

Audit & Risk Subcommittee Agenda 25 June 2024



Meeting conducted in the Council Chamber, Lvl 2 Philip Laing House
144 Rattray St, Dunedin
Meetings may be viewed live on the [ORC Official YouTube Channel](#)

Members:

Cr Tim Mepham, Co-Chair
Mr Andrew Douglas, Co-Chair (Independent member)
Cr Alexa Forbes
Cr Gary Kelliher
Cr Kevin Malcolm
Cr Gretchen Robertson (ex officio)
Cr Kate Wilson

Senior Officer: Richard Saunders, Chief Executive
Meeting Support: Kylie Darragh, Governance Support Officer

25 June 2024 02:00 PM

Agenda Topic	Page
1. WELCOME	
2. APOLOGIES Cr Gary Kelliher is an apology for this meeting.	
3. PUBLIC FORUM No requests from members of the public to address the Audit and Risk Subcommittee were received prior to publication of the agenda.	
4. CONFIRMATION OF AGENDA Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.	
5. DECLARATIONS OF INTEREST Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have. ORC Councillors Declarations of Interests are published on the website.	
6. PRESENTATIONS Currently there are no presentations scheduled for this meeting.	
7. CONFIRMATION OF MINUTES That the minutes of the Audit and Risk Committee meeting held on 21 March 2024 be confirmed as a true and accurate record.	3
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9.1	PEOPLE AND SAFETY REPORT	11
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	To facilitate a discussion, or 'deep dive', into Council's management of the People Strategic Risk.	
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9.3	STRATEGIC RISK REGISTER DEEP DIVE - EXTERNAL CHANGE	42
	To facilitate a discussion, or 'deep dive', into Council's management of the External Change strategic risk.	
9.3.1	Strategic Risk - External Change	44
9.4	ANNUAL REPORT TIMETABLE AND MATTERS UNDER CONSIDERATION	46
	The purpose of this report is to outline the adoption timetable and changes in the accounting standards for Council's Annual Report and Financial Statements for the year ending 30 June 2024.	
9.5	LEGISLATIVE COMPLIANCE	49
	To receive Council's six-monthly legislative compliance report: ComplyWith survey – measuring Council's lawfulness; Local Government and Official Information and Meetings Act 1987 (LGOIMA) compliance; and Protected Disclosures (Protection of Whistleblowers) Act 2022.	
9.5.1	Comply With Survey Report 22.04.2024	54
9.5.2	LGOIMA Table Redacted	65
9.5.3	Protected Disclosures	69
9.6	CORPORATE POLICY OVERVIEW REPORT	70
	To Provide the Audit and Risk Subcommittee with an overview of Council's policies.	
9.7	TREASURY REPORT	75
	To present the quarterly Treasury Reporting Dashboard from Council's Investment Advisor, Bancorp, as at 31 March 2024	
9.7.1	Bancorp Treasury Reporting Dashboard March 2024	77
10.	RESOLUTION TO EXCLUDE THE PUBLIC	85
	That the public be excluded from the following items under LGOIMA 48(1)(a):	
1.1	Confidential Minutes Audit and Risk Subcommittee 21 March, 2024	
3.1	Strategic Risk Register	
3.2	Deloitte ORC Audit Plan	
3.3	Insurance Disclosures	
3.4	Insurance Renewal	
3.5	Managed Fund Report	
11.	CLOSURE	



Audit and Risk Subcommittee MINUTES

Minutes of an ordinary meeting of the Audit and Risk Subcommittee held in the Council Chamber, Level 2 Philip Laing House, 144 Rattray Street, Dunedin on Thursday 21 March 2024, commencing at 1:01 PM. [YouTube Link](#)

PRESENT

Cr Tim Mepham *(Chairperson)*

Mr Andrew Douglas

Cr Alexa Forbes

Cr Kevin Malcolm

Cr Andrew Noone *(non-voting)*

1. WELCOME

Chairperson Mephram welcomed Councillors, members of the public and staff to the meeting at 1:01 pm and opened with a karakia. Staff present included Richard Saunders (Chief Executive), Nick Donnelly (GM Corporate Services), Anita Dawe (GM Policy and Science), Joanna Gilroy (Acting GM Regulatory), Amanda Vercoe (GM Governance, Culture and Customer), Mark Olsen (Manager People and Safety), Gina Watts (Team Leader Health, Safety and Wellbeing), Kelly Stuart (People Services Lead) and Trudi McLaren (Governance Support).

2. APOLOGIES

Apologies were received from Cr Robertson, Cr Kelliher and Cr Wilson.

3. PUBLIC FORUM

No requests to address the Committee under Public Forum were received.

4. CONFIRMATION OF AGENDA

The agenda was confirmed as published.

5. DECLARATIONS OF INTERESTS

No changes to Councillor Declarations of Interests were noted. Councillors were reminded to signal to the Chair any conflicts of interest arising during the meeting.

6. PRESENTATIONS

No requests to present were received prior to the meeting.

7. CONFIRMATION OF MINUTES [YouTube 9:00]

Resolution: Cr Malcolm Moved, Andrew Douglas Seconded

That the minutes of the Audit and Risk Subcommittee meeting held on 6 December 2023 be received and confirmed as a true and accurate record.

MOTION CARRIED

8. ACTIONS (STATUS OF SUBCOMMITTEE RESOLUTIONS) [YouTube 9:32]

Open actions from resolutions of the Subcommittee were reviewed. No changes were noted.

9. MATTERS FOR CONSIDERATION

9.1. CS2403 Audit and Risk Work Programme 2024 [YouTube 9:57]

The purpose of this paper was to outline the proposed work programme to be covered at Audit and Risk Subcommittee meetings in the 2024 calendar year to ensure the responsibilities outlined in the Terms of Reference are fulfilled.

Nick Donnelly GM Corporate Services and CFO was present to speak to the report and respond to questions.

Resolution AR24-102: Cr Malcolm Moved, Cr Forbes Seconded

That the Audit and Risk Subcommittee:

- 1) **Notes** this report.
- 2) **Endorses** the proposed work programme for the 2024 calendar year.

MOTION CARRIED

9.2. A&R2401 People and Safety report [YouTube 15:30]

This report summarised year to date information on health, safety and wellbeing (HSW), and people and culture (HR) at ORC (Otago Regional Council).

Amanda Vercoe (GM Governance Culture and Customer), Mark Olsen (Manager People and Safety), Gina Watts (Team Leader HSW) and Kelly Stuart (People Services Lead) were present to speak to the report and respond to questions.

ACTION: Time-frame to be added under Summary of Critical Risks, for mental health risks and mental health strategy to be developed, to report on progress being made.

ACTION: High level summary from the People and Culture strategy being developed to be provided to the Audit and Risk Subcommittee.

ACTION: The Incident and Near Miss Dashboard to include specifics per quarter on critical risks in order to measure the decrease in the number of recorded incidents on that basis.

Resolution AR24-103: Cr Malcolm Moved, Cr Forbes Seconded

That the Audit and Risk Subcommittee:

- 1) **Notes** this report.

MOTION CARRIED

9.3. CS2404 Treasury Report [YouTube 31:33]

The purpose of this report was to present the quarterly Treasury Reporting Dashboard from Council's Investment Advisor, Bancorp, as at 31 December 2023.

Nick Donnelly (GM Corporate Services and CFO) was present to speak to the report and respond to questions.

Resolution AR24-104: Andrew Douglas Moved, Cr Forbes Seconded

That the Audit and Risk Subcommittee:

- 1) **Notes** this report and the attached Bancorp Treasury Reporting Dashboard – 31 December 2023.

MOTION CARRIED

9.4. GOV2401 Deep Dive - Strategic Engagement [YouTube 37:24]

The purpose of this paper was to facilitate a discussion, or 'deep dive', into Council's management of the *Community Engagement* strategic risk.

Amanda Vercoe (GM Governance Culture and Customer), Andrea Howard (Manager Executive Advice) and Kate Pettit (Senior Advisor Strategic Engagement) were present to speak to the report and respond to questions.

Resolution AR24-105: Cr Forbes Moved, Cr Malcolm Seconded

That the Audit and Risk Subcommittee:

- 1) **Notes** the attached deep dive on Council's 'Community Engagement' strategic risk.
- 2) **Notes** that a draft Community Engagement Framework will be presented to the Regional Leadership Committee in May, for Council discussion and feedback.
- 3) **Notes** that an implementation update on He Mahi Rau Rika - Significant, Engagement and Māori Participation Policy will be presented to the Regional Leadership Committee in May.

MOTION CARRIED

9.5. CEO2401 Internal Audit [YouTube 1:00:23]

The Terms of Reference for this Audit & Risk Committee included responsibility over Internal Audit. Previously this Committee had discussed and agreed to commence Internal Audit activity. This paper provided an update and next steps. It is important that Governance receives independent assurance that controls are in place and operating as intended within an organisation (this is the role of Internal Audit).

Richard Saunders (Chief Executive) was present to speak to the report and respond to questions.

Resolution AR24-106: Cr Malcolm Moved, Andrew Douglas Seconded

That the Audit and Risk Subcommittee:

- 1) **Notes** this report.
- 2) **Recommends** that staff complete an internal audit in the area of Asset Management and report back to the Audit and Risk Committee.
- 3) **Requests** that staff develop a three-year internal audit programme (2024/25 to 2026/27) and report back to the Audit and Risk Committee for endorsement of the programme.

MOTION CARRIED

10. RESOLUTION TO EXCLUDE THE PUBLIC [YouTube 1:08:03]

Resolution: Cr Malcolm Moved, Andrew Douglas Seconded:

I move that the public be excluded from the following parts of this meeting, namely:

- 2.1 Confidential Minutes Audit and Risk Subcommittee 6 December 2023
- 3.1 Managed Fund Report
- 3.2 Strategic Risk Register

MOTION CARRIED

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
<p>2.1 Minutes of the PE Audit and Risk Committee Meeting 2023.12.06</p>	<p>To protect information where the making available of the information— would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely otherwise to damage the public interest – Section 7(2)(c)(ii)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p>3.1 Managed Fund Report</p>	<p>To protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of the person who supplied the information or is the subject of it - 7(2)(b)(ii)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the</p>

	<p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information— would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied - 7(2)(c)(i)</p> <p>Withholding of the information is necessary to avoid prejudice to measure that prevent or mitigate material loss to members of the public - 7(2)(e)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities - 7(2)(h)</p> <p>To prevent the disclosure or use of official information for improper gain or improper advantage - 7(2)(j)</p>	<p>following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p>3.2 Strategic Risk Register</p>	<p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e)</p> <p>To prevent the disclosure or use of official information for improper gain or improper advantage – Section 7(2)(j)</p>	<p>Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

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 or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

11. CLOSURE

There was no further business and Chairperson Mephram declared the public portion of the meeting closed at 2:03PM

Chairperson

Date

DRAFT

Audit & Risk Subcommittee Agenda 25 June 2024 - ACTIONS (Status of Subcommittee Resolutions)

Meeting Date	Document	Item No.	Item	Status	Action Required	Assignees	Action Taken	Due Date	Completed (Overdue)
22/06/2023	Audit and Risk Subcommittee 2023.06.22	8.6	CEO2301 Internal Audit Options for Otago Regional Council	In Progress	Co-Chairs of the Committee to work with the Chief Executive Officer to commence an internal audit programme in the 23/24 year and report results back to the Committee. AR23-116	Chief Executive, Councillor, Andrew Douglas	<p>28/11/2023 Governance Support Officer</p> <p>The Internal Audit will commence early 2024</p> <p>08/03/2024 Governance Support Officer</p> <p>A request for quotes for the first internal audit on asset management is being prepared to send to market. Results of the audit will be reported back through Audit and Risk Committee.</p> <p>20/06/2024 Governance Support Officer</p> <p>Quotes have been sought for the first internal audit on asset management. This work will commence in the coming months and an update will be provided to the first A&R meeting of the 24/25 year.</p>	30/06/2024	

9.1. A&R2402 People and Safety report

Prepared for:	Audit and Risk Subcommittee
Report No.	A&R2402
Activity:	Governance Report
Author:	Gina Watts, Team Leader Health, Safety and Wellbeing, Kelly Stuart, People Services Lead, Mark Olsen, Manager People and Safety
Endorsed by:	Amanda Vercoe, General Manager Governance, Culture and Customer
Date:	27 th June 2024

PURPOSE

- [1] This report summarises year to date information on health, safety and wellbeing (HSW), and people and culture (HR) at ORC (Otago Regional Council).

EXECUTIVE SUMMARY

- [2] ORC is continuously enhancing its approach to health, safety and wellbeing. Recent key developments include finalising the Health, Safety and Wellbeing Strategic Workplan, the introduction of a new trial wellbeing initiative, and achieving strong engagement in health, safety and wellbeing activities across the organisation.
- [3] In the last quarter we have achieved good progress across a range of priority people and culture initiatives whilst maintaining service delivery which has included helping to facilitate a significant reduction in the number of vacancies and supporting the ELT restructure.

RECOMMENDATION

That the Audit and Risk Subcommittee:

- 1) **Notes this report.**

HEALTH, SAFETY AND WELLBEING

Health, Safety and Wellbeing Plan 2024 – 2027

- [4] The Health, Safety, and Wellbeing Strategic Workplan for 2024-2027 has undergone a rigorous review process and has been formally approved by the Executive Leadership Team (ELT). This document serves as a comprehensive roadmap outlining our strategic approach to promoting a culture of health, safety, and wellbeing within our organisation. *Refer to appendix 1 ‘Health, Safety and Wellbeing Work Plan 24-27’.*

Summary of ORC’s Critical Risks

Critical Risk	Residual Risk	Current work on controls (in addition to existing controls)	HSW workplan completion timeframe	Change

Contractor Management	Moderate	Contractor Safety Framework is currently under review	2024/2025 financial year	No change to risk level
Vehicle/Vessels	Moderate	Alcohol and drug policy to be developed. A new fleet management system 'E-Road' was implemented in April. The new system offers enhanced features and includes an in vehicle 'drive buddy'; a visual, real-time feedback to help drivers avoid speeding, harsh braking, sharp cornering, and unnecessary engine idling. The HSW team are collaborating with Support Services to enhance vehicle procedures to positively reinforce desired behaviours and address areas of concern.	2024/2025 financial year	No change to risk level
Lone, Remote, or Isolated Work	Moderate	Lone Worker Safety Management – System Guide is under development; this is to replace the current Lone, Remote and Isolated Working Policy	2024/2025 financial year	No change to risk level
Fatigue	Moderate	Mental Health Strategy Upcoming review of Fatigue Management Policy and toolbox	2024/2025 financial year	No change to risk level
Violence and Aggression	Moderate	Revision of duress procedures completed. Early development of duress procedures for Whare Runaka	2024/2025 financial year	No change to risk level
Fall from height or between levels	Moderate	Working from height project is completed.	N/A	No change to risk level
Mental Health	Moderate	Mental Health Strategy to be developed	2025/2026 financial year	No change to risk level
Hazardous Substances	Low	Recurring audit regime is in place	N/A	No change to risk level
Water Hazards	Low	Working around water guideline to be developed		No change to risk level

Red font above refers to changes since last report

Note critical risk levels will be redefined following completion of bow tie analysis scheduled to be undertaken early 2024/25.

Refer to appendix 2 'Critical Risk Profiles for critical risk profiles.

HEALTH AND SAFETY PERFORMANCE REPORTING

Current State – Year To Date

- [5] 99 incident reports have been completed year to date (1 July 2023 to 31 May 2024), 28 reports in quarter one, 26 in quarter 2, 29 in quarter 3 and 14 in quarter 4 to date (31st May); incident severity level ranged; 61% minor, 19% near miss, 13% moderate, 2% major, and 4% currently undefined (severity level not yet determined).

ORC Events

- [6] There have been eight incidents and near misses involving ORC in quarter 4 to date (as of May 31). Two incidents were related to muscular or soft tissue sprains, stemming from discomfort or pain experienced at a workstation. Two incidents involved verbal aggression. There was one incident related to a slip, trip, or fall at the same level. Additionally, there were two incidents concerning unsafe behaviours related to visitor procedures and onsite traffic management (foot and bike traffic). Finally, there was one near miss related to equipment failure, where a picture fixing failed due to incorrect mounting.
- [7] Post-incident/near miss controls and actions have included:
- Muscular or soft tissue: Intervention by occupational health professionals and workstation adjustments.
 - Slip trip fall: Medical intervention for injury rehabilitation and procurement of fit for footwear.
 - Verbal aggression: The HSW team is reviewing options to improve staff knowledge of duress procedures for those in or visiting public-facing areas. Approaches may include signage, revised induction materials and delivery methods, and duress drills.
 - Equipment failure: Risk was eliminated by removing the faulty equipment. Future installations will follow adequate mounting procedures and manufacturer's instructions.
 - Unsafe behaviour: Signage and staff communication (individual and organisational) were implemented to address incidents of unsafe behaviour.
- [8] As of May 31, 4 hazards were reported in quarter 4. These included a report of an unsafe structure which as a result was removed, a slip, trip and fall hazard that was addressed with procedural adjustments, and two reports concerning the new in-vehicle safety display, which is currently under investigation.

Contractor/ consultant events

- [9] 3 contractor incidents occurred in quarter 4 to date (31 May), all relating to bus operations and included 1 incident of aggression, 1 slip, trip fall and 1 incident related to a medical event. Controls included the completion of a police report and medical intervention.
- [10] 1 consultant psychological incident occurred in quarter 4 to date (31 May), relating to the tragic death of a youth that occurred at the bus hub. Wellbeing checks were conducted with any staff and contractors affected, with the Employee Assistance Programme (EAP) and additional support made available.

Legislative Compliance

- [11] Our obligations under the Health & Safety at Work Act were reviewed via the legislative compliance survey (ComplyWith), which is conducted across ORC. The review found no areas of non-compliance and identified two areas of partial compliance: lone, remote, and isolated work, and risks arising from workplaces with multiple tenants in the same building.

- [12] Work is underway to fully implement the online lone worker management system, this system has been trialled and is now in place for identified at-risk workers. Work is underway to review and update the related lone worker procedures and training; once these items are in place, partial compliance will be adjusted to full compliance.
- [13] Efforts are underway to implement effective control measures for multi-tenant leased sites, with a focus on Philip Laing House. These measures aim to enhance safety communication between floors, enabling timely activation of necessary processes, such as lockdown for other businesses.

Worker Participation & Engagement

- [14] The Health and Safety Committee continues to meet quarterly to discuss any risk areas and ideas for improvement. The second Health and Safety Committee meeting of the year is to take place on the 7th of June, some of the key agenda items are to include:
- Development of a new Drug and Alcohol Policy
 - Introducing a fire risk assessment for discussion: the team have been assessing fire risks and safety controls; this occurring concurrently as fire extinguisher use within the organisation is reviewed.
 - Introducing the Lone, Remote and Isolated Worker Risk Assessment: as part of the review to the current policy and related procedures a draft risk assessment has been developed which assigns an overall risk level against the type of work activity, and lone, remote and isolated work risk factors.
 - Confirmation of the health and safety committee objectives for the new financial year
- [15] In April, a new issue of the Health, Safety, and Wellbeing Newsletter was published, covering various important topics. These included segments on "Debriefing After Difficult Customers," "Be an HSW Champion," "Fire Extinguishers," "Avian Influenza Awareness," and "Occupational Vaccination Essentials," as well as a highlight of recent safety alerts. The HSW team is pleased with the ongoing engagement, as the newsletter reached 225 people, representing 65% of the organisation, with an average visit time of 5.5 minutes.

