new and existing operators. Chrissy Cummings has been appointed to the role. Her most recent role was Director of Sales and Marketing for Accor, based at Sofitel in Wellington.

### b) Website development:

- The technology used to create the WairarapaNZ.com website will no longer be supported from the end of 2023. The website is an important marketing tool for the region, and a plan is being developed for the transition to a new website before the end of 2023.
- Tomahawk agency have completed a thorough analysis of the current website, with this analysis being used to develop the transition plan.
- It is expected that the new website will be completed by March 2023.

## SUPPORTING INFORMATION

### Strategic, Policy and Legislative Implication

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.

**Treaty Considerations/Implications for Māori**

Destination Wairarapa have been working with Wairarapa iwi regarding the Destination Management Plan.

**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.

<b>To:</b>	Audit and Risk Committee
<b>From:</b>	Ben Jessep, People and Culture Manager
<b>Endorsed by:</b>	David Hopman, Chief Executive
<b>Date:</b>	17 August 2022
<b>Subject:</b>	<b>Health and Safety Quarterly Report</b>
<b>FOR INFORMATION</b>	
<b>Recommendation:</b>	The Audit and Risk Committee notes the content and receives the Health and Safety Report for the quarter (1 May 2022 to 31 July 2022).

### **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.

### **Executive Summary**

This quarter, the key health and safety risks were related to managing the impact of absence with-in our workforce, this resulted from the impact of the combination of both a continuing level of COVID cases and of seasonal flu cases with our people. The level of absenteeism due to the above absence types at times reached the level of 20% of our overall workforce. The key workforce issue was at the individual team level due the disproportionate absence between teams, with some areas of the business having up to 75% of their team absent during periods which are traditionally busy operationally for MDC. This has been highlighted in the Customer Services team where extended illness impacted their ability to provide key services to the public. This was avoided due to resource being sourced from with-in other teams in MDC who had some capability to enable them to release staff to provide support to the Customer Services team.

This risk also impacted third party support organisations which we require for critical technical support due to similar absence issues.

The key risk is focused on roles which required people to be at based at our locations either to provide support to internal functions or are public facing. The extended period of isolation required due to COVID has added significant higher levels of absence to these key public facing teams. This absenteeism was minimised in other areas of the Council, where working from home was a viable option. There have been some valuable learnings from the above events including the value of workforce planning to plan for events and the benefits of having multi-skilled employees who are available to fulfill MDC operational requirements.

## Key Updates for the Quarter

### 1. Work site Audits

In the last quarter we have been focusing on ensuring there is clarity of the responsibilities in our H&S Committee which includes the completion of H&S site audits. We have also invested significantly in the training in our health and safety committee to lift capability which includes the ability to perform compliant and quality work site audits. The above two initiatives have resulted in more comprehensive site audits across MDC. We are now confident that this key function has been completed to the appropriate level. The Health, Safety, and Well-being Advisor is reviewing all site audits and is confident in the outcome.

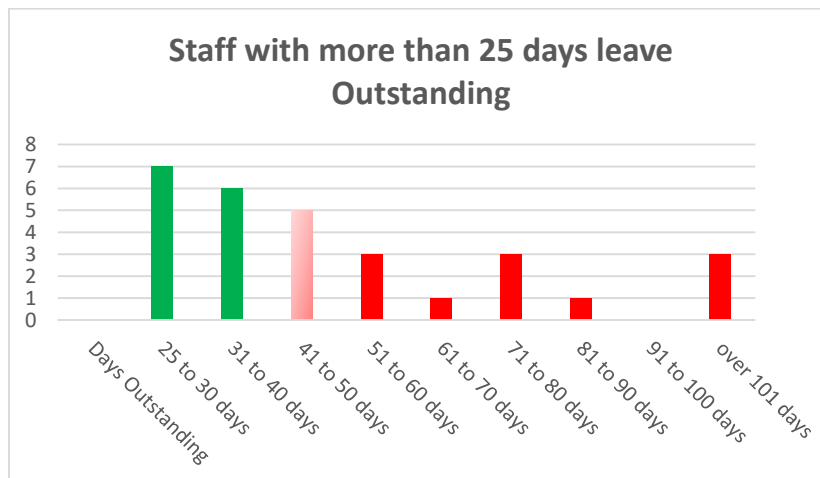
### 2. Contractor Management

Best practice health and safety with-in our contractor relationships is seen as one of biggest risks at MDC. This was identified as a key area of opportunity to improve in our health and safety review which was completed last quarter. This quarter we have been focused on developing an improved process which can minimize this key risk. This work has included reviewing the checklists and documents for all contractors working for MDC to complete before any work commences. We will start trailing this with some of our smaller contractors who we believe are in our higher risk profile. This is an on-going piece of work which we will continue to focus on in the next quarter.

### 3. People and Culture metrics

We have developed some key metrics which will become part of our regular reporting cycle. We have included this new section in this report with some commentary relating to the data. This will also be an on-going piece of work as we improve our information maturity which will provide more insight into our reporting capability. This will enable more deeper insight into some key issues which we hope to be able to complete some bespoke reporting to support key health, safety, and wellbeing initiatives.

## Annual Leave

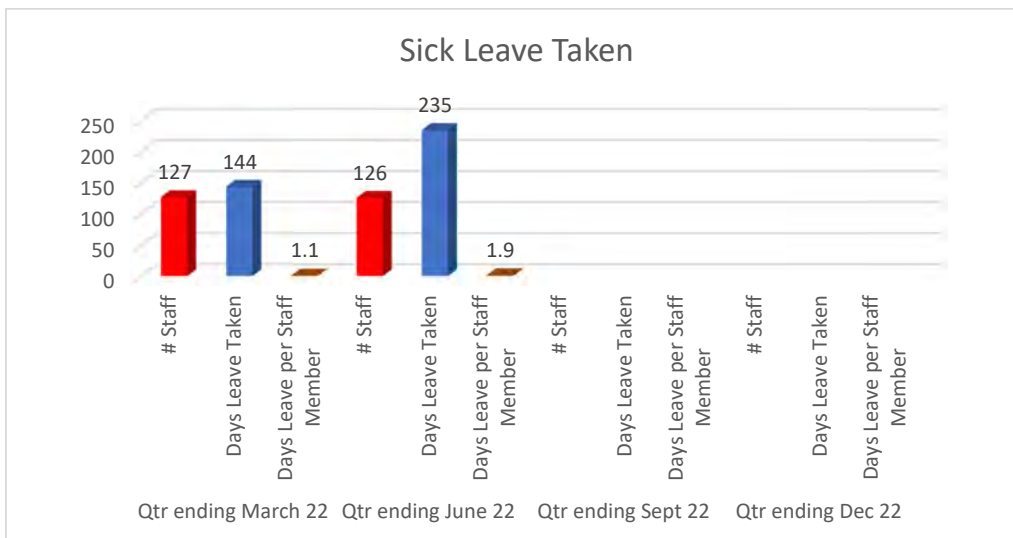




The general pattern of annual leave is that the vast majority of all annual leave is used over the summer holiday period. Thus, in normal times it would be unusual that annual leave has increased since the summer holiday period when it normally would have decreased as winter nears.

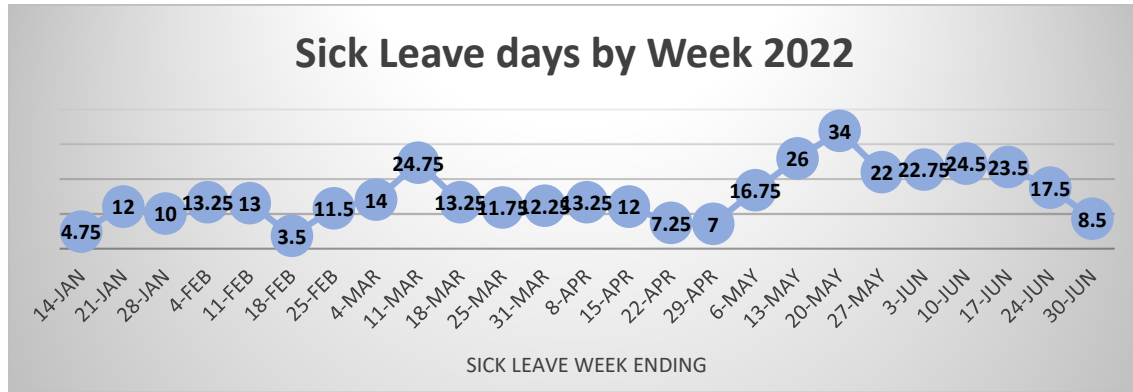
However, these are not normal times by any means and in the current Covid climate where borders were closed and Covid still rife it is perhaps unsurprising that our staff like many others had delayed any travel during the summer months. Now with borders reopening and people gradually starting to consider both internal and overseas travel as a possibility it is not unusual that we have seen an increase in leave taken at this time

### Sick Leave

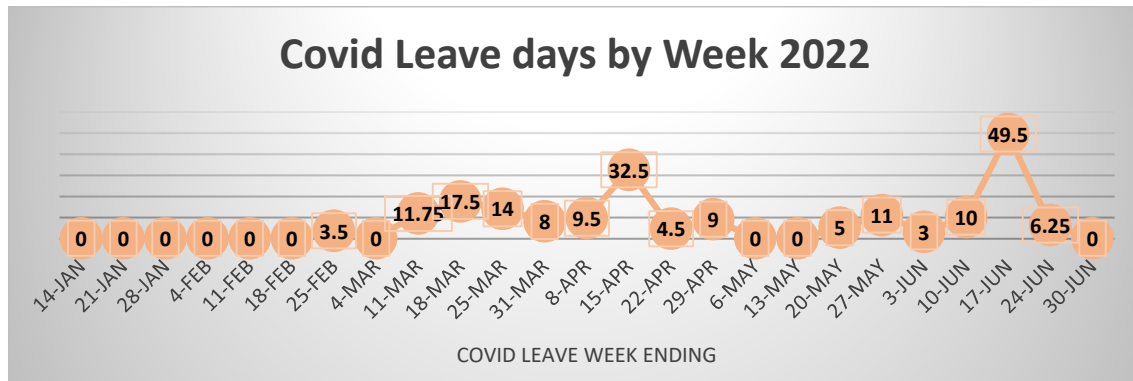


## Sick and Covid Leave by Weeks Q1 and Q2 2022

### Sick Leave



### Covid Leave



As Covid has raced through the country employers have increasingly been imploring staff to stay away from the workplace if they or any member of their household is sick. We have been advising staff of this perhaps on a weekly basis and have worked hard to get the message across.

