

Agenda for a meeting of the Strategy & Finance Committee to be held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **MONDAY, 26 JULY 2021** commencing at **9.30am.**

1. **APOLOGIES AND LEAVE OF ABSENCE**
2. **CONFIRMATION OF STATUS OF AGENDA**
3. **DISCLOSURES OF INTEREST**
4. **CONFIRMATION OF MINUTES**
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GJ Ion
CHIEF EXECUTIVE

TERMS OF REFERENCE AND DELEGATION

Reports to:	The Council
Chairperson:	Cr Janet Gibb
Deputy Chairperson:	Cr Aksel Bech
Membership:	The Mayor, all Councillors and Mrs Maxine Moana-Tuwhangai (Maangai Maaori)
Meeting frequency:	Six-weekly
Quorum:	Majority of members (including vacancies)

Purpose:

The Strategy & Finance Committee is responsible for:

1. Monitoring of Council's strategy, and performance (both financial and non-financial) against the Long Term Plan and Annual Plan.
2. Setting the broad vision and direction of the District, determine specific outcomes that need to be met to deliver on that vision, and develop and monitor strategies to achieve those goals.
3. Determining financial matters within its delegations and Terms of Reference and making recommendations to Council on financial matters outside its authority.
4. Guiding and monitoring Council's interests in Council Controlled Organisations (CCOs), Council Organisations (COs) and subsidiaries.

In addition to the common delegations on page 10, the Strategy & Finance Committee is delegated the following Terms of Reference and powers:

Terms of Reference - Strategy:

1. Develop and agree strategy and plans for the purposes of consultation.
2. Recommend to Council strategy and plans for adoption, including community plans (e.g Blueprints).
3. Monitor and review adopted strategies and plans.
4. To monitor and provide advice on the development and implementation of growth and development strategies, land use, and spatial plans in line with national policy requirements.
5. To enhance the District's economic position by promoting it as a business-friendly and business-enabled location and providing direction on strategic initiatives, plans, projects and potential major developments relating to economic and business development.
6. To monitor and provide direction on engagement with the District's communities in relation to the Council's strategies and plans.
7. To monitor and make decisions on environmental management and sustainability within the District.

8. To receive and consider presentations and reports from stakeholders, government departments, organisations and interest groups on development and wellbeing issues and opportunities within the District.

Terms of Reference – Finance:

9. To monitor Council's financial strategy, and performance against that strategy.
10. To provide clear direction to Council's CCOs and COs on Council's expectations, including feedback on draft statements of intent.
11. To receive six-monthly reports of Council's CCOs and COs, including on board performance.
12. To undertake any reviews of CCOs and agree CCO-proposed changes to their governance arrangements, except where reserved for full Council's approval.
13. To monitor Council's investments and Local Government Funding requirements in accordance with Council policy and applicable legislation.

The Committee is delegated the following powers to act:

- Approval of:
 - a. appointments to, and removals from, CCO and CO boards; and
 - b. a mandate on Council's position in respect of remuneration proposals for CCO and CO board members to be presented at Annual General Meetings.
- Approval of letters of expectation for each CCO and CO.
- Approval of statements of intent for each CCO and CO.
- Approval of proposed major transactions of CCOs and COs.
- Approval or otherwise of any proposal to establish, wind-up or dispose of any holding in, a CCO or CO.
- Monitor work on Future Proof, Waikato Plan, Growth & Economic Development Strategy and cross-boundary issues.
- Approval of any process for making decisions where additional opex or capex funding, or deferred capex, is required.
- Review and make recommendations to Council in relation to Fees & Charges (after consultation with relevant community boards or committees).
- Review and recommend to Council the adoption of the Annual Report.
- Review and recommend to Council the approval of Development Agreements.
- Approval of transactions in relation to investments in accordance with Council policy.
- Approval of contractual and other arrangements for supply and services, and revenue generating contracts, which exceed the Chief Executive's delegations, but exclude contracts or arrangements that are reserved for the Council or another committee's approval.

- Approval of rating issues where these exceed the delegated authority of officers, or are an appeal against officer decisions. For clarity, this excludes decisions that are required, by law, to be made by the Council.
- Approval to write-off outstanding accounts that exceed officer delegations.
- Approval of funding applications for the Heritage Assistance Fund and Conservation Fund as recommended to the committee by officers or relevant assessment bodies.

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	12 July 2021
Prepared by	Matt Horsfield Democracy Advisor
Chief Executive Approved	Y
Reference #	GOV1301
Report Title	Confirmation of Minutes

1. EXECUTIVE SUMMARY

To confirm the minutes of the Strategy & Finance Committee meeting held on Monday 14 June 2021.

2. RECOMMENDATION

THAT the minutes for the meeting of the Strategy & Finance Committee held on Monday 14 June 2021 be confirmed as a true and correct record of that meeting.

3. ATTACHMENTS

S&F Committee Open Minutes – 14 June 2021

Minutes of a meeting for the Strategy & Finance Committee of the Waikato District Council held in the Council Chambers, District Office, 15 Galileo Street, Ngaruawahia on **MONDAY 14 JUNE 2021** commencing at **9.30am**

Present:

Cr AD Bech (Deputy Chairperson)
His Worship the Mayor, Mr AM Sanson
Cr JA Church
Cr CA Eyre
Cr SL Henderson
Cr FM McInally
Cr RC McGuire
Cr NMD Smith
Cr LR Thomson
Cr CT Woolerton

Attending:

Mr R Allen (General Manager, Quotable Value)

Mr G Ion (Chief Executive)
Mr T Whittaker (Chief Operating Officer)
Mr R MacCulloch (General Manager Service Delivery)
Mrs S O’Gorman (General Manager Customer Support)
Mr C Morgan (General Manager Community Growth)
Mr V Ramduny (Strategic Projects Manager)
Mr J Ebenhoh (Planning & Policy Manager)
Ms A Diaz (Chief Financial Officer)
Mr C Bailey (Finance Manager)
Mr N Johnston (Funding & Partnership Manager)
Mrs GJ Kanawa (Democracy Team Leader)

APOLOGIES AND LEAVE OF ABSENCE

Resolved: (Crs Thomson/Church)

THAT the apologies from Councillors Gibb, Lynch, Patterson and Sedgwick be received.

CARRIED

S&F2106/01

CONFIRMATION OF STATUS OF AGENDA ITEMS

Resolved: (Crs Smith/Henderson)

THAT the agenda for a meeting of the **Strategy & Finance Committee** held on **Monday 14 June 2021** be confirmed and all items therein be considered in open meeting with the exception of those items detailed at agenda item 8 which shall be considered with the public excluded;

AND THAT all reports be received.

CARRIED

S&F2106/02

DISCLOSURES OF INTEREST

Crs Smith and Woolerton advised members of the Committee that they would declare a conflict of interest in item 6.1 [*Heritage Review Steering Group*].

His Worship the Mayor and Cr Church advised members of the Committee that they would declare a conflict of interest in item 7.2 [*Waikato District Community Wellbeing Trust – Final Statement of Intent for the year ending 30 June 2022*]

CONFIRMATION OF MINUTES

Resolved: (Crs Thomson/Eyre)

THAT the minutes for the meeting of the **Strategy & Finance Committee** held on **Monday, 3 May 2021** be confirmed as a true and correct record.

CARRIED

S&F2106/03

REPORTS

Action Register
Agenda Item 5

The report was received [*S&F2106/02 refers*]. No discussion was held.

Heritage Review Steering Group

Agenda Item 6.1

The report was received [*S&F2106/02 refers*] and the following discussion was held:

- Heritage Strategy was being reviewed and updated.
- Need a clearly defined strategy.
- Still want to know upper limit and how much money involved in this review.

ACTION: Scope of EOI to be sent to members, along with upper limit of how much this is going to cost.

Resolved: (His Worship the Mayor/Cr Thomson)

THAT the Strategy and Finance Committee approves:

The Heritage Review Steering Group to utilise funding from the Heritage Project Fund towards the servicing of operational requirements of the heritage review, including independent resourcing, as defined in the Steering Group Terms of Reference and a pause on any new funding commitments from the Heritage Project Fund until the heritage review is completed.

CARRIED

S&F2106/04

Cr Smith and Cr Woolerton did not vote on the above item due to their declared conflict of interest as Steering Group members, but were present for the discussion.

Update on Economic and Community Development Work Programme – June 2021

Agenda Item 6.2

The report was received [*S&F2106/02 refers*] and the following discussion was held:

- Funding review means there will be more available for Blueprint projects.
- Community led development on projects.
- North area falls outside many of traditional funding trusts/avenues.
- Request to do more with governance and youth.

2020 District Valuation

Agenda Item 7.1

The report was received [*S&F2106/02 refers*] and the following discussion was held:

- Noted there were approximately 300 objections, objections had now closed.
- Questions on presentation were asked and answered by Mr Allen.

Waikato District Community Wellbeing Trust – Final Statement of Intent for the year ending 30 June 2022

Agenda Item 7.2

The report was received [*S&F2106/02 refers*] and no discussion was held.

Resolved: (Crs Smith/Thomson)

THAT the Waikato District Community Wellbeing Trust Statement of Intent for the year ending 30 June 2022 be received.

CARRIED

S&F2106/05

His Worship the Mayor and Cr Church did not take part in discussion nor vote on the above item.

2020-2021 Third Quarter Non-Financial Performance Report

Agenda Item 7.3

The report was received [*S&F2106/02 refers*] and the following discussion was held:

- Concern raised about response rate from community, noting new provider uses a number of different methods for engagement with the community.
- Recognition provided to staff for their good customer service.
- Challenge for Executive Leadership Team is obtaining an attitude shift with contractors to ensure the same level of customer service is provided.

- If contractors not meeting key performance indicators they are provided clear feedback to up their game. However, we are struggling to identify what customers are not happy with in the public toilet area.
- Concern raised the survey is another tick box exercise.
- Ensure whatever survey we use we have the tools to get better responses or explanations around what the community want us to focus on.

Local Government Funding Agency Quarterly Report
Agenda Item 7.4

The report was received [*S&F2106/02 refers*] and discussion was held.

- Why are we not shareholders – surveyed in 2019 feedback was not to. Did not have the assets at that time.

Financial Performance Summary for the Period Ending 30 April 2021
Agenda Item 7.5

The report was received [*S&F2106/02 refers*] and the following discussion was held.

- Council took advantage of the COVID provisions which enabled drawing down at a lower rate.
- Concern that if projects couldn't be carried out that Council were over collecting rates, however it was noted that a small surplus is always forecast.

EXCLUSION OF THE PUBLIC

Agenda Item 8

Resolved: (Crs Eyre/Thomson)

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item number 1 – Confirmation of Public Excluded Minutes	Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item 3.1 Director Appointments – Civic Financial Services Limited (CFS)	Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)

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

Item No.	Section	Interest
Item 1 Confirmation of Minutes		Refer to the previous Public Excluded reason in the agenda for this meeting.
Item 3.1 Director Appointments – Civic Financial Services Limited (CFS)	7 (2) (a)	Protect the privacy of natural persons, including that of deceased natural persons.

CARRIED

S&F2106/06

There being no further business the meeting was declared closed at 11.20am.

Minutes approved and confirmed this day of 2021.

Cr A Bech
DEPUTY CHAIRPERSON

Open Meeting

To	Strategy and Finance Committee
From	Vishal Ramduny Acting General Manager Community Growth
Date	8 July 2021
Prepared by	Sandy Mason Personal Assistant
Chief Executive Approved	Y
Reference #	GOV1318 / 3176278
Report Title	Action Register – July 2021

1. EXECUTIVE SUMMARY

Purpose of this report is to provide the Strategy and Finance Committee with an update on Actions arising the previous meeting.

2. RECOMMENDATION

THAT the report from the Acting General Manager Community Growth be received.

3. ATTACHMENT

Strategy and Finance Committee's Action Register – July 2021

Strategy and Finance Committee's Action Register – July 2021

Meeting Date	Item and Action	Person / Team Responsible	Status Update
14 June 2021	<p>Item 6.1 - Heritage Review Steering Group</p> <p>Action required: Scope of EOI to be sent to members, along with upper limit of how much this is going to cost.</p>	Nick Johnson	The Heritage Review Steering Group met on 25 June following the 14 June Strategy and Finance Committee meeting. An update will be provided to elected members following the next Steering Group meeting on 30 July.

Open Meeting

To	Strategy & Finance Committee
From	Roger MacCulloch General Manager Service Delivery
Date	30 June 2021
Chief Executive Approved	Y
Reference #	S&F2021
Report Title	Raglan Holiday Park Papahua Board

I. EXECUTIVE SUMMARY

As required by the Raglan Holiday Park Papahua Board Charter, the following documents are attached for the Strategy and Finance Committee's approval:

- Capital Plan for the years 2020-2026
- Proposed 2021/22 Budget (Budget for the 3 months to 30 June 2021 & full year to 30 June 2022)
- Programme Maintenance Plan for July 2020-June 2027

The Raglan Holiday Park Papahua Annual Budget and Capex list, Capital Plan and Maintenance Plan were presented to the Camp Board on 16 June 2021 and approved by the Board. The purpose of this report is to obtain Council's ratification of the budget, as required by the Board's Charter.