Training and Development

- [16] 228 staff have completed safety training course(s) year to date (31 May), 131 staff have undertaken a safety training course in quarter 4 to date (31 May) which consisted of TrackMe System Training (40), Roadside Inspector Training (18), Fire Extinguisher (6), River Safety (17), Side by Side (5), Defensive Driver (16), First Aid (15), 4WD (4) and Health and Safety Representative Training (4). Table 1 shows the number of participants per course.

Table 1: Training Participation Numbers Year to Date Summary (1st July 2023– 31st May 2024)

Safety Training	Attendee Number
4WD	15
Hazardous Substance Awareness Training	2
Working from Height	2
Health and Safety Representative	5
Situational Safety	18
LUV/Side by Side	11
First Aid	30
Chainsaw	5

2 Wheeler Training	9
Defensive Driver	16
River Safety	17
TrackMe System Training	40
Fire Extinguisher	6
Health, Safety & Wellbeing Induction	28
Roadside Inspector Training	18

Wellbeing

- [17] Notable wellbeing activities in Quarter 4 include administering 155 influenza vaccinations and participating in Pink Shirt Day, a national event aimed at eliminating bullying by celebrating diversity and promoting kindness and inclusion. The HSW team is also refreshing the employee wellbeing discount cards for 2024/25, with staff voting on preferred suppliers. Voting has been open for two days and has received 95 votes so far.
- [18] Additionally, the HSW team is organizing two upcoming wellbeing activities: a wellbeing survey to measure the program's success and identify future focus areas, and the implementation of a new trial initiative, "Sun Safety Skin Checks," across the region. As of May 31, 172 staff members have registered their interest in this initiative (refer to Table 2 which outlines all wellbeing initiatives 2023/2024).

Table 2: Wellbeing Initiatives: July 2023 – May 2024

Wellbeing Initiative	Actual/Proposed Date	Status	Statistics
15-minute challenge	June - August	Completed	104 participants
Ergonomic webinar	August 22nd	Completed	26 participants
Mental Health Awareness Week	September	Completed	250 compliments received. 38 views to MHAW (Mental Health Awareness Week) article.
Planting Day Pilot	October	Completed	35 attendees
Introduction to Investing	October	Completed	15 attendees
Blood Donation	November	Completed	3 Attendees
Wellbeing Leave	December	Completed	264 staff up took offering / 79% of staff
Healthy Habits Seminar	January	Completed	65 attended
Aotearoa Bike Challenge	February	Completed	29 staff took place in the challenge who collectively cycled 3,608km!
Forsyth Barr Investing Lab – Economics 101	March	Completed	26 attended, 18 views of recording
Influenza Vaccinations	April – July	Underway	155 vaccinations (in person and via

			voucher)
Pink Shirt Day	May	Completed	
Wellbeing Discount Card Refresh	May / June	Underway	
Wellbeing Action Plan	June	Upcoming	
Wellbeing Survey	June	Upcoming	
Sun safety skin check trial	June / July	Upcoming	172 registered interest

PEOPLE AND CULTURE

Key projects and activities for March to May 2024

- [19] Work on ORC’s people and culture policies continued. Key updates for this quarter include work to develop a recognition of service policy, refreshing our recruitment policy and process, working on a rostering and availability policy and ongoing implementation of our new remuneration policy.
- [20] **Collective Bargaining** is underway.
- [21] A **Leadership development calendar for 2024** was created. The ‘Conscious Leader’ development programme for Team Leaders is under way.
- [22] A **Learning & Development Framework** is in development which aims to provide direction on how ORC can become a learning organisation and build the capability it needs now and in the future.
- [23] A clear **performance and remuneration time-line** has been established and communicated in relation to FY24 performance reviews; FY25 performance plan development including cascading and alignment of KPIs from the CE down and the 2024 salary review process.
- [24] Our legislative obligations were reviewed via the **legislative compliance** survey (ComplyWith), which is conducted across ORC. The review found no areas of non-compliance and identified one area of partial compliance: Safety checks for people employed or engaged as a children’s worker. At the time of the survey the check had been completed for one of two new recruits for the EnviroSchools programme.

Other Highlights

- [25] The **People Strategy** for the ORC which will be implemented over the next year years has been formally approved by ELT. The People strategy aims to support a high performing workforce, positive and inclusive culture and position ORC as an employer of choice and is part of the People Deep Dive also on the agenda for today’s Audit and Risk meeting.
- [26] A team from ORC called ‘Elevate’ represented ORC at the **Australasian Management Challenge** – a local government challenge run by Taituarā . In the presentation the participants spoke very highly of the overall development opportunity – particularly all the preparation sessions with various managers from across ORC.

Human Resources Dashboard Reporting

- [27] Workforce snapshot information

- 351 total staff, 328 permanent / 23 fixed term
- 25 current vacancies (as at 4/6/2024)
- Average tenure is 4.5 years, median tenure is 2.4 years
- Average annual leave balance, 16.8 days
- Average sick leave taken, 5.8 days (last 12 months)
- Annual staff turnover of 16.4% (for the 12 months to 31 May 2024, including fixed term terminations)

[28] Workforce mobility - Q2 2023/24

- 3 Internal sideways moves
- 11 Internal promotions/upwards moves
- 2 Internal secondments commenced

[29] Recruitment snapshot - Q2 2023/24

- Roles that have been advertised: 36
- Roles successfully filled: 31
- 692 job applications received, an average of 19 per role

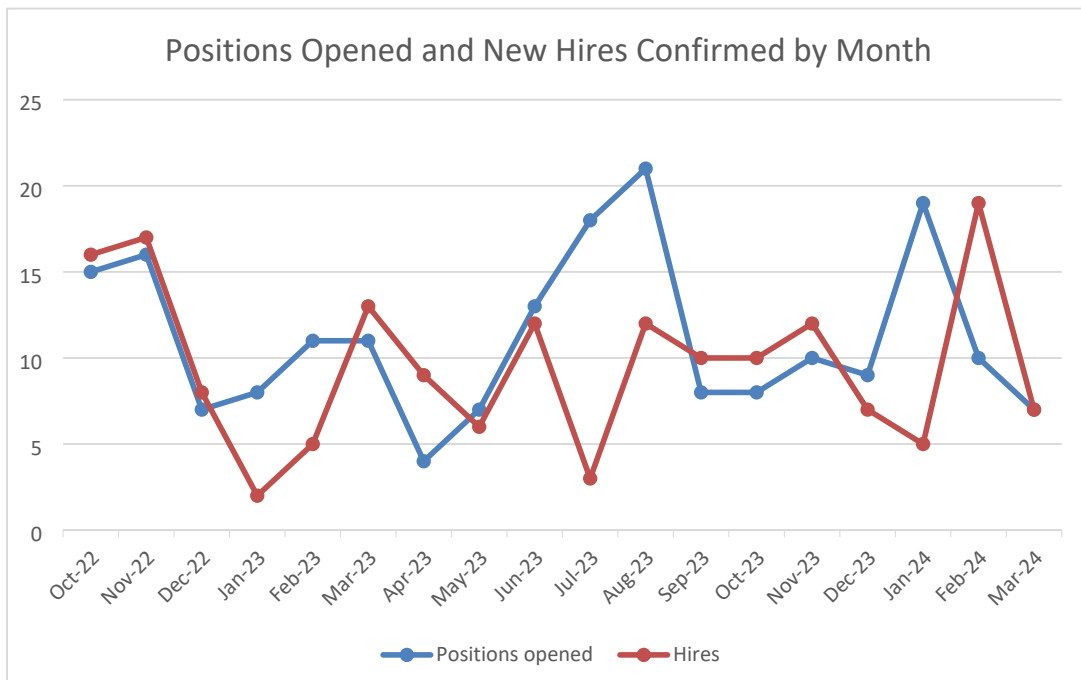


Figure 3: Monthly number of positions opened and new hires from October 2022 to March 2024

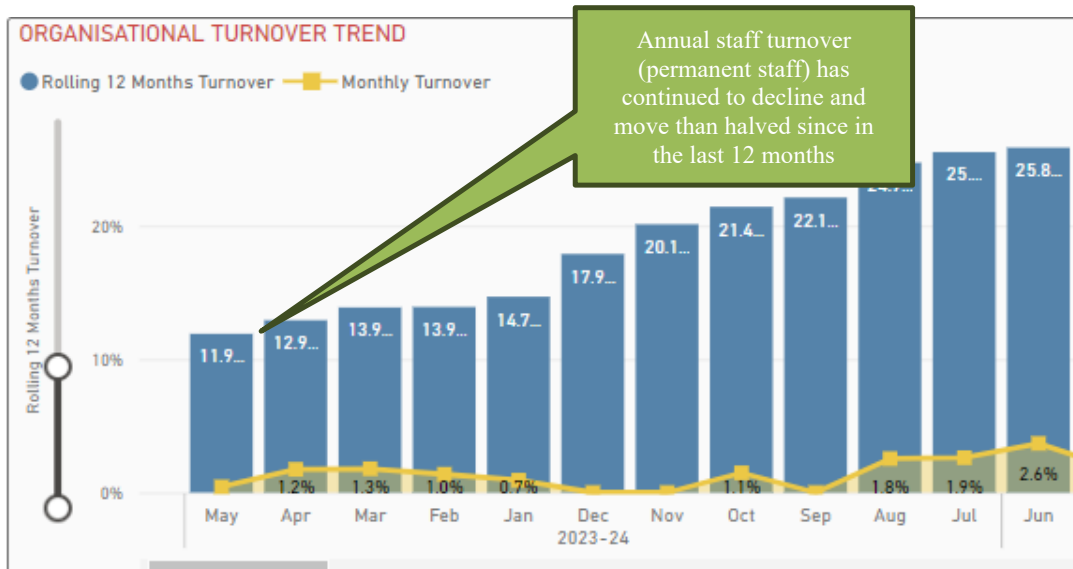


Figure 4: Staff Turnover Trend over the last 12 months

[30] FTE Report



23/24 FTE Report as at pay period ending 07/06/2024

Report generated on 12 June 2024 at 8:52:09 AM

Directorate	Homebase Desc	Staff Name	Position Description	Employee Status	Location	FTE	Bgt FTE
☐ Chief Executive						2.0	2.0
☐ Corporate Services						57.6	56.5
☐ Governance, Culture & Customer						26.8	26.7
☐ Operations						93.7	95.0
☐ Regulatory & Communications						84.1	90.0
☐ Science, Environmental Monitoring & Policy						63.4	69.0
☐ Transport						11.8	13.0
Total						339.4	352.2

CONSIDERATIONS

Strategic Framework and Policy Considerations

[31] Nil.

Financial Considerations

[32] Nil

Significance and Engagement

[33] Nil

Legislative and Risk Considerations

[34] Nil

[35] Nil

Climate Change Considerations

[36] Nil.

[37] Nil

Communications Considerations

[38] Nil

ATTACHMENTS

1. AR dashboard Q 4 2024 [**9.1.1** - 4 pages]
2. HSW Critical Risks Profiles as of 31 May 2024 [**9.1.2** - 6 pages]
3. Appendix 1 Health Safety and Wellbeing Strategic Workplan 24-27 [**9.1.3** - 6 pages]

Audit and Risk Incident and Near Miss Report 31 May 2024 03:37:10 [Incident](#)

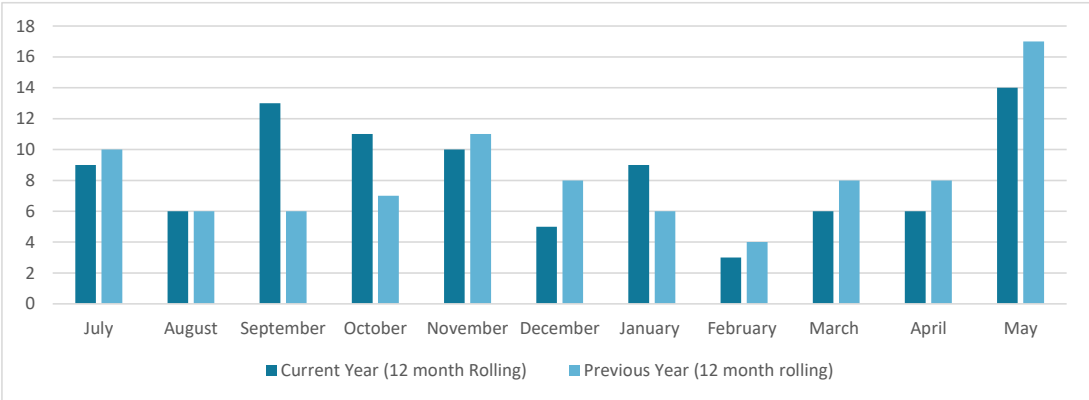
Filters Incident Date 01/07/2023 to 31/05/2024 | TimeZone New Zealand Standard Time

Incident / Near Miss Dashboard

- See bottom of screen for a list of records.
- Click on a graph segment to filter the rest of the dashboard based on that selection.
- To see other data relating to a segment right-click and 'Drill' to the desired field.
 - Access other filters using the right-hand filters panel.
 - NOTE: counters may be affected by any filters you apply.



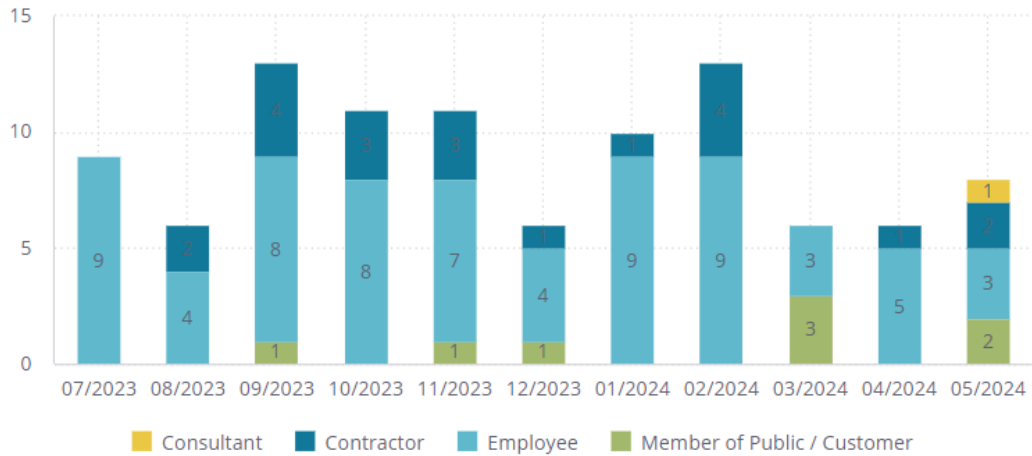
No. of Incidents by Month



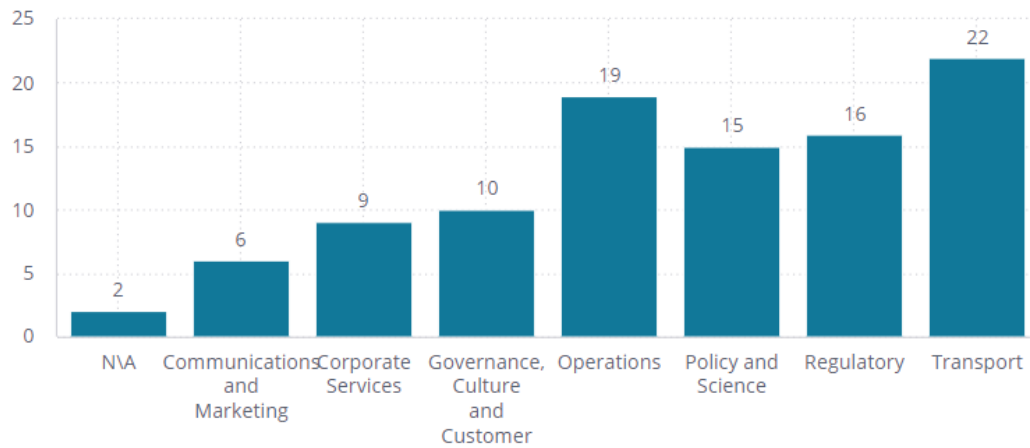
Audit and Risk Incident and Near Miss Report 31 May 2024 03:37:10 Incident

Filters Incident Date 01/07/2023 to 31/05/2024 | TimeZone New Zealand Standard Time