Despite all these messages the amount of sick leave taken has remained relatively low which is somewhat of a surprise. We believe that with many of our staff working from home during this period when they became sick, they simply continued working so did not report as sick and take leave.

Compared to Quarter 1 this year, sick leave has increased in Quarter 2 this year but at an average of 1.9 days per person is still relatively low. Given the prevalence of Covid combined with a particularly bad flu season this was a little unexpected but is perhaps explainable in terms of the number of staff working from home mentioned above.

While the amount of sick leave taken still is relatively low this has to be considered alongside the amount of Covid Leave taken which in Quarter 1 was 54.75 days and in Quarter 2 was 140.25 days. Covid leave is additional to sick leave.

## Lag indicators

These indicators measure our performance in the form of past statistics. All incidents that have been notified via the H&S system are reviewed by the appropriate manager as well as the H&S Committee, who must be satisfied that appropriate action has been taken to reduce the likelihood of future incidents.



The above graph details the reported incidents logged into our Health and safety reporting system (GOSH). The greatest area of reporting are incidents which refers to abusive behaviours or other interactions that are common in our customer facing roles. Hazards identified are minimized or removed where practicable. The three accidents received in June were all minor injuries that required only first aid. The Good catch was reported at our library where some shelving in the basement was found to have come away from the anchors in the wall, all items were removed and the shelving decommissioned, a new storage solution is being organised.

## Due Diligence Summary

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

## TOP HEALTH AND SAFETY RISKS ORGANISATION-WIDE

Description of risk	Controls and reduction measures	Update
<b>COVID-19</b> Global pandemic Public health risk	<ul style="list-style-type: none"> <li>Workplace H&amp;S plans</li> <li>Hygiene protocols</li> <li>Business Continuity Planning</li> <li>COVID Leave approach adopted</li> </ul>	We continue to monitor the situation and wherever necessary make change to reflect Government guidelines.

<p><b>Contractor Management</b></p>	<ul style="list-style-type: none"> <li>• Regular communication between contractors and MDC relationship managers</li> <li>• Quarterly/ annual reporting</li> </ul>	<p>Our contractor Management approach is key part of our Health and Safety Review. There are key recommendations which will be implemented over the next quarter.</p> <p>These include:</p> <ul style="list-style-type: none"> <li>• A collective database is being developed by GWRC to record contractors with the correct H&amp;S compliance record. All councils in the wider region will be able to access and use this data.</li> <li>• Contractor process and forms have been redesigned for rollout to staff and Contractors. A video is being produced to assist with technical role inductions.</li> <li>• Work has commenced to audit contractor compliance and provide support as required. There is significant work to be done on this prior to full implementation.</li> </ul> <p>Contractors will need to prove they have robust H&amp;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, contractors from an approved database are used and monitoring is on an as needed basis, particularly if they have been previously engaged without incident.</p>
<p><b>Vehicles, Roads, Driving</b></p> <p>(1) Driver risk factors  (2) Journey risk factors  (3) Vehicle risk factors  (4) Working with/near vehicles risk factors.</p>	<ul style="list-style-type: none"> <li>• Driver training</li> <li>• Fleet maintenance</li> <li>• Hazard identification</li> <li>• Fleet tracking</li> </ul>	<p>A fleet management system will be investigated now Fleet Manager position has been filled.</p> <p>Driver training options are currently being explored.</p>



<p><b>Stressors</b></p> <p>Fatigue (physical &amp; mental), time pressure, bullying, harassment, mental health</p>	<ul style="list-style-type: none"> <li>• Employee Assistance Programme (EAP)</li> <li>• Leadership support</li> <li>• Staff engagement</li> <li>• Staff Surveys</li> <li>• Leave</li> </ul>	<p>MDC’s employee assistance provider Vitae’s proactive services continues. People leaders communicate the opportunity for any staff to contact Vitae to speak to counsellors.</p> <p>Implementation of a policy to address how Council will deal with staff who have excessive leave balances. Managers will be required to start conversations with staff regarding the development of Leave Plans to get balances under control.</p> <p>The Wellbeing Page on Tohu nearing completion with go live date pencilled for August.</p> <p>MDC like all Councils is going through a period of change with the three waters reform at the top of the list at present. We have staff dedicated to ensuring that we are monitoring the wellbeing of affected staff and ensuring that we provide feedback to the relevant review parties if we believe there are issue that need to be address by them to ensure staff wellbeing.</p>
<p><b>Workforce Planning</b></p>	<ul style="list-style-type: none"> <li>• Recruitment</li> <li>• Succession</li> </ul>	<p>It has been noted within the last six months that for certain, largely specialised positions, the number of applicants is rapidly diminishing. MDC is not alone in this; many other local authorities are reporting similar issues.</p> <p>In an attempt to mitigate this, in roles where specialist qualifications are not involved, positions may be available internally in the first instance; adopting a “grow your own” practice.</p> <p>We will be establishing a more structured succession planning framework to ensure we have more proactive plans to support the potential loss of critical people and roles.</p>

## Lead indicators

Lead indicators are proactive in nature and look at regular activity 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	<p>An updated record of H&amp;S Rep training has been completed with four members being upskilled in Incident reporting and investigation and two undertaking H&amp;S Reps Stage 1 training.</p> <p>The H&amp;S Committee is looking at getting all members trained to a minimum of H&amp;S rep training Level 2</p> <p>H&amp;S training units are available through the new LMS system, these are to be reviewed and further developed to cover a broad range of topics.</p>
H & S Culture	<p>Training sessions have built awareness across the organisation of the importance of everyone's role in H&amp;S culture across the workplace and the Masterton region as representatives of MDC. Further areas of interest are being investigated for future training.</p> <p>There has been discussion regarding reporting of abusive behaviour with our customer facing staff. The threshold for reporting has been lowered as the risk to compounding psychological harm needs to be acknowledged and the wellbeing of staff must be recognised.</p> <p>We are currently implementing a system of Competency Assessment and Goal Achievement to replace the traditional Performance Appraisal. We have determined four Core Competencies that will apply to every position. One of those is Health and Safety. The descriptor of the Competency is:</p> <p><b>HEALTH AND SAFETY</b></p> <p><i>Committing to applying core safety knowledge, skills, and attitudes to everyday work to optimise health and safety. Promoting safety through effective communication.</i></p> <p><i>Anticipating, recognising, and managing situations that place individuals at risk. Recognising the occurrence of an incident or near miss, responding effectively to mitigate harm to individuals, ensuring proper reporting and preventing recurrence.</i></p>
Staff inductions	All new staff have been inducted following our established H&S induction process.

	<p>The Health and Safety Committee members and team leaders will be conducting the generic H&amp;S inductions with new staff.</p> <p>We are currently reviewing our induction process including providing creating a guide to all new employees. We hope to have this implemented in the next quarter.</p> <p>A staff orientation plan is currently in development where all new employees of three months tenure or less will receive an introduction to the Council, its senior managers and all its functions to give these new staff a comprehensive understanding of what Councils do and how they work.</p>
<p><b>Wellbeing initiatives</b></p>	<p>Employee Assistance Program (EAP) contracted onsite visits continue to occur, with the representative ensuring coverage of MDC workplaces.</p> <p>The Wellbeing Calendar has been developed with staff participation being key, the calendar has flexibility to add additional special interest events, such as health, financial and charity events. Delivery poses a challenge, but work will be done to overcome this to get maximum participation from staff.</p> <p>The Wellbeing Plus app is to be rolled out in August to staff, within the organisation champions have volunteered to support this programme.</p> <p>The LMS (Learning management system) provides a great tool for staff learning supported by The People and Culture Team to source relevant topics.</p>
<p><b>Good catch:</b> A good catch is action oriented; staff recognise a situation or condition with potential to cause an incident, but it doesn't because of corrective action and/or timely intervention.</p>	<p>All incidents notified via the H&amp;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><b>Good catch summary Q4 April to June22 = 1</b></p>
<p><b>Near miss:</b> Event not causing harm, but potential to.</p>	<p>All incidents notified via the H&amp;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>

## **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, so 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 the work we do.

### **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.

### **Treaty Considerations/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.

**Due Diligence Summary**

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

<b>MDC OFFICERS H&amp;S DUE DILIGENCE PLAN MONITORING</b>			
	<b>Objectives</b>	<b>Status</b>	<b>Rating</b>
<b>Know</b>	Keep up to date with health and safety matters	Health, Safety and Wellbeing is a standing item at each SLT meeting. Currently, requests and issues from the H&S committee are escalated via the HSW Advisor. Each SLT member is also able to escalate requests and issues via this forum.	
<b>Understand</b>	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).	
<b>Resource</b>	Ensure H & S person has appropriate resources and processes to manage risks	Action items are addressed on a priority basis. GOSH, our H&S tool is accessible from Tohu.	
<b>Monitor</b>	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.	
<b>Comply</b>	Ensure the Council has, and implements, processes for complying with duties under the HSWA Act 2015	Processes are being reviewed across all work groups in consultation with H&S Committee and subject matter experts.  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.	

<b>To:</b>	Audit & Risk Committee
<b>From:</b>	David Paris, Manager Finance
<b>Endorsed by:</b>	David Hopman, Chief Executive
<b>Date:</b>	17 August 2022
<b>Subject:</b>	<b>Treasury Management Report</b>
<b>FOR INFORMATION</b>	
<b>Recommendation:</b>	That the Audit & Risk Committee receives the Treasury Management Report as at 30 June 2022.

