Audit and Risk Committee

Tuesday 24 July 2018

3.30pm

Waimakariri District Council Chambers
215 High Street
Rangiora

Members:

Councillor Neville Atkinson (Chairperson)
Councillor Kirstyn Barnett
Councillor Al Blackie
Deputy Mayor Kevin Felstead
Councillor Paul Williams
Mayor David Ayers (ex officio)
The Chairman and Members
AUDIT AND RISK COMMITTEE

A Meeting of the AUDIT AND RISK COMMITTEE will be held in the WAIMAKARIRI DISTRICT COUNCIL CHAMBERS, 215 HIGH STREET, RANGIORA on TUESDAY 24 JULY 2018 at 3.30PM.

Adrienne Smith
Committee Advisor

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

BUSINESS

1 APOLOGIES

2 CONFLICTS OF INTEREST

Conflicts of interest (if any) to be reported for minuting.

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 22 May 2018

RECOMMENDATION

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 22 May 2018, as a true and accurate record.

4 MATTERS ARISING

5 PRESENTATION/DEPUTATION
6 REPORTS


RECOMMENDATION

THAT the Audit and Risk Committee

(a) Receives report No. 180702073233.

(b) Reviews the progress against the 2017/18 Health and Safety Workplan (Annual Plan).

(c) Notes the additional Health and Safety activities that have been achieved during this period.

(d) Reviews and Acknowledges the Health and Safety Workplan (Annual Plan) for 2018/19.

6.2 Cyber Security – Jolanda Simon (CIO)

RECOMMENDATION

THAT the Audit and Risk Committee

(a) Receives report No. 180711077023.

(b) Notes the cyber security work undertaken so far which includes training, cyber response plan, and implementation of various security recommendations.

(c) Notes that (Cyber) Security and other ‘High’ IT Risks will be reported quarterly to the Audit and Risk Committee.

(d) Notes that the Deloitte Cyber Security assessment report and recommendations will be reported back to the Audit and Risk Committee in November.

(e) Notes that work is being undertaken to finalise Cyber Insurance and this will be reported back to the Audit and Risk Committee in November.

6.3 Local Government Act 2002 Section 17A Cost Effectiveness of Service Delivery Reviews for Security Services and Solid Waste Education Services – Veronica Spittal (Senior Policy Analyst)

RECOMMENDATION

THAT the Audit and Risk Committee

(a) Receives report No. 180628071950.

(b) Approves the attached S17A Reviews for Security Services-After Hours, Cash Transportation Security and Educational Services-Waste Minimisation and 3 Waters.

(c) Agrees that no further review of Security Services-After Hours is needed until 2024 prior to contract renewal in 2025, subject to successful completion of the contract.
Agrees that the need for and/or nature of the Cash Transportation Security Contract be reviewed prior to 30 June 2020, subject to successful completion of the current contract.

Agrees that no further review of Educational Services-Waste Minimisation and 3 Waters is needed until 2024 prior to contract renewal in 2025, subject to successful completion of the contract.

Agrees to defer the S17A Review for Airfield Management until the outcome of the proposed Rangiora Airfield Plan Change and associated designation is known.

Agrees to re-programme the S17A Reviews of Community Housing and Housing for the Elderly to the 20 November 2018 Audit and Risk Committee meeting.

### 6.4 Standard and Poors Crediting Rating Report – Jeff Millward (Manager Finance and Business Support)

**RECOMMENDATION**

THAT the Audit and Risk Committee

(a) Receives report TRIM 180713078284

(b) Notes that as a result of the Credit Rating review undertaken by Standard and Poors the Council has retained a Credit Rating of AA / A-1+, with a negative outlook;

(c) Notes that where the Council can contain its expenditure within the limits of the policy and financial forecasts provided within the 2018-28 Long Term Plan, it would be expected that the Council would retain the AA / A-1+ credit rating with a stable outlook being issued;

(d) Notes that the next credit rating review is programmed to be undertaken in April 2019;

(e) Notes that additional actions are being undertaken to ensure capital programmes are being monitored and improving efficiencies.

### 6.5 Oxford Bulletin – Maree Harris (Customer Services Manager)

**RECOMMENDATION**

THAT the Audit and Risk Committee

(a) Receives report No. 180704074184.

(b) Agrees that the Council will cease producing the Oxford Bulletin from the 3 August 2018 issue and that from this date responsibility for publication of the Bulletin will transfer to Bruce and Emily Chapman.
6.6 Enterprise North Canterbury Statement of Intent and Business Plan for year beginning 1 July 2018; and Proposed District Promotions Plan for 2018/19 – Simon Markham (Manager Strategy and Engagement)

RECOMMENDATION

THAT the Audit and Risk Committee

(a) Receives report No. 180708075704
(b) Approves ENC’s Statement of Intent for the Financial Year beginning 1 July 2018
(c) Receives ENC’s 2018/19 Business Plan
(d) Approves ENC’s Draft District Promotions Business Plan for 2018/19

7 PORTFOLIO UPDATES

7.1 Audit, Risk, Long Term Plan and Excellence Programme – Deputy Mayor Kevin Felstead

7.2 Communications – Councillor Neville Atkinson

8 QUESTIONS

9 URGENT GENERAL BUSINESS

10 MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

Section 48, Local Government Official Information and Meetings Act 1987

RECOMMENDATION

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

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution, are as follows:
<table>
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<th>Item No</th>
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<tr>
<td>10.1</td>
<td>Minutes of the Public Excluded Portion of the Audit and Risk Committee meeting of 22 May 2018</td>
<td>Confirmation of Minutes</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
<tr>
<td>10.2</td>
<td>Report of Maree Harris (Customer Service Manager)</td>
<td>Request to Remit Rates</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
<tr>
<td>10.3</td>
<td>Report of Sarah Nichols (Governance Manager)</td>
<td>Insurance Renewal Update for 2018/19</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
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This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public are as follows:

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</table>
| 10.1 – 10.3 | Protection of privacy of natural persons  
To carry out commercial activities without prejudice | A2(a)  
A2(b)ii |

**CLOSED MEETING**

*See In Committee Agenda (blue papers)*

**OPEN MEETING**
WAIMAKARIRI DISTRICT COUNCIL

MINUTES FOR THE MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE WAIMAKARIRI DISTRICT COUNCIL CHAMBERS, 215 HIGH STREET, RANGIORA ON TUESDAY 22 MAY 2018 COMMENCING AT 3.30PM.

PRESENT

Councillor N Atkinson (Chairperson), Deputy Mayor K Felstead, Mayor D Ayers, Councillors A Blackie, K Barnett and P Williams

IN ATTENDANCE

Councillors D Gordon, J Meyer, W Doody, and S Stewart (from 3.35pm) Messrs J Palmer (Chief Executive), J Millward (Manager Finance and Business Support), S Markham (Manager Strategy and Engagement), L Ashton (Organisational Development and HR), Mr S Hart (Business and Centres Manager), M Harris (Customer Services Manager), P Christensen (Finance Manager), and Mrs A Smith (Committee Advisor)

1 APOLOGIES

There were no apologies.

2 CONFLICTS OF INTEREST

No conflicts of interest were noted.

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 27 March 2018

Moved Councillor Barnett seconded Councillor Williams

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 27 March 2018, as a true and accurate record.

CARRIED

4 MATTERS ARISING

There were no matters arising.

5 PRESENTATION/DEPUTATION

There was no presentations.
6 REPORTS


Mr John MacKey Director from Audit New Zealand, was present for consideration of this report and to present the Audit New Zealand’s Management Report on the Consultation Document (CD) for the 2018-2028 Long Term Plan and the Audit Plan for the Annual Report for the year ended 30 June 2018. Audit New Zealand issued an unmodified audit opinion on the CD.

The two recommendation from the Auditors are to include a performance measure that demonstrates whether the Council is providing the agreed level of service for the condition of its unsealed roads. As noted in the report, the unsealed roading network is 38% of road length in the district, but carries just 3% of traffic. The Council would like to consider alternatives and it was noted that any alternative needs to be measurable.

