

A Meeting of the Risk and Assurance Sub-Committee Meeting will be held as follows:

Date: Tuesday 4 June 2024

Time: 3:30pm

Venue: Council Chambers, 105 Tainui Street, Greymouth

Paul Pretorius
Acting Chief Executive

AGENDA

Members:

Chair: Mr Rob Caldwell
Deputy Chair: Mayor Tania Gibson
Members: Councillor Rex MacDonald
Councillor Jack O'Connor

(Quorum 3 members)

Contact Telephone: 03 7698600
Email: trish.jellyman@greydc.govt.nz
Website: <https://www.greydc.govt.nz/our-council/agendas-and-minutes/Pages/default.aspx>

The information in this document is provided to facilitate good competent decisions by Council and does in no way reflect the views of Council. Reports and recommendations contained in this agenda are not to be considered as Council policy until adopted.

TERMS OF REFERENCE

Type of Committee	Council Subcommittee
Subordinate to:	Finance, Regulatory and Business Support
Subordinate Committee	None
Legislative Basis	Subcommittee reconstituted by Council as per Schedule 7, Section 30 (1) (A) Local Government Act 2002. Subcommittee delegated by powers by the Council as per Schedule 7 (Section 32) of the Local Government Act)
Membership	Independent Chair: Mr Rob Caldwell Deputy Chair: Mayor Gibson Member: Cr Robert Mallinson Member: Cr Rex MacDonald Member: Cr Jack O'Connor
Quorum	Three members
Meeting frequency	February, April, June, August and October.
Terms of Reference	<p>The purpose of the Risk and Assurance Committee is to assist the Council in discharging its responsibilities in relation to:</p> <ul style="list-style-type: none"> • The robustness of the internal control framework and financial management practices. • The integrity and appropriateness of external reporting and accountability arrangements. • The robustness of risk management system, processes, and practices. • Compliance with applicable laws and regulations. • Standards and best practice guidelines, and • The establishment and maintenance of controls to safeguard the Council's financial and non-financial assets. <p>Areas that broadly fall under the umbrella of this committee are:</p> <ul style="list-style-type: none"> • Risk management framework • Financial risk management • Health and safety risk management • Compliance with legislation

	<ul style="list-style-type: none"> • External audit or review of any Council activities, including but not limited to NZTA, Building Controls, Audits.
<p>Power to Act</p> <p>Assurance</p>	<p>For Council’s Annual Report, Consultation Document and Long Term Plan Audits,</p> <p>The Risk and Assurance Committee will:</p> <ul style="list-style-type: none"> • Approve the annual external audit proposal for the Annual Report and the audit of the Long Term Plan. • Agree the appropriateness of the Council’s existing accounting policies and principles and any proposed changes. • Enquire of external auditors for any information that affects the quality and clarity of the Council’s financial statements of service performance, and assess whether appropriate action has been taken by management in response to the above. • Satisfy itself that the financial statements of service and performance are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control (i.e. letters of representation) and recommend to Council the signing of the financial statements by the Chief Executive / Mayor and adoption of the Annual Report. • Identify and recommend to the Council the external auditor’s remuneration and the terms of their engagement. • Confirm consulting services and related fees provided by the external auditors. • Consider and review any serious difficulties or disputes which management encountered during the audit. • Consider and review any other matters related to the conduct of the audit. • Consider and review any significant findings during the audit process and managements responses.

<p>Risk</p>	<ul style="list-style-type: none"> • Consider and review any matters considered appropriate, without the Chief Executive or other Council staff present in the meeting. • Consider and review any difficulties encountered during the audit including any restrictions on the scope of work. • Consider and review any changes required in the planned scope of the audit plan. • Consider and review the audit management letter prior to presentation to the Council. • Meet with the external Auditors at any time with or without management present as deemed appropriate by the Chairman of the committee. <p>Council is responsible for setting the tolerance to risk and risk culture at the Grey District Council. The Chief Executive is charged with implementing appropriate risk management systems within Grey District Council.</p> <p>While the responsibility for risk lies with Council, oversight of the processes to manage risk within GDC is delegated to the Risk and Assurance Committee. The Council will receive periodic reporting on those areas of risk identified by the Committee.</p> <p>The Risk and Assurance Committee will:</p> <ul style="list-style-type: none"> • Review and approve Council's risk management framework. • Review corporate risk assessment and internal work management practices. • Receive and review Health and Safety reports. • Oversight of the processes used to manage project risks. • Review insurance arrangement annually. • Overseeing Council's systems, processes, and practices for risk management: <ul style="list-style-type: none"> a) Ensure that management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of the Council's
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<p>Assurance – other</p>	<p>significant risks (including financial and non-financial risks).</p> <p>b) Consider whether appropriate action is being taken by management in its treatment of risk to either accept or mitigate Council’s significant risks.</p> <ul style="list-style-type: none"> • Monitoring insurance claims. <p>It is anticipated that the Council will from time to time be required by third parties to undertake an audit process. They may include by not be limited to Waka Kotahi, Building Control, MBIE.</p> <p>The Risk and Assurance Committee will:</p> <ul style="list-style-type: none"> • Approve (if required) any other external audit proposal. • Liaising with the relevant external auditor: <ul style="list-style-type: none"> a) At the start of each audit, confirm the terms of engagement with the external auditor including the nature and scope of the audit, timetable and fees. b) Approve the external audit engagement letter and letter of undertaking and any additional services to be provided by the external auditor. c) Receive the external audit report (s) and review action to be taken by management on significant issues and audit recommendations raised within. d) Conduct a member only session (i.e. without any management present) with external audit to discuss any matters that the auditors wish to bring to the committee’s attention and / or any issues of independence.
<p>Conflicts of Interest</p>	<p>Once per year, Committee members will provide written declarations to the Mayor, stating they do not have any conflicts of interest that would preclude them from being members of the Committee.</p>