2. RECOMMENDATION

THAT the report from the General Manager Service Delivery be received;

AND THAT the Strategy & Finance Committee ratify the Board's decision to approve the Raglan Holiday Park Papahua:

- **Capital Plan for the years 2020-2026**
- **Budget for 2021/22 financial year**
- **Programme Maintenance Plan for July 2020-June 2027.**

3. ATTACHMENTS

- Capital Plan for the years 2020-2026
- Budget for the 3 months to 30 June 2021 & full year to 30 June 2022 (2021/22 Budget)
- Programmed Maintenance Plan for July 2020-June 2027

RAGLAN HOLIDAY PARK PAPAUA
CAPITAL PLAN
FOR THE YEARS 2020 -2026

<i>Description</i>	Account Codes	Responsibility	2020-21 Status	2020-21 Forecast	2021-22 Priority	2021-22 Forecast	2022-23 Forecast	2023-24 Forecast	2024-25 Forecast	2025-26 Forecast				
<i>Income-Earning Facilities</i>														
Increase standard cabin or studio options	9532	Management	completed	200,000	12	20,000	300,000							
New ablution facilities	9525	Management												
Boat Park and Wash down Bay	9543	Management					100,000							
<i>Services</i>														
New lounge area for campers	9504	Management	wip				130,000							
Entrance to camp roading/redesign plus roading	9512	Management					56,000							
Laundry with baby bath, including design	9557	Management					5,000	4	120,000					
Storm Water - camp and soccer field	9555	Management						11	105,000	400,000				
Heat pumps / heating camp water	9556	Management					38,000	1	150,000					
Office upgrade-planning, newbuild, demolition, moving facilities	9529	Management					50,000	6	180,000	100,000				
New Deck & Enclosure Papahua	9517	Management						8	50,000					
Main Kitchen refurb	9538	Management						7	80,000					
Papahua ablution block upgrade bathroom floors	9517	Management						5	100,000					
Roding - Seal	9512	Management									400,000			
Hot tubs x 2	9563	Management								18,000	18,000			
New games equipment	9524	Management							13	6,000				
Recycling Stations	9552	Management							3	15,000				
Fencing	9542	Management							2	150,000	100,000			
<i>Equipment</i>														
New camp vehicle	9520	Management	done											
New maintenance vehicle	9520	Management									40,000			
New mower	9520	Management									12,000			
IT Upgrade - hot water, gates, facilities,locks	9527	Management									wip	10	140,000	
Commerical laundry - additional facilities to increase capacity	9523	Management									wip	15,000	9	60,000
Shade sale for bouncy pillow	9505	Management												15,000
Ice machine	9564	Management											1a	5,000
Total estimated cost for year				441,000		1,181,000	1,163,000	418,000	0	0				

BUDGET

Raglan Holiday Park Papahua

For the 3 months to 30 June 2021 & Full year to 30 June 2022

Account	Actual	Forecast	Forecast	Forecast
	Jul 2020-Mar 2021	Apr-Jun 2021	Full year 1 Jul 2020 to 30 Jun 2021	Full year 1 Jul 2021 to 30 Jun 2022
Trading Income				
Annual Caravan Sites Regulars	236,534.79	85,822.00	322,356.79	333,356.00
Cancellation fees received	21,891.09	2,500.00	24,391.09	20,000.00
Group Campus (Papahua)	151,106.27	2,100.00	153,206.27	160,000.00
Group Lodge	32,484.97	6,950.00	39,434.97	41,000.00
Motels	210,335.90	49,000.00	259,335.90	264,521.00
Non-Powered Sites	294,054.47	27,900.00	321,954.47	325,000.00
Powered Site	395,424.18	46,000.00	441,424.18	450,000.00
Standard Cabins	72,152.54	13,130.00	85,282.54	86,720.00
Studios	130,767.17	27,500.00	158,267.17	160,000.00
Sales of Products & Services	46,729.74	5,565.00	52,294.74	54,020.00
Tourist Flats	158,139.77	29,850.00	187,989.77	191,000.00
Total Trading Income	1,749,620.89	296,317.00	2,045,937.89	2,085,617.00
Gross Profit	1,749,620.89	296,317.00	2,045,937.89	2,085,617.00
Other Income				
Interest Received	24,155.00	8,050.00	32,205.00	29,000.00
Miscellaneous Income - Other (not Accommodation)	1,328.47	442.00	1,770.47	0.00
MSD Covid-19 Wage Subsidy	30,186.34	0.00	30,186.34	0.00
Total Other Income	55,669.81	8,492.00	64,161.81	29,000.00
Operating Expenses				
Advertising & Marketing	22,381.35	3,400.00	25,781.35	39,000.00
Banking, Commission, EFTPOS	10,508.44	3,500.00	14,008.44	14,100.00
Board Expenses & Consultancy	5,228.27	1,505.00	6,733.06	67,700.00
Cleaning, Laundry & Waste Management	73,192.22	21,561.00	94,753.22	62,000.00
Depreciation	133,619.51	0.00	133,619.51	140,000.00
General & Office Expenses	5,051.15	1,435.00	6,486.15	6,750.00
Insurance Buildings	9,705.41	3,234.00	12,939.41	13,000.00
Leases & Hire of Equipment	4,243.43	1,275.00	5,518.43	5,635.00
Replacements, Repairs & Maintenance	98,071.18	34,331.00	132,402.18	157,800.00
Other Expenses	92,088.66	10,653.00	102,741.66	111,112.00
Heat, Light & Power	52,398.01	17,465.00	69,863.01	72,000.00
Programmed Maintenance	87,347.15	29,115.00	116,462.15	185,000.00
Purchases for Resale	23,016.19	6,626.00	29,642.19	33,625.00
Rates	21,888.28	2,917.00	24,805.28	25,000.00
Security	132,400.74	40,000.00	172,400.74	176,000.00
Vehicle Expenses	2,943.91	1,837.00	4,780.91	4,910.00
Wages & Salaries, ACC & KiwiSaver	483,153.71	160,959.00	644,111.01	709,080.00
Total Operating Expenses	1,257,237.61	339,813.00	1,597,048.70	1,822,712.00
Net Profit	548,053.09	(35,004.00)	513,051.00	291,905.00

RAGLAN HOLIDAY PARK PAPAUA
PROGRAMMED MAINTENANCE PLAN - 7 YEARS
FOR THE YEARS JULY 2020 - JUNE 2027

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Description	Account Code	Timeline	Most recently done	Cost per item \$	Number required	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2019-20
						Year 1 \$	Year 2 \$	Year 3 \$	Year 4 \$	Year 5 \$	Year 6 \$	Year 7 \$
Tourist flats												
Replace carpets	9510	5 years		1,481.00	6	1,500				9,000		
Replace lino	9510	5 years		1,481.00	6	1,500				9,000		
Replace tables & chairs	9510	5 years		1,000.00	6	1,500	0	6,000				
Repaint outside	9510	5 years		800.00	6		0	5,000	0	5,000		0
Paint inside	9510	5 years		500.00	6			1,000	0		1,000	1,000
Curtains /blinds	9510	2 year		600.00	6			2,400	2,400		1,000	1,200
Furniture upgrade	9510	Annual		2,000.00	3			1,500	1,500	1,500	1,500	1,500
Kitchen upgrade	9510	10 years		1,000.00	6					15,000		1,500
Bathroom upgrade	9510	10 years		1,000.00	6	2,000				18,000		
Park Motel / deluxe flats												
Paint outside	9510	5 years		500.00	4				7,000	7,000		
Paint inside	9510	5 years		1,000.00	3	2,000	3,000	2,000	2,000	2,000	2,000	
Furniture upgrade	9510	Annual		2,000.00	3	5,000	1,500	1,500	1,500	1,500	1,500	
Replace carpets	9510	5 years		2,000.00	3		3,600	3,600	0			
Replace lino	9510	5 years		1,200.00	3	3,600	3,600	3,600	0			
Kitchen upgrade	9510	10 years		3,000.00	2			2,000	2,000	2,000	2,000	
Bathroom upgrade	9510	10 years		1,200.00	2	3,600	3,000	3,000		6,000		
Studio units												
Paint outside	9510	5 years		500.00	4		0	0	2,000	2,000		
Paint inside	9510	5 years		2,000.00	4	2,000	500	2,000	0			
Furniture upgrade	9510	Annual		1,000.00	4	4,000		4,000				
Replace carpets	9510	5 years		800.00	4	3,000	2,000	0	0		3,000	
Replace lino	9510	5 years		400.00	4	2,000	1,200	0	0		2,000	
Papahua												
Paint inside all rooms	9510	5 years		2,000.00	6	2,500	6,000	0	0			2,000
Replace outdoor tables	9510	5 years		6,000.00	1	0	5,000	0	6,000			0
Replace carpet in 6 berth	9510	5 years		5,000.00	6	6,000	6,000	0	5,000			5,000
Replace carpet in double rooms	9510	5 years		2,000.00	6	0	0	0	3,500			0
Replace floorings in bathrooms	9510	10 years		7,000.00	2		10,000	0				
Replace bedding	9510	8 years		154.00	48		1,500	0	0	0	1,500	3,696
Replace floorings in kitchen, laundry	9510	5 years		3,000.00	1			6,000				
Replace curtains	9510	5 years		4,000.00	6	2,500	3,000	0	0			1,800
Repaint roof	9510	5 years		1,000.00	1	0	0	0				0
Replace sinks, toilets, urinals	9510	15 years		8,500.00	2	0	6,000	6,000	0			0
Replace partitions toilet / showers	9510	15 years		6,000.00	2		12,000	0	0			0
Paint laundry and kitchen	9510	5 years		1,500.00	1	0	850	0	3,000			0
Replace sails	9510	5 years		5,000.00	1	0	0	5000	0			0
Chiller revamp	9510	5 years		2,500.00	1	0	1,500	0	1,500			0
New Roof main kithcen block	9510	15 years		15,000.00	1			20,000				
Outdoor equipment												

RAGLAN HOLIDAY PARK PAPA HUA
PROGRAMMED MAINTENANCE PLAN - 7 YEARS
FOR THE YEARS JULY 2020 - JUNE 2027

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Description	Account Code	Timeline	Most recently done	Cost per item \$	Number required	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2019-20
						Year 1 \$	Year 2 \$	Year 3 \$	Year 4 \$	Year 5 \$	Year 6 \$	Year 7 \$
Play ground equipment	9510	5 years		2,000.00	1	0	0	0	2,000			0
Chalets / standard cabins												
Paint	9510	5 years		300.00	6	1,000	1,000	1,000	1,000			1,000
Flooring	9510	5 years		1,000.00	6	3,000	0	3,000	0			
Main block												
Repaint buildings	9510	5 years	2015-16	2,500.00	1	2,000	2,000	2,000	2,000	2,000	2,000	0
Repair partitions between toilets	9510	10 years	2015-16	6,000.00	1	0	0	12,000	0			0
Repair shower partitions	9510	10 years	2015-16	12,000.00	1	0	0	12,000	0			0
Floor replacement	9510	15 years	2015-16	25,000.00	1	0	0	0		25,000		0
Solar Panels	9510	Annual	2016-17	2,000.00	1	2000	2000	2000	2000	2000	2000	2,000
Laundry Main Block												
Paint inside	9510	5 years		200.00	1	2,000	1,500	0	400			1,000
Replace machines	9510	Annual		3,000.00	6	6,000	0	0	6,000		6,000	3,000
Flooring	9510	5 years		5,000.00	1		7,000		4,000			
Celing and walls	9510	10 years		10,000.00			10,000					
Kitchen Main Block												
Paint	9510	5 years		500.00	1		1,000	0	1,000			0
Replace Fridges/Equipment	9510	Annual		1,250.00	7	1,250	1,250	1,250	1,250			1,250
Basins replaced	9510	15 years	2014-15	4,000.00	1	0	4,000	0	0			
Stoves and fittings	9510	15 years	2014-15	5,000.00	1	2,000	2,000	0	0			0
Replace Flooring	9510	5 years		8,000.00	1	0	8,000					0
New ceiling	9510	5 years		10,000.00	1						10,000	
Dining room												
Replace lounge furniture	9510	5 years		3,000.00	1	0	0	0	6,000			0
Paint inside	9510	5 years		500.00	1		500	500	500	500	500	0
Beach Batch												
Bach												
Paint outside	9510	5 years		500.00	1	1,000	0	0			1,000	
Deck and sliding door	9510	3 years				2,500					2,500	
Furniture upgrade	9510	5 years		1,500.00	1	4,000		0			4,000	0
Floorings	9510	5 years		2,000.00	1	6,000	0	0	3,000		0	0
Paint Inside	9510	5 years		1,500.00	1	1500					1500	0
New Group Lodge Block												
Maintenacne Sheds												
Roofing		15 years		10,000.00	2	10,000						

