

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

Date: Monday 26 August 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 Robert Mallinson
Councillor Rex MacDonald
Councillor Jack O'Connor

(Quorum 3 members)

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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

Nil

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 4 JUNE 2024

SUGGESTED RECOMMENDATION

That the minutes of the Risk and Assurance Sub-Committee Meeting held on 4 June 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 Tuesday 4 June 2024 commencing at 3.30pm**

PRESENT: Mr Rob Caldwell (Chair)
Mayor Tania Gibson (Deputy Chair), Councillor Rex MacDonald

IN ATTENDANCE: Gerhard Roux (Group Manager Support), Neil Engelbrecht (Finance Manager), Gemma Trezise (People & Capability Business Partner), Shannon Beynon (Communication & Engagement Manager), Trish Jellyman (Democracy Advisor), Megan Bourke (Communications Officer)

1 APOLOGIES AND DECLARATIONS OF INTEREST

1.1 APOLOGIES

COMMITTEE RESOLUTION RA 24/06/014

Moved: Mayor Tania Gibson

Seconded: Cr Rex MacDonald

That the apologies received from Cr Robert Mallinson and Cr Jack O'Connor be accepted and leave of absence granted.

Carried Unanimously

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 is one late item for the In Committee section of the meeting.

2 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

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

COMMITTEE RESOLUTION RA 24/06/015

Moved: Mr Rob Caldwell

Seconded: Mayor Tania Gibson

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

Carried Unanimously

3 AGENDA ITEMS

3.1 TREASURY UPDATE 31 MARCH 2024

Refer page 15 of the agenda.

The GMS spoke to this report. He advised that there are no significant borrowings scheduled for the next three to six months.

The Chairman asked the GMS if he has any concerns. The GMS confirmed that he has no concerns.

COMMITTEE RESOLUTION RA 24/06/016

Moved: Cr Rex MacDonald

Seconded: Mayor Tania Gibson

That the Risk and Assurance Sub-Committee Meeting:

1. Receives the report and notes the contents.

Carried Unanimously

3.2 HEALTH AND SAFETY REPORT

Refer page 24 of the agenda.

The PCBP spoke to this report. She advised that contractor management area has had some movement.

Cr MacDonald asked how pre-qualification for contractors is going as it is now down from 27 down to 7. The PCBP confirmed that prequalification must be obtained prior to starting work with Council. She stated that the main objective is to make sure everyone that Council is working with is prequalified and that assistance is offered to those needing it. The Chairman asked if the recertification process is the same, the PCBP confirmed that it is a simpler process. She confirmed that there is a calendar reminder system in place for recertification.

Discussion took place around critical risk. It was noted that the Port also falls under this area. The PCBP confirmed that this will provide the programme of work moving forward. The Chairman stated that this is an area that Council does not want to see any incidents in.

COMMITTEE RESOLUTION RA 24/06/017

Moved: Cr Rex MacDonald

Seconded: Mayor Tania Gibson

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

Carried Unanimously

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, 4.6, and 1.7 (late agenda item)

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 24/06/018

Moved: Cr Rex MacDonald

Seconded: Mayor Tania Gibson

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 8 APRIL 2024	<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>	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	<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 information would be likely otherwise to damage the public interest</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

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
1.7 - GREY DISTRICT COUNCIL AUDIT PLAN 30 JUNE 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 s7(2)(g) - the withholding of the information is necessary to	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

	maintain legal professional privilege	
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Carried Unanimously

5 SUB-COMMITTEE RESUMES IN OPEN MEETING

CLOSURE OR RATIFICATION OF DECISIONS IN OPEN MEETING.