The second recommendation relates to the liquidity ration limit so that it is not breached, or for an explanation to be provided as to why it is appropriate that it is breached. The report notes this will be corrected within the final LTP.

Moved Councillor Felstead seconded Councillor Williams

THAT the Audit and Risk Committee

(a) Receives report No. 180504048623

(b) Receives Audit New Zealand’s Management Report on the Consultation Document for the 2018-2028 Long Term Plan;

(c) Receives the Audit Plan for the Annual Report for the year ended 30 June 2018;

(d) Notes there are no significant matters arising from the management letter for the Consultation Document. Staff have provided responses to the Auditors comments and recommendations.

Deputy Mayor Felstead commented on the variables for measuring what is considered a “good” unsealed road.

Mr McKay noted the audit arrangements letter has been replaced by the Audit Plan, to highlight the areas of audit focus to set out responsibilities of Audit New Zealand.

There has been additional work undertaken by the Auditors, and assisted through Deloittes on the issue of detecting fraud.

Mayor Ayers noted that several Councillors have recently attended an Audit and Risk workshop, noting that there seems to be a higher importance placed on Risk. Mr Mackey said risk is important and it is up to each Council to identify risk and how to deal with it.
6.2 Mobile Plant Review and Update of Plant Purchase and Replacement Policy- Jill Brightwell (Asset Information Management Team Leader) and Jeff Millward (Manager Finance and Business Support)

Mr Millward presented this report, which provided a review of the fleet replacement process. The previous review was undertaken in 2013. The review was undertaken in February 2018 by fleet utilisation specialists, OptiFleet. It is recommended to extend the period to replace vehicles and plant as identified in the report and the Plant Purchase and Replacement Policy has been amended to reflect the findings of the review.

Deputy Mayor asked if the $800,000 that is recommended be used to offset debt, could be used to reduce rates instead?. Mr Millward said this could be an option, but this would be a one off reduction, and rates would increase again the following year.

Mr Palmer added that it is the discretion of the Council what it does with this funding and could be left to be decided as part of the LTP deliberations at Council meeting on 29 May.

Councillor Gordon asked if there had been any consideration given to the Council having electric vehicles as part of its pool of vehicles. Mr Millward said this has been considered, but there are matters that need to be taken into account, including having a charging station, who takes responsibility for charging fleet vehicles and who pays for it, if staff are taking vehicles home each night.

Moved Deputy Mayor Felstead seconded Councillor Blackie

THAT the Audit and Risk Committee

(a) Receives report No. 170915100061

(b) Approves the recommendation of the amendment of Plant Purchase and Replacement Policy to a frequency basis as outlined below with a staged implementation programme of items not previously identified:

i. Sedans/SUV: 3 years/75,000Km;
ii. Utilities/Van not as part of Water Unit Department: 4 Years/100,000km;
iii. Water Unit Utilities: 3 years/100,000km;
iv. Water Unit Reticulation Division Service Bodies: 9 years;
v. Trailers: 7 years;
vi. Trucks (excluding Rural Fire): 10 years;
vii. Other mobile Plant: as per agreement with relevant department manager and fleet manager pending additional funding approval through Annual Plan budget planning;
viii. Exceptions to this replacement frequency policy are: NZRT12 vehicles, Community Watch vehicle and any vehicles under an employment contract;

(c) Approves $800,000 to be transferred from the Plant account to the General account, with the allocation to be decided at the Council LTP deliberations meeting on May 29 2018.

(d) Notes that documentation of all non-standard items on vehicles will be recorded and linked to the appropriate asset within Council Asset Register e.g. Civil Defence special equipment;
(e) **Notes** that further investigation will be undertaken that addresses onsite parking and further rationalising of the fleet.

**CARRIED**

6.3 **Outcomes of the WDC Health and Safety Risk Register Review March 2018 – Liz Ashton (Manager Organisation Development and HR)**

C Browne presented this report to show the outcomes of the March 2018 WDC Health and Safety Risk Register review, and associated plan for high-risk and/or high consequence activities. The Risk Register is reviewed twice-yearly and the most recent review is the fourth review undertaken. There was no significant change in either the number of risks or risk ratings. Any changes made to the register have been included in the Risk Register Action Plan.

Councillor Williams asked what the high risks are and these were noted as contractors, volunteers, staff working in adverse weather events and airfield operations.

Moved Councillor Williams seconded Deputy Mayor Felstead

**THAT** the Audit and Risk Committee

(a) **Receives** report No 180508050220,
(b) **Reviews** the outcomes of the WDC Health and Safety Risk Register Review March 2018,
(c) **Notes** the format for the associated action plan for high risk/high consequence activities, and
(d) **Notes** next steps for implementation of actions.
(e) **Notes** the intention to implement a Risk Management system (Promapp) to manage Health and Safety Risk for WDC in the second half of 2018.

**CARRIED**

6.4 **Capital Projects Report for the period ended 31 March 2018 – Paul Christensen (Finance Manager)**

Mr Christensen presented this report, which was taken as read. There were no questions.

Moved Councillor Blackie seconded Deputy Mayor Felstead

**THAT** the Audit and Risk Committee

(a) **Receives** report No. 180424044711.
(b) **Circulates** the report to the Boards
(c) **Notes** that progress of the capital projects with 185 (77%) of the 239 projects on time or completed

**CARRIED**

6.5 **Financial Report for the period ended 31 March 2018 – Paul Christensen (Finance Manager)**
P Christenson presented this report to the committee advising of the financial result for the quarter ended 31 March 2018 and highlighted some of the financial figures from the report. The Councils operating surplus of $5.6m is slightly less than the budget of $6.0m, due to expenditure being slightly over budget. This is still a small percentage, and by the end of the year it is anticipated that this figure will come back closer to budget.

The Councils financial position remains sound and is within all Policy limits. The Councils credit rating was confirmed in March at Standard & Poors to be AA with a negative outlook. The negative outlook based on a large programme of capital work and a quickly rising debt burden.

Moved Deputy Mayor Felstead seconded Councillor Atkinson

THAT the Audit and Risk Committee

(a) Receives report No. 180423044242.
(b) Notes that progress is tracking slightly unfavourably in comparison to budget but is expected to be close to budget for the financial year.

CARRIED

7 PORTFOLIO UPDATES

7.1 Audit, Risk, Long Term Plan and Excellence Programme – Deputy Mayor Kevin Felstead

Nothing to report.

7.2 Communications – Councillor Neville Atkinson

Nothing to report.

8 QUESTIONS

There were no questions.

9 URGENT GENERAL BUSINESS

There was no urgent general business.

10 MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

Section 48, Local Government Official Information and Meetings Act 1987

Moved Deputy Mayor Felstead seconded Councillor Blackie

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

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<td>Report of Lee Palmer (Credit Controller)</td>
<td>Approval to write off Debtor account</td>
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<td>Protection of privacy of natural persons To carry out commercial activities without prejudice</td>
<td>A2(a) A2(b)ii</td>
</tr>
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</table>

**CLOSED MEETING**

**Resolution to resume in Open Meeting**

Moved Councillor Atkinson seconded Councillor Blackie

**THAT** open meeting resumes and the business discussed with the public excluded in Item 10.1 remains public excluded and the recommendation in Item 10.2 be made public

**CARRIED**

**10.2 Approval to write off Debtor account Mr Joshua Morgan – Lee Palmer (Credit Controller)**

Moved Councillor Atkinson seconded Councillor Blackie

**THAT** the Audit and Risk Committee

(a) ** Receives** report no. 180503048320.

(b) **Approves** a write off to bad debt in the sum of $6,667.13.

**CARRIED**
**OPEN MEETING**

There being no further business, the meeting closed at 4.13pm.

CONFIRMED

_________________________
Chairperson

__________________________
Date

**WORKSHOP**

At the conclusion of the meeting, a workshop was held to discuss the following District Promotions matters:

- **Events Grant Funding**
- **Kaiapoi i-SITE evaluation**
1. SUMMARY

1.1 This report presents the annual achievements against the agreed Health and Safety 2017/18 Annual Plan (workplan), and presents the 2018/19 Annual Plan (workplan) for review. Additionally, the report presents other activities and statistics relevant to health and safety performance, in particular both lagging and leading indicators as per monthly due diligence reporting to Council.

