

The Chairman and Councillors
Finance and Governance Committee

NOTICE IS GIVEN that the next meeting of the **Finance and Governance Committee** will be held in the **Oak Room, Tauranga RSA, Tauranga RSA (Inc), 889 Cameron Road, Tauranga** on:

EMBARGOED

Until 2 working days before meeting on:

Thursday, 13 May 2010

commencing at 9.30 a.m.

Bill Bayfield
Chief Executive

6 May 2010

Working with our communities for a better environment



Finance and Governance Committee

Purpose

- To provide strategic oversight of, and establish policy for, the financial affairs of Council.
- To overview Council's financial reports and annual financial statements, and to monitor Council's financial performance.
- To ensure the effective functioning of the organisation as a corporate body.

Role

- 1 To receive the Council's quarterly overall financial reports and to review the appropriateness of reports received.
- 2 To receive and consider month-end reports between quarters, if required.
- 3 To preview and approve the form and content of the annual financial statements.
- 4 To monitor Council's overall service and financial performance against the Ten Year Plan and Annual Plan, including overseeing the production of the Annual Report.
- 5 To develop and review Council's funding and financial policies, including the Policy on partnerships with the Private Sector, Revenue and Financing Policy, Liability Management Policy, Investment Policy, Policy on Development Contributions or Financial Contributions, Policy on the Remission and Postponement of Rates, Policy on the Remission and Postponement of Rates on Maori Freehold Land, and rating policy in general.
- 6 To review internal systems and their effectiveness.
- 7 To audit decisions if required.
- 8 To consider applications for the remittance of user fees and charges that are not dealt with under delegation.

Delegated Authority

- (a) Authority to delegate to any subcommittee of the Finance and Governance Committee, any authorities that have been delegated by Council to the Committee and to appoint members.
- (b) Authority for the governance of all statutory functions, powers and duties within its terms of reference.
- (c) Authority to make recommendations to Council on financial matters arising from Council's financial reports.
- (d) Authority to determine processes for preparing Council's funding and financial policies, including the Policy on partnerships with the Private Sector, Revenue and Financing Policy, Liability Management Policy, Investment Policy, Policy on Development Contributions or Financial Contributions, Policy on the Remission and Postponement of Rates, Policy on the Remission and Postponement of Rates on Maori Freehold Land, and rating policy in general.
- (e) Authority to remit user charges and rates.
- (f) Authority to approve un-audited annual financial statements for audit purposes.

Authority, within its terms of reference, to approve the transfer of budget levels between activities or to exceed the budget level for an activity with no commensurate savings elsewhere, up to \$100,000 and to recommend to Council amounts exceeding \$100,000.

Committee Membership

Chairman:	I Noble
Deputy Chairman:	J Nees
Councillors:	T Eru, R Ford, J Mansell, P Sherry, A von Dadelszen
Ex Officio:	Chairman J Cronin
Secretary:	S Cubbon

Recommendations in reports are not to be construed as Council policy until adopted by Council.

Agenda

- 1 Apologies**
- 2 General Business and Tabled Items**

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be delayed until a subsequent meeting.

3	Reports	
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Reports

File Reference: 4.00255
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Governance Committee
Meeting Date: 13 May 2010
Report From: Eddie Grogan, Group Manager Water Management

Whakatāne District Council Sewerage Reticulation Funding Request

Executive Summary

Whakatāne District Council has formally approached Environment Bay of Plenty seeking financial assistance through our Community Sewerage Reticulation funding process. The identified community of Matatā was originally included as part of the Ministry of Health's sewerage reticulation fund. However, the extensive damage to the community caused by the floods of 2005 meant that reticulation did not proceed. In addition upgrading works for Edgecumbe sewerage treatment system are proposed to reduce environmental and human health effects arising from the discharge. The proposal satisfied most of Environment Bay of Plenty's criteria for approval of funding.

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

- 1 Receives the report, Whakatāne District Council Sewerage Reticulation Funding Request.**
- 2 Invite Whakatāne District Council to make a submission as part of the draft Annual Plan 2010/2011 process seeking funding for the sewerage reticulation scheme.**

2 Introduction

In April 2010 Whakatāne District Council (WDC) staff contacted Environment Bay of Plenty requesting that consideration be given to part funding of a sewerage reticulation scheme for Matatā and Edgecumbe.

Matatā township with a population of around 700 relies on septic tanks for on-site wastewater disposal. Assessment of these systems in 2004 indicated many were not of an appropriate standard. Environmental checks showed that surface water (streams and groundwater springs) were contaminated with bacteria indicative of septic system failure.

The Ministry of Health approved funding for a proposed WDC scheme to service Matatā in 2004 under its Sanitary Works Subsidy Scheme (SWSS). However implementation was overtaken by the 2005 flooding disaster. WDC have recently reactivated discussions with the Ministry of Health and have submitted a revised proposal.

The new proposal would link Matatā reticulation to Edgecumbe's existing treatment plant. Edgecumbe has a sewerage reticulation and disposal system servicing 1700 people. However, this system has experienced problems since the 1987 earthquake which have resulted in raw and treated wastewater overflows.

WDC propose linking these two projects together to obtain maximum benefit by remedying two unacceptable situations. The revised scheme design utilises a vacuum reticulated wastewater system for Matatā, a rising main to Edgecumbe oxidation ponds which will also be upgraded.

Implementation of the project is planned for the 2010/2011 financial year at a total estimated cost of \$10,147,000.

The combined deprivation index for Matatā and Edgecumbe is 9, clearly showing that both communities would not be able to afford the full costs of these system upgrades.

This funding request is outside of the sewerage scheme grant funding identified in the Ten Year Plan. WDC has indicated that they are in the advanced stages of discussions with Central Government via the Ministry of Health for assistance, as without a substantial financial contribution the system will be unaffordable to the Matatā community.

3 **Proposal Evaluation**

WDC's proposal has been assessed against the Council's Financial Assistance criteria, which was developed in 2004. The criteria and a commentary about each area are as follows:

- (a) *The area proposed for reticulation is identified as a maintenance zone in the OSET Plan.*

The Matatā and Edgecumbe areas are not identified as maintenance zones within the OSET Plan although based upon scientific evidence of a system failure and water quality effects it is clear that Matatā should be included.

- (b) *The community exists at 2002.*

Both communities have been in existence for many years.

- (c) *The application must be made by the relevant TLA.*

WDC has made the application.

- (d) *The environmental effects must be addressed by the proposed scheme.*

The objective of reducing environmental and human health effects will be met by this proposal.

- (e) *It must be a community scheme not an individual scheme.*

This will link into the existing WDC sewerage reticulation network.

- (f) *The TLA provides the bulk of the funding and all the ongoing operational funding.*

The scheme costs are Matatā \$7,474,000 and Edgecumbe \$2,673,000 for which Environment Bay of Plenty are being asked for \$1.2M and \$0.43M respectively.

- (g) *The TLA has applied for any existing Government sewerage grants*

WDC has confirmed that they are applying to Central Government for funding through the Ministry of Health Sewerage funding scheme.

- (h) *Necessary consents have been sought and obtained.*

WDC has an existing consent for the Edgecumbe municipal sewerage system discharge and a variation to that consent will be sought for this proposal.

- (i) *There is a demonstrated limited ability to pay.*

The WDC information provided shows the calculated deprivation index values for the proposed areas of reticulation as 9 which attracts the maximum subsidy from Environment Bay of Plenty of 33%.

- (j) *Minimal development gains are likely after the scheme is installed.*

There are no proposals to extend the reticulated area beyond the number of dwellings identified in this request from WDC.

4 **Conclusion**

Overall it appears that this proposal meets most of the criteria that Council uses to consider funding assistance to community sewerage reticulation.

Assuming the request is successful, WDC has indicated that the funding from Environment Bay of Plenty would be required in the 2010/2011 financial year.

5 **Financial Implications**

Current Budget

There are no implications for the current budget.

Future Implications

The annual plan budget will need to be amended to accommodate the funding request if approved.

Ten Year / Annual Plan Implications

The annual plan budget will need to be amended to accommodate the funding request if approved.

