



Notice of Meeting

A meeting of the Finance and Performance Committee will be held in the Council Chamber, 26 Gordon Street, Dannevirke on **Wednesday 22 May 2024** commencing at **9:00am**.

Bryan Nicholson
Chief Executive

Agenda

- 1. Welcome and Meeting Opening**
- 2. Apologies**
- 3. Public Forum**

A period of up to 30 minutes shall be set aside for a public forum. Each speaker during the public forum section of a meeting may speak for up to five minutes.

Standing Orders may be suspended on a vote of three-quarters of those present to extend the period of public participation or the period any speaker is allowed to speak.

With the permission of the Mayor, members may ask questions of speakers during the period reserved for public forum. If permitted by the Mayor, questions by members are to be confined to obtaining information or clarification on matters raised by the speaker.

- 4. Notification of Items Not on the Agenda**

Major items not on the agenda may be dealt with at this meeting if so resolved by the Council and the chairperson explains at the meeting at a time when it is open to the public the reason why the item was not listed on the agenda and the reason why discussion of the item cannot be delayed until a subsequent meeting.

Minor matters not on the agenda relating to the general business of the Council may be discussed if the chairperson explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at that

meeting, but no resolution, decision or recommendation may be made in respect of that item except to refer it to a subsequent meeting.

- 5. Declarations of Conflicts of Interest in Relation to this Meeting's Items of Business**
- 6. Confirmation of Minutes 3**
Recommendation
That the minutes of the Finance and Performance Committee meeting held on 21 February 2024 (as circulated) and Extraordinary Finance and Performance Committee meeting held on 1 May 2024 (as circulated) be confirmed as true and accurate records of the meetings.
- 7. Reports**
- 7.1 Management Report 13**
- 7.2 Third Quarter Performance Report - Period Ending 31 March 2024 39**
- 8. Items not on the Agenda Accepted in Accordance with the Procedure Outlined as per Agenda Item 4**
- 9. Closure**



Minutes of a meeting of the Finance and Performance Committee held in the Council Chamber, 26 Gordon Street, Dannevirke on Wednesday 21 February 2024 commencing at 9:00am.

1. Present

Her Worship the Mayor - Mrs T H Collis, Crs E L Peeti-Webber (Deputy Mayor), N L Chase, A K Franklin (via Teams), S M Gilmore, P A Johns, M F Long, K A Sutherland, S A Wallace and S M Wards

In Attendance

Mr B Nicholson	- Chief Executive
Mr R Suppiah	- Group Manager – Corporate and Regulatory
Mrs A Small	- Group Manager – Strategy and Community Wellbeing
Mr H Featonby	- Group Manager - Infrastructure
Ms G Nock	- Strategy and Corporate Planning Manager
Mr P Wimsett	- 3-Waters Transition Manager
Mr M Dunn	- Manager – Programmes and Projects
Mrs S Walshe	- Finance Manager
Mrs B Fowler	- Senior Financial Accountant
Ms E Roberts	- Revenue Manager
Ms M Yule	- Project Accountant
Mr P Wimsett	- Three Waters Transition Manager
Ms A Rule	- Policy and Planning Advisor
Mrs A Dunn	- Manager – Democracy Services

2. Welcome and Meeting Opening

The Mayor opened the meeting with the Council prayer.

3. Apologies

There were no apologies.

4. Public Forum

There were no requests for public forum.

5. Notification of Items Not on the Agenda

Nil

6. Declarations of Conflicts of Interest in Relation to this Meeting's Items of Business

Nil

7. Confirmation of Minutes

That the minutes of the Finance and Performance Committee meeting held on 22 November 2023 (as circulated) be confirmed as a true and accurate record of the meeting.

Johns/Sutherland

Carried

8. Reports

8.1 Six Month Performance Report for the Period Ending 31 December 2023

The Finance and Performance Committee considered the report of the Senior Financial Accountant dated 15 December 2023 that provided the Performance Report for the six months ending 31 December 2023 and provided an indication of the year end result. The meeting agreed to consider items in a differing order to that presented in the meeting papers, as follows:

- External funding
- Pensioner housing Deep Dive
- Operational performance to 31 December 2023
- Service Performance to 31 December 2023
- Capital Expenditure report
- Treasury report
- Debtors report
- Forestry report
- Solid Waste Deep Dive
- Treasury Headroom
- Quick Facts
- Management report questions / future work requests

External Funding – it was asked that in regarding funding for recovery structure, that an update be provided on progress being made on governance and iwi partnership allocation. Her Worship the Mayor undertook to provide further

detail on this.

Some concern was expressed by councillors regarding external funding, noting the change of Government had recently seen some projects committed to by the previous Government withdrawn. The Chief Executive provided assurance that contracts were in place and funds were available. There had been no indications from the Government of the funding being withdrawn, and noted that each project would move at a different pace and the funding drawn down as required.

It was noted that the Food Secure Communities project that was externally funded was completed under budget. It was confirmed that funds not utilised would be returned.

Pensioner housing – noted that this item was requested due to its self-funding aspect and the increased staff time being needed. Noted that the general maintenance budget was \$127,000 this year, whereas previously it had been much less. Budgeted renewals were also increased this year. It was noted that the pensioner housing reserve was not regenerating sufficiently over time, and it was expected that the pensioner housing reserve would be overdrawn as at 30 June 2024. The current programme of works had been developed to enable Council to maintain the standards required for rental housing stock. Agreements were being looked at to phase out such things as changing lightbulbs, batteries in smoke alarms. It was noted that once the housing stock reached a better maintained level, it would take less staff time to manage the portfolio.

Councillor M F Long joined the meeting at 9:25am.

It was noted that improved asset management was underway to help understand the requirements of Council's housing stock going forward. It was asked that additional reporting to Council be undertaken.

Operational performance – in response to questions around performance, an undertaking was given to provide more commentary in reporting.

Concern was expressed about the Council's ability to deliver on its work programme, due to the resourcing gaps being experienced. An explanation was provided on the drivers for the variances being reported. It was agreed that for the third quarter report more clarity would be included to explain the impacts on BAU and separate out Cyclone Gabrielle.

Service performance metrics – concerns were expressed about the trends in the key metrics, however it was noted that this trend was being seen across all councils in the country, and the Tararua District Council's metrics were more favourable than some other Councils. The Council noted the impact of transparency on community perceptions of performance.

It was noted that the metrics on performance would be included in quarterly reports going forward.

The meeting adjourned at 10:21am and resumed at 10:36am.

Capital expenditure report – it was noted that the larger projects were individually reported through the capital programme reports included in the agendas of the relevant committees.

Treasury report – the Council noted concerns were being expressed in the community regarding the LGFA covenant, and a belief of some that should Council default on its loan repayments that individual ratepayers' properties could be taken by the lenders. It was reiterated that there were protections in legislation, and the LGFA covenants and debenture held by Council take security over rating revenue, not over individual properties.

Debtors report – it was asked that Norsewood be included in the table of ratepayers per town in future reports.

That the report from the Senior Financial Accountant dated 15 December 2023 concerning the Six Month Performance Report for the Period Ending 31 December 2023 be received.

Sutherland/Long

Carried

8.2 **Forestry Management Report**

The Finance and Performance Committee considered the report of the Tararua Alliance Engineering Services Manager dated 10 February 2024 that provided an update on the current position of Kaiparoro Forest and Birch North Forest.

That the report from the Tararua Alliance Engineering Services Manager dated 10 February 2024 concerning the Forestry Management Report be received.

Wards/Wallace

Carried

8.3 **Management Report**

The Finance and Performance Committee considered the report of the Finance Manager dated 10 February 2024 that provided an update on matters relating to financial and service performance.

The Finance Manager was asked to provide clarification of the amounts shown for kerbside refuse in the Solid Waste activity report.

With regard to the table provided outlining the costs of insurance, it was asked whether the value of assets could be included for information.

In response to a request for a future deep dive to be provided on community funding, it was noted that a report would be on the agenda for consideration by the Community Development and Wellbeing Committee on that topic at its 6

March 2024 meeting.

That the report from the Finance Manager dated 10 February 2024 concerning the Management Report be received.

Gilmore/Chase

Carried

9. Items not on the Agenda

Nil

There being no further business the Mayor thanked those present for their attendance and contributions, and declared the meeting closed at 11:59am.

Mayor



Minutes of an Extraordinary Meeting of the Finance and Performance Committee held in the Council Chamber, 26 Gordon Street, Dannevirke on Wednesday 1 May 2024 commencing at 9:30am.

1. Present

Her Worship the Mayor - Mrs T H Collis, Crs E L Peeti-Webber (Deputy Mayor), N L Chase, A K Franklin (via Teams), S M Gilmore, P A Johns, M F Long, K A Sutherland, S A Wallace (via Teams) and S M Wards

In Attendance

- Mr P Jones - Chairperson – Audit and Risk Committee (via Teams)
- Mr B Nicholson - Chief Executive
- Mr R Suppiah - Group Manager – Corporate and Regulatory
- Ms K Tani - Group Manager – Strategy and Community Wellbeing
- Mr H Featonby - Group Manager - Infrastructure
- Ms J Smith - Legal Counsel and Procurement Manager
- Ms G Rainey - Contract Specialist
- Ms G Nock - Strategy and Corporate Planning Manager
- Mr K van der Oord - Communications Team Manager
- Mrs S Walshe - Finance Manager
- Mrs B Fowler - Senior Financial Accountant (via Teams)
- Ms M Yule - Project Accountant (via Teams)
- Ms A Rule - Policy and Planning Advisor
- Ms F Chase - Facilities Manager
- Mrs A Dunn - Manager – Democracy Services

2 Welcome and Meeting Opening

The meeting opened with karakia.

3. Apologies

There were no apologies.

4. Declarations of Conflicts of Interest in Relation to this Meeting's Items of Business

Nil

5. Reports

5.1 Adoption of the Consultation Document, Draft Long Term Plan and Supporting Information

The Finance and Performance Committee considered the report of the Group Manager - Corporate & Regulatory dated 23 April 2024 that sought adoption of the 2024-34 Long-term Plan Consultation Document (CD) and Supporting Material for consultation.

It was agreed that the two items would be taken separately, starting with the consultation document, followed by the draft Long Term Plan document.

Officers introduced the documents, acknowledging the effort that had gone into bringing together the consultation document and draft Long Term Plan. An explanation was provided of the content of the consultation document, noting it contained seven consultation items, provided background information on the circumstances that the Council operated under, and what was proposed for the next ten years. It was noted that some cosmetic changes including corrections to typographical errors were being made, and that minor changes had been provided by the Audit team overnight.

An outline of the minor changes recommended by the Auditors. These included the following:

changing of the word "budgeting" to "funding" in the rates smoothing section of the document;

Infrastructure Strategy section – include graph from the draft Long Term Plan document;

Debt headroom section – change to a graph; and

Include headings on graphs throughout the document.

Changes had also been recommended from the Chairperson of the Audit and Risk Committee, which included:

Providing more information on the average decreases included in the infographic on page 16 of the consultation document;

For options 2 and 3 of rates smoothing, to reflect that there will be interest costs applicable to these options.

Minor corrections were also noted from committee members for inclusion.

In conclusion the committee noted the legislative relief provided by the Government in light of its signalled intention to repeal water services legislation, and noted the option chosen by Council to consult on the Long Term Plan with an unaudited consultation document, and adopt its Long Term Plan no later than 31 July 2024.

That the report from the Group Manager - Corporate & Regulatory dated 23 April 2024 concerning the Adoption of the Consultation Document, Draft Long Term Plan and Supporting Information be received.

That the Finance and Performance Committee adopts for consultation the unaudited 2024-2034 Long-Term Plan consultation document.

Collis/Long

Carried

With regard to the draft Long Term Plan document and supporting information, an introduction was provided outlining the journey to date, including the pre-engagement undertaken with the community. The application of the strategic framework and alignment of that throughout each activity was outlined.

An outline of the Infrastructure and Financial Strategies was provided, noting that together these strategies were Council's enablers, and told the story of the challenges faced. It was highlighted that the issue of affordability underpinned both of these strategies. An explanation was provided of how these strategies differed to the previous Annual Plan, and year one of the previous Long Term, and the definition of what affordability meant to the Tararua District Council was discussed. The impact on debt head room in year five of the Long Term Plan was noted.

With regard to the impact on rates, it was noted that more information would be provided through the "Frequently Asked Questions" that would be published. An explanation was provided of what was driving rating incidences for each sector, for example rating valuation impacts, un-funding of depreciation for roading. Rating remissions for non-contiguous rating units were proposed to be removed. It was noted that properties connected to services were impacted by cost rises, and the Uniform Annual General Charge had been reduced to lessen this impact. A roading differential rate was proposed to be introduced that had shifted incidence as well.

It was noted that ratepayers would receive a "mock" rates invoice that would demonstrate how the Long Term Plan would impact their rates.

Cr S A Wallace left the meeting at 11:07am.

Recommended

That the Finance and Performance Committee adopts for consultation the Draft

2024-34 Long-Term Plan and other Supporting Material detailed in paragraph 9 of the report; and

That the Chief Executive is authorised to approve any final edits required to the Consultation Document, Draft Long-Term Plan and Supporting Material in order to finalise the document for printing and distribution.

Johns/Sutherland

Carried

There being no further business the Mayor thanked those present for their attendance and contributions, and declared the meeting closed at 11:35am.

Mayor



Report

Date : 16 May 2024
To : Chairperson and Committee Members
Finance and Performance Committee
From : Sarah Walshe
Finance Manager
Subject : **Management Report**
Item No : **7.1**

1. Recommendation

1.1 *That the report from the Finance Manager dated 15 May 2024 concerning the Management Report be received.*

Executive Summary

2. Reason for the Report

2.1 To provide an update on matters relating to financial and service performance.

3. External Funding

3.1 Externally funded programs total \$59.63m – of this \$51.33m relates to roading (Cyclone Gabrielle & Route 52). Council has received \$44.89m and spent \$42.91m as at 31 March. Unspent funding largely relates to Route 52 (\$1.71m) and DIA Cyclone Recovery (\$450,000).

3.2 Cyclone Gabrielle Funding:

Cyclone Gabrielle	Description	Funder	End Date	Funding	Funds Received	Spent	Comments	
NIWE Farm Fund - MPI	NIWE time critical primary assistance for urgent repair and resilience works eg farm tracks, boundary fences, water infrastructure and floodgates.	MPI	31/01/2024	1,000,000	1,000,000	994,347	Project Complete	
Social Recovery - Lotteries	Social recovery events	Lotteries	28/05/2024	3,000	3,000	2,679	Project Complete	
Recovery Funding - DIA	Recovery Funding	DIA	30/06/2024	500,000	500,000	500,000	Project Complete	
NIWE Rural Communities - MPI	Funding to assist isolated rural communities become more prepared and resilient for future weather events.	MPI	31/01/2024	250,000	250,000	110,694	Comprehensive plan in place to utilise all funding. Verbal agreement with MPI for time extension.	
Social Recovery - Lotteries	Social recovery events	Lotteries	30/10/2024	25,000	25,000	17,180	Project Ongoing	
Akitio Cell Phone Tower Generator - Lotteries	Building Resilience	Lotteries	30/10/2024	44,000	44,000	31,604	Project in testing phase - may seek variation for unspent funds.	
Mobile Generators - Lotteries	Mobile Generators	Lotteries	30/10/2024	30,600	30,600	-	Generators ordered.	
Recovery Funding - DPMC	Recovery Funding	DPMC	30/06/2025	450,000	450,000	-	First tranche of funding (\$450,000 of \$900,000).	
Starlink Grant - Lotteries	Building Resilience	Lotteries	15/11/2024	8,196	8,196	5,130	Project ongoing - carry cases ordered.	
Cyclone Gabrielle - NZTA	Roading repairs and reinstatement	NZTA	30/06/2024	35,433,416	24,669,389	24,669,389	Repairs & reinstatement underway - claim as expenditure incurred monthly.	
Technology Trailer - Lotteries	Mobile Digital Hub	Lotteries	6/10/2024	75,000	75,000	130,014	Project underway	
Technology Trailer - MBIE	Mobile Digital Hub	MBIE	1/05/2025	75,000	75,000	-	Contract variation - Digital Hub funding transferred to Mobile Digital Hub	
MSD Social Sector Recovery	First Aid Training	MSD	30/06/2024	10,000	10,000	-	Training scheduled for May 2024 in conjunction with REAP.	
MSD Social Sector Recovery	Rural Recovery Initiatives	MSD	30/12/2024	106,736	106,736	-	Project not started	
				Sub total :	38,010,948	27,246,921	26,461,037	

3.2.1 Recovery Office

3.2.2 Up until March 2024, the Recovery Office utilised the \$500,000 grant received from the Department of Internal Affairs to fund its operating costs. This grant has now been fully spent and the final report submitted. Costs covered included staffing, external contractors (e.g. Recovery and Communication Managers immediately after the cyclone), office set-up etc. Note that under the terms of this agreement council was able to claim costs from 12 February 2023 (e.g. contract recovery manager).

3.2.3 The Recovery Office will now start to utilise the grant (\$450,000) from the Department of Prime Minister and Cabinet to fund its operating costs. Note that this funding will also be used to pay the Rural Support Trust for its work in the Tararua as the Rural Recovery Lead for TDC's Recovery Programme as its funding from MPI has ended.

3.2.4 New Funding - MSD Social Sector Recovery - \$106,736

3.2.5 Council has received funding from the Ministry of Social Development for Cyclone Gabrielle affected rural families and communities. This grant can be used to fund projects and activities to be undertaken by/in conjunction with Iwi and community

groups which are aligned to the Recovery Plan. This fund has a relatively short lifespan of March 2024 – December 2024

3.3 Better Off Funding

Better Off Funding	Description	Funder	End Date	Funding	Funds		Comments
					Received	Spent	
Digitisation & E-Services	Digitisation of Council Records and the introduction of E-Services	DIA	30/06/2027	600,000	-	Staff costs to date	Records digitisation started.
Future Urban Design	Urban design and strategy	DIA	30/06/2027	700,000	300,000	250,276	Project Ongoing
TDC Play & Recreation Strat	Implementation of strategy	DIA	30/06/2027	250,000	-	-	BOF Funding reallocated - project budget reduced.
Local Water Done Well	Investment in 3W Infrastructure & water services delivery.	DIA	30/06/2027	1,750,000	-	-	Reallocated BOF funding - new budget.
Building Capacity - Iwi	Support funding of resources	DIA	30/06/2027	500,000	80,000	135,408	Project Ongoing
Upgrading Council Reserves	Upgrading reserves	DIA	30/06/2027	-	-	-	BOF Funding reallocated - project suspended.
				Sub total :	3,800,000	380,000	385,684

3.3.1 Parts of the Better Off Funding package of \$3.8m have been re-allocated – \$1.5 million of the Play & Recreation Strategy and the full budget of \$250,000 for Upgrading Council Reserves has been transferred to Local Water Done Well.

3.4 Other Funding

Other	Description	Funder	End Date	Funding	Funds		Comments
					Received	Spent	
Fluoridation - Dannevirke Water Supply - MOH	MOH requirement for water treatment	MOH	31/08/2024	542,100	379,470	301,275	Milestone 1 Invoiced
Food Secure Communities	Develop & implement a food secure communities plan	Lotteries	30/06/2024	50,000	50,000	38,628	Project extended to set up incorporated society to support the establishment of Dannevirke Community Garden.
Provincial Growth Fund R52	Route 52 Upgrade	MBIE	30/04/2024	15,900,000	15,900,000	14,191,555	Project Ongoing - Extension of time approved.
Tourism Facilities Development Grant - MBIE	Freedom Camping 2022	MBIE	Date of final report	85,250	85,250	17,920	Next step Bylaw Development - est start Dec 2024.
Mayors Taskforce for Jobs	Community Employment Programme	MTFJ	30/06/2024	325,000	325,000	121,526	Project ongoing.
IAF Pahiatua - Kainga Ora	New housing infrastructure	Kainga Ora	31/12/2029	880,000	491,563	1,380,155	Final milestone payment to be claimed in June (latest).
Creative Communities - Cre	Creative Communities	Creative NZ	30/06/2024	34,182	34,182	16,865	Final tranche of grants agreed and to be paid in May.
Tourism Infrastructure Func	Waihi Falls - Installation of Permaloo	MBIE	30/06/2024	110,000	-	-	Agreement signed 20.4.24
				Sub total :	17,926,532	17,265,465	16,067,924

3.4.1 New Funding – Tourism Infrastructure Fund - \$110,000

3.4.2 This funding is for the installation of a Permaloo unit at Waihi Falls.

3.4.3 Staff Costs

3.4.4 Note that staff/project management costs will be allocated to project costs as part of the year end process and further progress claims made as required.

4. Treasury – Borrowing Headroom

4.1 Borrowing headroom is Council’s ability to externally borrow funds (up to the maximum limit imposed in Council’s Financial Strategy which can be found in the published Long Term Plans).

- 4.2 Within the financial strategy Council sets what the self-imposed borrowing limits are to be for the Long Term Plan. These are reported against annually in Council’s published Annual Reports and are reviewed as part of the Long Term Planning cycle every three years.
- 4.3 These self-imposed limits are guided by the LGFA (Local Government Funding Agency) debt covenants.
- 4.4 Council’s borrowing limits as set in the 2021/2031 Long Term Plan, and LGFA limits are as follows:

	Council’s Limit 2021/2031 Long Term Plan	LGFA Limit
Net Debt as a Percentage of Revenue	< 150%	< 175%
Net Interest on External Borrowings as a Percentage of Total Revenue	< 7%	< 20%
Net Interest on External Borrowings as a Percentage of Annual Rates Income	< 10%	< 25%
Liquidity (External term debt + committed loan facilities + available liquid investments to existing external debt)	> 110%	> 110%

- 4.5 As previously reported, officers continually monitor Council’s borrowing limits and look to provide and update to the Community on a quarterly basis as well as when any unbudgeted capital expenditure may be requested outside of an Annual Plan / Long Term Plan process.
- 4.6 Headroom update with borrowings that have occurred to 31 March, compared to the 2023/2024 Annual Plan budgets and also showing the change to borrowing headroom factoring in the additional unbudgeted borrowings for the Dannevirke Impound Supply approved in October 2023.

Councils Maximum Limits 2021/2031 Long Term Plan	Current Limits	As at 31 December 2023 \$000's	As at 31 March 2024 \$000's	Annual Plan 2023/24 \$000's	Annual Plan 2023/24 - Additional budgets Approved 000's
Net Debt as a Percentage of Revenue	< 150%	24,734	46,575	21,009	16,757
Net Interest on External Borrowings as a Percentage of Total Revenue	< 7%	55,053	60,296	27,311	25,424
Net Interest on External Borrowings as a Percentage of Annual Rates Income	< 10%	50,081	32,748	17,383	55,204
Liquidity (External term debt + committed loan facilities + available liquid investments to existing external debt)	> 110%	10,142	7,594	6,506	6,506

- 4.7 Borrowing headroom calculated with 80% completion rate of the current capital expenditure program, and for awareness what that also looks like when the proposed year 1 of the 2024/34 Long Term Plan is factored in as well.