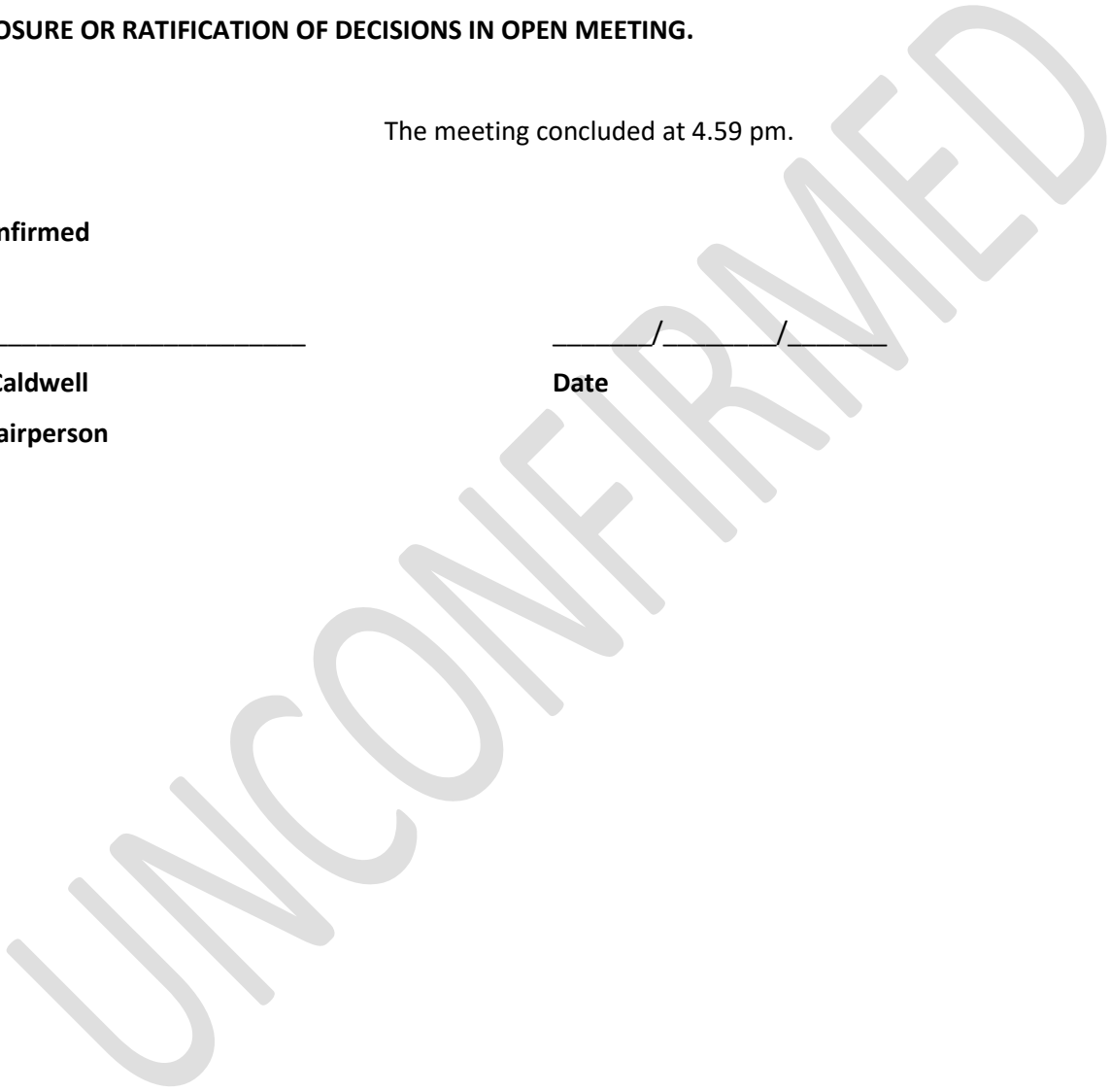
The meeting concluded at 4.59 pm.

Confirmed

R Caldwell
Chairperson

_____/_____/_____

Date



3 AGENDA ITEMS

3.1 TREASURY UPDATE 30 JUNE 2024

File Number:

Report Author: Finance Manager

Report Authoriser: Acting Chief Executive

Appendices: 1. Grey District Council Dashboard - June 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 30 June 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 currently not meeting the Fixed Rate Hedging Bands requirements set. This is due to sudden departure of staff members, leaving council with no authorised dealers. This will be rectified by the next quarter.