No. of Incidents by Month and Who Was Involved



Incidents by Org Unit

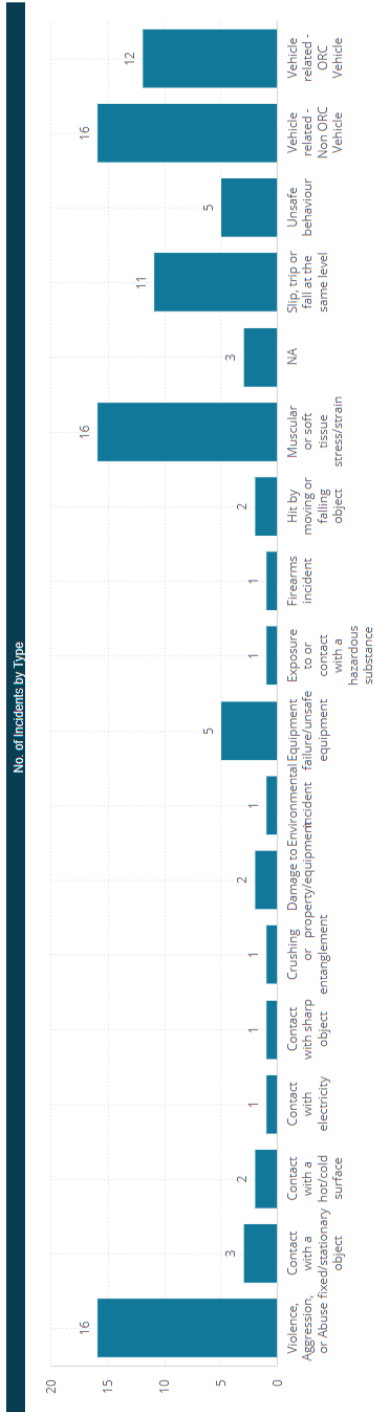


*N/A includes reports where the org unit selected is ORC

Audit and Risk Incident and Near Miss Report

31 May 2024 03:37:10 Incident

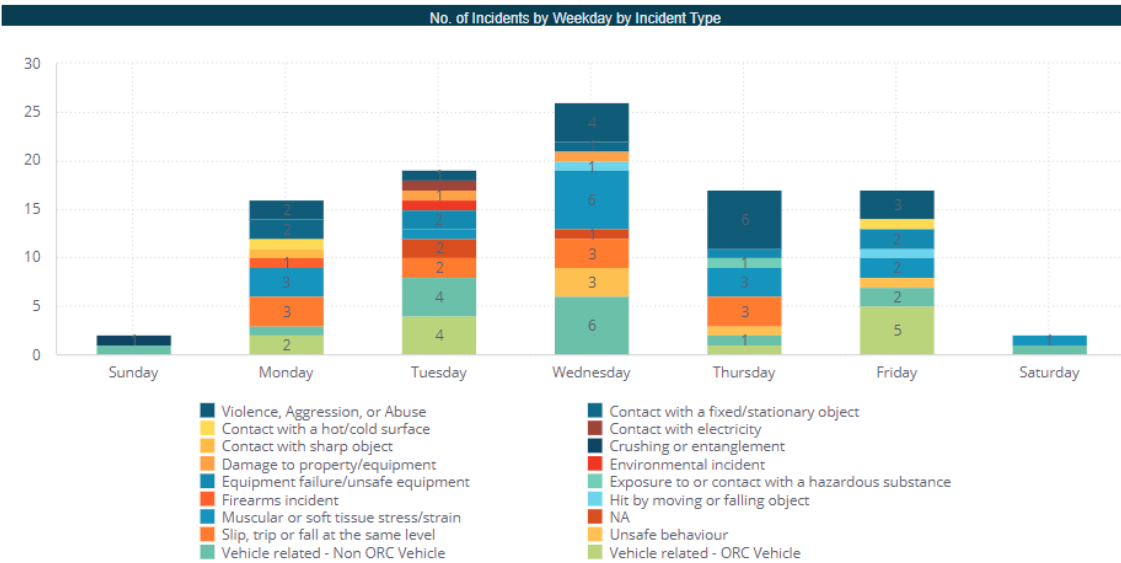
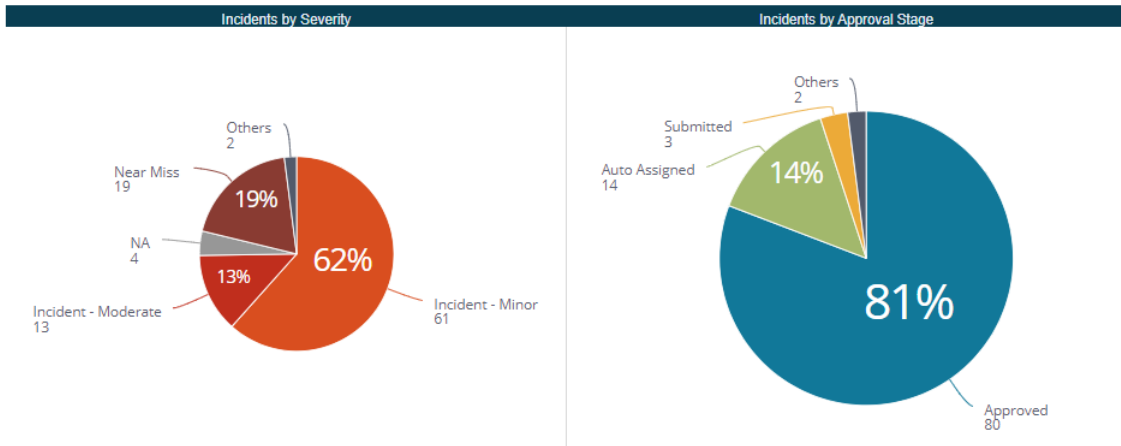
Filters Incident Date 01/07/2023 to 31/05/2024 TimeZone New Zealand Standard Time



* N/A refers to 'other type of incident'.

Audit and Risk Incident and Near Miss Report 31 May 2024 03:37:10 Incident

Filters Incident Date 01/07/2023 to 31/05/2024 | TimeZone New Zealand Standard Time



Health, Safety & Wellbeing Critical Risk Profiles as of 31 May 2024

Author: Gina Watts, Team Leader Health, Safety & Wellbeing

Nine critical risks are outlined within Otago Regional Council's Critical Risk Management Plan, including lone remote or isolated working, falls from height or between levels, water hazards, contractor management, hazardous substances, vehicle/vessel driving/operation, mental health, fatigue, and violence and aggression.

There will be additional layers of detail that sit beneath these risk profiles that are managed by managers, team leaders and staff. That information (risk assessments, task analysis, job safety analysis) will ensure the understanding and management of these risks are relevant to the specific activities and tasks undertaken through the layers of the business.

Contractor Management			
Risk Description	<p>Inadequate contractor management risks the health and safety of employees, contractors, visitors, and members of the public.</p> <p>The risk arises when the contractor engager fails to effectively plan, monitor, and control the activities of contractors working on their premises or carrying out work on their behalf.</p> <p>A range of potential hazards and risks may arise from inadequate contractor prequalification, training, supervision, and communication.</p>	Initial risk level	High
What we know about this risk in our business	<p>Contractor engagement occurs across the Otago Regional Council including construction, maintenance, and specialised tasks such as aviation, public transport, and pest management.</p> <p><i>We've had 72 contractor related incidents since 2022. 57% percent of these incidents were minor, 21% moderate, 19% near miss occurrences and 3% major.</i></p>	Residual risk level	Moderate
How we manage the risk	Contractor Health and Safety Policy including prequalification selection procedures, procurement policy & planning processes, organisational induction for onsite contractors, H&S assurance check regimes, regular review of contractor H&S plans, and staff training in contractor safety.		
Control development	The contractor safety framework is currently under review		

Vehicles – Driving Operations			
Risk Description	<p>There is a risk people could be harmed while driving to jobs, meetings and site visits. Drives can be long because we cover a large region. People also occasionally drive to places like mines, ports and commercial sites, off-road and rural areas, and places with extreme</p>	Initial risk level	High

	temperature fluctuations, ice, snow, and sunstrike. CODC vehicle operation in an emergency. Driving, therefore, requires on and off-road capability and involves the use of various types of vehicles. All staff who drive for work are exposed, particularly those who drive in remote locations or off-road.		
What we know about this risk in our business	We've had 43 driving-related incidents in the past 2 years. These involved property damages and minor injuries. Investigations indicated that driver behaviour was a key contributing factor.	Residual risk level	Moderate
How we manage this risk	Fatigue management policy: Driving/ working time restrictions, break/rest and overnight requirements to manage fatigue risks. Recruitment policy (recruitment processes asks if any health issues could impact ability to drive). Organisational inductions. Training, Safe Operating Procedures, vehicle servicing, vehicle GPS tracking with 24/7 impact/rollover alert monitoring service, incident reporting		
Control development	Alcohol and Drug Policy to be developed A new fleet management system 'E-Road' was implemented in April. The new system offers enhanced features and includes an in vehicle 'drive buddy'; a visual, real-time feedback to help drivers avoid speeding, harsh braking, sharp cornering, and unnecessary engine idling. The HSW team are collaborating with Support Services to enhance vehicle procedures to positively reinforce desired behaviours and address areas of concern.		

Lone, Remote or Isolated Work			
Risk Description	Work can be remote because of the nature of work, location, and time, such as visiting sites, inspecting sites, working in remote sites, or responding to calls after hours. The potential risks associated with performing work activities increase significantly when the activity is performed in remote, or isolated situations as assistance may not be readily available to an employee in the event of an injury, ill health, or an emergency. Whether a situation is a high or low risk will depend on the location, type of work, interaction with the public, or the consequences of an emergency, accident, injury, etc. Given that there are a wide variety of situations where employees can be working alone with varying levels of risk.	Initial risk level	High
What we know about this risk in our business	Lone, remote, and isolated work and the risks it presents occurs across Council operations including teams such as environmental monitoring and environmental implementation. Lone, Remote and isolated work has not been a contributing factor to incident reports in the past 2 years.	Residual risk level	Moderate
How we manage this risk	Emergency response planning, task-specific training, Lone Remote or Isolated Work Policy, worker welfare checks 'buddy' system, vehicle fleet use GPS monitoring. 2-way communication with emergency response procedures tailored to the team level. Personal Locator Beacon to be carried.		

Controls development	Lone Worker Safety Management – System Guide is under development; this is to replace the current Lone Remote and Isolated Working Policy		
Fatigue			
Risk Description	Fatigue related hazards pose significant health and safety risks. Fatigue occurs when individuals experience physical and or mental exhaustion, leading to impaired decision-making, and increased likelihood of accidents or errors.	Initial risk level	High
What we know about this risk in our business	ORC fatigue risk factors include long hours/shift work (emergency responses, flood etc), nature of work (physical or cognitive demands), personal factors (workload/work pace), and lone, remote, or isolated work.	Residual risk level	Moderate
How we manage this risk	Administrative: roster planning during emergency/flood response, fatigue management policy & toolbox, leave arrangements to be used to manage fatigue as needed. Wellbeing programme including EAP for all staff support and coping skills, workload management including managing long hours and work travel. Role-specific training, role-specific risk management and assessment, support from management, organisational return to work/ stay at work support pathways.		
Controls development	Mental Health Strategy (commencing 2024) Upcoming review of Fatigue Management Policy and toolbox		

Violence & Aggression			
Risk Description	This risk refers to any behaviour or action that involves physical or verbal aggression, threats, harassment, intimidation, or any other form of violence, whether initiated by an employee, customer, or any other individual present in the workplace environment.	Initial risk level	High
What we know about this risk in our business	ORC staff interact with individuals and communities on a wide range of issues, including contentious matters such as policy decisions, enforcement actions, or public service delivery. These interactions, coupled with other factors, can potentially escalate into situations where violence and aggression become a significant concern. We've had 27 violence and aggression related since 2022, 67% of these incidents were minor, 17% moderate, 6% near miss and 2% major. Most of the violence and aggression incidents are experienced within the Customer Experience, Compliance and Transport Teams.	Residual risk level	Moderate
How we manage this risk	Occupational Violence and Aggression Policy, de-escalation training, duress and emergency management procedures, provision of fit for purpose workplace layout (e.g. wide and high customer service counters), Security and duress systems (e.g. duress alarms and CCTV at customer-facing points), EAP for staff support & debrief post-incident to reduce further harm, reporting and investigation, team/task specific safe operating procedures, support from management, reducing frustration points/known triggers for customers/ members of the public where possible.		

Controls development	Revision of duress procedures is in development (all customer facing sites) PLH duress procedure review completed – September
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Falls from height or between levels			
Risk Description	Working at height means working in a place where a person could be injured if they fell from one level to another, this can include when working on the ground near an excavation.	Initial risk level	High
What we know about this risk in our business	This risk is applicable to pump stations at weed screens and installation works completed by the Environmental Monitoring Team. Contributing factors include adverse working conditions (e.g., weather, housekeeping, terrain), unsafe practices/behaviour, unsafe/faulty equipment, and working at an exposed edge. No incidents have been related to this risk in the last 2 years.	Residual risk level	Moderate
How we manage the risk	Railing and fall arrest system installation and height safety training were completed in July/August, minor adjustments have now been completed. Pump station fall arrest engineering controls include uniraill systems, fixed anchors, cable retractors, and fall arrest cable systems. Personal protective equipment and height safety training has been completed.		
Control development	Safe operating procedures development alongside training. Ladder selection and use Safe Operating Procedure completed November 2023.		

Psychosocial / Mental Health			
Risk Description	Mental health harm or mental ill-health is the significant cognitive, emotional, or behavioural impact arising from, or exacerbated by, work-related risk factors. Mental health harm may be immediate or long-term and can come from single or repeated exposure. Psychosocial risks can be grouped into four key areas; task (<i>demands, role clarity, workplace environment, remote and isolated work</i>), individual (<i>role autonomy, development opportunities, work-life balance, meaning and purpose</i>), social (<i>workplace culture, support, violence and aggression, workplace relationships</i>), and organisational (<i>psychological safety, organisational justice, reward and recognition, change</i>).	Initial risk level	High
What we know about this risk in our business	Psychosocial risk factors are present across the organisation, and current information on mental health is gathered via high-level (anonymous) reporting from EAP, Incident data, wellbeing survey data and engagement survey.	Residual risk level	Moderate

	<p>The Health, Safety and Wellbeing Team have developed four Stay at Work plans in the last 2 years to support employee mental wellbeing.</p> <p>We have had x1 incident relating to mental health in the last 2 years, this incident was related to personal factors and was not directly work-related</p>		
How we manage the risk	Employee assistance programme, leave arrangements, flexible work options, manager support and leadership training, and communication from senior leadership regarding staying mentally well. Staff awareness training and workshops, staff wellbeing programme.		
Control development	Stay at work & return to work procedure Mental health strategy		

Water Hazards			
Risk Description	Working around waterways is one of the most potentially hazardous activities that staff will encounter. The primary hazards associated with rivers, streams and oceans include drowning, slipping (losing footing and control), being caught by snags or whirlpool currents, polluted water, and hypothermia.	Initial risk level	High
What we know about this risk in our business	Working around water and the risks it presents occurs across Council operations and includes boating, flood response, environmental monitoring, pollution response, community education and infrastructure inspection and maintenance. Working around water has not been a contributing factor to incident reports in the past 2 years.	Residual risk level	Low
How we manage the risk	Role-specific training – RiverSafe, maintenance regimes, safe operating procedures for specific tasks. Assurance check regimes, personal protective equipment; custom waders, life jackets, footwear, thermal protection, and 2-way communication devices.		
Control development	Working around water guideline under development.		

Hazardous Substances			
Risk Description	Hazardous substances are substances that are explosive, flammable, oxidising, toxic, corrosive, or toxic to the environment. A hazardous substance may be a single chemical or a mixture of both hazardous and non-hazardous chemicals.	Initial risk level	Moderate

<p>What we know about this risk in our business</p>	<p>The Engineering, Environmental Monitoring and Environmental Implementation Teams are the predominant users of hazardous substances. Hazardous substances that ORC use include agricultural substances for weed control (flood banks, monitoring stations), preservation chemicals (specimen and sample preservation), fuels, oils, aerosols, and general cleaning products. Minimum quantities are stored at sites.</p> <p>There has been 1 minor incident related to hazardous substances in the last 2 years which was related to a broken hazardous substance container.</p>	<p>Residual risk level</p>	<p>Low</p>
<p>How we manage the risk</p>	<p>Personal protective equipment including respirators, protective eyewear, coveralls, non-porous footwear, safety equipment such as eye wash stations and first aid equipment, health monitoring & respirator fit testing, safety/technical data sheets are maintained at each site, safety plans, emergency response plans and safe operating procedures. Training: Hazardous substance awareness training, GrowSafe training. Assurance check regimes during site visits, hazardous substance policy & procedure, and elimination of hazardous substances from ORC depots where possible.</p>		
<p>Control development</p>	<p>Upcoming review of hazardous substance policy & procedure</p> <p>Health monitoring procedure</p>		

Health, Safety & Wellbeing Plan 2024 -2027

Vision

ORC is a place of Health, Safety and Wellbeing excellence where we put our people including their health, safety & wellbeing first.

The below health, safety and wellbeing goals are designed to move us towards our vision and address areas for improvement, identified by our team, our health and safety representatives and through observing industry changes.

Information, visibility, reporting & analysis

Ensure seamless access to HSW information, promote ORC initiatives & lessons learned, and reinforce HSW measures throughout operations.

1. Improve HSW information & management.
2. Improve online safety management system.
3. Improve HSW recognition process.

Leadership & worker participation

Promote a culture of prevention and learning, fostering active leadership and worker participation while maintaining a positive HSW environment.

5. Build visible HSW leadership at ORC
6. Improve processes and supports relating to the health and safety committee and representative functions.
7. Develop and implement a health, safety, and wellbeing due diligence programme

Safe systems

Align HSW systems for ease of use, focusing on reducing harm, benchmarking safety performance, and prioritising assurance over critical risks.

8. Establish a safety training competency system.
9. Improve hazard & risk management system & incident management.
10. Improve existing safety policies, procedures, and guidelines.
11. Improve personal protective equipment system.
12. Establish approaches to managing new or changing risks.

Health & Wellbeing

Enhance workforce health and wellbeing through targeting programmes, ensuring equal access and delivering tangible outcomes for all employees.

13. Establish occupational health programmes.
14. Improve mental health supports.
15. Improve our annual wellbeing programme.

We will be successful when:

- HSW information is targeted, fit for purpose, and engaging for teams, individuals & those whom ORC work with. Shifts the system from how we do H&S to why we do H&S.
- HSW performance reviewed against consistent indicators and measures & set as a baseline for future annual reassessment. Performance is benchmarked against similar organisations to assess our performance.
- HSW achievements are celebrated through recognition programmes.

- ORC leaders regularly practice investing in, being involved with, and engaging with HSW. Leaders are actively managing risks and outcomes.
- Engagement and participation is evident and valued across the organisation. ORC is interested and responsive to workers' health and safety concerns.
- Shared and individual understanding and ownership of health, safety, and wellbeing throughout ORC.

- Safety training needs analysis is in place for all employees; system implemented for people leaders. TNAs used for effective management of safety competencies.
- Identification of ORCs critical HSW risks and controls, including implementation of critical risk profiles and action plans.
- Policies and procedures that are fit for purpose and reflect the risk profile of ORC.

- Increased use of initiatives and programme uptake.
- Reduction in workers' compensation claims and increased usage of early intervention programmes
- Organisational wide engagement on Health and Wellbeing including sharing health and wellbeing stories.
- Workforce health and wellbeing enhanced through the implementation of focused programmes.

Our plan for success

Health, Safety and Wellbeing Team Mission

Partnering across the organisation to consistently improve the health, safety & wellbeing of our workplace, people, and those who we work with.

Information, visibility, reporting & analysis				
Core Services				
A-Z Directory – HSW Induction Administration – Hazard, Near-Miss & Incident Reporting & Analysis – Site Safety Audits – ELT H&S Monthly Reporting – Quarterly Audit & Risk reports – Haumarū Administration – Safety Alerts				
Goal 1: Improve Health, Safety & Wellbeing information, and management				
Objective	Activity	When		
		2023-24	2024-25	2025-26
1.1	Review HSW all staff induction & implement improvements			
1.2	Build quarterly HSW newsletters			
1.3	Investigate HSW learning management approaches			
1.4	Present HSW segment of muffin talk			
1.5	Design and undertake HSW roadshows where relevant/beneficial			
1.6	HSW notice boards implemented across ORC staffed sites			
1.7	Design and implement an annual 'safe start' initiative			
1.8	Consolidate safe operating procedures across the Council & create an SOP register			
Goal 2: Improve online safety management system 'Haumarū'				
Objective	Activity	When		
		2023-24	2024-25	2025-26
2.1	Haumarū 'back end' reviewed and improved: <ul style="list-style-type: none"> • Haumarū review form created and circulated with people leaders • Responses consolidated and analysed • Improvement areas identified & action plan created • Improvements actioned and communicated • Haumarū people leader training redeveloped and undertaken 			
2.2	Haumarū 'front end' reviewed and improved: <ul style="list-style-type: none"> • Review form created and circulated with HSRs • Responses consolidated and analysed • Improvement areas identified & implemented where practicable • Improvements communication • Haumarū all staff Haumarū training redeveloped and undertaken 			

Goal 3: Improve Health, Safety and Wellbeing recognition				
Objective	Activity	When		
		2023-24	2024-25	2025-26
3.1	Trial the development of HSW recognition through the health and safety committee			
3.2	Continue and/or adapt the process based on staff and HSR feedback			
3.3	Apply to external health, safety, and wellbeing recognition programmes where appropriate			

Leadership & worker participation

Core Services
 Health and Safety Committee Coordination & Action Management – Health and Safety Representative Group Meeting Coordination - Coordination of Representative Development Opportunities - Review & Implementation of Ideas for Improvement

Goal 5: Build visible HSW leadership at ORC				
Objective	Activity	When		
		2023-24	2024-25	2025-26
5.1	Internal HSW for people leaders (induction, incident investigations)			
5.2	Formal HSW leadership training for people leaders			
5.3	Develop and deliver HSW due diligence leadership training (internally)			

Goal 6: Improve processes and supports relating to the health and safety committee and health and safety representatives.