**RAGLAN HOLIDAY PARK PAPAUA
PROGRAMMED MAINTENANCE PLAN - 7 YEARS
FOR THE YEARS JULY 2020 - JUNE 2027**

<i>Description</i>	<i>Account Code</i>	<i>Timeline</i>	<i>Most recently done</i>	<i>Cost per item \$</i>	<i>Number required</i>	<i>2020-21 Year 1 \$</i>	<i>2021-22 Year 2 \$</i>	<i>2022-23 Year 3 \$</i>	<i>2023-24 Year 4 \$</i>	<i>2024-25 Year 5 \$</i>	<i>2025-26 Year 6 \$</i>	<i>2019-20 Year 7 \$</i>
Painting		15 years										
Small toilet blocks												
Replace basins	9510	10 years	2015-16	500.00	2	0	1,000	0	1,000			0
Replace toilets	9510	10 years		2,000.00			2,000		2,000			
Replace urinals	9510	10 years	2016-17	5,000.00	1	0	6,000	0	0		6,000	0
Paint inside	9510	5 years		1,000.00	2	0	1,000	0	0			1,000
Replace partitions between toilets	9510	15 years	2015-16	6,000.00	2	0	1,000	0	0		6,000	0
Flooring	9510	10 years	2016-17	20,000.00	1	0	0	0	2,000		20,000	0
Office												
Computer upgrade	9510	Annual		14,000.00	7	2,000	2,000	2,000	2,000	2,000	2,000	2,000
Repaint exterior Office/house	9510	5 years		3,000.00	1		5,000	3,000	0			0
Repaint interior kitchen	9510	5 years		3,000.00	1		3,000	0	0			0
Card System	9510	10 years		10,000.00	1		10,000		2,000			
Security cameras	9510	3 years		1,500.00	2	1,500	2,000	0	1,500		1,500	0
Flooring - lunch room, recptn, stairs	9510	5 years		10,000.00	1	0			0			0
Gate		5 years		10,000.00	1	0	10,000	0	0			0
Manager's residence												
Carpet	9510	7 years	2015-16	4,000.00	1		0	0	0			0
Tiles	9510	15 years		2,000.00	1		0	0				0
Repaint interior	9510	5 years		1,000.00	1	0	0	0				0
Bathroom	9510	15 years			1			0				
Kitchen	9510	15 years			1			0				
Roof and gutters	9510	20 years			1			0				
Beach Batch												
Repaint house	9510	5 years		500.00	1		0		2,000			0
Repaint interior	9510	5 years		300.00	1	0		0	1,000			0
Carpet & lino	9510	5 years		3,000.00	1	0		0	6000			0
Roof and gutters	9510	20 years	2015-16	10,000.00	1	0	0	0	0	10000		0
Bathroom	9510	15 years		2,500.00	1				2,500			
Kitchen	9510	15 years		4,000.00	1				4,000			
Caravan sites												
Electrical inspection	9510	5 years	2015-16	7,000.00	1		1000			1000		0
Power Heads	9510	10 years		200.00	238	2000			2000	2000	2000	2,000
Main Camp items												
Upgrade dump station	9510	5 years		3,000.00	1			0	3000			3,000
Replace camp fencing and gates	9510	5 years		1,000.00	1		30,000	0	30,000			0
Plumbing & Water Mains Infrastructur	9510	10 years		1.00				200,000				
Outdoor equipment												

could be new build so no maintenance

**RAGLAN HOLIDAY PARK PAPAHAUA
PROGRAMMED MAINTENANCE PLAN - 7 YEARS
FOR THE YEARS JULY 2020 - JUNE 2027**

21

<i>Description</i>	<i>Account Code</i>	<i>Timeline</i>	<i>Most recently done</i>	<i>Cost per item \$</i>	<i>Number required</i>	<i>2020-21 Year 1 \$</i>	<i>2021-22 Year 2 \$</i>	<i>2022-23 Year 3 \$</i>	<i>2023-24 Year 4 \$</i>	<i>2024-25 Year 5 \$</i>	<i>2025-26 Year 6 \$</i>	<i>2019-20 Year 7 \$</i>
Jumpy Pillow replacement	9510	4 years		7,500.00	1	18,000		0	0		18,000	0
Rubber for playground	9510	5 years		2,500.00	1	0		0	2,500			0
Beach access	9510	Annual		500.00	1	500	500	500	500			500
Total estimated cost for year						110,950	185,000	313,850	130,550	122,500	99,500	34,446

Open Meeting

To	Strategy & Finance Committee
From	Alison Diaz Chief Financial Officer
Date	13 July 2021
Chief Executive Approved	Y
Reference #	GOV1318/
Report Title	Final Statements of Intent 2021/22

I. EXECUTIVE SUMMARY

Pursuant to section 64 of the Local Government Act 2002 (“LGA”), a Council Controlled Organisation is required to provide a draft Statement of Intent (“SOI”) to its shareholder/s (Council) by 1 March each year. Council has an opportunity to give feedback on the draft before May, with each Council Controlled Organisation (CCO) required to provide a final SOI to the shareholder/s by 30 June.

Following feedback from the shareholding Councils WRAL and WLASS have finalised their Statements of Intent for 2021/2022. The WBT, which is wholly owned by Council, presented their final SOI to the Committee in June.

The three SOI’s comply with the schedule 8 LGA requirements as well as specified timings. The SOI for WRAL and WLASS are attached.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received;

AND THAT the Strategy & Finance Committee, as per section 65(2)(a) of the Local Government Act 2002 agree to the 2021/22 Statements of Intent received from the Waikato Regional Airport Limited and Waikato Local Authority Shared Services Limited;

AND FURTHER THAT the Strategy & Finance Committee confirm that Strada Corporation Limited and its subsidiary Waikato Quarries Limited remain exempted in the classification as Council Controlled Organisations and are therefore not required to submit a Statement of Intent.

3. BACKGROUND

Council has three CCO's that prepare SOI's: Waikato Regional Airport Limited ("WRAL"); Waikato Local Authority Shared Services Limited ("WLASS"); and Waikato District Community Wellbeing Trust ("WBT").

Council has exempted Strada Corporation Limited and its subsidiary Waikato Quarries Limited from being classified as CCO's as allowed for under section 7(3) of the LGA. The quarrying business was sold in 2016 and the companies have effectively not been trading since that time. Council has confirmed that the company should be wound up and that the decision to exempt these companies as CCO's remains valid. Therefore, these companies do not have to prepare an SOI.

All required draft SOI's were received by 1 March 2020 and reported to both the Strategy & Finance and Audit & Risk Committees. Feedback on the drafts were provided to each CCO in writing.

4. DISCUSSION AND ANALYSIS OF OPTIONS

4.1 DISCUSSION

WRAL ADJUSTMENTS

The long-term objectives and purpose remain unchanged. The following table shows the changes between the draft and final SOI:

Changes	Draft SOI			Final SOI		
	2022	2023	2024	2022	2023	2024
Nature and scope of activities to be undertaken	N/A			Identify sources and monitor carbon and emissions. Incorporate reduction initiatives into capital project.		
Financial Performance Targets	Draft SOI			Final SOI		
EBITDA excluding land sales	\$3.6m	\$4.0m	\$4.2m	\$5.2m	\$5.4m	\$5.6m
EBITDA including land sales	\$5.7m	\$6.1m	\$5.5m	No change	No change	\$6.2m
Net profit after tax <i>no less than</i>	\$1.9m	\$2.0m	\$2.3m	\$1.2m	\$1.8m	\$2.2m
Net operating cash flow (excl land sales)	\$4.2m	\$5.2m	\$5.2m	\$3.6m	\$3.5m	\$4.0m
Total debt <i>not exceeding</i>	\$29.0m	\$29.0m	\$29.0m	No change	\$32.0m	\$32.0m
Land sales	\$3.7m	\$3.8m	\$2.8m	\$2.0m	\$4.0m	\$3.0m

WLASS ADJUSTMENTS

The performance measures contained within the SOI have not changed between the draft and the final. However, in terms of the prospective financial statements, the forecast deficit for 2021/22 has increased by \$174,056 to \$355,915. This is mainly attributable to change in the forecasts for the WLASS Water Services initiatives (which Council does not contribute to due to our contract with WaterCare Services Limited) and higher operating costs for company management/support.

4.2 OPTIONS

The Committee under section 65(2) of the LGA could choose to:

- a) agree to the final SOI's as attached, or
- b) request the board of the CCO to make modifications as allowed for under clause 6 of schedule 8 of the LGA (which would require resolution of all shareholders)

5. CONSIDERATION

5.1 FINANCIAL

Council's 2021/22 Long Term Plan aligns with the revised final SOI's.

5.2 LEGAL

All specified timeframes and content of the SOI's comply with the requirements of the LGA.

Strada Corporation Limited and Waikato Quarries Limited while owned by Council are exempted in the classification as CCO's and as such are not required to prepare an SOI.

Council is required to publish the SOI's online within 1 month of the adoption date as per section 64(9) of the LGA and maintain the statements for a period of no less than seven years.

5.3 STRATEGY, PLANS, POLICY AND PARTNERSHIP ALIGNMENT

Staff consider the decision in this report to have low significance and that the recommendations comply with Council's legal requirements.

5.4 ASSESSMENT OF SIGNIFICANCE AND ENGAGEMENT POLICY AND OF EXTERNAL STAKEHOLDERS

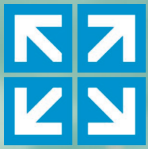
External stakeholder engagement is not required under Council's Significance and Engagement Policy. Individual shareholder feedback has been considered by the CCO board's and incorporated into the final SOI's.

6. CONCLUSION

It is recommended that the Committee agree to the final SOI's received from the WRAL and WLASS.

7. ATTACHMENTS

- Waikato Regional Airport Limited Statement of Intent 2021/22
- Waikato Local Authority Shared Services Limited Statement of Intent 2021/22



GROUP STATEMENT OF INTENT - 2021/2022

(JUNE 2021)

Document Set ID: 3178117

Version: 1, Version Date: 10/07/2021

INTRODUCTION

This statement is presented by the Directors in accordance with s.64 (1) of the Local Government Act 2002 and sets out the Board's intentions for the Company and Group for the year ending 30 June 2022 and succeeding two financial years.

COVID-19 and the WRAL Group

The COVID-19 pandemic resulted in world-wide crises: from health, to social and economic devastation. The immediate impact on the WRAL Group was significant, as the business is primarily aviation and tourism-focused and therefore projected revenues dropped substantially. This has necessitated a conservative outlook for recovery over the next three years for the Group.

Fortunately, the Group's existing 10-year strategy already had a focus on non-aeronautical income diversification activities which will continue to be critical to our future. Our property initiatives served us well through the initial COVID-19 crisis period and the recovery through 2021. In the short to medium term, we expect property initiatives will continue to provide a level of support to the Group, minimising future economic volatility, whilst aviation and tourism recover to their pre-COVID levels.

STRATEGIC INTENT

The Group has identified its core purpose and key objectives that recognise the strategic intent of the business:

CORE PURPOSE

- 1) Enabler of air services to the region.
- 2) Operate a first class, safe, sustainable and compliant airport.
- 3) Strategic positioning of the business to enhance capital value.

WRAL: KEY OBJECTIVES

- 1) Operate an efficient, sustainable and resilient airport.
- 2) Enhance the traveller experience.
- 3) Maintain a viable and sustainable aeronautical business.
- 4) Maximise revenue diversification through non-aeronautical business opportunities.



KEY OBJECTIVES OF THE GROUP:

The Group incorporates Hamilton Airport, Titanium Park Limited, Hamilton & Waikato Tourism Limited and Waikato Regional Airport Hotel Limited.

1. Operate an efficient, compliant and resilient airport.
2. Provide an improved customer experience upon completion of the Terminal Resilience Project.
3. Maintain a viable aeronautical business.
4. Maximise revenue diversification through non-aeronautical business opportunities.
5. Develop and optimise the land holdings of the Group to generate a long-term property income from a diversified property portfolio.
6. Operate the airport hotel to meet or exceed its investment business case growth targets and customer satisfaction targets.
7. Marketing the Hamilton & Waikato region as a visitor destination to domestic and international visitors.
8. Grow the visitor economy through tourism development and destination management.

Nature and scope of activities to be undertaken:

1. **Operate an efficient and compliant airport.**
Operate a first class, safe and compliant regional airport by providing for essential projects, together with any compliance expenditure warranted.
2. **Enhance the traveller experience.**
Maximise traveller satisfaction and airport experience.
3. **Maintain a viable aeronautical business.**
The COVID-19 pandemic has painted a very different canvas for the aviation sector over the next few years.

We will:
 - Assist airlines to identify opportunities to increase flight schedules and passenger numbers.
 - Promote the recovery of the general aviation sector.
 - Develop and implement a five year plan to give effect to, or seek renewal of the runway extension designation.
 - Position and protect the airport as an efficient, cost effective international port of arrival.
 - Pursue all new international air service opportunities (both charter and scheduled services) as New Zealand international borders open up.
4. **Maximise revenue diversification through non-aeronautical business opportunities.**
Support the development of land within the bounds of a sound, strategic approach to long-term planning for the airport precinct by its subsidiary Titanium Park Limited (TPL).
 - Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.
 - Identify sources and monitor carbon and emissions. Incorporate reduction initiatives into capital project.
 - TPL will continue marketing for sale, development and optimised investment, all available non-aeronautically strategic land in a planned and co-ordinated approach.
 - In conjunction with the hotel manager, maximise the recovery plan and earnings of the recently acquired and upgraded airport hotel business upon completion of the Managed Isolation Facility contract.
5. **Ensure appropriate internal and external resource to enable a commercially driven and high performing organisation.**
Knowledgeable and capable, high performing and appropriately resourced personnel to ensure sound reporting and accountability, and delivery of the strategic plan.

In pursuing its goals, the Group will:

- At all times behave in a professional and ethical manner in all its business dealings with its customers and stakeholders.
- Be an employer of choice.
- Ensure a safe and healthy workplace environment that complies with legislation and fosters the wellbeing of its employees.
- Identify and recognise Shareholders' expectations, within the bounds of corporate prudence.