Councils Maximum Limits 2021/2031 Long Term Plan	Current Limits	As at 31 December 2023 \$000's	As at 31 March 2024 \$000's	Annual Plan 2023/24 \$000's	Annual Plan 2023/24 - Additional budgets Approved 000's
Net Debt as a Percentage of Revenue	< 150%	24,734	46,575	21,009	16,757
Net Interest on External Borrowings as a Percentage of Total Revenue	< 7%	55,053	60,296	27,311	25,424
Net Interest on External Borrowings as a Percentage of Annual Rates Income	< 10%	50,081	32,748	17,383	55,204
<i>Liquidity (External term debt + committed loan facilities + available liquid investments to existing external debt)</i>	> 110%	10,142	7,594	6,506	6,506

5. Draft Treasury Risk Management Policy

- 5.1 With the completion of the financial strategy for the upcoming Long Term Plan, officers have reviewed and updated the Treasury Risk Management Policy (previously presented to a LTP workshop in 2023).
- 5.2 This is being tabled for discussion and feedback, prior to it going to a full Council meeting for adoption.
- 5.3 Changes to draft policy since last review include updating the borrowing limits to align with the 2024-2034 financial strategy.

6. Quick Facts

Quick Facts

How we are tracking at 31 March 2024

	Previous Year Actuals to 30 June 2023	Annual Plan (Year 3) Budget 2023/24	Actuals to 30 September 2023	Actuals to 31 December 2023	Actuals to 31 March 2024
Cash Cash and Term Deposits Council holds	\$13.5m	\$6.21m	\$9.6m	\$6.21m	\$7.81m
Borrowings External Borrowings	\$57.2m	\$73.16m	\$56.2m	\$59.2m	\$61.2m
Headroom Councils borrowing capacity without breaching its self imposed borrowings limits in its Treasury Policy	\$21m	\$21m	\$29.58m	\$24.7m	\$32.75m
Debt per Rating Unit Amount of Council external borrowings per rating unit	\$5.3k	\$6.8k	\$5.4k	\$5.7k	\$5.9k
Capital Spend Total spend on our capital expenditure programme	\$21.99m	\$26.96m	\$3.42m	\$9.8m	\$21.04m
Fees and Charges This includes building services, district planning, animal control fees, hall hires, transfer station fees etc	\$4.33m	\$6.02m	\$1.8m	\$3.18m	\$4.4m
Subsidies All external subsidies excluding emergency works listed below	\$819k	\$11k	\$393k	\$1.06m	\$1.11m
Finance Revenue Interest received on associated investments	\$18m	\$15.4m	\$8.45m	\$12.83m	\$19.93m
Operating Costs Costs including contract costs, maintenance costs, and other operational expenses (excluding emergency works below)	\$25.31m	\$27.81m	\$7.04m	\$13.64m	\$23.01m
Finance Costs Interest costs on associated borrowings	\$2.6m	\$2.4m	\$850k	\$1.6m	\$2.6m
Employee Benefit Costs Staff costs	\$9.84m	\$11.43m	\$3.25m	\$6.32m	\$8.57m
Emergency Work Subsidy Received Funding received from Waka Kotahi for emergency works	\$16.41m	\$1.12m	\$7.49m	\$13.06m	\$20.62m
Emergency Work Expenditure Costs associated with emergency works required to the roading network	\$18.58m	\$1.6m	\$7.72m	\$13.3m	\$20.87m

Attachments

- 1 [↓](#). Draft Treasury Risk Management Policy May 2024

TARARUA DISTRICT COUNCIL

Treasury Risk Management Policy

Including Liability Management and Investment Policies

Effective: 1 July 2024

Approved by: Chief Executive

Next review date: 30 September 2026

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DRAFT

1.0 INTRODUCTION

1.1. Policy purpose

The purpose of the Treasury Risk Management Policy (“Policy”) is to outline approved policies and procedures in respect of all treasury activity to be undertaken by Tararua District Council (“Council”). The formalisation of such policies and procedures will enable Council’s treasury risks to be prudently managed.

As circumstances change, the policies and procedures outlined in this Policy will be modified to ensure that treasury risks within Council continue to be well managed. In addition, regular reviews will be conducted to test the existing Policy against the following criteria:

- Industry “best practices” for a similar sized Council.
- The risk bearing ability and tolerance levels of the underlying revenue and cost drivers.
- The effectiveness and efficiency of the Policy and treasury management function to recognise, measure, control, manage and report on Council’s financial exposure to market interest rate risks, funding risk, liquidity, investment risks, counterparty credit risks and other associated risks.
- The operations of a pro-active treasury function in an environment of control and compliance.
- The robustness of the Policy’s risk control limits and risk spreading mechanisms against normal and abnormal interest rate market movements and conditions.
- Enable Council to achieve its strategic objectives in the LTP.

It is intended that the Policy be distributed to all personnel involved in any aspect of the Council’s financial management. In this respect, all staff must be completely familiar with their responsibilities under the Policy at all times.

2.0 SCOPE AND OBJECTIVES

2.1 Scope

- This document identifies the policy and objectives of Council in respect of treasury management activities.
- The Policy has not been prepared to cover other aspects of Council’s operations, particularly transactional banking management, systems of internal control and financial management. Other policies and procedures of Council cover these matters.

2.2 Treasury management objectives

The objective of this Policy is to control and manage costs and investment returns that can influence operational budgets, public equity and set debt levels.

All external borrowing, investments, incidental financial arrangements (e.g. use of interest rate hedging financial instruments) and treasury management will meet requirements of:

- Local Government Act 2002, in particular Part 6 including sections 101,102,104, 105, 112 and 116.

- Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4.
- Trusts Act 2019 (effective 30 January 2021). Details of relevant sections can be found in the Trusts Act 2019 Part 4 Investments. When acting as a trustee or investing money on behalf of others, trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others.
- The Liability Management Policy and the Investment Policy as outlined within this document.

2.3 General Policy Objectives

Objective	Applicable Policy Statements
To prudently manage Council's liability management and/investment policies (Treasury Risk Management Policy), and all identified treasury risks within policy limits and parameters	4.0/5.0/6.0
Manage costs and risks in the management of Council's borrowing through flexibility and spread of debt maturities	6.2
Maintain appropriate liquidity levels and manage cash flows within Council to meet known and reasonable unforeseen funding requirements	6.2/8.0
Develop and maintain relationships with financial institutions, the LGFA, and Trustee	4.0/5.0
Ensure adequate internal controls exist to protect Councils financial assets, mitigate against financial loss, opportunity cost and other inefficiencies	3.0/6.5
Ensure compliance with all risk control limits, financial ratios, and external lender requirements	4.2/6.0/6.6
Monitor and report on treasury performance, financial covenants, and security arrangements within the Policy	7.0/9.0

3.0 GOVERNANCE AND MANAGEMENT RESPONSIBILITIES

3.1 Overview of management structure

Policy statements

Council will ensure effective controls over treasury management and segregation of duties controls are in place.

Council may, by way of a resolution, depart from the Treasury policy where it considers that the departure would advance the broader well-being of the district or other policy objectives.

Detailed management positional responsibilities are outlined within the treasury procedures manual.

All management delegated limits are authorised by the CEO.

4.0 LIABILITY MANAGEMENT POLICY

4.1 Introduction

Council’s liabilities comprise of borrowings and various other liabilities. Council maintains borrowings in order to:

- Raise specific debt associated with projects and capital expenditures.
- Raise finance leases for fixed asset purchases.
- Fund assets whose useful lives extend over several generations of ratepayers.

4.2 Borrowing Limits

Policy statement

Council will manage its debt in accordance to Council’s borrowing limits and external lender financial covenants.

Debt will be managed within the following limits:

Item	Council Borrowing Limit	LGFA Covenants
Net external debt as a percentage of total revenue	<175%	<175%
Net Interest on external debt as a percentage of total revenue	<10%	<20%
Net Interest on external debt as a percentage of annual rates income (debt secured under debenture)	<15%	<30%
Liquidity (External debt + unutilised committed debt facilities + cash and cash equivalents to existing external debt)	>110%	>110%

- Total Revenue is defined as cash earnings from rates, government capital grants and subsidies, user charges, interest, dividends, financial and other revenue and excludes non-government capital contributions (e.g. developer contributions and vested assets).
- Net external debt is defined as total external debt less cash investments.
- Liquidity is defined as external debt plus unutilised committed debt facilities plus cash and cash equivalent divided by existing external debt. The liquidity ratio excludes encumbered cash investments, such as cash held within trust funds. It also excludes cash held for the prefunding for upcoming debt maturities. For liquidity purposes, cash/cash equivalents are defined as being:
 - Overnight bank cash deposits
 - Wholesale/retail bank term deposits no greater than 30 days
 - Bank issued RCDs less than 181 days.

- Net interest on external debt is defined as the amount equal to all interest and financing costs (on external debt) less interest income for the relevant period.
- Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 (including volumetric water charges levied) together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).
- Financial covenants are measured on Council only not consolidated group. Council borrows from creditworthy banks that have a long-term credit rating by S&P (or equivalent) of A or better.
- Disaster recovery requirements are to be met through the liquidity ratio.

In approving new external debt, Council considers the impact on its borrowing limits as well as the economic life of the asset that is being funded and its overall consistency with Council's LTP and Financial Strategy.

4.3 Borrowing mechanisms

Policy statement

New external borrowings and refinancing existing external debt should be evaluated for cost effectiveness and compliance with policies.

Council is able to externally borrow through a variety of market mechanisms including issuing stock/bonds, commercial paper (CP) and debentures, direct bank borrowing, the LGFA, accessing the short and long-term wholesale/retail debt capital markets directly or internal borrowing of reserve and special funds.

Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds.

Council's ability to readily attract cost effective borrowing is largely driven by its ability to rate, maintain a strong financial standing and manage its relationships with the LGFA, and financial institutions.

4.4 Security

Policy statement

Council offers a Debenture Trust Deed on the security arrangement for its external borrowing and risk management activities.

Council assets may be pledged as security where it is advantageous and cost effective to do so.

Council's external borrowings and interest-rate risk management instruments will generally be secured by way of a charge over rates and rates revenue offered through a Debenture Trust Deed. Under a Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Rating Act. The security offered by Council ranks equally or pari passu with other lenders.

From time to time, and with Council approval, security may be offered by providing a charge over one or more of Councils assets.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. an operating lease, or project finance).
- Council considers a charge over physical assets to be appropriate.
- Any pledging of physical assets must comply with the terms and conditions contained within the Deed of Charge.

4.5 Debt repayment

Policy statement

Debt will be repaid as it falls due in accordance with the applicable loan agreement.

Subject to the debt limits in section 4.2, a loan may be rolled over or re-negotiated as and when appropriate.

Council will manage debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so.

4.6 Guarantees/contingent liabilities and other financial arrangements

Policy statement

Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, Trusts, or Business Units, when the purposes of the loan are in line with Council's strategic objectives.

Council is not allowed to guarantee loans to Council Controlled Trading Organisations under Section 62 of the Local Government Act.

Council will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed. Guarantees given will not exceed NZ\$1 million in aggregate.

Guarantees provided will have to be approved by Council and reported on quarterly.

4.7 Internal borrowing of special and general reserve funds

Policy statement

Council may authorise use of special funds to reduce the requirement for external debt where there is financial benefit to borrow internally.

Council may authorise the funding of capital expenditure with existing special and general reserve funds. Accordingly Council will maintain its funds in short term maturities emphasising counterparty credit worthiness and liquidity. Any internal borrowing of special funds used must be reimbursed for interest revenue lost. Interest on internally-funded loans is charged annually in arrears, on year-end loan balances.

4.8 On-lending to Council Controlled Organisations

To better achieve its strategic and commercial objectives, Council may provide financial support in the form of debt funding directly or indirectly to CCO/CCTOs.

Guarantees of financial indebtedness to CCTOs are prohibited, but financial support may be provided by subscribing for shares as called or uncalled capital.

Any on-lending arrangement to a CCO or CCTO must be approved by Council. In recommending an arrangement for approval the GM, Corporate & Regulatory considers the following:

- Credit risk profile of the borrowing entity, and the ability to repay interest and principal amount outstanding on due date.
- Impact on Council's credit standing, debt cap amount (where applied), lending covenants with the LGFA and other lenders and Council's future borrowing capacity.
- The form and quality of security arrangements provided.
- The lending rate given factors such as; CCO or CCTO credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc.
- Lending arrangements to CCTO must be documented on a commercial arm's length basis. A term sheet, including matters such as borrowing costs, interest payment dates, principal payment dates, security and expiry date is agreed between the parties.
- Accounting and taxation impact of on-lending arrangement.

All on-lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed and approved by Council's independent legal counsel.

4.9 Capital works funding and debt period

Policy statement

Capital works will be funded through raising new debt or by utilising depreciation reserves when such reserves exist for the classes of assets.

The use of long-term loan funds will be restricted to capital items only.

Capital works will be funded through raising new debt or by utilising depreciation reserves where such exist for the classes of assets.

Term debt greater than one year will not be used to fund annual operational expenditure.

4.10 New Zealand Local Government Funding Agency Limited

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

- (a) Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA in the form of Borrower Notes;
- (b) Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
- (c) Commit to contribution additional equity (or subordinated debt) to the LGFA if required;
- (d) Subscribe for shares and uncalled capital in the LGFA; and
- (e) Secure its borrowing from the LGFA, and the performance of the other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

4.11 Departures from Policy

The Council may, in its discretion, depart from the Liability Management Policy where it considers that the departure would advance its broader social or other policy objectives. Any resolution authorising an external debt instrument under this provision shall note that it departs from the Council's ordinary policy and the reasons justifying that departure.

5.0 INVESTMENT POLICY AND LIMITS

Policy statements

The Council may hold financial, property, forestry, and equity investments if there are strategic, economic or other valid reasons.

The Council will keep under review its approach to all major investments and the credit rating of approved financial institutions.

5.1. Introduction

Council generally holds investments for strategic reasons where there is some community, social, physical or economic benefit accruing from the investment activity. Generating a commercial return on strategic investments is considered a secondary objective. Investments and associated risks are monitored and managed, and regularly reported to Council.

Specific purposes for maintaining investments include:

- For strategic purposes consistent with Council's Long Term Plan and Annual Plans;
- To reduce the current ratepayer burden;
- The retention of vested land;
- Holding short term investments for working capital requirements;
- Provide ready cash in the event of a natural disaster. Invest amounts allocated to accumulated surplus, Council created restricted reserves and general reserves;
- Invest proceeds from the sale of assets.

5.2. Objectives

In its financial investment activity, Council's primary objective when investing is the protection of its investment capital and that a prudent approach to risk/ return is always applied within the confines of this Policy. Accordingly, only approved credit worthy counterparties are acceptable. The Council will act effectively and appropriately to:

- Protect the Council's investments and ensure they are risk averse and secure.
- Ensure the investments benefit the Council's ratepayers.
- Maintain a prudent level of liquidity and flexibility to meet both planned and reasonably unforeseen cash requirements.

5.3. Acquisition of new investments

With the exception of financial investments, new investments are acquired if an opportunity arises and approval is given by Council, based on advice and recommendations from Council officers. Before approving any new investments, Council gives due consideration to the contribution the investment will make in fulfilling Council's strategic objectives, and the financial risks of owning the investment.

The authority to acquire financial investments is delegated to the GM, Corporate & Regulatory.

5.4. Investment mix

Council maintains the following mix of investments:

5.4.1 Equity investments

Equity investments includes investments held in CCO/CCTO and other shareholdings.

Council's equity investments fulfil various strategic, economic development and financial objectives as outlined in the LTP.

Council seeks to achieve an acceptable rate of return on all its equity investments consistent with the nature of the investment.

Any purchase or disposition of equity investments requires Council approval.

Unless otherwise directed by Council, the proceeds from the disposition of equity investments will be used firstly to repay any debt relating to the investment.

Council recognises that there are risks associated with holding equity investments and to minimise these risks, Council monitors the performance of its equity investments on a twice yearly basis to ensure that the stated objectives are being achieved. Council seeks professional advice regarding its equity investments when it considers this appropriate.

5.4.1.1 New Zealand Local Government Funding Agency Limited

Despite anything earlier in this Investment Policy, the Council may invest in shares and other financial instruments of the LGFA, and may borrow to fund that investment.

The Council's objective in making any such investment will be to:

- (a) Obtain a return on the investment; and
- (b) Ensure that the LGFA has sufficient capital to remain viable, meaning that it continues as a source of debt funding for Council.

Because of this dual objective, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments.

If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA.

5.4.2 Property investments

Property investments includes all land and buildings.

Council's overall objective is to only own property that is necessary to achieve its strategic objectives. As a general rule, Council will not maintain a property investment where it is not essential to the delivery of relevant services, and property is only retained where it relates to a primary output of Council.

Council reviews the performance of its property investments on a regular basis. Properties for sale are to be marketed in accordance with statutory requirement.

5.4.3 Forestry investments

Forestry assets are held as long term investments on the basis of net positive discounted cashflows, factoring in projected market prices and annual maintenance and cutting costs.

Any disposition of these investments requires Council approval. The proceeds from forestry disposition are used firstly to repay related borrowings and then included in the relevant reserves.

5.4.4 Financial investments

Objectives

Council may invest in approved financial instruments as set out in section 6.1.2. These investments are aligned with Council's objective of investing in high credit quality (as covered in section 6.3) and highly liquid assets.

Council's investment portfolio will be arranged to provide sufficient funds for planned expenditures and allow for the payment of obligations as they fall due.

Special funds and reserve funds

Council holds special and reserve funds for specific Council objectives. Liquid cash investments are required to be held against special funds and reserve funds unless otherwise approved by Council for internal borrowing.

Trust funds

Where Council hold funds as a trustee, or manages funds for a Trust then such funds must be invested on the terms provided within the trust, therefore these funds are excluded from Council's liquidity ratio. If the Trusts investment policy is not specified then this policy should apply.

5.5 Loan Advances

Council may provide advances to CCOs, CCTOs, charitable trusts and community organisations for strategic purposes only. New loan advances are by Council resolution only.

Council does not lend money, or provide any other financial accommodation, to a CCO or CCTO on terms and conditions that are more favourable to the CCO or CCTO than those that would apply if Council were borrowing the money or obtaining the financial accommodation. Further Council will not transact with a CCTO on terms more favourable than that of Council if Council, was not providing rates as security.

Council will assess risk, and reviews performance of its loan advances on a regular basis to ensure strategic and economic objectives are being achieved.

5.6. Investment management and reporting procedures

To maintain liquidity, Council's short and long-term investment maturities are matched with Council's known cash flow requirements.

The performance of Council investments is regularly reviewed to ensure Council's strategic objectives are being met. Both performance and policy compliance are reviewed.

5.7. Departures from Policy

The Council may, in its discretion, depart from the Investment Policy where it considers that the departure would advance its broader social or other policy objectives. Any resolution authorising an investment under this provision shall note that it departs from the Council's policy and the reasons justifying that departure.

6.0 RISK RECOGNITION/IDENTIFICATION/MANAGEMENT

Policy statements

Total amount of debt should be spread across a range of maturity dates.

Variable or floating rate debt compared to fixed rate debt is managed over the long term debt forecast within prescribed minimum and maximum fixed rate limits.

Incidental arrangements or hedging instruments can be used in the management of wholesale market interest rate exposure, but should not increase but manage Council’s overall risk.

Council’s portfolio shall be arranged to provide, at all times, sufficient funds for planned expenditure and to allow for payment of its obligations as they fall due.

The risk of default in respect to any individual investment will be minimised by the selection of creditworthy investments.

The definition and recognition of liquidity, funding, investment, interest rate, counterparty credit, operational and legal risk of Council is detailed below and applies to both the Liability Management Policy and Investment Policy.

6.1. Interest rate risk

6.1.1 Risk recognition

Interest rate risk on borrowing, is the risk that funding costs (due to adverse movements in market wholesale interest rates) will materially exceed projections included in the LTP and Annual Plan, so as to adversely impact cost control and capital investment decisions/returns/feasibilities.

The primary objective of interest rate risk management is to reduce uncertainty relating to interest rate movements through fixing/hedging of wholesale interest costs. Certainty around funding costs is to be achieved through the active management of underlying interest rate exposures.

6.1.2 Approved financial instruments

Approved financial instruments are as follows:

Category	Instrument
Cash management and borrowing	Bank overdraft Committed cash advance and debt facilities (short term and long term debt facilities) Uncommitted money market facilities Retail and Wholesale Bond and Floating Rate Note (FRN) issuance Committed standby facilities offered by the LGFA Commercial paper (CP)/Promissory notes Bank term deposits linked to pre-funding maturing debt up to 18 months
Investments	Call and short term bank deposits Bank registered certificates of deposit (RCDs) LGFA borrower notes/CP/bills
Interest rate risk management	Forward rate agreements (“FRAs”) on: <ul style="list-style-type: none"> ▪ Bank bills Interest rate swaps/collars including: <ul style="list-style-type: none"> ▪ Forward start swaps/collars (start date <36 months, unless linked to existing maturing swaps/collars) ▪ Swap extensions and shortenings Interest rate options on:

	<ul style="list-style-type: none"> ▪ Bank bills (purchased caps and one for one collars) ▪ Interest rate swaptions (purchased swaptions and one for one collars only)
Foreign exchange management	<ul style="list-style-type: none"> ▪ Spot foreign exchange ▪ Forward exchange contracts
Liquidity management	<ul style="list-style-type: none"> ▪ Wholesale/retail bank call and term deposits no greater than 30 days ▪ Bank registered certificates of deposit (RCDs) maturing less than 181 days ▪ Unutilised committed debt facilities

Any other financial instrument must be specifically approved by the Council on a case-by-case basis.

The following investment securities are expressly excluded;

- Structured debt where issuing entities are not a primary borrower/ issuer
- Subordinated debt (other than Borrower Notes subscribed from the LGFA), junior debt, perpetual notes and debt/equity hybrid notes such as convertibles.

6.1.3 Interest rate risk control limits

Exposure to interest rate risk is managed and mitigated through the risk control limits below. Council's gross forecast external debt should be within the following fixed/floating interest rate risk control limits.

The GM, Corporate & Regulatory can consider alternative debt forecast scenarios that make assumptions around such matters as, the delivery and timing of the capital expenditure programme when designing the interest rate strategy.

Debt Interest Rate Policy Parameters (calculated on rolling monthly basis)		
Debt Period Ending	Minimum Fixed Rate	Maximum Fixed Rate
Current	40%	90%
Year 1	40%	90%
Year 2	35%	85%
Year 3	30%	80%
Year 4	25%	75%
Year 5	20%	70%
Year 6	0%	65%
Year 7	0%	60%
Year 8	0%	50%
Year 9	0%	50%
Year 10	0%	50%
Year 11+	0%	25%

"Fixed Rate" is defined as all known interest rate obligations on gross forecast external debt, including where hedging instruments have fixed movements in the applicable reset rate.

"Floating Rate" is defined as any interest rate obligation subject to movements in the applicable reset rate. Gross forecast external debt is the amount of total external debt for a given period. This allows for pre-hedging in advance of projected physical drawdown of new debt. When approved forecasts are changed (signed off by the GM, Corporate & Regulatory), the amount of interest rate

fixing in place may have to be adjusted to ensure compliance with the policy minimum and maximum limits.

Fixed interest rate percentages are calculated based on the average amount of fixed interest rate obligations relative to the average gross forecast external debt amounts for the given period (as defined in the table above).

A fixed rate maturity profile that is outside the above limits, but self corrects within 90 days is not in breach of this Policy. However, maintaining a maturity profile that is outside the above limits greater than 90 days requires specific approval by Council.