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

30 June 2024

STRICTLY PRIVATE AND CONFIDENTIAL



BANCORP



Economic Commentary

2

Global (for the June 2024 quarter)

It was another bumpy ride for the benchmark US bond market in the June quarter, with the 10-year Treasury starting at 4.20%, rising to 4.72% on 27 April, declining back to 4.22% on 20 June, and finishing the quarter at 4.40%. While progress has been made in taming inflation, the progress has been slower than the market and, importantly, what the U.S. Federal Reserve ("Fed") had been hoping for, creating concerns that the Fed may keep interest rates higher for longer than anticipated.

The Fed has continued to signal it would begin easing this year, while forecasting higher growth and inflation for 2024. From pricing in 6-7 Fed cuts at the start of the year, market pricing currently reflects two cuts by the end of the year, complicated by the 5 November US election.

While progress has been made in the battle against inflation globally, that progress has been uneven across different geographies. Persistent core inflation pressures in several developed countries, including the UK, U.S., and Eurozone, contributed to overall inflation rates exceeding central bank targets. Australia remains an outlier and based on market pricing, faces a real possibility of further interest rate hikes after a poor May CPI release.

In early June, the European Central Bank ("ECB") 'hawkishly' cut its key interest rates by 25bps to lower its main refinancing operation rate to 4.25% and its deposit facility rate to 3.75%. The move did come with a warning after ECB President Christine Lagarde announced, *"Domestic inflation remains high, and wages are rising at an elevated pace. We will need more data to constantly confirm the disinflationary path. We cannot confirm that the dialling back process is underway."*

It was a different story in Switzerland though, after the Swiss National Bank, the SNB, reduced its key interest rate by 25bps to 1.25% following their March cut. The rate cut caught the market off guard, which saw the Swiss franc fall sharply, although officials sought to provide comfort, announcing they remain prepared to intervene if required.

China increased the pace of monetary, fiscal, and regulatory easing measures to support growth. These efforts have contributed to some cyclical stabilisation, but whether they will translate into a full-blown economic reacceleration remains uncertain.

Looking ahead to the US elections in November, the election result will determine who decides on the roughly \$3.5 trillion of 2017 personal income tax cuts scheduled to expire at the end of 2025. Based on projections, the fiscal deficit is expected to remain relatively large over the next several years (5%-6% of GDP), partly due to rising interest-rate payments on federal debt. The election result could see materially different approaches to tariffs, global trade, immigration, taxes and even the shape of monetary policy.



WAWWA

Economic Commentary

New Zealand (for the June 2024 quarter)

3

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
31 Mar 2024	5.50%	5.63%	4.80%	4.51%	4.38%	4.38%	4.46%
30 June 2024	5.50%	5.63%	4.96%	4.68%	4.45%	4.44%	4.50%
Change	0%	0%	+0.16%	+0.17%	+0.07%	+0.06%	+0.04%

The June 2024 quarter saw a continuation of the poor economic data that has characterised 2024, with a growing chorus of “survive until 25” being heard. New Zealand is undergoing a painful reset, with economic indicators suggesting the economy has weakened further over the last quarter. Further forward-looking indicators for the remainder of 2024 show an economy stuttering at ongoing near or actual recessionary levels. Evidence continues that the Reserve Bank of New Zealand (“RBNZ”) has largely done its job in suppressing aggregate demand, and the labour market is clearly softening.

While the signs of a faltering economy are clear, the timing of when this will lead to lower inflation and, more importantly, when the Reserve Bank will be able to ease its grip on the economy by reducing rates remains uncertain. Another variable is whether the Reserve Bank starts cutting rates when inflation falls back within its target range of 1-3% or when the RBNZ is confident that inflation will fall back to the target midpoint of 2%

At the 22 May OCR review, the RBNZ maintained the OCR at 5.50%, stating that while annual consumer price inflation is expected to return to the Committee’s one to three per cent target range by the end of 2024, monetary policy needed to remain restrictive to ensure that inflation returns to target within a reasonable timeframe while domestic services inflation persists.

Of particular note, the RBNZ focused on annual non-tradable inflation, which had only slightly declined to 5.8 per cent, higher than the 5.3 per cent forecast.

RBNZ projections have the first OCR cut in Q4 2025, with most banks forecasting cuts in February 2025 and Kiwibank forecasting a November 2024 rate cut.

There is an increasing amount of anecdotal evidence backed up by many recent data releases, including business and consumer confidence declining sharply and construction activity, residential building consents, and retail sales all falling markedly. This suggests that the Reserve Bank should cut sooner than the May MPS review indicated.