PERFORMANCE TARGETS

The following annual performance targets are proposed for the Waikato Regional Airport Limited in relation to its core purpose and key objectives.

Based on Company forecasts	YEAR ENDING 30 JUNE		
	2022	2023	2024
EBITDA excluding land sales	\$5.2m	\$5.4m	\$5.6m
EBITDA including land sales	\$5.7m	\$6.1m	\$6.2m
Net profit after tax <i>no less than</i>	\$1.2m	\$1.8m	\$2.2m
Net operating cash flow (excluding land sales)	\$3.6m	\$3.5m	\$4.0m
Total debt excluding design build property <i>not exceeding</i>	\$29.0m	\$32.0m	\$32.0m
Percentage of non-landing charges revenue <i>at least</i>	60%	60%	60%
Land sales	\$2.0m	\$4.0m	\$3.0m
Interest cover <i>at least</i>	4.0x	4.0x	4.0x

NON-FINANCIAL PERFORMANCE TARGETS

	Health, safety and well-being
	Facilitate Health & Safety meetings every two months with representatives from each entity in the Group
	Zero Work Safe notifiable accidents/injuries
	Independently review and audit the Health & Safety system each year
	Operational compliance
	To achieve the Airport Certification Standards as required by the Civil Aviation Authority and as evidenced by Civil Aviation Authority audit reports.
	Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events)
	Monitor aeronautical noise and facilitate noise management meetings every four months in accordance with the Noise Management Plan.
	Property (Titanium Park Limited)
	Complete construction of the 5th Stage of Titanium Park's Central Precinct.
	Prepare a private plan change submission to Waipa District Council in relation to the future Northern Precinct Development.
	Hotel operation
	Implement a recovery plan to enable a steady return from a Managed Isolation Facility to normal trading as a hotel and achieve pre-COVID metrics such as occupancy, room rates and customer satisfaction in line with the expectations underlying the achievement of a Qualmark 4 Star rating.

Statement of accounting policies

The accounting policies adopted by the Group for the year ending 30 June 2022 and succeeding two years are those as adopted in the 2020 Annual Report prepared under Tier 2 Public Benefit Entity Standards Reduced Disclosure Regime (PBE Standards RDR). The impact of accounting standards changes is not expected to have a material impact on the Group's financial statements or their comparability with previous results.

Dividend policy

The Directors will review the performance and outlook for the group annually before declaring any dividend.

Information to be provided to Shareholders

- The Annual Report of the Group.
- An interim report circulated to Shareholders each half-year including a Chair's Report, Consolidated Income Statement, Consolidated Balance Sheet and progress against Financial Performance Targets.
- Shareholder briefings held at least twice annually.

Future investment proposals

If the Group wishes to subscribe for, purchase, or otherwise acquire shares in any other company or any other organisation, it can do so only after first obtaining approval from the majority of shareholders at either a General Meeting or at a Special Meeting convened for that purpose.

Commercial value of the Shareholders' investment

No valuation of shares has been completed.

The consolidated balance sheet of WRAL as at 30 June 2020 shows shareholder equity of \$105m based on recent independent valuations of the Group's property, plant and equipment and investment properties.

Compensation from Local Authorities

There are no known activities of the Company or Group for which the Directors would seek compensation from any local authority.

Major transactions

Shareholders approve major transactions via a special resolution. A major transaction for WRAL is defined as:

- the acquisition of, or an agreement to acquire (whether contingent or not), assets the value of which is more than 10% of the value of the Company's assets before the acquisition; or
- the disposal of, or an agreement to dispose of (whether contingent or not), assets the value of which is more than 10% of the value of the Company's assets before the acquisition; or
- a transaction which has or is likely to have the effect of the Company acquiring rights or interests or incurring obligations or liabilities, the value of which is more than 10% of the value of the company's assets before the transaction.

Health & Safety and Wellbeing

The Board and Management will ensure that all requirements to the Health & Safety at Work Act 2015 are maintained.

This will be achieved by the engagement of an independent consultant and audit processes to ensure the organisation and its subsidiary companies are maintaining compliant and best practice processes. At all times the Group will continue to monitor and review health and safety requirements via monthly reporting.







2021 Statement of intent

For the year ended 30 June 2022

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This SOI is a public declaration of the activities and intentions of the Council Controlled Organisation, Waikato Local Authority Shared Services Ltd (WLASS). It outlines the nature and scope of the work it will undertake, the Directors’ accountabilities to the shareholders for corporate performance and financial forecasts, as required by Schedule 8 of the Local Government Act 2002. This information is provided in relation to the financial years ended 30 June 2022 to 30 June 2024.

Message from the Chair

Our goal is to improve the experience of councils' communities and staff, improve performance, reduce costs, and build trust and confidence with central government (**Goal**).

WLASS has made substantial progress in 2020. We aim to continue that in 2021.

We have been delivering what we said we would. The priority projects set out in last year's Statement of Intent have either been completed or significantly advanced. Some of those projects, notably the Building Consent Shared Services project, have challenged councils to think quite differently about how they deliver services (more on that shortly).

“At its heart WLASS exists to identify, and develop business cases, for ideas that have the potential to transform its shareholder councils.”

Our priority projects have recently led to two new services. WLASS Water Services supports councils by providing water sampling and analysis, trade waste management and water conservation education services. Nine councils are participating in one or more of these services. Through the Coordinated Infrastructure Procurement service, we are working with councils to facilitate a better outcome for them, their communities and suppliers, by identifying opportunities to procure and sequence infrastructure work on a cross-council basis.

At its heart WLASS exists to identify, and develop business cases, for ideas that have the potential to transform its shareholder councils.

WLASS develops business cases using, generally, a three-stage process. Once an idea has been identified and received priority then we begin a short discovery phase to test whether the idea may have value across the region. Upon receipt the board then decides whether to move the idea to the second phase, which is opportunity assessment. If the board approves the opportunity assessment, then a detailed business case is prepared.

While the discovery, opportunity assessment and business cases are being built it is essential that WLASS receive full and timely cooperation and support to put up the best case for Councils. But, and this is fundamental, each Council retains the absolute right to decide whether or not to adopt the business case when received, and roll out the proposed service in its district.

In pursuing our Goal in 2020 we did strike challenges.

A good example of these challenges was provided in December 2020, when the board was presented with an indicative business case for a building consent shared services approach with a request for funding to develop a detailed business case for a particular option. While our priority projects all can add significant value, this was the first project that was truly transformational – reimagining how building consent services are delivered and recommending this be delivered on a regional basis.

With this work we struck difficulty in developing the indicative business case, and the work took longer due to opposition from some members of council staff, largely arising from anxiety about change. In addition, the commitment to *actively* supporting the development of the detailed business case varied from Council to Council.

My key messages are these:

1. For WLASS to truly achieve its potential, it is essential that every council chief executive:
 - a. *actively* support it to develop the best possible business case for each idea, as fast as practicable;
 - b. communicate to their staff regularly, and often, the importance of that support; and
 - c. ensure staff tasked with working with WLASS, prioritise that work.

The faster we can develop good business cases, the faster those councils who want to can implement the idea.

2. The central government's water and RMA reform agendas provide more, not less, reason to proactively show that, as a region, we are already embracing changes to create a more efficient and effective local government. In doing so, the councils of the region put themselves in a better position to control their destiny rather than have central government make it for them.

For these reasons, WLASS will continue to advance a transformational agenda. We will not shy away from challenging councils to think differently – to think regionally, but knowing that they are able to decide and then act locally, in a way that is best for their communities. Equally, we will continue to progress initiatives as hard and as fast as practicable.

Certainly, WLASS has itself learned valuable lessons from this year's work: the need for better communication and greater focus on helping council chief executives manage the potential for change within their organisation and building more compelling business cases.

Nevertheless, I continue to believe that WLASS provides an excellent vehicle for councils to work together and share the costs of developing ideas to meet the goal, while retaining each council's right to proceed or not.

Peter Stubbs
Chair

Peter Stubbs
Chair

Background

WLASS is owned in equal portion by the 12 Waikato local authorities:

- Hamilton City
- Hauraki District
- Matamata-Piako District
- Otorohanga District
- Rotorua Lakes
- South Waikato District
- Taupō District
- Thames-Coromandel District
- Waikato District
- Waikato Regional
- Waipa District
- Waitomo District

It was established in 2005 as a vehicle through which these councils could collaborate and identify opportunities for undertaking activity on a shared basis. More recently, shareholders embarked on a transformation of the company. The purpose of that transformation was to move the company to a true

service delivery agent for, and strategic partner of, the councils. The structural changes of that transformation were completed in late 2019 and bedded-in throughout 2020.

Our vision and the outcomes we are looking for

The 2020 SOI introduced a new performance reporting framework. That framework is set out on the following page.

The framework better reflects the outcomes the transformed company is seeking, for you and your communities, and how we will go about achieving those outcomes. It highlights the company's roles of:

- Ideas laboratory - taking ideas that have the potential to create value, from their genesis through to business case; and
- Service provider to councils.

WLASS is acutely aware of the challenging and changing environment within which councils currently operate. Given this environment it is also acutely aware of the role it needs to play in reducing costs to its shareholding councils (or improving performance without an increase in cost). While improving the experience of councils' communities will always be front of mind as we develop ideas, we will not do this if it results in an unacceptable layer of additional, unrecoverable cost to councils. Similarly, we want to facilitate more engagement between central government and Waikato councils, and build central government's confidence in councils in the region. However, we see this as a by-product of achieving the other two outcomes, through which we aspire to show Waikato councils to be the exemplar of how local government in a region can work.

Our vision	Waikato councils working together to shape happier communities and staff, and forge effective councils.					
Outcomes we are seeking	Council costs are reduced / performance is improved, without increased cost		The experiences of councils' communities are improved		Central government investment into and engagement with Waikato councils is increased	
Our specific objectives	<ul style="list-style-type: none"> ➢ Achieve effectiveness and efficiency gains ➢ Reduce duplication of effort and eliminate waste through repetition 		<ul style="list-style-type: none"> ➢ Promote and contribute to the development of best practice ➢ Make it easier for communities to engage with councils in the Waikato region on a consistent basis ➢ Promote business transformation to improve communities' experiences 		<ul style="list-style-type: none"> ➢ Enable the Waikato councils to collectively be more effective as a region on the national stage ➢ Contribute to building central government's confidence in the Waikato region, and to encourage central government investment 	
Priorities: How we will achieve our outcomes	Investigate the right opportunities	Develop opportunities on time and within budget	Ensure opportunity benefits are realised	Provide services that meet the needs of councils	Foster cross-council collaboration	
What we must manage well	Our relationships	Our services	Our projects	Our people	Our resources	Our reputation

Priorities – doing what we said we would do

We want to ensure that Waikato councils are working together the best way possible, for the collective benefit of them and their communities. We want to do this because we believe it is the right thing to do for Waikato. If we achieve this, it will mean a relatively lesser burden on ratepayers, happier communities and council staff and more impactful councils.

In the 2020 Statement of Intent, we told you we had completed the structural changes required to transform the company into a service delivery agent and a true strategic partner to councils.

While we do not see the transformation as ‘complete’, the 2020/21 financial year has seen those changes embedded and our focus turn to ensuring we do what we said we would: And we have. All five of our priority projects set out in last year’s Statement of Intent have either been completed or are under development. This has included:

- Commencing work looking at how building consent services could be improved;
- Expanding the service offering to include water sampling and analysis, trade waste management and water conservation services. This increases the size of the company, by revenue, by ~40%;
- Completing the project to consider how infrastructure procurement could be coordinated regionally - we have a strategic procurement manager in place, working with council staff to identify and deliver on opportunities; and
- Developing an opportunity assessment which looks at a regional approach to staff learning and development.

Beyond the priority projects, we have been managing the LiDAR project: notwithstanding a delayed start when the COVID-19 lockdown prevented flying toward the end of last summer, all data has now been captured and is currently being processed. We are progressing to plan on Waikato OneView project. That project is the next phase of a roadmap toward a regional approach to Geographic Information Systems (GIS) and is looking at establishing Waikato-wide geospatial data sets and a simple way for customers to view that data. A minimum viable product is to be launched early in the new financial year. We continue to progress initiatives within Waikato Regional Infrastructure Procurement (WRIP, formally “coordinated infrastructure procurement”), having recently identified a suite of initial opportunities with Councils’ Infrastructure GMs.

At the same time, we have had an eye to the future. With all our priority projects identified last year now either complete or underway, as noted above, the Board has considered and agreed on the next suite of projects, having had particular regard to the environment currently faced by the local government sector. Development of some of these opportunities is already underway. The projects

Spotlight on WLASS Water Services

In the second half of 2020 we agreed to integrate the services of the Shared Services Partnership (made up of Hamilton City and Waipa and Waikato District Councils) into the company’s offerings. In doing so Sampling and Analysis, Trade Waste Management and “Smart Water” services will be taken up by eight councils across the region.



This initiative will provide high quality services, consistently, across the region, improve trade waste management practices and improve community wellbeing. It is a great example of how we can work together to benefit our communities in a cost-effective way.

were conveyed to council chief executives in a letter of intent in the second half of 2020. The support received for the ideas confirms we are on the right track. The Board also agreed to add value for councils by undertaking the development of opportunities in a way that fulfils shareholding councils' obligations under section 17A of the Local Government Act 2002 (LGA) for the area being considered. Doing so will do away with each council's need to separately undertake these reviews.