- Interest rate swap maturity is limited by the maximum offered LGFA bond maturity, beyond this approval is required by Council.
- The forward start period on swaps and collar strategies to be no more than 36 months unless linked to the expiry date of an existing instrument and has a notional amount which is no greater than that of the existing instrument.
- Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable whereby the sold option is matched precisely by amount and maturity, to the simultaneously purchased option.
- During the term of the option, the sold option can be closed out by itself (i.e. repurchased). The sold option leg of the collar structure must not have a strike rate “in-the-money”.
- Purchased borrower swaptions mature within 12 months.
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.00% above the appropriate swap rate, cannot be counted as part of the fixed rate cover percentage calculation (i.e. an ineffective hedge).

6.1.4 Financial investment risk

Council manages short-term cash investment risk ensuring availability and access to financial investments held.

6.2. Liquidity risk/funding risk

6.2.1 Risk recognition

Liquidity risk management focuses on the ability to access committed funding at that future time to fund the gaps. Funding risk management centres on the ability to re-finance or raise new debt at a future time at acceptable pricing (fees and borrowing margins) and maturity terms of existing loans and facilities.

6.2.2 Liquidity/funding risk control limits

- External debt plus unutilised committed debt facilities plus cash and cash equivalents must be maintained at an amount greater than 110% of existing external debt.
- Term deposits linked to prefunding activity are excluded from the liquidity ratio.
- Council can pre-fund up to 18 months forecast debt requirements including new and re-financed debt. Re-financings that have been pre-funded, will remain included within the funding maturity profile until their maturity date.
- The maturity profile of the total committed funding in respect to all external debt and committed debt facilities, is to be controlled by the following system.

Period	Minimum	Maximum
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0 to 3 years	15%	60%
3 to 7 years	25%	85%
7 years plus	0%	60%

- A funding maturity profile that is outside the above limits, but self corrects with 90-days is not in breach of this Policy. However, maintaining a maturity profile beyond 90-days requires specific approval from Council.
- Once debt has been refinanced with a contracted term deposit (pre-funded), the term deposit amount will net off the maturing debt amount from the funding maturity profile percentage calculation.
- To minimise concentration risk the LGFA require that no more than the greater of NZD 100 million or 33% of a councils LGFA borrowings will mature in a 12 month period.

6.3. Counterparty credit risk

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the Council is a party. The credit risk to the Council in a default event will be weighted differently depending on the type of instrument entered into.

Credit risk will be regularly reviewed by the Council. Treasury related transactions would only be entered into with organisations specifically approved by the Council.

Counterparties and limits can only be approved on the basis of long-term Standard & Poor's, (S&P) credit ratings (or equivalent Fitch or Moody's rating) being A and above and/or short term rating of A-1 or above.

The following matrix guide will determine limits for financial instruments:

Counterparty/Issuer	Minimum S&P long term / short term credit rating	Investments maximum per counterparty (\$m)	Interest rate risk management instrument maximum per counterparty (\$m)	Total maximum per counterparty (\$m)
NZ Government	N/A	Unlimited	none	Unlimited
Local Government Funding Agency (LGFA)	AA-/A-1	10.0	none	10.0
NZ Registered Bank	A/ A-1	20.0		20.0

Risk management

To avoid undue concentration of exposures, financial instruments should be used with as wide a range of approved counterparties as possible. Maturities should be well spread. The approval process must take into account the liquidity of the market and prevailing market conditions the instrument is traded in and repriced from.

6.4. Foreign currency

Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment.

Generally, all individual amounts of NZD100,000 or greater for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved and the currency amount, and timing are known. Both spot and forward foreign exchange contracts can be used by Council.

Council will not hold investments denominated in foreign currency.

6.5. Operational risk

Operational risk is the risk of loss as a result of human error (or fraud), system failures and inadequate procedures and controls. Operational risk is very relevant when dealing with financial instruments given that:

- Financial instruments may not be fully understood.
- Too much reliance is often placed on the specialised skills of one or two people.
- Most treasury instruments are executed over the phone.
- Operational risk is minimised through the adoption of all requirements of this Policy.

Council's systems of internal controls over treasury activity include adequate segregation of duties among the core treasury functions of deal execution, confirmation, settling and accounting/reporting.

There are a small number of people involved in treasury activity. Accordingly strict segregation of duties is not always achievable.

Detailed operational processes are outlined within the treasury procedures manual.

6.6. Legal risk

Legal and regulatory risks relate to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, Council may be exposed to such risks.

Council will seek to minimise this risk by adopting policy regarding:

- The use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties.
- The matching of third party confirmations and the immediate follow-up of anomalies.
- The use of expert advice.

6.6.1 Agreements

Financial instruments can only be entered into with banks that have in place an executed ISDA Master Agreement with Council.

Council's legal counsel must sign off on all documentation for new loan borrowings, re-financings and investments.

6.6.2 Financial covenants and other obligations

Council must not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.

Council must comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

7.0 MEASURING TREASURY PERFORMANCE

In order to determine the success of Council’s treasury management function, the following benchmarks and performance measures have been prescribed.

Those performance measures that provide a direct measure of the performance of treasury staff (operational performance and management of debt and interest rate risk) are to be reported to Council or an appropriate sub-committee of Council on a quarterly basis

Management	Performance
Operational performance	<ul style="list-style-type: none"> • All policy limits must be complied with, including (but not limited to) counterparty credit limits, control limits and exposure limits. • All treasury deadlines are to be met, including reporting deadlines.
Management of debt and interest rate risk (borrowing costs)	<ul style="list-style-type: none"> • The actual borrowing cost (taking into consideration any costs/benefits of entering into interest rate management transactions) should be below the budgeted YTD/annual borrowing cost amount. • Actual wholesale interest costs must be benchmarked to market interest rates. The applicable market interest rate is determined by finding the mid-point policy benchmark rate.

8.0 CASH MANAGEMENT

Cash management is the process used for managing cash effectively and efficiently, using Council’s short term cash and liquidity resources to sustain its ongoing activities, mobilise funds and optimise liquidity. The most important elements are:-

- The systematic planning, monitoring, and management of Council’s cash receipts, payments and bank accounts.
- The gathering and management of information to use available funds effectively and identify funding gaps.
- Optimal usage of transactional banking services to streamline efficiencies of cash payments and receipts.

9.0 REPORTING

Council and management reporting on treasury activities is based on comprehensive and regular communication of the following areas to ensure high standards of governance and control:-

- Policy compliance
- Risk/exposure position
- Performance

Council ensures reporting of the Liability and Investment Management Policies is consistent with the requirements of the LGA 2002.

10.0 POLICY REVIEW

The Policy is to be formally reviewed on a triennial basis, and annually for internal purposes.

The GM, Corporate & Regulatory has the responsibility to prepare the annual review report that is presented to the Council. The report will include:

- Recommendation as to changes, deletions and additions to the Policy.
- Overview of the treasury function in achieving the stated treasury objectives and performance benchmarks.
- Summary of breaches of Policy and one-off approvals outside Policy.

The Council receives the report, approves Policy changes and/or rejects recommendations for Policy changes.

Policy Owner :	GM, Corporate & Regulatory
Original date :	27 May 2020
Approved by :	Chief Executive
Effective date :	27 May 2020
Next Revision date :	30 September 2026
Last revision date :	June 2023



Report

Date : 16 May 2024

To : Chairperson and Committee Members
Finance and Performance Committee

From : Beth Fowler
Senior Financial Accountant

Subject : **Third Quarter Performance Report - Period Ending 31 March 2024**

Item No : **7.2**

1. Recommendation

- 1.1 *That the report from the Senior Financial Accountant dated 04 April 2024 concerning the Third Quarter Performance Report - Period Ending 31 March 2024 be received.*

Executive Summary

1. Reason for the Report
2. Background
3. Dashboard
4. Dashboard High-level Analysis – Operating Performance

Detailed Report

5. Explanation of Significant Operating Variances
6. Summary of Service Performance Variances
7. Capital Expenditure Report
8. Treasury Report
9. Debtors Report
10. Self-funded Activities Report
 - a. Forestry
 - b. Pensioner Housing

2. Reason for the Report

2.1 The reason for this report is:








- For the Finance and Performance Committee to receive and comment on the performance report for the nine months ending 31 March 2024.
- To provide an indication of the year-end result.

3. Background

3.1 This report is for the nine months of the 2023/24 financial year, which covers the period 1 July 2023 to 31 March 2024.

3.2 The structure and content of this report is consistent with other quarterly reports. The purpose is to inform Council of the financial and non-financial performance and indicate expected year-end results.

4. Dashboard

Legend (for dashboard on page 5)	
Improved from previous Quarter	
No change from previous Quarter	
Worsened from previous Quarter	
Forecast to be on target at Year End	
Minor Variance to budget expected at year end	
Significant unfavourable variance to budget expected at year end	
Significant favourable variance to budget expected at year end	

Executive Summary (Dashboard)

2024 3rd Quarter Performance Report

Operating Performance

Summary Operating Performance (000s)	2022/2023		YTD Budget	Variance	Trend from previous quarter
	YTD Actual	YTD Actual			
Operating Revenue	\$ 57,047	\$ 70,783	\$ 42,685	28,098	↓
Operating Costs	\$ 32,737	\$ 51,659	\$ 32,140	(19,519)	↓
Operating Result	\$ 24,310	\$ 19,123	\$ 10,545	8,578	↓

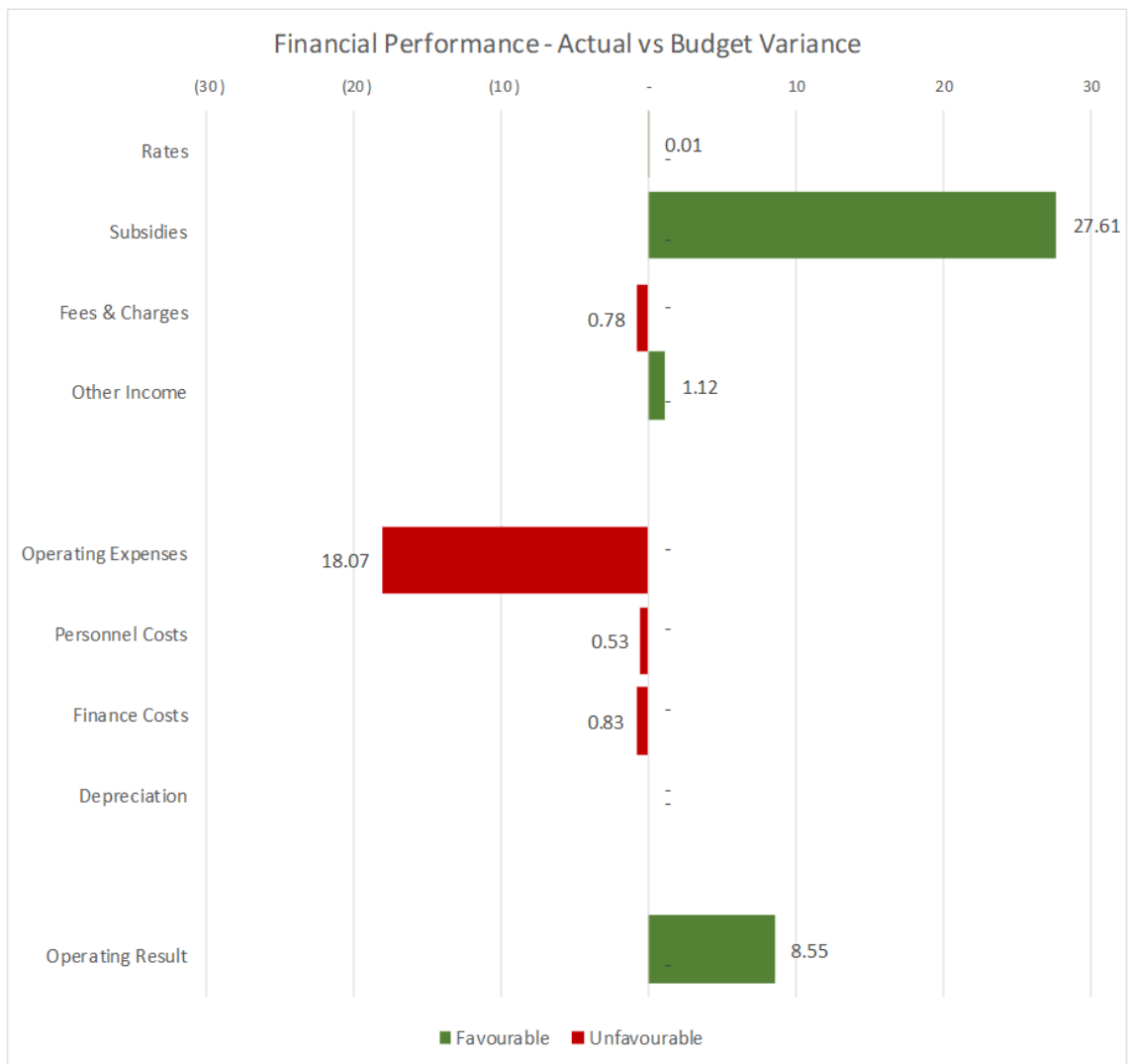


Figure 1

	Revenue (\$000)					Expenditure (\$000)					Overall Result (\$000)	
	Budget	Actual	Variance	Prev result	Year end	Budget	Actual	Variance	Prev result	Year end	Net Variance	Report Item #
Building Communities & Leadership												
Community Support	526	892	367	➡	▶	444	494	(50)	↓	✔	317	1
Representation	2,040	1,932	(107)	↓	✔	1,030	866	164	↓	✘	57	2
Community & Recreation Facilities												
Cemeteries	410	375	(35)	↓	✔	321	256	65	↑	✔	30	3
Community Buildings	638	646	9	➡	✔	444	495	(51)	↑	✔	(42)	4
Housing	463	472	9	➡	✔	417	514	(97)	↓	✘	(89)	5
Libraries	1,163	1,208	45	↑	✔	476	572	(95)	↓	✔	(50)	6
Parks & Reserves	2,256	1,497	(758)	↓	✘	1,185	1,051	134	↑	✔	(624)	7
Public Conveniences	266	266	-	➡	✔	183	227	(44)	↓	!	(44)	8
Service Centres	703	703	0	➡	✔	382	383	(0)	↓	✔	(0)	-
Swimming Pools	703	703	-	➡	✔	476	519	(43)	↓	✘	(43)	-
District Promotions and Development												
Commercial Investments	74	96	21	➡	✔	97	309	(212)	↓	✘	(191)	9
District Promotion & Development	1,028	1,068	40	➡	✔	605	447	157	↑	✔	198	10
Regulatory Services												
Animal Control	586	613	27	↓	▶	392	426	(33)	↓	!	(6)	11
Emergency Management	232	2,413	2,181	↑	▶	144	1,526	(1,382)	↓	✔	798	12
Health & Safety	2,206	1,735	(471)	↓	!	1,672	1,361	311	↓	✔	(160)	13
Resource Management	965	1,036	70	↓	▶	1,191	907	285	↑	✔	355	14
Roading and Footpath												
Footpaths	2,518	1,133	(1,385)	↓	✘	243	257	(14)	↓	✔	(1,398)	15
Roading	12,430	40,173	27,743	↑	▶	6,085	24,839	(18,754)	↓	✘	8,989	
Solid Waste Management												
Stormwater Drainage	996	508	(488)	↓	✔	196	177	19	↓	✔	(469)	17
Wastewater	3,743	3,644	(99)	➡	✘	1,772	1,497	275	↓	✔	177	18
Water Supplies	3,420	4,029	608	↑	✔	1,833	1,795	38	↓	✔	646	19
Support Activities	954	509	(445)	↓	✘	7,544	7,183	361	↑	✔	(84)	20
Strategy & Policy	299	211	(88)	↓	✔	551	456	95	↑	✔	6	21
Treasury	682	1,786	1,105	↑	✔	1,816	2,630	(814)	↓	!	291	22
Total Year to Date	42,685	70,783	28,098			32,140	51,659	(19,519)			8,578	

Figure 2

5. Dashboard – High-level Analysis – Operating Performance

5.1 As at 31 March 2024, Council achieved a favourable operating result of \$19.12 million compared to a budget of \$10.55 million because of higher than expected operating revenue.

5.2 The operating performance dashboard (figure 1) shows most of the variance to budget continues to be related to revenue from external funding being over and above what had been budgeted. Council has received \$27.61 million more than budget year-to-date.

5.2.1 The detailed explanations (section 6) below highlight sources of funding across each of the activities. The three largest contributors to this variance are:

- Waka Kotahi (at a 100% subsidy rate) for Council's response to Cyclone Gabrielle damage to the roading network.
- The Department of Internal Affairs for Council's Route 52 upgrade (Huarahi Tūhono – Weber to Wimbledon), which is a multi-year project.
- Funding received to support Council's recovery response to Cyclone Gabrielle outside of the roading network.

5.3 Operating costs are tracking unfavourably to budget, with a \$19.52 million negative variance to budget.

The financial performance actual vs budget variance graph shows where costs incurred are more than budgeted.

5.4 Operating expenses are the costs directly associated with the delivery of Council's operational services. Operating expenses are \$18.07 million higher than budget year-to-date.

5.4.1 As covered in the detailed explanations below this is mostly due to contractor costs being \$19.08 million higher than budget. The main drivers are:

- The costs associated with the external funding received for Cyclone Gabrielle (\$17.16 million) were unbudgeted for.
- The roading programme is also tracking ahead of budget with the team being able to complete work ahead of schedule.
- Insurance premiums have increased significantly and are \$204,000 over what was budgeted.

5.4.2 Other costs tracking well against budgets are:

- Cost related to externally funded projects are tracking \$647,000 under budget year-to-date. This is due to the timing of when funding is received, and costs are incurred.

- Maintenance costs are the budget provided for planned and reactive maintenance of Council assets. Maintenance expenses across all Council activities are tracking \$166,000 less than budget year-to-date due primarily to underspends on repairs and reactive maintenance and are covered in the detailed explanation section below.
- All other operating expenses for the period are overall tracking \$404,000 under budget. These include (but are not limited to) power, audit fees, water and wastewater operating costs, and waste disposal costs as key costs.

5.5 Staff costs cover the salaries and wages of Council employees. Staff costs are \$528,000 ahead of budget year-to-date. This is mainly due to the unbudgeted employee leave accruals (\$619,000) that are recorded throughout the year. If these accruals are removed this would result in a positive budget variance of \$91,000 which is representative of the difficulties filling vacant roles in the current recruitment market.

6. Detailed Explanation of Significant Operating Variances

Report item # (refer activity dashboard)	Activity	Explanation	On Track for Year End	Reflected in 2024/34 Long-term Plan
15	Footpaths & Roding	<p>Overall, these two activities show a net favourable variance of \$7.59 million.</p> <p>Footpaths is showing a net unfavourable variance of \$1.4 million which is made up of funding budgeted to be received for the Transport Choices program which Waka Kotahi have subsequently been removed.</p> <p>Roding is showing a net favourable variance of \$8.99 million. This is made up of unbudgeted funding received for Cyclone Gabrielle (\$20.55 million) and funding received for Route 52 upgrade (\$5.8 million). This funding is offset by related contract costs for Cyclone Gabrielle works totalling \$17.16 million and the remainder of the variance is offset by the Saddle Road maintenance programme tracking \$797,000 ahead of budget due to the timing of when works have been able to be completed.</p> <p>Expect the roding programme (outside of Cyclone Gabrielle funding) to be on budget at year end.</p>	✓	N/A
12	Emergency Management	<p>Overall, there is net favourable variance of \$798,000.</p> <p>Emergency management revenue is \$2.18 million ahead of budget due to external funding from various sources for Cyclone Gabrielle recovery:</p>	✓	N/A

Report item # (refer activity dashboard)	Activity	Explanation	On Track for Year End	Reflected in 2024/34 Long-term Plan
		<ul style="list-style-type: none"> • \$900,000 – Department of the Prime Minister & Cabinet • \$403,000 – Department of Internal Affairs • \$800,000 – Ministry for Primary Industries • \$78,000 – NZ Lottery Grant Board <p>This revenue is offset by the corresponding expenditure, including contract costs (\$1.23 million) and salaries (\$267,000), incurred year-to-date.</p> <p>Expect this activity to be on budget at year end with Cyclone Gabrielle recovery funding expected to be fully utilised.</p>		
1	Community Support	<p>Overall, this activity shows a net favourable variance of \$317,000.</p> <p>Council received \$325,000 unbudgeted funding from the Mayor’s Taskforce for Jobs of which \$121,000 has been spent in associated costs.</p> <p>The remainder of the favourable variance is made up of annual grants that have been budgeted for at the beginning of the financial year and the timing of when these are paid throughout the financial year.</p> <p>Expect this activity to be on budget at year end.</p>	✓	N/A
2	Representation	<p>Overall, this activity shows a net favourable variance of \$57,000.</p> <p>Representation revenue is \$107,000 behind year-to-date budget due to the timing of external funding receipts from the Department of Internal Affairs. Council had expected to receive \$187,000 Better Off funding for Building Iwi Capacity for the period (\$250,000 budgeted for the full year) however only \$80,000 of this has been received to date. Receipt of funding is now as claims for expenses are submitted, as opposed to previously being paid in advance, therefore Council is not expecting to receive the full funding at year end.</p> <p>The unfavourable revenue variance is offset by a few</p>	✓	N/A

Report item # (refer activity dashboard)	Activity	Explanation	On Track for Year End	Reflected in 2024/34 Long-term Plan
		<p>savings in representation costs:</p> <ul style="list-style-type: none"> • Council is tracking \$63,000 under budget year-to-date for payments made under Better Off funding for Building Iwi Capacity. It is anticipated these payments will be slightly less than the full year budget at year end. • Councillor remuneration being \$39,000 under budget. This remuneration is set by the Remuneration Authority and Council has no influence over this. This is expected to remain under budget at year end. • Council staff costs being \$43,000 underspent year-to-date reflecting the difficulties filling staff vacancies in the current recruitment market. • The remainder of the costs savings across this activity is made up of subscriptions (\$32,000), and internal audit plan consultant fees (\$10,000) that are budgeted but not yet incurred. <p>In addition, operational grants paid to local committees are tracking \$25,000 ahead of budget year-to-date primarily due to payment being made to Positively Woodville for their 2022/2023 annual operating grant.</p> <p>Expect this activity to be on budget at year end.</p>		
3	Cemeteries	<p>Overall, there is a net favourable variance of \$30,000 for this activity.</p> <p>Interment contract costs are tracking \$49,000 under budget year-to-date due to fewer than forecast interments, and grounds maintenance costs are also \$23,000 under budget due to lower than budgeted contract costs.</p> <p>The positive variance in operational expense is offset by lower than budgeted revenue from interments and plot sales of \$26,000 and \$4,000, respectively.</p> <p>Year-to-date interments is lower when compared with the same period last year (2024: 34 adult burials, 46 ashes 2023: 53 adult burials, 55 ashes). Fees for adult interments increased from \$1,600 to \$1,800. All other cemetery fees remained the same.</p>	✓	✓