Delegations	The Committee will in general make recommendations to Council on certain matters. Where the Committee is delegated to approve a matter this is considered a decision by the Committee.
Limits to Delegations	<p>Matters that cannot be delegated by the Council include:</p> <ul style="list-style-type: none"> • The power to make a rate. • The power to make a bylaw. • The power to borrow money, or purchase or dispose of assets, other than in accordance with the long term plan. • The power to adopt a long term plan, annual plan, annual report or strategic plan. • The power to appoint a Chief Executive. • The power to adopt policies required to be adopted and consulted on under this Act in association with the long term plan or developed for the purpose of the local governance statement. • The power to adopt a remuneration and employment policy.
Reporting Procedures	<ul style="list-style-type: none"> • After each meeting the Chair will report the committee's recommendations and findings to the Council. • The minutes of all meetings of the Committee will be presented to Council and to such other persons as the Council directs. • The Chair will present an annual report to the Council summarising the Committees activities during the year and any significant results and findings.
Power to Act.	Generally recommending powers only, but certain decisions can be taken by the committee.
Referral to Council	The minutes of the subcommittee serve before Council as a recommendation.
Management responsibility	Chief Executive

SUB-COMMITTEE IN OPEN MEETING

GENERAL BUSINESS AND TABLED ITEMS

Items not on the agenda for the meeting require a resolution under section 46A of the Local Government Official Information and Meetings Act 1987 stating the reasons why the item was not on the agenda and why it cannot be dealt with at a subsequent meeting on the basis of a full agenda item. It is important to note that late items can only be dealt with when special circumstances exist and not as a means of avoiding or frustrating the requirements in the Act relating to notice, agendas, agenda format and content.

LOCAL AUTHORITIES (MEMBERS' INTERESTS) ACT 1968

Sub-Committee members are reminded that if he/she has a direct or indirect interest in any item on the agenda be it pecuniary or on grounds of bias and predetermination, then he/she must declare this interest and refrain from discussing or voting on this item.

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1 APOLOGIES AND DECLARATIONS OF INTEREST

1.1 APOLOGIES

Cr Robert Mallinson is on leave of absence from 11/05/24 to 08/06/24

1.2 UPDATES TO THE INTERESTS REGISTER

Sub-Committee members to please advise if there are any changes to be made to the current Interests Register.

1.3 IDENTIFY ANY CONFLICTS OF INTERESTS IN THE AGENDA

Notification from committee members of:

- 1.3.1 Any interests that may create a conflict with their role as a committee member relating to the items of business for this meeting (prior to taking part in the deliberation of a particular item); and
- 1.3.2 Any interests in items in which they have a direct or indirect pecuniary interest as provided for in the Local Authorities (Members' Interests) Act 1968.

1.4 NOTIFICATION OF LATE ITEMS

Where an item is not on the agenda for a meeting, that item may be dealt with at that meeting if:

- 1.4.1 The Committee by resolution so decides; and
- 1.4.2 The Chairperson explains at the meeting at a time when it is open to the public the reason why the item is not on the agenda, and the reason why the discussion of the item cannot be delayed until a subsequent meeting.

2 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

2.1 CONFIRMATION OF THE RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 8 APRIL 2024

SUGGESTED RECOMMENDATION

That the minutes of the Risk and Assurance Sub-Committee Meeting held on 8 April 2024 be confirmed as true and correct.

MINUTES OF THE RISK AND ASSURANCE SUB-COMMITTEE MEETING OF THE GREY DISTRICT COUNCIL**Held in Council Chambers, 105 Tainui Street, Greymouth****on Monday 8 April 2024 commencing at 3.30 pm**

PRESENT: Mr Rob Caldwell (Chair)
Mayor Tania Gibson (Deputy Chair), Councillor Robert Mallinson, Councillor Rex MacDonald, Councillor Jack O'Connor,

IN ATTENDANCE: Gerhard Roux (Group Manager Support), Neil Engelbrecht (Finance Manager), Gemma Trezise (People & Capability Business Partner), Russel Maliwat (ICT Manager) via Zoom, Trish Jellyman (Democracy Advisor), Shannon Beynon (Communication & Engagement Manager)

1 APOLOGIES AND DECLARATIONS OF INTEREST**1.1 APOLOGIES**

There were no apologies.

1.2 UPDATES TO THE INTERESTS REGISTER

There were no updates to the Interest Register.

1.3 IDENTIFY ANY CONFLICTS OF INTERESTS IN THE AGENDA

There were no declarations of interest.

1.4 NOTIFICATION OF LATE ITEMS

There were no late items.

2 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS**2.1 CONFIRMATION OF THE RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 19 FEBRUARY 2024**

COMMITTEE RESOLUTION RA 24/04/010

Moved: Cr Robert Mallinson

Seconded: Cr Jack O'Connor

That the minutes of the Risk and Assurance Sub-Committee Meeting held on 19 February 2024 be confirmed as true and correct.

Carried Unanimously

The Chairman stated that this month's agenda reflects the huge amount of work that has been going into the Annual Plan over the past few weeks.

3 AGENDA ITEMS

3.1 HEALTH AND SAFETY REPORT

Refer page 17 of the agenda.

The PCBP spoke to the report.

The People & Capabilities Business Partner (PCBP) advised that all reports have been actioned and closed with regard to the dashboard. She advised that there have been two workplace injuries during the reporting period.