Objective	Activity	When		
		2023-24	2024-25	2025-26
6.1	Improve the worker engagement and participation procedure			
6.2	Establish additional health, safety & representative development opportunities: <ul style="list-style-type: none"> • Annual in-person workshop • Identification & communication of learning development opportunities & facilitating support for HSRs to uptake opportunities 			
6.3	Set and review annual Health and Safety Committee objectives			

Goal 7: Develop and implement a health, safety, and wellbeing due diligence programme

Objective	Activity	When		
		2023-24	2024-25	2025-26
7.1	Outline a schedule of health, safety & wellbeing regular activities such as meeting attendance, safety observations, interactions, and verification activities			
7.2	Establish targets for tracking effectiveness in implementing ORC's HSW objectives & goals			
7.3	Design a set of performance indicators alongside ELT & HSRs. Align indicators to other Councils where possible			
7.4	Undertake regular reporting and 'deep dive' sessions with ELT and the Audit and Risk Committee			
7.5	Undertake an external audit of our HSW system. Implement system improvements and realign performance indicators where required			

Safe Systems

Core Services

Lone worker system administration – Safety planning assistance – Emergency Preparedness – Contractor H&S Pre-Qualifications – Asbestos Management Plans – Safety Training Coordination – Safety Training Provider Review & Improvement – Safety Equipment Provision & Management – Personal Protective Equipment Advice and Procurement – Hazardous Substance Audits – General Hazard & Risk Management

Goal 8: Establish a safety training competency system				
Objective	Activity	When		
		2023-24	2024-25	2025-26
8.1	Capture the H&S training/ competency for every team in Council			
8.2	Create a training needs analysis in Haumarū for every Council employee			
8.3	Design and implement TNA overview dashboards and reports for people leaders			
8.4	Develop a safety training guideline			
8.5	Design process for regular review of competencies for every team			
Goal 9: Improve hazard & risk management system & incident management				
Objective	Activity	When		
		2023-24	2024-25	2025-26
9.1	Implement bow tie risk analysis for all critical risks			
9.2	Develop a process for reviewing critical controls and undertaking verification activities			
9.3	Work with all teams to develop team specific risk registers (where relevant)			
9.4	Develop a safety planning guideline for events and activities led by ORC staff			
9.5	Redevelop incident reporting process to ensure all work-related incidents, near miss and hazards are reported & managed appropriately			
9.6	Review & embed incident investigations as a key tool in supporting continuous improvement and preventing harm			
Goal 10: Improve existing safety policies, procedures and guidelines				
Objective	Activity	When		
		2023-24	2024-25	2025-26
10.1	Improve contractor management processes <ul style="list-style-type: none"> • Review current contractor H&S processes through the establishment of a working group • Complete pre-qualification of all in-use contractors • Review H&S training for staff overseeing contractors; provide additional training if appropriate 			

	<ul style="list-style-type: none"> Design or select a contractor platform Design tools for inducting and regular review of contractors 			
10.2	Improve lone, remote, and isolated worker policies & practices			
10.3	Review & improve occupational violence and aggression policy & related procedures			
10.4	Review & improve fatigue management policy, procedure and related tools			
10.5	Review & improve first aid guideline			
10.6	Review & improve hazardous substances policy and procedure			
10.7	Review & improve emergency procedures			
10.8	Develop a working around water guideline			
10.9	Review and redevelop HSW Policy Statement			
10.10	Review and improve Hazardous Manual handling policy			
10.11	Review and improve Smoke and Vape Free Policy			
Goal 11: Improve personal protective equipment system				
Objective	Activity	When		
		2023-24	2024-25	2025-26
11.1	Create a matrix for PPE needed for every role in Council			
11.2	Create processes within Haumaru for reviewing the state of PPE			
11.3	Improve personal protective equipment guide			
11.4	Investigate and recommend options for PPE/ uniform online ordering system			
Goal 12: Establish approaches & effective controls to managing new or changing risks				
Objective	Activity	When		
		2023-24	2024-25	2025-26
12.1	Develop and implement a Drug & Alcohol Policy			
12.2	Implement traffic management processes			

Health & Wellbeing

Core Services

Health monitoring coordination – Coordination & management of return to work, stay at work plans – Workstation assessment coordination and action management – Hazardous manual handling management & advice – Delivery of quarterly targeted initiatives – EAP reporting and service delivery.

Goal 13: Establish an occupational health programmes

Objective	Activity	When		
		2023-24	2024-25	2025-26
13.1	Establish a health monitoring programme			

13.2	Establish an occupational-related immunisation programme			
Goal 14: Improve mental health supports				
Objective	Activity	When		
		2023-24	2024-25	2025-26
14.1	Establish a mental health strategy for the organisation			
14.2	Review and implement initiatives and/or programmes identified within the mental health strategy			
14.3	Develop a wellbeing action plan (WAP) template			
14.4	Review employee assistance programme, service providers			
14.5	Add mental health training to regular training programme (mental health for people leaders and for all staff)			
Goal 15: Improve the annual wellbeing programme				
Objective	Activity	When		
		2023-24	2024-25	2025-26
15.1	Design and implement the annual wellbeing survey, analyse, and summarise results.			
15.2	Design and implement an annual wellbeing programme, designed from survey feedback			
15.3	Improve the Tiaki health and wellbeing platform to outline supports in place			
15.4	Investigate health insurance, or other health related supports and make recommendations for consideration as appropriate			
15.5	Implement an organisational travel plan			
15.6	Roll out an organisational-wide trial of sun safety skin checks			
15.7	Develop an injury, illness, and wellbeing support at work procedure			
15.8	Review & improve Wellbeing Policy			

9.2. GOV2411 Deep Dive - People

Prepared for:	Audit and Risk Subcommittee
Report No.	GOV2411
Activity:	Governance Report
Authors:	Mark Olsen, Manager People and Safety Andrea Howard, Manager Executive Advice
Endorsed by:	Amanda Vercoe, General Manager Governance, Culture and Customer
Date:	27 June 2024

PURPOSE

- [1] To facilitate a discussion, or 'deep dive', into Council's management of the *People* strategic risk.

EXECUTIVE SUMMARY

- [2] The attached document provides an overview of the risk environment, and the risk drivers and consequences. It also outlines current risk preventions, existing controls, an assessment of controls and Council's risk improvement plan.

RECOMMENDATION

That the Audit and Risk Subcommittee:

- 1) **Notes** the attached deep dive on Council's 'People' strategic risk.
- 2) **Notes** the attached one page summary of the *People & Culture Strategy 2024 to 2027*.

BACKGROUND

- [3] Risk management is the act of identifying, evaluating, planning for, and then ultimately responding to threats. The goal is to be prepared for what may happen and have a plan in place to respond appropriately.
- [4] Over the past year Council has been working on refreshing its Strategic Risk Register and has begun the process to take a 'deep dive' into each of the 18 strategic risks.
- [5] The Strategic Risk Register provides information to assist Audit & Risk to carry out its oversight of high-level risk management including:
- a. Critiquing the strategic risk profile and considering if the appropriate strategic level risks have been included and correctly described.
 - b. Considering if the assessment of the risks appropriately reflects the strategic risk profile of ORC.
 - c. Ensuring updates to the Risk Register where discussions with management identify these are appropriate.
- [6] A People & Culture Strategy for ORC for the next three years and a 12 month action plan for 2024 was developed in the period from August 2023 to March 2024. The People & Culture Strategy was developed with input from the People & Culture team, General
-

Manager Governance, Culture and Customer and has been refined over the past two months with input from ELT, the Manager Strategy, Senior Advisor Iwi Partnerships and Engagement and Senior Communications Advisor.

- [7] Development of this strategy considered people risks and also risks to achieving the desired outcomes in the strategy.
- [8] The strategy covers all aspects of people and culture at ORC and implementation of the strategy will effectively help to mitigate the risks in relation to People set out in the Strategic Risk Register.

DISCUSSION

- [9] The attached document provides an overview of the risk environment, and the risk drivers and consequences. It also outlines current risk preventions, existing controls, an assessment of controls and the risk improvement plan.
- [10] This overview will allow the Audit & Risk Sub-committee to understand how Council is currently managing the risks in relation to *People* and to facilitate discussion or any changes or improvements that the sub-committee may wish to recommend.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [11] There are no strategic or policy decisions required.

Financial Considerations

- [12] The People & Culture Strategy includes what could be considered an ambitious work programme. Being able to secure the additional 1.0 FTE for a Learning & Development Advisor requested via the Long Term Plan is critical for delivery of intended projects and initiatives to build ORC's capability over the coming years and help to ensure the Council is less dependent on recruiting in people with the required knowledge, skills and experience.

Significance and Engagement

- [13] The People & Culture Strategy includes a clear statement of intent in relation to Bi-cultural practices and diversity, equity and inclusion which includes a commitment to actively collaborate and listen to our staff and partners and recommendations from the Cultural Audit.

Legislative and Risk Considerations

- [14] Together – implementation of the People & Culture Strategy and maintaining core service deliver will ensure ORC meets all relevant requirements from employment legislation.

Climate Change Considerations

- [15] There are no specific climate change considerations.

Communications Considerations

- [16] The People & Culture Strategy will be socialised with managers for input and eventually published on Tiaki for staff to read if they wish. Aside from this there are no communications considerations.

NEXT STEPS

- [17] Any changes made to the risk descriptions, preventions, assessment of controls or risk improvement plan will be captured and implemented.

ATTACHMENTS

1. People & Culture ' Strategy on a Page' [9.2.1 - 1 page]
2. Strategic Risk Deep Dive on People 27 June 2024 (1) [9.2.2 - 2 pages]

Strategic Risk – People

Risk Description: Unable to attract and retain people with the right skills and experience and/or not having the right culture to deliver ORC’s strategic priorities. Inability to ensure workloads don’t adversely impact on staff wellbeing.

Risk Category: Decision Making

Risk Name: People

Executive Sponsor: Chief Executive

Executive Oversight: General Manager, Governance, Culture and Customer

Last Update: May 2024

Assessment	Date	Likelihood	Impact	Inherent risk rating	Likelihood	Impact	Residual risk rating
	May 2024	Likely	Moderate	High	Possible	Moderate	Medium

Risk Environment

External Risk Factors

The labour market is currently favourable for ORC - particularly due to the high volume of redundancies in central government organisations. However there are a range of external risk factors in relation to people including:

- Ongoing external scrutiny of ORC rates, expenditure and activity can detract from employee engagement and wellbeing.
- Legislative reform and uncertainty under the new government can impact on employee wellbeing due to impacts on work programmes.
- The high cost of living e.g. housing, food, fuel etc continues to put pressure on pay rates, staff and their families.
- Low housing availability and affordability in Wanaka and Queenstown is a threat to our ability to retain staff at those locations and can seriously impact on the wellbeing of our people who reside there.
- While the labour market has improved, good people and special skills sets unique to the regional sector have options and will always be in demand e.g. our staff will continually be contacted about external opportunities via Linked In and through their networks.
- Changing expectations of new generations and high expectations of job seekers e.g. flexibility, purpose, quality of leadership, technology, benefits etc place heightened demands on our people leaders and people practices.
- Anxiety and the rate of burnout is rapidly increasing in New Zealand and globally. WorkSafe are soon to publish a guide in relation to managing psychosocial hazards which will provide clearer guidance for this but it remains a risk for our people too if not managed well. .
- The surge in the application of Artificial Intelligence has privacy and security risks but also long-term implications and changes to the work people do in ORC and how they do it.

Internal Risk Factors

- ORC had significant growth from 2020 to 2023, however the organisational structure, systems and processes haven’t kept pace with this. We are now in a period of significant change to address this e.g. the recent ELT restructure and the introduction of multiple new systems. ORC is also preparing for the move to Whare Rūnaka in 2025 which itself has a full programme of initiatives. All this change can be unsettling, overwhelming and creates a risk of initiative overload.
- High workloads in many teams and roles, coupled with restrictions on ORC’s ability to add additional resources creates an ongoing risk in terms of delivery, staff satisfaction and wellbeing.
- ORC doesn’t currently have an HR Information System, which means that many of our people processes are overly manual and inefficient and pose greater risk of human error. In addition to this conservative financial delegations and policy constraints reduce efficiency and disempower front-line people leaders.
- While staff turnover is steadily reducing towards our target range, we still need to be mindful of the risk of losing key people eg people in key leadership positions, high potential employees, high performing employees, people with critical institutional knowledge.
- ORC has a very wide geographical spread and many staff work in different locations to their people leaders. Office space in Central Otago is struggling to meet the demand.

Causes/Consequences

Causes:

With the external risk factors outlined on the left, many of the root causes are outside of ORC’s control. The risk to ORC people occurs where our systems, processes, leadership, communication and culture don’t sufficiently mitigate the risk. For example housing availability and affordability in Wanaka and Queenstown is outside ORC’s control but we can devise actions to support people who live there.

In some cases it can also be not understanding or fully appreciating the magnitude of the issue. For example something we may not have examined before is the information overload issue and what proportion of staff experience this and to what extent? Without fully understanding the issue it is difficult to implement any changes that will lead to sustainable improvement.

Consequences:

The potential consequences relate to:

- Service delivery, productivity and performance
 - ORC’s reputation
- Employee morale, satisfaction and engagement
 - Staff culture
 - Employee wellbeing
 - Staff turnover
- Legal implications such as court appearances and fines impacting on public perception and reputation.

RISK PREVENTIONS	EXISTING CONTROLS	ASSESSMENT OF CONTROLS	RISK IMPROVEMENT PLAN
Monitoring of staff vacancies and resourcing relative to work programmes	<p>Monitor vacancies to determine whether work programmes are at risk due to vacancies.</p> <p>Managers engaging temporary staff, contractors / consultants to back-fill gaps and/or provide additional capacity</p>	Partially effective	<p>Via regular People & Capability meetings with each Tier 3 manager, we are actively monitoring staffing levels and partnering with managers in relation to potential solutions.</p> <p>Conducting workforce planning to forecast future staffing and skill requirements and identifying where and how this expertise will be obtained and developed</p>
Understanding and addressing factors which impact on employee engagement and retention.	<p>Identifying retention issues and developing solutions.</p> <p>Understanding 'mood' via employee engagement survey.</p> <p>Exit surveys and interviews to understand why people leave</p> <p>Regular engagement with the Public Services Association.</p>	Partially effective	<p>We are implementing CultureAmp for our annual employee surveys, which will provide advanced analytics and equip people leaders with tools to act on the results and allow us to survey and collect data easier and more efficiently throughout the employee lifecycle eg onboarding, wellbeing surveys, pulse surveys and exit surveys.</p> <p>Staff benefits review to ensure our terms and conditions are competitive within the market.</p>
Ensuring ORC job vacancies are advertised in an accurate manner using appropriate channels.	<p>Targeting appropriate markets/people with advertisements and position descriptions that correctly reflect the skills and experience required. Maintain immigration accreditation.</p>	Partially effective	<p>We are broadening our recruitment approach to consider other forms of advertising eg direct marketing and improved use of social media.</p> <p>We are reviewing and updating our recruitment policy and process to ensure it is effective.</p>
Monitoring and supporting employee wellbeing e.g. the Fit for Future Wellbeing programme; weekly or fortnightly 1:1 catch ups	<p>Day to day support from people leaders</p> <p>Escalation of concerns via appropriate channels (people leader, H&S Rep etc)</p> <p>EAP and other support</p>	Partially effective	<p>Development of the Mental Health Strategy and supporting initiatives over the next two years.</p>
People strategy / annual work plans to continuously improve HR practices and impact	<p>HR work programme of various projects and initiatives alongside core service delivery</p>	Effective	<p>Implementation of the People & Culture Strategy (2024 to 2027) and 12 month action plans, reviewing and reporting on progress at regular intervals.</p> <p>Reviewing key risks at regular intervals</p>
Supporting employee professional development including leadership development	<p>Structured support for professional development via individual performance plans</p>	Partially effective	<p>Develop and operationalise the Learning & Development Framework to systematically build capability – now and for / in the future.</p>
Intentionally fostering a positive and inclusive culture	<p>Existing employee values embedded into HR documents and processes</p> <p>Annual all staff day, led by CE</p> <p>Weekly CE updates to all staff</p> <p>Staff awards programme based on values</p> <p>Intranet to support staff connection and collaboration</p> <p>Social Club</p>	Partially effective	<p>Implementation and embedding of new ORC values across the organisation.</p> <p>Further projects and initiatives to continue to develop a positive and inclusive culture, as defined in the People & Culture strategy.</p>

9.3. GOV2410 Strategic Risk Deep Dive - External Change

Prepared for:	Audit and Risk Subcommittee
Report No.	A&R2303
Activity:	Governance Report
Authors:	Marianna Brook, Principal Advisor Mayoral Forum and Local Government Reform; Andrea Howard, Manager Executive Advice
Endorsed by:	Amanda Vercoe, General Manager Governance, Culture and Customer
Date:	27 June 2024

PURPOSE

- [1] To facilitate a discussion, or 'deep dive', into Council's management of the External Change strategic risk.

EXECUTIVE SUMMARY

- [2] The attached document provides an overview of the risk environment, and the risk drivers and consequences. It also outlines current risk preventions, existing controls, an assessment of controls and Council's risk improvement plan.

RECOMMENDATION

That the Audit and Risk Subcommittee:

1. **Notes the attached deep dive on Councils 'External Change' strategic risk.**

BACKGROUND

- [3] Risk management is the act of identifying, evaluating, planning for, and then ultimately responding to threats. The goal is to be prepared for what may happen and have a plan in place to respond appropriately.
- [4] Over the past year Council has been working on refreshing its Strategic Risk Register and has begun the process to take a 'deep dive' into each of the 18 strategic risks.
- [5] The Strategic Risk Register provides information to assist Audit & Risk to carry out its oversight of high-level risk management including:
- a. Critiquing the strategic risk profile and considering if the appropriate strategic level risks have been included and correctly described.
 - b. Considering if the assessment of the risks appropriately reflects the strategic risk profile of ORC.
 - c. Ensuring updates to the Risk Register where discussions with management identify these are appropriate.