## Investments & Borrowing Report to 30 June 2022

### Purpose

The purpose of this report is to provide Council with detailed information on 30 June 2022 position with respect to the Councils investments and debt.

### Executive Summary

At 30 June 2022 the Council had \$23.89 million (last year \$26.31 million) of investment funds held in a range of financial instruments. Some \$5.77 million of that was held as working funds that are held in call accounts and on short term deposits. \$8.27 million is held in sovereign and high-grade bond funds (managed by ANZ Investments Ltd). Of the balance of \$8.85 million, 90% is invested in term deposits.

The ANZ-managed Bond Fund investments produced a negative return of -8.28% for the year after interest rate markets moved higher and the bond portfolio value decreased. With interest rate markets stabilizing, it is expected that the yield on the bond funds will return to being positive in 2022/23. Average interest earned on term deposits was 1.22% while average yield as at 30 June 2022 was 3.43%.

External term debt was \$50.0 million at 30 June 2022 versus the LTP year 1 projection of \$62.2 million. This is as a result of not progressing with a number of planned projects which were to be debt funded. During the year an \$8.0 million bond maturity was repaid, refinanced by a combination of funding that had been budgeted for debt repayment (\$2.6 million) and a new LGFA bond. \$4.1 million of external debt has been added to fund current year capital projects.

The Council's debt portfolio is managed within policy limits and as at 30 June 2022 all indicators show compliance with the policy, except for two exceptions:

1. The percentage of funds invested on deposit at WBS are 15.4% of the total of funds invested (excluding ANZ Investments). The policy limit is 15%.
2. The interest rate position as projected out to 2027 (see page 5 of this report) shows we will have 16% forward cover versus the policy minimum of 20%. This non-compliance has been allowed in the knowledge that there is potential for three waters debt to be removed from Council's balance sheet beyond 2024 and this will change the profile of the debt and the forward cover needs of the

remaining debt. There is currently little detail on how Council will be able to unwind the debt and fixed interest as a result of the three waters changes.

## Investments Report

For the Year to 30th June 2022

The table below reports the changes in the balance of investment funds held by the Council and the return that has been achieved on those funds. The following page lists in detail the investments by type.

<b>Investment Funds</b>	<u>Internally Managed Investments</u>	<u>ANZ Investments Fixed Interest Bond Funds</u>	
(excluding internal loans, shares and working funds on deposit)			
Opening Balance as at 1 July 2021	11,892,164	9,021,556	
Gross Interest to 30 June 2022	132,661		
Bond funds interest income		103,767	1.2%
Unrealised gains/(losses)		(852,424)	-9.9%
Net Investment Income to 30 June 2022	132,661	(748,657)	1.22% -8.3%
Capital additions/(withdrawals)/(transfers)	(2,182,858)	-	
Balance as at 30th June 2022	<b>\$ 9,841,967</b>	<b>\$ 8,272,899</b>	
<b>Working funds (short term deposits and call a/c)</b>	<b>5,774,718</b>		
Total funds invested (managed internally)	<b>\$ 15,616,685</b>		
Total funds invested (incl externally managed)	<b>\$ 23,889,584</b>		
		Funds management fees (21,701)	-0.25%
		% return on funds over 12 mths	-8.53%
		after fees	
		Market Index for 12 mths to 30 June 2022	-8.52%

## Investment Returns Commentary

One corporate bond (Fonterra) continues to be held directly by the Council. Bank term deposits have been the principal means of gaining a return on the approx \$10.0m of funds held and managed internally. These investment funds returned 1.22% while 'working' funds on call were only achieving 0.25% returns.

The ANZ-managed investment is in two bond funds - the Sovereign Bond Fund and High Grade Bond Fund. Bond market yields were negative after taking account of the movement in the market value of the bonds. The negative return is a result of rising interest rate markets, resulting in the existing bonds in the portfolio having less value on the bond market.

The interest earned has been stated separately from the mark-to-market value loss. The funds performed at a level close to the market index for these types of investment.

## Investment Policy Compliance

The policy compliance information below refers to the investment and working funds managed in-house.

	Policy (% of internal portfolio)		as at 30 June 22
LGFA bonds	<35%	Met	6.0%
Bank deposits	0 - 100%	Met	93.6%
Total deposits no more than \$6m with any one bank			
Corporate & Bank Bonds	<35%	Met	0.4%
Corporate Bonds rated BBB	no more than 5%	Met	0.4%
	no more than \$0.5m with single issuer	Met	
	no bonds less than BBB	Met	
Externally managed funds	< \$12m	Met	\$8.27m
Wairarapa Building Society (WBS)	< 15%	Not met	15.4%
WBS	no more than \$2.5m	Met	\$ 2.4m

The following page provides detail of all of the financial assets held by the Council as at 30 June 2022.

## INVESTMENTS HELD

DATE: 30 June 2022

### DISTRICT FUND INVESTMENTS

#### Short Term Bank Deposits

	\$	Yield/ Interest Rate	Remaining Term	Original Term
Westpac - call a/c	5,574,718	1.75%	call	<3mths
ANZ - call a/c	200,000	1.75%	call	<3mths
<b>Total District Fund Investments</b>	<b>\$ 5,774,718</b>			

### SPECIAL FUNDS INVESTMENTS

#### Short Term Bank Deposits

WBS - term deposit	1,200,000	3.80%	348 days	12 mths
WBS - term deposit	1,000,000	1.85%	139 days	12 mths
WBS - Wainuioru Water Supply	200,000	1.95%	35 days	12 mths
ANZ - term deposit	3,000,000	4.20%	272 days	274 days
ANZ - term deposit	2,000,000	2.01%	14 days	178 days
ASB - term deposit	450,000	0.95%	102 days	209 days
ASB - term deposit	1,000,000	0.85%	358 days	12 mths
	<b>\$ 8,850,000</b>			

#### Corporate Bonds (market value)

	Instrument Credit Rating			
Fonterra (A-) perpetual bond	BBB	60,192	2.68%	perpetual
NZ LGFA Borrower notes	AA	931,775	2.26%	9.5 mths - 8 yrs
		<b>\$ 991,967</b>		

#### ANZ Investments - Fund Managers

(valued at market value)

		Performance	Market Index
High Grade Bond Fund	4,349,069	-6.76%	-6.75%
Sovereign Bond Fund	3,923,830	-9.93%	-10.26%
	<b>\$ 8,272,899</b>	<b>-8.28%</b>	<b>(interest only +1.2%)</b>

Total Special Funds Investments

**\$ 18,114,866** 2.44% Average Yield

**Shares** Civic Financial Services Ltd  
NZ LGFA (LG Funding Agency)

\$ 122,141 No dividend  
\$ 100,000 3.43%

#### Total Investments Under Management

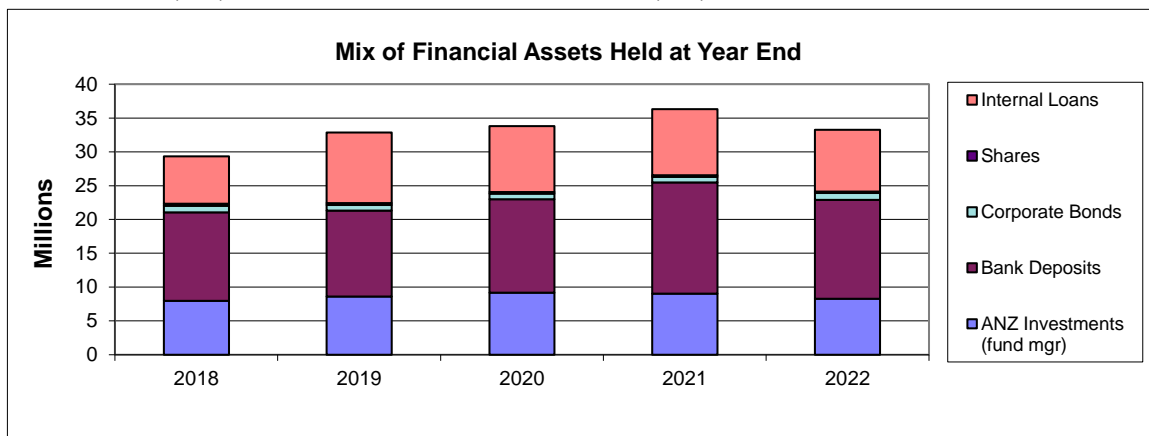
**\$ 24,111,725** Average Interest Rate at 30/6/22  
(excl internal) 2.27%

### Internal Loans/Investments

(estimated) \$ 9,144,109 2.69%

#### Analysis of Investment Terms

All Funds (excl internal loans)	Funds managed by MDC			Policy	Within Policy	
33%	7,974,718	Current (less than 3 months)	7,974,718	50%	30% - 80%	yes
28%	6,779,008	Short term (3 months to 1 Yr)	6,779,008	43%	20% - 70%	yes
1%	263,577	Term (1 year - 3 years)	263,577	2%	0% - 50%	yes
37%	8,872,281	Term (3 years plus)	599,382	4%	0% - 20%	yes
1%	222,141	Shares	222,141	1%		
<b>100%</b>	<b>24,111,725</b>		<b>15,838,826</b>	<b>100%</b>		





## Loans/Borrowing Report

For the Year to 30th June 2022

The 2021/22 Annual Plan (LTP year 1) included new borrowing for capital projects of \$16.341m. This was expected to be externally sourced debt. Due to a number of those projects not progressing as expected, only \$4.1m loan funding has been needed and has been borrowed externally.

Two LGFA bonds maturing in April and May 2022 (total value \$8.0m) were repaid on time. These were partly funded by new bonds pre-drawn in December 2021 and funding that was budgeted from revenue and applied to debt repayment. New floating rate bonds of \$5.0m and \$3.0m were drawn in Dec 2021.

These bonds have maturities in Oct 2029 and Apr 2030 respectively.

A new floating rate bond of \$1.5m was drawn in Jun 2022, with a maturity in Apr 2029, at a margin of 0.6550%

The 2021/22 Annual Plan forecast external debt at 30 June 2022 to be \$62.2m. Actual external debt is \$50.0m.