The PCBP advised that as of July Council will be enforcing prequalification of contractors to ensure all pre qualification documentation is in place. It was confirmed that the tender process should manage this.

The PCBP confirmed that all elements of the 2022 audit are now complete, and Council is now in a good position with the closing off of corrective actions and recommendations.

Cr Mallinson stated that he is concerned about the 61% compliance rate as there does not seem to be much improvement. He also feels that 88% is too low as an aspirational target and would like Council to set its sights higher. The PCBP responded the 61% is relevant in terms of ongoing performance and this reflects any changes in the organisation and is relative in terms of the current ELT. She stated that in terms of other Council's using Safe365 GDC is a leading Council at 61%, and that the 88% would be the maximum achievable given the ELT and SLT current qualification in Health and Safety risk management. The Chairman stated that the Safe365 system is not what Council would traditionally think about in terms of setting a target of 100% compliance as not all staff would be required to gain that level of qualification. The Chairman would like to see the list of actions to achieve 88% distilled down to some broader tasks that tells Council how many percent towards the 88% each would deliver, with some target dates for completion of those so that they can be tracked. He suggested that a one pager would be sufficient. The PCBP agreed to provide this with the main tasks included.

Cr MacDonald asked what is the plan for contractors that are yet to be pre-qualified. The PCBP advised that smaller contractors will need extra help. She advised that she has been working with a project manager who will assist in this area. She stated that care will need to be taken to ensure that these contractors are given the right information and that there is no liability to Council, and that these contractors are supported. The PCBP confirmed that at times Council has not been receiving enough information from contractors, but this is now improving and being fed back to Council. The Chairman spoke of the importance of Council having oversight of this in terms of major Council contracts and commented that it is a work in progress.

Cr O'Connor asked about contractors whose prequalification has expired. The PCBP stated that not all contractors are actively performing tasks for Council but if they are doing work then prequalification is required.

The PCBP answered questions and confirmed that SOP's, audit requirements and similar information sits with individual managers to then provide to the H&S staff. She agreed to follow up with the Group Managers on any other matters in this area.

4 IN COMMITTEE ITEMS

That the public is excluded from this part of the meeting in relation to:

Agenda items 4.1, 4.2, 4.3, 4.4, 4.5, and 4.6.

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:

COMMITTEE RESOLUTION RA 24/04/011

Moved: Cr Robert Mallinson

Seconded: Cr Rex MacDonald

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
4.1 - CONFIRMATION OF IN COMMITTEE MINUTES OF RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 19 FEBRUARY 2024	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7
4.2 - HEALTH & SAFETY UPDATE	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest	s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7
4.3 - REPORT ON AUDIT RECOMMENDATIONS FROM MANAGEMENT LETTER	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7

<p>4.4 - INSURANCE CLAIMS HISTORY</p>	<p>s7(2)(b)(ii) - the withholding of the information is necessary 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</p>	<p>s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7</p>
<p>4.5 - ICT AND CYBERSECURITY IMPLEMENTATION PLAN ON AUDITS PERFORMED</p>	<p>s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage</p>	<p>s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7</p>
<p>4.6 - STRATEGIC PRIORITIES UPDATE</p>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p>	<p>s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7</p>

Carried Unanimously

5 SUB-COMMITTEE RESUMES IN OPEN MEETING

CLOSURE OR RATIFICATION OF DECISIONS IN OPEN MEETING.

The meeting concluded at 5.13 pm

Confirmed

 R Caldwell
 Chairperson

____/____/____
 Date

3 AGENDA ITEMS

3.1 TREASURY UPDATE 31 MARCH 2024

File Number:

Report Author: Finance Manager

Report Authoriser: Group Manager Support

Appendices: 1. Grey District Council Dashboard - 31 March 2024

1. REPORT PURPOSE

- 1.1. The purpose of this report is to provide the Committee with an update of Council's treasury position as of 31 March 2024.

2. OFFICER RECOMMENDATION

That the Risk and Assurance Sub-Committee Meeting:

1. Receives the report and notes the contents.

3. BACKGROUND

- 3.1. Council manages its treasury functions in accordance the treasury policies adopted.
- 3.2. Bancorp Treasury Services Limited are engaged by Council to provide Treasury related services to Council and ensure Council complies with its adopted treasury policies.
- 3.3. Bancorp provide a quarterly update which is presented in appendix 1.
- 3.4. Council is compliant with it the policy bands set out in the treasury policy.

4. NEXT STEPS

- 4.1. That the Risk and Assurance Sub-Committee Meeting receives the report.

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

(a) This report contains:

- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
- (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.

(b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.



Quarterly Treasury Dashboard

31 March 2024

STRICTLY PRIVATE AND CONFIDENTIAL



BANCORP



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 offs 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%).



WAWWA

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%	5.63%	4.64%	4.32%	4.09%	4.07%	4.14%
31 Mar 2024	5.50%	5.63%	4.85%	4.90%	4.38%	4.38%	4.46%
Change	0%	0%	+0.21%	+0.58%	+0.29%	+0.31%	+0.32%

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 4.37%. 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 4.79%.

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.