- [6] The External Change risk relates to uncertainties created by Central Government reform and the change of Government. ORC's operations will always be subject to policy and legislative change, and change under the Coalition Government is no exception.

DISCUSSION

- [7] The attached document provides an overview of the risk environment, and the risk drivers and consequences. It also outlines current risk preventions, existing controls, an assessment of controls and the risk improvement plan.
- [8] This overview will allow the Audit & Risk Sub-committee to understand how Council is currently managing the risks posed by external change and to facilitate discussion or any changes or improvements that the sub-committee may wish to recommend.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [9] There are no strategic or policy decisions required, although the deep dive text presents effective strategy as a mitigator for ongoing change.

Financial Considerations

- [10] There are no financial considerations.

Significance and Engagement Considerations

- [11] There are no significance or engagement considerations.

Legislative and Considerations

- [12] There are no legislative considerations.

Climate Change Considerations

- [13] There are no specific climate change considerations, although central government policy is a significant determiner of ORC's role and opportunities with regards to climate change.

Communications Considerations

- [14] There are no communications considerations.

NEXT STEPS

- [15] Any changes made to the risk descriptions, preventions, assessment of controls or risk improvement plan will be captured and implemented.

ATTACHMENTS

1. Strategic Risk External change May 2024 (1) [9.3.1 - 2 pages]

Strategic Risk – External Change

Risk Description: Uncertainties created by Central Government reform and change of government.

Risk Category: Process

Risk Name: External Change

Executive Sponsor: Chief Executive

Executive Oversight: General Manager, Governance, Culture and Customer

Last Update: May 2024

Assessment	Date	Consequence	Likelihood	Inherent risk rating	Consequence	Likelihood	Residual risk rating
	May 2024	Major	Likely	High	Major	Likely	High

Risk Environment
<p>The coalition Government is driving policy and legislation change across a wide range of areas with implications for ORC's interests and how the organisation operates. This follows a period of significant change led by the previous Government.</p> <p>ORC's operations will always be subject to change directed by central government. Local government operates under statute and the Local Government Act 2002 anticipates that roles, powers, functions and duties will be assigned under other Acts of Parliament from time to time.</p> <p>Major areas of change affecting ORC include reform of the resource management system and key elements of the national planning framework including freshwater, and de-prioritisation of public transport in the Government Policy Statement for land transport. We can discuss the challenge of managing external change independent of any view as to whether the changes are positive or negative.</p> <p>Government policy change has a particular impact on ORC's ability to develop, introduce and implement long term regional plans, policies and rules.</p>

Causes/Consequences
<p>Constant external change creates an uncertain internal environment and brings continual new expectations and requirements for communities.</p> <p>Consequences include overwhelm and fatigue, as the promise of significant change has been constant for a number of years.</p> <p>Another impact is frustration due to unnecessary effort. This applies to staff and others working to anticipate changes which do not eventuate, as well as those putting in effort to implement regulations which subsequently change or are repealed.</p> <p>A possible end point for these circumstances is that regulatory obligations may not be met.</p>

RISK PREVENTIONS	EXISTING CONTROLS	ASSESSMENT OF CONTROLS	RISK IMPROVEMENT PLAN
<p>ORC has developed a Government Policy and Legislation Monitor to keep track of policy change. This is revised version of the 'Local Government Reform Overview' which was prepared and circulated throughout 2023. The Monitor covers all policy with implications for ORC's interests and how the organisation will operate and is organised around four areas: environment, transport and infrastructure, water, and te Tiriti/te ao Māori. It is updated continuously and circulated monthly.</p>	<p>Government Policy and Legislation Monitor</p>	<p>Partially effective</p>	<p>Maintain and update policy and legislation monitoring approach as needed.</p>
<p>ORC's membership of and participation in cross-council forums and sector organisations provides participants with briefings and guidance, analysis, online engagement, and opportunities to take part in discussion – all valuable for making sense of rapid change. ORC is an active member of Te Uru Kahika, Taituarā, LGNZ, the Otago CE Forum and Otago Mayoral Forum, Te Rōpū Taiao Otago and Southland, among others, many of which is associated with working groups and 'special interest groups' (SIGs). Some of these groups provide opportunities to influence policy development at its early stages, which can help to address issues before they arise. On occasion, ORC staff also participate in advisory groups facilitated directly by government departments.</p>	<p>Membership and participation in: Te Uru Kahika Taituarā LGNZ Otago CE Forum Otago Mayoral Forum Te Rōpū Taiao Otago Te Rōpū Taiao Southland Government advisory groups</p>	<p>Partially effective</p>	<p>Prioritise involvement in sector, cross-council and central government activities where possible to influence policy development and support responses to change.</p>
<p>Workshops and the process of writing and reviewing submissions leads to deeper understanding of a policy process. ORC's submissions also help to inform stakeholders of key considerations and issues associated with a proposed change. The submission process also creates a point of connection with other councils and sector organisations (including Te Uru Kahika and Taituarā as above).</p>	<p>Council workshops Submissions, led by the Submissions Working Group</p>	<p>Partially effective</p>	<p>Continue to respond to select committee processes where relevant and of interest.</p>

RISK PREVENTIONS	EXISTING CONTROLS	ASSESSMENT OF CONTROLS	RISK IMPROVEMENT PLAN
<p>Proactive and targeted communications are further mitigations for external change, especially to reduce the impact on stakeholders. ORC has a wide range of communications channels, including newsletters focussed on specific policies. An example is the monthly newsletter for stakeholders with an interest in Freshwater Farm Plans. This newsletter proved valuable recently when staff were able to quickly and directly provide information in response to an announcement from Government.</p>	<p>Various communications tools and channels</p>	<p>Partially effective</p>	<p>Continue to make use of opportunities to share relevant and targeted information on policy change with stakeholders and the communities.</p>
<p>Through ORC's Strategic Directions, Councillors have identified the organisation's focus areas and goals for the next 10 years. An effective strategy means that the organisation's response to change occurs within an agreed direction and mitigates the risk of short-term, reactive approaches.</p> <p>ORC's Strategy Team will be supporting the implementation, monitoring and review of the Strategic Directions across the organisation. The team has grown and strengthened in recent months, and currently comprises 3 FTE plus one consultant.</p> <p>In addition to the Strategic Directions, the Strategy Team has identified over 17 strategies across the organisation, and will, over time, work with the owners of those strategies to ensure that these align with the overall direction, are visible and effective.</p>	<p>ORC's Strategic Directions Strategy Team</p> <p>Detailed strategies, including Biodiversity Strategy, Biosecurity Strategy, Air Quality Strategy, draft Strategic Climate Action Plan, river management strategies, natural hazards place-based strategies etc.</p>	<p>Partially effective</p>	<p>Continue to implement ORC's Strategic Directions, so that they are visible and assist with decision making.</p> <p>Revisit and align existing strategies and ORC work programmes.</p> <p>Continue to develop high-quality and effective new strategies as directed by Council. Strategies currently under development include the Strategic Climate Action Plan, revised Biodiversity Strategy and revised Air Quality Strategy.</p>

9.4. CS2414 Annual Report Timetable and Matters Under Consideration

Prepared for:	Audit and Risk Subcommittee
Report No.	CS2414
Activity:	Governance Report
Author:	Sarah Munro, Finance Manager - Reporting
Endorsed by:	Nick Donnelly, General Manager Corporate Services
Date:	27 June 2024

PURPOSE

- [1] The purpose of this report is to outline the adoption timetable and changes in the accounting standards for Council's Annual Report and Financial Statements for the year ending 30 June 2024.

EXECUTIVE SUMMARY

- [2] This report details the Annual Report timetable. The Annual Report will be presented to the Audit and Risk Subcommittee on 26 September 2024. The Annual Report will include Council and Group audited Financial Statements.
- [3] The Annual Report will be presented to Council on 23 October 2024 for adoption.
- [4] This report also outlines key changes to financial statement accounting standards that are applicable to Council. It is anticipated that there will be no significant impact to the Council financial statements as a result of these accounting standard changes.

RECOMMENDATION

That the Subcommittee:

- 1) **Notes this report.**

BACKGROUND

- [5] The Local Government Act 2002 requires local authorities to prepare and adopt by resolution an Annual Report comparing the actual activities and the actual performance of the local authority with the intended activities and level of performance as set out in the Long-Term Plan and Annual Plan. The statutory requirement is that the Annual Report must be adopted within four months of the end of the financial year (30 June), this year being 31 October 2024.
- [6] The Annual Report includes financial statements for the year ended 30 June 2024. Council financial statements show both of the Council and the Council Group. Council is the sole shareholder of Port Otago Limited and accordingly the Council and Port Otago Limited are regarded as a group for financial reporting purposes.

- [7] Council financial statements are audited by Deloitte on behalf of the Office of the Auditor General.

TIMETABLE

- [8] The Annual Report will be presented to the Audit and Risk subcommittee on 26 September 2024 for review and will include audited Council Financial Statements and audited Group Financial Statements.
- [9] Port Otago Limited is audited by Ernst & Young.
- [10] The final Annual Report will be presented to Council at the 23 October 2024 Council meeting for adoption.

CHANGES TO FINANCIAL STATEMENT ACCOUNTING STANDARDS

- [11] Council financial statements are prepared using Public Benefit Entity International Accounting Statements (PBE IPSAS). The table below shows the PBE IPSAS:

Standard	Change	Impact on Council
PBE IPSAS 41 Financial Instruments	This PBE Standard establishes new requirements for the recognition, measurement, presentation, and disclosure of financial assets and financial liabilities.	Council early adopted this standard in the 2023 financial year.
PBE IPSAS 1 Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)	<p>The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services.</p> <p>The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm.</p>	<p>It is not expected that there will be a large change for Council.</p> <p>Council is required to disclose the fee for the audit of the financial statements and each type of other service performed by Council's auditor Deloitte into the following categories:</p> <ul style="list-style-type: none"> - Audit - Other assurance services - Taxation services - Other services

GROUP

- [12] Port Otago Limited (POL) is a for profit entity and required to prepare financial statements using New Zealand Equivalent to the International Accounting Statement (NZ IFRS), a different accounting basis to the Council financial statements which are prepared using PBE IPSAS.
- [13] During the Council consolidation, POL financial information is recalculated from NZ IFRS to PBE IPSAS accounting standards. During the current year there have not been any changes in NZ IFRS standards which would require additional adjustments.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[14] There are no strategic framework and policy considerations.

Financial Considerations

[15] There are no financial considerations.

Significance and Engagement Considerations

[16] There are no significant and engagement considerations.

Legislative and Risk Considerations

[17] There are no legislative and risk considerations.

[18] There are no climate change considerations.

Climate Change Considerations

[19] There are no climate change considerations.

Communications Considerations

[20] There are no communication considerations.

ATTACHMENTS

Nil

9.5. CS2406 Legislative Compliance

Prepared for:	Audit and Risk Subcommittee
Report No.	CS2406 Legislative Compliance
Activity:	Governance Report
Author:	Janet Ashcroft, Legal Counsel
Endorsed by:	Nick Donnelly, General Manager Corporate Services and CFO
Date:	27 June 2024

PURPOSE

- [1] To receive Council's six-monthly legislative compliance report:
- ComplyWith survey – measuring Council's lawfulness;
 - Local Government and Official Information and Meetings Act 1987 (LGOIMA) compliance; and
 - Protected Disclosures (Protection of Whistleblowers) Act 2022.

EXECUTIVE SUMMARY

- [2] Council as a creature of statute, derives its functions, duties, and responsibilities from a range of Acts, Regulations, and other legislative instruments. Council must be compliant with the law. To establish this, we periodically review and report on our performance against Council's legislative framework to ensure ongoing compliance.
- [3] This report provides an overview of Council's legislative compliance and establishes how Council is operating lawfully.

RECOMMENDATION

That the Audit and Risk Subcommittee:

- 1) **Notes this report.**

A. ComplyWith Survey

ComplyWith: Background

- [4] A legislative compliance framework is required to reduce the risk of consequences for the Council, such as:
- Loss of reputation
 - Loss of accreditation
 - Civil and criminal proceedings
 - Investigation and censure from monitoring bodies (e.g., Ombudsman (LGOIMA and Protected Disclosures), Privacy Commissioner, Auditor General, Minister of Local Government, Minister for the Environment).
- [5] Since 2022 Council has used ComplyWith to understand what the law requires of us. ComplyWith provides an effective process of identifying and tracking legal risks across our organisation, it is used as evidence that we are taking reasonable steps to manage legal compliance risk and to exercise due diligence.

- [6] ComplyWith creates an 'Obligations Register' by mapping and allocating legislative obligations to staff roles from team leaders and above. It enables staff to remain current with their legal compliance obligations and any relevant legislative changes. The Obligations Register sets out compliance content for each role at Council and outlines key legislation and regulations that apply. The content is updated by ComplyWith, usually within a week of law changes taking effect which ensures that our obligations are up to date and fit for purpose.
- [7] The Legal Team provides an overview of ComplyWith as part of its induction training for new starters at Council and provides training and on-going refresher training for staff with obligations. With the changes to the Executive Leadership Team and Directorate Structure that take effect on 1 July 2024 there will be significant changes to mapped obligations and training on changed obligations will be delivered to all impacted staff.
- [8] ComplyWith Surveys are utilised twice yearly to identify areas where improvement or action is required by providing a snapshot of Council's current position. The first ComplyWith survey was undertaken in August 2022, the second in April 2023 and the third in October 2023. By reviewing survey results we highlight areas where improvement or action is required.

ComplyWith: Previous Survey Results 24 April to 24 October 2023 - Follow up

- [9] The two key takeouts from the last survey (24 April 2023 to 24 October 2023) were:
- i. 138 questions (over eight staff) were not completed. These have all since been addressed. The Legal Team met with three staff and worked through their collective 105 questions, another member of staff who had 13 unanswered questions was at ORC in an interim capacity has since left and their obligations re-allocated, the remaining 20 unanswered obligations have similarly been resolved by follow up work and reallocations.
 - ii. 104 requests for obligations to be re-allocated to another staff member. These requests have all been considered and resolved.
- [10] The concern that these 242 un-answered obligation questions raised have now been addressed.

ComplyWith: Survey Results 25 October 2023 to 21 April 2024

- [11] Attached is a copy of the most recent ComplyWith Survey Report for the period 25 October 2023 to 22 April 2024.
- [12] The surveyed considered 920 unique obligations across 40 staff and a total of 1,401 responses.
- [13] The results demonstrate a high level of legislative compliance of **98.6%**: of the 1,401 obligations answered; 22 responses showed partial compliance and three non-compliance and of those 25, five have since been resolved and 17 have action plans in place.
- [14] The current survey results are reflective of the wrap around support the Legal Team has established and communications from our Chief Executive and Executive Leadership Team to staff. Collaboration between the Legal and the Health & Safety Teams has resulted in clear communications around persistent requests to reallocate H&S

obligations from Managers who are responsible for lone workers and remote assets (those outside of regional offices) and enabled the identification of three 'new' ACC obligations.

- [15] Next steps:
- i. The ComplyWith Survey Report will be published on Tiaki.
 - ii. Obligation re-mapping for the new Executive Leadership Team and Directorate Structure post 1 July 2024.
 - iii. Training on changed obligations to be delivered and available to all impacted staff by the Legal Team.
 - iv. Reallocations and obligations arising from the mapping and training will be reviewed as part of the ongoing process.
 - v. General Managers and Managers will review their team's ComplyWith results with their team/s to better understand why surveyed obligation questions were answered the way they were, were not answered or re-allocations requested.
 - vi. General Managers and Managers will actively manage their staff compliances; their corrective actions and action plans.
 - vii. The Legal Team will follow up overdue non-compliances and escalate where appropriate to achieve compliance now, and to manage future risks.
 - viii. The Legal Team will begin a Directorate-by-Directorate audit of 'Did Not Arise' responses to assess why staff answered their questions in that way;- 'are our statutory obligations really not arising?' and as part of a continual improvement process will be encouraging participants to collect examples and upload documents confirming compliance with the obligations as they arise, between surveys – as example/evidence for later use when we are next in survey.

B. Local Government and Official Information and Meetings Act 1987 (LGOIMA) compliance

- [16] Official Information should be made available unless one or more of the LGOIMA grounds for withholding apply.
- [17] As well as providing LGOIMA advice to Council about whether there are grounds for papers or reports to Council to be withheld and/or for Council meetings to be held in public-excluded, the Legal Team manages and responds to LGOIMA requests and complaints.
- [18] Attached is a table of the LGOIMA 163 requests received for the year to date/the eleven months from 1 July 2023 to 31 May 2024. Personal information has been redacted from the table. All LGOIMA requests were responded to within the statutory deadlines, seven of these after an extension of time. A breakdown of requests by subject matter is 22 Consents; 19 Transport; and 18 Compliance. The remaining requests are general in nature.
- [19] The busiest months (for requests) were September and May, and the quietest was January. The Otago Daily Times made the most requests – eight.

LGOIMA: Complaints

- [20] Two historic complaints that the Ombudsman was investigating have been concluded:
- i. Complaint in 2021 from then Cr Marion Hobbs that the ORC response to her request for *any emails received or sent by ORC Councillors, from any email address, on ORC business on any Resource Management Act matter relating to the Manuherikia River between 1 June 2021 and September 2021* was incomplete. On 14 December 2023, the Ombudsman advised that Ms Hobbs had withdrawn her complaint. The Ombudsman made observations around reasonable steps and best practices that should be followed in circumstances such as this in the future.
 - ii. Complaint in 2022 from Hamish McNeilly – Stuff that we refused a request for minutes of public-excluded meeting. This complaint was dismissed by the Ombudsman.

[21] We have no current complaints under investigation; the most recent six-monthly report from the Ombudsman (for the period 1 July 2023 to 31 December 2023) showed that no new complaints had been made.

C. Protected Disclosures (Protection of Whistleblowers) Act 2022

[22] Since May 2020 Council has retained Incident Response Solutions to provide a whistleblowing and protected disclosure service. Our process for this is outlined in our internal Protected Disclosures (Whistleblower) Policy.

[23] To make this protection as accessible and available as possible both are being provided for in link on Tiaki (our intranet): [Tiaki | Working Here | Legal | Protected Disclosures](#). Attached is an outline of the information to be provided there.

[24] To date there have been no incidents of whistleblowers at Council.

CONCLUSION

[25] This report provides a comprehensive update to the Audit and Risk Subcommittee on Council's legislative compliance risk.

CONSIDERATIONS

Strategic Framework and Policy Considerations

[26] There are no policy considerations arising from this report.

Financial Considerations

[27] There are no financial implications associated with this report.

Significance and Engagement Considerations

[28] No matters in this report trigger the Council's significance policy or require additional or specific consultation.

Legislative and Risk Considerations

[29] It is important that Council has an appropriate system in place to identify areas of risk of non-legislative compliance so that these can be addressed before there are issues.

Climate Change Considerations

[30] There are no climate change considerations associated with this report.

Communications Considerations

[31] There are no communication considerations associated with this report.