Report item # (refer activity dashboard)	Activity	Explanation	On Track for Year End	Reflected in 2024/34 Long-term Plan
		Expect this activity to be on budget at year end.		
4	Community Buildings	<p>Overall, there is a net unfavourable variance of \$42,000.</p> <p>Building maintenance is \$57,000 higher than budget year-to-date. This is mainly due to costs associated with the painting of the Dannevirke Town Hall (\$87,000) that had been planned to be completed in the 2023 financial year. However, due to works being delayed until May 2023 these costs have been incurred in this financial year.</p> <p>Expect this activity to be over budget at year end.</p>	✓	N/A
5	Housing	<p>Housing is a self-funding activity and further explanation is provided in the self-funding activities section of this report.</p> <p>Overall, there is a net unfavourable variance of \$89,000.</p> <p>Housing revenue was \$472,000 against a budget of \$463,000. We continue to see the favourable variance in housing revenue with a 97% occupancy rate of Council owned flats. Council prepared the 2023/24 budget based on a 98% occupancy rate, with 50% of the year at the old rate and the remaining 50% at the new rate.</p> <p>Total operating expenses of \$97,000 was higher than budget year-to-date. This is due to the timing of maintenance works carried out in the units (a negative variance of \$26,000 compared to budget year-to-date), and higher than budgeted insurance and rates costs for the year (\$35,000 and \$47,000, respectively).</p> <p>Expect the housing activity to be over budget at year end.</p>	✗	✓
6	Libraries	<p>Overall, this activity is showing a net unfavourable variance of \$50,000.</p> <p>The positive variance in libraries revenue is mostly attributed by the prior year NZ Libraries Partnership Programme (NZLPP) funding (\$28,000) carried forward for transition payments, including the Wayfinder project.</p> <p>In addition, revenue from fees and charges is showing a \$16,000 favourable variance year-to-date, due to being budgeted to be received in June. Expect this to be on budget at year-end.</p> <p>This favourable variance is offset by higher than budgeted</p>	✗	✓

Report item # (refer activity dashboard)	Activity	Explanation	On Track for Year End	Reflected in 2024/34 Long-term Plan
		<p>year-to-date operating and staff costs:</p> <ul style="list-style-type: none"> Specialist subscriptions and computer software maintenance costs are tracking ahead of budget year-to-date (\$19,000 and \$49,000 respectively), however it is anticipated this will be on budget at year end. Employee leave accruals of \$31,000 that are recorded throughout the year. These are not budgeted for. <p>Expect this activity to be on budget at year end.</p>		
7	Parks & Reserves	<p>Overall, there is a net unfavourable variance of \$624,000.</p> <p>Revenue is showing a negative variance of \$758,00. Council had budgeted to receive \$776,000 year-to-date from Better Off funding, however this funding has been reallocated. This is offset by campground revenue being ahead of budget by \$16,000. Expect revenue to be under budget at year end.</p> <p>The unfavourable variance in revenue is offset by unspent consultancy fees (\$165,000) that had been budgeted for the implementation of the PARS strategy. These fees have not been fully spent due to the change in allocation of Better Off funding (total spend of \$56,000 against a budget of \$221,000).</p> <p>Management fees for the Bush Multisport facility are \$29,000 ahead of budget year-to-date however this is a timing difference and is expected to be on budget at year-end.</p> <p>Due to the change in allocation of funding this activity will not be on budget at year end.</p>	✓	N/A
8	Public Conveniences	<p>Overall, there is a net unfavourable variance of \$44,000.</p> <p>Council is experiencing higher than budgeted contractual CPI adjustments on operational contracts due to current inflation rates. Subsequently, contract cleaning costs are \$31,000 higher than year-to-date budget.</p> <p>Expect this activity to be over budget at year end.</p>	✗	✓
9	Commercial Investments	<p>Commercial investments include the aerodrome, commercial property, and forestry activities. Overall, there is a net unfavourable variance of \$191,000.</p>	✗	N/A

Report item # (refer activity dashboard)	Activity	Explanation	On Track for Year End	Reflected in 2024/34 Long-term Plan
		<p>This is mainly due to the unbudgeted forestry costs of \$240,000 for management fees and pruning expenses. Forestry is a self-funding activity and further explanation is provided in the self-funding activities section of this report.</p> <p>The unfavourable variance in the forestry activity is offset by rates and insurances costs across all three activities coming under budget, and unspent consultant costs budgeted in the aerodrome activity.</p> <p>Expect this group of activities to be on over budget at year end.</p>		
10	District Promotion Development	<p>Overall, there is a net favourable variance of \$198,000.</p> <p>Council received \$40,000 its scheduled funding payment from the Ministry of Business, Industry and Employment (MBIE) for the Regional Digital Hub in Woodville. This was unbudgeted revenue.</p> <p>In addition, year-to-date operating costs across all three activities (site, district marketing and business development) are \$157,000 underspent, primarily due to:</p> <ul style="list-style-type: none"> • district marketing, where Council grants and donations paid to date are \$38,000 behind budget due to the timing of when these expenses are incurred. For budgeting purposes, Council phases grants and donations equally over the year, and • business development, where budgeted contract and consultancy costs are \$116,000 underspent. These are budgeted costs (\$165,000 full year) associated with the Te Awa Community Foundation, major projects and business network support that have been phased evenly over the year however expenditure to date has only been incurred against the major projects, with both Te Awa Community Foundation and business network support budgets unspent at 31 March. <p>Due to the long-term plan process currently taking place, spend associated with Te Awa Community Foundation has been paused and will not be incurred in this financial year. Expect this activity to be under budget at year end.</p> <p>Expect this group of activities to be on under budget at year end.</p>	✓	N/A

Report item # (refer activity dashboard)	Activity	Explanation	On Track for Year End	Reflected in 2024/34 Long-term Plan
13	Regulatory services (Building and Compliance & monitoring)	<p>Overall, there is a net unfavourable variance of \$160,000.</p> <p>Revenue from fees and charges are \$471,000 behind year-to-date budget primarily due to lower than forecast special inspections and building consent fees. Both revenue streams are demand driven. As at 31 March 2024 a total of 173 consents were issued (14 for new builds and 18 relocatable dwellings), compared to 286 for the same period last year (31 for new builds and 24 for relocatable dwellings).</p> <p>Year-to-date operating costs are \$311,000 lower than budgeted, mainly due to savings of \$367,000 in building consent authority (BCA) contract costs, which is reflective of the building officer vacancies being filled and less reliance on the Solutions Team to carry out these functions.</p> <p>Staff costs are \$157,000 over budget year-to-date. Council successfully recruited two building officers – these roles were unbudgeted.</p> <p>Expect this group of activities to be on close to budget at year end.</p>	✓	✓
14	Resource Management	<p>Overall, there is a net favourable variance of \$355,000.</p> <p>Revenue from external funding and fees and charges is \$70,000 ahead of budget. This is mainly due to:</p> <ul style="list-style-type: none"> • Better Off funding for the future community urban design project being \$38,000 more than budget due to timing of receipts, and • \$93,000 higher than forecast land use consent fees. • Offset by \$58,000 lower than forecast subdivision consent fees. <p>The total number of consents (land use & subdivision) processed for the nine months to 31 March has decreased compared to the same period last year (2024: 10 land use, 61 subdivision consents 2023: 16 land use, 105 subdivision consents).</p> <p>Operating costs are \$296,000 under budget year-to-date. This is primarily due to costs incurred for the district plan review being significantly lower than expected. Indications</p>	✓	✓

Report item # (refer activity dashboard)	Activity	Explanation	On Track for Year End	Reflected in 2024/34 Long-term Plan
		<p>are that the full budget will not be required resulting in a positive variance at year end.</p> <p>Expect this activity to have a favourable variance at year end.</p>		
16	Solid Waste Management	<p>Overall, there is a net unfavourable variance of \$83,000.</p> <p>Revenue from fees and charges is tracking \$410,000 under year-to-date budget. The negative variance is offset by receipt of 161,000 external subsidies from the Ministry for the Environment (MFE) for waste minimisation initiatives ahead of budget.</p> <p>Operating expenditure for the period is tracking \$300,000 less than year-to-date budget. The positive variance is offset by increased staff costs of \$134,000, driven by the change in the way transfer stations are managed with this function being brought inhouse.</p> <p>Refuse taken to CHB landfill for the period was 2899.92t (2023: 3798.50t).</p> <p>Kerbside recycling collection was 249.81t (2023: 247.31t)</p> <p>Expect this activity to be on budget at year end.</p>	✓	✓
17	Stormwater	<p>Overall, there is a net unfavourable of \$469,000.</p> <p>Revenue is showing a negative variance of \$488,000, primarily due to external funding Council had budgeted to receive year-to-date from the Infrastructure Acceleration Fund (IAF) for the Pahiatua project. This is a timing difference, and this funding is expected to be received in this financial year.</p> <p>This is offset by savings in operational costs for the period due to contract maintenance expenses being under budget. This is a timing difference of when these expenses are incurred, therefore it is expected the budgets will be fully spent at year end.</p> <p>Expect this activity to be on budget at year end.</p>	✓	N/A
18	Wastewater	<p>Overall, there is a net favourable variance of \$177,000.</p> <p>Subsidy revenue is behind \$87,000 due to the timing of receipts from the Infrastructure Acceleration Fund (IAF) for</p>	✓	N/A

Report item # (refer activity dashboard)	Activity	Explanation	On Track for Year End	Reflected in 2024/34 Long-term Plan
		<p>the Pahiatua project.</p> <p>This negative variance in wastewater revenue is offset by underspends in operating costs to date due to timing of budgets and when expenses are incurred.</p> <p>Council had planned to dispose of one GeoBag of sludge in this financial year however this did not happen and will be revisited in the next financial year.</p> <p>Expect this activity to be under budget at year end.</p>		
19	Water Supplies	<p>Overall, this activity shows a net favourable variance of \$646,000.</p> <p>Water supplies revenue is \$608,000 ahead of year-to-date budget primarily due to higher than budgeted metered water revenue (\$229,000), and Ministry of Health funding received (\$379,000) for the Dannevirke fluoridation project. Metered water consumption for the period was 397,379 m3 compared to 436,009m3 in 2023.</p> <p>In addition, there are savings across all operating costs in this activity, mainly due to the timing of budgets and when costs are expected to be incurred. However, these savings are offset by the unplanned maintenance costs incurred for the Pahiatua treatment plant (reactive maintenance costs incurred year-to-date have exceeded full year budget by \$86,000). This has been factored into Year 1 of the Long-term Plan.</p> <p>Expect this activity to show a favourable variance at year end reflecting the unbudgeted funding received from the Ministry of Health.</p>	✓	✓
20	Support	<p>Overall, there is a net unfavourable variance of \$84,000.</p> <p>Support revenue is \$445,000 behind year-to-date budget, primarily due to:</p> <ul style="list-style-type: none"> • lower rates revenue collected for period (\$134,000), and • external funding yet to be received from the Ministry of Social Development (MSD) for the Social Sector Recovery Plan (\$119,000 full year) and Better Off funding for the digitalisation and e-services project (\$300,000 full year). Funding is expected to be received 	✓	✓

Report item # (refer activity dashboard)	Activity	Explanation	On Track for Year End	Reflected in 2024/34 Long-term Plan
		<p>as works on these projects gets underway and associated expenses are incurred.</p> <p>Operating costs are \$361,000 less than year-to-date budget. This is mostly due to:</p> <ul style="list-style-type: none"> • staff costs are tracking \$114,000 under budget due to vacancies, and • computer software costs tracking \$128,000 under budget due to the timing of when licencing renewals and fees are incurred. <p>The remainder of the favourable variance is made up of minor ups and downs across the support activities, including audit fees budgeted but not yet incurred of \$138,000.</p> <p>The favourable variance in operating costs is offset by:</p> <ul style="list-style-type: none"> • valuation fees tracking \$147,000 higher than budget due to the slight increase in the contract cost, and the delay in receiving invoice (\$96,000) for the 2023 financial year, and • consultant costs tracking \$156,000 ahead of budget due to specialist support required during periods of vacancies. <p>Expect this activity to be on budget at year end.</p>		

Report item # (refer activity dashboard)	Activity	Explanation	On Track for Year End	Reflected in 2024/34 Long-term Plan
22	Treasury	<p>Overall, there is a net favourable variance of \$291,000.</p> <p>Investment income is revenue received by Council through interest received on term deposits. Investment income is \$1.1 million ahead of budget due to investments made on prefunded debt and rising interest rates on term deposits.</p> <p>This is offset by higher than budgeted finance costs. Year-to-date finance costs are \$830,000 more than budgeted due to higher than forecast external borrowing, and rising interest rates.</p> <p>Expect this activity to be over budget at year end with unbudgeted external borrowing required for the Dannevirke impounded supply.</p>	×	✓

7. Summary of Service Performance Results

7.1 Summary of Results

Council use a range of service performance measures to monitor the service levels delivered to customers. Table 2 below highlights the performance for the year ended June:

Category	2023/24 measures			% (out of 101 measures)	Last Year Results
	Council	Survey	Mandatory		
Achieved / On Target	30	6	28	63%	56%
Needs Improvement	2	19	6	27%	33%
Not achieved	1	1	2	4%	1%
Measured at Year End	-	1	5	6%	10%

Figure 3

Excluding the 6 measures marked as measured at year end, Council met 67% of its service performance measures, compared to 71% for the second quarter and 62% for the same period last year.

7.2 Council and Mandatory Measures

7.2.1 Council uses a range of measures and targets to inform how Council are performing against agreed service levels. These measures range from complaints in the Customer Request Management (CRM) system to physical inspections of assets.

7.2.2 Department of Internal Affairs (DIA) mandates 41 measures with Council setting the targets to be achieved.

7.2.3 Two of these mandatory measures are categorised as not achieved. These both relate to the wastewater activity where Council has been issued with two infringement notices and two abatement notices in relation to Eketahuna Wastewater Treatment Plant Wetlands. Council was issue these for land disturbance that was not expressly allowed by a national environment standard, a rule in a regional plan or a resource consent, one relating to the discharge of contaminant, namely sediment onto land in circumstances which may result in contaminant entering water when discharged is not expressly allowed, one relating to large scale land disturbance and associated discharge of contaminant namely sediment and the other notice was to comply with the resource consent and required Council to undertake additional actions.

7.2.4 The six measures in the “needs improvement” category, five relate to the water activity, with the remaining one in the transportation activity.

- 7.2.5 Two of the “needs improvement” water category measures is for council’s compliance with Part 5 of the NZ Drinking Water Standards (2018) and from January 2023 compliance with Drinking Water Quality Assurance Rules (DQQAR) (2022) and compliance with Part 4 of the NZ Drinking Water Standards (2018) and from January 2023 compliance with Drinking Water Quality Assurance Rules (DQQAR)(2022).. Council is required to obtain an independent report on its compliance for these two measures. This report is obtained at the end of the financial year.
- 7.2.6 At 30 June 2023 Council was not compliant for 4 of its 7 water treatment plants with part 4. Eketāhuna supply did not meet the sampling frequency (this would have since been rectified) Norsewood, Pongaroa and Ākitio water plants also did not meet the sampling frequency.
- 7.2.7 For Part 5 at 30 June Council was not compliant with 5 of its 7 water treatment plants (Dannevirke & Pahiatua were compliant). This non-compliance is often caused by data quality issues, resulting in Council not being able to demonstrate continuously monitored parameters. It is important to stress that this does not indicate that the public’s health was or is at risk.
- 7.2.8 Number of complaints over 1,000 connections to Council’s networked reticulation system for continuity of supply is marked as needs improvement for the period. A total of 46 complaints had been received for the period. In October there was a watermain break in Gibson Place in Dannevirke that resulted in 23 complaints being received for water supply issues. Also, in November as a results of repairs needing to be carried out to a broken fitting in Eketāhuna this resulted in 5 complaints being received. In January 2024 Akitio residents experienced a water supply issue which resulted in 10 complaints received and in January 2024 Pongaroa residents also experienced a water supply issue which resulted in 4 complaints being received.
- 7.2.9 Number of complaints over 1,000 connections to Council’s networked reticulation system for drinking water clarity is also marked as needs improvement. This is the result of 33 complaints being received, some of which could be directly attributable in March 2024 where Council discovered that a charity fire truck had illegally drawn water from a fire hydrant which cause discoloured water to the surrounding streets.

7.3 **Community Survey Scorecard**

- 7.3.1 The third of the three waves of the Key Research community survey is underway and results due to Council 14th May, this will be included in the Year end report.

8. **Capital Expenditure Report**

8.1 Summary

As of April 2024, Council has spent \$21.918 million of its \$48.608 million budget.

It is worth noting how the current budget has been compiled.

- The Annual Plan budget was set at \$26.963 million.
- Carry forwards requested totalled \$14.645 million.
- Additional projects have been approved, particularly around the Dannevirke impounded supply, totalling \$7million:
 - emergency temporary repairs \$300,000,
 - detailed design \$600,000,
 - pre-treatment plant \$3.2 million,
 - raw water storage \$400,000, and
 - treated water storage \$2.5 million.
- Also included is the \$2 million that was intended for the Woodville Transport Choices project.

204 projects with 44 of those are budgets set aside for renewal purposes and are projects as required and have been grouped accordingly. The below chart displays the trend analysis since the last report (in the future this will include all deferred, abandoned).

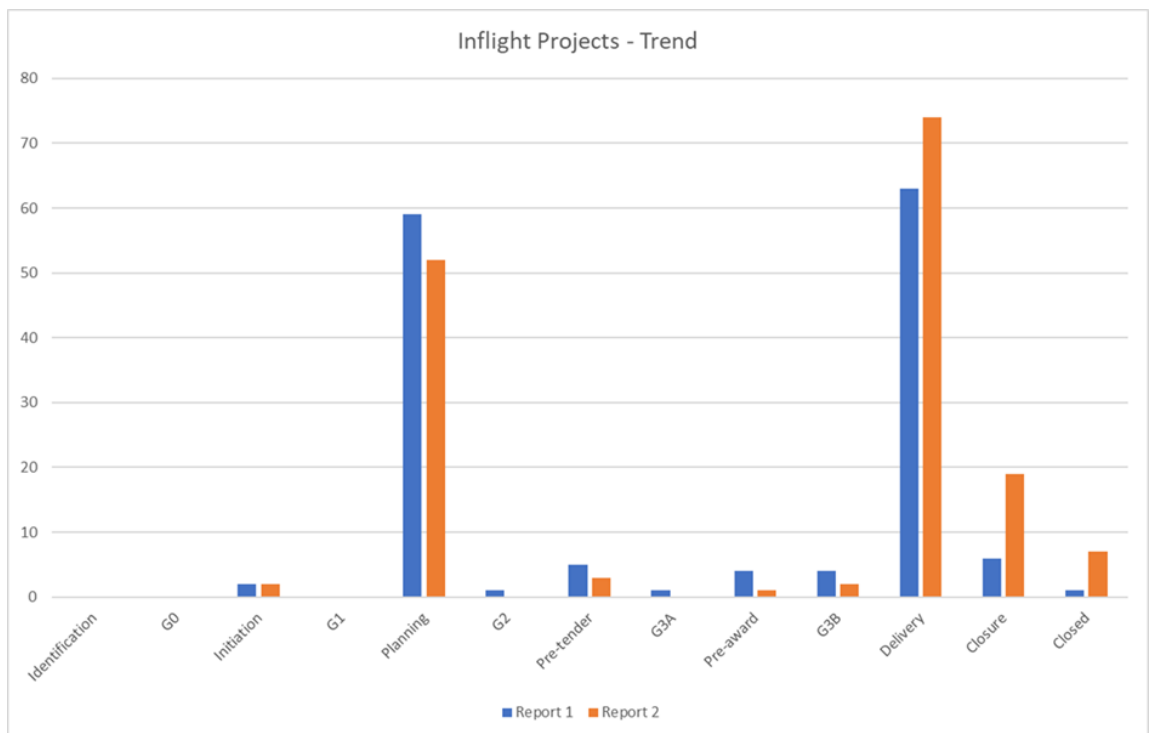


Figure 4

8.2 As Required Only – 44 projects

Overall, the budget totals \$15.6 million of which Council has currently spent \$9.4 million. High value renewal projects in this space include:

- emergency reinstatement (roading),
- drainage renewals,
- wastewater reticulation renewals,
- bridge renewals,
- vehicle renewals, and
- minor safety improvements (roading).

It also includes community buildings, and parks and reserves, for example, district unplanned renewals and districtwide minor renewals.

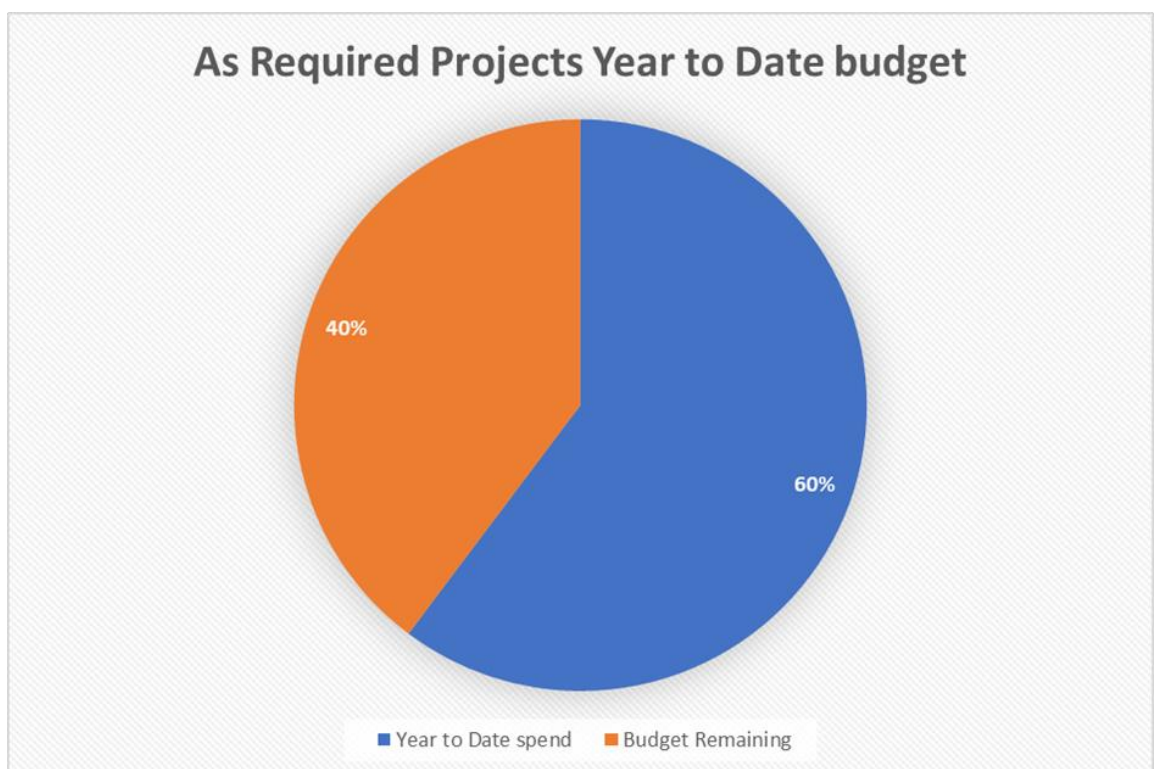


Figure 5

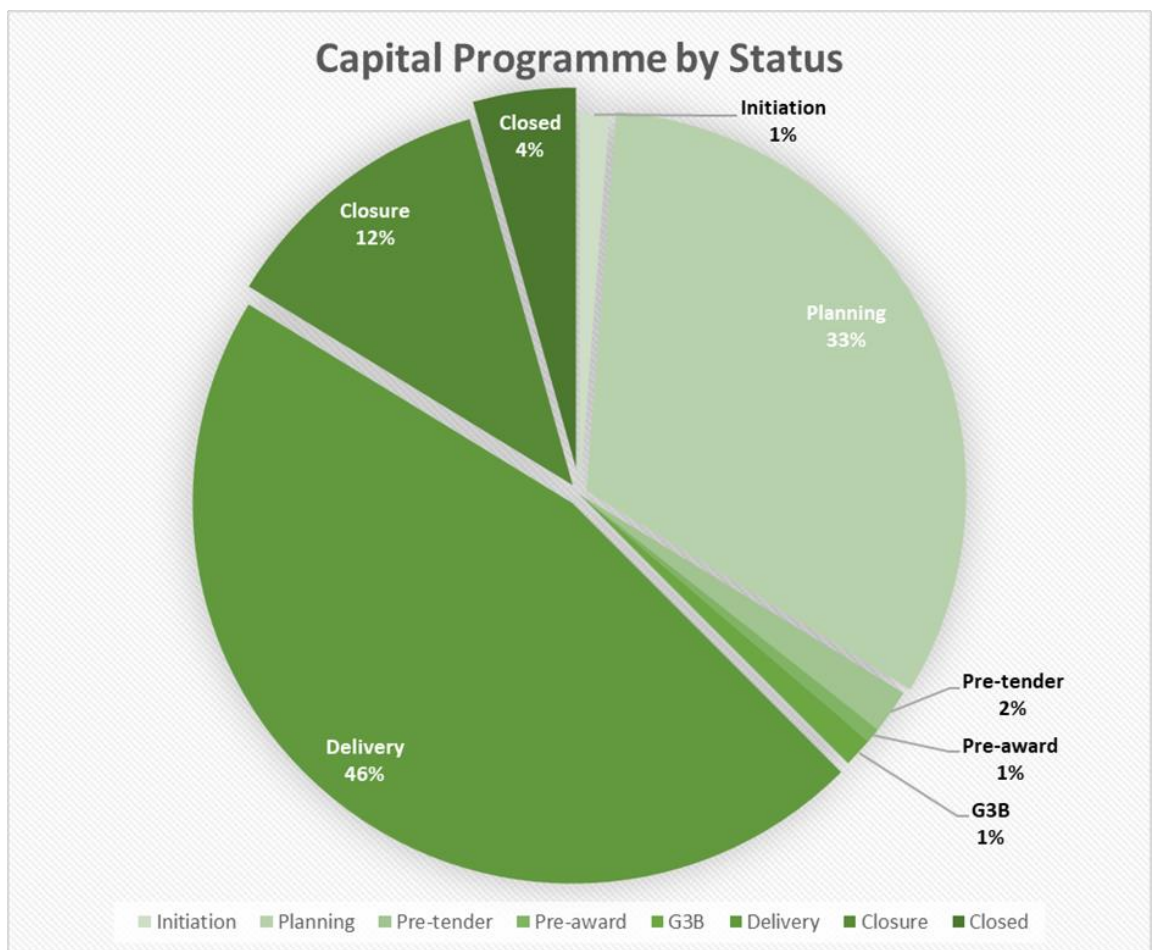
It is worthwhile to note that while these are grouped as above, each 'as required only' budget requires continuous project lifecycle management, from identification through to initiation, planning, delivery, and closure. The scale of works encompassed in the graph above do not do the work this entails complete justice.