Attachments:

i. N/A

2. RECOMMENDATION

THAT the Audit and Risk Committee:

(a) Receives report No. 180702073233.

(b) Reviews the progress against the 2017/18 Health and Safety Workplan (Annual Plan).

(c) Notes the additional Health and Safety activities that have been achieved during this period.

(d) Reviews and Acknowledges the Health and Safety Workplan (Annual Plan) for 2018/19

3. BACKGROUND

3.1 The Health and Safety Workplan is created annually to guide the major health and safety projects for each year. The Workplan fulfils the requirement for an ‘Annual Plan’, as it aligns with objectives for the organisation, and is reported against on a monthly basis to senior management and Council via ‘due diligence’ reporting.

3.2 The Health and Safety at Work Act 2015 requires that Officers must exercise due diligence to make sure that the organisation complies with its health and safety duties. An officer under the Health and Safety at Work Act 2015 is a person who occupies a specified position or who occupies a position that allows them to exercise a significant influence over the management of the business or undertaking. Councillors and Chief Executive are considered to be the Officers of WDC.
4. **ISSUES AND OPTIONS**

4.1. **Review against 2017/18 Health and Safety Annual Plan**

4.2. The below table outlines the progress against 2017/18 objectives, which were approved by the Health and Safety Committee, Management Team, and Council. All of the below projects have been monitored on a monthly basis by Management Team and Council as a part of due diligence reporting.

<table>
<thead>
<tr>
<th>Major Projects 2017/18</th>
<th>Current Progress</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective 1: Improve Health and Safety data management, and encourage all staff to report incidents and hazards.</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action 1: Safety Management System investigation and procurement project (includes carry-over of 'Reporting Improvement' project from 2016/17).</td>
<td>COMPLETE</td>
<td>Meeting was held with 4 other Councils in the region during 2018 during to investigate the potential to embark on a 'shared services' procurement project, as each of those Councils are in varying stages either procuring, reviewing or replacing their Safety Management System software. However this shared services project has now been placed on hold due to differing priorities and workload levels across the Councils. In the meantime, WDC is pursuing the following potential option for improving Safety Management:</td>
</tr>
<tr>
<td></td>
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<td>- Incident management in Technology One (with mobility interface, and bespoke reporting developed by Technology One team)</td>
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<td></td>
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<td>- Risk Management via Promapp (currently in scoping phase)</td>
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<tr>
<td></td>
<td></td>
<td>- Training Management via Promapp (currently in scoping phase)</td>
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<tr>
<td></td>
<td></td>
<td>- Auditing schedule as per SafePlus requirements (see below), and continue with current inspection schedules for regular site audits</td>
</tr>
<tr>
<td></td>
<td></td>
<td>- Documentation management via TRIM and new intranet portal (see below)</td>
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<tr>
<td></td>
<td></td>
<td>- Procedure management via Promapp (implementation commenced) and linked to new intranet portal (see below)</td>
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<tr>
<td></td>
<td></td>
<td>The above approach was approved by Management Team on Monday 5th June 2018.</td>
</tr>
<tr>
<td>Action 2: Implementation of Tech1/Mobile Hazard, Incident and Take-5 systems (carry-over project).</td>
<td>COMPLETE</td>
<td>Hazards and Incidents: Hazard forms and incident forms have 'gone live' online. All staff can lodge hazards or incidents via intranet link or mobile device. Link has been established to Technology 1, which is now the database for hazard and incident data. IT staff are developing workflows for any actions to be assigned to relevant staff. Completion of the workflows in Technology 1 is imminent, with IT currently working to finalise.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Take-5 Forms: Take-5 forms have been developed for mobile devices, and are in use in the Water Unit. The forms have been demonstrated to Audit &amp; Risk Committee, Health and Safety Committee, and key users throughout the organisation. Roll-out of Take-5 form to all field staff from Property, Redzone Regeneration, Greenspace, and Utilities and Roading occurred during early April.</td>
</tr>
</tbody>
</table>
### Action 3: Improvement of Due Diligence Health and Safety reporting.

**COMPLETE**

Linked with Action 2, the finalisation of the Technology 1 Hazard and Incident database allowed for improved due diligence reporting of both hazards and incidents. In addition, the Information Services team are developing bespoke reporting program to be able to draw the required information from Technology 1. This activity has been delayed and will carry over to the following year (2018/19).

In the interim, a suite of leading indicators have been developed for submission to Management Team and Council on a monthly basis, including training delivered, workplace walkarounds (inspections) completed, contractor compliance, hazards reported, and progress against WDC risk register action plan. The first round of these indicators was submitted in June 2018.

### Objective 2: Maintain a fit-for-purpose internal health and safety auditing system to ensure that WDC is compliant with health and safety policies, procedures and legal requirements.

**Action 4: Review and re-develop internal health and safety auditing system, aligned with best practice.**

**CARRY OVER TO 2018/19**

Initial investigation has lead to reviewing WorkSafe’s proposed “SafePlus” as a model. SafePlus has not been designed to replace WSMP. It has a different approach from a purely compliance audit. SafePlus is a business improvement tool that uses a behaviour-based assessment approach, and also offers independent guidance and advice on how to improve health and safety performance in a business.

The toolkit will be available as three separate products:
- Resources and guidance from WorkSafe website (available September 2017).
- An independent onsite assessment (available September 2017).
- A free online self-assessment. (available mid 2018).

**Delay to project due to requirement to align with SafePlus requirements and resources (above) which are not available unit mid-2018. Project will carry-over to 2018/19.**

In the interim, the health and safety team have continued with quarterly Workplace Walkaround inspections and annual Hazardous Substances audits. Contract managers have continued with random Site Safety audits of contract sites.
### Objective 3: Ensure that all contractors are managed according to health and safety procedural requirements, and improve staff knowledge of those requirements.

**Action 5: Contractor management process improvement project.**  
**COMPLETE**  
(with 2 carryover actions)

<table>
<thead>
<tr>
<th>Action accomplishment</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td><strong>Project is close to completion, having achieved the following:</strong></td>
<td></td>
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<tr>
<td>- Creation of interim contract register</td>
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<tr>
<td>- Process mapping of Contract Management processes (including H&amp;S requirements)</td>
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<tr>
<td>- Implementation of a Contract Management software system (e.g. TechnologyOne Contract Management module).</td>
<td></td>
</tr>
<tr>
<td>- Creation of a contract management training module.</td>
<td></td>
</tr>
<tr>
<td>1. Interim contract register has been created, introduced to key contract managers and handed over to Organisation (business as usual).</td>
<td></td>
</tr>
<tr>
<td>2. Contract Management process mapping (in Promapp) is complete. Handed over the process to the WDC Contract Documentation Review Group for the business as usual management of continuous improvement of processes.</td>
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<tr>
<td>3. Recommendation was made to Management Team that TechnologyOne Contract Management should be the software system of choice, however to delay implementation until after other key projects (Asset Management module in particular) are complete. Management Team have approved this decision.</td>
<td></td>
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</tbody>
</table>

**Carry over activities are as below:**

4. **Training module is under development. Training will be delivered once the single-sign on for all staff to Promapp has been confirmed, and the Contract Documentation Review Group has had the opportunity to finalise all process maps. Proposed delivery: September 2018.**

5. **Audit function is still in development.**

In addition, contract health and safety management systems are introduced to all staff at the time of their induction, and a short workshop was held on 6th June for all Utilities and Roading, Greenspace, Redzone Regeneration and some Water Unit staff to remind them of current procedures in place.

### Objective 4: Improve the Health and Wellbeing of staff, and create measures to ensure success.

**Action 6: Wellbeing strategy development and implementation project.**  
**CARRY OVER TO 2018/19**

<table>
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<tr>
<td><strong>A Wellbeing Survey was distributed to all staff in mid-September 2017.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Report was submitted to Management Team to present the findings of the Survey in November 2017.</strong></td>
<td></td>
</tr>
<tr>
<td><strong>A 'Wellbeing Committee/Workgroup' which will include members of HR/H&amp;S, MAD Committee, Social Club, and other interested staff was created in early 2018. Strategy development is now currently in progress, with a goal of creating an inclusive, diverse and easily accessed range of wellbeing offerings. Strategy submission to Management Team is projected to be complete by end July 2018. At this point the wellbeing strategy will move to implementation phase.</strong></td>
<td></td>
</tr>
</tbody>
</table>
Objective 5: Improve traceability and of staff working alone outside of hours, and appropriate response in the event of an incident.