ATTACHMENTS

1. Comply With Survey Report 22.04.2024 [9.5.1 - 11 pages]
2. LGOIMA Table Redacted [9.5.2 - 4 pages]
3. Protected Disclosures [9.5.3 - 1 page]



Legal Compliance (25 Oct 2023 - 22 Apr 2024)



Author:
Janet Ashcroft, Legal Counsel

To:
Audit & Risk Subcommittee,
and Executive Leadership
Team

Purpose:
Reporting on our legislative
compliance

Date:
22 Apr 2024

Period covered 25 Oct 2023 - 22 Apr 2024	People finished 40/40	Responses completed 1401/1401	Unique obligations 920
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Introduction

ComplyWith is used by Otago Regional Council to demonstrate its legislative compliance.

ComplyWith is used by more than 170 organisations including most of the regulators across Aotearoa New Zealand. The Obligations Register outlines our key responsibilities, maps obligations to staff across ORC, provides law change alerts which keeps obligations up to date and the surveys allow us to measure compliance; to give assurance and help identify legal compliance risks.

This report gives a summary of the key results of our six-monthly compliance survey.

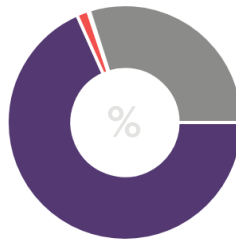
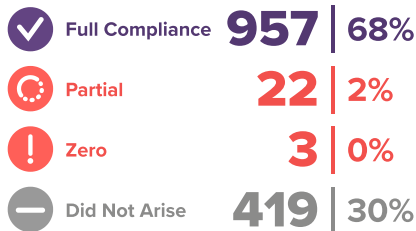
Summary

A 100% completion rate was achieved in the survey. This is the first survey to achieve a full response. This is a positive result and indicates the ComplyWith platform has become an integral and accepted tool to support risk management at ORC.

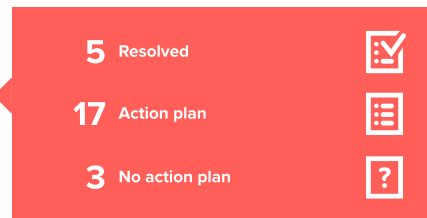
The survey results demonstrate a high level of compliance. Of the 25 non-compliances; 22 are partial-compliances and 3 were non-compliances. Partial-compliances and non-compliances, that have not been resolved, are tracked as Corrective Actions within ComplyWith.

The Legal Team is actioning a complete review and follow-up of the 33 older overdue Corrective Actions.

Results:



Status of corrective actions:



Re-Allocations

- 40 responses requested that the obligations be re-allocated. This number is significantly lower than the 104 requests for re-allocations in the previous survey.
- This indicates (1) that adjustments and realignments the Legal Team made to staff obligations prior to this survey were correct; and (2) that staff now have a greater understanding of why they hold the obligations they do, and (3) that as the remaining re-allocation requests relate mainly to Health & Safety obligations, there is still more work to be done in that area.
- The Legal Team is working with our H&S Team to confirm obligations are correctly mapped and to provide more effective and targeted training in the ComplyWith H&S space to ensure staff understand the need for joint H&S obligations between several obligation holders; for example - in spaces such as maintenance of remote building structures and oversight of lone workers.

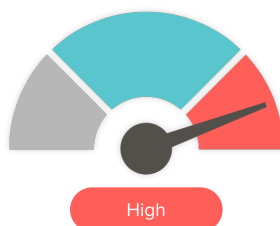
Law Changes since October 2023

5/10/2023: The **Resource Management (Stock Exclusion) Regulations 2020** were amended to provide an exception from the 3-metre setback rule, to change the definition of low slope land; and exempt the **Upper Taieri Scroll Plain in Otago** from the requirement to exclude beef cattle and deer from lakes and wide rivers on low slope land and to exclude all stock from natural wetlands.

3/11/2023: Provisions in the Resource Management (**National Environmental Standards (NES) for Commercial Forestry**) Amendment Regulations 2023 came into force resulting in key changes to the Resource Management (**NES for Plantation Forestry**) Regulations 2017 by expanding its application to include exotic continuous-cover forests; and giving Councils greater control over commercial forestry, and introduced clear rules on harvesting practices and new requirements to remove slash from erosion-prone land.

11/12/2023: Local Electoral Act 2001 and Local Electoral Regulations 2001 Amended to provide that the Registrar of Electors will make a determination about whether a special voter with a residential address in the local government area qualifies to cast a **special vote** where updated information wasn't received.

Impact of law changes on Otago Regional Council



There have been significant changes impacting on ORC in the last 6 months.

15/12/2023: Land Transport Act 1998 and Land Transport Management Act 2003 amended to provide that Regional Councils no longer need to assist with preparing speed management plans (but can if they choose to) and that Regional Transport Committees no longer need to prepare **speed management plans** (but can if they choose to). That deadlines for preparing, changing, and replacing speed management plans are now set by the Minister of Transport (not the Transport Agency), that existing deadlines set by the Transport Agency no longer have effect.

23/12/2023: The Employment Relations Act 2000 was amended to allow employers with 20 or more employees to include a **90-day trial period** in a new employment agreement.

23/12/2023: **Repeal of the Spatial Planning Act 2023** (SPA) resulting in the changes to the Local Government Act 2002 which include removal of the requirements for public engagement on matters in a regional spatial strategy under the SPA. Long-Term Plans (LTP) and Annual Reports no longer have to set out the steps to implement or progress key actions for which a council is a lead under the SPA (or the steps intended but not taken, and the reasons why).

23/12/2023: **Repeal of the Natural and Built Environment Act 2023** (NBEA) resulting in the reversal of most of the changes made to the Resource Management Act 1991. Despite this, the **fast-track consenting** process in the NBEA is treated as continuing in force.

23/12/2023 Following the repeal of the NBEA the maximum penalty for not complying with the Resource Management (**NES for Assessing and Managing Contaminants in Soil to Protect Human Health**) Regulations 2011 reverted back to a \$300,000 fine or 2 years in prison for individuals, a \$600,000 fine for corporations, and a \$10,000 a day fine for continuing offences.

1/01/2024: Climate Change Response Act 2002 and Climate Change (Unit Register) Regulations 2008: Schedule 4 activities were expanded to include **standard and permanent forestry removal activities** on post-1989 forest land subject to a forest sink covenant.

1/02/2024: The requirements for **Freshwater Farm Plans** in Part 9A of the Resource Management Act 1991 now apply to specified areas in the Otago and West Coast regions.

17/02/2024: **Repeal of the Three Waters reform**, and with it the requirement to exclude water services content from Long-Term Planning (LTP) or to modify LTP content or process during the establishment period for water services entities.

17/02/2024: **Stormwater Environmental Performance Standards** (SWEPS): Grounds for resource consents, as well as applications were expanded to include conditions and requirements directly connected to a SWEPS. [As at 17/02/2024, there are no SWEPS]

17/02/2024: The **definition of water-related infrastructure** in the Urban Development Act 2020 was amended to infrastructure associated with, or necessary for three waters services, the supply of water through water races, and/or drainage and rivers clearance.

Overview of responses from our Survey

Health and Safety

Health and Safety at Work Act 2015, General Risk Regulations 2016, and Worker Engagement Regulations 2016

- **A workplace, the means of entering and exiting the workplace, the fixtures, fittings, or plant at the workplace, and anything arising from the workplace must be free of risks to the health and safety of any person (including mental health risks), so far as is reasonably practicable. ss 37 and 38 HSW Act**
 - Issues arising due to other building tenants at (PLH/multi-tenanted sites). When one site locks down/publicly closes ORC is not informed, meaning that ORC can be exposed to levels of risk.
 - We were using a printer that was too heavy and resulted in a back injury. This is being resolved with IT sourcing a more portable printer for use by the team.
- **An officer must take reasonable steps to make sure that the organisation has available for use, and uses, appropriate resources and processes to eliminate or minimise risks to health and safety from work it carries out (including risks to mental health).s 44(4)(c) HSW Act**
 - Staff shortages and managing wellbeing has a flow on effect to others in the team. Issues around workload/capacity being managed but not optimal.
- **The health and safety risks associated with remote or isolated work (including mental health risks) must be managed in line with the prescribed risk management process. To minimise risks, a system of work that includes effective communication with the worker must be provided. reg 21 HSW (General Risk and Workplace Management) Regulations**
 - gaps in current approach.

Transport

Land Transport Act 1998

- **The organisation must establish and maintain processes for Māori to contribute to the preparation of the regional or State highway speed management plan (as applicable) and consider the ways in which Māori capacity to contribute to plan preparation can be developed. Relevant information must be provided to Māori for these purposes.cl 3.10 Land Transport Rule: Setting of Speed Limits 2022**
 - This is a work in progress which will be better developed through the review of the Regional Public Transport Plan.

Finance

Rating Valuations Act 1998 and Regulations

Within 31 days of the end of each year, council must notify the Valuer-General in writing of the number of rating units within its boundaries and on the district valuation rolls of constituent territorial authorities at the end of the year. The regional council charges must be paid to the Valuer-General each quarter (and any additional audit charges paid within 30 days). s 52(3)(b) Rating Valuations Act and regs 8-12 Rating Valuations (Local Authority Charges) Regulations

- Valuation charges are Paid to TLA in line with legislation

Construction Contracts Act 2002

- **Retention money must be held on trust in a compliant bank account unless a complying financial instrument is obtained, and retention money (and interest) must be used or dealt with only as permitted or required (unless the retention money requirements for construction contracts entered before 5 October 2023 apply). ss 18A-18FB and 18G Construction Contracts Act**
 - Our retention amounts are small. We have not been holding retention money in a separate bank account however this will be done if required.
- **A retention money report that includes the required information must be provided to the payee as soon as practicable after an amount becomes retention money and at least once every 3 months until the retention money trust ends. s 18FD Construction Contracts Act**
 - We were unaware that this was required. Steps will be taken with guidance from the legal Team to ensure compliance

Unclaimed Money Act 1971

- **Reasonable efforts must be made to locate the owner of money that is (or will soon become) unclaimed money and to communicate with them about the money. Unclaimed money must be paid to Inland Revenue, and Inland Revenue given the required information about the owner and the money, within 1 month and 20 days from the end of the quarter in which the money became unclaimed. ss 5B, 8 and 10 Unclaimed Money Act impacts and how they were resolved or what's being planned to resolve them**
 - We have been actively trying to find the owner/s of unclaimed money to confirm it is 'unclaimed money'. A payment to the IRD will be done before 30 June 2024 for unclaimed money held.

Employment

Children's Act 2014

- **A safety check must be completed before a person is employed or engaged as a children's worker, and must have been completed for all existing children's workers. Safety checks must be completed in line with the Children's (Requirements for Safety Checks of Children's Workers) Regulations. ss 25-26 and 31 Children's Act and Children's (Requirements for Safety Checks of Children's Workers) Regulations**
 - We have hired two staff for the EnviroSchools team in recent months who this obligation would relate to - one check has been completed and the other is still to be completed.

Managing information

Local Government Official Information Meetings Act 1987 (LGOIMA)

- **You and your team must deal with official information requests in line with the procedures and time limits in LGOIMA. Official information must be made available when requested unless there is good reason under the Act to withhold it. Parts 1-4 LGOIMA**
 - A few responses (<5) to natural hazards enquiries were sent after the time limit (20 working days).
- **Agendas and the associated reports must be made publicly available as required by section 46A LGOIMA**
 - It is acknowledged that putting agendas up at 9am on a Monday before a Wednesday Council or Committee meeting may not meet the test for two working days and instead it should be 12am.

Public Records Act 2005

- **Full and accurate records of the organisation's affairs must be created and maintained (including matters contracted to an independent contractor). Protected records must be kept in an accessible form until disposal is authorised. s 17 PR Act**
 - Staff continue to create and save documents outside of Taiki in SharePoint. These documents don't meet our record keeping requirements. This is being addressed in coming months, as we work to get documents migrated.
- **A local authority record that is no longer in current use or is 25 years old (a local authority archive) must be classified as open access or restricted access. ss 45 and 46 PR Act**
 - Most of our earlier records have been classified, though there may be pockets of records that will need to be reviewed
- **Standards issued by the Chief Archivist must be complied with. ss 27 and 28 Public Records Act**
 - we are working towards meeting these requirements, but may have some outstanding issues, which will be addressed as time allows over the upcoming months.

Environment

Resource Management Act 1991: Regional Plans

- **There must always be a regional coastal plan and council must consider preparing or changing a regional plan in certain circumstances. A plan (or proposed plan) must be changed to give effect to the Regional Policy Statement (RPS), and prepared or changed if directed by the Minister. ss 64(1), 65(1A), (3)-(4) and (6)-(7) RM Act**
 - The Regional Coastal Plan was made prior to the NZ Coastal Policy Statement coming into force and as such does not give effect to the NZCPS.
- **A Regional Plan (RP) must be prepared and changed in the way set out in Schedule 1 in line with and having regard to the required matters (except if part of the plan relates to objectives that give effect to the National Policy Statement for freshwater management, that part must follow the freshwater planning process). The plan must give effect to national planning documents and the RPS, be consistent with other RPs and water conservation orders, and include the required information. ss 2AC, 64(1) and (2), 65(2) and (5), 66-67 and 80A RM Act and reg 16 Resource Management (Marine Pollution) Regulations"**
 - The current suite of Regional Plans do not give full effect to national planning documents, and do not yet give effect to the regional policy statement.
- **Resource Management Act 1991: Ambient air quality standards: If the ambient air quality standard for a contaminant is likely to be breached in an airshed, the airshed must be monitored for that contaminant. reg 15 Resource Management (National Environmental Standards for Air Quality) Regulations "**
 - Air Quality network is still to be expanded.

Wildlife Act 1953

- **Protected wildlife must only be caught, held, transferred, released, exported, or killed if authorised by DOC (unless an exception applies) and any authorisation conditions complied with. Absolutely protected wildlife (or parts or eggs) must be transported in a container that is plainly marked on the outside with the required information. ss 56 and 62-63A Wildlife Act"**
 - One staff member transported a penguin from Penguin rescue to Dunedin Wildlife Hospital from Moeraki in a box. This may not be compliant.

Climate Change Response Act 2002 and Climate Change (Unit Register) Regulations 2008

- **If an account holder is no longer a qualified person, they must apply to close the account, and if the primary representative is no longer a qualified person, the primary representative must be changed (or removed, if the account holder is an individual). reg 21 Climate Change (Unit Register) Regulations**
 - The Finance team does not have a qualified person on the climate change register and will investigate closing the account.

Biosecurity Act 1993, Regulations, and National Bovine TB Pest Management Plan

Organisms that contain, or may contain, pests or unwanted organisms must not be sold, exhibited, or offered for sale, and the pest or unwanted organism must not be multiplied (unless permitted by a chief technical officer). s 53 Biosecurity Act

- Individuals are selling pest species such as Pinus mugo on Facebook marketplace

Communications

New Zealand Geographic Board (Nga Pou Taunaha o Aotearoa) Act 2008

Official geographic names must be used for all geographic features and Crown protected areas in official documents (unless the document states that the name used is not the official geographic name). s 32 New Zealand Geographic Board (Ngā Pou Taunaha o Aotearoa) Act

- We are developing systems, processes and procedures for ORC staff to ensure organisation wide adherence to the use of correct historical/geographic/official names and to ensure those names are embedded into ORC documents.
- While the historical review is underway, we cannot guarantee full compliance.

Governance

Delegations Compliance

A decision made or an action taken by you or your team members under a delegation must be within the scope of the delegation and in line with the conditions of the delegation.

- When discussing a potential contract for Toitū Te Hākapupu project there was discussion undertaken implying the contract would be granted without the appropriate authority from the staff member and without approval.



We are using **ComplyWith**, a legal compliance management tool, to identify and monitor our legal compliance risks.



Map responsibilities

Legal obligations have been carefully mapped to the responsible roles within our business.



Identify legal risks

Responsible roles have completed an online compliance survey, enabling them to proactively identify legal risks and issues.




Track unresolved risks


The corrective actions function allows us to monitor risks, set action plans, and send reminders about unresolved issues.


What do the survey results mean?


Responsible roles rate our compliance with our legal obligations using the response scale below. When partial or zero compliance is reported, the current status of the compliance issue is also required to be entered.


Response scale

- 

The obligation arose and was **fully complied with**.
- 


The obligation arose, there was more than zero compliance but **not full compliance** (explanation mandatory).
- 


The obligation arose, but there was **no compliance at all** with it (explanation mandatory).
- 


The circumstances giving rise to the **obligation did not occur** during the period covered by the survey.
- 

The obligation should be **allocated to another role**, or it should be deleted because it **does not apply** at all.

Status of compliance issues

- 

The issue has been **resolved**, no further action required.
- 

There is an **action plan in place**. There will be updates towards resolution.
- 

There is **no action plan in place** yet. An explanation is required to be given.

Want to know more?

To learn more about the legal compliance programme, or to access a copy of the full survey results, please ask the author of this report.