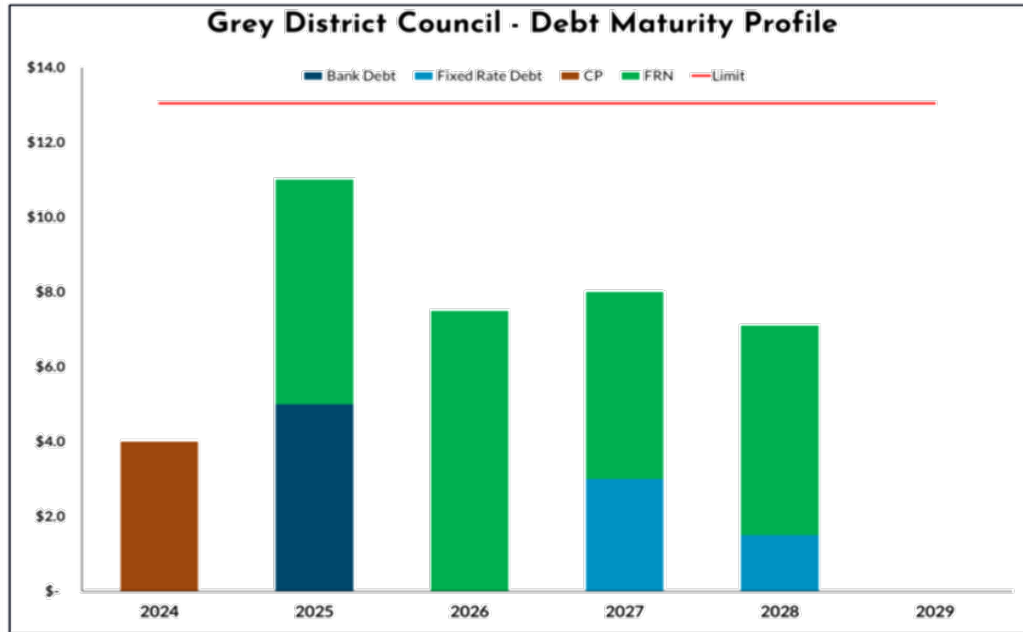
Swap rates have had a volatile quarter. The 2-year and 5-year swap rates declined from highs of 5.22% and 4.80%, respectively, down to lows of 4.89% and 4.33% before retracing some of the moves down, closing the quarter at 4.96% and 4.45%, respectively.



MANAGER

Liquidity and Funding

4



Debt
\$32.6m
 External Council Drawn Debt

LGFA
\$32.6m
 Funds Drawn from LGFA

Liquidity = undrawn bank facility + term deposits + cash in bank
\$8.52m

Liquidity Ratio (must be >110%)
126.13%
 Definition: (Cash Reserves + Lines of Credit + Drawn Debt)/Drawn Debt