Eddie Grogan
Group Manager Water Management

20 April 2010

File Reference: 1.00415
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Governance Committee
Meeting Date: 13 May 2010
Report From: Brian Trott, Group Manager Corporate Services

Financial Statements for the month ending 31 March 2010

Executive Summary

The purpose of this report is to present the Financial Statements for the month ending 31 March 2010

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

- 1 Receives the report, Financial Statements for the month ending 31 March 2010.**

2 Financial Overview

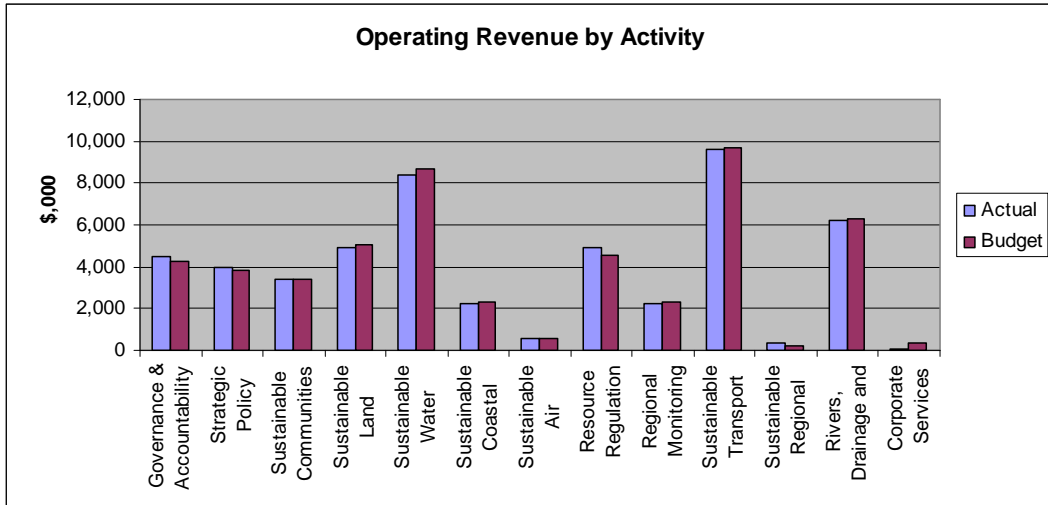
The financial results for the first nine months of the year are pleasing with Council recording a net operating under-spend of \$5.7 million for the year to date as at 31 March 2010. This was against a budgeted overspend of \$0.6 million. The under-spend has resulted in a net variance of \$6.3 million which is mainly due to spending being less than budgeted.

Of the 13 activities, nine activities have recorded under-spends over \$200,000, with the most significant being in the Sustainable Water Activity (Rotorua Lakes) and Corporate Services. Capital expenditure remains under budget by \$2.7 million, which is mainly in Corporate Services.

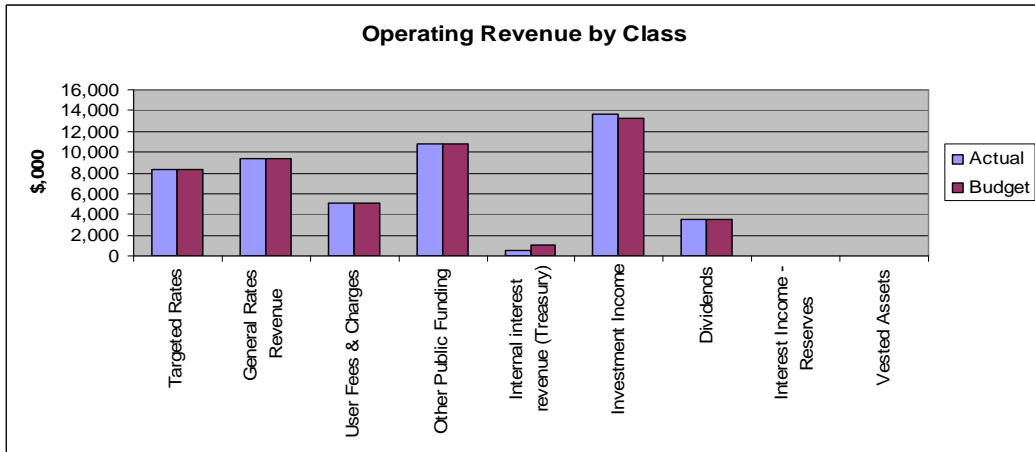
Explanations for significant variances on the Statement of Comprehensive Income are provided below.

2.1 Operating Revenue

Operating revenue is \$51.3 million compared to a year to date budget of \$51.5 million. This is \$0.2 million less than budgeted. The graph below shows the year to date actual compared to budget for each activity type.



The graph below shows the year to date actual compared to budget for each class of revenue.



Rates, User Fees and Charges, Other Public Funding and Dividends are currently on budget. Variances in other revenue types are discussed below.

Internal interest revenue is under budget by \$0.4 million

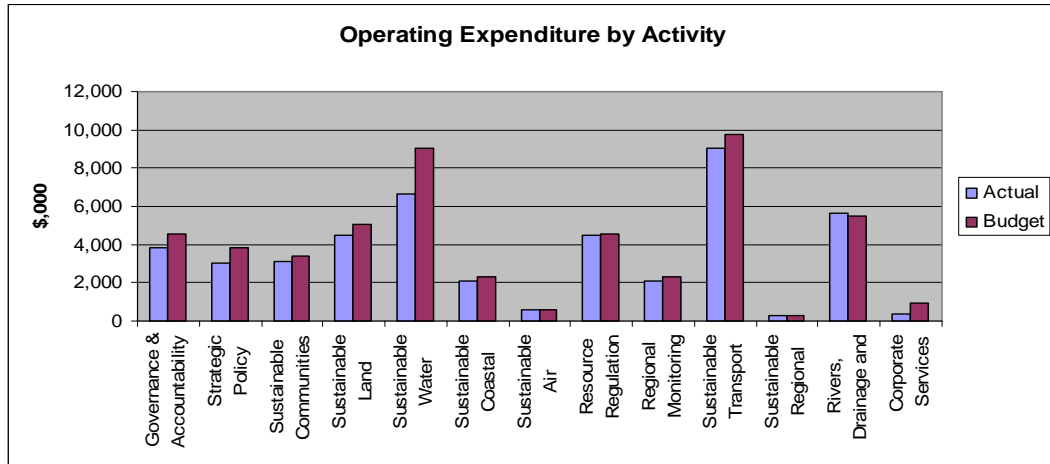
Internal interest is charged by Treasury on all internal loans drawn down by activities for capital expenditure. As capital expenditure is under budget there is lower than expected internal interest revenue received in Treasury. In addition, an average interest rate of 4.5% was budgeted for, however the actual interest rate applied to date was 3.19%. This variance is offset by an equivalent under-spend in internal interest expense.

Investment income is over budget by \$0.3 million

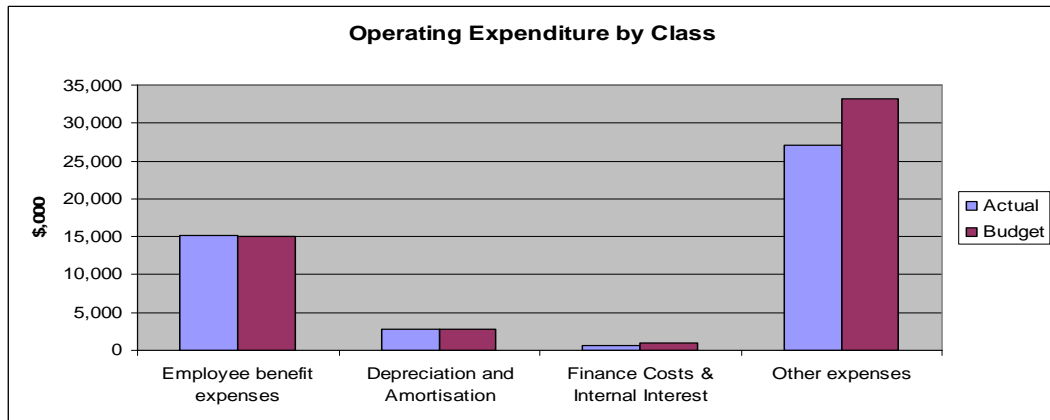
- PPS investment interest is \$0.4 million under budget. This is mainly due to the policy of ANZ bonds being sold to reduce exposure.
- To offset the loss of interest is the realised gains on sale (\$0.2 million) and the amortised purchased gains (\$0.5 million).