The Council has undrawn bank loan facilities with Westpac and ANZ of \$5m each and is a shareholder in, and borrower from, the NZ Local Government Funding Agency (NZ LGFA). Margins on the LGFA debt, above the 90 day bank bill rate, average 0.731% over 14 separate floating rate bonds.

Swap contracts with ANZ and Westpac are used to fix interest rates for terms of up to 6.5 years. This provides greater certainty of interest expense over the medium term - reduced risk of interest rate volatility impacting on Council's costs. Advice around the use of the various debt and interest rate hedging strategies is received from PwC. At 30th June 2022, 70.8% of the external debt was subject to fixed interest rates.

The following table summarises the Council's external Debt/Borrowing at 30 June 2021 and 2022:

	30 June 2021	Bond Margin above 90 day rate	30 June 2022
Wpac			
Multi-Option Credit Line (\$5m MOCL)	-		-
ANZ			
Cash Advance Facility (\$5m CAF)	-		-
NZ LGFA			
LGFA stock - maturity Apr 2022	5,000,000	0.660%	-
LGFA stock - maturity May 2022	3,000,000	0.598%	-
LGFA stock - maturity Apr 2023	8,000,000	0.825%	8,000,000
LGFA stock - maturity Apr 2024	5,100,000	0.726%	5,100,000
LGFA stock - maturity Jul 2024	5,000,000	0.775%	5,000,000
LGFA stock - maturity Apr 2025	4,000,000	0.780%	4,000,000
LGFA stock - maturity Apr 2025	2,200,000	0.740%	2,200,000
LGFA stock - maturity Jul 2025	5,000,000	0.808%	5,000,000
LGFA stock - maturity Apr 2026	2,800,000	0.810%	2,800,000
LGFA stock - maturity Apr 2027	4,000,000	0.655%	4,000,000
LGFA stock - maturity Apr 2028	4,400,000	0.765%	4,400,000
LGFA stock - maturity Oct 2029		0.638%	5,000,000
LGFA stock - maturity Apr 2030		0.655%	3,000,000
LGFA stock - maturity Apr 2029		0.655%	1,500,000
<b>Total external debt</b>	<b>\$ 48,500,000</b>	<b>Ave 0.731%</b>	<b>\$ 50,000,000</b>
<b>Total internal debt</b>	<b>\$ 9,773,390</b>		<b>\$ 9,144,109</b>
	<b>\$ 58,273,390</b>		<b>\$ 59,144,109</b>

### Cost of Debt Servicing

Interest expense (on external debt)	1,898,489
Interest expense (on internal debt)	277,064
Principal repayments (on external debt)	2,600,000
Principal repayments (on internal debt)	622,689
	<b>\$ 5,398,242</b>

	Policy Max.	Actual*	Plan
Net External Debt to Operating Revenue*	150%	42.5%	67.0%
Net Interest expense as % of Rates Revenue	15%	4.7%	3.9%
Net Interest expense as % of Operating Revenue*	10%	2.7%	2.3%
Average Interest rate paid on external debt		3.7%	3.6%
Average return on funds invested		1.1%	2.2%

\*Note: using estimated revenue figures

## Interest rate risk position

Masterton District Council

Month

July 2022

1. Debt Forecast - LTP

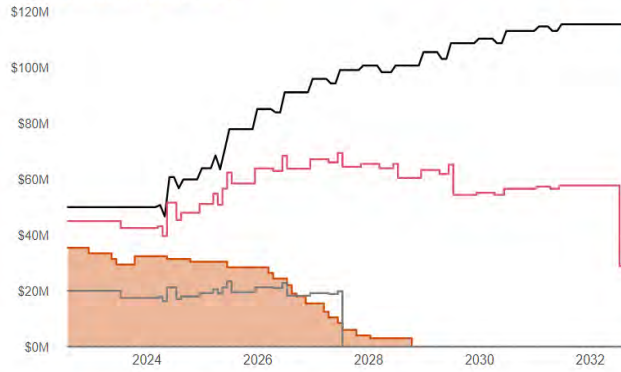
2. Debt Forecast - LTP + Three Waters

3. Debt forecast - 80% LTP

### Interest rate summary

#	Bucket	Min	Max	Actual
1	0 - 1	40%	90%	71%
2	1 - 12	40%	90%	67%
3	12 - 24	35%	85%	61%
4	24 - 36	30%	80%	48%
5	36 - 48	25%	75%	33%
6	48 - 60	20%	70%	16%
7	60 - 72	0%	65%	4%
8	72 - 84	0%	60%	1%
9	84 - 96	0%	50%	0%
10	96 - 108	0%	50%	0%
11	108 - 120	0%	50%	0%
12	120 - 132	0%	25%	0%

### Interest rate risk timeline



71%

Current fixed rate hedging

3.33%

Current WA fixed rate

\$35,400,000

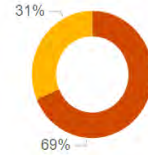
Total fixed rate instruments

3.72

WA term of fixed rate instruments (y...)

### Derivative counterparties

- ANZ
- Other
- Westpac



### List of instruments

Instrument	Counterparty	Notional (\$)	Start date	Maturity date	Interest rate
Swap	ANZ	2,000,000	21 March 2020	21 December 2022	2.99%
Swap	ANZ	2,000,000	23 February 2015	22 May 2023	2.36%
Swap	ANZ	2,000,000	22 June 2019	22 June 2023	1.65%
Swap	ANZ	1,000,000	15 May 2014	15 May 2024	2.26%



<b>To:</b>	Audit & Risk Committee
<b>From:</b>	David Paris, Manager Finance
<b>Endorsed by:</b>	David Hopman, Chief Executive
<b>Date:</b>	17 August 2022
<b>Subject:</b>	<b>Rates Receivable Report as at 30 June 2022</b>
<b>FOR INFORMATION</b>	
<b>Recommendation:</b>	
That the Committee receives the Rates Receivable Report 102/22 to 30 June 2022.	

### **Purpose**

The purpose of this report is to provide Council with detailed information on 30 June 2022 position with respect to rates collection and arrears.

### **Executive Summary**

Some 66% of the Council's revenue is sourced from property rates. The Council also collects the Greater Wellington Regional Council's rates levied on Masterton District properties. In 2021/22 \$46.5 million was levied as rates. This includes GST, GWRC rates and penalties.

At the 30 June 2022 \$606,208 was unpaid. This is 1.3% of the value of rates levied, the same as the prior year. The dollar value of arrears has increased \$59,266 or 10.8% from last year, but after taking account of the increased value of rates levied, the arrears percentage has been consistent and stable over the last six years, at or below 1.5%.

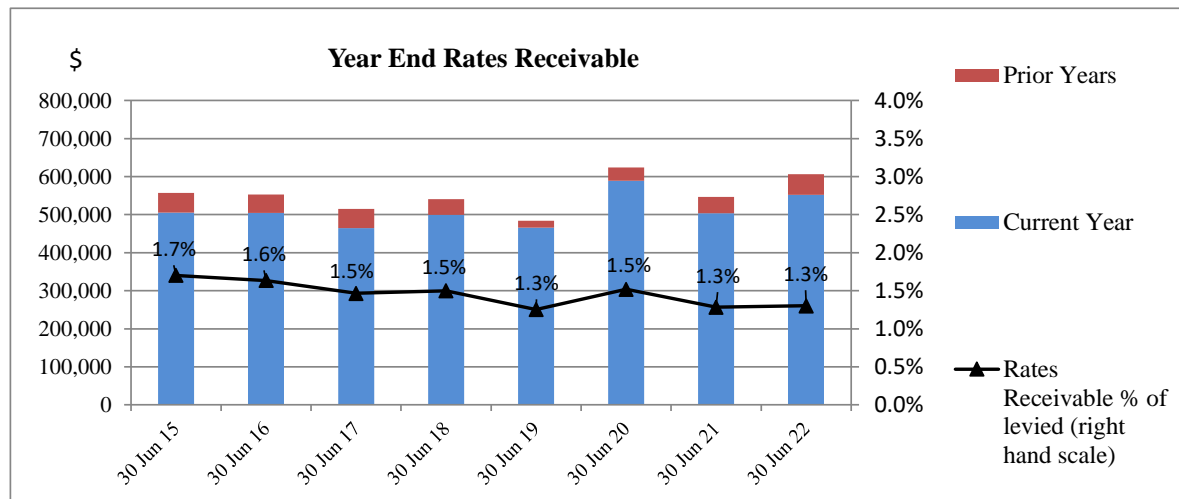
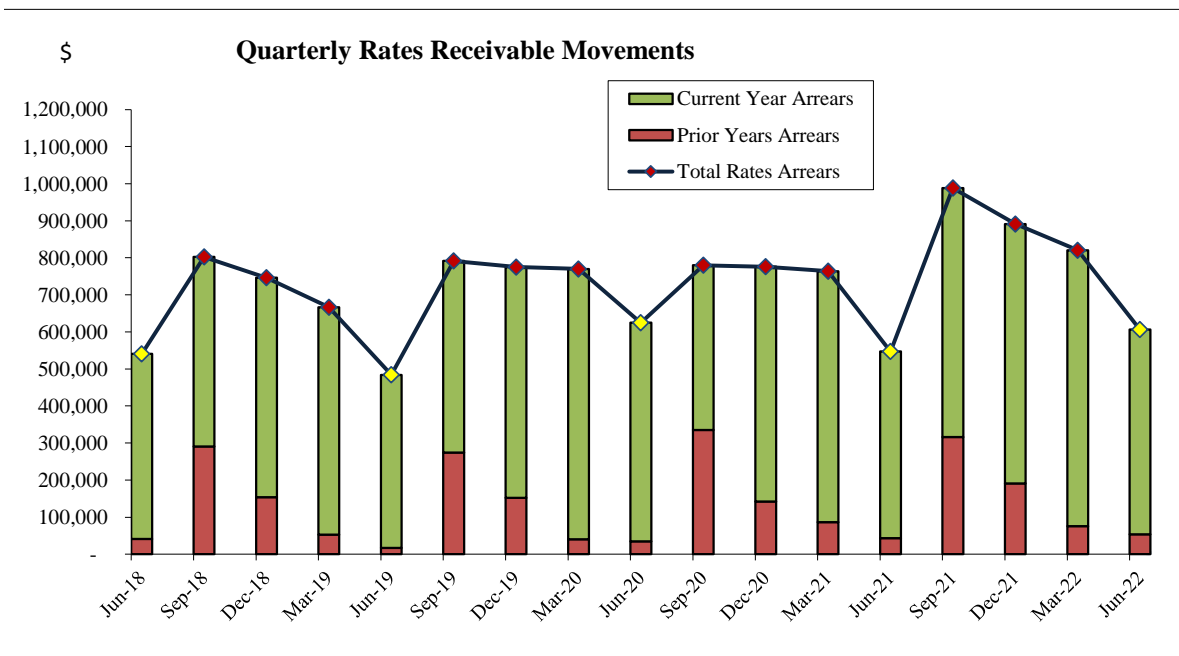
This continuing low level of arrears is a positive result in light of the impacts of covid-19 and the higher inflationary environment currently being experienced by our ratepayers. The June 2020 result of 1.5% was partly blamed on the covid-19-based decision not to charge an arrears penalty. The impact of that has not been on-going.