8.3 Individual – 160 projects

This leaves 160 individual project lines that have singular programme/project scope and timeframes associated. Notable multi-year projects include:

- The Route 52 project,

- Dannevirke impounded supply, and
- the Dannevirke, Eketahuna and Pahiatua wastewater programmes.



Projects Total	
Initiation	2
Planning	52
Pre-tender	3
Pre-award	1
G3B	2
Delivery	74
Closure	19
Closed	7
Grand Total	160

Figure 6

8.4 Completed and/or in Closure – 26 projects

In closure means that the project is finalising their close outs, for example, minor adjustments, handovers, and finalising invoices. High value/interest projects completed include:

- Pahiatua Service Centre earthquake strengthening,
- Pahiatua bore investigation,
- Pahiatua pool resealing,
- Dannevirke netball tennis court green plexipave surface,
- Dannevirke wastewater programme (dissolved air flotation – DAF),
- Pahiatua (Bush) stadium insulation,
- Dannevirke Campground – cabin roofs
- Pahiatua weir and infiltration gallery investigation, and
- Dannevirke Transfer Station.

8.5 In Delivery – 74 projects

Noted projects in delivery include:

- Route 52,
- sealed roads resurfacing,
- pavement rehabilitation,
- Dannevirke impounded supply,
- Norsewood water treatment upgrade,
- Woodville wastewater treatment plant headworks refurbishment,
- Dannevirke fluoridation,
- Eketahuna wetland,
- telemetry/SCADA upgrades,
- digital spaces mobile trailer,
- Pahiatua Infrastructure Acceleration Fund (IAF),
- Waihi Falls toilet,
- Starlink – emergency management,
- Ākitio cell tower generator,
- Dannevirke Barraud Street, and

- alternative water source investigations.

8.6 In Planning and Procurement – 58 projects

Planning status includes design works, approach, resourcing, and procurement.

There are a number of large programmes of works with multiple interdependencies. High value programmes and projects to note are:

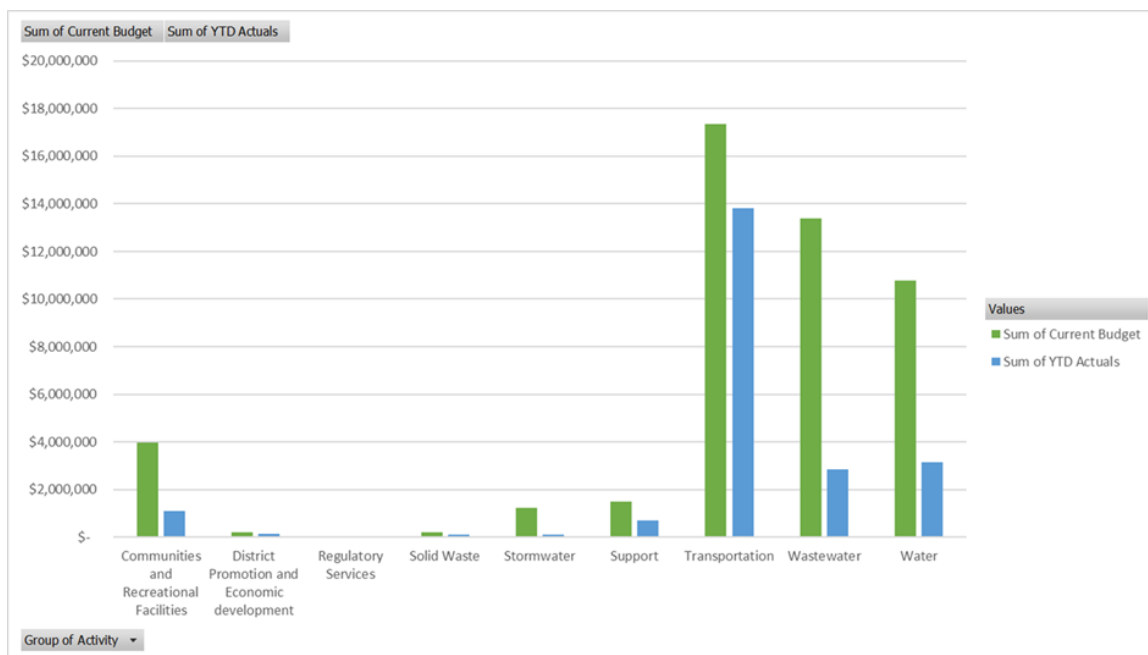
- The Pahiatua wastewater programme,
- Eketahuna wastewater programme,
- infiltration and inflow strategy implementation,
- executing TDC play and recreation strategy (PARS),
- digitisation and introduction of e-services,
- Lindauer Walkway, and
- Carnegie Hall

8.7 Initiation – 2 projects

- Pongaroa Transfer Station investigation, and
- Village Main Street upgrades

8.8 Abandoned – 3 projects

- District 3D printers
- The upgrading of council owned reserves
- Transport Choices



	Sum of Current Budget	Sum of YTD Actuals
Communities and Recreational Facilities	\$ 3,952,015	\$ 1,100,716
District Promotion and Economic development	\$ 193,536	\$ 143,513
Regulatory Services	\$ 41,914	\$ -
Solid Waste	\$ 195,428	\$ 96,310
Stormwater	\$ 1,213,795	\$ 95,741
Support	\$ 1,486,901	\$ 681,774
Transportation	\$ 17,341,513	\$ 13,827,880
Wastewater	\$ 13,400,732	\$ 2,838,353
Water	\$ 10,782,028	\$ 3,133,954
Grand Total	\$ 48,607,862	\$ 21,918,240

Figure 7

The graph 'Budget vs Actual YTD by Group of Activity' graphically depicts where the budget was spent by group of activity. As the graph displays, Council has large unspent sections within the water and wastewater groups.

Route 52 totals to approximately \$6.3 million which is included in this total figure. The majority of works in this space have been rescheduled for delivery in the next financial year, identifying approximately \$2 million for carry forward.

Water, wastewater, and stormwater have undergone some serious changes in their delivery methods and planning approaches. Currently, internal handovers of work are occurring with long-term appreciation of resourcing and scheduling being considered to ensure prudent financial budgeting.

Project, programme, and portfolio management practices are changing across the organisation as to how Council manages processes and plans to safely and commercially deliver its projects to time and budget to meet the district's strategic objectives.

Of the outstanding \$26 million (noting this does not include projects that have closed and require no further expenditure):

- Approximately \$10 million is budgeted against the Dannevirke impounded supply, Eketahuna and Pahiatua wastewater programmes,
- Transport Choices still included at \$2 million,
- Route 52 approximately \$2 million carry forward,
- approximately \$6 million remaining in 'as required' projects,
- with the remaining budgets primarily in the delivery phase.

Tararua District Council's project management framework has continued to be reviewed externally, which it has gained funding for some projects on the pretext that they follow the framework. Further feedback has been positive on Council's maturity development in this area and assisted it in generating momentum in its focus areas, these being:

- project finance,
- communications,
- workload,
- forward works maps, and
- supplier performance.

9. Treasury Report

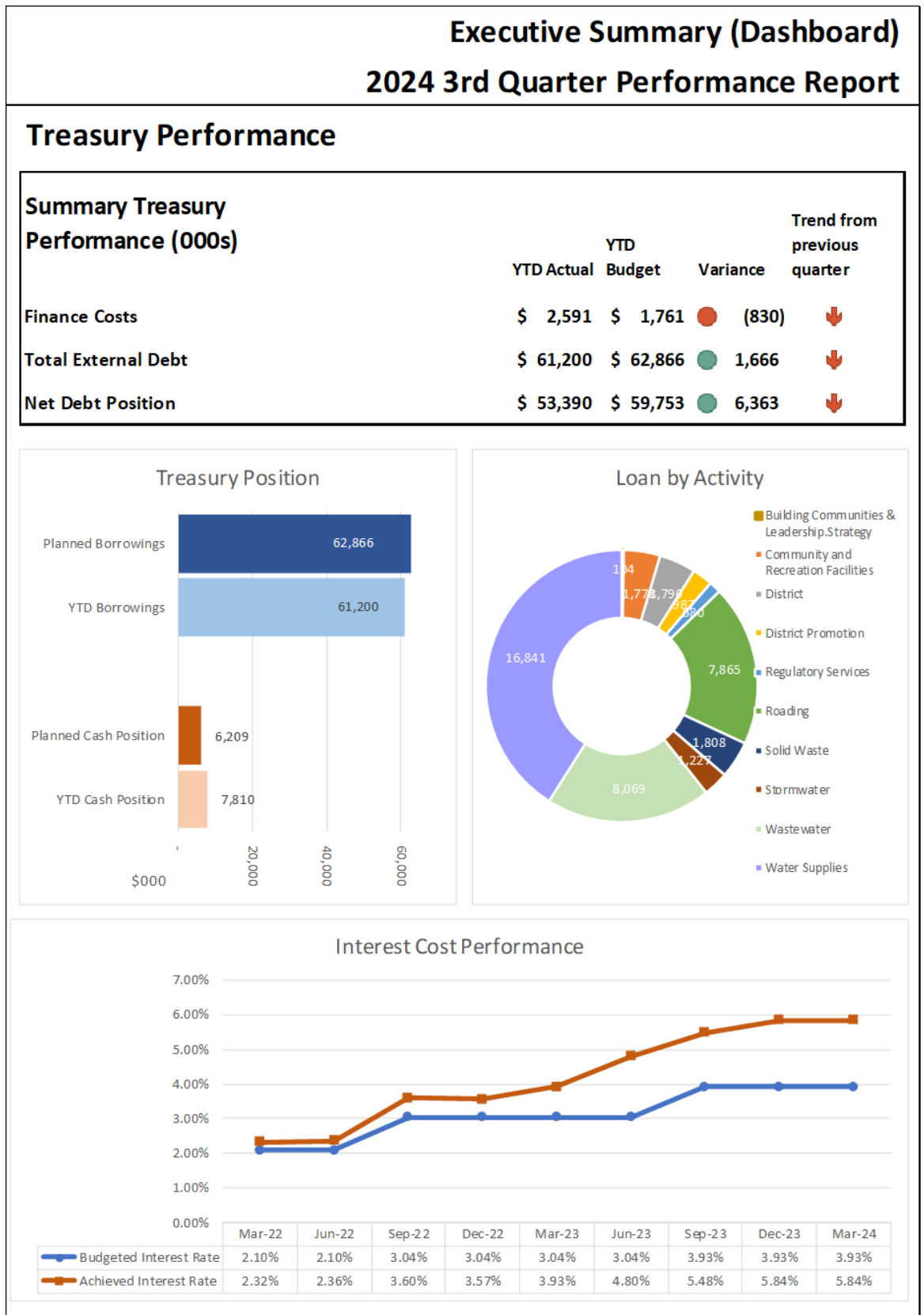


Figure 8

9.1 **Treasury Strategy**

9.1.1 Finance continues to work with Council’s treasury advisor to develop and implement strategies to manage interest rates risk and optimise funding in accordance with its Finance Strategies.

9.1.2 The focus continues to be managing interest rates and funding risk through forecasting debt levels, hedging strategies and to managing interest rate risk.

9.2 **Current External Debt Position**

The following table (figure 9) summarises Council’s external debt position as at 31 March (all held with Local Government Funding Agency):

	Balance 1 January 2024	Drawn /(Repaid) (\$)	Balance 31 March 2024
Core debt	\$48,200,000	\$9,000,000	\$57,200,000
Prefunding	\$4,000,000		\$4,000,000
Short-term debt (commercial paper & MOCL facility)			
Total debt	\$52,200,000	\$9,000,000	\$61,200,000

Figure 9

9.3 **Debt Financing Cost**

Interest expense is significantly higher than budget (\$830,000 higher than year-to-date budget). This is due to Council’s effective interest rate of 5.84% being higher than the budgeted rate of 3.93%.

9.4 **Cash Flow Management and Liquidity**

Cash and cash investments for the nine months ending 31 March 2024 was \$7.81 million. This was higher than budget by \$1.6 million.

10. Self-funded Activities

10.1 Forestry – Summary for the Nine Months Ended 31 March 2024

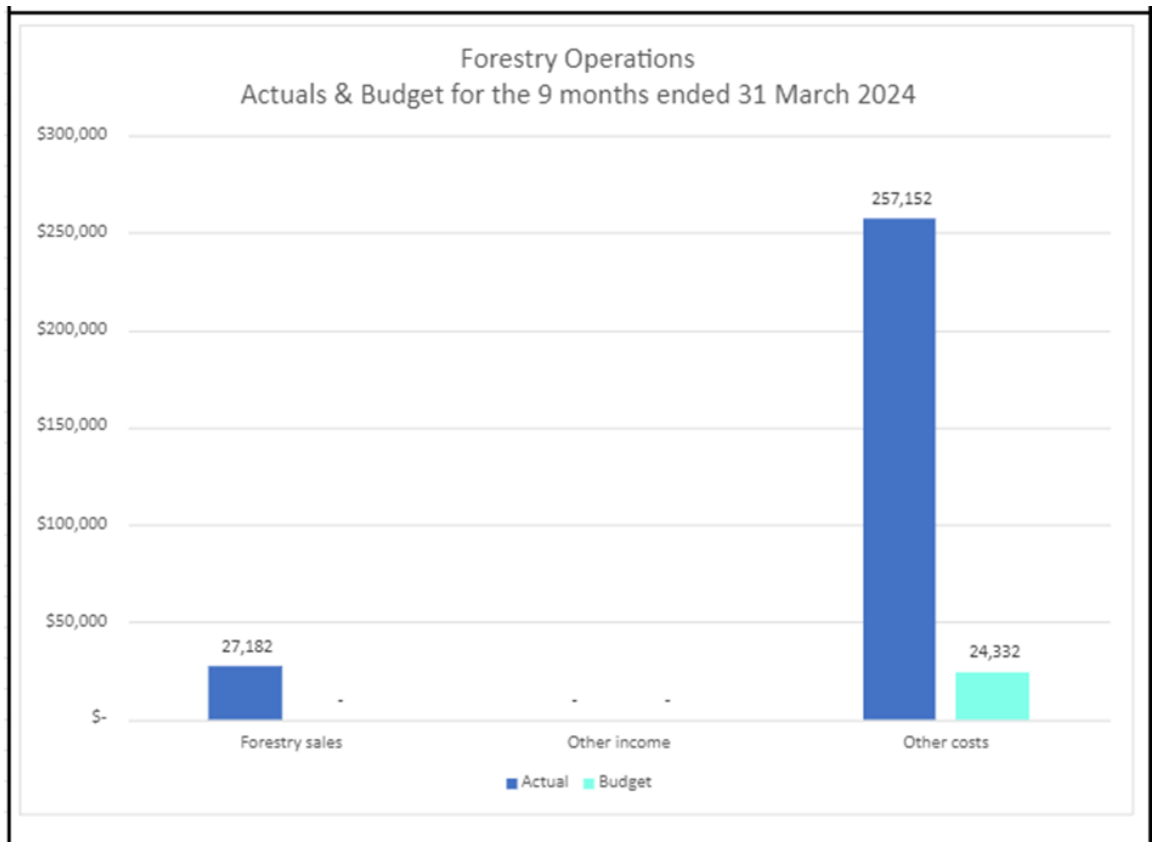


Figure 17

- 10.1.1 For the nine months ended 31 March 2024 the forestry activity has made a loss of \$230,000.
- 10.1.2 Harvesting in small timber lots within Birch North Forest has been completed with a return of \$27,000 received in the third quarter.
- 10.1.3 Expenditure to 31 March totalled \$257,000 against a budget of \$24,000. This was mainly due to unbudgeted costs incurred for pruning at Birch North Forest block of \$227,000, and management fees of \$8,000. Budgeted costs of \$24,000 for the year is for rates and insurance.
- 10.1.4 A separate forestry report will be provided to provide an update on the forests.
- 10.1.5 Forestry is a self-funding activity, and at 31 March 2024 had a reserve balance of \$588,097.

10.2 **Update Kaiparoro – Birch North Forests from Engineering Services Manager**

10.2.1 **Kaiparoro Forest**

10.2.2 Council has resolved all outstanding issues with the abatement notice. Horizons now requires Council to proactively manage the site by providing monthly monitoring reports. Management is working with Forest360 who will provide supervision and management of the forest going forward.

10.2.3 Recommencement of harvesting is currently being discussed.

10.2.4 **Birch North Forest**

10.2.5 High Spec Forestry have continued harvesting small timber lots within Birch North Forest. Total to date being 7,463 tonnes harvested with a return of \$ 84,346. Approximately 50% completed remnant trees, that had an original value of zero, have been harvested.

10.2.6 Forest 360 have continued Thinning and Pruning operations utilising local crews to undertake work. Results have been good, and we are happy with the progress.

10.3 **Pensioner Housing – Summary for the Nine Months Ended 31 March 2024**

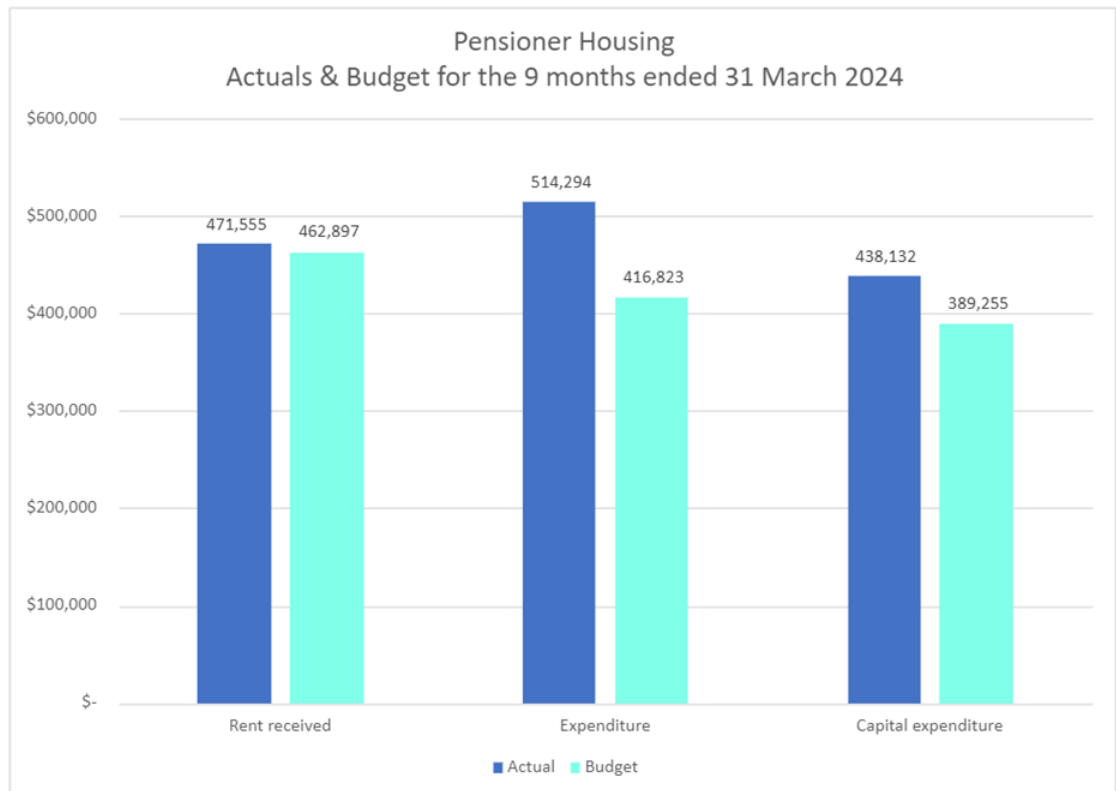


Figure 18

10.3.1 Operating Performance

For the nine months ended 31 March 2024 the pensioner housing activity has made an operating loss of \$38,000. Council had budgeted for an operating surplus of \$46,000 for the period.

As shown in the graph (Figure 18) total revenue is tracking slightly ahead of budget by \$9,000 and total operating expenses are \$93,000 more than budgeted. As previously reported, officers expected contract maintenance costs associated with heat pump and fire alarm servicing would exceed budget by approximately \$10,000. In addition to this, insurance and rates expenses are \$35,000 and \$48,000 higher than budget.

10.3.2 Capital Expenditure

Capital expenditure for the period is tracking at \$438,000 of a \$389,000 full year budget. Full details of what has made up the spend has been broken down in the management report.

The capital expenditure programme for the 2024 financial year is complete and there will be no further expenditure other than any unplanned works that may arise.