2.2 Operating Expenditure

Operating expenditure is \$45.6 million compared to a year to date budget of \$52.1 million. This is \$6.5 million less than budgeted. The graph below shows the year to date actual compared to budget for each activity type.



The graph below shows the year to date actual expenditure compared to budget for each class of expenditure.



It is pleasing to see that Council is tracking very close to budget in employee benefit expenses.

Finance costs and internal interest under budget by \$0.4 million.

Internal interest expense is under budget due to less internal loan funding drawn down for capital expenditure. This variance is offset by an equivalent variance in internal interest revenue.

Other expenses under budget by \$6.1 million.

A number of activities are under budget in this expenditure class. Explanations for significant variances are below.

- *Rotorua Lakes \$2.1 million under budget year to date* – Grant and subsidy expenditure in Rotorua Lakes is \$1.1 million under budget because a sewage subsidy to Rotorua District Council is yet to be claimed. Contract work is under budget by \$1.0 million due to delays in work commencing.

- *Sustainable Transport \$0.7 million under budget* – This primarily relates to the Total Mobility Scheme because the Tauranga, Rotorua and rural bus services have been lower than predicted.
- *Corporate Services \$0.6 million under budget* – A major portion of the under-spend is the conservative approach taken to building maintenance along with savings made through a change in policy of non-capital purchases and telecommunications.
- *Sustainable Land Management* – Contract work is under budget by \$0.6 million due to lower than anticipated costs incurred on completed plans. Work will be carried out on the higher cost sites shortly and is expected to bring the activity into line with the budget at year end.
- *Strategic Policy* – Consultancy fees \$0.5 million under budget. This is partly due to timing (as work has been performed and costs will be recorded in the next period), and partly due to spending being held back for the responsive policy, which is awaiting decisions on the Regional Special Projects Committee Position Paper.
- *Governance and Accountability \$0.7 million under budget* – A combination of staff relocation, consultancy, contract payments and the timing of costs relating to the Annual Plan production has created a current year to date under spend.

The remaining \$0.9 million under spend is spread across various activities.

Investigations are currently underway to determine whether the variances are permanent or temporary, and further information will be provided in the Quarterly Performance Report.

2.3 **Capital Expenditure**

Capital expenditure under budget by \$2.7 million

- Corporate Services is \$2.1 million under budget due to the programming of replacing IT equipment, plant and vehicles.
- Rivers, Drainage and Flood Management are under budget by \$0.1 million mainly in the Rangitāiki-Tarawera river scheme. Approval will be sought to carry forward some capital expenditure into 2010/2011.
- Sustainable Water Management is under budget by \$0.5 million. This is mainly in the Wetland Construction Rotoehu project, where work is expected to commence in May.

3 **Financial Implications**

Current Budget

This is a monthly report, and is intended to provide an overview of the financial performance. Further analysis is carried out in the Quarterly Performance Report to consider the impact of the results against this year's Annual Plan. The Quarterly Performance report is presented separately within this Finance and Governance Committee pack.

Future Implications

None

Ten Year / Annual Plan Implications

None

Andrew Dixon
Asset Accountant

for Group Manager Corporate Services

19 April 2010

File Reference: 1.00415
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Governance Committee
Meeting Date: 13 May 2010
Report From: Brian Trott, Group Manager Corporate Services

Quarterly Performance Report for the nine months ending 31 March 2010

Executive Summary

The purpose of this report is to provide an overview of the Council's performance for the nine months ending 31 March and for the Finance and Governance Committee to receive the Quarterly Performance Report for the nine months to 31 March 2010.

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

- 1 Receives the report, Quarterly Performance Report for the nine months ending 31 March 2010.**

2 Introduction

This report provides a brief overview of the Council's performance for the nine months to 31 March 2010.

Accompanying this report is the full Quarterly Performance Report, which provides detailed financial and non-financial information for each activity for the nine month period.

The report includes commentary on our performance against Key Performance Indicators (KPI) from the 2009-2019 ten year plan, indicating whether work on these are on track, or behind schedule. The report also provides explanations for all significant financial variances.

3 Organisational Overview

In this quarter the Council has carried out a number of activities, including

- Rotorua Air Action Plan: Significant progress has been made on introducing bylaws. A dry-wood campaign was launched and a dedicated Air Quality Liaison officer has been appointed in Rotorua. Further development was also done on incentive loan packages and how they will be delivered.
- Organisational Planning and Reporting: The draft Annual Plan has been released for consultation.

- Sustainable Coastal Management: Council signed a second memorandum of agreement with the University of Waikato, supporting a Chair in Coastal Science. The Chair will focus on coastal marine and estuarine research within the Bay of Plenty region.
- Tauranga Harbour: January saw the first mass mangrove removal by mechanical means. 1100 tonnes of sea lettuce was removed from Tauranga Harbour this summer.
- Rotorua Lakes: Benchmarking under rule 11 for catchments of Lakes Okaro, Okareka and Rotoehu were completed. Weed was removed from Lakes Rotoiti's Okawa Bay and Lake Rotoehu.

For more information about these and other achievements, please refer to the Organisational Overview and the KPI comments in the activity pages of the Quarterly Performance Report.

3.1 Financial Overview

The Council has a year to date net under spend of \$5.7 million against a budgeted overspend of \$0.6 million for the nine month period. The significant items that contribute to this variance are explained below.

Employee costs are on budget due to the controls on the levels of staffing and use of resources within the Council.

Operating revenue \$0.2 million under budget

- User fees and charges are under budget by \$0.1 million due to lower than expected rental income and under recovery in pollution prevention which is offset by greater than expected consent recoveries.
- Total Investment income is \$0.1 million under budget. The variance is from lower than expected investment earnings offset by a net realised gain on purchases and sales.

Operating Expenditure \$6.5 million under budget

- Finance costs are under budget by \$0.4 million due to lower than expected internal interest costs.
- Other expenses are \$6.1 million under budget:
 - Contract work and materials are \$3.4 million under budget mainly due to a number of projects in the Rotorua Lakes programme still being in consultation phase.
 - Consultancy fees are under budget by \$0.8 million across several activities due to delays in work commencing. Major contributors are a pending decision on the position paper relating to land use change for Rotorua Lakes, a delay in making a contribution to the investigations into the western Bay of Plenty rail passing loop, and the general use of current staffing resources rather than consultants.
 - Building Maintenance is \$0.4 million under budget due to a conservative approach being taken.

- Staff relocation costs are \$0.3 million under budget due to a delay in the movement of staff to Tauranga.
- The remaining variance of \$1.2 million relates to timing issues and is spread across a number of activities and expense types.

Capital Expenditure \$2.7 million under budget

- Corporate Services is \$2.1 million under budget due to the delay in programming of replacement IT equipment, plant and vehicles (the vehicles are currently going through the replacement and tender process). Due to policy changes IT equipment capital expenditure is expected to be under budget at year end.
- Rivers and Drainage capital expenditure is \$0.1 million under budget. A budget carry forward request is expected at year end.
- Rotorua Lakes capital expenditure is \$0.5 million under budget due to the delay of planned work on wetland construction. A budget carry forward request is anticipated at year end.

For more information on Council's financial performance please refer to the Financial Highlights in the Quarterly Performance report and the financial variance explanations following the Activity Revenue and Expenditure reports.

4 **Financial Implications**

Current Budget

Council revenue is currently on budget. Expenditure is currently under budget with many project costs expected in quarter four bringing it more in line with budget.

Future Implications

A capital carry forward request will be presented to council in conjunction with the 2010/11 Annual Plan process.