Legislation in this survey

Accident Compensation Act 2001
 Animal Welfare Act 1999 and Animal Welfare (Records and Statistics) Regulations 1999
 Aquaculture Reform (Repeals and Transitional Provisions) Act 2004
 Biosecurity Act 1993, Regulations, and the National Bovine TB Pest Management Plan
 Building Act 2004
 Child Support Act 1991
 Children's Act 2014
 Civil Defence Emergency Management Act 2002
 Climate Change Response Act 2002 and Climate Change (Unit Register) Regulations 2008
 Commerce Act 1986 and Regulations
 Conservation Act 1987
 Construction Contracts Act 2002
 Contract and Commercial Law Act 2017 - Part 4 (Electronic transactions)
 Copyright Act 1994
 COVID-19 Public Health Response Act 2020
 Crimes Act 1961
 Criminal Records (Clean Slate) Act 2004
 Defamation Act 1992
 Delegations Compliance
 Electricity Act 1992 and Regulations
 Employment Relations Act 2000
 Equal Pay Act 1972
 Fair Trading Act 1986
 Family Violence Act 2018 (Part 2 Information sharing and Part 9 Public registers only)
 Fire and Emergency New Zealand Act 2017 and (Fire Safety, Evacuation Procedures and Evacuation Schemes) Regulations 2018
 Gas Act 1992 and Regulations
 Government Roadway Powers Act 1989
 Harmful Digital Communications Act 2015
 Hazardous Substances and New Organisms Act 1996
 Health and Safety at Work (Asbestos) Regulations 2016
 Health and Safety at Work (Hazardous Substances) Regulations 2017
 Health and Safety at Work Act 2015, General Risk Regulations 2016, and Worker Engagement Regulations 2016
 Health and Safety in Employment (Pipelines) Regulations 1999
 Health and Safety in Employment Regulations 1995
 Heritage New Zealand Pouhere Taonga Act 2014
 Holidays Act 2003
 Human Rights Act 1993
 Immigration Act 2009 and Immigration Advisers Licensing Act 2007
 Income Tax Act 2007, Tax Administration Act 1994, and GST Act 1985 - Overview obligations
 Juries Act 1981
 KiwiSaver Act 2006
 Land Drainage Act 1908 (Part 3 only)
 Land Transport Act 1998
 Land Transport Management Act 2003
 Legislation Act 2019 and Legislation (Publication) Regulations 2021
 Local Authorities (Members' Interests) Act 1968
 Local Electoral Act 2001 and Local Electoral Regulations 2001



Local Government (Rating) Act 2002
 Local Government Act 1974
 Local Government Act 2002 and Local Government (Financial Reporting and Prudence) Regulations 2014
 Local Government Members (2023/24) Determination 2023
 Local Government Official Information and Meetings Act 1987
 Marine and Coastal Area (Takutai Moana) Act 2011 and Ownership of Structures Regulations 2015
 Marine Mammals Protection Act 1978 and Marine Mammals Protection Regulations 1992
 Marine Reserves Act 1971 and Marine Reserves Regulations 1993
 Maritime Transport Act 1994 (and parts of the Maritime and Marine Protection Rules)
 Minimum Wage Act 1983 and Minimum Wage Order
 New Zealand Geographic Board (Nga Pou Taunaha o Aotearoa) Act 2008
 Parental Leave and Employment Protection Act 1987
 Plumbers, Gasfitters, and Drainlayers Act 2006
 Privacy Act 2020 and Privacy Regulations 2020
 Protected Disclosures (Protection of Whistleblowers) Act 2022
 Protected Objects Act 1975
 Public Audit Act 2001
 Public Records Act 2005
 Public Works Act 1981
 Rating Valuations Act 1998 and Regulations
 Resource Management (NES for Air Quality) Regulations 2004
 Resource Management (NES for Assessing and Managing Contaminants in Soil to Protect Human Health) Regulations 2011
 Resource Management Act 1991 and Regulations
 Road User Charges Act 2012 and Road User Charges Regulations 2012
 Search and Surveillance Act 2012
 Secret Commissions Act 1910
 Smokefree Environments and Regulated Products Act 1990
 Social Security Act 2018 and Social Security Regulations 2018
 Soil Conservation and Rivers Control Act 1941
 Student Loan Scheme Act 2011
 Trade Marks Act 2002 and Trade Marks Regulations 2003
 Unclaimed Money Act 1971
 Unsolicited Electronic Messages Act 2007
 Victims' Rights Act 2002
 Wages Protection Act 1983
 Water Services Act 2021 and Water Services (Drinking Water Standards for New Zealand) Regulations 2022
 Wildlife Act 1953

LGOIMA Subject Matter Requests (most recent to oldest for period 31.05.2024 – 1.07.2023)
Documents for Water Tanks
Trade with Western Sahara and Occupied Palestinian Territories
██████████ Bonnington St -Compensation Certificate
██████████ Doctors Point - all information held
██████████ Airport Road rabbits enforcement
██████████ HR data request
Abatement notices issued to CODC in last 5 years and associated correspondence
Accredited employer list Queenstown NZ
Active Resource Consents Related to Water Testing for Bacterial Contaminants
Addition to previous request - patronage data snapshot for Queenstown PT
Aerial photography for glider pilots
Air quality in Port Chalmers
██████████, ██████████ Martin Road, Fairfield, Dunedin.
All complaints relating to Silverstream Rendering plant for last 10 years
All correspondence relating to bus complaint
All docs relating to Sediment discharge to unnamed tributary of Owhiro Stream - ██████████ Irwin Logan Road, Mosgiel
All documentation relating to contracts the Otago Regional Council has developed with Joyce Advisory or Steven Joyce
All info in rel. to Consent nos. 2007.496.V1 and 2007.498.V1
All info relating to liability insurance and Riskpool from 2010-2023
All information on files IN23.0748 and IN24.0135
Annual budget breakdown
Any correspondence between ORC and Dairy NZ in relation to proposed land and water plan
any correspondence with Federated Farmers from June this year to today's date . . . about the land and water plan, the Manuherekia, or consents to take water
Any reports and minutes relating to exotic plantations vs indigenous forests
Breakdown of his rates and services levels for buses
Bus CCTV footage
Bus emissions
Bus hub - all correspondence relating to safety and security at the hub or Allied Security from 1 Jan to 29 May; any updated list of incidents; copy of security agreement; list of actions taken re security complaints; any review of service quality
Bus information
Bus subsidies
Chapter 13 of Regional Plan - Water for Otago, all previous versions and revision history
Christmas questions
climate change policy and marine environment consenting
Clyde dam flood risk
Communication relating to ODT article 13.02.24 and communication between CE and Councillor Laws
Complaints against Ritchies bus driver
Complaints rec'd for Keep It Clean Abbotsford
Compliance monitoring records relating to former Rosebank Sawmill site ██████████ Clinton Highway
Compliance notice against KiwiRail
Conflict of Interest pLWRP

Consent and compliance info for Lean Meats Oamaru Ltd
Consent docs for RM22.702 inc all supporting docs and info around how the damage to be remediated.
Consent processing cost dispute - timesheets for staff involved
Consent processing times, costs and staffing
Consent subscription information.
Consent, Complaints and HAIL for [REDACTED] Ballantyne Road Wanaka 9305
Consents and Compliance information for the Fonterra Stirling Factory
Consents processing data
Consents RM16.164.01 and RM16.353.01
Consultation on OIA
Copy of all complaints received for Green Island landfill in April 2023
Copy of Farming Activities and Practices report
Copy of Issues and Options report Farming activities and practices
Copy of odour complaints register for Queenstown WWTP Project Shotover
Cost dispute All docs relating to RM20.041
Costs of NPSFM and te Mana o te Wai
Council debt
Council Paper withdrawn Marine Reserves
Dairy enforcement data for FY 2023
Data around funding for land slips, erosion or land management
Details of revenue and expenditure of Leith Scheme
Direct Debit 31784
Drug testing results on wastewater
Earthworks management plan for [REDACTED] Abbottswood LANE
East Taieri Lower Pond Gravity Gates
Electronic Office Products and database Software Usage
Employee numbers
ERP Software
Ferry Hill
Financial data for CCO CCTO.
Flood mitigation in Middlemarch
Follow up to query about transport proportion of her general rates
GIS files for wetlands
Google Transit Feed Specification Realtime URL
Gravel Extraction Covenant in Middlemarch
Groundwater and Borehole Data
Hawea Flat water allocation
Historic Water Permit Cairnmuir Gully
I would like to request all staff emails relating to the timing of the introduction of the 1200ls minimum flow
Info in relation to Transport Choices projects and
Info inc. average residential and non-res rates; total staff numbers, top earning staff; staff in management, comms, infrastructure, service delivery, customer; consultant expenditure; audit and risk committee makeup; payments to CoC, LGNZ and SOLGM; debt

Info re [redacted] Abbottswood Lane earthworks
Info relating to bore on consent number 2010.234
Info relating to fires or damage caused by vaping devices over last 5 years
Info relating to sea wall retaining structure south of stadium around the Leith river
Info relating to Sites and Areas of Significance to Māori and related consents
Info relating to vehicles on beaches
Info used in Annual plan
Information about Otago
Information on provisional land categories
Investigation Reports for HAIL01544.01 and HAIL01545.01
Land and Water Plan costs
Land values and area for drainage schemes
Letter sent to iwi on receipt of consent application
LGOIMA process and info
Management plan RM10.351
Manuherekia valley Catchment- land holding, irrigation and consent information
Māori-specific funding for climate resilience
Millers Flat Historical Land Parcel
Minimum flow without irrigation in Manuherekia
More information on rates Explained notice.
Nash & Ross Landfill
Number 1 Bus
Number 1 Bus Route
Number of employees ORC has in marine services
Numbers of people eligible for Community Connect scheme in region and investment info
Nurseries growing and or propagating tree seedlings
Odour complaints for Bloems Farm
Odour complaints for Burnside site 2023
Odour complaints Tomkins St Green Island
ORC Facilities Management
ORC's monitoring and compliance action relating to the land use intensification provisions of the NES-F S15
PFAS sampling in relation to landfills
PFAS sampling or related resource consent apps
Pools
Previous investigations in Lochindorb Runs Road area
Property information for RT
Property information for RT OT265_ [redacted] OT384_ [redacted] OT241_ [redacted] OT18D_ [redacted] OT18D_ [redacted] OT14A_ [redacted] OT14B_ [redacted] OT136_ [redacted] OT14B_ [redacted] [redacted]
Proposed rates increases and council debt
PT patronage and fleet info
Public transport patronage, Weekday vs weekend vs PH
Queenstown Public Transport general questions
Question re staffing, Councillors, managers and contractors
Questions relating to 3 dams

Questions relating to Sites and Areas of Significance to Māori
Rainbow Storytime
Rates data for all properties in Otago
Rating information for [REDACTED] Fruitlands-Roxburgh Road Coal Creek
Rating information for [REDACTED] Crawford Hills Road, Galloway
Ravensbourne Wharf lease
Re DCC Dog Control Policy and Bylaw proposed changes - Was ORC aware DCC planned to make and enforce rules for ORC-controlled areas and whether this is supported by ORC. If so, on what legal authority, and all records relating to agreement or discussion
Refreshments cost during long term plan - how much budgeted, how many staff members fed, a copy of menu or food list, and an explanation of how food choices were made
Regional Resource Policy for Port Otago dated 23 May 2023
Request for Chalmers Properties Annual Report
Request for Consent Documents RM16.164 and RM16.353
Requesting information on how the council, records, in their Asset Management database, the associated assets that relate to stopbanks of filter and toe drains, bunds and ballast.
Resource Consent at [REDACTED] Ravensbourne Road
Risks to Lake Hawea water quality from wastewater
RMA prosecution - diversion policy
Road Metals consent at [REDACTED] Pukeuri-Oamaru Road RM20.432.01
Saddle Hill Quarrying
Sales of Coastal Permits
Setencing notes ORC v CDC Stirling, Kaka Point, Tapanui, Lawrence and Owaka
Smoke complaint [REDACTED] Littlebourne Rd
South Otago rates spent on public transport
Staff numbers and GM salary
STED reports Pukeuri and Shag River
[REDACTED] China Trip
Taituarā payments
Tender debrief minutes and pricing info for unsuccessful tender
the criteria for disposal of fluoride waste from superphosphate manufacturing plants
The Sandra Kay boat which sank at Careys Bay
Total Mobility Scheme
Transit App Information
Transport Organisational Structure
Updated dam questions
Waipori Fall WWTP
Waitaki Hydro Scheme resource consent
Walter peak WWTP Audit
Waste collected - taken to landfill
Water users within 1km of Rail Trail Hyde culvert
Welcome Creek debris flow
Wilding Risk Assessment Calculator

Protected Disclosures (Protection of Whistleblowers)

To ensure the confidentiality and anonymity of our Protected Disclosures process, Council has appointed an independent third-party entity, **Incident Response Solutions**, to be the first point of contact, for a discloser to make protected disclosures to.

Any discloser who wishes to make a protected disclosure can do so directly to Incident Response Solutions via any of the following means:

- **Phone:** 0800 TIPOFF (0800 847 633).
- **Email:** orc@whistleblowers.co.nz
- **Web Form:** <https://whistleblowers.co.nz/orc>
- **Post:** Whistleblowers Service, Incident Response Solutions Limited, P O Box 1946, Shortland St, Auckland, 1140.

Related Policies



[Protected Disclosures \(Whistleblower\) Policy](#)

If you have any questions or would like to discuss a matter in confidence, please contact our Legal Counsel, Janet Ashcroft.

Tiaki snip:

The screenshot shows a web page with a dark blue header containing the 'tiaki' logo and navigation links: 'Working Here', 'Forms and Templates', 'Policies and Procedures', and 'Managers Toolbox'. Below the header, there are utility links: 'Page details', 'Immersive reader', and 'Draft saved 02/05/2024'. The main content area has a title 'Protected Disclosures' and a sub-header 'Protected Disclosures (Protection of Whistleblowers)'. The text on the page matches the content provided in the document above. On the right side, there is a 'Related Policies' section with a document icon and a link to the 'Protected Disclosures (Whistleblower) Policy'. At the bottom right, there is a profile card for Janet Ashcroft, identified as 'Kaitiaki & here's TC Legal Counsel'.

9.6. CS2405 Corporate Policy Overview Report

Prepared for:	Audit and Risk Subcommittee
Report No.	CS2405 Corporate Policy Overview
Activity:	Governance Report
Author:	Janet Ashcroft, Legal Counsel
Endorsed by:	Nick Donnelly, General Manager Corporate Services and CFO
Date:	27 June 2024

PURPOSE

- [1] To Provide the Audit and Risk Subcommittee with an overview of Council's policies.

EXECUTIVE SUMMARY

- [2] We have internal, external, and Council (governance) policies.
- [3] Internal staff policies are published on Tiaki. All new staff members sign our Code of Conduct and are encouraged to familiarise themselves with our policies as part of their induction process and on-going training.
- [4] External facing policies are published on the ORC website.
- [5] ORC policies are reviewed periodically to ensure that they appropriate, are current, relevant, and fit for purpose.

RECOMMENDATION

That the Audit and Risk Subcommittee:

- 1) **Notes this report.**

BACKGROUND - DISCUSSION

- [6] We have approximately 66 policies which are categorised by area/ownership:
- Corporate has 14 policies; 7 Legal and 7 Finance (including IT).
 - There are 2 Enforcement policies (owned by Compliance/Investigations).
 - There are 34 People & Culture policies being: 13 Employee Conduct and Wellbeing policies, 4 Leave and Time sheeting policies, 7 Remuneration policies, and 10 Safety and Wellbeing policies.
 - There are 16 Council (Governance) policies.

Corporate Policies

- [7] The 7 Legal polices are:
1. Official Information (LGOIMA) Policy
 2. Official Information Proactive Release (LGOIMA) Policy
 3. Protected Disclosures (Whistleblower) Policy

4. Trespass Policy
5. Customer Privacy Policy
6. Inhouse Privacy Policy
7. Copyright Policy

- [8] The 7 Finance policies are:
1. Sensitive Expenditure Policy
 2. Travel Policy
 3. Procurement and Contract Management Policy
 4. Fraud Policy
 5. IT Policy
 6. Mobile Phone Policy
 7. Vehicle Policy

Enforcement Policies

- [9] The 2 Enforcement policies are:
1. Compliance Formal Warning Policy [External | Website]
 2. Drones Policy

People & Culture Policies

- [10] The 34 People & Culture policies and statements are divided by topic.
- [11] There are 13 Employee Conduct and Welfare Statements and Policies:
1. Good Employer Policy Statement
 2. Health, Safety and Wellbeing Policy Statement
 3. Code of Conduct Policy
 4. Family Violence Policy
 5. Performance Management and Disciplinary Policy
 6. COVID-19 Policy
 7. *Storage of Employee Records Policy (in creation)*
 8. *Transition to Retirement Policy (in creation)*
 9. *Youth Engagement Policy (in creation)*
 10. Conflict of Interest and Gift Policy
 11. *Equal Employment Opportunities Policy (to be replaced by a Diversity, Equity & Inclusion Policy)*
 12. Staff Consultation Policy
 13. Working Better Together Policy

- [12] There are four Leave and Time Sheeting Policies:
1. Fair and Reasonable Sick and Wellbeing Leave Policy
 2. Leave Management Policy
 3. Rest and Meal Breaks Policy
 4. Allowances for Stand-by Rosters and Call Out Policy
- [13] Seven Remuneration Policies:
1. Flexible Working Policy
 2. Parental Leave Policy
 3. Learning and Development Policy
 4. Remuneration Policy
 5. Superannuation Schemes Policy
 6. *Financial Assistance Policy - Education, Relocation Policy (in creation)*
 7. *Recognition of Service / Reward Policy (to be created)*
- [14] Ten Safety and Wellbeing Policies:
1. Contractor H&S Policy & Procedure
 2. Fatigue Management Policy & Toolbox
 3. First Aid Policy
 4. Hazardous Manual Handling Policy
 5. Hazardous Substances Policy & Procedure
 6. Lone Remote and Isolated Worker Policy & Procedure
 7. Occupational Aggression and Violence (OVA) Policy and Procedure
 8. Smoke and Vape Free Policy
 9. *Safe Driving Policy (in creation)*
 10. *Drug and Alcohol Policy (in creation)*

Council Policies

- [15] There are 16 Council Governance Polices/Orders/Codes/Statements/Determinations /Strategies/Constitutions/Objectives and Frameworks:
1. Standing Orders
 2. Code of Conduct
 3. Local Governance Statement
 4. Remuneration Authority Determination
 5. Councillor Expenses, Allowances and Reimbursement Policy
 6. ORC Recruitment Policy – Governance
 7. Port Otago Constitution
 8. He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy
 9. Revenue and Financing Policy
 10. Treasury Management Policy
 11. Statement of Investment Policies and Objectives
 12. Rates Remission & Postponement Policy
 13. Policy on Remission and Postponement of Rates on Māori Freehold Land
 14. Financial Strategy
 15. Infrastructure Strategy
 16. Risk Management Framework

Other Matters

- [16] There are Adverse Weather Guidelines and Meeting Protocol Guidelines.
- [17] There are also Change Management Guidelines, Onboarding Procedure, Offboarding Procedure, and Succession Planning Procedure under creation.
- [18] A Policy on Development Contributions or Financial Contributions is being considered as it may be required to meet s102(2)(d) of the Local Government Act 2002.

The Policy Review Process

- [19] In the past a Policy Review Group operated to review and update policies. Last year that group was disbanded, and a new Policy Review Process put in place to streamline the process.
- [20] The object of a review is to ensure that our policies (existing and new) are current, relevant, and fit for purpose. To achieve this:
 - Legal Counsel oversees the process and liaises with the policy owner/s to initiate a review of existing policies as law changes, when the policy owner/s notify them, at least once a Triennium and in general will consider whether new policies may be required;
 - Other Managers and/or General Managers that have an interest in a policy being reviewed or created will be involved in the process;
 - Once a policy has been reviewed or a new policy created it is referred by Legal Counsel to the Chief Executive;
 - The Chief Executive considers the reviewed or new policy;
 - If the Chief Executive considers that a wider review is required, he may refer it to ELT.
 - As part of a wider review the Chief Executive (with or without ELT) may choose to hear from the owner/s of the Policy, the Manager/s and/or General Managers involved in the review, and Legal Counsel.
 - Once a policy is approved it will be signed off by the Chief Executive and it will include a date it was reviewed (if it was an existing policy) or the date it commences (if it is a new policy).
 - The reviewed policy or new policy will then be published on Tiaki.
 - Once a policy is signed off, it will not have a future review date, instead:
 - Policy owners will proactively manage their policies and contact Legal Counsel if their policies need to be reviewed because they may no longer be current, relevant, or fit for purpose; and
 - Legal Counsel will work with policy owner/s when law changes necessitate a review of their policies and otherwise to ensure that each Policy is reviewed at least once a Triennium.
- [21] The Legal and Finance policies have all been recently reviewed and although not yet finalised changes to the Vehicle Policy are underway and will reflect the move to EROAD and address the privacy implications of real-time GPS tracking.
- [22] The Legal Team is collaborating with HR on a Rostering & Availability Policy they prepared and is across that team's timetabled process and procedure for review of their policies (of which there are many). Similarly, we are working with IT to create and update policies in their space and as well as with customer experience to create an overreaching complaints policy or process.