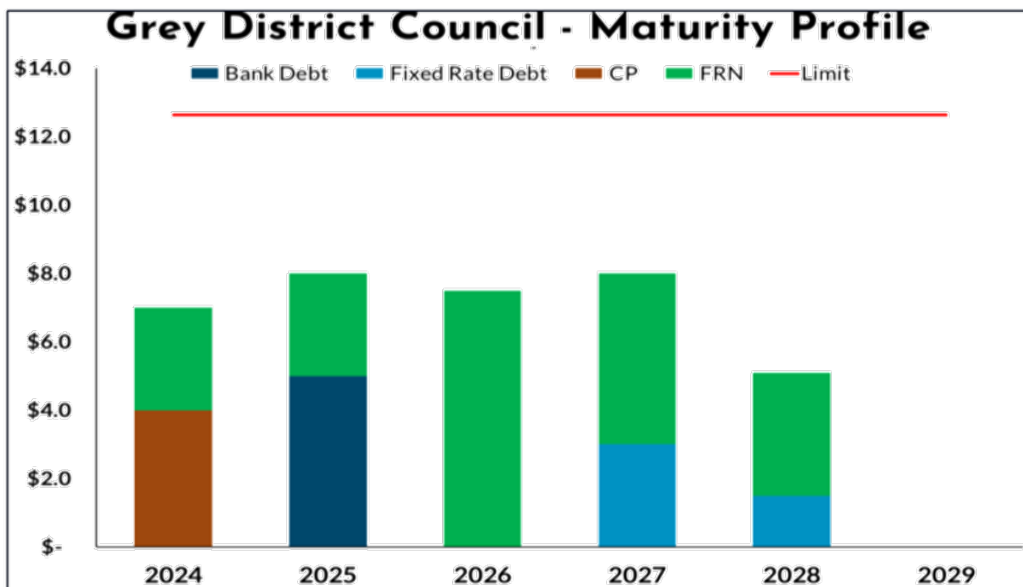
NZ economic data throughout the quarter has been almost universally poor, with the only exception being tourism-related data. When adjusting the poor economic data with the strong net migration, the per capita data reveals an even poorer economic picture. Adding to this theme are regular announcements 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.



WARRER

Liquidity and Funding

4



Debt
\$30.6m
 External Council Drawn Debt

LGFA
\$30.6m
 Funds Drawn from LGFA

Liquidity = undrawn bank facility + term deposits + cash in bank
\$11.2m

Liquidity Ratio (must be >110%)
136.6%
 Definition: (Cash Reserves + Lines of Credit + Drawn Debt)/Drawn Debt

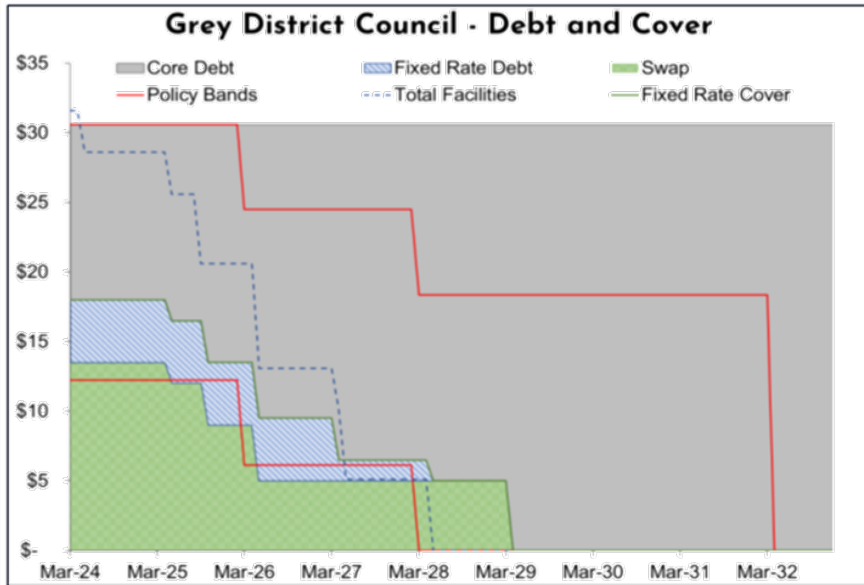
Cost of Funds as at 31 March 2024
4.98%

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 limits?	Yes
Is liquidity within policy control limits?	Yes
Are Term Deposit counterparty exposures within policy control limits?	Yes

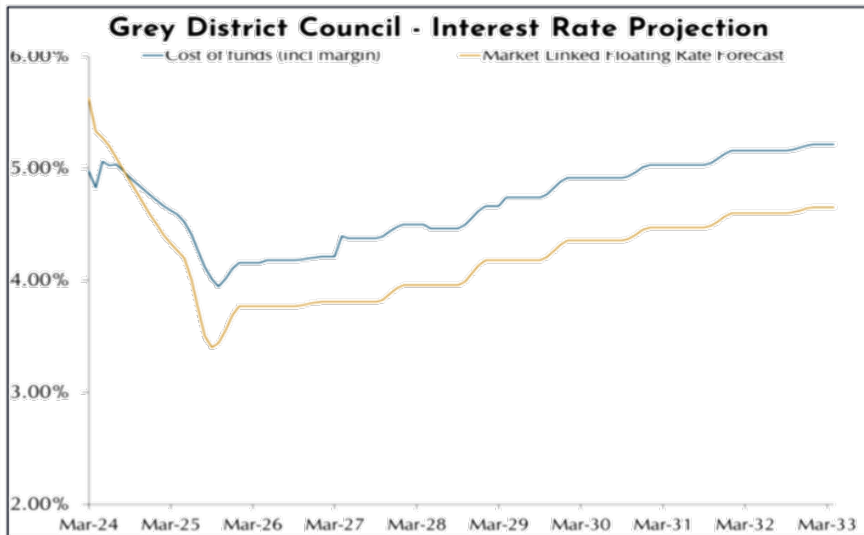


Interest Rate Risk Management

5



Current % of Debt Fixed	58.8%
Current % of Debt Floating	41.2%
Value of Fixed Rate (m)	\$18.0
Weighted Average Cost of Fixed Rate Instruments	3.26%
Value of Forward Starting Cover	\$5.0
Weighted Average Cost of Forward Starting Cover	3.57%
Value of Floating Rate (m)	\$12.6
Current Floating Rate	5.63%
All Up Weighted Average Cost of Funds Including Margin	4.98%
Total Facilities In Place	\$35.6



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



Grey DC - Funding

6

As of 31 March 2024, Grey DC had \$30.6 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 of 31 March are as follows.