Our priority projects for the coming year are:

1) Shifting landscapes: Refining how and where WLASS can add most value

Waikato councils are faced with significant change: Central Government reform of 3-waters and the RMA, and a review of the future of local government generally, have all commenced. Councils are grappling with what these changes will mean for their organisations in the future, and what will remain of them when the changes are complete.

WLASS will continue to support Waikato councils to be the best they can be for their communities. It will also continue to think regionally and support councils to act locally. However, we need to be clear

Spotlight on LiDAR

We are managing a project to create highly detailed 3D maps and models of the Waikato landscape using LiDAR (Light Detection and Ranging) technology. Ground survey commenced in December 2020 and aerial surveying in January 2021. The full data set will be publicly available by October 2022. LiDAR is a foundational data asset essential to decisions involving the physical world. It has the potential to help drive regional economic growth and spur new investment by enabling councils and businesses to efficiently plan and develop housing, road, and water infrastructure, and better prepare for hazards such as flooding, landslides and erosion.

The project involves funding from eleven councils plus several commercial companies and the Provincial Growth Fund (via LINZ).



how councils think we best do that given the shifting landscape. How can we add the most value? What should we focus on that is achievable and actionable? How can we support councils to influence change, to get ahead of the game and create their own destiny?

For the board to answer these questions, it needs to understand from Waikato councils what services councils believe they should ensure are delivered to their communities, and what services they believe:

- i. only the councils should deliver (noting that all councils are not the same);
- ii. could be delivered by service delivery agents (i.e. CCOs like WLASS);
- iii. could be delivered by third parties; and
- iv. central government should deliver.

This project will provide that understanding. In doing so, it will help clarify the future of local government, provide a touchstone for making better decisions on how councils can most effectively deliver their functions, and provide WLASS with clarity on its part in supporting councils to do so.

2) Digital enablement – creating an omnichannel for your communities

There are rising community expectations of:

- Self-service;
- Digital engagement;
- Instant service;
- Personalised service; and
- Falling costs.

With this, there is a risk of a growing gap between community expectations and council service delivery because each council, acting individually, has limited ability (both expertise and available capital) to:

- 1) 'go digital' and provide 21st century, customer focused, digitally-enabled services; or
- 2) use technology to transform the way they work, manage assets and deliver services.
[sourced (paraphrased) from McGredy Winder & Co Sept. 2017 report to WLASS]

Technology is interwoven to various degrees within each council's business and operational frameworks. Any changes to technology cannot therefore be considered in isolation. However, to address the expectation gap, councils can work together to:

- Provide consistent customer and community experiences across the region;
- Realise significant cost savings and mitigate risks;
- Leverage existing skills, knowledge and experience for better digital outcomes for all;
- Achieve systems and process efficiencies through standardisation, which could lay the groundwork for potential back office shared services;
- Make better use of vendors and influence the market;
- Leverage total IT spend and cross-council resources; and
- Get recognition from central government for generating sustainable value from technology investment.

This will help address perceived problems that:

- Customers are not always able to receive a resolution at their first point of contact with council;
- Staff are not always able to find the information they need to solve customer queries;
- Cross-council knowledge is not shared effectively; and
- Staff knowledge is not retained or captured.

3) Establishing a GIS centre of excellence

For most councils, there is limited ability/need for a full-time resource that has expertise in GIS. However, having access to that resource, as and when required, would be useful to meet internal needs and community enquiries in a timelier manner. There could therefore be value in the creation of a GIS centre of excellence (COE) that provides core data and GIS system management, as well as analytical work, to support the operation of councils.

This review will follow on from the Waikato OneView project to complete the GIS roadmap.

4) Establishing an Asset Management centre of excellence

Waikato councils collectively are responsible for significant assets. They are accountable to the public for ensuring these assets are well managed. Some councils have difficulty in attracting and retaining appropriately skilled staff. Others may simply benefit from a lift toward best practice. Regardless, there is an opportunity to consider establishing a COE, likely reflecting an expansion of RATA's existing capability, to support councils in this area.

5) Regional policy and by-law development

This opportunity considers the value of have a standard suite of policies across local authorities. It would include benchmarking the existing policies and by-laws and establishing a timetable for review to avoid duplication of effort wherever possible.

Beyond these priority projects we will continue to look at other initiatives that add value. The RATA Advisory Group have been prioritising a suite of ideas and will develop one or more of these over the next 12 months. The various WLASS working parties, comprising representatives from each of the councils, will also continue to look at ways in which their disciplines can be improved.

As you asked, we've changed

The company has changed significantly over the last 24 months. Up until the second half of 2018 it had no employees, and relied solely on a contracted, part-time resource. Today, through the transformation, it has grown to nine employees and a broader team of 35¹. That increase in resourcing reflects the small team engaged to identify initiatives and develop opportunities that are then presented to councils, and the establishment of new services (water sampling and analysis, trade waste management, water education, IQP/producer statement registrations and infrastructure procurement), as a result.

Our governance structure has also been streamlined to be more agile and independent, moving from a board of twelve, to six members including an independent chair.

Fundamentally we have matured. We have:

- Robust processes in place to develop opportunities through to business case;
- Introduced secondment arrangements for council staff to contribute to the development of opportunities, at the same time increasing their capability;
- Established a change management framework to support opportunity development;
- Started moving to a 'user pays' approach to service offerings; and
- Shifted the dial to projects that, while posing a greater challenge, are transformational and have the potential to add significant value.

Active council support remains critical

While WLASS has grown, it remains a small company. Having council resources to support the company continues to be critical.

The WLASS working parties, comprising representatives from the councils, are an invaluable part of how we work and essential to the company being able to develop opportunities. They have a role in identifying problems to be solved. They have a role in supporting the development of opportunities, by:

- Providing resource;
- Acting as a sounding board; and
- Actively championing *the development* of ideas, including helping WLASS tell the story about why we are developing those ideas.





The working parties (and council chief executives and other senior leaders) also have a role in helping prepare their councils for change that might come from opportunities if the council chooses to adopt the solution. Any change management must be leader-led from within the councils themselves.

So, while we have changed, councils must also. WLASS will only be as successful as its shareholding councils allow it to be. You have asked us to go as hard and fast as possible. You have asked us to challenge you to transform how councils could operate. We are doing these things and will not shy away from continuing to promote a transformational agenda, but it will only work if councils, from the top down, embrace the opportunity to change, actively supporting the development of the best business cases possible. We said in last year's Statement of Intent that councils need to commit to accepting the challenge of changing the way things are done where there is a sound case for doing so. That remains the case. A change in mindset must precede transformation.

¹ Including RATA and WLASS Waters Services staff who are employed by Waipa District and Hamilton City Councils respectively, but are wholly contracted to WLASS to provide services to other councils

Performance measures

Last year's Statement of Intent introduced a new suite of performance measures. We will continue to track how well we are delivering on our strategic priorities using these.

Priority	Performance measure	Target
<p>Prioritise and develop business cases for opportunities that, if implemented, add value to councils by achieving one or more of our objectives</p> <p>Link to outcomes in the performance framework (refer pg. 5)</p> 	<ul style="list-style-type: none"> ➤ Business cases will include measurable benefits linked to one or more of the outcomes sought ➤ Businesses cases are supported by councils (evidenced by take up of the opportunity) 	<p>Projected savings/increased revenue to councils of at least \$300k</p> <p>75% of councils</p>
<p>Develop opportunities and deliver projects within agreed budgets and timelines¹</p> <p>Link to outcomes in the performance framework (refer pg. 5)</p> 	<ul style="list-style-type: none"> ➤ Opportunities / projects are developed / delivered within agreed timelines ➤ Opportunities / projects are developed / delivered, within approved budget ➤ Overall, Company Management / Support functions will be undertaken within budget, unless additional expenditure has board pre-approval 	<p>80%²</p> <p>90%²</p>
<p>Ensure projects realise their expected benefits</p> <p>Link to outcomes in the performance framework (refer pg. 5)</p> 	<ul style="list-style-type: none"> ➤ Measurable benefits are actively monitored and reported against ➤ Audit & Risk Committee undertake an assessment of projects following implementation (which will include an assessment of whether projected benefits have been realised) 	<p>Six-monthly</p> <p>For \$200k+ Projects (based on cost of opportunity development and ongoing investment)</p> <p>Assessment within 15 months</p> <p>90% of projected quantifiable benefits are realised</p>
<p>Ensure existing services are meeting the needs of councils</p> <p>Link to outcomes in the performance framework (refer pg. 5)</p> 	<ul style="list-style-type: none"> ➤ The services we provide (below) are considered by councils who use that service to meet or exceed their expectations (evidenced by an annual survey): <ul style="list-style-type: none"> ○ RATA – roading & waters ○ Waikato Building Cluster ○ Regional Infrastructure Technical Specifications ○ Energy & Carbon Management ○ Professional Services Panel ○ Health & Safety pre-qualification 	<p>80% of councils</p>

Priority	Performance measure	Target
Foster and promote cross-council collaboration and networking to share ideas on improving efficiencies and best practice <div style="border: 1px solid black; padding: 2px; width: fit-content;"> Link to outcomes in the performance framework (refer pg. 5) </div>	➤ Across these groups, ideas for future consideration and/or initiatives are identified each year	Four per annum

- 1 Budgets and timelines for opportunity development will be those established following discovery and/or opportunity assessment. A business case will refine these parameters with respect to project delivery.
- 2 Time and cost targets for the development of opportunities and delivery of projects have been initially set based on what, in practical terms, are consider stretch goals, but achievable. However, we aspire to *always* better, or at least meet, timetables and budgets.

The targets noted above are for the three-year forecast period. They will form the baseline from which we will seek to continually improve.

Transparency and reporting to councils

The company will continue to deliver the following information to shareholders:

- Within two months of the end of the first half of the financial year, a half-yearly report, including Statements of Financial Performance, Financial Position, and Cashflows and commentary on service performance including an assessment of progress against performance measures; and
- Within three months of the end of the financial year, an audited Statement of Financial Performance, Statement of Changes in Equity, Statement of Financial Position, Statement of Cashflows and commentary on service performance.

We will continue looking at ways of keeping you informed of how we are progressing. We are part of the Waikato Local Government team and know that we are not currently seen as such by some council staff. We need to work with councils to change that and will therefore be communicating more broadly, and frequently, with council staff.

Governance arrangements

WLASS conducts itself in accordance with its constitution, its annual Statement of Intent, the provisions of the LGA and WLASS policies.

The Board is made up five council representative directors and an independent Chair. There is also a standing Audit & Risk Committee.

The current Directors of WLASS are:

Director	Representing
Peter Stubbs	Independent Chair
Chris McLay	Waikato Regional Council
David Bryant	Hamilton City Council

Director	Representing
Gareth Green	Otorohanga, Rotorua, Taupo, South Waikato and Waitomo District Councils
Gavin Ion	Waikato and Waipa District Councils
Rob Williams	Hauraki, Matamata-Piako and Thames-Coromandel District

Under the constitution Gavin Ion must resign his position on 30 June 2021, but may be reappointed by the councils he represents for a further 3-year term, and Waipa and Waikato District councils have confirmed his reappointment.

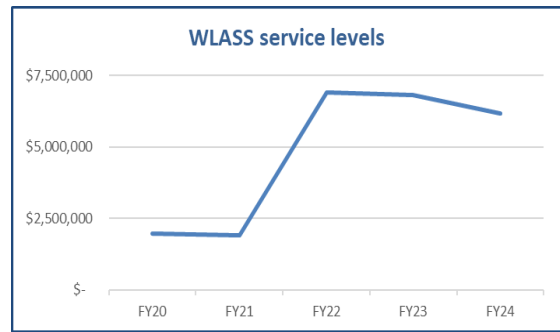
The independent Chair of WLASS receives director fees and reimbursed expenses. Directors representing the councils will not receive any fees or reimbursed expenses for work undertaken on behalf of the company.

Financials

Overview

Service levels

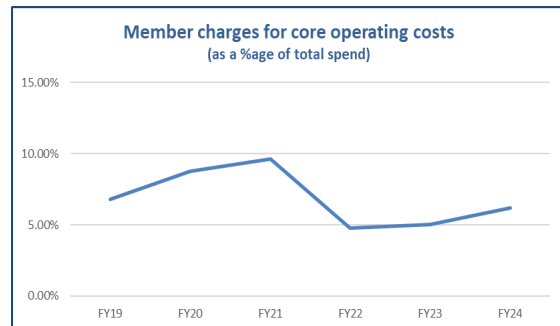
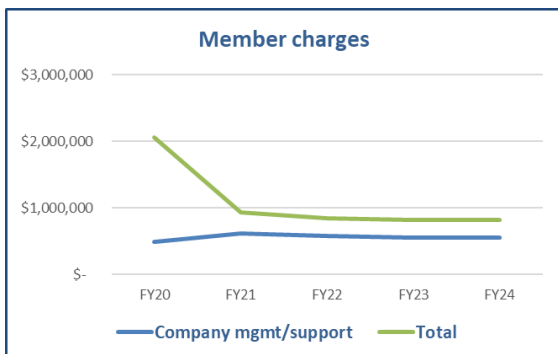
Revenue from service levels significantly increases in the 2022 financial year, being the first full year of activity for Coordinated Infrastructure Procurement and WLASS Water Services. RATA data collection projects commencing in that year also contribute to the increase. As the RATA data collection is completed, overall services fees taper off (although the other services are forecast to continue growing).