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<thead>
<tr>
<th>Action 7: Lone working equipment procurement project.</th>
<th>COMPLETE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Work is complete on this project. SmarTrak devices have been procured for the Water Unit on-call team, which are satellite capable and externally monitored by ADT. They act as panic alarms and communication devices, even when the staff are out of cell-phone coverage range. A panic alarm has been purchased in the Environmental Services Unit, after a successful trial. This will in particular be used in the Dog Pound, but can also be used in other environments such as when entering private property or doing compliance work. Additionally, other departments are considering whether to use these types of tracking units for use during out-of-hours work in response to adverse weather events.</td>
<td></td>
</tr>
</tbody>
</table>

4.3. **Other activities completed during 2017/18:**

4.4. The below activities are in addition to the above major projects. Each of these actions are a significant piece of work, requiring research, collaboration with key stakeholders, development of documentation, and implementation/training.

4.4.1. Developed and issued Asbestos Management policy and procedure

4.4.2. Developed and issued Driver Safety policy and Driving in Waimakariri information

4.4.3. Reviewed and re-issued Confined Space Entry procedure

4.4.4. Reviewed and re-issued Permit to Work System procedure

4.4.5. Reviewed and re-issued Emergency Response procedures (for consultation)

4.4.6. Reviewed and improved training recording systems

4.4.7. Completed Hazardous Substances compliance audits for 4 key sites (one site remaining to review)

4.4.8. Completed Annual Health Checks for approximately 150 staff (blood pressure, blood sugar, flu vaccination, cholesterol and hearing checks).

4.5. Results of Organisational Survey 2017/18:

4.6. The ‘Our Voice’ (Ta Matou Reo) survey was conducted in 2017, and included five key health and safety indicators. The below is a graph of the results for the health and safety section, indicating that >91% of all respondents believe health and safety to be a valued activity within the organisation.

![Graph showing survey results]

Total sample: 202
4.7. **Incidents/Accidents – 2017/18 (as at 18th June 2018)**

4.8. Each of the below indicators have been reported on a monthly basis to the Management Team and Council. In addition, the indicators have been reported to the Health and Safety Committee every quarter, including the narrative detail of each incident and any associated corrective actions.

### June 2017 to Current: Worker Incident Reporting

<table>
<thead>
<tr>
<th>Month</th>
<th>Accident</th>
<th>Incident</th>
<th>Notifiable Injury/Illness</th>
<th>Near Miss</th>
<th>Property Damage</th>
<th>Fatality</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jun</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Jul</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>4</td>
</tr>
<tr>
<td>Aug</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Sep</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Oct</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Nov</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Dec</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Jan</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Feb</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Mar</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Apr</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>May</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Jun</td>
<td>2</td>
<td>1</td>
<td>1</td>
<td>0</td>
<td>1</td>
<td>0</td>
<td>5</td>
</tr>
</tbody>
</table>

---

**EXC-34-17 /180702073233 Page 7 of 13 Audit and Risk Committee Tuesday 24th July 2018**
Lost Time Injuries:

<table>
<thead>
<tr>
<th>Year</th>
<th>Events</th>
<th>Total Hours</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/17</td>
<td>3</td>
<td>110</td>
</tr>
<tr>
<td></td>
<td>Causes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Being hit by objects (6hrs)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Slips trips and falls (24hrs)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Body stressing (manual handling) (80hrs)</td>
<td></td>
</tr>
<tr>
<td>2017/18</td>
<td>4</td>
<td>79 (one pending)</td>
</tr>
<tr>
<td></td>
<td>Causes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Body stressing x2 (manual handling) (63hrs)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Falls, trips, slips x2 (one pending) (11hrs)</td>
<td></td>
</tr>
</tbody>
</table>

June 2017 to Current: Worker Incident Reporting

- Accident (33) 56%
- Near Miss (11) 19%
- Incident (8) 13%
- Notifiable Injury/Illness/Incident (0) 0%
- Property Damage (7) 12%
- Total (56)

June 2017 to Current: Worker - Cause of Incident

- Fall, trip or slip (13) 25%
- Being hit by moving objects (7) 14%
- Hitting objects with part of body incl. cuts (10) 18%
- Body stressing (9) 19%
- Chemicals or other substances (2) 4%
- Heat, radiation or energy (3) 6%
- Sound or pressure (0) 0%
- Mental stress (2) 4%
- Biological factors (5) 10%
- Total (56)
4.9. **Lead Indicators**

4.10. The Health and Safety Team have been developing a set of lead indicators during 2017/18 which show positive steps towards proactively managing health and safety outcomes. These indicators will be expanded upon during 2018/19 as the business intelligence reporting capabilities with WDC develop and improve.

| Safety Inspections Completed (Workplace Walkarounds) | Jun-18 | 15 out of 16 areas completed, with some reports yet to be finalised/submitted. Hazards will be raised in Tech1 for any non-compliances. |

**Training Delivered**

<table>
<thead>
<tr>
<th>Year</th>
<th>People Trained</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016/17</td>
<td>412</td>
</tr>
<tr>
<td>2017/18</td>
<td>460</td>
</tr>
</tbody>
</table>

**Hazards Reported 2017-18**
Health and Safety Prequalified Contractor Dashboard (drawn from SiteWise database)

CONTRACTOR PIPELINE
INVITED CONTRACTORS
000
REGISTERED BUT UNASSESS
004
ASSESSED AND CURRENT
127

CONTRACTOR ASSESSMENT SCORES
YOUR CONTRACTORS
NUMBER OF YOUR PREFERRED CONTRACTORS AT EACH STAGE
1
20
106
YOUR PREFERRED CONTRACTORS AVERAGE SCORE
83%

ALL CONTRACTORS
NUMBER OF CONTRACTORS AT EACH STAGE IN SITEWISE
494
933
1794
ALL CONTRACTORS AVERAGE SCORE
70%
4.11. **Proposed Annual Plan for 2018/19:**

4.12. The below table outlines the proposed Annual Plan (Workplan) for the Health and Safety Team for 2018/19. This workplan will be reported against on a monthly basis to Management Team and to Council, as a part of due diligence reporting. In addition, updates will be given to the Health and Safety Committee on a quarterly basis.

<table>
<thead>
<tr>
<th>2018/19 Objective, and alignment with Corporate H&amp;S Objectives</th>
<th>2018/19 Action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective 1</strong>: Improve Health and Safety systems, to align with organisational objectives</td>
<td><strong>Action 1</strong>: Re-develop Safety Management System to ensure that all Policies align with SafePlus framework (see TRIM 180315027921), and all critical risk procedures are captured in Promapp.</td>
</tr>
</tbody>
</table>
| *Aligns with:  
  ‘establishing, evaluating, improving and insisting on a safe workplace, methods, equipment and practices at all times’  
  ‘identifying and managing all risks’  
  ‘accurate reporting, investigation and recording of all accidents, incidents and near misses’  
  ‘providing effective training to establish safe procedures’  
  ‘the safe and early return to work of injured/ill workers’ | **Action 2**: Implement Promapp training module to improve the management of all Health and Safety training. |
| **Objective 2**: Maintain a fit-for-purpose internal health and safety auditing system to ensure that WDC is compliant with health and safety policies, procedures and legal requirements. | **Action 3**: Review and re-develop internal health and safety auditing system, aligned with SafePlus (see TRIM 180315027921). |
| *Aligns with:  
  ‘establishing, evaluating, improving and insisting on a safe workplace, methods, equipment and practices at all times’  
  ‘complying with all relevant legislation, regulations, approved codes of practice, standards and safe working procedures’  
  ‘establishing measurable objectives and targets to ensure continued improvement to eliminate work-related injury and illness’ | |
| **Objective 3**: Ensure that all contractors are managed according to health and safety procedural requirements, and improve staff knowledge of those requirements. | **Action 4**: Contractor management process improvement project (carry-over).  
  - Deliver training to all staff once Promapp processes are complete (Oct 2018).  
  - Develop audit function based on PDU audit role. |
| *Aligns with:  
  ‘establishing, evaluating, improving and insisting on a safe workplace, methods, equipment and practices at all times’  
  ‘identifying and managing all risks’  
  ‘providing effective training to establish safe procedures’ | |
Objective 4: Improve the Health and Wellbeing of staff, and create measures to ensure success.