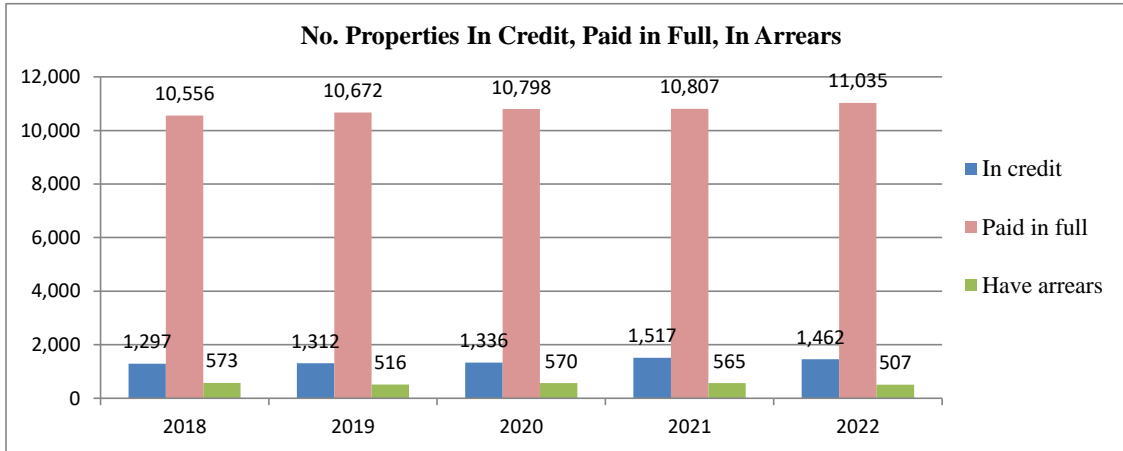
The number of properties with an overdue balance at the 30 June has decreased from 565 last year (4.4% of properties) to 507 at 30 June 2022 (3.9% of properties).

Other information in the attached tables relates to the percentage of properties paying rates by Direct Debit, the number of properties receiving emailed rates notices and the number of ratepayers receiving the Government rates rebate (8.2% of all rateable properties).

## Rates Receivable Report to 30 June 2022

	As At 30 June 2022	Target	As At 30 June 2021	
Gross Rates Levied (Incl GST, GWRC & penalties)	\$46,533,426		\$42,604,695	9.2%
Prior Years rate arrears unpaid	\$53,573		\$43,312	
Current Year rates unpaid	\$552,645		\$503,640	
<b>Total Rates Receivable</b>	<b>\$606,218</b>		<b>\$546,952</b>	
Rates receivable as % of levied	1.3%	<2%	1.3%	
% of current year rates instalments collected	98.8%	>97%	98.8%	
% of prior years rate arrears collected	91.4%	>90%	93.1%	
Value of rates paid in advance of current instalment	837,253		837,942	
Penalties charged (after penalty remissions)	238,220		149,294	
Rates remissions given (per policies)	(177,366)		(186,529)	





The percentage of properties paid in full or in credit has increased to 96.1% from an average of 95.5%. Rates arrears value has been held at 1.3% of total rates levied as at 30 June 2022 (including GST & GWRC rates). By number, a total of 507 properties (3.9%) have unpaid rates of \$10 or more (last year 565, 4.4%). The average rates levied (including GWRC & GST) was \$3,578 (last year \$3,305) up 8.3% from 2020/21. The average rate arrears is \$1,196 (last year \$968).

The annual sending of mortgagee demands for properties with arrears will be actioned in September - we hold back until after the 1st instalment due date. Legal processes are currently underway with 6 properties.

<b>Arrears value</b>	<b>+\$7000</b>	<b>\$3001-\$7000</b>	<b>\$2001-\$3000</b>	<b>\$1001-\$2000</b>	<b>\$301-\$1000</b>	<b>\$ 10-\$300</b>
No. of properties (2022)	8	41	45	93	140	180
No. of properties (2021)	5	30	56	87	153	234
No. of properties (2020)	7	29	56	111	175	192
Arrears value (2022)	\$86,775	\$158,827	\$114,133	\$134,958	\$89,481	\$21,971
Ave. arrears value (2022)	\$ 10,847	\$ 3,874	\$ 2,536	\$ 1,451	\$ 639	\$ 122
Ave. arrears value (2021)	\$ 8,682	\$ 4,169	\$ 2,480	\$ 1,397	\$ 611	\$ 104
<b>Trend in average arrears</b>	<b>25%</b>	<b>-7%</b>	<b>2%</b>	<b>4%</b>	<b>5%</b>	<b>17%</b>

**Properties:** 13,004 properties were rated in 2021/22. This is 115 more than the prior year (+0.85%)

**Direct Debits:** 6,229 ratepayers are paying their rates via direct debit which is 47.9% (last yr 47.5%)

**Email Notices:** 4,639 ratepayers are receiving emailed rates notices which is 35.7% (last yr 32.9%)

**Rates Rebates:** During 2021/22, 1,069 ratepayers applied and were eligible for rate rebates under the criteria established by the Dept of Internal Affairs (last year 1,039)  
A total of \$664,663 rates were paid by the Government on behalf of qualifying ratepayers.  
The average rebate received was \$621.76 (last year \$606.57)

<b>To:</b>	Audit and Risk Committee
<b>From:</b>	David Paris, Manager Finance
<b>Endorsed by:</b>	David Hopman, Chief Executive
<b>Date:</b>	17 August 2022
<b>Subject:</b>	<b>Interim 2021/22 Financial Report</b>
<b>FOR INFORMATION</b>	
<b>Recommendation:</b>	
That Audit & Risk Committee receives the 12 months to date financial report and commentary, including the Operating and Rates Requirement Statements contained in Report 103/22.	

**PURPOSE**

To provide the Audit and Risk Committee with an interim financial report for the twelve months to 30 June 2022.

**EXECUTIVE SUMMARY**

The reconciliation of the financial accounts to 30 June 2022 is a work-in-progress as at early August, however, there has been enough work done in order to estimate the financial performance against the planned positions. The figures presented remain interim and subject to the full reconciliation of all transactions. Full balance sheet information is not yet available, but interim operating revenue and expenditure and capital expenditure can be reported at this early stage.

The Annual Report process will include a revaluation of infrastructural assets in order to meet the assessment of fair value. The last revaluation of this class of assets was completed as at 30 June 2020 and since then the relevant cost index movements have been significant, prompting the requirement to revalue.

As previously advised, Audit NZ cannot begin their audit of the Council's Annual Report until mid-November, which means the newly elected Council will be asked to adopt the document with a targeted adoption date of prior to Christmas.

The **Statement of Revenue & Expenditure** shows an accounting surplus of \$8.06m. This is \$2.03m better than the planned surplus, due to three main things: higher financial contributions, higher roading subsidies and higher operating revenue (including building consents and solid waste fees). The Other Revenue budget included external funding for the airport capital project, which has been less than expected. Total Operating Expenditure is 0.9% less than planned, but there are variances between the expenditure types as described below.

The planned \$6.0m accounting surplus was a result of budgeting a number of revenue streams that would fund capital expenditure projects (capital expenditure is excluded from this accounting statement). These included three waters stimulus funding and PGF funding for the airport development project.

<b>Statement of Revenue &amp; Expenditure</b>					
<b>2020/21 Actual</b>	<b>Interim Full Year to 30 June 2022</b>	<b>Interim</b>		<b>Variance</b>	
		<b>2021/22 Actual</b>	<b>2021/22 Plan</b>		
	<b>Revenue</b>				
32,399,016	Rates Revenue*	34,826,775	34,741,289	85,485	0.2%
381,479	Interest Received (external)	354,886	431,000	(76,114)	-17.7%
7,293,322	Waka Kotahi roading subsidies	7,498,851	5,818,281	1,680,570	28.9%
2,538,534	Financial Contributions	3,181,598	1,481,000	1,700,598	114.8%
10,113,644	Fees, Charges & Other Revenue	16,001,275	17,871,190	(1,869,915)	-10.5%
52,725,995	<b>Total Operating Revenue</b>	61,863,384	60,342,760	1,520,624	2.5%
	<b>Expenditure</b>				
10,783,753	Personnel Costs	12,300,332	13,078,498	778,166	5.9%
23,623,751	Other Operating Expenditure	24,964,588	24,500,162	(464,426)	-1.9%
2,137,483	Interest Expense	1,898,489	1,799,808	(98,681)	-5.5%
13,129,830	Depreciation & amortisation	14,642,387	14,938,115	295,728	2.0%
49,674,817	<b>Total Operating Expenses</b>	53,805,795	54,316,583	510,788	0.9%
<b>\$3,051,178</b>	<b>Operating Surplus/(Deficit)</b>	<b>\$8,057,589</b>	<b>\$6,026,177</b>	<b>\$2,031,412</b>	

\*Rates Revenue excludes rates on Council properties

Variances from Plan include:

- Financial Contributions of \$3.18m are 114.8% ahead of planned and reflect the continuing strong level of activity of urban subdivision development;
- Roothing subsidies of \$7.50m are 28.9% more than planned as a result of the Plan anticipating a funding reduction by Waka Kotahi, but the reduction did not occur. As a result of the change to the programme funding no loan funding has been required for the 2021/22 roading renewals programme, but the budget allowed for it.
- Revenue from building consents of \$1.63m is 22.5% ahead of planned but is offset by increased costs of processing consents.
- Revenue from transfer station charges of \$3.67m was 22.3% ahead of planned due to higher volumes of waste across the weighbridge, but this is partly offset by increased costs of disposing of those additional tonnes.
- Personnel costs of \$12.3m are 5.9% less than the plan due to a number of positions allowed in the plan not filled for some of the year.
- Interest expense is 5.5% more than planned due to pre-funding (borrowing early) for two scheduled LGFA bond repayments. Interest earned on depositing the drawn funds has offset the extra expense and the bonds have been repaid in April and May 2022.