Member charges

While service levels are forecast to increase, we are conscious of mitigating the increase in member charges. This reflects the shift toward a user pays basis. Total member charges significantly reduced in the 2021 financial year with Future Proof and Waikato Plan being transitioned to Waikato Regional Council in that year. Charges are expected to remain flat throughout the forecast period.

Member charges to meet core operating costs (company management / support) remain largely flat throughout the forecast period (averaging ~5.6% of total expenditure).




Statement of Financial Performance


Waikato Local Authority Shared Services Company Summary for the forecast financial years ended 30 June 2022-2024				
	2020 SOI	2021 SOI		
	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24
Income				
Company Management / Support	1,102,910	1,391,159	1,334,268	1,344,268
Working parties projects	1,145,858	716,183	527,879	535,012
RITS	31,616	27,000	27,378	27,761
Information Technology	1,007,000	772,462	87,201	47,862
Energy Management	70,000	128,000	133,000	134,862
Shared Valuation Data Service (SVDS)	379,761	388,115	396,654	402,207
Road Asset Technical Accord (RATA)	1,300,557	2,231,000	1,892,000	1,360,000
Waikato Regional Transport Model (WRTM)	389,456	1,594,706	1,893,812	454,344
Waikato Building Consent Group	333,250	667,083	721,264	790,693
Waikato Mayoral Forum	5,000	5,000	5,000	5,000
Water Collaboration	440,000	752,500	812,500	577,640
WLASS Water Services	-	3,327,113	3,369,578	3,408,742
Total Income	6,205,408	12,000,321	11,200,533	9,088,391
Operating Expenditure				
Company Management / Support	1,087,487	1,534,552	1,556,234	1,583,288
Working parties projects	1,165,858	979,195	529,738	536,430
RITS	31,616	27,000	27,378	27,761
Information Technology	1,108,531	847,833	71,455	43,962
Energy Management	124,900	127,900	132,264	134,115
Shared Valuation Data Service (SVDS)	384,993	351,195	359,899	364,938
Road Asset Technical Accord (RATA)	1,300,557	2,231,000	1,892,000	1,360,000
Waikato Regional Transport Model (WRTM)	389,456	1,594,706	1,893,812	454,344
Waikato Building Consent Group	333,250	617,083	721,264	790,693
Waikato Mayoral Forum	5,000	5,000	5,000	5,000
Water Collaboration	440,000	752,500	812,500	577,640
WLASS Water Services	-	3,268,219	3,116,020	3,197,954
Total operating expenditure	6,371,648	12,336,183	11,117,563	9,076,126
Earnings before interest, tax and depreciation/ amortisation (EBITDA)	(166,240)	(335,862)	82,970	12,265
Depreciation / amortisation				
Company Management / Support	1,864	5,471	5,471	-
WBCG	0	-	-	-
WRTM	14,583	14,583	14,583	-
Total Depreciation / amortisation	16,447	20,054	20,054	-
Earnings before interest and tax (EBIT)	(182,688)	(355,915)	62,916	12,265
Net Surplus (Deficit) before tax	(182,688)	(355,915)	62,916	12,265

As for the current financial year, we are budgeting a loss of ~\$356k in the coming year as we continue to use cash reserves to fund some project activity. In the outyears we maintain a small profit level.

Statement of Financial Position

Waikato Local Authority Shared Services					
Financial Position					
for the forecast financial years ended 30 June 2022-2024					
	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	
CAPITAL					
Shares - SVDS	1,607,001	1,607,001	1,607,001	1,607,001	
Shares - WRTM	1,350,000	1,350,000	1,350,000	1,350,000	
Retained Earnings	(2,021,997)	(2,418,218)	(2,774,133)	(2,711,217)	
Plus Current Year Operating Surplus/(Deficit)	(182,688)	(355,915)	62,916	12,265	
TOTAL CAPITAL FUNDS	752,316	182,868	245,784	258,049	
ASSETS					
CURRENT ASSETS					
Prepayments	253,342	178,900	181,405	183,944	
Accounts Receivable	248,216	310,270	600,016	560,027	
Bank	647,330	1,080,452	369,744	5,335	
GST Receivable / (Payable)	29,628	124,224	24,562	26,998	
TOTAL CURRENT ASSETS	1,178,516	1,693,846	1,175,727	776,304	
NON-CURRENT ASSETS					
SVDS - Intangible Asset	3,065,316	0	0	0	
WRTM - Intangible Asset	2,296,855	2,296,855	2,296,855	2,296,855	
MoneyWorks Software	1,195	1,195	1,195	1,195	
Accumulated Depreciation	(5,334,200)	(2,283,467)	(2,298,050)	(2,298,050)	
IT Equipment	5,592	19,000	19,000	19,000	
Accumulated Depreciation - IT equipment	(4,521)	(9,992)	(15,462)	(15,462)	
TOTAL NON-CURRENT ASSETS	30,237	23,591	3,538	3,538	
TOTAL ASSETS	1,208,754	1,717,437	1,179,264	779,841	
LESS CURRENT LIABILITIES					
Accounts Payable	367,565	1,451,670	846,885	426,302	
Accounts Payable Accrual	35,000	35,000	35,000	40,000	
Employee Benefits	53,872	47,900	51,596	55,490	
TOTAL CURRENT LIABILITIES	456,437	1,534,570	933,481	521,792	
NET ASSETS	752,317	182,868	245,784	258,049	

Statement of Cashflows

Waikato Local Authority Shared Services					
Statement of Cashflows					
for the forecast financial years ended 30 June 2022-2024					
	Budget 2020/21	Budget 2021/22	Budget 2022/23	Budget 2023/24	
Cashflows from Operating Activities					
Interest Received	2,000	500	507	514	
Receipts from Other Revenue	6,503,168	11,937,767	10,910,281	9,127,866	
Payments to Suppliers	(6,484,401)	(11,183,608)	(11,721,157)	(9,490,354)	
Taxes Paid	0	0	0	0	
Goods & Services tax (net)	36,794	(94,596)	99,662	(2,436)	
Net cash from operating activities	57,561	660,063	(710,708)	(364,409)	
Cashflows from Investing Activities					
Capital enhancements	0	0	0	0	
Purchase of PPE	0	(13,408)	0	0	
Purchase of investments	0	0	0	0	
Net cash from investing activities	0	(13,408)	0	0	
Net increase in cash, cash equivalents and bank accounts	57,561	646,655	(710,708)	(364,409)	
Opening cash and cash equivalents and bank overdrafts	589,770	433,797	1,080,452	369,744	
Closing cash, cash equivalents and bank accounts	647,330	1,080,452	369,744	5,335	
Summary of Bank Accounts					
BNZ - Call a/c	647,330	1,080,452	369,744	5,335	
Closing Balance of Bank	647,330	1,080,452	369,744	5,335	

Appendix I: What we do - current activities

The principal initiatives operating under the WLASS umbrella are:

- Aligned resource consent planning
- Energy management
- Health & safety pre-qualification
- Joint procurement initiatives
- LiDAR
- Regional Asset Technical Accord (RATA)
- Regional Infrastructure Technical Specifications
- Shared Valuation Data Services (SVDS)
- Waikato Building Consent Group (WBCG) – including IQP/Producer Statement registrations
- Waikato Regional Aerial Photography Service (WRAPS)
- Waikato Regional Transportation Model (WRTM)
- WLASS Water Services (WWS)

Aligned resource consent planning

This toolkit provides regional consistency and best practice processes in the administration of resource consenting. It is used by nine councils (Taupo and Otorohanga are not currently participating, and Waikato Regional Council processes different types of resource consents from the territorial local authorities). WLASS controls the documentation on the WLASS website, and the Waikato Resource Consent forum manages the process for making updates and amendments to the templates and documents in the toolkit.

Energy management

WLASS entered into a three-year Collaboration Agreement with the Energy Efficiency Conservation Authority (EECA) in February 2016. Across the programme EECA provided funding of \$210,000. Implemented projects have delivered 3.62m kWh in energy reduction annually (as against a target of 2.5m kWh), saved \$446,000 per annum.

From 1 July 2019 a new energy and carbon management programme was entered into between WLASS and the nine participating councils. Councils were slow to engage in the elective component of the new programme notwithstanding we know councils see climate change generally as a significant issue. A lack of engagement has meant that some councils have not gotten the value out of it that they otherwise might have. We will continue to drive this programme and encourage councils to support it. More recently, there has been some activity in undertaking carbon stocktakes which is encouraging.

Health & safety pre-qualification

WLASS contracts with RJ Safety Consulting (previously SHE Software), to manage the Local Government Health & Safety Contractor Pre-qualification Scheme on behalf of councils. Twenty councils and one CCO are now using the scheme with approximately 1,600 contractors registered, which enables them to be pre-qualified to work for any of the participating councils.

Further detail on these activities and the councils involved in each can be found on the WLASS website at <http://www.wakatolass.co.nz/>.

Joint procurement initiatives

WLASS is a party to numerous joint procurement contracts between the company, shareholding councils and suppliers. Councils choose whether to be a party to a particular contract. Wherever possible we negotiate a syndicated contract with the supplier to allow additional councils to join later.

The most significant suite of contracts comprises the Professional Services Panel, involving eight councils and upwards of 150 suppliers. The current panel arrangement was established in August 2019.

In 2019 standard regional procurement policies, templates and procedures were developed for use by councils and procurement training provided to council staff.

LiDAR

WLASS is managing a project to create highly detailed 3D maps and models of the Waikato landscape using LiDAR (Light Detection and Ranging) technology. The project's start was delayed with Covid-19. However, flying commenced in January 2021. The project involves funding from ten councils plus several commercial companies and the Provincial Growth Fund (via LINZ).

Regional Asset Technical Accord (RATA)

RATA was initially established as a centre of excellence for road asset planning in 2014.

The original aim of RATA was to achieve best practice in road asset management by improving capability, capacity and outcomes through effective collaboration. This aim remains but in 2019 the business unit expanded its activity into waters assets. By leading asset management best practice, RATA enables better decision-making through the effective collection and use of good quality data, and the implementation of good practice processes and systems for data collection, analysis and management.

Waipa District Council employs RATA staff who are then contracted to provide services to WLASS.

Regional Infrastructure Technical Specifications (RITS)

The RITS document sets out how to design and construct transportation, water supply, wastewater, stormwater and landscaping infrastructure. Prior to developing RITS, each Council had its own technical specifications for infrastructure resulting in different standards having to be met across the Waikato region. RITS provides a single regional guide, making business easier.

The RITS is published on the WLASS website (<http://www.waikatolass.co.nz/>), and ongoing maintenance of the document is the responsibility of a Project Co-ordinator, managed by WLASS.

Shared Valuation Data Service (SVDS)

This service provides timely and accurate valuation data to the participating councils. The SVDS has become the accepted valuation database for the region. Data sales significantly reduce the net cost to the participating councils. In the first half of 2020, the transition to a software-as-a-service arrangement with a new provider was completed further reducing cost to councils.

Waikato Building Consent Group (WBCG)

The WBCG was initially set up by five Waikato local authorities in 2004 to foster co-operation, collaboration and consistency in building functions, legislative interpretation and process documentation across the partnering councils. The activity transferred to WLASS on 1 July 2016 and now comprises eight councils.

The WBCG has developed a common quality assurance system with associated supporting documentation that meet the legislative requirements of the Building Act 2004 and the Building (Accreditation of Building Consent Authorities) Regulations 2006. These regulations cover all aspects of the operational management and compliance of a Building Consent Authority (BCA).

On 1 July 2020, WLASS assumed responsibility for managing the region's IQP and Producer Statement registers for the benefit of councils.

Waikato Regional Aerial Photography Service (WRAPS)

WRAPS was set up in the 1990s for the supply of colour, digital, ortho-rectified, aerial photography for the Waikato Region. Photographs are captured periodically (~every 5 years). Most recently contracts were executed in December 2020 to undertake the latest programme.

Waikato Regional Transportation Model (WRTM)

The WRTM became fully operational in February 2010. It provides accurate information to councils and to external users (for a charge) for their transport modelling requirements. The WRTM is the only recognised strategic transport modelling resource in the Waikato Region and is jointly funded by the NZTA.

WRTM is making a significant contribution to strategic planning surrounding land use and infrastructure within the region and has been involved in regionally and nationally significant investigations including the Waikato Expressway Network Plan, the Waikato Regional Land Transport Strategy and Regional Policy Statement and transport impact assessments in relation to the development of Ruakura.

WLASS Water Services (WWS)

In the second half of 2020 the company agreed to subsume the previous Shared Services Partnership activity (involving Hamilton City and Waipa and Waikato District Councils), into its suite of services available to other councils. Nine councils are to take up one or more of the sampling and analysis, trade waste management and Smart Water services available.

Appendix II: Policy Statements

Statement of accounting policies

Reporting entity

Waikato Local Authority Shared Services Limited (“the Company”) is a Company incorporated in New Zealand under the Companies Act 1993 and is domiciled in New Zealand. The company is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002 (LGA), by virtue of the shareholding councils’ right to appoint the Board of Directors.

The primary objectives of the Company are to:

- Develop opportunities that benefit the Waikato region's local authorities; and
- Act as a vehicle to deliver value-added services to those local authorities.