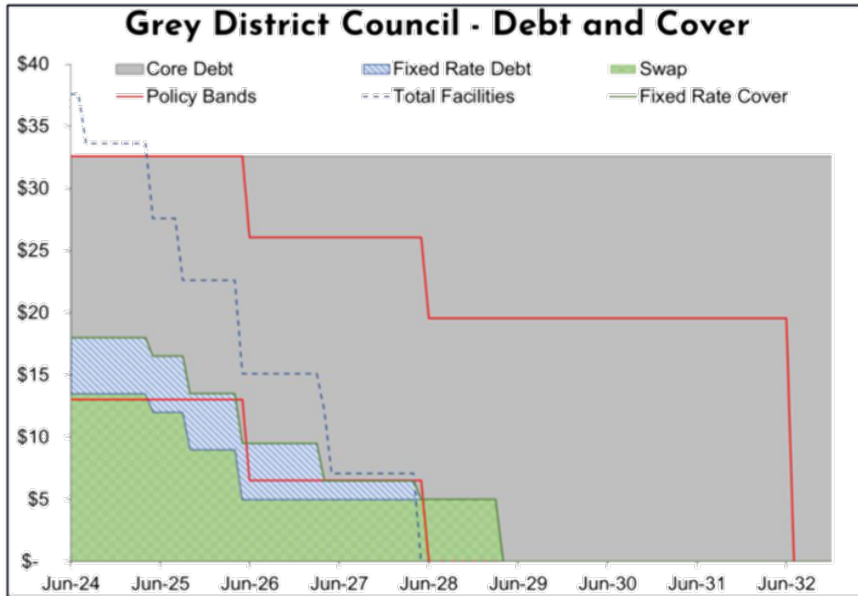
Cost of Funds as at 30 June 2024
5.21%

Policy Compliance	Compliant
Have all transactions been transacted in compliance with policy?	Yes
Is fixed interest rate cover within policy control limits?	No
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

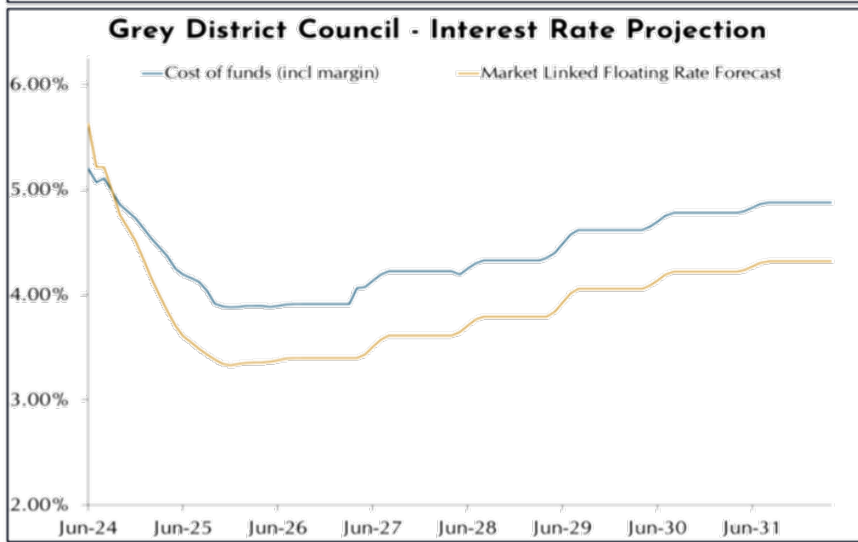


Interest Rate Risk Management

5



<i>Current % of Debt Fixed</i>	55.2%
<i>Current % of Debt Floating</i>	44.8%
<i>Value of Fixed Rate (m)</i>	\$18.0
<i>Weighted Average Cost of Fixed Rate Instruments</i>	3.68%
<i>Value of Forward Starting Cover</i>	\$0.0
<i>Value of Floating Rate (m)</i>	\$14.6
<i>Current Floating Rate</i>	5.63%
<i>All Up Weighted Average Cost of Funds Including Margin</i>	5.20%
<i>Total Facilities In Place</i>	\$37.6



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

Grey DC was non-compliant with the Fixed Rate Hedging Bands at the end of June. While it intended to transact an interest rate swap to achieve compliance it was unable to do so due to recent staff departures, leaving the council with no authorised dealers on Westpac’s approved list who were permitted to transact swaps. This will be rectified in the September quarter.

Please note that GDC’s cost of funds is projected to decline from the current level of 5.21% down to 4.19% by June 2025, 3.88% by December 2025 and 3.90% by June 2026.



Grey DC - Funding

6

As of 30 June 2024, Grey DC had \$32.6 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 30 June are as follows.

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	15-Aug-24	5.84%	N/A	\$4,000,000
LGFA FRN	15-May-25	6.21%	0.57%	\$3,000,000
LGFA FRN	15-May-25	6.15%	0.51%	\$3,000,000
LGFA FRN	15-May-26	6.26%	0.62%	\$4,000,000
LGFA FRN	15-May-26	6.30%	0.66%	\$3,500,000
LGFA FRB	15-Apr-27	1.95%	N/A	\$3,000,000
LGFA FRN	15-May-27	6.35%	0.71%	\$5,000,000
LGFA FRN	15-May-28	6.32%	0.68%	\$3,600,000
LGFA FRB	15-May-28	5.11%	N/A	\$1,500,000
LGFA FRN	15-May-28	6.38%	0.77%	\$2,000,000