*Aligns with:
‘establishing measurable objectives and targets to ensure continued improvement to eliminate work-related injury and illness’.
‘preventing injury by fostering a culture of personal responsibility for safety, team work and safe behaviour’.

Action 5: Wellbeing strategy development and implementation project (carry-over).

4.13. In addition to the above workplan, there will be a particular focus on working with volunteers to manage their health and safety. This will include creating written agreements with high risk volunteers, and proactively engaging with all volunteers to ensure that health and safety expectations are aligned with all parties.

4.14. The Management Team have reviewed this report and support the recommendations.

5. COMMUNITY VIEWS

5.1. The community has not been consulted with regard to this matter, as this is an internal compliance matter, relating to Health and Safety at Work.

5.2. Groups and Organisations

The organisation was consulted during the ‘Our Voice’ (Ta Matou Reo) survey to communicate their perceptions about health and safety at Waimakariri District Council. Additionally, as a matter of procedure, the organisation is consulted prior to implementation of particular health and safety policies and processes.

5.3. Wider Community

N/A

6. IMPLICATIONS AND RISKS

6.1. Financial Implications

All financial implications for the upcoming year’s annual plan have been accounted for within approved project costs (such as Promapp implementation), or via departmental budgets already allocated to health and safety activities.

6.2. Community Implications

N/A

6.3. Risk Management

Risk Management is one of the key performance requirements of health and safety systems and reporting. Therefore risk management is integral to the planning and implementation of any Health and Safety system. Risk management will be the key focus of Objective 1 in the 2018/19 Annual plan, in particular ensuring that all Policies align with SafePlus framework and that all critical risk procedures are captured in Promapp.

6.4. Health and Safety
Continuous improvement is the key focus of the health and safety annual plan, and annual monitoring and review is integral to ensuring that health and safety is managed to best-practice standards, against agreed goals and objectives.

7. **CONTEXT**

7.1. **Policy**

This matter is not a matter of significance in terms of the Council's Significance Policy.

7.2. **Legislation**

7.2.1. The key legislation is the Health and Safety at Work Act 2015.

7.2.2. The Council has a number of Human Resources policies, including those related to Health and Safety at Work.

7.2.3. The Council has an obligation under the Local Government Act to be a good employer.

7.3. **Community Outcomes**

N/A

7.4. **Delegations**

N/A
1. SUMMARY

1.1 This report discusses the Cyber Security work that has been undertaken by Waimakariri District Council's (WDC) IT team over the last year, the future roadmap of work.

1.2 Cyber Security has been identified in Council's Risk Register. Cyber security threats are becoming more prevalent and businesses are basically powerless to stop them.

1.3 The number one weak link for businesses when it comes to cyber security, by far is the people who work in the business. Cyber security has become a business risk, not just an IT problem and staff will provide a quarterly update to the Audit & Risk Committee.

1.4 As part of the Canterbury Shared Services, Deloitte has done a Cyber Security Review for a number of Canterbury Councils. The resulting report and recommendations will be reported back to the Audit and Risk Committee in September.

1.5 WDC is also working on getting cyber insurance cover, details on this will also be reported back to the Audit and Risk Committee in November.

Attachments: none

2. RECOMMENDATION

THAT the Council:

(a) Receives report No. 180711077023.

(b) Notes the cyber security work undertaken so far which includes training, cyber response plan, and implementation of various security recommendations.

(c) Notes that (Cyber) Security and other ‘High’ IT Risks will be reported quarterly to the Audit and Risk Committee.

(d) Notes that the Deloitte Cyber Security assessment report and recommendations will be reported back to the Audit and Risk Committee in November.

(e) Notes that work is being undertaken to finalise Cyber Insurance and this will be reported back to the Audit and Risk Committee in November.
3. BACKGROUND

3.1. Cyber Security has been identified in Council’s Risk Register. Cyber security threats are becoming more prevalent and businesses are basically powerless to stop them. Cyber security is one of the focus areas for the IT team this year.

3.2. Cybercrime globally has been described as being at "another level" over the last 12 months by Europol, who reference ransomware attacks such as 'WannaCry' that indiscriminately affected millions of victims worldwide, and in addition to ransomware attacks, botnets, data breaches, attacks on bank networks and payment fraud, which have also all been significant features.

3.3. In New Zealand, CERT (Computer Emergency response Team) NZ says losses through cyber security issues reported to it in 2017 topped $5.3M, $3.4m of which were in Q4, a figure more than double that for Q3.

3.4. In this dynamic environment of constantly changing threats, ever-increasing digitisation and a global trend towards more stringent regulation, cybersecurity is no longer just a technology risk, it is an important enterprise-wide business risk both in New Zealand and throughout the world.

3.5. The number one weak link for businesses when it comes to cyber security—by far—is the people who work in the business. Cyber security has become a business risk, not just an IT problem.

3.6. Unofficial statistics you can find on-line state that 85-95% of cyber security breaches are due to human error, e.g. staff clicking on links in phishing emails or releasing confidential information to external sources.

3.7. Some of the cyber threats that could hit us at any minute are e.g.:

3.7.1. Phishing emails - are attempts by scammers to trick you into giving out personal information (stealing your identity) such as your bank account numbers, passwords and credit card numbers.

3.7.2. Ransomware – These will prevent you from using your PC or your data and they will ask you to do something, usually pay a "ransom" before you can use your PC or data again.

3.7.3. Malware – e.g. emails that claim to contain invoices coming from a ‘trusted’ source (e.g. the CE). The invoices when opened contain dangerous malicious software, known as ‘malware’.

3.7.4. Credential dump - A credential dump is when a list of email addresses and other information (like passwords) is published online without permission. These credentials can be exploited by spammers and other cybercriminals.

3.7.5. Scams and fraud - Online scams are intended to manipulate or trick people into giving away their personal details, financial details, or money.

3.7.6. Data breach - A data breach is when private and confidential information is released into an unsecured environment. This usually means that the information becomes publicly available. It also means that others can use it for personal gain, or to cause harm to a business or individual.

3.7.7. Online identity theft - Online identity theft is when someone gets personal information from another person, and uses it for their own gain.
4. ISSUES AND OPTIONS

4.1. WDC IT team have been working on various cyber security related initiatives over the last year, like:

4.1.1. Phriendly Phishing campaign - is part of a Canterbury LASS wide initiative that helps organisations measure their phishing (cyber security) risk by setting up a simulated phishing campaign for all staff, provides on-line cyber (phishing detection) training and further training as and when required.

4.1.2. A Cyber response plan was developed.

4.1.3. Deloitte Cyber security audit – As part of the Canterbury Shared Services Deloitte has done a Cyber Security Review for a number of Canterbury Councils.

4.1.4. We engaged a specialist security consultant to do a high-level audit of our system and he provided some security recommendations. As a result of this we are investigating implementing 2-factor-authentication, tightening up of our BYOD (“Bring Your Own Device”) policy, IT security policies, incident detection software and regular audits and reporting.

4.1.5. Cyber Insurance – Our requirements relating to Cyber Insurance have been documented and the Governance manager is working on getting firm quotes.

4.1.6. WDC’s move to no longer having their servers on-site but hosted in a datacentre (Infrastructure as a Service – IaaS) has increased our network security by: segregating the network (e.g. SCADA system now sits on a different network), email flow and perimeter security (firewalls) was redesigned, Revera hosted firewalls and monthly reporting on security breaches by Revera.