Ten Year / Annual Plan Implications

None

Andrew Dixon
Asset Accountant

for Group Manager Corporate Services

19 April 2010

File Reference: 1.00035
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Governance Committee
Meeting Date: 13 May 2010
Report From: Brian Trott, Group Manager Corporate Services

Investment Performance Report for the month ended 30 April 2010

Executive Summary

The purpose of this report is to inform Council of the financial performance of the investment fund for the month ending 30 April 2010.

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

- 1 Receives the report, Investment Performance Report for the month ended 30 April 2010.**

2 Overview

Since 1 July 2009 the \$200 million proceeds received from the perpetual preference share issue have been under investment in accordance with our investment policy.

Current and Forecast Income produced by the fund

The fund currently has returns of:-

- \$10.5 million actual interest and \$3.0 million accrued interest (accrued because most interest payments are biannual)
- \$0.7 million net realised gains

The fund expects further returns to year end of:

- \$2.4 million of actual and accrued interest
- \$0.3 million amortised gains on purchases

Fund Activity

Sales: During the month \$0.86 million ANZ bonds were sold for a realised gain of \$0.05 million.

Purchases: \$10 million worth of Contact Energy Limited bonds were purchased to replace the Bank of Scotland bonds that matured at 30 March. The settlement price

was \$10 million. The issue yield is 7.855%, which will be retained until 13 April 2011 at which point an interest rate swap transaction will become effective. The swap is for the fund to receive +185 points above the BKBM quarterly rate and pay 7.855%.

Capital Value

Unrealised revaluation gains have meant the actual capital value of the portfolio at 30 April grew by \$1.14 million to \$204,463,846 from the prior quarter. Average yield including sales gains and swap hedges has increased to 8.88% from 8.68%.

General

This level of return continues to support the intentions of the reviewed investment policy and Council's desire to reduce general rate requirements by maximising its investment returns.

Attached to this report is a report from our advisors, Bancorp Treasury Services, which provides more detailed information. Peter Cavanaugh from Bancorp Treasury Services will attend the Committee meeting.

3 Financial Implications

Current Budget

The cost of managing the fund and its projected returns are included in the current Annual Plan.

Future Implications

None outside the Council's investment policy and direction.

Ten Year / Annual Plan Implications

Future provisions have been included in the adopted 2009-2019 Ten Year Plan.

Andrew Dixon
Asset Accountant

for Group Manager Corporate Services

19 April 2010

Appendix



BANCORP

BANCORP TREASURY SERVICES LIMITED

11th Floor, 191 Queen Street, PO Box 4270, Auckland 1, New Zealand
Tel: 64-9 912 7600, Fax: 64-9 912 7601

3 May 2010

Brian Trott
Group Manager Finance & Organisation
Environment Bay of Plenty
Regional Council
PO Box 304
WHAKATANE

Dear Brian

INVESTMENT FUND VALUATION AND REPORT APRIL 2010

FINANCIAL MARKET UPDATE AS AT 3 MAY

The situation in Greece dominated world financial markets in April. While the EU and the IMF have agreed to step up to the plate offering the debt stricken country loans at below market interest rates the devil is increasingly in the detail. Germany is demanding a realistic austerity package before it will commit its taxpayers' cash and while Greece has agreed to significant cuts in spending civil unrest continues. Greek bond yields have stabilised over recent days after the two year bond yield surged above 13% compared to less than 3% for equivalent German bonds. This increase in yields made Greek debt more expensive than that issued by Argentina and Venezuela. With uncertainty still prevalent despite the supposed deal, markets are starting to focus on the other euro zone economies with potential sovereign debt issues. The potential problems for Spain, Portugal, Italy and Ireland mean that nervousness about Europe is expected to remain for some time.

In contrast to the uncertainty in Europe the US economy has continued to slowly improve according to data released over April. The trade deficit in February increased from USD37.0 billion to USD37.9 billion, a result of increased demand for imports, which rose 1.7% from the previous month. Markets viewed this as a sign the US recovery is gaining momentum and that consumer spending is improving. This view was supported by strong retail sales for March, which rose 1.6% from the prior month. The improving job market in the US has not only helped to boost retail sales but also sales of new and used homes. The expiry of the government's tax credit for home buyers in June has no doubt influenced the high level of house sales, but even so, the pick up in house sales shows consumer sentiment is starting to return. Despite these promising signs interest rates in the US are still expected to stay low well into 2011 with the Federal Reserve at its latest meeting repeating the statement that it will hold interest rates low for "*an extended period*".

In stark contrast to the situation in Europe and the United States the Reserve Bank of Australia ("RBA") continued raising interest rates in April. The latest rate rise took the cash rate to 4.25%, with 125 basis points now added to the benchmark rate since the first hike in October 2009. The minutes of the meeting pointed at Australia's mining boom as a key risk to inflation, and this was the reason why the central bank raised borrowing costs towards "*more normal levels*". Australia is set to continue growing in-line with RBA forecasts this year and the only potential issue that would slow its growth would be a change to the economic climate in China. There has been speculation that China may allow its currency to appreciate, in order to slow its surging economic growth, which the Government is concerned will lead to high inflation.

While China has come under increasing pressure globally to appreciate its currency it has thus far held firm on its stance to appreciate the yuan at its own pace.

In New Zealand, economic evidence is generally supportive of a modest recovery. There was no data over the past month which would have changed Alan Bollards stance that the Official Cash Rate ("OCR") will be lifted around the middle of 2010 and this was reflected in the latest OCR Review. The slight change in the wording within the review actually gave the Reserve Bank of New Zealand ("RBNZ") a bit more flexibility around the timing of the first hike.

To support the view that any interest rate changes will be minor the March quarter CPI figure came in lower than expected. Inflation rose 0.4%, compared to market expectations of 0.6%, however the figure was closer to RBNZ expectations. The annual figure was 2.0%, right in the middle of the RBNZ's target band of 1.0% to 3.0%. Despite rising petrol prices the inflation figure was weaker due to heavy retail discounting. The data supports the view that the NZ recovery will be slow. Migration data for March showed the rate of immigration growth also slowed for the second consecutive month. Although permanent net migration was up 20,973 in the year it was still down from the peak net gain in the year to January. Given this modest data, it is Bancorp's view that June will be the earliest possible time for an OCR increase. It is now a real possibility that the OCR could stay where it is until July or even September.

Market expectations around the timing of the first OCR hike have gradually aligned to those of the RBNZ. Market pricing now has the 90 day bill bank rate reaching just under 4.00% by the end of this year. Six months ago, market expectations were for a 5.24% rate to be seen by the end of this year. All of the data over the past few months has fallen roughly in line with what the RBNZ has been saying for quite some time, that New Zealand's recovery will be gradual. Bancorp's view is unchanged and we expect the hiking of the OCR to start in July or September. The increases when they come are expected to be similar to those of Australia i.e. 25 basis points a time, with no more than 1.00% of hikes by the middle of 2011.

INVESTMENT PORTFOLIO UPDATE

The current investment portfolio maintains a solid credit exposure with no specific investment concerns. Yields on bonds have been relatively stable in line with market moves although the ongoing decline in credit spreads as investors chase yield continues to deliver capital gains.

The ANZ perpetual notes were a major mover over the month with the yield falling below 8.00%. In fact we managed to sell \$663,000 at a yield of 7.45% to retail investors, which was a significant mis-pricing in our favour. Since then, yields have stabilised just below 8.00%. For settlement in April a total of \$855,000 of the ANZ bonds were sold with a further \$227,000 sold late in the month for settlement in early May. These sales will be captured in the May report. We now have an order in the market to sell up to \$5 million of these bonds at a yield below 8.00% as we continue to target an ultimate holding of only \$50 million.

Over the month \$10 million of HBOS bonds matured and the capital proceeds were invested in a private placement of Contact bonds ('BBB' rated) yielding 7.855%. These mature in 2017 but we have hedged the risk from April 2011 to line up with the Quayside re-pricing. From April 2011 the exposure has been converted into BKBM +1.85% compared to Quayside's locked in margin of +1.70%, giving a positive return, even before any tax considerations.