- Other operating expenditure of \$24.96m is 1.9% more than plan made up of unders and overs in different areas:
  - o As above, building services and solid waste costs have exceeded budgets due to higher consent numbers, legal costs and higher waste tonnages respectively.
  - o In the Roothing area, emergency works of \$1.38m were unplanned.
  - o Other operating expenditure savings have been made across a number of activity areas, in particular sports fields, recreation centre, property, economic development and community development.

The **Rates Requirement Summary** to 30 June 2022 shows the Council's net spending of rates funding at \$35.03m compared to \$35.40m planned year to date, 1.0% less. After taking account of a small amount of rates funding more than planned, the overall surplus of rates funding currently sits at \$444,591. This is after allowing to carry forward funding for a small number of specifically budgeted, but unspent items and a provision to move \$200,000 of unspent roading budget into the flood damage fund. The significant variances from the budgeted position are explained in the commentary that follows the statement.



## 2021/22 Interim Full Year to 30 June 2022

2020/21 Actual	Rates Requirement Summary	2021/22 Interim	2021/22 Plan	Variance	
\$		\$	\$	\$	%
	<b>RATES REQUIRED BY ACTIVITY</b>				
	<b>Transport</b>				
6,739,436	Roading	7,331,450	7,334,938	3,493	
	<b>Water Services</b>				
3,605,636	Urban Water supply	3,587,872	3,592,193	4,321	
(29,324)	Rural Water supplies & races	116,124	124,033	7,911	
	<b>Wastewater Services</b>				
6,548,207	Urban Sewerage system	6,465,224	6,542,117	76,894	
386,912	Rural Sewerage systems	359,058	361,901	2,845	
	<b>Stormwater Services</b>				
611,039	Stormwater	665,927	664,267	(1,658)	
	<b>Solid Waste Services</b>				
755,967	Solid Waste Services	485,049	722,236	237,188	
493,212	Waste Minimisation Services	397,259	299,233	(98,027)	
	<b>Community Facilities</b>				
2,999,183	Parks, Reserves & Sportsfields	3,295,965	3,325,011	29,047	
1,241,895	Trust House Recreation Centre	1,355,351	1,444,592	89,241	
125,381	Cemeteries	153,867	156,901	3,036	
2,142,632	Library & Archive	2,324,569	2,375,523	50,959	
553,930	District Building	471,728	539,814	68,085	
101,648	Housing for Elderly	131,502	144,226	12,724	
635,408	Other Property	942,482	989,633	47,148	
428,957	Hood Airport	322,625	314,244	(8,381)	
210,195	Mawley Holiday Park	98,423	167,512	69,089	
	<b>Regulatory Services</b>				
872,943	Resource Mgmt & Planning	1,044,337	991,705	(52,631)	
608,818	Building Development	640,778	657,845	17,067	
430,661	Environmental Services	572,026	590,273	18,249	
23,494	Parking Control	3,259	(24,511)	(27,769)	
92,108	Animal Services	121,167	117,795	(3,371)	
220,919	Emergency Management	217,709	255,502	37,793	
	<b>Leadership, Strategy &amp; Corporate Services</b>				
793,918	Representation	720,920	725,605	4,686	
342,163	Internal Functions (net)	284,269	-	(284,271)	
898,355	Community Development	1,127,091	1,137,126	10,036	
540,258	Arts & Culture	544,519	582,283	37,764	
996,814	Economic Devlpmt & Promo	933,635	945,297	11,661	
223,411	Environmental Initiatives	313,262	320,095	6,833	
\$ 33,594,172	<b>Total Rates Requirement</b>	\$ 35,027,446	\$ 35,397,389	\$ 369,961	1.0%
	<b>RATES INCOME</b>				
33,096,901	Masterton District Council rates	35,411,166	35,357,389	53,776	
149,470	Penalty Income	238,220	210,000	28,220	
(186,529)	Rates Remissions	(177,366)	(170,000)	(7,366)	
\$ 33,059,842	<b>Net Rates Income</b>	\$ 35,472,020	\$ 35,397,389	\$ 74,630	0.2%
<b>(\$534,330)</b>	<b>Surplus/(Deficit) of Rates Income</b>	<b>\$ 444,573</b>	<b>\$ 0</b>	<b>\$ 444,591</b>	<b>1.3%</b>

## Commentary on Rates Requirement Summary variances from Plan

In the Activity areas:

- Rooding – subsidised maintenance expenditure of \$5.9m is very close to plan, but an additional \$1.38m has been spent on emergency response costs resulting from the storm event in February. After the Waka Kotahi subsidy, the Council's flood damage fund will end up some \$170,000 in deficit. Provision has been made to transfer \$200,000 of a predicted surplus of rooding rates to this fund. Further road damage has occurred in June and July which will result in pushing the fund into a significant deficit in 2022/23.
- Rooding contributions from subdivisions (\$1,087k) are running at 190% above the level planned. This revenue is transferred into reserve funds to be applied to development-related expenditure and is not available to offset rates.
- Urban Water Supply net rates required of \$3.59m is very close to the level planned.
- Urban Wastewater activity rates requirement of \$6.46m is 1.2% less than planned. A stimulus-funded project (private laterals) and costs of responding to the weather event in February both resulted in costs being over plan, but this is more than offset by extra revenue from stimulus funding, sale of baleage and septage disposal charges.
- Stormwater costs of \$706k are 12.2% more than planned due to the February event response costs. We have anticipated funding this extra expenditure from some of the stimulus funds which will be unspent.
- Solid Waste revenue (gate fees) at Nursery Road of \$3.67m is 22.3% ahead of Plan due to greater waste tonnages coming through the gate. Revenue from sale of bags for the Council bag collection were 2.7% below planned. The tonnes of waste sent to landfill were 17,754 vs last year to date of 15,503, a 14.5% increase. Direct costs of disposing to landfill are up on plan by 14.8%, largely reflecting that increased volume. Overall, Solid Waste has run at \$139k less than the planned rates required.
- The Community Facilities & Activities YTD net expenditure is tracking below planned levels, with savings in the Parks & Reserves, sportsfields, Recreation Centre and Other Property areas. Some of those savings relate to staff roles which were not filled during the year, while in the Property activities there are maintenance budgets underspent. Mawley Park revenue has run 12.8% ahead of planned and only slightly below prior year. Actual rates required for Mawley Park is \$98k versus a plan of \$167k.
- The Airport operating costs and revenues have come in close to the planned levels.
- Library net operating costs of \$2.32m have run 2.1% below the level planned.
- Community Development net expenditure of \$1.29m is 24.6% less than planned due to delays in recruiting staff and events such as the Civic awards and Christmas-related events not incurring the planned levels of expenditure. A reduced draw on the planned reserves funding is where these savings will be sheeted home.
- Economic Development activity is 15.5% underspent due to less spending on the WEDS review and events. The balance of unspent project funding has been assumed to be carried forward to be allocated in 2022/23.
- Resource Management and Planning income from financial contributions is 93.3% ahead of plan, while consent fee income is 127% ahead of plan (\$366k vs \$161k). Financial contributions are transferred to reserves, while extra operating costs have been incurred in processing the high

volume of consents. Costs of the review of the Wairarapa Combined District Plan and input into the Natural Resources Plan have been less than planned, so funding from reserves for these project has been reduced to match.

- Building Services revenue of \$1.63m is 22.5% ahead of the planned level, reflecting the high numbers of consents that have been processed. However operating costs are also more than the planned level largely due to using external contractors to process the high volumes of consents and legal costs.
- Parking Control revenue is down 3.2% while costs are up 9.7% as the enforcement contract costs have increased along with meter maintenance costs.
- Animal Control revenue is up on Plan by \$24k (5.1%) due to more dogs and more infringements being issued. Costs in this area are up by a similar value.
- Across the Internal functions there are under and over expenditure areas. In the ICT and Info Mgmt areas costs have run ahead of plan, relating to the digitisation project and the enhanced security programme (that Council approved). Cost savings have arisen in Finance, Comms and People & Capability. Overall there have been some 3.7% more net costs than budgeted, which equates to \$278k more expenditure than planned across all corporate functions.
- Interest income of is 13% less than planned as term deposits and bond fund investments have not performed as well as expected.

### **Three Waters Stimulus Funding – report on progress**

In November 2020 the Council successfully applied for \$4.4 million of funding to progress a number of new initiatives in the three waters activities. The funds were required to be expended by 30 June 2022. That timeframe has since been extended to 31 December 2022.

As at 30 June 2022 the Council has spent \$3.7 million. Regular reporting to Department of Internal Affairs (DIA) has been done and discussions regarding changes to the original approved projects have been useful.

The initial 12 separate projects have had their budget amounts varied and moved between projects as the work has been better defined. There are constraints on some of the projects, such as materials availability, resource consent, land purchase delays and contractor capacity due to the February flooding event to deliver the work within the timeframe. All the available stimulus package funding is planned to be spent when it closes in December.