Deloitte Cyber Security Audit

4.2. The scope of Deloitte’s work is to assess Council’s current maturity in respect to Cyber Security and to provide a roadmap that helps reach the level of maturity that is appropriate for WDC, it will also suggest possible improvements for the Council’s consideration and covers areas such as user awareness, policies and procedures, technical improvements and testing.

4.3. There will be common findings across the Councils audited, some of which will involve significant effort (e.g. developing an IT (Cyber) Security Framework), and the report will be the impetus for a collaborative approach to allow the risks to be addressed in a timely manner. The need for a collaborative approach has already been raised at the Canterbury Corporate Forum level.

4.4. The results of the Deloitte audit and resulting recommendations will be reported to management team and to the Audit & Risk Committee in September. It’s also proposed to make Cyber Security a standing agenda item for the Audit and Risk Committee, with 3 monthly reporting on (cyber) security incidents and “High” rated IT risks.

Cyber Insurance

4.5. A Cyber Insurance Request for Quote was prepared and the Governance Manager is working with the brokers to get insurance proposals, once these have been received and reviewed this will be reported back to management team and Council.

4.6. Whilst council can insure itself, at this stage it is not clear how much this will cost, what is being covered, what the loopholes are etc. Cyber insurance does not have a mature offering in the market at the moment.
4.7. Cyber insurance is also being put onto the Canterbury Corporate Forum’s potential items Canterbury Councils can collaborate on and nationally ALGIM (Association of Local Government Information Management) is running a webinar on Cyber Insurance and working on a Cyber Insurance offering for all Councils.

4.8. ALGIM (Association of Local Government Information Managers) is running a Cyber Insurance webinar on the 25th July and is looking at brokering a sector-wide Cyber Insurance offering.

4.9. The Management Team have reviewed this report and support the recommendations.

5. COMMUNITY VIEWS

5.1. Groups and Organisations
N/A

5.2. Wider Community
Introducing better security and protocols will provide assurance to Stakeholders that their information is secure and more unlikely to be unduly accessed.

6. IMPLICATIONS AND RISKS

6.1. Financial Implications
N/A

6.2. Community Implications
N/A

6.3. Risk Management
The number one weak link for businesses when it comes to cyber security—by FAR—is the people who work in the business.

6.4. Cyber security is no longer just a technology risk, it’s now identified as a major risk to businesses as a whole. Various measures can be implemented to lessen the likelihood of the risk, but it will remain High Risk overall.

6.5. Health and Safety
N/A

7. CONTEXT

7.1. Policy
This matter is not a matter of significance in terms of the Council’s Significance and Engagement Policy.

7.2. Legislation
N/A

7.3. Community Outcomes
7.4. Delegations

N/A

Jolanda Simon, CIO
1. **SUMMARY**

1.1 This report presents completed Local Government Act 2002 Section 17A (S17A) reports on the cost effectiveness of delivery arrangements for certain Council services, in accordance with the S17A Review Programme approved by the Audit Committee on 28 November 2017.

1.2 Three S17A Reviews are attached to this report. The conclusion reached for Security Services and the Council’s educational service delivery for Waste Minimisation, 3 Waters and Enviroschools is that the delivery of these services should remain contracted out as this is the most cost-effective option for the Council.

1.3 One contract is due for renewal now, one in 12 months' time and one in two years' time. It is recommended that two of these services are not subjected to a further review until 2024 which is the six year mandatory review timeframe and the year prior to the expiration of the next round of contracts, provided they both have their right of renewal applied. The Delivery of Cash Transportation Security contract will need to be reviewed before it expires on 30 June 2020 as contract requirements may have changed in response to a higher take up of electronic payment methods.

1.4 The programmed reviews for Airfield Management, and Community Housing and Housing for the Elderly, have been delayed and recommendations are made regarding the rescheduling of these.

**Attachments:**

i. Educational Services: Waste Minimisation & 3-Waters (Trim 180516054008)

ii. Cash Transportation Security (180629072694)

iii. Security Services – After Hours (Trim 180702072758)

2. **RECOMMENDATION**

**THAT** the Audit and Risk Committee:

(a) Receives report No.180628071950.

(b) Approves the attached S17A Reviews for Security Services-After Hours, Cash Transportation Security and Educational Services-Waste Minimisation and 3 Waters.
(c) **Agrees** that no further review of Security Services-After Hours is needed until 2024 prior to contract renewal in 2025, subject to successful completion of the contract.

(d) **Agrees** that the need for and/or nature of the Cash Transportation Security Contract be reviewed prior to 30 June 2020, subject to successful completion of the current contract.

(e) **Agrees** that no further review of Educational Services-Waste Minimisation and 3 Waters is needed until 2024 prior to contract renewal in 2025, subject to successful completion of the contract.

(f) **Agrees** to defer the S17A Review for Airfield Management until the outcome of the proposed Rangiora Airfield Plan Change and associated designation is known.

(g) **Agrees** to re-programme the S17A Reviews of Community Housing and Housing for the Elderly to the 20 November 2018 Audit and Risk Committee meeting.

### 3. BACKGROUND

3.1 Amendments to the *Local Government Act 2002* in 2014 require all local authorities to conduct regular cost-effectiveness reviews of Council’s service delivery. While all local authorities review the delivery of a service from time to time, the intent of S17A is to ensure local authorities conduct these reviews on at least a six yearly cycle. Reviews maybe required outside of this cycle in certain circumstances, for example, if there is a proposed significant change to a level of service; or a delivery contract or agreement is due to expire within two years.

3.2 Service reviews are not intended to answer the question of whether or not the Council should ‘be in the business or not;’ but if it is, how is it best done, after consideration of all relevant issues and options.

3.3 The Council has developed review templates to ensure all the necessary legislative factors are considered. Some activities require complex or ‘full’ reviews where a range of different scenarios are considered in-depth. This is usually because the activity is either financially significant or there is a high level of community interest in it. Other activities have been programmed for a light review. This is usually because a more in-depth review has been carried out recently, or there is a binding contract for service provision in place that doesn't expire within the next two years, or there is no obvious alternative service provider. The cost of doing a more in-depth review may also be assessed as outweighing any possible benefits, particularly if the service is not highly visible in the public domain or financially significant.

3.4 The report (Trim 170828092977) to the Audit and Risk Committee on 24 November 2017 set out a programme of Section 17A Reviews for 2018 to 2020. Reviews scheduled for this Audit and Risk Committee meeting were as follows:

<table>
<thead>
<tr>
<th>Service</th>
<th>2018/19</th>
<th>Type of Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airfield Management</td>
<td>17 July 2018</td>
<td>Light review</td>
</tr>
<tr>
<td>Security Services</td>
<td>17 July 2018</td>
<td>Light review</td>
</tr>
<tr>
<td>Campgrounds</td>
<td>17 July 2018</td>
<td>Full review</td>
</tr>
<tr>
<td>Solid Waste – Education Services</td>
<td>17 July 2018</td>
<td>Full review</td>
</tr>
<tr>
<td>Community Housing and Housing for the Elderly</td>
<td>17 July 2018</td>
<td>Full review</td>
</tr>
</tbody>
</table>
3.5 Reviews have been completed for Educational Services and Security Services. The scope of the educational services review has been widened to include 3-Waters as well as Solid Waste because the facilitators provide education about a range of sustainability topics during school sessions. The review of security services has been divided into two due to the distinctly different functions carried out under two separate contracts.

3.6 The Airfield Management S17A Review was initially programmed for the 16 May 2017 Audit and Risk Committee meeting but was deferred until the 18 July 2017 meeting. Green Space is currently carrying out pre-consultation with neighbouring residents regarding a plan change and designation for the Rangiora Airfield and surrounding land. It is anticipated that this plan change will be formally lodged in September 2018. The process is not without complications as while it is a plan change to the operative plan, it also needs to be factored into the District Plan review. When notified, the plan change is also likely to attract a number of submissions. This means the whole process could take up to two years or more to complete.