All of EBOP's Floating Rate Note ("FRN") investments are currently fixed until around the time of the next Quayside reset in 2011. This means there is only a minor exposure to interest rates via the small cash holding. The first table on the following page shows the changes in yields, margins and the overall capital value, since the last report that was completed at the end of March.



	31/03/2010		30/04/2010		Change	31/03/2010		30/04/2010		Change
	MARGIN/YIELD Over Swap/BKBM	MARGIN/YIELD Over Swap/BKBM	MARGIN/YIELD Over Swap/BKBM	MARGIN/YIELD Over Swap/BKBM		CAPITAL VALUE	CAPITAL VALUE	CAPITAL VALUE	CAPITAL VALUE	
AIAL	7.13%	7.09%	-0.04%		10,670,382	10,686,072	15,690			
ASB Bank Limited	4.40%	4.43%	0.03%		26,109,311	26,023,942	-85,369			
ANZ Sub Debt	8.70%	7.95%	-0.75%		65,330,372	66,573,783	1,243,411			
Fonterra	6.55%	6.58%	0.03%		5,054,172	5,048,151	-6,021			
Fonterra	6.55%	6.58%	0.03%		5,054,172	5,048,151	-6,021			
Insurance Australia	8.57%	8.39%	-0.18%		5,061,654	5,080,875	19,221			
Insurance Australia	8.57%	8.39%	-0.18%		5,061,654	5,080,875	19,221			
Westpac	4.28%	4.31%	0.03%		15,698,641	15,640,798	-57,843			
KiwiBank	FRN	0.90%	0.90%	0.00%	27,807,844	27,792,287	-15,557			
Watercare	FRN	1.30%	1.03%	-0.27%	1,538,234	1,551,848	13,615			
Vector		6.95%	7.03%	0.08%	1,548,858	1,543,487	-5,371			
Vector	FRN	2.50%	2.40%	-0.10%	7,483,851	7,527,517	43,666			
Powerco		8.13%	7.91%	-0.22%	4,612,875	4,674,144	61,269			
Citigroup	FRN	3.00%	2.65%	-0.35%	4,720,056	4,764,944	44,888			
Citigroup	FRN	3.00%	2.65%	-0.35%	4,720,056	4,764,944	44,888			
Contact		7.855%	7.84%	-0.01%	10,000,000	10,007,291	7,291			
Cash ANZ		1.00%	1.00%	0.00%	2,689,000	2,689,000	0			
					203,161,132	204,498,110	1,336,978			
SWAPS VALUATION					159,606	-34,264	-193,870			
NET VALUATION					203,320,738	204,463,846	1,143,108			

The tables below give further detail in relation to current versus purchased yields/margins.

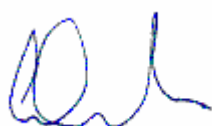
Bonds	Face Value	Cost	Coupon	Maturity Date	Bought Yield/Margin	Current Yield/Margin
AIAL	10,000,000	10,000,000	8.00%	15/11/2016	8.00%	7.09%
ASB Bank Limited	25,000,000	25,013,020	8.42%	23/05/2011	8.40%	4.43%
ANZ Sub Debt (1)	63,811,000	63,811,000	9.66%	18/04/2013	9.66%	7.95%
Fonterra	5,000,000	4,561,029	6.86%	21/04/2014	8.97%	6.58%
Fonterra	5,000,000	4,650,965	6.86%	21/04/2014	8.69%	6.58%
Insurance Australia	5,000,000	4,981,645	9.11%	21/11/2012	9.22%	8.39%
Insurance Australia	5,000,000	4,968,572	9.11%	21/11/2012	9.35%	8.39%
Westpac	15,000,000	15,189,566	8.87%	18/04/2011	8.765%	4.31%
Vector	8,500,000	7,388,271	7.80%	15/10/2014	7.80%	7.03%
Powerco (2)	5,000,000	4,458,770	6.74%	28/09/2017	8.67%	7.91%
Contact (3)	10,000,000	10,000,000	7.86%	13/04/2017	7.855%	7.84%

(1) Perpetual with next rate reset on 18/4/2013 at 5 year swap plus 2.00%
(2) Swapped back to floating 3 month BKBM + 2.36% from 28/3/2011
(3) Swapped back to floating 3 month BKBM + 1.80% from 13/4/2011

FRNs	Face Value	Cost	Bought Margin	Current Margin	Maturity Date	Hedged Date	Hedged Rate
KiwiBank	27,000,000	27,000,000	1.70%	0.90%	12/06/2014	12/03/2011	5.025%
Watercare	1,500,000	1,509,087	1.90%	1.03%	15/05/2014	12/03/2011	5.20%
Vector	1,500,000	1,500,000	2.63%	2.40%	4/04/2017	4/04/2011	7.02%
Citigroup	5,000,000	4,606,932	3.55%	2.65%	18/05/2012	18/02/2011	7.30%
Citigroup	5,000,000	4,640,703	3.55%	2.65%	18/05/2012	18/02/2011	7.00%

If you have any queries please do not hesitate to contact us.

Yours sincerely



EARL A WHITE

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Total Portfolio	\$	200,000,000				
Average Portfolio Duration (years)		2.12				
Average Yield %			8.19%			
Average Yield including sales gains and swap hedges			8.88%			
Portfolio Exposure by Face Value	Minimum Rating Criteria (S&P)	Individual Issuer Limit	Face Value	Percentage total portfolio	Category Limit	Compliant
NZ Govt Guaranteed	Not Applicable	Unlimited	\$0	0.0%	100%	Yes
Local Authorities	A+	\$20 million	\$0	0.0%	50%	Yes
NZ Registered Banks	A+	\$50 million	\$133,500,000	66.8%	80%	Yes
SOE's	A+	\$20 million	\$0	0.0%	40%	Yes
Rated Corporates	A+	\$20 million	\$21,500,000	10.8%	40%	Yes
Rated Financials	A+	\$20 million	\$0	0.0%	40%	Yes
Investment Committee approved	N/A	N/A	\$45,000,000	22.5%	100%	Yes
			\$200,000,000	100.00%		
Portfolio exposure by Counterparty		Rating	Individual Limit	Compliant		Limit available
ASB Bank Limited	25,000,000	AA	\$50,000,000	Yes		\$25,000,000
ANZ National Bank Limited Sub	63,811,000	A+	\$50,000,000	No	Excess IC Approved	-\$13,811,000
AIAL	10,000,000	A-	\$10,000,000	Yes		\$0
Citigroup	10,000,000	A	\$10,000,000	Yes		\$0
Contact	10,000,000	BBB	\$10,000,000	Yes		\$0
Fonterra	10,000,000	A+	\$20,000,000	Yes		\$10,000,000
Insurance Australia Funding 2007 Ltd	10,000,000	A+	\$20,000,000	Yes		\$10,000,000
KiwiBank	27,000,000	AA-	\$50,000,000	Yes		\$23,000,000
Powerco	5,000,000	BBB	\$5,000,000	Yes		\$0
Vector	10,000,000	BBB+	\$10,000,000	Yes		\$0
Watercare	1,500,000	AA- (*)	\$20,000,000	Yes		\$18,500,000
Westpac	15,000,000	AA	\$50,000,000	Yes		\$35,000,000
ANZ Cash	2,689,000	AA	\$0	No	Excess IC Approved	-\$2,689,000
Total	200,000,000					

(*) Guaranteed by Auckland City 'AA'

File Reference: 1.00001
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Governance Committee
Meeting Date: 13 May 2010
Report From: Miles McConway, Group Manager Technology

Efficiency Reviews

Executive Summary

Internal service efficiency reviews form part of the strategic alliance Council has with BoPLASS Ltd. There is an opportunity for Council to consider what external services they would like to have undertaken by referring to the list of activities undertaken in Council's ten year plan. If there are current areas of concern that Council has then these should be identified now and staff will either action them or report back on resourcing required to undertake the review. There are two reviews currently outstanding from the first list prepared for Council. Both require additional resourcing if they are to be addressed earlier than current resources permit..