LGFA Borrowing Rates

7

Listed below are the credit spreads and applicable interest rates as at the end of June 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%	5.82%	N/A
6 month CP	0.20%	5.81%	N/A
April 2025	0.49%	6.11%	5.99%
April 2026	0.52%	6.14%	5.54%
April 2027	0.62%	6.24%	5.31%
May 2028	0.74%	6.36%	5.24%
April 2029	0.81%	6.43%	5.22%
May 2030	0.88%	6.50%	5.25%
May 2031	0.97%	6.59%	5.33%
April 2033	1.03%	6.65%	5.42%
May 2035	1.12%	6.74%	5.54%
April 2037	1.20%	6.82%	5.68%



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3.2 HEALTH AND SAFETY REPORT

File Number: F/7
Report Author: People and Capability Business Partner
Report Authoriser: Acting Chief Executive
Appendices: 1. Health & Safety Wellbeing 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 77%, an increase of 12%.
- 2.2. A Safe365 HSWA Competence rating target of 88% has been allocated.
- 2.3. A total number of 31 safety reports have been recorded during the reporting period.
- 2.4. Council Safe Plus review identified seven recommendations.
- 2.5. Council engages with 123 contractors, of which 58 meet a pre-approved status.
- 2.6. 147 Contractor site safety inspections conducted during the reporting period.

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's 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. Council has had six work related accidents reported, thus our LTIFR (the number of lost time injuries that occurred during the reporting period) is currently 11.31.

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: 20 May 2024 to 31 July 2024

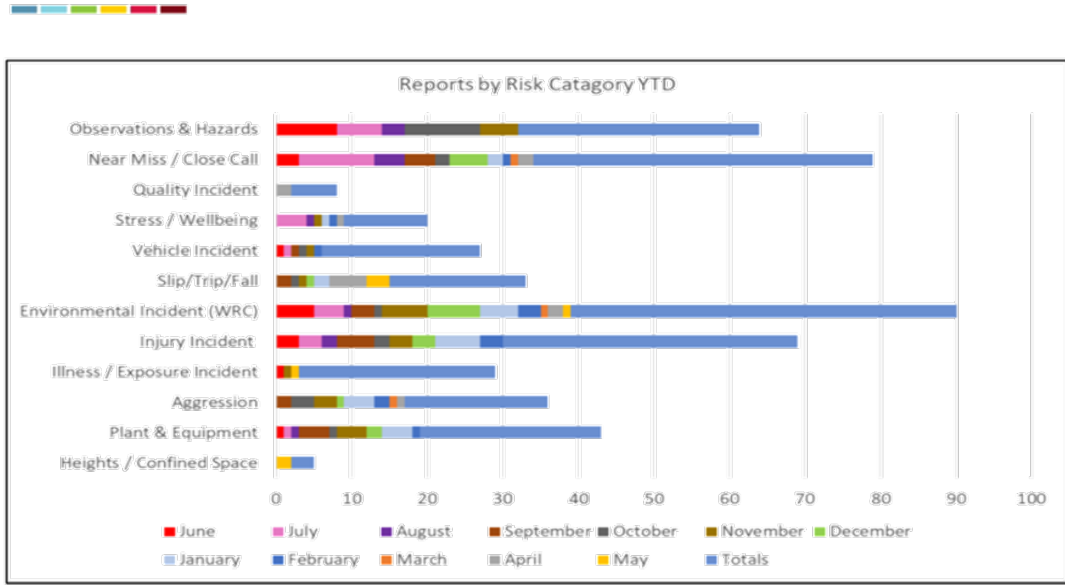
Safety Summary

Accident Management	<ul style="list-style-type: none"> - 31 reports received in the reporting period - 352 reports received Year to date - 11.31 Lost Time Injury Frequency Rate (LTIFR)
Compliance (Safe365)	<ul style="list-style-type: none"> - Council's current Safety Index is 77% (previously 65%) - 12% increase in the reporting period - HSWA compliance goal is 88% (3 year plan 2024-27)
Culture (Safe Plus)	<ul style="list-style-type: none"> - Result of survey identify Council performing in the three core elements: Leadership, Worker Engagement and Risk Management - 7 improvement recommendations provided
Risk Management	<ul style="list-style-type: none"> - 3 Job Safety Analysis developed - 3 JSA training sessions - 37 High Risk Hazards identified (increase of 1)
Contractor Management	<ul style="list-style-type: none"> - 147 Contractor site safety inspections conducted - 1 Reports or observations - 2 Contractor documents reviewed for site specific tasks