3.7 A light review of housing for the elderly was carried out in January 2016 by the Property Manager, Gary Saunders. The review concluded that the service had been successfully provided for many years and could continue in its current form for many more, but there could be potential benefits in reviewing alternative delivery options. The Audit Committee agreed at its 16 February 2016 Committee meeting ‘that a full review of Housing for the Elderly be undertaken by 7 August 2017’. At the November 2017 Audit and Risk Committee meeting a decision was made to defer a full review of Community Housing and Housing for the Elderly until this meeting to allow for any implications arising from a possible review of Central Government housing policy. Although legislation is relatively known now and various options have been considered at Council workshops, the latest being held on 10 July, a significant amount of information is being processed to form a view and final position.

3.8 A full review of Solid Waste Educational Services was adopted by the Audit Committee on 16 February 2016 (Trim 160128006288). This review recommended that a full review of the Waste Minimisation and Water Conservation Education Programme be carried out before 7 August 2017 because staff considered it would be beneficial to undertake a Council-wide review of school and community education requirements in conjunction with a review of how the in-school education programme was being delivered. At the 24 November 2017 Audit and Risk Committee meeting the S17A Review of this service was deferred until the 17 July 2018 meeting.

3.9 The Solid Waste Asset Manager has recently undertaken a review of the education programmes run for and by the Council to determine whether there were enough synergies for these to be packaged together or for more of them to be delivered in-house. The conclusion reached by the reviewer was that while various Council departments put a significant amount of effort into education, the only in-school programmes that had synergies for delivery were those funded by Solid Waste and 3-Waters and coordinated by Community & Greenspace, currently delivered through the contract with EcoEducate Ltd.

3.10 Security Services were subject to a S17A review in late 2015 which concluded that the cost of providing these services in-house was prohibitive. At the time the provision of the After Hours Animal Control Service was contracted together with a number of other services including After Hours Noise Complaints, Building Security Patrols and Alarm Monitoring, Transport and Security of Cash, and Opening and Closing of Reserve Gates. The Audit Committee noted at its 16 February 2016 meeting that management had decided to use an external provider for after-hours services and a new contract had been entered into. In 2017 the secure transport of Council’s cash was separately contracted out, with
the agreement of the existing contractor, due to difficulties in delivering the service. The contract for the rest of the security services continued to run until June 2018.

4. **ISSUES AND OPTIONS**

4.1. The Waste Minimisation and Water Conservation Education to schools and pre-schools was contracted until 30 June 2018. The Enviroschools Canterbury Facilitators are funded on an annual basis via a Memorandum of Understanding with Environment Canterbury. In the attached review (Trim 180516054008) the Solid Waste Asset Manager concludes that the delivery of the above educational services should continue to be provided by external contractors as Council does not have the staffing capacity nor the expertise to deliver this service in-house. It is planned to retender the contract for a term of three years with a three year right of renewal. This would mean a final expiry date of 2025.

4.2. A 12 month right of renewal has just been agreed to for the Security Services – After Hours Contract 15/60. The Environmental Services Manager recommends in the attached review (Trim 180702072758) that the contract be re-tendered once it expires in June 2019 for a term of three years plus two one-year right of renewals. This means the next S17A Review would be due between 2022 and 2024 depending on whether the right of renewal is exercised. The reason for the recommendation is that delivering the service by way of contract is considered to be the most practical and cost-effective option for the Council.

4.3. The transportation of Council’s cash is contracted for a two year term which expires on 30 June 2020. The Customer Services Manager recommends in the attached review of Cash Transportation Security (Trim 180629072694) that the contract is reviewed in 2020 before it expires as the nature of the contract may change due to increased take up of electronic payment methods. It is not recommended the service be bought back in-house as Council staff do not have the specialised skills to safely carry out the job.

4.4. There may be alternative service delivery models suitable for consideration for future airfield management, however, it would be premature to go through a process of assessing these until the outcome of the plan change process is known. One option is to carry out a light review in the interim so that the legislative requirements are met. This is not a preferred option as the review outcome of maintaining the status quo would be pre-determined. It is therefore recommended that the S17A Review of Airfield Management be deferred until the Rangiora Airfield plan change process has been completed.

4.5. It is recommended that the reviews of Housing for the Elderly and Community Housing be re-programmed for the 20 November 2018 Audit and Risk Committee meeting to allow sufficient time for Council to consider a final position.

4.6. S17A (5) of the *Local Government Act 2002* requires most contracts or binding agreements for external delivery of Council services to contain specified information (refer to section 7.2 of this report). The Environmental Services Manager is of the opinion the existing Security Services-After Hours Contract 15/60 meets these legislative requirements. The Customer Services Manager will write a letter of amendment to the Cash Transportation Security Contract with Waimak Patrols to cover off the reporting requirements in S17A (5) (c) and the penalty requirements in S17A (5) (f). The Solid Waste Asset Manager will ensure the new education services contract complies with S17A (5) requirements.

4.7. The Management Team have reviewed this report and support the recommendations.
5. COMMUNITY VIEWS

5.1. Groups and Organisations

The views of groups and organisations have not been sought for the attached S17A Reviews of security services.

Council and Transfer Station staff consider the current contract for Cash Transportation Security to be working well. The three Unit Managers have a preference for Security Services – After Hours to be provided by external contractors. Council asset managers are satisfied with the provision of the in-school education programme and Enviroschools facilitators. All users are positive about these educational programmes.

5.2. Wider Community

The views of the wider community have not been sought for the attached S17A Reviews.

6. IMPLICATIONS AND RISKS

6.1. Financial Implications

All of the attached reviews have been undertaken using existing resources so no additional expense has been incurred in preparing these.

The reviewers recommend no change to the way each service is delivered therefore these will continue to be able to be provided within existing budgets, subject to the tender prices the Council receives when the contracts are renewed.

6.2. Community Implications

Undertaking S17A Reviews means the public can be given assurance that Council has thought about the cost effectiveness of its service provision.

While good governance and management mean ongoing oversight of the efficiency and effectiveness of service delivery arrangements, the S17A review provisions provide a structured and transparent process which can build and maintain public confidence that the Council’s mode of operating is ‘value for money’.

6.3. Risk Management

The service review programme is important for legal compliance as well as helping to ensure community confidence in the Council’s efficiency and effectiveness.

Carrying out regular audits of the cost-effectiveness of the delivery of specific Council services also reduces the risk to the organisation of the need for a major overhaul in response to new Council or managerial leadership.

Delays in delivering the Airfield Management and Community Housing S17A Reviews means the Council has failed to meet the statutory requirement to carry out a first review of all its services by 7 August 2017. Further delays increase the risk to Council of non-compliance although Council management has been informed that Audit NZ do not intend to audit local authority S17A review programmes.

6.4. Health and Safety

The relevant health and safety factors associated with the delivery of the reviewed services are described in the relevant reviews.
There are no health and safety implications associated with the S17A Review programme.

7. CONTEXT

7.1. Policy

This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

7.2. Legislation

Section 17A of the Local Government Act 2002 requires the Council to review the cost-effectiveness of the method it uses to deliver its services at least once every six years.

17A Delivery of services

(1) A local authority must review the cost-effectiveness of current arrangements for meeting the needs of communities within its district or region for good-quality local infrastructure, local public services, and performance of regulatory functions.

(2) Subject to subsection (3), a review under subsection (1) must be undertaken—

(a) in conjunction with consideration of any significant change to relevant service levels; and
(b) within 2 years before the expiry of any contract or other binding agreement relating to the delivery of that infrastructure, service, or regulatory function; and
(c) at such other times as the local authority considers desirable, but not later than 6 years following the last review under subsection (1).

(3) Despite subsection (2)(c), a local authority is not required to undertake a review under subsection (1) in relation to the governance, funding, and delivery of any infrastructure, service, or regulatory function—

(a) to the extent that the delivery of that infrastructure, service, or regulatory function is governed by legislation, contract, or other binding agreement such that it cannot reasonably be altered within the following 2 years; or
(b) if the local authority is satisfied that the potential benefits of undertaking a review in relation to that infrastructure, service, or regulatory function do not justify the costs of undertaking the review.