10.3.3 Pensioner Housing Reserve

Pensioner housing is a self-funding activity. At 31 March 2024 the reserve was overdrawn by \$420,783 based on actual revenue, expenditure and capital renewals.

Attachments

[1](#). Third Quarter Service Performance Report - 31 March 2024

[2](#). Treasury - Quarterly Economic and Council Risk Management Update - 31 March 2024

Third Quarter
SERVICE
PERFORMANCE
REPORT

PERIOD ENDING
31 MARCH 2024

TARARUA DISTRICT COUNCIL

Contents

Service performance measures

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8	Representation
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34	Wastewater
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Service performance.



Community Development

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
Facilitate active community-led development	Percentage of residents rating Council's involvement in community support as "fairly satisfactory" or "very satisfactory" in the community survey.	75%	<p>Needs improvement 58%</p> <p>LAST YEAR: 68%</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Sep 22</th> <th>Jan 23</th> <th>May 23</th> <th>Sep 23</th> <th>Jan 24</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>10%</td> <td>16%</td> <td>13%</td> <td>14%</td> <td>11%</td> </tr> <tr> <td>7–8</td> <td>50%</td> <td>30%</td> <td>43%</td> <td>32%</td> <td>28%</td> </tr> <tr> <td>6</td> <td>11%</td> <td>14%</td> <td>11%</td> <td>4%</td> <td>19%</td> </tr> <tr> <td>5</td> <td>11%</td> <td>15%</td> <td>13%</td> <td>22%</td> <td>15%</td> </tr> <tr> <td>1–4</td> <td>19%</td> <td>25%</td> <td>19%</td> <td>27%</td> <td>22%</td> </tr> </tbody> </table> <p>This measure is following the trend across Council for an overall reduction in satisfaction with services experienced in 2022 and continuing in 2023. No specific responses were provided as an explanation for this result as part of the survey. Council has seen a positive increase in this measure from the 51% received September 2023.</p>	Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24	9–10	10%	16%	13%	14%	11%	7–8	50%	30%	43%	32%	28%	6	11%	14%	11%	4%	19%	5	11%	15%	13%	22%	15%	1–4	19%	25%	19%	27%	22%				
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Provide effective leadership to engaged community organisation	Percentage of surveyed community organisations satisfied or better with Council leadership	85%	<p>Not achieved</p> <p>LAST YEAR: Not completed</p> <p>Not able to be measured, to be removed as part of the Long Term Plan process.</p>																																								
Community projects successful in gaining external funding	Number of funding applications made by community organisations and supported by Council	4	<p>On target 13</p> <p>LAST YEAR: 4</p>																																								
	Number of communities active in community-led development	4	<p>On target 4</p> <p>LAST YEAR: 2</p> <p>Currently working with Norsewood, Woodville, Eketāhuna and Pahiatua.</p>																																								
Council is successful in gaining external funding for projects and activities	Number of external funding applications submitted by Council	4	<p>On target 5</p> <p>LAST YEAR: 5</p>																																								

Representation

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																																																																																																		
Providing leadership to represent and make decisions in the best interests of the district and its communities	Percentage of residents rating the overall performance of the Mayor and Councillors as “fairly satisfactory” or “very satisfactory” in the community survey	75%	<div style="background-color: #ffc107; padding: 5px; display: inline-block;">Needs improvement</div> <div style="background-color: #ffc107; padding: 5px; display: inline-block; font-weight: bold;">61%</div>	<div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 71%</div>																																																																																																																					
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7.2 Third Quarter Performance Report - Period Ending 31 March 2024
Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
Providing leadership to represent and make decisions in the best interests of the district and its communities	Percentage of residents rating the overall performance of the Community Boards and Community Committees as “fairly satisfactory” or “very satisfactory” in the community survey	75%	<p>Needs improvement 65%</p> <p>LAST YEAR: 68%</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Sep 22</th> <th>Jan 23</th> <th>May 23</th> <th>Sep-21</th> <th>Jan 24</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>18%</td> <td>16%</td> <td>15%</td> <td>21%</td> <td>22%</td> </tr> <tr> <td>7–8</td> <td>28%</td> <td>34%</td> <td>38%</td> <td>27%</td> <td>31%</td> </tr> <tr> <td>6</td> <td>14%</td> <td>17%</td> <td>14%</td> <td>5%</td> <td>13%</td> </tr> <tr> <td>5</td> <td>20%</td> <td>16%</td> <td>17%</td> <td>22%</td> <td>12%</td> </tr> <tr> <td>1–4</td> <td>10%</td> <td>17%</td> <td>15%</td> <td>25%</td> <td>22%</td> </tr> </tbody> </table> <p>This measure is following the trend across Council for an overall reduction in satisfaction with services experienced in 2022 and continuing in 2023. No specific responses were provided as an explanation for this result as part of the survey. This measure has seen a positive increase from 53% in September 2023 survey.</p>	Score	Sep 22	Jan 23	May 23	Sep-21	Jan 24	9–10	18%	16%	15%	21%	22%	7–8	28%	34%	38%	27%	31%	6	14%	17%	14%	5%	13%	5	20%	16%	17%	22%	12%	1–4	10%	17%	15%	25%	22%	⊗	☹️	☹️	☹️
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Provide processes and community boards/committees through which the community can have its views heard	Percentage of Council committee meetings that meet the requirements the Local Government Official Information and Meetings Act	100%	<p>Achieved 100%</p> <p>LAST YEAR: 100%</p> <p>Council committee and community board meetings were publicly notified on Council’s website and through the local newspaper in accordance with the requirements of the Local Government Official Information and Meetings Act.</p>	✔️	🔄	🔄	🔄																																				

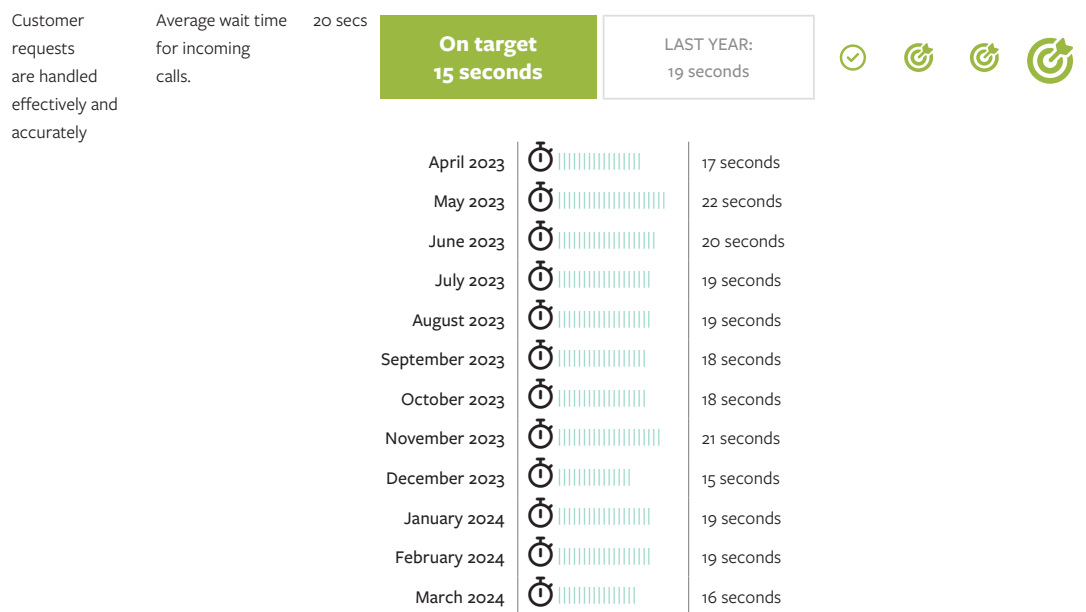
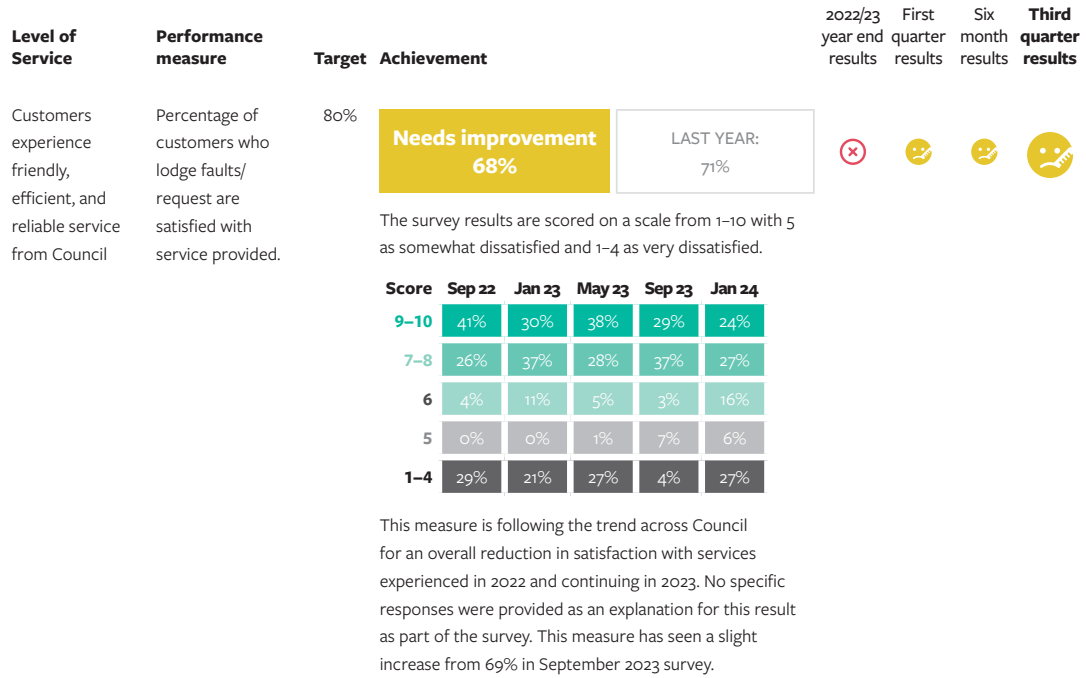
Cemeteries

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
	Percentage residents satisfied with cemeteries in the community surveys.	90%	<div style="background-color: #ffc107; padding: 5px; display: inline-block;">Needs improvement</div> 85%	LAST YEAR: 86%																																							
<p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Sep 22</th> <th>Jan 23</th> <th>May 23</th> <th>Sep 23</th> <th>Jan 24</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>28%</td> <td>37%</td> <td>37%</td> <td>34%</td> <td>37%</td> </tr> <tr> <td>7–8</td> <td>51%</td> <td>39%</td> <td>40%</td> <td>31%</td> <td>37%</td> </tr> <tr> <td>6</td> <td>9%</td> <td>10%</td> <td>9%</td> <td>17%</td> <td>12%</td> </tr> <tr> <td>5</td> <td>10%</td> <td>6%</td> <td>8%</td> <td>13%</td> <td>11%</td> </tr> <tr> <td>1–4</td> <td>2%</td> <td>7%</td> <td>6%</td> <td>5%</td> <td>4%</td> </tr> </tbody> </table> <p>This measure is following the trend across Council for an overall reduction in satisfaction with Council services. No specific responses were provided as part of the survey. Council continues to receive compliments on the cemeteries through the district. This measure has seen a positive increase from 82% in the September 2023 survey.</p>								Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24	9–10	28%	37%	37%	34%	37%	7–8	51%	39%	40%	31%	37%	6	9%	10%	9%	17%	12%	5	10%	6%	8%	13%	11%	1–4	2%	7%	6%	5%	4%
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	Percentage of cemeteries in District with plots available for next 12 months- based on historical burial data.	100%	<div style="background-color: #6c757d; padding: 5px; display: inline-block;">On target</div> 100%	LAST YEAR: 100%																																							
<p>All cemeteries in the district have more than adequate number of burial plots available.</p>																																											

Community Buildings

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
Council provides community buildings that are fit for purpose	Percentage residents satisfied with community buildings in the community survey.	90%	<div style="background-color: #ffc107; padding: 5px; display: inline-block;">Needs improvement</div> <div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 89%</div>																																								
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Facilities are well-utilised	The increase from previous year in the total number of hours per annum facilities are booked through Council.	> 1%	<div style="background-color: #6c757d; padding: 5px; display: inline-block;">On target</div> <div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 11%</div>																																								

Customer Service



7.2 Third Quarter Performance Report - Period Ending 31 March 2024
Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
Customer requests are handled effectively and accurately	Percentage of abandoned calls.	< 5%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 4% </div>	LAST YEAR: 3%																																							
			<table border="1"> <tr><td>April 2023</td><td> 4%</td><td>1,878 calls received</td></tr> <tr><td>May 2023</td><td> 5%</td><td>2,242 calls received</td></tr> <tr><td>June 2023</td><td> 4%</td><td>1,990 calls received</td></tr> <tr><td>July 2023</td><td> 4%</td><td>1,882 calls received</td></tr> <tr><td>August 2023</td><td> 3%</td><td>2,270 calls received</td></tr> <tr><td>September 2023</td><td> 4%</td><td>1,879 calls received</td></tr> <tr><td>October 2023</td><td> 4%</td><td>1,859 calls received</td></tr> <tr><td>November 2023</td><td> 3%</td><td>1,667 calls received</td></tr> <tr><td>December 2023</td><td> 2%</td><td>1,183 calls received</td></tr> <tr><td>January 2024</td><td> 4%</td><td>1,439 calls received</td></tr> <tr><td>February 2024</td><td> 5%</td><td>2,032 calls received</td></tr> <tr><td>March 2024</td><td> 2%</td><td>1,698 calls received</td></tr> </table>	April 2023	4%	1,878 calls received	May 2023	5%	2,242 calls received	June 2023	4%	1,990 calls received	July 2023	4%	1,882 calls received	August 2023	3%	2,270 calls received	September 2023	4%	1,879 calls received	October 2023	4%	1,859 calls received	November 2023	3%	1,667 calls received	December 2023	2%	1,183 calls received	January 2024	4%	1,439 calls received	February 2024	5%	2,032 calls received	March 2024	2%	1,698 calls received				
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Responsive 24/7 phone service	Percentage of customers who lodge faults/ requests are satisfied with the after hours service received.	85%	<div style="background-color: #f1c232; padding: 5px; text-align: center;"> Needs improvement 55% </div>	LAST YEAR: 74%																																							
			<p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Sep 22</th> <th>Jan 23</th> <th>May 23</th> <th>Sep 23</th> <th>Jan 24</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>53%</td> <td>24%</td> <td>36%</td> <td>17%</td> <td>21%</td> </tr> <tr> <td>7–8</td> <td>42%</td> <td>34%</td> <td>31%</td> <td>11%</td> <td>34%</td> </tr> <tr> <td>6</td> <td>0%</td> <td>27%</td> <td>7%</td> <td>0%</td> <td>7%</td> </tr> <tr> <td>5</td> <td>0%</td> <td>0%</td> <td>0%</td> <td>22%</td> <td>10%</td> </tr> <tr> <td>1–4</td> <td>5%</td> <td>15%</td> <td>26%</td> <td>49%</td> <td>2%</td> </tr> </tbody> </table>	Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24	9–10	53%	24%	36%	17%	21%	7–8	42%	34%	31%	11%	34%	6	0%	27%	7%	0%	7%	5	0%	0%	0%	22%	10%	1–4	5%	15%	26%	49%	2%				
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Libraries

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
Library facilities are clean, welcoming, and open at times suited to the community	Percentage of customers rating library facilities as clean and welcoming with good opening hours	90%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 96% </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> LAST YEAR: Not measured </div> <p>Survey was completed November 2023.</p>	–																																							
Access to information	Percentage of residents rating libraries as “fairly satisfactory” or “very satisfactory” in the community survey.	90%	<div style="background-color: #f1c40f; color: white; padding: 5px; text-align: center;"> Needs improvement 89% </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> LAST YEAR: 90% </div> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <thead> <tr> <th>Score</th> <th>Sep 22</th> <th>Jan 23</th> <th>May 23</th> <th>Sep 23</th> <th>Jan 24</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>49%</td> <td>52%</td> <td>51%</td> <td>54%</td> <td>46%</td> </tr> <tr> <td>7–8</td> <td>35%</td> <td>30%</td> <td>34%</td> <td>33%</td> <td>34%</td> </tr> <tr> <td>6</td> <td>5%</td> <td>6%</td> <td>5%</td> <td>3%</td> <td>7%</td> </tr> <tr> <td>5</td> <td>8%</td> <td>8%</td> <td>7%</td> <td>7%</td> <td>11%</td> </tr> <tr> <td>1–4</td> <td>3%</td> <td>4%</td> <td>4%</td> <td>4%</td> <td>2%</td> </tr> </tbody> </table> <p>This measure has seen a slight decrease from 89% recorded in the September 2023 survey.</p>	Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24	9–10	49%	52%	51%	54%	46%	7–8	35%	30%	34%	33%	34%	6	5%	6%	5%	3%	7%	5	8%	8%	7%	7%	11%	1–4	3%	4%	4%	4%	2%				
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Improve literacy and knowledge among the district's children	Percentage of customers satisfied with children's programmes (annual survey)	90%	<div style="background-color: #555; color: white; padding: 5px; text-align: center;"> Not measured yet </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> LAST YEAR: 100% </div> <p>Annual survey has not yet been completed.</p>		–	–	–																																				

Parks and Reserves

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
Our parks and park facilities are well presented	Percentage of residents rating parks and reserves as “fairly satisfactory” or “very satisfactory” in the community survey.	90%	<div style="background-color: #ffc107; padding: 5px; display: inline-block;">Needs improvement</div> <div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 83%</div>																																								
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Our parks and reserves are in good condition	Number of recorded incidences where parks and reserves are found to be below the agreed maintenance standard.	< 5	<div style="background-color: #6c757d; color: white; padding: 5px; display: inline-block;">On target</div> <div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 2</div>																																								
Playground equipment is safe to use and fit for purpose	Percentage of playgrounds in the district that had no faults under the 2017/18 AUS/NZ playground safety standard (new)	95%	<div style="background-color: #dc3545; color: white; padding: 5px; display: inline-block;">Not achieved</div> <div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 93%</div>																																								
<p>The facilities team are currently working on the high-medium risk repairs and maintenance to playground equipment. Extensive work is also required throughout the district for playground matting upgrades. Better Off funding will focus on the upgrade of our four main parks to lift the standards of these playgrounds.</p>																																											

Pensioner Housing

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results	
Housing units are maintained to a suitable standard	Percentage of housing units which, when inspected, are found to have maintenance issues which are more than minor.	<5%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 5% </div> <p>Condition assessment inspections are planned for May. However, previous inspections we are aware some units require refurbishing (replacement of hot water cylinders, carpet, internal painting and bathroom refurbishment).</p>	LAST YEAR: 29%				
Council acts as a good, caring landlord	Tenants' satisfaction with the landlord service received from Council.	90%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 96% </div> <p>82 tenants received a survey with 48 responses received, and three vacant units at the time survey was conducted.</p>	LAST YEAR: 94%				

Public Conveniences

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
Public conveniences provided are fit for purpose	Percentage of residents rating public conveniences as “fairly satisfactory” or “very satisfactory” in the community survey.	80%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 84% </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> LAST YEAR: 72% </div>																																								
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1–4	14%	11%	13%	21%	10%																																						
The number of complaints received per annum about the maintenance and cleanliness of public toilets (excluding graffiti and vandalism).	< 90	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 86 </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> LAST YEAR: 98 </div>																																									
<p>Number of service requests</p> <table border="1"> <thead> <tr> <th>Year</th> <th>Number of requests</th> </tr> </thead> <tbody> <tr> <td>2023/24</td> <td>86</td> </tr> <tr> <td>2022/23</td> <td>98</td> </tr> <tr> <td>2020/21</td> <td>95</td> </tr> <tr> <td>2020/21</td> <td>64</td> </tr> <tr> <td>2019/20</td> <td>85</td> </tr> </tbody> </table> <p>Of the 86 complaints, 52 were for maintenance issues, 24 for additional cleaning required and 18 for blockages. 17 Woodville, 19 Pahiatua, 32 Dannevirke, 15 Eketāhuna, one Norsewood and two Pongaroa.</p>								Year	Number of requests	2023/24	86	2022/23	98	2020/21	95	2020/21	64	2019/20	85																								
Year	Number of requests																																										
2023/24	86																																										
2022/23	98																																										
2020/21	95																																										
2020/21	64																																										
2019/20	85																																										
Percentage of customer request responded to within 48 hours	85%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 98% </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> LAST YEAR: 96% </div>																																									

Swimming Pools

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results	
Public swimming pools provide a quality visitor experience	Percentage of residents rating swimming pools as “fairly satisfactory” or “very satisfactory” in the community survey	80%	<div style="background-color: #ffc107; padding: 5px; display: inline-block;">Needs improvement</div> <div style="font-size: 1.2em; font-weight: bold; color: white; background-color: #ffc107; padding: 2px 10px; display: inline-block;">73%</div>	LAST YEAR: 79%				

The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.

Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24
9–10	22%	37%	24%	23%	26%
7–8	39%	35%	40%	37%	29%
6	20%	9%	15%	6%	17%
5	7%	8%	8%	13%	16%
1–4	11%	12%	12%	21%	12%

This measure is following the trend across Council for an overall reduction in satisfaction with services experienced in 2022 and continuing in 2023. No specific responses were provided as an explanation for this result as part of the survey. This measure has seen a positive increase from 70% in the September 2023 survey.

Outdoor pools open during summer months, and Wai Splash all year around (less maintenance time)	The number of weeks each year Wai Splash is open for public use	< 49 weeks	<div style="background-color: #6c757d; padding: 5px; display: inline-block;">On target</div> <div style="font-size: 1.2em; font-weight: bold; color: white; background-color: #6c757d; padding: 2px 10px; display: inline-block;">35 weeks</div>	LAST YEAR: 50 weeks				
-------------------------------------------------------------------------------------------------	-----------------------------------------------------------------	------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------	--	--	--	--

	The number of weeks each year outdoor pools is open for public use	> 10 weeks	<div style="background-color: #6c757d; padding: 5px; display: inline-block;">On target</div> <div style="font-size: 1.2em; font-weight: bold; color: white; background-color: #6c757d; padding: 2px 10px; display: inline-block;">10 weeks</div>	LAST YEAR: 9 weeks				
--	--------------------------------------------------------------------	------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	-----------------------	--	--	--	--

Eketāhuna experience water challenges at the start of the season, a burglary and two bad days weather during the season.

Projects team coordinated the repairs and maintenance required for Pahiatua facility to enable it to be open for the season.

Woodville faced some challenges with weather dictating opening days/hours. Overall reports received from each facility produced satisfactory results for the season.