New ELT Structure

- [23] As a consequence of the restructure of the Executive Leadership Team, which takes place on 1 July 2024, many of the policies will have new owners which will provide a further opportunity for review and re-fresh.

General

- [24] Policy Review work is on-going.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [25] Notwithstanding that this is a Corporate Policy Overview Report there are no policy considerations arising directly from this report.

Financial Considerations

- [26] There are no financial considerations arising directly from this report.

Significance and Engagement

- [27] No matters in this report trigger the Council's significance policy or require additional or specific consultation.

Legislative and Risk Considerations

- [28] Some legislation, such as the Local Government Act 2002 dictates that Council has policies on certain matters.

- [29] Other risks are managed and mitigated by having clear policies in place.

- [30] Council is complying with its obligations by maintaining appropriate policies.

Climate Change Considerations

- [31] There are no climate change considerations arising directly from this report.

Communications Considerations

- [32] There are no communication considerations arising directly from this report.

NEXT STEPS

- [33] Legal Counsel and the Legal Team will continue to work across ORC to ensure that the Council has appropriate policies and that those policies are current, relevant, and fit for purpose.

ATTACHMENTS

Nil

9.7. CS2418 Treasury Report

Prepared for:	Audit and Risk Subcommittee
Report No.	CS2418
Activity:	Governance Report
Author:	Nick Donnelly, General Manager Corporate Services and CFO
Endorsed by:	Nick Donnelly, General Manager Corporate Services and CFO
Date:	27 June 2024

PURPOSE

- [1] To present the quarterly Treasury Reporting Dashboard from Council's Investment Advisor, Bancorp, as at 31 March 2024.

EXECUTIVE SUMMARY

- [2] The latest Bancorp Treasury Reporting Dashboard is reported to each meeting of the Audit and Risk Subcommittee.
- [3] Council has \$25.0M of core debt through the Local Government Funding Agency (LGFA). All borrowing is compliant with Council's Treasury Management Policy.
- [4] Interest rate risk management on page 5 of the report shows interest rate cover is within the permitted policy limit, however, the fixed amount is getting close to the minimum permitted. Interest rate swaps will be initiated in the next quarter to ensure policy compliance is maintained.

RECOMMENDATION

That the Audit and Risk Subcommittee:

- a) **Notes** this report and the attached Bancorp Treasury Reporting Dashboard – 31 March 2024.

BACKGROUND

- [5] Council borrows core debt through the Local Government Funding Agency (LGFA). As at 31 March 2024 the amount borrowed is \$25.0M. This debt is structured over a mix of commercial paper, floating rate notes and fixed rate bonds to meet the requirements of Council's Treasury Management Policy.
- [6] Bancorp Treasury Services are engaged as Council's advisor and reports on the structure of Council's core debt and adherence to Council's TMP.

DISCUSSION

- [7] As at 31 March 2024 Council had \$25.0M of core debt funded by the LGFA across 5 tranches of \$5M each (as outlined on page 6 of the report).
- [8] All borrowing is noted to be compliant with Council's Treasury Management Policy.
-

- [9] The amount of core debt is in line with the amount included in Council's Long-term Plan 2021-31 and Annual Plan 2023-24. The weighted average cost of funds of 5.96% as at 31 March 2024 is in line with the assumption used in the Annual Plan 2023-34 of 6.0%.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [10] Council's Financial Strategy outlines that Council will borrow core debt from the LGFA. The Treasury Management Policy (TMP) sets the rules for how that borrowing is structured to ensure liquidity and interest rate risk is managed.

Financial Considerations

- [11] Debt and interest assumptions are outlined in Council's Long-term Plan and Annual Plan. This is covered in the discussion section of this report.

Significance and Engagement

- [12] Not applicable.

Legislative and Risk Considerations

- [13] There are no legislative considerations.
- [14] There is inherent risk associated with borrowing. These risks are outlined in the Treasury Management Policy which provides a framework for prudent debt management and sets external borrowing limits, counterparty exposure limits, liquidity limits and interest rate exposure limits.

Climate Change Considerations

- [15] Not applicable.

Communications Considerations

- [16] Not applicable.

NEXT STEPS

- [17] Not applicable.

ATTACHMENTS

1. 2024.03.31 Bancorp Treasury Reporting Dashboard March 2024 [9.7.1 - 8 pages]



Treasury Reporting Dashboard

31 March 2024

STRICTLY PRIVATE AND CONFIDENTIAL



BANCORP

BANCORP TREASURY SERVICES LIMITED

Audit and Risk Subcommittee - 27 June 2024



Economic Commentary

2

Global (for the March 2024 quarter)

The first quarter of 2024 was another volatile one for the US bond market, with the 10-year treasury starting the year at 3.88% and closing on 31 March at 4.32% which was back at the quarter's highs. Within the quarter, there was significant volatility with both sharp rallies and significant sell off in rates.

The February US Federal Open Market Committee ("FOMC") statement provided some positivity about interest rate cuts with the removal of the previous reference that "additional policy firming" may be required. The statement did however highlight that the timing of the easing cycle will be data-dependent stating that, "*The Committee does not expect it will be appropriate to reduce the target range until it has gained greater confidence that inflation is moving sustainably toward 2.0%.*" Market pricing is assigning a 64% chance that the first cut will occur in June and a 100% chance that it will happen in July.

New York Fed member, John Williams, continued to push back against an aggressive cutting cycle given the stickiness of inflation stating, "*at some point, I think it will be appropriate to pull back on restrictive monetary policy, likely later this year. But it's really about reading that data and looking for consistent signs that inflation is not only coming down but is moving towards that 2% longer-run goal.*"

One of the key questions for 2024, with the global GDP growth outlook deteriorating, was which country, or economic block, will contribute to global growth alongside the US, or if the US falters. At this stage, it appears highly unlikely that the Chinese economy will provide such stimulus given that the domestic economy appears to be in a deflationary spiral with CPI at -0.3% and PPIs at -2.7% for the last 12 months, with the ongoing monthly declines worse than those seen in the Asian Crisis in the late 1990s. While GDP printed at 5.2% for 2023, it was China's slowest annual pace of annual growth since the 1990s and many independent analysts argue that it was closer to zero given the ongoing plunge in property prices and construction levels. IMF President, Kristalina Georgieva, probably summed it up best at the meeting in Davos when she stated, "*China needs structural reforms to continue to open up the economy, to balance their growth model more towards domestic consumption.*"

The increasing and worrying risk for both New Zealand and the global economy continues to be China. This was reinforced again last week, when the People's Bank of China ("PBOC") announced its biggest ever reduction in the benchmark mortgage rate, as authorities again tried to support the struggling property market and thus the broader economy. The 25bps cut to the five-year loan prime rate ("LPR") was the largest since the reference rate was introduced in 2019 and was more than what was expected. The LPR now stands at 3.95% from 4.20% previously, while the one-year LPR was left unchanged at 3.45%.

Australian inflation rose 3.4% in the January year, its lowest level since November 2021. The increase was led by insurance and financial services (8.2%), alcohol and tobacco (6.7%), food and non-alcoholic beverages (4.4%), and housing (4.6%).

Economic Commentary

New Zealand (for the March 2024 quarter)

3

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
31 Dec 2023	5.50%	5.64%	4.64%	4.33%	4.08%	4.07%	4.14%
31 Mar 2024	5.50%	5.64%	4.80%	4.51%	4.30%	4.29%	4.37%
Change	0%	0%	+0.16%	+0.18%	+0.22%	+0.22%	+0.23%

The March 2024 quarter saw significant volatility, with the benchmark 5-year swap opening the year at 4.08%, reaching a high of 4.77% on 14 February before closing the quarter at 4.30%. At the shorter end of the yield curve the 2 year swap traded in a 4.64% to 5.27% range, finishing the quarter at 4.80%.

The year opened with significant optimism that significant rate cuts were on the near-term horizon, with this being a function of optimism of significant cuts from both the US Fed and the RBNZ, with at one point six 25 basis point rate cuts being built into market pricing of both the NZ and US markets.

The Reserve Bank of New Zealand (“RBNZ”) seemed to want to temper these expectations with a speech from its Chief Economist Paul Conway on the 30th January saying that while the September GDP print was very weak and the June number was revised lower, its focus was on continuing capacity pressures, stronger than expected private demand, continuing strong net inward migration and that non-tradeable inflation was uncomfortably high at 5.9%. The message from this was that the RBNZ has a long way to get inflation back to the midpoint of 2.0%.

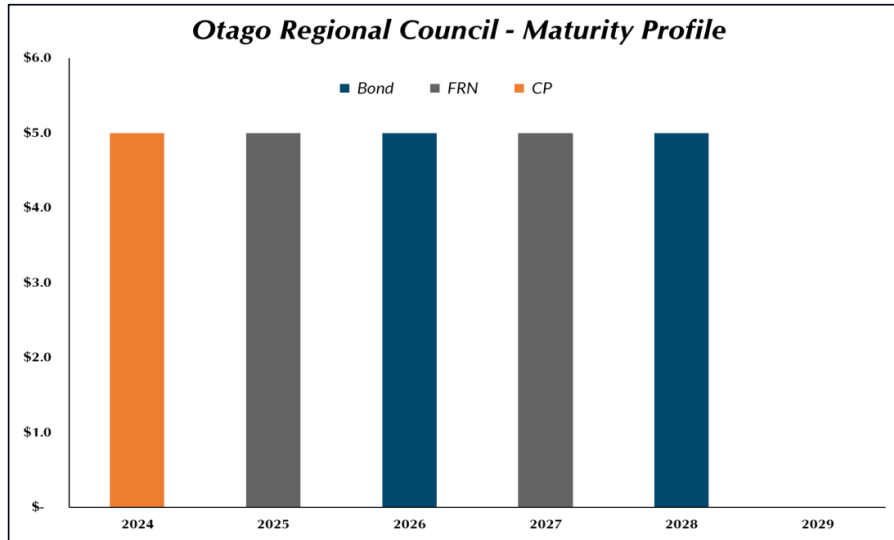
This statement was likely behind one of the strangest calls from a local bank for quite some time, with the ANZ coming out with a revised forecast of two consecutive OCR increases, which would have taken the rate from 5.50% to 6.00%, the market reaction was severe flipping from a 40% chance of a cut in May to the strong probability of an increase and pushing swap rates noticeably higher.

The RBNZ’s Monetary Policy Committee (“MPC”) torpedoed any hopes the ANZ had, maintaining the OCR at 5.50% with the MPC statement and the Q&A session taking a slightly ‘dovish’ stance. The RBNZ downgraded its 2024 CPI and unemployment forecasts and lowered its OCR forecasts slightly with the central bank projecting rate cuts to start in H1 2025 with the OCR falling to 3.00% by 2026. In the Q&A session, Governor Orr confirmed the committee had considered raising rates but decided to hold on to a “*very strong consensus*”. This saw the local swaps curve immediately fall by 25bps to 30bps with the market projecting the first cut to occur in August this year and for the OCR to be 4.00%-4.25% by July 2025. Recent data tends to favour the easing cycle starting sooner than the RBNZ is projecting, with unemployment up to 4.0% in Q4 and retail sales volumes contracting by 1.9% over the same period, despite surging immigration and higher retail pricing, while residential building consents are down 28% on an annual basis.

NZ economic data throughout the quarter has been almost universally poor, with the only exception being tourism-related data. When adjusting the poor economic data with the strong net migration, the per capita data reveals an even poorer economic picture. Adding to this theme are regular announcements of job losses occurring in both the private and public sectors. On the 21st of March, Q4 2023 GDP data officially confirmed NZ was in a recession with a 0.1% contraction in the December quarter.

Funding and Liquidity

4



Policy Compliance	Compliant
Have all transactions been transacted in compliance with policy?	Yes
Is fixed interest rate cover within policy control limits?	Yes
Is the funding maturity profile within policy control guidelines?	Yes
Is liquidity within LGFA control limits?	Yes

ORC Core Debt
\$25.0m
 External Council Drawn Debt, excluding on-lending to Port Otago

LGFA Debt
\$159.5m
 Funds Drawn from LGFA, including on-lending to Port Otago

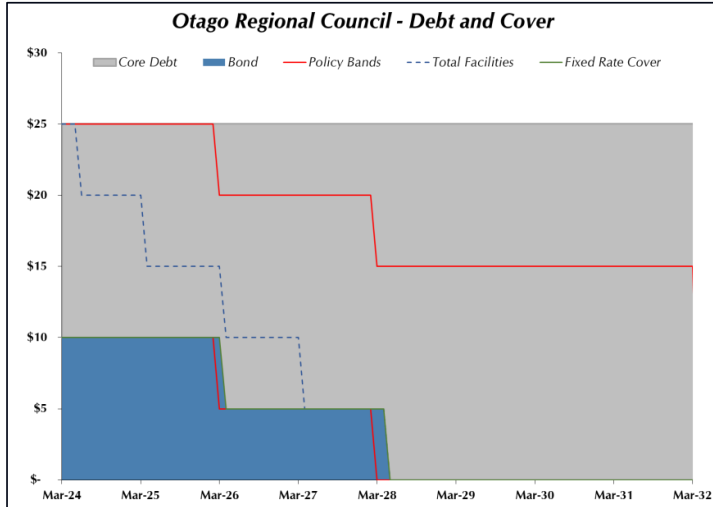
Liquidity = cash deposits, term deposits and managed fund
\$51.8m

Liquidity Ratio based on total Council debt which includes the on-lending to Port Otago
132.5%

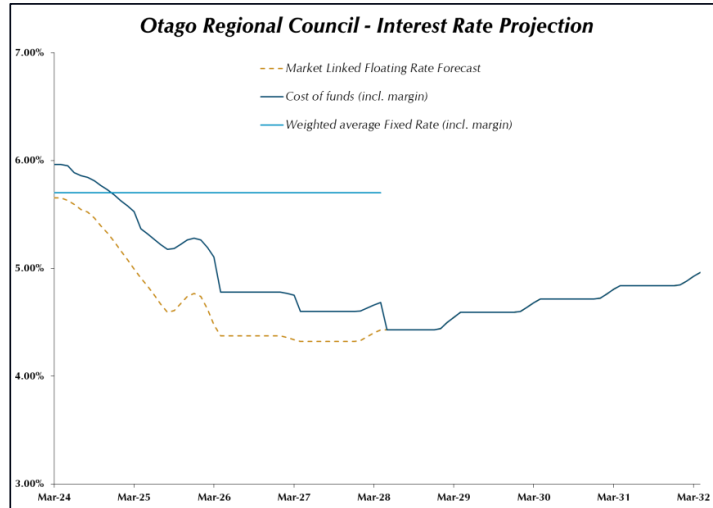
Cost of Funds as at 31 March
5.96%

Interest Rate Risk Management

5



Current % of Debt Fixed	40.0%
Current % of Debt Floating	60.0%
Value of Fixed Rate (m)	\$10.0
Weighted Average Cost of Fixed Rate Instruments	5.70%
Value of Floating Rate (m)	\$15.0
Current Floating Rate	5.65%
Current Floating Rate (incl margin)	6.14%
All Up Weighted Average Cost of Funds Including Margin	5.96%
Total Facilities In Place	\$25.0



Fixed Rate Hedging Bands			
	Minimum	Maximum	Policy
0 - 2 years	40%	100%	Compliant
2 - 4 years	20%	80%	Compliant
4 - 8 years	0%	60%	Compliant

LGFA lending

As at 31 March

6

As at 31 March 2024, Otago Regional Council had \$25.0 million of core debt, all of which is sourced from the LGFA using Commercial Paper (“CP”), Floating Rate Notes (“FRN’s”), and Fixed Rate Bonds (“FRB’s”). Details of the debt as at 31 March is as follows.

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	10-Jun-24	5.87%	0.20%	\$5,000,000
LGFA FRN	15-Apr-25	6.20%	0.56%	\$5,000,000
LGFA FRB	15-Apr-26	5.70%	N/A	\$5,000,000
LGFA FRN	15-Apr-27	6.34%	0.70%	\$5,000,000
LGFA FRB	15-May-28	5.70%	N/A	\$5,000,000

LGFA Borrowing Rates

As at 31 March

7

Listed below are the credit spreads and applicable interest rates as at 31 March 2024 for Commercial Paper (“CP”), Floating Rate Notes (“FRN”), and Fixed Rate Bonds (“FRB”), at which the Otago Regional Council could source debt from the Local Government Funding Agency (“LGFA”).

Maturity	Margin	FRN (or CP Rate)	FRB
3 month CP	0.20%	5.84%	N/A
6 month CP	0.20%	5.77%	N/A
April 2024	0.47%	6.11%	6.05%
April 2025	0.57%	6.21%	5.90%
April 2026	0.64%	6.28%	5.50%
April 2027	0.77%	6.41%	5.34%
May 2028	0.86%	6.50%	5.28%
April 2029	0.95%	6.59%	5.30%
May 2030	1.03%	6.67%	5.36%
May 2031	1.12%	6.76%	5.48%
April 2033	1.19%	6.83%	5.59%
May 2035	1.27%	6.91%	5.73%
April 2037	1.33%	6.97%	5.86%

Disclaimer

IMPORTANT NOTICE

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That the public be excluded from the following parts of the proceedings of this meeting, namely:

- 1.1 Minutes of the PE Audit and Risk Committee Meeting 2024.03.21
- 3.1 Strategic Risk Register
- 3.2 Deloitte ORC Audit Plan
- 3.3 Insurance Disclosures
- 3.4 Insurance Renewals
- 3.5 Managed Fund Report

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
Minutes of the PE Audit and Risk Committee Meeting 2024.03.21	<p>To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 7(2)(e)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>To prevent the disclosure or use of official information for improper gain or improper advantage - 7(2)(j)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
3.1 Strategic Risk Register	To avoid prejudice to measures that prevent or mitigate material loss to members of the public - 7(2)(e)	Section 48(1)(a); Subject to subsection (3), a local authority may by resolution

	<p>To prevent the disclosure or use of official information for improper gain or improper advantage - 7(2)(j)</p>	<p>exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p>3.2 Deloitte ORC Audit Plan</p>	<p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—would be likely otherwise to damage the public interest – Section 7(2)(c)(ii)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p>3.3 Insurance Disclosures</p>	<p>To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public - 7(2)(e)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

<p>3.4 Insurance Renewals</p>	<p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p>3.5 Managed Fund Report</p>	<p>To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information—would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied – Section 7(2)(c)(i)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds: (a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

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 or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public.

It will also be moved that consultants from Deloitte and Marsh Insurance Brokers be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the ORC Audit Plan and Insurance Renewals. This knowledge, which will be of assistance in relation to matters 3.2 Deloitte ORC Audit Plan, and 3.4 Insurance Renewals to be discussed, and relevant to those matters because of their experience and engagement to the ORC.