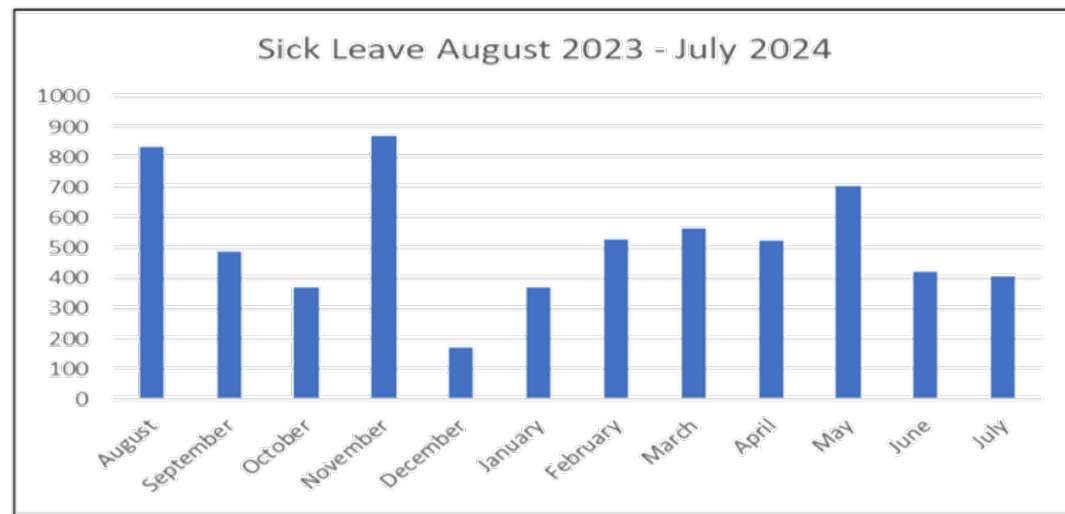
Accident Management

Table 1

Risk Categories		Total Reports During Reporting Period	Total Reports requiring action	YTD reports (Rolling 12mths)
Contractor Reports	Critical Risk Categories		1	27
Heights / Confined Space			0	3
Plant & Equipment			1	25
Aggression			2	21
Illness & Exposure Incident			1	1
Injury Incident		0		39
Environmental Incident (WRC)		5		56
Slip, Trip and Fall		8		26
Vehicle Incidents		0		21
Stress and Wellbeing		4		15
Quality Incident		4	3	10
Near Miss / Close Call		5		50
Observations & Hazards		0		32
Totals		31	4	352



Lost Time Injury Frequency Rate (LTIFR)	11.31
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Compliance (Safe365)



Activities resulting in surge of compliance (increase of 12%)

Employee engagement activities

- **Promotion of Safety Committee** – a additional 11 persons attended the meeting following a promotion of the committee, the purpose and the request for employee participation. Much of the conversation was surrounding stress and wellbeing.
- **Safe Plus** – the Council have joined safe plus a government initiative used to measure safety culture. The addition of this tool and the surveying methodology has activity encouraged employees to participate in safety discussions and measurement of culture.
- **Education of safety** – Managers have been provided with legal guides to safety, resources have been developed and shared with staff and provide encouragement for employees to participate in the identification of hazards and controls has further ignited free and open discussion within teams.
- **Access of information** – Our communication team is refreshing the internal resource to access safety documentation, resources and tools.

Collection of hazard and risk activities

- **Development of Job Safety Analysis (JSA)** – following the identification of high hazards by the managers, our safety team have activity supported the managers in the development and training of hazard controls. As a result, each team are in the process of developing JSAs at a target rate of one per month.
- **Site inspections** - are being conducted at our contractor sites with the date being used for improvement opportunities and identification of unidentified risks. This is a success process currently adopted by the engineering teams, with an intent to spread across all council functions.
- **Wellbeing** – In response to committee conversation surrounding wellbeing, Council has developed 5-minute stretch videos with our WRC fitness instructors for employees. These videos will be available to all staff in addition to morning stretch sessions booked in chambers for all to participate. Council is also offering a group discount rate for employees to join the WRC and continue to provide an online wellness programme *My Everyday Wellbeing* which offers information on meal, exercise and much more.