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

- 1 Receives the report, Efficiency Reviews.**

That the Finance and Governance Committee recommend that the Regional Council:

- 1 Receives the report, Efficiency Reviews.**
- 2 That Council consider the next round of efficiency reviews it would like to see undertaken.**

2 Introduction

Over the past three years council have asked staff to bring forward efficiency reviews. A number of these reviews have included projects that were in place such as the electronic document management system project, the "greening" of the vehicle fleet and the development of a strategic plan and programme for council's information management services. Last year funding was secured for an independent review of how information management services are delivered and there is a data sourcing and management review being undertaken now with some external assistance.

This report reviews what has been done, considers options for further reviews and superficially identifies how these could progress over the coming months and years. Reviews to date have mainly been in the corporate support areas and have produced some successful results.

An area to focus on moving forward potentially is the externally focused functions that Environment Bay of Plenty delivers to its community and analyzing whether the method of delivery currently employed is the most appropriate and cost effective.

3 Internal Services Efficiency Reviews

Most reviews undertaken to date have revolved around the internal service delivery functions. The following is a list of issues identified by the Chair and Deputy Chair of the committee that they wanted to see investigated and reported on to the committee.

- 1 Efficiency/effectiveness of governance operations and support.
- 2 Alternate delivery mechanisms for Information Services (IS) and Information Technology (IT).
- 3 Property portfolio and property services.
- 4 Benchmarking with other councils.
- 5 Review of data gathering and monitoring activities.
- 6 Progress on potential procurement savings from BoPLASS.
- 7 Review of Environmental Education.
- 8 Update on Regency House/relocation.
- 9 IT update – asset management implementation; system crash in January.
- 10 Binding ruling compliance – summary; need for auditable process of use of these funds.
- 11 Broadband developments.
- 12 Annual plan process – criteria for use of reserves/infrastructure fund.
- 13 Rate review – terms of reference – progress report.
- 14 Continued improvements in reports (e.g. options/terms of reference/costs).

Of these 1, 4 and 12 have not been actioned. The remainder have either been reported to the committee or are in the process of being reviewed and reported.

A long term strategy for continuous improvement of internal service is councils alliance with BoPLASS Ltd. Councillors heard from the chairman of the BoPLASS Ltd board at the last council meeting of their proposal to invest more resources into bringing forward shared service opportunities between councils for back office services. This alliance provides the platform for future efficiencies and with the half yearly and yearly reporting of BoPLASS Ltd to council councillors will be regularly informed of progress with these into the future.

Benchmarking with other councils (4) is undertaken where possible and an example of this and the associated challenges this represents will be given when the IM Services Review comes to the next committee meeting in June.

The reserves and infrastructure fund use criteria (12) is being worked on as time permits. If the committee wanted more urgency applied to this then allocation of funding to acquire some external assistance is required.

No funding is available at this stage to undertake the review of governance services (1). Again this would require funding to get an independent consultant engaged as well as the cooperation of like councils to benchmark against.

In summary governance services and allocation criteria for the use of reserves and infrastructure funds are internal services improvement opportunities for the committee to consider.

4 External Services Efficiency Reviews

Council performs a wide range of external services from passenger transport, flood protection, emergency management, regional planning, consent processing, plant and animal pest management to name a few. These are all listed in council's ten year plan document along with their respective levels of service. A range of service delivery mechanisms are used involving both contracts for service (contractors/consultants) and contracts of service (full/part time and fixed term employees). In some areas such as the care programme and harbour wardens, volunteers are also engaged.

At this stage BoPLASS Ltd has not decided to investigate front of office shared service opportunities but in the longer term this does offer the Bay of Plenty councils an opportunity to more closely collaborate in the delivery of external services through the various delivery mechanisms.

Until this eventuates, council could undertake a programme of external service delivery efficiency reviews by prioritizing those activities that appear in the ten year plan and slowly working through them as resources such as time, staff and finances are or come available. A list of council's ten year plan activities is attached as appendix A.

5 Council Driven Reviews

In previous reports on this issue councillors have been invited to list areas where they consider efficiencies could be better exploited and thereby provide a list to staff of Councillor driven efficiency reviews. Consideration of this report provides another opportunity for councilors to contribute to identifying those areas that are of most concern now so that these can be given priority. Some may be easily addressed while others may take time and resources to attend to. Whatever, they can be put on a list similar to the above and periodically reviewed by the committee.

6 Innovation Fund

Efficiency gains in organisations often originate from considering alternative ways of doing things. One way of achieving this currently under consideration is to provide staff with time and funding to consider innovative alternatives or ideas. How this could be implemented in our organisation is currently being considered around other organisational development initiatives.

7 Financial Implications

Current Budget

There is no budget provided for efficiency reviews other than those specifically funded and underway. If any further efficiency reviews are identified they will require additional resources.

Future Implications

Efficiency reviews will only be undertaken where either efficiencies are gained or better levels of service are achieved.

Ten Year / Annual Plan Implications

There are currently no funds provided in the Ten Year Plan or draft Annual Plan for any further efficiency reviews.

Miles McConway
Group Manager Technology

28 April 2010

Appendix

TYP Activities

11 - Governance & Accountability
11 - Governance & Accountability
12 - Strategic Policy
12 - Strategic Policy
12 - Strategic Policy
13 - Sustainable Communities
13 - Sustainable Communities
13 - Sustainable Communities
13 - Sustainable Communities
13 - Sustainable Communities
13 - Sustainable Communities
21 - Sustainable Land Management
21 - Sustainable Land Management
21 - Sustainable Land Management
22 - Sustainable Water Management
22 - Sustainable Water Management
23 - Sustainable Coastal Management
23 - Sustainable Coastal Management
24 - Sustainable Air Management
25 - Resource Regulation
25 - Resource Regulation
26 - Regional Monitoring
31 - Sustainable Transport
32 - Sustainable Regional Development
32 - Sustainable Regional Development
33 - Rivers, Drainage and Flood Management
33 - Rivers, Drainage and Flood Management
33 - Rivers, Drainage and Flood Management
33 - Rivers, Drainage and Flood Management
33 - Rivers, Drainage and Flood Management
33 - Rivers, Drainage and Flood Management
33 - Rivers, Drainage and Flood Management
41 - Corporate Services
41 - Corporate Services
41 - Corporate Services
41 - Corporate Services
41 - Corporate Services
41 - Corporate Services
41 - Corporate Services
41 - Corporate Services
41 - Corporate Services

TYP Programme

1110 - Governance Services
1120 - Organisational Planning and Reporting
1230 - Statutory Policy, Strategies & Plans
1240 - Non-statutory policy, strategies, plans & initiatives
1250 - Transport Planning
1310 - Recreation and Open Space
1311 - Maori Engagement
1360 - Communications
1370 - Environmental Enhancement Fund
1380 - Environmental Education
1390 - Civil Defence & Emergency Management
2112 - Sustainable Land Use Implementation
2113 - Biodiversity
2114 - Biosecurity
2216 - Sustainable Water and Geothermal Implementation
2217 - Rotorua Lakes
2319 - Sustainable Coastal Implementation
2320 - Maritime Operations
2421 - Rotorua Air Action Plan Implementation
2522 - Resource Consents
2523 - Pollution Prevention
2624 - Natural Environment Regional Monitoring
3125 - Passenger Transport
3226 - Regional Economic Development
3227 - Regional Infrastructure Fund
3328 - Kaituna Catchment Control Scheme
3329 - Rangitaiki-Tarawera Rivers Scheme
3330 - Whakatane-Waimana Rivers Scheme
3331 - Waioeka-Otara Rivers Scheme
3332 - Rangitaiki Drainage Schemes
3333 - Minor Rivers and Drainage Schemes
3334 - Engineering Advice and Non-Scheme Works
4135 - Finance
4136 - Property & Vehicles
4137 - Support Services
4138 - Information Services
4139 - Information Technology
4140 - Data Services
4141 - Human Resources
9999 - Balance Sheet

File Reference: 1.00032
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Governance Committee
Meeting Date: 13 May 2010
Report From: Miles McConway, Group Manager Technology

Efficiency gains - contract management

Executive Summary

- Council operates a robust contract management system and process.
- Council processes a wide range of contracts.
- The processes used to manage contracts from tendering through to completion have been reviewed by a team of staff.
- The result is a more efficient and robust contract management process.