District Promotion and Development

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results
Undertake research and/or feasibility studies into economic development opportunities	Number of research reports and/or feasibility studies delivered.	2	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center; font-weight: bold;">On target 7</div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;">LAST YEAR: 2</div> <p>Two reports currently being worked on in the economic/ community space. These will likely not be delivered towards the end of the financial year.</p>				
Promote Tararua District at large events in and outside the district	Major Events that 'Tararua' is directly involved in.	5	<div style="background-color: #f1c232; color: white; padding: 5px; text-align: center; font-weight: bold;">Needs improvement 1</div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;">LAST YEAR: 5</div> <p>Most events occur in the second half of the year.</p>				
Support community groups to run events in Tararua	Number of community events that are actively supported by Council.	10	<div style="background-color: #f1c232; color: white; padding: 5px; text-align: center; font-weight: bold;">Needs improvement 3</div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;">LAST YEAR: 13</div> <p>Most events occur in the second half of the year.</p>				

7.2 Third Quarter Performance Report - Period Ending 31 March 2024
Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																														
Provide engaging and informative Council information to residents	Percentage of survey respondents that consider the Bush Telegraph Council page content useful or very useful (Public Voice Survey of over 600 residents)	75%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 75% </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> LAST YEAR: 73% </div>																																		
<p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Sep 22</th> <th>Jan 23</th> <th>May 23</th> <th>Sep 23</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>29%</td> <td>31%</td> <td>34%</td> <td>25%</td> </tr> <tr> <td>7–8</td> <td>41%</td> <td>27%</td> <td>41%</td> <td>38%</td> </tr> <tr> <td>6</td> <td>11%</td> <td>15%</td> <td>6%</td> <td>7%</td> </tr> <tr> <td>5</td> <td>5%</td> <td>9%</td> <td>8%</td> <td>15%</td> </tr> <tr> <td>1–4</td> <td>14%</td> <td>18%</td> <td>11%</td> <td>15%</td> </tr> </tbody> </table>								Score	Sep 22	Jan 23	May 23	Sep 23	9–10	29%	31%	34%	25%	7–8	41%	27%	41%	38%	6	11%	15%	6%	7%	5	5%	9%	8%	15%	1–4	14%	18%	11%	15%
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5	5%	9%	8%	15%																																	
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Council has seen a positive increase in this measure from 66% received in September 2023 survey.

Three hundred and sixty three survey respondents relied on the following sources for Council information:

Source	2022	2023	2024
Bush Telegraph	51%	41%	42%
Other newspapers	1%	9%	0%
Council's website	9%	11%	18%
Others	2%	0%	6%
Facebook	27%	28%	23%
Council publications	7%	3%	6%
Radio	1%	2%	1%
Don't know	1%	5%	4%









Results continue to show that the Council page in the Bush Telegraph is highly popular with the residents.

However, the survey shows Council's Facebook page is increasingly being relied upon also.

Animal Control

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
Residents are satisfied with the Animal Control service.	The percentage of customer service request complaints related to dogs attacking or biting are responded to within 2 hours.	95%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 97% </div>	<div style="border: 1px solid #ccc; padding: 5px; text-align: center;"> LAST YEAR: 98% </div>																																							
Dog owners are complying with their registration responsibilities.	The percentage of known dogs that are registered.	95%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 99% </div>	<div style="border: 1px solid #ccc; padding: 5px; text-align: center;"> LAST YEAR: 99% </div>																																							
A responsive serious dog incident service is provided 24 hours a day, 7 days a week.	Percentage of residents rate dog control as “quite satisfactory” or “very satisfactory” in community survey.	80%	<div style="background-color: #f1c40f; padding: 5px; text-align: center;"> Needs improvement 55% </div>	<div style="border: 1px solid #ccc; padding: 5px; text-align: center;"> LAST YEAR: 72% </div>																																							
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1–4	13%	18%	19%	29%	34%																																						
<p>Residents main concerns were: dogs roaming streets, aggressive dogs barking/looking menacing/intimidating/scared, dogs not controlled in backyards/hanging over gates and fences. Council is committed to following up any complaints and are resolved based on the powers of Council. Slight decrease from September 2023 survey result of 56%.</p>																																											

District Planning

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results	
Applications for subdivision or land use consents are processed in a timely manner	The percentage of non-notified resource consent applications processed within statutory timeframes (20 working days).	95%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 100% </div>	<div style="border: 1px solid #ccc; padding: 5px; text-align: center;"> LAST YEAR: 100% </div>				
Customer complaints about land use are responded to in a timely manner	The percentage of customer service request complaints related to land use that are responded to within five working days.	85%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 96% </div>	<div style="border: 1px solid #ccc; padding: 5px; text-align: center;"> LAST YEAR: 88% </div>				

Emergency Management

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																														
Support communities to develop response and recovery plans	Percentage of residents rating Emergency Management as “fairly satisfactory”, “satisfactory” or “very satisfactory” in the community survey.	80%	<div style="background-color: #ffc107; padding: 5px; display: inline-block;">Needs improvement</div> <div style="background-color: #ffc107; padding: 5px; display: inline-block; font-weight: bold;">78%</div>	<div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 61%</div>																																	
<p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>Score</th> <th>Jan 23</th> <th>May 23</th> <th>Sep 23</th> <th>Jan 24</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>14%</td> <td>15%</td> <td>8%</td> <td>10%</td> </tr> <tr> <td>7–8</td> <td>24%</td> <td>30%</td> <td>29%</td> <td>49%</td> </tr> <tr> <td>6</td> <td>10%</td> <td>16%</td> <td>23%</td> <td>18%</td> </tr> <tr> <td>5</td> <td>34%</td> <td>23%</td> <td>15%</td> <td>14%</td> </tr> <tr> <td>1–4</td> <td>18%</td> <td>16%</td> <td>25%</td> <td>9%</td> </tr> </tbody> </table> <p>This measure follows the trend across Council for overall dissatisfaction, however when respondents were prompted with a follow up question for this result, some of the responses were a result of a misunderstanding of Council's role in Emergency Management, and some continued dissatisfaction around the response to Cyclone Gabrielle. This measure has had a positive increase from 60% received in the September 2023 survey.</p>								Score	Jan 23	May 23	Sep 23	Jan 24	9–10	14%	15%	8%	10%	7–8	24%	30%	29%	49%	6	10%	16%	23%	18%	5	34%	23%	15%	14%	1–4	18%	16%	25%	9%
Score	Jan 23	May 23	Sep 23	Jan 24																																	
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6	10%	16%	23%	18%																																	
5	34%	23%	15%	14%																																	
1–4	18%	16%	25%	9%																																	
Ensure an adequate number of trained staff to operate an emergency operations centre and recovery office.	Management staff trained to Integrated Training Framework - Intermediate.	80%	<div style="background-color: #6c757d; padding: 5px; display: inline-block;">On target</div> <div style="background-color: #6c757d; padding: 5px; display: inline-block; font-weight: bold;">88%</div>	<div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 95%</div>																																	
Lead local emergency management coordination and planning by administering the Tararua Emergency Management Committee	Annual stakeholder survey overall satisfaction.	80%	<div style="background-color: #6c757d; padding: 5px; display: inline-block;">On target</div> <div style="background-color: #6c757d; padding: 5px; display: inline-block; font-weight: bold;">100%</div>	<div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 100%</div>																																	

Health and Safety

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results
Council retains authority to issue building consents.	Accreditation as a Building Consent Authority is maintained	Achieve	Achieved	LAST YEAR: ACHIEVED			
Protect public health by monitoring, advising and inspecting food premises, sale of liquor outlets, funeral parlours, offensive trades, hairdressing businesses, and camping grounds	The percentage of registered template food control plans verified within statutory timeframes.	95%	On target 100%	LAST YEAR: 100%			
	The percentage of registered health regulated premises inspected annually.	95%	On target 100%	LAST YEAR: 100%			
	The percentage of licensed premises selling alcohol inspected annually	95%	On target 98%	LAST YEAR: 100%			
			Inspections are completed in July.				
			Inspections are completed throughout the year, with one inspection left to be completed before end of year.				
A responsive excessive noise control service is provided 24 hours a day, 7 days a week	The percentage of customer service request complaints related to excessive noise responded to within 2 hours.	85%	On target 95%	LAST YEAR: 91%			
Customer complaints about environmental nuisances are responded to in a timely manner	The percentage of customer service request complaints related to illegal rubbish dumping, abandoned vehicles, and vegetation blocking footpaths that are responded to within 3 working days.	80%	On target 93%	LAST YEAR: 87%			
			A total of 163 complaints were received.				
Applications for building consents are processed in a timely manner.	Percentage of building consent applications processed within the statutory time frame specified in the Building Act.	95%	On target 95%	LAST YEAR: 93%			

Solid Waste Management

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results
Refuse and recycling services meet user needs	Percentage of residents rating recycling as “fairly satisfactory” or “very satisfactory” or in the community survey.	85%	<div style="background-color: #ffc107; padding: 5px; display: inline-block;">Needs improvement</div> <div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 76%</div>				

The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.

Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24
9–10	27%	41%	34%	31%	34%
7–8	41%	28%	36%	27%	21%
6	8%	5%	6%	9%	13%
5	9%	11%	10%	6%	16%
1–4	15%	15%	14%	26%	16%

Although still not an achieved result, there has been an increase in satisfaction as a result of the change in kerbside recycling collection. Lack of convenient access, lack of time to separate recyclables and lack of incentive continue to communities main concerns. These concerns will feed into the Waste Minimisation that is being reviewed in 2023/2024 year.

Refuse and recycling services meet user needs	Percentage of residents rating landfills/ transfer station management as “fairly satisfactory” or “very satisfactory” in the community survey.	75%	<div style="background-color: #ffc107; padding: 5px; display: inline-block;">Needs improvement</div> <div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 67%</div>				
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The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.

Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24
9–10	24%	31%	25%	15%	24%
7–8	32%	24%	30%	21%	32%
6	11%	13%	11%	13%	10%
5	13%	11%	13%	26%	13%
1–4	19%	21%	20%	26%	21%





Community satisfaction continues to be low. No specific responses were received on the management of transfer stations, however concerns on the cost to dispose of rubbish were expressed. Council sees a positive increase in this result from 48% received in the September 2023 survey.

7.2 Third Quarter Performance Report - Period Ending 31 March 2024
Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results
Council will promote and encourage recycling and reuse	Kg of waste per resident sent to landfills by the Council per annum	250kg	<p>On target 153kg</p> <p>LAST YEAR: 266kg</p> <p>April 2023 21kg May 2023 20kg June 2023 21kg July 2023 16kg August 2023 19kg September 2023 16kg October 2023 17kg November 2023 18kg December 2023 19kg January 2024 19kg February 2024 16kg March 2024 13kg</p>	⊗	🔄	🔄	🔄
<p>As part of the Waste Minimisation Plan, Council will continue to look at new ways to reduce the amount of waste going to landfill including discussions with other Councils about potential programmes following the 3R model - reduce, reuse, recycle.</p>							

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results
Council will promote and encourage recycling and reuse	Tonnage of recycled materials processed by Council	1,200 tonnes	<p>On target 1,088 tonnes</p> <p>LAST YEAR: 1,284 tonnes</p> <p>April 2023 93 tonnes May 2023 109 tonnes June 2023 93 tonnes April 2023 105 tonnes May 2023 102 tonnes June 2023 98 tonnes October 2023 111 tonnes November 2023 113 tonnes December 2023 113 tonnes January 2024 130 tonnes February 2024 120 tonnes March 2024 105 tonnes</p>	✅	🔄	🔄	🔄





7.2 Third Quarter Performance Report - Period Ending 31 March 2024
 Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results
Council's open and closed landfills are well managed	% of landfills where all Horizons resource consent conditions are met	100%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 100% </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> LAST YEAR: 79% </div> <p>Council owns 19 landfill consents associated with six locations (Dannevirke, Eketāhuna, Ormondville, Pahiatua, Pongaroa and Woodville).</p> <p>All compliance reports have been submitted.</p>				

7.2 Third Quarter Performance Report - Period Ending 31 March 2024
 Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results	
Risks to public health and our natural environment are minimised	Number of enforcement actions against Council for not meeting resource consent conditions for discharge from the stormwater system relating to: Abatement Notices*	0	On target Nil	LAST YEAR: Nil				
	Number of enforcement actions against Council for not meeting resource consent conditions for discharge from the stormwater system relating to: Infringement notices*	0	On target Nil	LAST YEAR: Nil				
	Number of enforcement actions against Council for not meeting resource consent conditions for discharge from the stormwater system relating to: Enforcement orders*	0	On target Nil	LAST YEAR: Nil				
	Number of enforcement actions against Council for not meeting resource consent conditions for discharge from the stormwater system relating to: Convictions*	0	On target Nil	LAST YEAR: Nil				

7.2 Third Quarter Performance Report - Period Ending 31 March 2024
 Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results	
Issues relating to the stormwater system are responded to	Median time (hours) to attend a flooding event, measured from the time that Council receives a notification that service personnel reach the site*	2 hours	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target Nil </div>	<div style="border: 1px solid #ccc; padding: 5px; text-align: center;"> LAST YEAR: 0 minutes </div>				

Footpaths

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
Our footpaths are maintained to an appropriate standard	Percentage of residents rate footpaths as “fairly satisfactory” or “very satisfactory” in the community survey.	75%	<div style="background-color: #ffc107; padding: 5px; text-align: center;">Needs improvement</div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;">LAST YEAR: 63%</div>																																								
<p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>Score</th> <th>Sep 22</th> <th>Jan 23</th> <th>May 23</th> <th>Sep 23</th> <th>Jan 24</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>21%</td> <td>16%</td> <td>14%</td> <td>12%</td> <td>7%</td> </tr> <tr> <td>7–8</td> <td>37%</td> <td>29%</td> <td>34%</td> <td>34%</td> <td>30%</td> </tr> <tr> <td>6</td> <td>14%</td> <td>14%</td> <td>15%</td> <td>10%</td> <td>18%</td> </tr> <tr> <td>5</td> <td>22%</td> <td>20%</td> <td>19%</td> <td>22%</td> <td>18%</td> </tr> <tr> <td>1–4</td> <td>21%</td> <td>29%</td> <td>19%</td> <td>22%</td> <td>27%</td> </tr> </tbody> </table> <p>The main feedback received from residents was around uneven, trip hazard, slippery, not suitable for the elderly and disabled, cleanliness poor, not wide enough for families, footpaths poorly maintained and the desire for additional walkways. This result is a slight decrease from 56% in the September 2023 survey.</p>								Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24	9–10	21%	16%	14%	12%	7%	7–8	37%	29%	34%	34%	30%	6	14%	14%	15%	10%	18%	5	22%	20%	19%	22%	18%	1–4	21%	29%	19%	22%	27%
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5	22%	20%	19%	22%	18%																																						
1–4	21%	29%	19%	22%	27%																																						
The percentage of footpaths within the district fall within the footpath condition standards set out in the Asset Management Plan*		90%	<div style="background-color: #6c757d; padding: 5px; text-align: center;">Not applicable</div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;">LAST YEAR: 97.8%</div>																																								
Our customers are responded to in a timely manner	Complaints regarding footpaths are responded to within 3 working days*	90%	<div style="background-color: #6c757d; padding: 5px; text-align: center;">On target</div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;">LAST YEAR: 95%</div>																																								
<p>Staff continue to be responsive to any complaints regarding the district's footpaths.</p>																																											

Roading

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
Our roading network is safe	The change (expressed as a number) from the previous financial year in the number of crashes resulting in fatalities and serious injuries on the local road network*	< 0	<div style="background-color: #666; color: white; padding: 5px; text-align: center;">Not applicable</div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;">LAST YEAR: 2</div> <p>Measured at year end.</p>																																								
Our customers are responded to in a timely manner	Customer service requests relating to roads are responded to within 3 working days*	90%	<div style="background-color: #ffc107; padding: 5px; text-align: center;">Needs improvement 89%</div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;">LAST YEAR: 94%</div>																																								
Our roads are maintained to an appropriate standard	Percentage of Residents rating Urban roads as “quite satisfactory” or “very satisfactory” in community survey.	75%	<div style="background-color: #ffc107; padding: 5px; text-align: center;">Needs improvement 45%</div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;">LAST YEAR: 44%</div> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1" style="width: 100%; text-align: center; border-collapse: collapse;"> <thead> <tr> <th>Score</th> <th>Sep 22</th> <th>Jan 23</th> <th>May 23</th> <th>Sep 23</th> <th>Jan 24</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td style="background-color: #20c997; color: white;">2%</td> <td style="background-color: #20c997; color: white;">11%</td> <td style="background-color: #20c997; color: white;">8%</td> <td style="background-color: #20c997; color: white;">6%</td> <td style="background-color: #20c997; color: white;">6%</td> </tr> <tr> <td>7–8</td> <td style="background-color: #41ab5d; color: white;">23%</td> <td style="background-color: #41ab5d; color: white;">15%</td> <td style="background-color: #41ab5d; color: white;">24%</td> <td style="background-color: #41ab5d; color: white;">24%</td> <td style="background-color: #41ab5d; color: white;">22%</td> </tr> <tr> <td>6</td> <td style="background-color: #76d7c4; color: white;">14%</td> <td style="background-color: #76d7c4; color: white;">10%</td> <td style="background-color: #76d7c4; color: white;">12%</td> <td style="background-color: #76d7c4; color: white;">14%</td> <td style="background-color: #76d7c4; color: white;">17%</td> </tr> <tr> <td>5</td> <td style="background-color: #d9e1f2; color: white;">15%</td> <td style="background-color: #d9e1f2; color: white;">24%</td> <td style="background-color: #d9e1f2; color: white;">17%</td> <td style="background-color: #d9e1f2; color: white;">15%</td> <td style="background-color: #d9e1f2; color: white;">20%</td> </tr> <tr> <td>1–4</td> <td style="background-color: #f4cccc; color: white;">46%</td> <td style="background-color: #f4cccc; color: white;">40%</td> <td style="background-color: #f4cccc; color: white;">39%</td> <td style="background-color: #f4cccc; color: white;">41%</td> <td style="background-color: #f4cccc; color: white;">35%</td> </tr> </tbody> </table> <p>Roads across the district have been impacted by weather events which has reduced the time to be able to complete regular maintenance. Ongoing rain fall increases the development of potholes. The standard of the state highways also impacts this measure although they are outside of Council's control. Measure shows slight increase from 44% received in the September 2023 survey.</p>	Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24	9–10	2%	11%	8%	6%	6%	7–8	23%	15%	24%	24%	22%	6	14%	10%	12%	14%	17%	5	15%	24%	17%	15%	20%	1–4	46%	40%	39%	41%	35%				
Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24																																						
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7–8	23%	15%	24%	24%	22%																																						
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1–4	46%	40%	39%	41%	35%																																						

7.2 Third Quarter Performance Report - Period Ending 31 March 2024
Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
Our roads are maintained to an appropriate standard	Percentage of Residents rating Rural roads as “quite satisfactory” or “very satisfactory” in community survey.	60%	<p>Needs improvement 43%</p> <p>LAST YEAR: 43%</p> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>Sep 22</th> <th>Jan 23</th> <th>May 23</th> <th>Sep 23</th> <th>Jan 24</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>2%</td> <td>5%</td> <td>5%</td> <td>2%</td> <td>6%</td> </tr> <tr> <td>7–8</td> <td>24%</td> <td>21%</td> <td>24%</td> <td>22%</td> <td>20%</td> </tr> <tr> <td>6</td> <td>20%</td> <td>14%</td> <td>15%</td> <td>14%</td> <td>18%</td> </tr> <tr> <td>5</td> <td>20%</td> <td>26%</td> <td>20%</td> <td>18%</td> <td>10%</td> </tr> <tr> <td>1–4</td> <td>33%</td> <td>33%</td> <td>37%</td> <td>44%</td> <td>47%</td> </tr> </tbody> </table> <p>Roads across the district have been impacted by weather events which has reduced the time to be able to complete regular maintenance. Ongoing rainfall increases the development of potholes. The standard of the state highways also impacts this measure although they are outside of Council’s control. This measure has had a positive increase from 37% received in the September survey.</p>	Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24	9–10	2%	5%	5%	2%	6%	7–8	24%	21%	24%	22%	20%	6	20%	14%	15%	14%	18%	5	20%	26%	20%	18%	10%	1–4	33%	33%	37%	44%	47%	⊗	☹️	☹️	☹️
Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24																																						
9–10	2%	5%	5%	2%	6%																																						
7–8	24%	21%	24%	22%	20%																																						
6	20%	14%	15%	14%	18%																																						
5	20%	26%	20%	18%	10%																																						
1–4	33%	33%	37%	44%	47%																																						
Our roads are maintained to an appropriate standard	The average quality of the ride on the sealed road network as measured by smooth travel exposure*	> 95%	<p>Not applicable</p> <p>LAST YEAR: 93.9%</p> <p>Measured at year end.</p>	⊗	—	—	—																																				
Our transportation network is being maintained effectively	The percentage of the sealed local network that is resurfaced.*	> 5%	<p>Not applicable</p> <p>LAST YEAR: 3.2%</p> <p>Measured at year end.</p>	⊗	—	—	—																																				

Wastewater

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																				
The wastewater system is adequate	The number of dry weather sewerage overflows from the wastewater system per 1,000 connections*	< 5	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 1.44 </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> LAST YEAR: 0.82 </div>																																								
Customers are satisfied with wastewater systems	Percentage of residents rating wastewater management as “fairly satisfactory” or “very satisfactory” in the community survey.	80%	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;"> On target 81% </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> LAST YEAR: 84% </div> <p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1" style="width: 100%; text-align: center; font-size: small;"> <thead> <tr> <th>Score</th> <th>Sep 22</th> <th>Jan 23</th> <th>May 23</th> <th>Sep 23</th> <th>Jan 24</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>35%</td> <td>35%</td> <td>34%</td> <td>50%</td> <td>34%</td> </tr> <tr> <td>7–8</td> <td>32%</td> <td>40%</td> <td>36%</td> <td>25%</td> <td>29%</td> </tr> <tr> <td>6</td> <td>16%</td> <td>10%</td> <td>12%</td> <td>10%</td> <td>18%</td> </tr> <tr> <td>5</td> <td>13%</td> <td>12%</td> <td>9%</td> <td>12%</td> <td>9%</td> </tr> <tr> <td>1–4</td> <td>3%</td> <td>4%</td> <td>10%</td> <td>3%</td> <td>9%</td> </tr> </tbody> </table>	Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24	9–10	35%	35%	34%	50%	34%	7–8	32%	40%	36%	25%	29%	6	16%	10%	12%	10%	18%	5	13%	12%	9%	12%	9%	1–4	3%	4%	10%	3%	9%				
Score	Sep 22	Jan 23	May 23	Sep 23	Jan 24																																						
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5	13%	12%	9%	12%	9%																																						
1–4	3%	4%	10%	3%	9%																																						
Risks to public health and our natural environment are minimised	Number of enforcement actions against Council for not meeting resource consent conditions for sewage schemes relating to: Abatement Notices*	0	<div style="background-color: #c00000; color: white; padding: 5px; text-align: center;"> Not achieved 2 </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> LAST YEAR: Nil </div> <p>On 5th March Council was issued with two abatement notices with regards to the Eketāhuna Wastewater Treatment Plant Wetlands. One for large scale land disturbance and associated discharge of contaminant namely sediment. The other notice was to comply with the resource consent and required Council to undertake additional actions.</p>																																								
	Number of enforcement actions against Council for not meeting resource consent conditions for sewage schemes relating to: Infringement notices*	0	<div style="background-color: #c00000; color: white; padding: 5px; text-align: center;"> Not achieved 2 </div> <div style="border: 1px solid #ccc; padding: 5px; margin-top: 5px;"> LAST YEAR: Nil </div> <p>On 27th February Council received two infringement notices for the Eketāhuna Wastewater Treatment Plant Wetlands. One was for land disturbance that was not expressly allowed by a national environment standard, a rule in a regional plan or a resource consent. The other was received for the discharge of contaminant, namely sediment onto land in circumstances which may result in contaminant entering water when discharge was not expressly allowed.</p>																																								