Culture (Safe Plus)

SafePlus July Survey Results



Table 2

<p>Worker Engagement</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 1. Check that the time and resources (including people, money and support) allocated to encourage and support workers in health and safety is being used successfully. <p>Assessment results show:</p> <ul style="list-style-type: none"> • That workers can get involved and have their say in health and safety, however, results also show that the organisation needs to get better at resourcing and supporting workers and their representatives to get involved in health and safety. <p>Actions in progress:</p> <ul style="list-style-type: none"> • New resources in development • Training programme in development • Intranet resource page undergoing a update and refresh • Promotion of committee, resources and training opportunities
<p>Risk Management</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 2. Improve your processes to check that the actions taken to reduce risk (control measures) are keeping workers healthy and safe. 3. Identify external information (eg from relevant WorkSafe guidance, industry publications) that should be included in your management of critical risks (the risks which could lead to death or serious/irreversible harm). 4. Develop skills and understanding of the methods used to control the organisation's critical risks. 5. Improve your processes to manage the risks from work-related stress. <p>Assessment results show:</p> <ul style="list-style-type: none"> • That the organisation, with help from workers and their representatives, needs to get better at checking that the actions taken to reduce risk (control measures) are keeping workers healthy and safe. Also that the organisation needs to get better at managing the risks from work related stress. • That the organisation needs to get better at managing the risks from work related stress. <p>Actions in progress:</p> <ul style="list-style-type: none"> • Risk management resource and training in development • Development of Job Safety Analysis underway, with a primary focus on high risk
<p>Leadership</p>	<p>Recommendation:</p> <ol style="list-style-type: none"> 6. Involve workers and their representatives when reviewing risk management activities. 7. Confirm the resources (including people, time, money and support) allocated for dealing with risks to worker safety are being used effectively. <p>Assessment results show:</p> <ul style="list-style-type: none"> • That Leadership and Operations have a different view on whether the organisation, with workers and their representatives, reviews how successful it is at managing risks and wider health and safety. • The Senior/Executive Managers and Team Leader/Supervisors have a different view on whether the organisation makes enough resources (including people, time, money and support) available to deal with risks to worker safety. <p>Actions in progress:</p> <ul style="list-style-type: none"> • Safe Plus has been initiate to gather data to provide to the executive team. • Process applied to include employees in review of risk and development of controls.



Risk Management

Below is a list of activities performed in relation to risk management.

Safety training / information distributed	3	Contractor Management process Job Safety Analysis Training Event management – education community groups
Reviewed / developed safety material	2	Wellbeing videos Working Alone process / procedure
Council site safety inspections	0	
Stop work notices issued	0	
High risk hazards identified	37	Across 11 teams (increase of 1)
Job Safety Analysis	3	Building Utilities Business and Contracts
Risk management training	3	How to develop a Job Safety Analysis
Permits to work	0	
WorkSafe notifications	0	

Contractor Management

Contractor Safety Project: Prequalification



Below is a list of activities performed in relation to contractor management.

Contractors identified for pre-qualification	123
Contractor documents reviewed for site specific tasks (<i>safety plans, Sops etc</i>)	2
Contractor site safety inspections The contractor site safety inspections have progressed well, with 147 site inspections completed over the period May to July by our Project Manager. All reports indicate good engagement with the contractors and their expected health, safety, conditions and practices. No areas of concerns were raised.	147
Contractor Reports (accidents and incidents)	1
Contractor Observations (Potential hazards)	0

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 and 4.2

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
4.1 - CONFIRMATION OF IN COMMITTEE MINUTES OF RISK AND ASSURANCE SUB-COMMITTEE MEETING HELD ON 4 JUNE 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 - 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

5 SUB-COMMITTEE RESUMES IN OPEN MEETING

CLOSURE OR RATIFICATION OF DECISIONS IN OPEN MEETING