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	16-May-24	5.93%	0.20%	\$4,000,000
LGFA FRN	15-May-24	6.25%	0.51%	\$3,000,000
LGFA FRN	15-May-25	6.31%	0.57%	\$3,000,000
LGFA FRN	15-May-26	6.35%	0.62%	\$4,000,000
LGFA FRN	15-May-26	6.39%	0.66%	\$3,500,000
LGFA FRB	15-Apr-27	1.95%	N/A	\$3,000,000
LGFA FRN	15-May-27	6.45%	0.71%	\$5,000,000
LGFA FRN	15-May-28	6.41%	0.68%	\$3,600,000
LGFA FRB	15-May-28	5.11%	N/A	\$1,500,000



LGFA Borrowing Rates

7

Listed below are the credit spreads and applicable interest rates as at the end of March for Commercial Paper ("CP"), Floating Rate Notes ("FRN") and Fixed Rate Bonds ("FRB"), at which Grey District 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	0.57%	6.21%	6.15%
April 2025	0.67%	6.31%	6.00%
April 2026	0.74%	6.38%	5.60%
April 2027	0.87%	6.51%	5.44%
May 2028	0.96%	6.60%	5.38%
April 2029	1.05%	6.69%	5.40%
May 2030	1.13%	6.77%	5.46%
May 2031	1.22%	6.86%	5.58%
April 2033	1.29%	6.93%	5.69%
May 2035	1.37%	7.01%	5.83%
April 2037	1.43%	7.07%	5.96%



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Bancorp Treasury New Zealand Ltd
Head Office, Level 3, 30 Customs Street, Auckland
09 912 7600

www.bancorp.co.nz

3.2 HEALTH AND SAFETY REPORT

File Number: F/7
Report Author: People and Capability Business Partner
Report Authoriser: Acting Chief Executive
Appendices: 1. HSW Committee Report

1. REPORT PURPOSE

1.1. To update the Audit and Risk Committee on Council's health and safety performance.

2. EXECUTIVE SUMMARY

- 2.1. Council's Safe365 HSWA Competence rating is 65%, an increase of 4%. The target increase for the year is 9%.
- 2.2. A Safe365 HSWA Competence rating target of 88% has been allocated, with a targeted increase of 9% per year.
- 2.3. A total number of 22 safety reports have been recorded during the reporting period with 3 of these reports requiring action.
- 2.4. Council has reviewed the high-risk register, with a total of 36 risks identified.
- 2.5. Council engages with 123 contractors, of which 58 meet a pre-approved status. 65 Contractors do not meet a pre-approved status.

3. OFFICER RECOMMENDATION

1. That the Risk and Assurance Sub-Committee Meeting receives the report.

4. BACKGROUND

- 4.1. This report provides an overview of the current status of Council specific to Occupational Health, Safety and Wellbeing Practices.
- 4.2. Under the Health and Safety at Work Act 2015 (HSWA), Council must exercise a duty of due diligence in relation to health and safety. These reports will provide information to allow informed decision making and appropriate assessment of risk within the Council.

5. ANALYSIS AND ADVICE

- 5.1. Council's key safety indicators include four key metrics: lost time injury frequency rate (LTIFR), safety reports, safety observations (unsafe conditions), and corrective actions/critical risks.
- 5.2. The Council has had five work related accidents reported, thus our LTIFR (the number of lost time injuries that occurred during the reporting period) is currently 11.31.
- 5.3. Council measurement of safety risk, compliance, and capability in relation to the HSWA has increased by 4% to a compliance rate of 65%.
- 5.4. A HSWA Competence rating target of 88% has been assigned, with a targeted increase of 9% per year allocated.

6. SIGNIFICANCE AND ENGAGEMENT

6.1. The assessment of significance is low.















Issue	Level of Significance	Explanation of Assessment
Is there a high level of public interest, or is decision likely to be controversial?	Low	Report is not a decision report but an action list of work on from the H&S Audit Action Plan.
Is there a significant impact arising from duration of the effects from the decision?	N/A	N/A
Does the decision relate to a strategic asset? (refer Significance and Engagement Policy for list of strategic assets)	No	N/A
Does the decision create a substantial change in the level of service provided by Council?	No	N/A
Does the proposal, activity or decision substantially affect debt, rates or Council finances in any one year or more of the LTP?	No	N/A
Does the decision involve the sale of a substantial proportion or controlling interest in a CCO or CCTO?	No	N/A
Does the proposal or decision involve entry into a private sector partnership or contract to carry out the deliver on any Council group of activities?	No	N/A
Does the proposal or decision involve Council exiting from or entering into a group of activities?	No	N/A

Confirmation of Statutory Compliance

Compliance with Statutory Decision-making Requirements (ss 76 - 81 Local Government Act 2002).

- (a) This report contains:
- (i) sufficient information about all reasonably practicable options identified and assessed in terms of their advantages and disadvantages; and
 - (ii) adequate consideration of the views and preferences of affected and interested persons bearing in mind any proposed or previous community engagement.
- (b) The information reflects the level of significance of the matters covered by the report, as determined in accordance with the Council's significance and engagement policy.