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

Receives the report, Efficiency gains - contract management.

2 Contractor management

Issues have been identified within the organisation regarding the management of contractors. The current situation is that contractor and contract management is the responsibility of the individual arranging and managing the contract. For some this works well but for others not so, particularly in the areas of contractor induction, health and safety practices, management of start and finish dates, access to Environment Bay of Plenty IT and IS systems, monitoring of expenditure, tracking of equipment and contract extensions.

Environment Bay of Plenty's Contracts Manual has been operative since November 2006. The manual was developed to provide good practice guidelines for council staff in the use of contracts and to encourage transparency of the contracting process. An advisory/guidance role is provided to all staff by the Asset Management Officer to ensure all processes are adhered to.

A working team of staff from across the organisation has been formed to look at gaining efficiencies and further develop a uniform procedure and resources for contractor management. The team acknowledges that Environment Bay of Plenty controls an extremely wide scope of contract works and types of contractors and it is difficult to adopt a procedure that suits every situation. The team has tried to keep the procedure as simple as possible whilst also recognising that some aspects, particularly

access to Environment Bay of Plenty computer systems and buildings, needs to be tightly controlled.

3 **Full Contract Procedure Summary Guideline**

A Full Contract Procedure Summary guideline has been developed to direct staff on the actions required and areas of responsibility for contracts. This guideline replaces and updates the two current guidelines in the Contracts Manual and will enable better monitoring of internal contract practices.

4 **Contractor pack**

A contractor pack has been developed and includes the following:

- a. An assessment checklist to help determine the real nature of the relationship. i.e. whether a contract is one “of service” (employee) or “for service” (contractor).
- b. An extended contractor checklist which now includes property and procurement, IT services, human resources and health and safety general information plus contract extensions and termination sections.
- c. A contractor’s summary of procedure flow diagram matching the stages of the contract process with the required forms in the Contracts Manual and the Full Contract Procedure Guideline.
- d. A Health and Safety Induction for Contractors booklet and the Contracted Service Information Management Requirements.

It is acknowledged that documents within the Contractor Pack and the procedure will evolve and changes will be made as the process is adopted and used by staff. It is recognised that purchase order agreements under \$20,000 still requires some consideration and development.

5 **Contracts manual review**

The review of the Contracts Manual is currently on hold until the Procurement Strategy has been finalised and implemented. Particular areas of interest in the Contracts Manual review are the development of a preferred suppliers/contractors register plus a review of financial limits.

6 **Electronic tendering**

The Executive Leadership Team recently approved the trialling of electronic tendering via Tenderlink’s Local Government Online system favoured by most New Zealand councils. Local Government Online has the facility to provide electronic tender boxes for contractors to submit their bids electronically rather than in paper format and allows the download of tender documentation for no additional charge (current rate \$165 plus GST per tender). Advertising in the appropriate local newspapers would still continue.

In addition a tender page on Environment Bay of Plenty’s public website would be developed to include information on current tenders and how they can be accessed on the online e-tendering portal.

It is proposed using the Local Government Online facilities for electronic tendering for a trial period of six months.

7 Financial Implications

Current Budget

This report has no financial implications.

Future Implications

This report has no financial implications.

Ten Year / Annual Plan Implications

This report has no ten year/annual plan implications.

Kirsty Brown
Asset Management Officer

for Group Manager Technology

5 May 2010

File Reference: 1.00003
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Governance Committee
Meeting Date: 13 May 2010
Report From: Ken Tarboton, Group Manager Rivers and Drainage

Contracting Quarterly Report - 1 February 2010 - 31 March 2010

Executive Summary

This report provides summary information on Environment Bay of Plenty's contracts awarded during the period 1 February 2010 - 31 March 2010. All contractual agreements at Environment Bay of Plenty should be undertaken in accordance with the contracts manual which provides transparency to the contracting process and encourages good contract management.

Contracts to a total of \$623,719.15 were entered into during the period 1 February 2010 – 31 March 2010. During this period 28 contracts were executed: 27 were short form agreements (value of \$363,027.25) and one was a full contract (value \$260,691.90).

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

- 1 Receives the report, Contracting Quarterly Report - 1 February 2010 - 31 March 2010.**

2 Background

Environment Bay of Plenty's contracts manual has been operative since November 2006, and was developed to provide good practice guidelines for council staff in the use of contracts and to encourage transparency to the contracting process.

3 Tendering requirements

The contracts manual lays out clear dollar value limits that designate whether a purchase order, short form agreement or full sealed contract is required.

The following table lists the thresholds and tendering requirements as per the contracts manual:

Contract type	Value limits	Tendering requirement
Purchase order	Up to \$20,000	<\$10,000 single quote. \$10,000 - \$20,000 three written quotes. Close in Tender Box.
Minor contract (short form)	Up to \$50,000	Three tenders generally sought. Close in Tender Box. Reduced assessment process.
Sealed contract	\$50,000 and above	Public tender. Close in Tender Box.

4 Delegated authority

Tenders can be accepted or a contract signed on behalf of Council up to the following limits (GST exclusive):

Managers	Within financial delegation \$10,000 to \$30,000
Group Manager	Up to \$100,000
Chief Executive	\$100,000 to \$400,000
Chief Executive and Chairperson	\$400,000 to \$1,000,000
Council or Emergency Committee*	over \$1,000,000

* when appointed

5 Waiver of the contract procedures

In accordance with the contracts manual, any deviation from the standard contract procedure (that is, not fully tendering, seeking proposals or seeking quotes) must be supported by a written rationale and this must be authorised by the officer with delegated authority to approve the contract. Recommendation not to publicly advertise contracts over \$50,000 must be approved by the Chief Executive. Possible reasons for not publicly tendering include urgency, limited private sector capability, existing contracts extended and works needing a high level of control.

6 Summary of contracts 1 February 2010 to 31 March 2010

All contracts issued in the quarterly period (over \$20,000) are listed as short form agreements in Appendix I or sealed contracts in Appendix II. A summary of all the contracts issued and their total value (including those under \$20,000) is given in Table 1 below.

Table 1: Summary of 1 February 2010 to 31 March 2010 contracts

	Number	Value
Short form agreements		
Short form agreements with values less than \$50,000	26	\$308,889.25
Short form agreements with values greater than \$50,000 (executive waiver obtained)	1	\$54,138.00
Total	27	\$363,027.25
Full contracts		
Publicly advertised	1	\$260,691.90
Total	1	\$260,691.90

A total of 26 different contractors were used. Table 2 shows contractors that won more than one contract.

Table 2: Contractors, Consultants or Companies awarded more than one contract in the period 1 February 2010 - 31 March 2010.

Contractor, Consultant or Company	Number	Total Value
B Bancroft	2	\$28,100
NIWA	2	\$43,770

7 **Financial Implications**

Current Budget

Individual contracts are budgeted for individual activities of the Ten Year Plan. Contract administration is budgeted for under corporate support. The budget covers updates to the contracts manual and funds the production of this report.

Future Implications

There are no future financial implications.

Ten Year / Annual Plan Implications

There are no Ten Year/annual Plan implications.