The Company has designated itself as a public benefit entity (PBE) for financial reporting purposes.

Summary of significant accounting policies

Basis of preparation

Financial statements are prepared on the going concern basis, and the accounting policies are applied consistently throughout the period.

Statement of Compliance

Financial statements are prepared in accordance with the requirements of the LGA, which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

Financial statements are prepared in accordance with and comply with Tier 2 PBE Standards reduced disclosure regime (RDR). WLASS is eligible to report under the RDR as it:

- is not publicly accountable; and
- has expenses more than \$2 million, but less than \$30 million.

The accounting policies set out below are consistent with the prior year, other than the inclusion of policy:

- on operating leases, related to the lease of commercial premises;
- employees; and
- property, plant and equipment.

Measurement base

The financial statements are prepared on a historical cost basis.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar unless otherwise stated. The functional currency of the Company is New Zealand dollars.

Goods and services tax

All items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the cash flow statement.

Commitments and contingencies are disclosed exclusive of GST.

Critical accounting estimates and assumptions

In preparing the financial statements the Company makes estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. There are no areas requiring estimate or assumptions made that are considered to carry a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Intangible assets

Useful lives and residual values

At each balance date the Company reviews the useful lives and residual values of its intangible assets. Assessing the appropriateness of useful life and residual value estimates of intangible assets requires the Company to consider a number of factors such as the expected period of use of the asset by the Company and expected disposal proceeds from the future sale of the future sale of the asset.

An incorrect estimate of the useful life of residual value will impact the amortisation expense recognised in the income statement and carrying amount of the asset in the balance sheet. The Company minimises the risk of this estimation uncertainty by reviewing that the asset technology is still relevant and there is no alternative options to recreate the asset at a lower price.

Impairment of intangible assets

Intangible assets measure at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the assets carrying amount exceeds its recoverable amount. The recoverable amount is higher of an assets fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written-down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in the surplus deficit.

Revenue

Revenue

Revenue comprises the fair value of the considerations received or receivable for the sale of goods and services, excluding GST, rebates and discounts and after eliminating sales within the Company. No provisions have been recorded as all revenue and trade receivables are expected to be received.

Other Revenue

Member charges for all activities are recognised when invoiced to the user (i.e. councils). The recorded revenue is the net amount of the member charges payable for the transaction.

Contributions received for projects that were not completed in a financial year are recognised when the Company provides, or is able to provide, the service for which the contribution was charged. Until such time, contributions are recognised as liabilities.

Operating expenses

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Personnel costs

Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and other defined contribution superannuation schemes are accounted for as defined contribution schemes and are recognised as an expense in the surplus or deficit when incurred.

Receivables

Short-term receivables are recorded at the amount due, less any provision for amounts not considered collectable.

Receivables are initially measured at nominal or face value. Receivables are subsequently adjusted for penalties and interest as they are charged and impairment losses. Non-current receivables are measured at the present value of the expected future cash inflows.

Debtors are amounts due from customers. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, with original maturities of three months or less, and bank overdrafts.

Income tax

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive income or directly in equity.

Intangible assets Other financial assets

Investments in bank deposits are measured at fair value plus transaction costs.

At each balance date the Company assesses whether there is any objective evidence that an investment is impaired. Any impairment losses are recognised in the income statement.

Payables and deferred revenue

Short-term creditors and other payables are recorded at their face value

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payable approximates their fair value.

Contributions received for projects that were not completed in a financial year are recognised as deferred revenue until the Company provides, or is able to provide, the service for which the contribution was charged.

Employee benefits liabilities

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured based on accrued entitlements at current rates of pay.

These includes salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent it will be used by staff to cover those future absences.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation.

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date, are classified as a current liability. All other employee entitlements are classified as a non-current liability.

Reconciliation of equity

Equity is the shareholders interest in WLASS and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components:

Contributed equity

Contributed equity is the net asset and liability position at the time the company was formed. The allocation of capital amongst shareholders is explained in this note.

Retained earnings

Retained earnings is the company's accumulated surplus or deficit since formation.

Open Meeting

To	Strategy & Finance Committee
From	Alison Diaz Chief Financial Officer
Date	20 July 2021
Prepared by	Colin Bailey
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Treasury Risk Management Policy – Compliance Report on 30 June 2021

I. EXECUTIVE SUMMARY

The purpose of this report is to inform the Strategy & Finance Committee of compliance with Treasury Risk Management Policy and is based on the Compliance Report on 30 June 2021.

There are three non-compliant measures:

- (# 10) Current net external debt (\$80 million) is outside the fixed/floating interest rate risk control limits due to debt being well below the level forecast when the interest control measures were put in place.
- (# 12) The Balanced Budget benchmark is below the policy limit of $\geq 100\%$. The preliminary (unaudited) financial statements for June 2021 indicate revenue at 99% of expenses.
- (# 17) Debt maturing between 0 and 3 years is 63%, outside the policy range of 15% to 60%. The debt includes the unused BNZ facility of \$15 million.

Further borrowing is not expected to be required until August 2021, depending on the levels of capital expenditure.

2. RECOMMENDATION

THAT the report from the Chief Financial Officer be received.

3. ATTACHMENTS

Treasury Risk Management Policy - Compliance Report on 30 June 2021

Waikato District Council

Treasury risk management policy - Compliance report

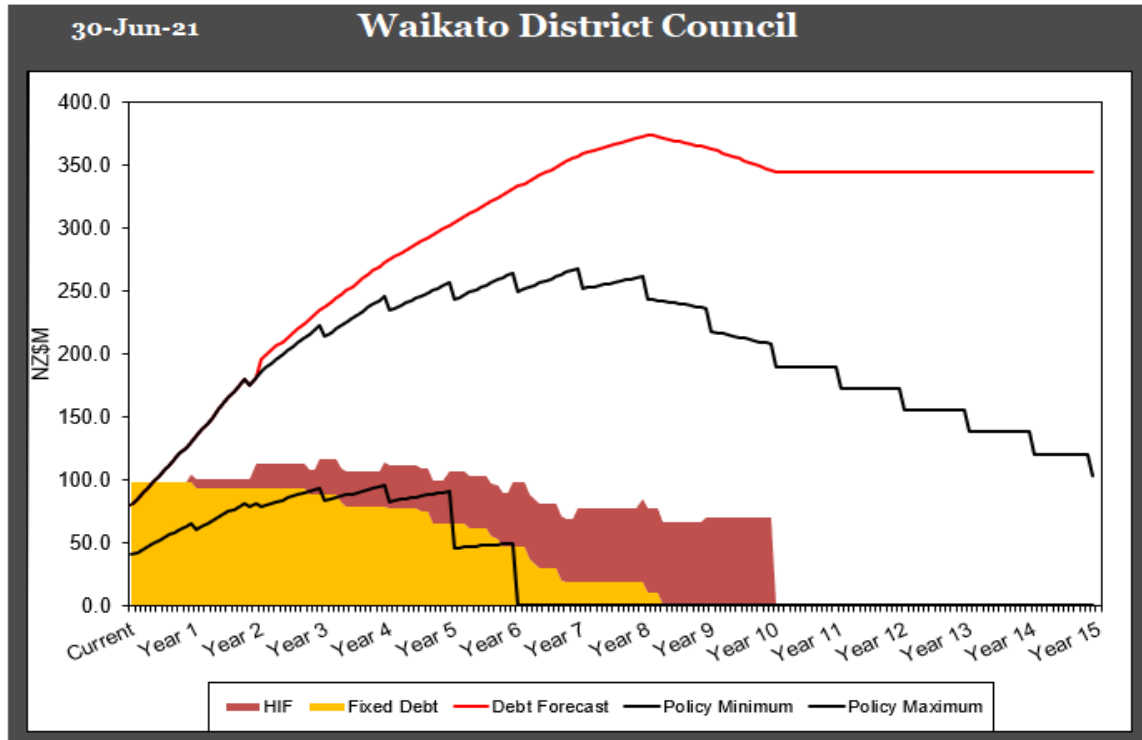
As at 30 June 2021

	Policy criteria	Policy limit	Actual	Within policy?																																																																																																								
1	The percentage of net external debt to annual revenue Net external debt = Total annual revenue =	<150%	45.3%	✓																																																																																																								
		total external debt (net of related borrower notes) less term deposits and available cash / cash equivalents																																																																																																										
		earnings from rates, government grants & subsidies, user charges, interest, dividends, financial and other revenue excluding non-government capital contributions (eg developer contributions and vested assets)																																																																																																										
2	Net interest expense on net external debt as a percentage of total annual revenue Net interest expense =	<20%	3.4%	✓																																																																																																								
		total interest and financing costs less interest income																																																																																																										
3	Net interest expense on net external debt as a percentage of planned annual rates	<25%	4.7%	✓																																																																																																								
4	Liquidity ratio Liquidity =	>110%	119%	✓																																																																																																								
	external term debt plus committed bank facilities plus available liquid investments as a percentage of external term debt																																																																																																											
5	Interest rate benchmark chart Comparison of actual monthly and year-to-date interest payable, including the cost of swaps in place vs borrowing the total debt amount at the combined average of the 90-day bill rate and the five-year investor swap rate over the last two years.																																																																																																											
	<table border="1"> <caption>Interest Rate Benchmark Chart Data (Estimated)</caption> <thead> <tr> <th>Month</th> <th>Benchmark (%)</th> <th>Budget (%)</th> <th>Actual (%)</th> </tr> </thead> <tbody> <tr><td>Jun-19</td><td>0.038</td><td>0.0425</td><td>0.044</td></tr> <tr><td>Jul-19</td><td>0.040</td><td>0.0425</td><td>0.043</td></tr> <tr><td>Aug-19</td><td>0.039</td><td>0.0425</td><td>0.043</td></tr> <tr><td>Sep-19</td><td>0.038</td><td>0.0425</td><td>0.044</td></tr> <tr><td>Oct-19</td><td>0.037</td><td>0.0425</td><td>0.042</td></tr> <tr><td>Nov-19</td><td>0.038</td><td>0.0425</td><td>0.041</td></tr> <tr><td>Dec-19</td><td>0.039</td><td>0.0425</td><td>0.041</td></tr> <tr><td>Jan-20</td><td>0.038</td><td>0.0425</td><td>0.042</td></tr> <tr><td>Feb-20</td><td>0.037</td><td>0.0425</td><td>0.043</td></tr> <tr><td>Mar-20</td><td>0.035</td><td>0.0425</td><td>0.046</td></tr> <tr><td>Apr-20</td><td>0.034</td><td>0.0425</td><td>0.047</td></tr> <tr><td>May-20</td><td>0.033</td><td>0.0425</td><td>0.047</td></tr> <tr><td>Jun-20</td><td>0.033</td><td>0.0425</td><td>0.048</td></tr> <tr><td>Jul-20</td><td>0.029</td><td>0.043</td><td>0.048</td></tr> <tr><td>Aug-20</td><td>0.029</td><td>0.043</td><td>0.047</td></tr> <tr><td>Sep-20</td><td>0.029</td><td>0.043</td><td>0.047</td></tr> <tr><td>Oct-20</td><td>0.028</td><td>0.043</td><td>0.047</td></tr> <tr><td>Nov-20</td><td>0.030</td><td>0.043</td><td>0.047</td></tr> <tr><td>Dec-20</td><td>0.030</td><td>0.043</td><td>0.047</td></tr> <tr><td>Jan-21</td><td>0.031</td><td>0.043</td><td>0.047</td></tr> <tr><td>Feb-21</td><td>0.031</td><td>0.043</td><td>0.047</td></tr> <tr><td>Mar-21</td><td>0.031</td><td>0.043</td><td>0.047</td></tr> <tr><td>Apr-21</td><td>0.031</td><td>0.043</td><td>0.047</td></tr> <tr><td>May-21</td><td>0.029</td><td>0.043</td><td>0.046</td></tr> <tr><td>Jun-21</td><td>0.028</td><td>0.043</td><td>0.045</td></tr> </tbody> </table>				Month	Benchmark (%)	Budget (%)	Actual (%)	Jun-19	0.038	0.0425	0.044	Jul-19	0.040	0.0425	0.043	Aug-19	0.039	0.0425	0.043	Sep-19	0.038	0.0425	0.044	Oct-19	0.037	0.0425	0.042	Nov-19	0.038	0.0425	0.041	Dec-19	0.039	0.0425	0.041	Jan-20	0.038	0.0425	0.042	Feb-20	0.037	0.0425	0.043	Mar-20	0.035	0.0425	0.046	Apr-20	0.034	0.0425	0.047	May-20	0.033	0.0425	0.047	Jun-20	0.033	0.0425	0.048	Jul-20	0.029	0.043	0.048	Aug-20	0.029	0.043	0.047	Sep-20	0.029	0.043	0.047	Oct-20	0.028	0.043	0.047	Nov-20	0.030	0.043	0.047	Dec-20	0.030	0.043	0.047	Jan-21	0.031	0.043	0.047	Feb-21	0.031	0.043	0.047	Mar-21	0.031	0.043	0.047	Apr-21	0.031	0.043	0.047	May-21	0.029	0.043	0.046	Jun-21	0.028	0.043	0.045
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6	Actual borrowing costs are <= budgeted borrowing costs Current month Year to date	<u>Budget</u> \$457,750 \$5,493,000.00	<u>Actual</u> \$399,837 \$4,670,385	✓ ✓																																																																																																								