<b>To:</b>	Audit and Risk Committee
<b>From:</b>	David Paris, Manager Finance
<b>Endorsed by:</b>	David Hopman, Chief Executive
<b>Date:</b>	17 August 2022
<b>Subject:</b>	<b>Interim Capital Expenditure Report 2021/22</b>
<b>FOR INFORMATION</b>	
<b>Recommendation:</b>	
That Audit & Risk Committee receives the interim capital expenditure report and commentary for the 12 months to 30 June 2022.	

**PURPOSE**

To provide the Audit and Risk Committee with the draft report on capital expenditure projects for the financial year ended 30 June 2022.

**EXECUTIVE SUMMARY**

Staff are currently working on the reconciliation of the Council's financial performance and position for the year ended 30 June 2022, but at this stage these statements are not ready to bring to the Audit & Risk Committee, even in draft. However, the capital expenditure result can be reported on, in draft. The tables on the following pages provide a summary level and full detail of planned capital projects versus actual spend. Where there are significant variances from the planned expenditure, brief commentary has been provided.

Summary Statement of Capital Expenditure				
	Interim Actual 12 Months \$	Plan 12 Months \$	Variance \$	Comments on progress
Roading - subsidised	6,723,140	7,406,340	683,200	Completion of 2 construction jobs that carried over from prior year - Te Ore Ore Rd roundabout & Taueru retaining wall. Aprox \$200k unbudgeted spent on emergency repair works design. Footpath and minor improvements work programmes not completed.
Roading - non-subsidised	2,228,273	1,474,792	(753,481)	Full year includes two jobs carried over from prior year - Essex St carpark and under veranda lighting renewals. Northern & southern entrance work partly spent. Gordon St upgrade was planned as net of developer contributions but is reported as gross cost, accounting for some of the variance to plan.
Water Services	5,252,981	6,788,500	1,535,519	Water reticulation contracts have been delayed due to materials and contractor availability (30% spent). Stimulus-funded projects spending largely completed by 30 June. Water meter installation has been on-going but contractor capacity has meant only 36% of plan spent. Treatment plant sludge handling provision of \$800k not needed. Land purchase of \$2.57m included here, unbudgeted, offsets other underspending.
Wastewater Services	2,462,616	2,042,000	(420,616)	Stimulus funded project (aerators) has been spent. Also stimulus-funded was private property lateral renewals (operating cost). Sewer renewals plan was \$1.1m but is \$1.95m spent due to priority work brought forward following weather-event in February.
Stormwater Services	497,355	660,000	162,645	Opaki Road stormwater upgrade completed, stimulus-funded creek cleaning work (opex) also completed.
Solid Waste Services	180,877	260,420	79,543	Cage renewal work completed. No cover material purchased.
Parks, Reserves & Sportsfields	2,716,983	2,770,650	53,667	Skate park project was budgeted over 2 years, project cost of \$1.75m after Council approved additional features. Majority of costs fell in 2021/22. The reporting shows it as an over-spend in the current year, offset by underspend in the prior year. Sportsground buildings are underspent as several projects remain in the planning stages. Waipoua cycle & pedestrian bridge budget fully spent with completion in 2022/23.
Wellbeings (Amenities)	272,539	563,570	291,031	Youth hub project has seen part-payments, but delivery of the building has been delayed.
Other Property	309,076	1,188,300	879,224	Bentley St asbestos removal project \$600k on-hold, to be scoped further.
Civic Facility	394,553	4,945,000	4,550,447	Progress on the Civic facility project was not made as anticipated in the plan. Expenditure includes project management, procurement advice and legal/property costs.
Recreation Centre	131,119	255,000	123,881	Some of the plant & equipment renewals have not been possible.
Housing for the Elderly	354,887	341,000	(13,887)	Work includes upgraded insulation, heat pump installs and extractor fans.
Library & Archive	215,170	1,366,750	1,151,580	Budget allows for new shelving for Wairarapa Archive - project is now underway to move to a new location, including new shelving, but costs will be in 2022/23.
Airport	641,532	6,873,553	6,232,021	Completed current services extensions, roading & fencing. Further refining masterplan. Land purchase negotiations remain on-going, with legal fees being incurred.
Regulatory Services	239,894	1,336,000	1,096,106	Animal shelter project includes demolition of old pound and conversion of a temporary facility. New animal shelter now projected in next financial year.
Corporate Services	398,869	280,000	(118,869)	IT hardware budget will be fully spent, some software application upgrades and security enhancements were not budgeted but were needed, incl software for information mgmt, to improve productivity and security enhancements.
<b>TOTAL COUNCIL</b>	<b>\$ 23,019,865</b>	<b>\$ 38,551,875</b>	<b>15,532,010</b>	
% spent of full year Plan		<b>60%</b>		Under-spending largely due to Civic Facility, Airport and Animal shelter projects not progressing as quickly as anticipated in the Plan.

## CAPITAL EXPENDITURE STATEMENTS

CAPITAL EXPENDITURE		Actual	Plan	Variance	
Interim to 30 June 2022		\$	\$		
Department / Project	Funding	30 June 2022	30 June 2022		Comments
<b>Roading</b>					
<b>Subsidised Roothing</b>					
Roothing renewals - rural	Rates & subsidy	3,111,656	3,529,940	418,284	
Roothing renewals - urban	Rates & subsidy	1,688,005	1,478,900	(209,105)	
Bridge - Waipoua eastern bridge design	Rates & subsidy	373,896	285,000	(88,896)	
Footpath upgrading	Reserve & Subsidy	157,863	549,000	391,137	Contractor availability, rates funding c/fwd
Rural/Urban minor improvements	Rates & subsidy	1,192,996	1,563,500	370,504	Incl completion of Te Ore Ore Road roundabout
Emergency Works - capital renewals	Reserve & Subsidy	198,724	-	(198,724)	Unplanned emergency works, design costs
		6,723,140	7,406,340	881,924	
<b>Non- Subsidised Roothing</b>					
Car park seal renewals	Reserve	210,584	85,000	(125,584)	Completion of Essex Street carpark - budget was in prior year
Millard Ave - design	Reserve	76,549	15,000	(61,549)	Work done for IAF application
Gordon Street upgrade	Reserve / Fin Contrib	1,391,313	500,000	(891,313)	Budget is Council's net contribution, actual reflects gross costs, 25% funded by developer
Under verandah lighting	Reserve	160,305	70,000	(90,305)	Completion of renewal of lighting project from prior year
Masterton revamp	Loan	92,607	100,000	7,393	Completion of civil engineering design aspects of Queen St
Chamberlain Road Upgrade	Fin Contribtn	48,012	325,000	276,988	Civil engineering design
Masterton revamp - North Entrance	Reserve	70,691	231,000	160,309	Northern roundabout landscaping
Masterton revamp - South Entrance	Reserve	83,711	121,000	37,289	Southern entrance landscaping
Kitchener St extn (paper road)	Fin Contribtn	27,500	-	(27,500)	Initial design work
CBD Recycling Bins	Reserve	-	10,000	10,000	Waiting on CBD revamp
Carpark Lighting - safety initiative	Reserve	66,999	17,792	(49,207)	Skatepark carpark lighting upgrades
		2,228,273	1,474,792	(753,481)	
<b>Total Roothing</b>		<b>8,951,412</b>	<b>8,881,132</b>	<b>(70,280)</b>	

**Water Services**

		Actual	Plan	Variance	
Emergency Package Plant		26,720	-	(26,720)	Completion of prior year project
Water connection replacements	Reserve	5,169	200,000	194,831	Majority of work done as part of water meters
Water reticulation renewals	Reserve	601,925	1,700,000	1,098,075	Materials supply & contractor availability
Nikau Heights Water storage upgrade	External	457,584	796,500	338,916	Stimulus-funded project, delayed by land acquisition
Water main renewal - stimulus package	External	711,909	600,000	(111,909)	Stimulus-funded projects
WTP equipment renewals	Reserve	119,233	290,000	170,767	
Water meters - installation project	Loan	489,250	1,350,000	860,750	Roll out of meters impacted by contractor capacity
WTP - sludge handling upgrades	Reserve	-	800,000	800,000	Not required
WTP SCADA and electrical upgrades - stimulus	External	18,829	60,000	41,171	stimulus
Fish Inlet - Stimulus project	External	-	70,000	70,000	stimulus
Generator load bank - Stimulus project	External	-	45,000	45,000	stimulus
Bulk tanker water supply terminal - stimulus		-	82,000	82,000	
Wainuioru Water supply - stimulus		313,125	500,000	186,875	Pump station upgrade work in progress Stimulus funding of \$142,951 applied to pipe stock to held in reserve (not capex)
Urban Trunk Main Replacement		-	180,000	180,000	
Tinui Water Supply		-	5,000	5,000	
Opaki race consent renewal	Reserve	-	30,000	30,000	No work in 2021/22
Castlepoint water supply upgrades	Reserve	3,382	-	(3,382)	
Water take consent renewal	Reserve	-	50,000	50,000	No work in 2021/22
Land purchase - water storage		2,572,950	-	(2,572,950)	Budget in Year 3 of LTP, brought forward
Wainuioru water supply	Reserve	16,277	30,000	13,723	
<b>Total Water Services</b>		<b>5,336,353</b>	<b>6,788,500</b>	<b>1,452,147</b>	

**Wastewater Services**

		Actual	Plan	Variance	
WWTP plant & equipment	Reserve	16,924	152,000	135,076	Minimal renewals required
Homebush farm - irrigation	Loan	33,441	300,000	266,559	Not progressed in 2021/22
Castlepoint - scheme renewals	Reserve	-	10,000	10,000	
Riversdale Beach - scheme renewals	Reserve	27,530	30,000	2,471	
Wastewater reticulation renewals	Reserve	1,947,106	1,100,000	(847,106)	Additional contracts approved post Feb'22 weather event
WWTP aerator upgrade	External	437,615	450,000	12,385	stimulus project
<b>Total Wastewater Services</b>		<b>2,462,616</b>	<b>2,042,000</b>	<b>(420,616)</b>	