Health, Safety & Wellbeing Report – Reporting Period 23 March 2024 to 19 May 2024

		Risk Categories	Total Reports During Reporting Period	Total Reports requiring action	YTD reports (Rolling 12mths)
<p>Total high-risk activities identified at Council: 35 <i>(Reviewed in May 2024)</i></p> <p>Reporting period activities</p> <ul style="list-style-type: none"> • Safety training / information distributed: 5 • Reviewed / developed safety material: 3 • Council site safety inspections: 2 • Contractor site safety inspections: TBC <i>(newly introduced for next report period)</i> • Stop Work Notices Issued: 1 • High Risk work Activities: 3 • Permits to Work: TBC <i>(newly introduced for next report period)</i> • WorkSafe Notifications: 0 		Contractor Reports 	2		26
		Heights / Confined Space 	2	2	3
		Plant & Equipment 	0		24
		Aggression 	2		19
		Illness & Exposure Incident 	1	1	26
		Injury Incident 	0		39
		Environmental Incident (WRC) 	3		51
		Slip, Trip and Fall 	8		18
		Vehicle Incidents 	0		21
		Stress and Wellbeing 	1		11
		Quality Incident 	2		6
		Near Miss / Close Call 	3		45
		Observations & Hazards 	0		32
Totals			22	3	295

Lost Time Injury Frequency Rate (LTIFR)

11.31
LTIFR YTD

There have been 5 injuries (6 days) sustained year to date.

Safety Summary

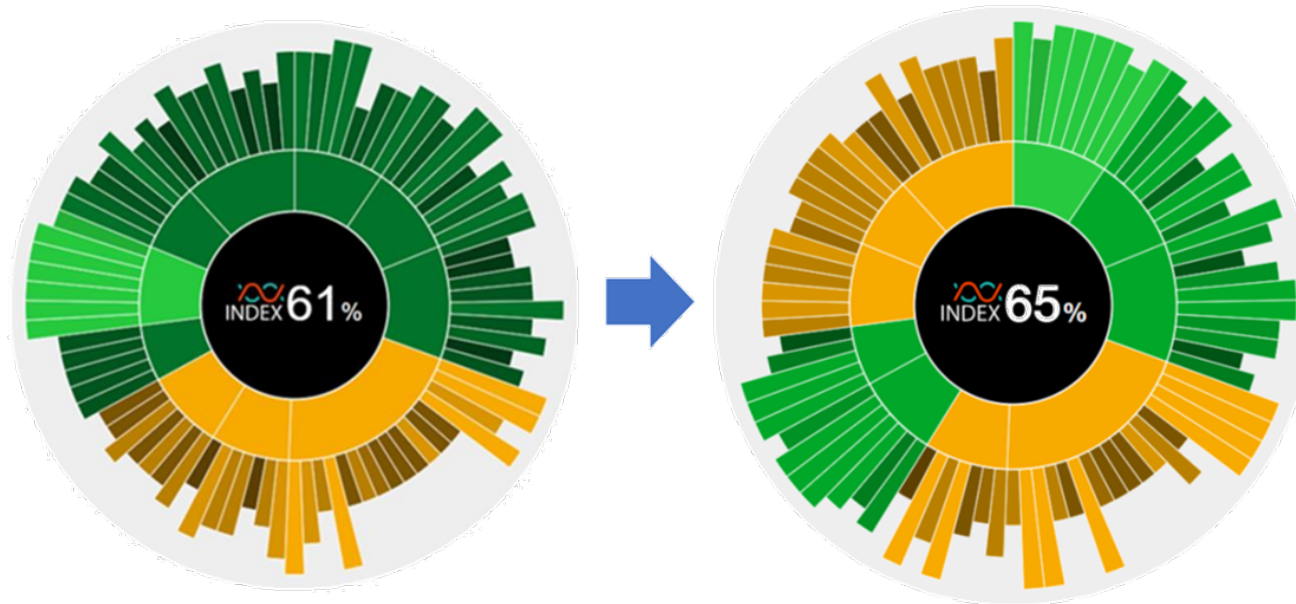
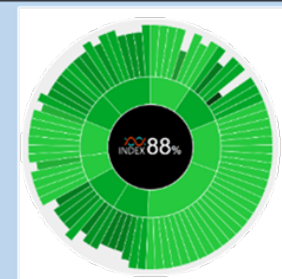
- Council's current Safety Index is **65%**, an increase of 4% in the reporting period.
- Strategic 3 Year Improvement Plan to attain an improvement increase of **9% per year** for the next three years.
- Year to date the Council has received **295** reports, with 22 reported during the period between 23 March to 19 May 2024. They have been categorised in the accompanying table and chart.
- The Council uses Safe365 to report accidents, near misses and safety observations (unsafe conditions).
- Council's Safety Index goal to attain full HSWA compliance is 88% (3 year plan 2024-27)
- 2023 External Safety Audit has three of the nine corrective actions / recommendations requiring action
- Next Health Safety and Wellbeing Committee meeting is on the 13 June 2024.