7	Current interest rate swaps (including forward starts)			
	<u>Amount</u>	<u>Effective date</u>	<u>Termination date</u>	<u>Fixed rate</u>
	\$			(if effective)
	3,000,000	22-Jun-13	22-Mar-23	4.00%
	4,000,000	22-Jun-13	22-Jun-22	3.83%
	2,000,000	21-Mar-16	21-Mar-24	4.94%
	3,000,000	23-Mar-15	23-Mar-24	4.64%
	4,000,000	23-Mar-20	25-Mar-24	4.75%
	3,000,000	23-Mar-15	23-Sep-24	4.53%
	4,500,000	23-Dec-15	23-Sep-24	4.59%
	4,000,000	22-Jun-16	23-Sep-24	4.62%
	3,000,000	20-Oct-20	21-Oct-24	4.78%
	3,000,000	22-Sep-17	23-Sep-24	4.78%
	4,000,000	23-Mar-20	25-Mar-24	4.85%
	3,000,000	20-Oct-20	21-Oct-24	4.86%
	6,000,000	31-Oct-17	31-Jan-27	3.67%
	2,000,000	1-Mar-19	1-Dec-25	3.85%
	2,000,000	25-Sep-17	25-Feb-27	3.67%
	2,000,000	22-Jun-17	23-Jun-25	3.52%
	3,000,000	22-Mar-23	22-Jun-29	
	4,000,000	25-Mar-24	25-Sep-26	
	4,000,000	25-Mar-24	25-Mar-27	
	4,000,000	23-Sep-24	23-Sep-27	
	3,000,000	21-Oct-24	21-Oct-27	
	10,000,000	30-Sep-19	28-Sep-29	3.55%
	5,000,000	30-Jun-20	29-Jun-29	3.63%
	10,000,000	28-Feb-19	27-Feb-26	3.33%
	10,000,000	28-Aug-18	30-Aug-27	3.37%
	10,000,000	28-Feb-18	28-Feb-28	3.33%
	2,000,000	19-Jun-19	19-Mar-28	3.10%
	2,000,000	19-Jun-19	19-Mar-27	3.28%
	119,500,000 Total swaps			
	101,500,000 Total "live" swaps			
		Average interest rate of live swaps		3.90%
8	Forward start period to be no more than 24 months <u>unless</u> there is a match with the expiry date of an existing swap of the same notional amount	5 swaps with start periods > 24 months forward all are matched with existing swaps		
9	<u>Counterparty credit risk - swaps</u> NZ registered banks (each) - ANZ / National - ASB - BNZ - HSBC - Westpac	\$30m		\$0m ✓ \$0m ✓ \$18.22m ✓ \$0m ✓ \$0m ✓

10 Council's net external debt should be within the following fixed/floating interest rate risk control limits.:

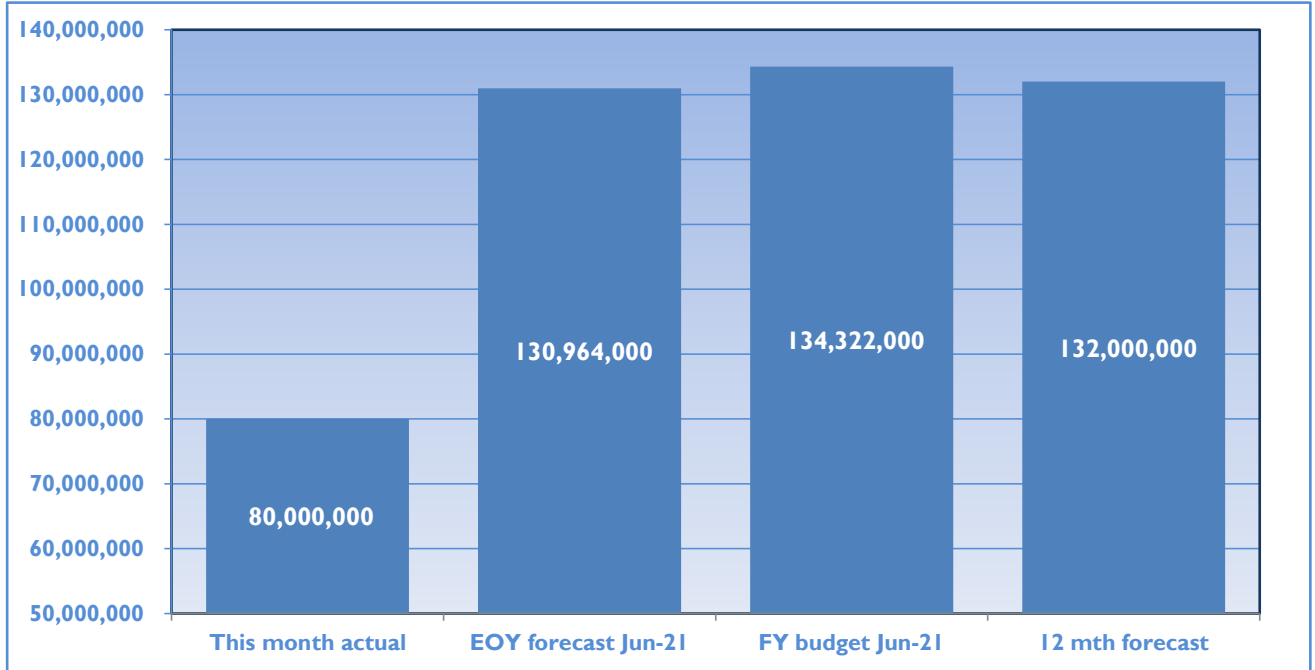
Debt period ending	\$m	Policy criteria	Actual	Within policy
Current	80	50% - 100%	132%	✘
Year 1	135	45% - 100%	77.5%	✓
Year 2	196	40% - 95%	59.5%	✓
Year 3	238	35% - 90%	50.4%	✓
Year 4	276	30% - 85%	42.0%	✓
Year 5	304	15% - 80%	36.6%	✓
Year 6	333	0% - 75%	30.7%	✓
Year 7	360	0% - 70%	22.6%	✓
Year 8	375	0% - 65%	21.6%	✓
Year 9	363	0% - 60%	20.5%	✓
Year 10	345	0% - 55%	0.0%	✓



	Policy criteria	Policy limit	Actual	Within policy?
11	Debt affordability benchmark - limit on debt (actual debt <= limit on debt)	<= \$196.5m	\$80m	✓
12	Balanced budget benchmark (revenue / expenses)	>=100%	99%	✘
13	Essential services benchmark (CAPEX / dep'n - infrastructure)	>=100%	145%	✓
14	Debt servicing benchmark (borrowing costs / revenue) borrowing costs =	<15%	3.4%	✓
		finance expenses per statement of comprehensive revenue and expense		

15 Borrowing at June 2021

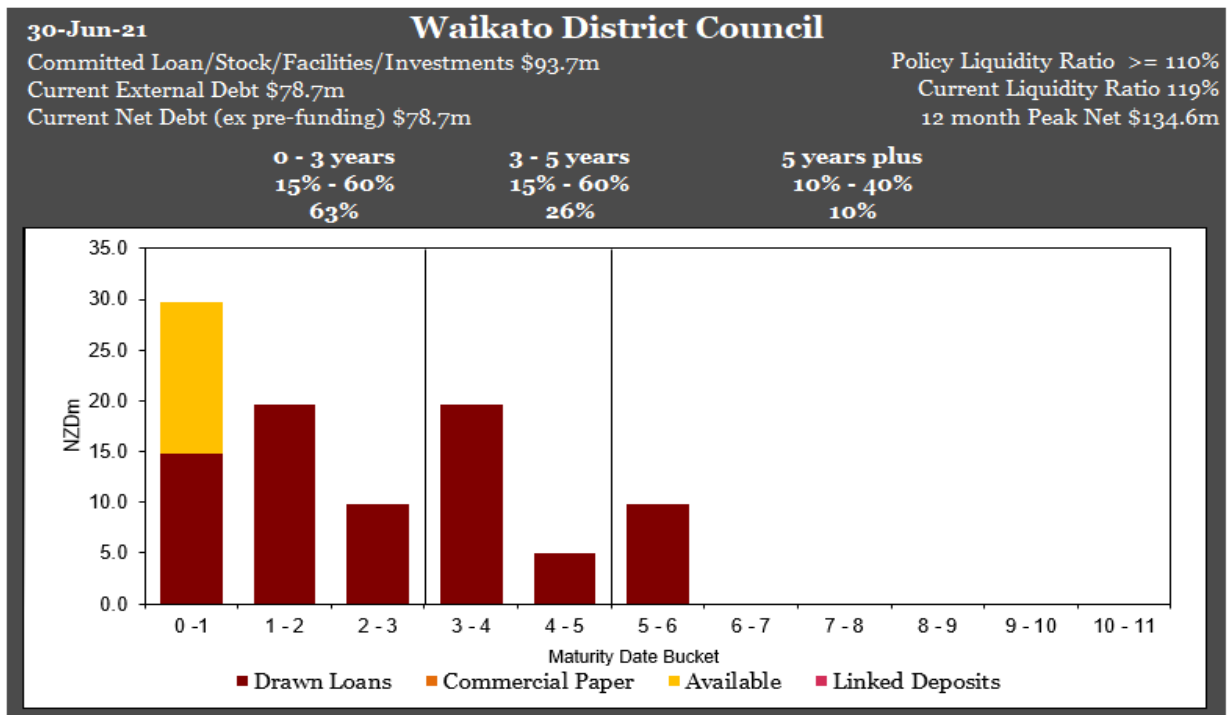
This graph depicts actual borrowing - LGFA plus bank (BNZ).



16	Actual monthly (gross) borrowing is within end-of-year budget	\$134,322,000	\$80,000,000	✓
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17 The maturity profile of the total committed funding in respect of all loans and committed facilities

Maturity Profile	15% - 60%	63%	26%	10%	✓
0 to 3 years	15% - 60%	63%	26%	10%	✗
3 to 5 years	15% - 60%	26%	10%		✓
5 years plus	10% - 40%	10%			✓



18	<u>Financial assets</u> \$'000 <i>Share investments held for strategic purposes</i> Local Authority Shared Services Limited 220 Waikato Regional Airport Limited 16,743 Strada Corporation Limited 700 Civic Financial Services Limited 40 <i>Investments held to reduce the current ratepayer burden</i> Community loans as below 46 <i>Short-term investments held for liquidity & working capital requirements</i> Bank & cash balances 251 Short-term bank deposits 17,400 Total investments \$18,000															
For treasury purposes, LGFA borrower notes are netted off against related borrowing																
19	<u>Community loans</u> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Borrower</u></th> <th style="text-align: right;"><u>Current balance \$\$</u></th> <th style="text-align: left;"><u>Maturity date</u></th> <th style="text-align: left;"><u>Interest rate</u></th> </tr> </thead> <tbody> <tr> <td>Tamahere Hall Committee</td> <td style="text-align: right;">40,091</td> <td>Jun-22</td> <td rowspan="2">} both at 5.32%</td> </tr> <tr> <td>Te Kowhai Hall Committee</td> <td style="text-align: right;">5,431</td> <td>Jun-22</td> </tr> <tr> <td colspan="2" style="text-align: right; border-top: 1px solid black;">\$45,523</td> <td colspan="2"></td> </tr> </tbody> </table>	<u>Borrower</u>	<u>Current balance \$\$</u>	<u>Maturity date</u>	<u>Interest rate</u>	Tamahere Hall Committee	40,091	Jun-22	} both at 5.32%	Te Kowhai Hall Committee	5,431	Jun-22	\$45,523			
<u>Borrower</u>	<u>Current balance \$\$</u>	<u>Maturity date</u>	<u>Interest rate</u>													
Tamahere Hall Committee	40,091	Jun-22	} both at 5.32%													
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\$45,523																
	Policy criteria	Policy limit	Actual	Within policy?												
20	<u>Counterparty credit risk - investments</u> NZ Government unlimited \$0m ✓ NZD registered supranationals \$20m \$0m ✓ LGFA \$20m \$1.28m ✓ NZ registered banks (each) \$20m - ANZ / National \$4.35m ✓ - ASB \$4.35m ✓ - BNZ \$4.35m ✓ - HSBC \$0m ✓ - Westpac \$4.35m ✓															
21	<u>Counterparty credit risk - total</u> NZ registered banks (each) \$50m - ANZ / National \$4.35m ✓ - ASB \$4.35m ✓ - BNZ \$22.57m ✓ - HSBC \$0m ✓ - Westpac \$4.35m ✓															

Open Meeting

To	Strategy & Finance Committee
From	Gavin Ion Chief Executive
Date	19 July 2021
Prepared by	Matthew Horsfield Democracy Advisor
Chief Executive Approved	Y
Reference #	GOV1318
Report Title	Exclusion of the Public

I. RECOMMENDATION

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

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Item number 1 – Confirmation of Public Excluded Minutes	Good reason to withhold exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
Item 2.1 Whatawhata Community Hub Contract Award		

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

Item No.	Section	Interest
Item Confirmation of Minutes	I of	Refer to the previous Public Excluded reason in the agenda for this meeting.
Item Whatawhata Community Hub Contract Award	2.1 7 (2) (i)	Enable any local authority holding the information to carry on, without prejudice or disadvantage negotiations (including commercial and industrial negotiations)