7.2 Third Quarter Performance Report - Period Ending 31 March 2024
 Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results
Risks to public health and our natural environment are minimised	Number of enforcement actions against Council for not meeting resource consent conditions for sewage schemes relating to: Enforcement orders*	0	On target Nil	LAST YEAR: Nil			
	Number of enforcement actions against Council for not meeting resource consent conditions for sewage schemes relating to: Convictions*	0	On target Nil	LAST YEAR: Nil			
Issues relating to the wastewater system are responded to	Median time to attend a sewage fault, measured from the time Council receives notification to the time that service personnel reach the site*	1 hour	On target 0 minutes	LAST YEAR: 36 minutes			
	Median time to resolve a sewage fault, measured from the time Council receives notification to the time that service personnel confirm resolution of the fault*	5 hours	On target 0 minutes	LAST YEAR: 1 hour 51 minutes			
Customers are satisfied with wastewater systems	Number of complaints received about wastewater per 1,000 connections for: sewerage odour*	< 4	On target Nil	LAST YEAR: 1.24			

7.2 Third Quarter Performance Report - Period Ending 31 March 2024
Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results
Customers are satisfied with wastewater systems	Number of complaints received about wastewater per 1,000 connections for: sewerage system faults*	< 5	<p>On target 2.05</p> <p>LAST YEAR: 3.49</p> <p>Total of 10 complaints had been received - 4 in Dannevirke, 3 in Woodville, 2 in Norsewood and one in Eketāhuna.</p>	✓	🎯	🎯	🎯
	Number of complaints received about wastewater per 1,000 connections for: sewerage system blockages*	< 7	<p>On target 2.87</p> <p>LAST YEAR: 7.6</p> <p>Total of 14 complaints had been received - seven in Dannevirke, five in Pahiatua, one Eketāhuna and one in Woodville.</p>	✗	🎯	🎯	🎯
	Number of complaints received about wastewater per 1,000 connections for: Councils response to the above issues*	< 3	<p>On target 0.0</p> <p>LAST YEAR: 0.62</p>	✓	🎯	🎯	🎯
	Number of complaints received about wastewater per 1,000 connections for: Total Number of recorded complaints*	< 19	<p>On target 4.92</p> <p>LAST YEAR: 9.93</p> <p>Total of 24 complaints received - 11 in Dannevirke, five in Pahiatua, four in Woodville, two in Eketāhuna and two in Norsewood.</p>	✓	🎯	🎯	🎯

Water Supplies

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results																																										
Customers are satisfied with supplied water	Percentage of customers rating water management as “fairly satisfactory” or “very satisfactory” in the community survey.	80%	<div style="background-color: #ffc107; padding: 5px; display: inline-block;">Needs improvement</div> <div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 2</div>																																														
<p>The survey results are scored on a scale from 1–10 with 5 as somewhat dissatisfied and 1–4 as very dissatisfied.</p> <table border="1"> <thead> <tr> <th>Score</th> <th>May 22</th> <th>Sep 22</th> <th>Jan 23</th> <th>May 23</th> <th>Sep 23</th> <th>Jan 24</th> </tr> </thead> <tbody> <tr> <td>9–10</td> <td>24%</td> <td>27%</td> <td>41%</td> <td>37%</td> <td>30%</td> <td>25%</td> </tr> <tr> <td>7–8</td> <td>22%</td> <td>30%</td> <td>26%</td> <td>28%</td> <td>23%</td> <td>26%</td> </tr> <tr> <td>6</td> <td>3%</td> <td>5%</td> <td>6%</td> <td>7%</td> <td>7%</td> <td>7%</td> </tr> <tr> <td>5</td> <td>15%</td> <td>17%</td> <td>11%</td> <td>11%</td> <td>16%</td> <td>12%</td> </tr> <tr> <td>1–4</td> <td>36%</td> <td>21%</td> <td>16%</td> <td>18%</td> <td>24%</td> <td>31%</td> </tr> </tbody> </table> <p>The impact of the number of boiled water notices, water restrictions, and Dannevirke impound supply issues have impacted on the communities satisfaction. This measure has seen a decrease from 61% received in the September 2023 survey.</p>								Score	May 22	Sep 22	Jan 23	May 23	Sep 23	Jan 24	9–10	24%	27%	41%	37%	30%	25%	7–8	22%	30%	26%	28%	23%	26%	6	3%	5%	6%	7%	7%	7%	5	15%	17%	11%	11%	16%	12%	1–4	36%	21%	16%	18%	24%	31%
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5	15%	17%	11%	11%	16%	12%																																											
1–4	36%	21%	16%	18%	24%	31%																																											
Number of complaints over 1,000 connections to Council’s networked reticulation system for: drinking water pressure or flow*	< 4	<div style="background-color: #6c757d; color: white; padding: 5px; display: inline-block;">On target</div> <div style="background-color: #6c757d; color: white; padding: 5px; display: inline-block;">2.25</div>	<div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 3.88</div>																																														
<p>Total of 22 complaints had been received - eight in Dannevirke, two Woodville, two Pahiatua, nine in Eketāhuna and one in Ākitio.</p>																																																	
Number of complaints over 1,000 connections to Council’s networked reticulation system for: drinking water taste*	< 5	<div style="background-color: #6c757d; color: white; padding: 5px; display: inline-block;">On target</div> <div style="background-color: #6c757d; color: white; padding: 5px; display: inline-block;">0.61</div>	<div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 12.77</div>																																														
<p>Total of three complaints had been received - one in Woodville, one in Pahiatua and one in Dannevirke.</p>																																																	
Number of complaints over 1,000 connections to Council’s networked reticulation system for: drinking water clarity*	< 5	<div style="background-color: #ffc107; padding: 5px; display: inline-block;">Needs improvement</div> <div style="background-color: #ffc107; padding: 5px; display: inline-block;">6.74</div>	<div style="border: 1px solid #ccc; padding: 5px; display: inline-block;">LAST YEAR: 12.77</div>																																														
<p>Total of 33 complaints had been received - 19 in Dannevirke, two in Eketāhuna, eight in Norsewood, three in Pahiatua and one in Woodville.</p> <p>In March 2024 Council discovered that a charity fire truck had illegally drawn water from a fire hydrant which caused discoloured water to the surrounding streets in Dannevirke.</p>																																																	

7.2 Third Quarter Performance Report - Period Ending 31 March 2024
Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results
Customers are satisfied with supplied water	Number of complaints over 1,000 connections to Council's networked reticulation system for: drinking water odour*	< 4	<p>On target 0.82</p> <p>LAST YEAR: 1.43</p> <p>A total of four complaints had been received - one in Pahiatua, one in Pongaroa and two in Woodville.</p>	✓	🔄	🔄	🔄
	Number of complaints over 1,000 connections to Council's networked reticulation system for: continuity of supply*	< 5	<p>Needs improvement 10.21</p> <p>LAST YEAR: 17.2</p> <p>Total of 46 complaints had been received. 25 in Dannevirke, five in Eketāhuna, four in Pongaroa, 10 in Ākitio and two in Woodville.</p> <p>In October 2023, Dannevirke water supply had a water main break (Gibson Place) which resulted in 23 complaints being received.</p> <p>In November 2023, Eketāhuna received five complaints as a result of needing to complete repairs to a broken fitting.</p> <p>In January 2024, Ākitio residents experienced a water supply issue which resulted in 10 complaints being received.</p> <p>In January 2024 Pongaroa residents also experienced a water supply issue which resulted in 4 complaints being received.</p>	✗	🙄	🔄	🙄
	Number of complaints over 1,000 connections to Council's networked reticulation system for: Council's response to the issues above*	< 2	<p>On target 0.61</p> <p>LAST YEAR: 0.61</p> <p>Three complaints received - two in Eketāhuna and one at Ākitio.</p>	✓	🔄	🔄	🔄
	Number of complaints received about water per 1,000 connections for: Total number of recorded complaints*	< 25	<p>On target 23.08</p> <p>LAST YEAR: 43.55</p> <p>Total of 113 complaints had been received. 55 in Dannevirke, 11 in Eketāhuna, eight in Norsewood, seven in Pahiatua, nine in Pongaroa, four in Woodville and 17 in Ākitio.</p>	✓	🔄	🔄	🔄

7.2 Third Quarter Performance Report - Period Ending 31 March 2024
Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results
Water provided is safe to drink	Number of schemes that comply with Part 4 (bacteria compliance criteria) of the NZ Drinking Water standards (2018). From January 2023 Council is required to comply with the Drinking Water Quality Assurance Rules (DQQR) (2022)*	7	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;">On target 6</div> <div style="border: 1px solid #ccc; padding: 5px; text-align: center;">LAST YEAR: 6</div> <p>This performance measure is updated at year end upon the completion of an independent review of Councils compliance with Part 4 (bacterial compliance criteria) and part 5 (protozoal compliance criteria). Council has marked its performance as needs improvement as this measure was not achieved in the 2023 year and will remain needs improvement until the completion of the independent review for 2024.</p>				
	Number of schemes that comply with Part 5 (protozoal compliance criteria) of the NZ Drinking Water standards (2018). From January 2023 Council is required to comply with the Drinking Water Quality Assurance Rules (DQQR) (2022)*	7	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;">On target 2</div> <div style="border: 1px solid #ccc; padding: 5px; text-align: center;">LAST YEAR: 2</div> <p>This performance measure is updated at year end upon the completion of an independent review of Councils compliance with Part 4 (bacterial compliance criteria) and part 5 (protozoal compliance criteria). Council has marked its performance as needs improvement as this measure was not achieved in the 2023 year and will remain needs improvement until the completion of the independent review for 2024.</p>				
Issues relating to water supplies are responded to	Median response time to attend an urgent call out, measured from the time Council receives notification to the time that service personnel reach the site*	1 hour	<div style="background-color: #76923c; color: white; padding: 5px; text-align: center;">On target 1 minute</div> <div style="border: 1px solid #ccc; padding: 5px; text-align: center;">LAST YEAR: 8 minutes</div> <p>This is as a result of the team already being on site repairing the water main break.</p>				

7.2 Third Quarter Performance Report - Period Ending 31 March 2024
Attachment 1 Third Quarter Service Performance Report - 31 March 2024

Level of Service	Performance measure	Target	Achievement	2022/23 year end results	First quarter results	Six month results	Third quarter results	
Issues relating to water supplies are responded to	Median time to resolve an urgent callout, measured from the time Council receives notification to the time that service personnel confirm the resolution of the fault*	5 hours	On target 1 hour 26 minutes	LAST YEAR: 4 hours 14 minutes				
	Median response time to attend a non-urgent call out, measured from the time Council receives notification to the time that service personnel reach the site*	8 hours	On target 3 hours 10 minutes	LAST YEAR: 2 hours 13 minutes				
	Median time to resolve a non-urgent callout, measured from the time Council receives notification to the time that service personnel confirm the resolution of the fault*	24 hours	On target 16 hours 17 minutes	LAST YEAR: 6 hours 6 minutes				
Maintenance of the reticulation network is effective	The percentage of real water loss from the Council's networked reticulation schemes based on the minimum night flow (MNF) analysis*	< 10%	Not applicable Measured at year end.	LAST YEAR: 24.7%				
Water demand is managed effectively	Average consumption of drinking water per day per resident connected to a Council scheme*	300 litres	Needs improvement 358 litres	LAST YEAR: 17.2				

* Indicates this is a Department of Internal Affairs local government mandatory non-financial performance measure.



Tararua District Council

To: Raj Suppiah, Beth Fowler and Sarah Walshe
From: Brett Johanson and Raj Verma
Date: 11 April 2024
Subject: Economic Update

1. Economic and financial market update summary

Short term domestic interest rates:

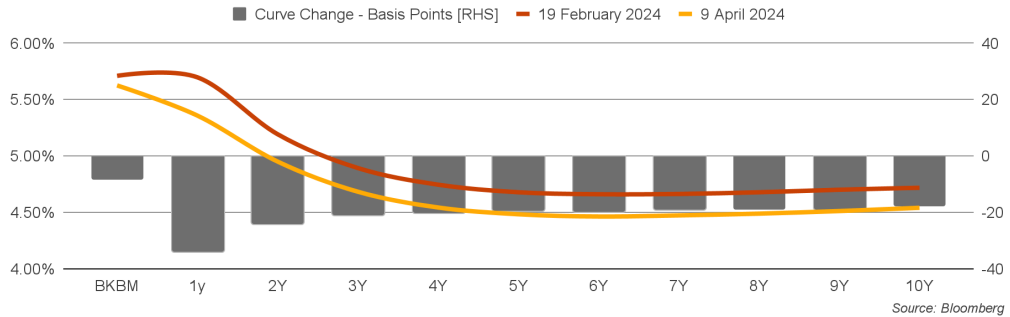
- The 2-year interest rate swap has traded aggressively within a ~ 60 basis point ('bps') range since late December.
 - Fourth quarter domestic inflation and labour market data, while easing, suggests that there is more work to be done from the RBNZ on the inflation fighting front. This elevated market expectation drove the 2-year domestic interest rate swap ~ 60 points higher across the opening months of 2024.
 - Despite this, the RBNZ maintained the OCR at 5.50% at its February meeting, while simultaneously revising down its forecast OCR peak by 9-points to 5.60%.
 - While the updated forward guidance indicates that the RBNZ retains its tightening bias, that downside tweak suggests that the Bank has increased confidence that policy settings are restrictive enough to achieve its mandated 1.00% - 3.00% inflation target.
 - Market-implied pricing shifted from pricing in one 25-bps interest rate cut across 2024, to 75-bps. This shift lower saw the short-end of the local interest rate swaps curve retrace its shift higher.

Long term domestic interest rates:

- The long-end of the curve (broadly encompassing 7 - 10-year swap rates) has seen a shift higher across 2024.
 - Expectations domestically shifted towards a view that long dated interest rates will need to remain relatively higher over time to support a more robust global economy.
 - This was prompted in part by US inflation coming in above market expectations and growing confidence that China's economy will benefit over the medium term from recently enacted (and future indicated) fiscal and monetary support.
 - Movements in longer-dated US interest rates continue to exert a significant level of influence over equivalent points of the New Zealand swap curve.



New Zealand interest rate swap curve comparison - current and beginning of year



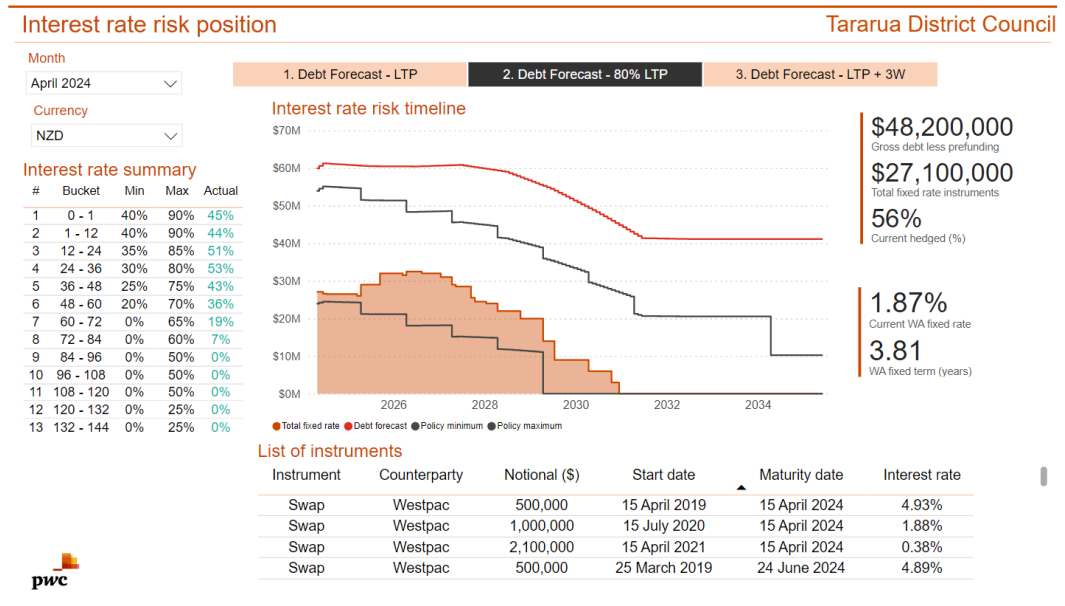
Outlook

- The current market-implied path for the OCR is broadly reflective of our expectations - mild upside risks in the near term, though with a base expectation of 5.50% representing the peak level for this cycle with easing commencing later in 2024.
- From a medium-term perspective, a shift lower in the OCR is likely to be delivered in a gradual manner, ultimately targeting a level the RBNZ deems to be neutral - an OCR setting that is neither economically supportive nor restrictive. Presently, the neutral level is projected as being slightly below 4.00%. In the absence of a material external market shock, we expect the RBNZ will move toward a neutral OCR across 2024 and 2025.
- We expect the first 25-basis point reduction in the OCR will occur in mid-to-late 2024, with the August Monetary Policy Statement meeting representing a viable potential launch date candidate for a transition to an interest rate easing cycle - data dependent.
- Once easing commences, we view the path lower for the OCR to be a tortoise-esque gradual grind rather than the hare-inspired pace implied by the current market pricing.
- The RBNZ, and developed economy central banks more generally, will be wary of the risks of rapid cash rate easing reigniting the embers of inflation that they have fought so hard to douse.
- The long-end of the curve will continue to exhibit volatility, likely with a negative skew, though short-end movements (lower) should outpace those of the long-end - again, supporting the reinstatement of an upwards sloping (normal) interest rate curve structure over time.



2. Interest rate risk management

Tararua District Council (Council) is compliant to interest rate Policy parameters as at 31 January 2024. The interest rate risk profile is as follows:

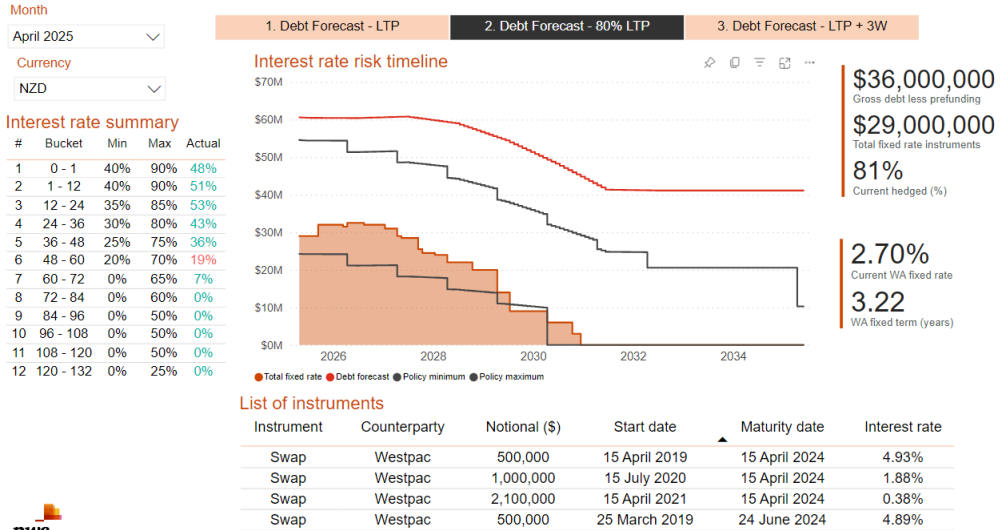


Council will remain compliant with Policy parameters until 30 April 2025. Council's projected interest rate risk profile as at 30 April 2025 will be as follows:



Interest rate risk position

Tararua District Council



Cost of funds: sensitivity analysis

Based on current market rates and Council's hedging profile, a 50-bps move lower in wholesale interest rates (90-day BKBM) would result in projected cost of funds for FY24 decreasing from 4.55% to 4.26%. Based on Council's base-case debt forecast, this equals a decrease in interest cost amounts of \$173,112 in FY24. See Appendix 1 for further details.

Summary

Council is compliant to interest rate Policy requirements as at 30 April 2024. Council maintains compliance until 30 April 2025 where non-compliance arises in the 4-5 year time band. We understand the proposed LTP debt forecasts are not yet finalised and are subject to change. We continue to recommend Council target rates of 4% and below in order to maintain interest rate hedging towards mid-points of Policy.



Appendix 1

Cost of funds: sensitivity analysis

Floating rate sensitivity analysis: cost of funds

Month
 June 2024

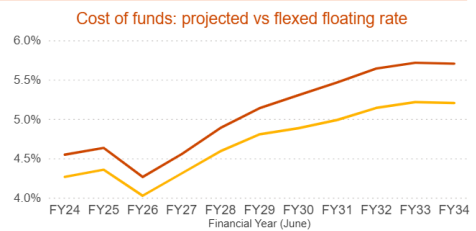
Refinancing Commitment Fee
 0.00% 0.00%

Refinancing Margin
 0.00% 1.00%

1. Debt Forecast - LTP
 2. Debt Forecast - 80% LTP
 3. Debt Forecast - LTP + 3W

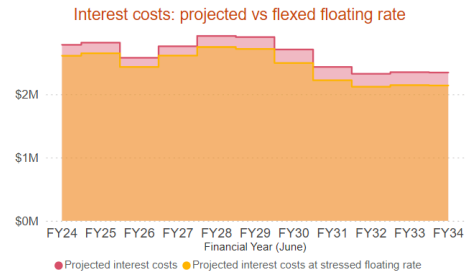
Floating rate sensitivity (applied to floating portion only)
 -2.00% -0.50%

Tararua District Council



Projected cost of funds, including interest rate stress test

FY (June)	Floating amount	Avg. cost of funds	Flexed cost of funds	Total interest cost (\$)	Interest cost (flexed interest rate)	Difference per year
FY24	34,622,430	4.55%	4.26%	\$2,783,989	2,610,877	-173,112
FY25	33,733,330	4.63%	4.36%	\$2,817,807	2,649,125	-168,682
FY26	28,859,545	4.26%	4.03%	\$2,577,300	2,433,001	-144,299
FY27	29,667,364	4.55%	4.31%	\$2,760,264	2,611,915	-148,349
FY28	35,355,018	4.89%	4.59%	\$2,924,543	2,747,842	-176,702
FY29	37,605,910	5.14%	4.81%	\$2,905,897	2,718,121	-187,776
FY30	42,895,977	5.30%	4.88%	\$2,710,749	2,496,393	-214,356
FY31	42,627,121	5.47%	4.99%	\$2,434,304	2,221,644	-212,659
FY32	41,232,986	5.64%	5.14%	\$2,326,363	2,120,198	-206,165
FY33	41,130,429	5.72%	5.22%	\$2,350,707	2,145,055	-205,652
FY34	41,130,429	5.75%	5.25%	\$2,364,067	2,158,415	-205,652





Disclaimer

This memo is subject to the engagement letter dated 29 May 2020 and the following restrictions. It is a memo addressed to you Tararua District Council . This memo should not be reproduced or supplied to any other party without first obtaining our (PwC New Zealand) written consent. We accept no responsibility for any reliance that may be placed on our memo should it be used for any purpose other than that set out below and in any event we will accept no liability to any party other than you in respect of its contents. In the course of our work we have not verified any of the information provided to us by you, nor have we carried out anything in the nature of an audit. Accordingly, we express no opinion on the reliability, accuracy or completeness of the information provided to us and upon which we have relied. The statements and opinions contained in this memo are based on data obtained from the financial markets and are so contained in good faith and in the belief that such statements, opinions and data are not false or misleading. In preparing this memo, we have relied upon information which we believe to be reliable and accurate. We reserve the right (but will be under no obligation) to review our assessment and if we consider it necessary, to revise our opinion in the light of any information existing at the date of this memo which becomes known to us after that date. This memo must be read in its entirety. Individual sections of this memo could be misleading if considered in isolation from each other.