HSWA Competence (SAFE365)

Summary of Safety

Safety Index:

- Council's present compliance rate is 65%. This has increased by 4% over the March - May period.
- Council's Safety Index goal to attain full HSWA compliance is 88% by July 2027.
- The aligning HSW strategy has been developed and is in the process of approval by ELT.
- Strategic 3 Year Improvement Plan to attain an improvement increase of 9% per year for the next three years. The target dates are in line with the financial year and the strategy:
 - Year 1: 70% (by July 2025) increase of 9% for the year
 - Year 2: 79% (by July 2026) increase of 9% for the year
 - Year 3: 88% (by July 2027) increase of 9% for the year



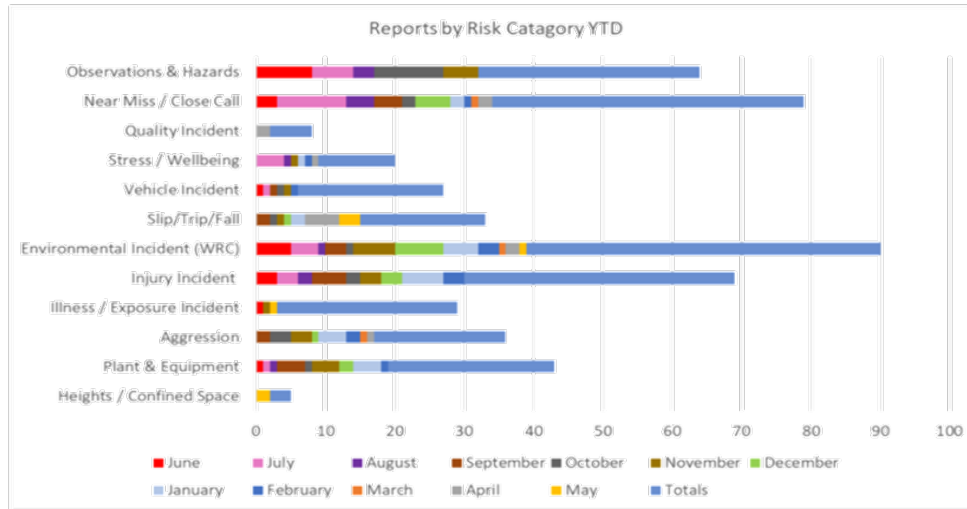
Improve Capability >

Modules

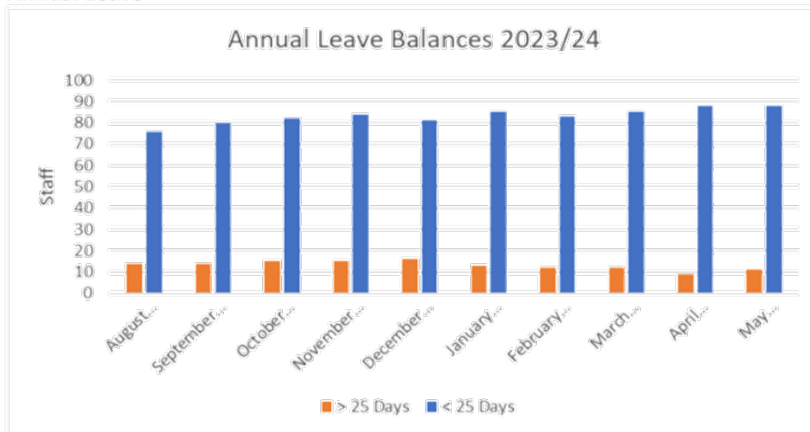
Director Knowledge	✓✓
Management Knowledge	✓✓
Worker/Contractor Knowledge	✓✓
Health & Safety Management System	!
Verification & Audit Activities	!
Emergency Preparedness	✓✓
Health & Safety Data Collection	✓✓
Management Reporting	!
Worker/Contractor Engagement	!
Culture & Behaviours	!