Kirsty Brown
Asset Management Officer

for Group Manager Rivers and Drainage

30 April 2010

Appendix

Appendix I - Short Form Agreements - 1 October 2009 to 31 January 2010 (over \$20,000)

	Contract number	Title	Contractor/Consultant	Cost (excluding GST)	Contract amount or maximum
1	2009 0198	Pest Plant Control Matea Road, East Taupo	Environmental Pest Management Ltd	\$65,545.00	\$65,545.00
2	2009 0250	Coast care delivery – Eastern Bay of Plenty	Indigenous Landscape	\$40,000.00	\$40,000.00
3	2009 0251	Coast care delivery – Western Bay of Plenty	M Corbett	\$40,000.00	\$40,000.00
4	2009 0266	Technology One project	A Dixon	\$20,000.00	\$20,000.00
5	2009 0270	IM review	Collingbourne Ltd	\$30,240.00	\$30,240.00
6	2009 0273	Develop and populate the land use database.	S M Pinkerton Ltd	\$23,120.00	\$23,120.00
7	2009 0274	Commissioner for Environment Bay of Plenty resource consents hearings as agreed.	R Karu	\$40,000.00	\$40,000.00
8	2009 0277	Rotorua Lakes land use change and management plus related resource consent processing.	Headway Ltd	\$50,000.00	\$50,000.00
9	2009 0281	Resource consent processing.	Southern Skies Environmental Ltd	\$40,000.00	\$40,000.00
10	2009 0284	Land resources works monitoring 2010 (Rotorua)	Boffa Miskell Ld	\$38,580.00	\$38,580.00
11	2009 0343	Tasman appeals, Okere Gates proposal and Bay of Plenty Energy's dam proposal.	Ryder Consulting Ltd	\$95,000.00	\$95,000.00
12	2009 0356	Allophane investigation	Landcare Research NZ Ltd	\$47,000.00	\$47,000.00
13	2010 0006	Develop and populate the land use register – Part 7	S M Pinkerton Ltd	\$27,540.00	\$27,540.00
14	2010 0007	Populate land use register and assist with Council's pollution prevention programme – Part 7	R Irving	\$22,800.00	\$22,800.00

Appendix II - Sealed Contracts – 1 October 2009 to 31 January 2010

Contract number	Title	Tenderers	Contract manager	Contract price excluding GST	Approved by	Estimate (excluding GST)	Publicly tendered or selected tenderers	Comments
2009 2036	Waioho Canal Right Bank Stopbank Upgrade	Tracks Concrete (2002) Ltd Advance Civil Wilson Brothers Ltd Waiotahi Contractors Ltd Doug Gerrad Ltd Midland Civil Ltd JBT Andrews Ltd MIDAMAC R Mahy Contracting Ltd Bay Excavator Ltd	Arch Delahunty	\$103,706.03	Chief Executive	\$133,885.00	Publicly tendered	
2009 0198	Survey 2010 – Community Outcomes and Perceptions Survey	Key Research Ltd Nexus Planning and Research APR Consulting Research NZ Ltd	Toni Briggs	\$92,400.00	Group Manager Strategic Development	\$80,000.00	Publicly tendered	

*Note: Bold demotes winning tenderer.

Appendix

Appendix I - Short Form Agreements 1 February 2010 to 31 March 2010 (over \$20,000)

	Contract Number	Title	Contractor/Consultant	Cost (excluding GST)	Contract Amount or Maximum
1	2009 0290	Printing of Regional Newsletter	Webstar	\$54,138.00	\$54,138.00
2	2009 0286	Geothermal extent and vegetation mapping 2009	Landcare Research	\$30,880.00	\$30,880.00
3	2010 0082	2010 Bus Satisfaction Survey	Key Research Ltd	\$29,600.00	\$29,600.00
4	2010 0077	Eastern Bay Minimum Flow Study Modelling and Report	I Jowett	\$28,690.00	\$28,690.00
5	2010 0041	Act as commissioner for Port of Tauranga dredging application	Baywatch Opotiki Ltd	\$160.00 per hour	\$20,000.00
6	2010 0092	Assist with the development of BOP Regional Policy Statement.	R De Luca	\$160.00 per hour	\$20,000.00

Appendix II – Full Contracts – 1 February 2010 to 31 March 2010

Contract Number	Title	Tenderers	Contract Manager	Contract Price excluding GST	Approved By	Estimate (excluding GST)	Publicly Tendered or Selected Tenderers	Comments
2010 0011	Awarua Drain Stopbank Upgrade Works	Tracks Concrete Ltd Midamac Earthmoving Ltd Wilson Bros Earthmoving Ltd Waiotahi Contractors Ltd	Arch Delahunty	\$260,691.90	Chief Executive	\$274,4456.00	Publicly Tendered	

File Reference: 1.00026
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Governance Committee
Meeting Date: 13 May 2010
Report From: Miles McConway, Group Manager Technology

Group Managers' report

Executive Summary

The purpose of this report is to provide Finance and Governance Committee members with information on operational matters of interest.

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

- 1 Receives the report, Group Managers' report.**

2 Data Services Review

This review is looking at the efficiency and effectiveness of our data collection function within the Technology Group. It will also look to identify what other data Council collects and consider whether this should be centralized either in terms of responsibility for collecting it or responsibility for storing and managing it. The review will take a holistic view at Council's data collection.

3 Data on the Web

Internet access to Council's website continues to provide a rich source of information to the community. With an average 100,000 pages of information viewed each month the top 5 areas on our website are:

- (k) Our Telemetry data – a clear winner with 33% of all views
- (l) Information about Council – Working Here, Contact Us, Councillors
- (m) Our database of Weed information – Tree Privet the most requested
- (n) The Rotorua Lakes – Okere Gates Consent renewal & various Lakes
- (o) The Knowledge Centre – Links to our Plans – Water and Land Plan and the next RPS the most popular

As time and technology allows Mark Langridge will demonstrate at the meeting our BayXplorer website – now hosted in collaboration with TCC – which provides a rich source of GIS data to the community.

4 **Rates Review Project**

The Group Manager for Corporate Services was on leave at the time of writing this report. The Chair and Deputy Chair of the committee have asked for a project timeline for the rates review project. If time permits a project timeline will be tabled or at least be available for the first workshop proposed for this on the 25th May.

5 **Video Conferencing**

Last year councillors were informed of the inability of councils to use electronic media such as video conferencing to conduct public meetings. Legal advice regarding the current provisions of the Local Government Official Information and Meetings Act advised that councillors had to be physically present at meetings. The quality of video conferencing continues to improve and the efficiencies and cost savings are having a significant and positive impact on Environment Bay of Plenty operations. The local Government Conference is coming up and attendees are urged to raise this with fellow councillors from other authorities to see if more enthusiasm can be encouraged at the political level to bring about change through LGNZ.

6 **Red Flags and updates**

There are no red flags to report other than issues raised through other reports from the two corporate group managers. This report provides councillors an opportunity to raise issues previously reported on in order to get updates. Verbal updates on matters requiring the public to be excluded can be given in that section.

7 **Financial Implications**

Current Budget

This report has no current budget implications.

Future Implications

This report has no financial implications for the future.

Ten Year / Annual Plan Implications

This report has no Ten Year or Annual Plan implications.

Miles McConway
Group Manager Technology

5 May 2010

File Reference: 1.00026
Significance of Decision: Receives Only - No Decisions



Report To: Finance and Governance Committee
Meeting Date: 13 May 2010
Report From: Miles McConway, Group Manager Technology

Finance and Governance Committee work schedule

Executive Summary

This report provides the Committee with a list of papers that will be provided in the coming months.

1 Recommendations

That the Finance and Governance Committee under its delegated authority:

- 1 Receives the report, Finance and Governance Committee work schedule.**

2 Future reports

Below is the list of reports that are planned for the Finance and Governance Committee in the coming months. These reports are in addition to the routine Committee reports such as monthly financial statements or PPS updates.

Date of meeting	Report title	Purpose	Writer
17 June	Organisational efficiency project – Information Services Review	To consider the current structure and benchmark against other regional councils for appropriateness.	Miles McConway
17 June	Organisational efficiency project – Review of the Agenda Management System	To consider the effectiveness of the agenda management system including the format of committee reports.	Brian Trott
5 August	Contracting quarterly report – 31 March to 31 July 2010	A summary of Environment Bay of Plenty's contracts awarded during the quarterly period.	Kirsty Brown

5 August	Draft annual report	To consider the draft financial result for the year ending 30 June 2010, prior to its adoption by Full Council in September 2010.	Brian Trott
14 September	Organisational efficiency project – Water User Data Management System	To identify a suitable solution to improve information for water allocation management.	Glenn Ellery

3 **Financial Implications**

Current Budget

This report has no financial implications for the current budget.

Future Implications

This report has no future financial implications.

Ten Year / Annual Plan Implications

This report has no financial implications for the Ten Year Plan or the Annual Plan.

Miles McConway
Group Manager Technology

15 April 2010