**Stormwater Services**

Stormwater consent	Reserve	1,500	100,000	98,500	
Stormwater renewals	Reserve	495,855	380,000	(115,855)	Includes Opaki Rd/Oxford St upgrade
Flood Protection improvements	Reserve	-	180,000	180,000	
<b>Total Stormwater Services</b>		<b>497,355</b>	<b>660,000</b>	<b>162,645</b>	

**Solid Waste Services**

Transfer station renewals	Reserve	121,878	200,000	78,122	Pumps, signage, fencing, water mains
Landfill capping	Reserve	-	60,420	60,420	Only cover material from cleanfill
Transfer stations facilities refurb	External	59,000	-	(59,000)	Insurance funded renewals
<b>Total Solid Waste Services</b>		<b>180,877</b>	<b>260,420</b>	<b>79,543</b>	



**Community Facilities/Activities****Parks, Reserves & Sports fields**

		Actual	Plan	Variance	
Upgrade structures incl playgrounds	Reserve	146,470	20,400	(126,070)	Burling Park - funding allowed in prior year
QE Park - lake alternative water source		-	50,000	50,000	No expenditure
QE Park - bollard & curb installation	Reserve	116,557	50,000	(66,557)	Extra work associated with skatepark
QE Park - oval drainage upgrade	Reserve	27,936	30,000	2,064	Bench seats for the oval
Sports Bowl - artificial turf	Reserve	5,399	8,000	2,601	
Parks & Open spaces - signage	Reserve	22,919	20,000	(2,919)	
Sports facilities building	Reserve	80,532	339,500	258,968	Boatshed toilets, other minor works, Douglas Villa & Pioneer bldgs - planning underway. Budget assumed more of the project would have been spent in prior year.
Skatepark upgrade	Loans/Reserves/External	1,729,752	965,000	(764,752)	
Waipoua pump station upgrade		2,172	-	(2,172)	
Recreation Trails - extentions	Loan	-	80,000	80,000	
Waipoua Cycle & pedestrian bridge	Reserve	328,774	312,000	(16,774)	To be completed in September '22
Henley Lake upgrades	Reserve	25,341	105,000	79,659	Picnic tables etc
Recreational Trails - renewals	Reserve	27,028	60,000	32,972	Access structures, chicanes etc
Henley lake overflow carpark - regrass	Reserve	68,748	50,000	(18,748)	
Castlepoint seawall handrails	Reserve	30,132	30,000	(132)	
Oxford Reserve Drainage Clearance	Reserve	-	60,000	60,000	Vegetation clearance work expensed (not capital)
Taranaki Reserve Swale Drain	Reserve	20,000	20,000	-	
Memorial Park upgrades	Reserve	9,342	495,000	485,658	no resource to proceed this year
Sport ground carparks	Reserve	29,360	24,000	(5,360)	
Other Reserves upgrade	Reserve	27,250	35,000	7,750	Te Kouru Reserve & Churchill Park
Street trees additions & replacements	Reserve	19,270	16,750	(2,520)	Totars St, Kummer Cres, Jean St
		<b>2,716,983</b>	<b>2,770,650</b>	<b>53,667</b>	
<b>Conveniences</b>					
Public conveniences	Reserve	-	19,000	19,000	
Castlepoint Toilet	Reserve/External Funds	1,618	-	(1,618)	
		<b>1,618</b>	<b>19,000</b>	<b>17,382</b>	

**Recreation Centre**

		Actual	Plan	Variance	
Rec Centre - plant & equipment renewals	Reserve	89,658	165,000	75,342	
Stadium renewals	Reserve	-	20,000	20,000	
Rec Centre - interior renewals	Reserve	41,462	70,000	28,538	
		<b>131,119</b>	<b>255,000</b>	<b>123,881</b>	

**Cemeteries**

Cemetery Renewal & extension	Reserve	103,017	94,000	(9,017)	Landscaping and renewal
		<b>103,017</b>	<b>94,000</b>	<b>(9,017)</b>	

**District Building**

Building upgrades	Reserve	68,473	154,300	85,827	Includes carpark compound, security, blinds Project development costs, including internal project mgmt and procurement
Civic Centre - stage one design	Reserve/Loan	394,553	4,945,000	4,550,447	
		<b>463,026</b>	<b>5,099,300</b>	<b>4,636,274</b>	

**Housing for the Elderly**

Upgrades and renewals	Reserve	354,887	341,000	(13,887)	Heat pump units installed
		<b>354,887</b>	<b>341,000</b>	<b>(13,887)</b>	

**Other Properties**

Mawley Park - upgrades	Reserve	18,300	74,000	55,700	Electrical upgrades, outdoor tables
Rental property upgrades	Reserve	29,536	42,000	12,464	
Asbestos removal - provision	Reserve	52,463	600,000	547,537	Limited amount of work - rental properties
Rural halls upgrades	Reserve	1,462	15,000	13,538	
Rural Halls water treatment project	External	34,206	120,000	85,794	Stimulus funding project
Tinui depot buildings removal		-	70,000	70,000	Not progressed
		<b>135,967</b>	<b>921,000</b>	<b>785,033</b>	

**Library & Archive**

Library - book stock renewals	Reserve	186,603	180,000	(6,603)	
Library - computer & equipment replacement	Reserve	17,593	45,750	28,157	
Library - renewal furniture/fittings	Reserve	10,973	11,000	27	
Archive - extension (incl. shelving)	Loan/Reserve	-	1,130,000	1,130,000	Relocation project in 2022/23
		<b>215,170</b>	<b>1,366,750</b>	<b>1,151,580</b>	

			Actual	Plan	Variance	
<b>Airport</b>						
Renewal	Airport - Plant and equipment	Reserve	-	15,000	15,000	
LOS	Airport - runway development	Loan/Reserve/External	-	2,962,623	2,962,623	
LOS	Hanger area expansion incl services	Loan/Reserve/External	268,127	260,000	(8,127)	includes sealing Moncrieff Drive
LOS	Airport - runway & precinct upgrades	External	215,691	1,170,000	954,309	includes development of masterplan and aeronautical study
LOS	Airport land purchase	Loan	129,297	2,139,750	2,010,453	Legal costs to date only
LOS	Security fencing upgrades	External	28,417	39,000	10,583	
LOS	Manaia road realignment	External	-	287,180	287,180	
<b>TOTAL Community Facilities/Activities</b>			<b>641,532</b>	<b>6,873,553</b>	<b>6,232,021</b>	
			<b>4,763,321</b>	<b>17,740,253</b>	<b>12,976,932</b>	
<b>Wellbeings</b>						
<b>Economic Development &amp; Promotion</b>						
LOS	Community assets		12,782	-	(12,782)	Community library boxes, power cable
Renewal	Security camera renewals	Reserve	11,680	20,000	8,320	
LOS	Decorative streetlighting	Reserve	-	5,000	5,000	
			<b>24,462</b>	<b>25,000</b>	<b>538</b>	
<b>Community Development</b>						
LOS	Youth Hub	Reserve	248,077	538,570	290,493	Progress payments made
			<b>248,077</b>	<b>538,570</b>	<b>290,493</b>	
<b>Regulatory Services</b>						
Renewal	Env. Health - equipment	Reserve	-	8,000	8,000	
Renewal	Animal Control - equipment	Reserve	21,148	20,000	(1,148)	Dog poo bins
LOS	Animal Control - animal shelter (stage 1)	Loan	217,509	1,304,000	1,086,491	Design, project mgmt, demolition and costs of temporary pound
Renewal	Building Control - equipment	Reserve	1,236	4,000	2,764	
			<b>239,894</b>	<b>1,336,000</b>	<b>1,096,106</b>	

## Corporate Services

		Actual	Plan	Variance	
IT equipment replacement	Reserve	102,026	120,000	17,974	
	Reserve				
Computer Programs/Software		62,429	10,000	(52,429)	Software implementation costs - approvals system
IT security equipment upgrades	Reserve	29,796	-	(29,796)	
Records Mgmt - Sharepoint project	Reserve	64,761	50,000	(14,761)	
Health and Safety Equipment	Reserve	11,976	-	(11,976)	Lone worker system
Pool Vehicle replacement	Reserve	127,881	100,000	(27,881)	3 fleet vehicles replaced
		<b>398,869</b>	<b>280,000</b>	<b>(118,869)</b>	
<b>Total</b>		<b>\$23,019,865</b>	<b>\$38,551,875</b>	<b>\$15,532,010</b>	

<b>To:</b>	Audit and Risk Committee
<b>From:</b>	David Paris, Manager Finance
<b>Endorsed by:</b>	David Hopman, Chief Executive
<b>Date:</b>	17 August 2022
<b>Subject:</b>	<b>Insurance Update</b>
<b>FOR INFORMATION</b>	
<b>Recommendation:</b>	
That the Audit & Risk Committee receives the report and notes the information regarding the Council's insurances.	

### **Purpose**

The purpose of this report is to provide the Audit and Risk Committee with confirmation that all insurance cover has been renewed from 1 July 2022 and provide information about the cost increases of that insurance.

### **Executive Summary**

The Council carries insurance cover to mitigate a number of risks to the assets and activities of the Council. We use Marsh as our insurance brokers for all insurance advice, except the underground disaster cover. 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.

### **Insurers**

The insurance policies the Council has in place and the insurers include:

Material damage / Business interruption – insurer QBE Insurance (Australia) Ltd (45%), NZI (22.5%)  
AIG (17.5%), Berkshire Hathaway (15%)

Machinery breakdown – insurer QBE Insurance (Australia) Limited

Motor vehicle – insurer NZI (a division of AIG 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 have increased 21% over the previous year. The graph below shows those premium cost escalations. 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 replacement values (in most cases) and these values are increasing in the region of 7 to 8 %
3. liability claims against Councils are increasing and insurers are increasing premiums as a result

Across the three policies included in the graph below, the premium cost has increased from \$854,600 to \$1,034,000, which is \$179,400 or 21%. The percentage increases are listed on the graph. Increases of close to these levels were allowed for when preparing the Long Term Plan. These increases have been one of the factors in the need to increase rates for the 2022/23 financial year.