Summary of Council Risks

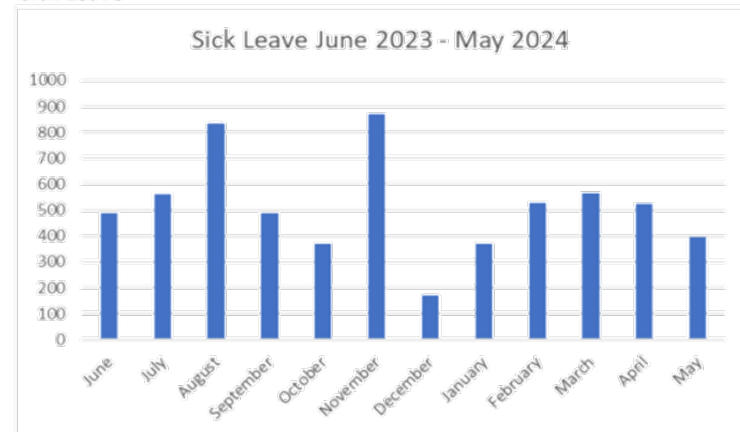
Risk Category



Annual Leave



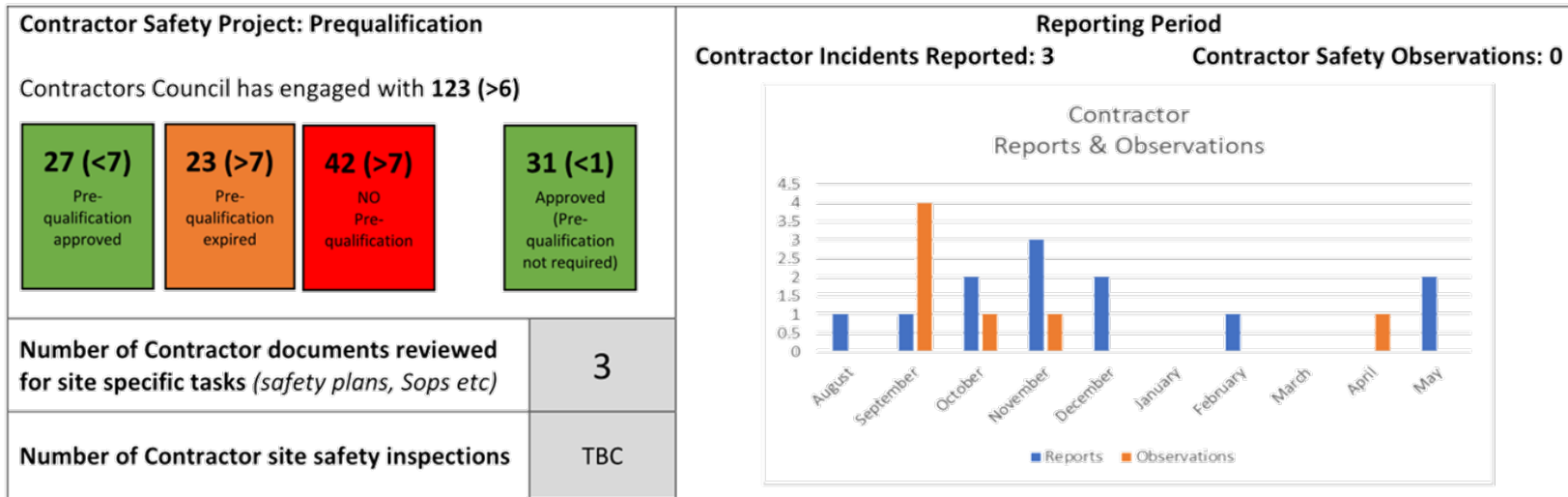
Sick Leave



Safety Topic	Number	Details
High Risk Hazards identified. Total: 36 Note: <i>Details provided by the managers and supervisors.</i>	12	Utilities & Infrastructure Confined Space. Working at Heights Chainsaw work On the road Working with wastewater, leachate and with contaminated materials such as refuse Around machinery Lifting heavy items Working around waterways Working alone Working in noisy locations Working around plant which can have kinetic energy Work in and around UV light
	0	Transport & Infrastructure Nil (<i>need to follow up with port activities</i>)
	7	Business & Contracts Working at heights Confined Space Chainsaws Weed Spraying Boiler work Mowing on road reserve *Asbestos removal – we will use a contractor going forward
	2	Communication & Engagement Working alone Upset and unpredictable customers
		ICT <i>Awaiting response</i>
	0	Finance Nil
	6	Building Control Vehicle operation Ladder/scaffold use Entering 'confined' spaces to check pile connections (standard practice is to avoid this if at all possible) Attending Construction sites for inspections Post-disaster work around dangerous buildings and flood waters, and Dealing with aggressive people and dogs
	1	Customer Service Upset and unpredictable customers
	2	Library Upset and unpredictable customers Working at heights (ladder over 2m)
	6	Westland People/Members of the public

		Recreation Centre	Confined spaces Working alone Chemical Handling Exposure to hazardous substances Hoist lift operation
		Compliance	<i>Awaiting response</i>
Safety training / information distributed	5		Leadership and Participation Poster – Provided to all staff HSWA Officer Guide – Provided to identified Officers A Risk Practitioners Guide to ISO 31000 – ELT Is health & safety a permanent agenda item at each team meeting? – Managers Memo from CE - Accountability for Health and Safety - Provided to identified Officers
Reviewed / developed safety material	3		High Risk Activities – update list HSWA Officer Guide – developed and distributed Contractor site safety inspections – developed by Project Manager and implemented
Council site safety inspections	2		Westland Recreation Centre Library
Contractor site safety inspections	TBC		See note in Summary of Contractor Safety Activities (page 6)
Stop work notices issued	1		Westland Recreation Centre - Confined space high risk activity
High risk work activities performed	3		Confined Space Heights Asbestos
Permits to work	TBC		In development / progress
WorkSafe notifications	0		N/A

Summary of Contractor Safety Activities



Note: The contractor site safety inspections has recently been reviewed by the Project Manager with a new process for documenting the information implemented for the Operations and Infrastructure contracts. The Project Manager has indicated that at least three site safety inspections occur per working day. It is intended that Council can provided accurate inspection numbers in the next reporting period.

4 IN COMMITTEE ITEMS

COUNCIL IN-COMMITTEE

That the public is excluded from this part of the meeting in relation to:

Agenda items 4.1, 4.2, 4.3, 4.4, 4.5, & 4.6

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:

OFFICER RECOMMENDATION

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>4.1 - CONFIRMATION OF IN COMMITTEE MINUTES OF RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 8 APRIL 2024</p>	<p>s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest</p> <p>s7(2)(h) - the withholding of the information is necessary to enable Council to carry out, without prejudice or disadvantage, commercial activities</p>	<p>s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7</p>
<p>4.2 - HEALTH & SAFETY UPDATE</p>	<p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p> <p>s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the</p>	<p>s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7</p>

	information would be likely otherwise to damage the public interest	
4.3 - WHISTLEBLOWERS QUARTERLY REPORT - MARCH 2024	s7(2)(d) - the withholding of the information is necessary to avoid prejudice to measures protecting the health or safety of members of the public s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7
4.4 - REPORT ON AUDIT RECOMMENDATIONS FROM MANAGEMENT LETTER	s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7
4.5 - ICT AND CYBERSECURITY IMPLEMENTATION PLAN ON AUDITS PERFORMED	s7(2)(b)(ii) - the withholding of the information is necessary 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 s7(2)(g) - the withholding of the information is necessary to maintain legal professional privilege	s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7
4.6 - SENSITIVE EXPENDITURE REPORT - MARCH 2024	s7(2)(b)(ii) - the withholding of the information is necessary 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	s48(1)(a)(i) - the public conduct of 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 under section 6 or section 7

5 SUB-COMMITTEE RESUMES IN OPEN MEETING

CLOSURE OR RATIFICATION OF DECISIONS IN OPEN MEETING