(4) A review under subsection (1) must consider options for the governance, funding, and delivery of infrastructure, services, and regulatory functions, including, but not limited to, the following options:

(a) responsibility for governance, funding, and delivery is exercised by the local authority:
(b) responsibility for governance and funding is exercised by the local authority, and responsibility for delivery is exercised by—
   (i) a council-controlled organisation of the local authority; or
   (ii) a council-controlled organisation in which the local authority is one of several shareholders; or
   (iii) another local authority; or
   (iv) another person or agency:
(c) responsibility for governance and funding is delegated to a joint committee or other shared governance arrangement, and responsibility for delivery is exercised by an entity or a person listed in paragraph (b)(i) to (iv).

(5) If responsibility for delivery of infrastructure, services, or regulatory functions is to be undertaken by a different entity from that responsible for governance, the entity that is responsible for
governance must ensure that there is a contract or other binding agreement that clearly specifies—
(a) the required service levels; and
(b) the performance measures and targets to be used to assess compliance with the required service levels; and
(c) how performance is to be assessed and reported; and
(d) how the costs of delivery are to be met; and
(e) how any risks are to be managed; and
(f) what penalties for non-performance may be applied; and
(g) how accountability is to be enforced.

(6) Subsection (5) does not apply to an arrangement to the extent that any of the matters specified in paragraphs (a) to (g) are—
(a) governed by any provision in an enactment; or
(b) specified in the constitution or statement of intent of a council-controlled organisation.

(7) Subsection (5) does not apply to an arrangement if the entity that is responsible for governance is satisfied that—
(a) the entity responsible for delivery is a community group or a not-for-profit organisation; and
(b) the arrangement does not involve significant cost or risk to any local authority.

(8) The entity that is responsible for governance must ensure that any agreement under subsection (5) is made publicly available.

(9) Nothing in this section requires the entity that is responsible for governance to make publicly accessible any information that may be properly withheld if a request for that information were made under the Local Government Official Information and Meetings Act 1987.

The legislation relevant to the individual services being reviewed is listed in the attached reports.

7.3. Community Outcomes

**Educational Services: Waste Minimisation & 3-Waters**

Core utility services are provided in a timely and sustainable manner.
People have wide-ranging opportunities for learning and being informed.

**Cash Transportation Security**

There is a safe environment for all.

**Security Services – After Hours**

There is a safe environment for all. Public spaces and facilities are plentiful, accessible and high quality.

7.4. Delegations

Relevant delegations are S-DM 1022 Delegation Jurisdiction of the Audit Committee

**Reviews of Significant Activities**

Review significant Council activities and expenditure, including Reviews under Section 17A of the Local Government Act 2002, and recommend to the Council any proposed changes to services, levels of service and the method of funding, or significant changes in the method of service delivery.
The review programme will be agreed in advance with the Council.

Lead preparation and monitoring of the programme of Service Reviews giving effect to the requirements of S.17A and in particular S.17A(3)(b) in exercising discretion on behalf of the Council in relation to whether a review of a particular activity is justified and if so the priority and timing of that review.

Veronica Spittal
Senior Policy Analyst
## Part One - Current Arrangements

<table>
<thead>
<tr>
<th></th>
<th>Name of the Unit responsible for the service</th>
<th>Name of Unit Manager</th>
<th>Name of Service under Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Utilities &amp; Roading</td>
<td>Gerard Cleary</td>
<td>Educational Services: Waste Minimisation &amp; 3-Waters</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Description and scope of the service (be consistent with LTP/AMP)</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>2</td>
<td>Provision of education programmes about waste minimisation, sustainability and wise use of water to District schools and early education centres through an in-school education programme and to the wider community, and to schools and pre-schools signed up to the Enviroschools programme.</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Rationale for service provision</th>
<th></th>
<th>There is no specific legal requirement for this service.</th>
</tr>
</thead>
<tbody>
<tr>
<td>3</td>
<td>Legal requirement to provide the service</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Community outcomes the service contributes to (LTP)</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>4</td>
<td>Core utility services are provided in a timely, sustainable and affordable manner</td>
<td></td>
<td>People have wide ranging opportunities for learning and being informed</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Council policies, bylaws, strategies and plans the service contributes to</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>5</td>
<td>draft 2017 Waste Management &amp; Minimisation Plan (WMMP)</td>
<td></td>
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<tr>
<th></th>
<th>Performance</th>
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<tbody>
<tr>
<td>6</td>
<td>Major levels of service (LTP)</td>
<td></td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Performance measures (LTP)</th>
<th></th>
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</thead>
<tbody>
<tr>
<td>7</td>
<td>Reduction in annual per capita quantity of waste to landfill (target: reduction from 294 kg/capita to 236 kg/capita by 2027/28)</td>
<td></td>
<td>Increase in annual per capita quantity of materials diverted from landfill (target: increase from 170 kg/capita to 228 kg/capita by 2027/28)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Finance &amp; management</th>
<th></th>
<th></th>
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</thead>
<tbody>
<tr>
<td>8</td>
<td>Type of governance</td>
<td></td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th></th>
<th>Funding</th>
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</thead>
</table>

- Comes under Solid Waste Unit, in Utilities & Roading Department. Accountable to Utilities & Roading Committee
- In-school waste education programme governed by Waimakariri District Council
- Enviroschools Canterbury governed by WDC, Environment Canterbury, Selwyn District Council and Department of Conservation (with information sharing to Kaikoura District Council and Timaru District Council)

- Waste Disposal Levy (NB WM Act specifies that this levy must be spent on waste minimisation initiatives and in accordance with our WMMP)
- Waste Minimisation & Water Conservation Education funded partially by Waste Disposal Levy from Solid Waste Accounts* & partially by rates from Water Accounts.
### Method of delivery (include term of contract if currently contracted out)

- Waste Minimisation & Water Conservation Education to schools and pre-schools and in the community: contracted out. Initial term 3 years, contract signed 30 July 2011, extended for four single-year periods, current completion date 30 June 2018.
- Enviroschools Canterbury Facilitators undertake liaison with schools signed up to the programme. WDC has signed a Memorandum of Understanding with Environment Canterbury, no completion date, funding annually reviewed each Annual Plan/LTP period.

### Cost of providing the service

<table>
<thead>
<tr>
<th>Service</th>
<th>Capital Cost</th>
<th>Operating Cost</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-School Education</td>
<td>$0</td>
<td>$77,000 (waste &amp; water)</td>
<td>$77,000 (waste &amp; water)</td>
</tr>
<tr>
<td>Enviroschools Canterbury</td>
<td>$0</td>
<td>$25,000</td>
<td>$25,000</td>
</tr>
</tbody>
</table>

### PART 2 - DETERMINING THE TIMEFRAME FOR A REVIEW

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review date (all services must have a first review by 7 August 2017)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Date last review was carried out: December 2015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Year next review is scheduled: 2024</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is Council considering a significant change to a level of service? S17A (2) (a)</td>
<td>Yes</td>
<td>Go to Question 14</td>
</tr>
<tr>
<td>Is delivery subject to legislation or binding agreement that cannot reasonably be altered within the following 2 years? S17A (3) (a)</td>
<td>Yes</td>
<td>No review is required S17A (3) (a). Go to Part 4</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>Go to Question 15</td>
</tr>
<tr>
<td>Is delivery subject to legislation or binding agreement that cannot reasonably be altered within the following 2 years? S17A (3) (a)</td>
<td>Yes</td>
<td>No review is required S17A (3) (a). Go to Part 4</td>
</tr>
<tr>
<td>No</td>
<td></td>
<td>Go to Question 15</td>
</tr>
</tbody>
</table>

### PART 3 - FULL REVIEW ANALYSIS

<table>
<thead>
<tr>
<th>Question</th>
<th>Answer</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Does the cost of undertaking a review outweigh the benefits? S17A (3) (b)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What is the anticipated cost of the review?</td>
<td>$ &lt;=$1,000</td>
<td>In-house review by Solid Waste Asset Manager with PDU staff support</td>
</tr>
<tr>
<td>What is the total cost of providing the service (both operating and capital costs)?</td>
<td>$102,000</td>
<td>Maximum annual cost</td>
</tr>
<tr>
<td>Yes</td>
<td></td>
<td>Click here to enter text.</td>
</tr>
<tr>
<td>Question</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>-------------------------------------------------------------------------</td>
<td>-----</td>
<td>----</td>
</tr>
<tr>
<td>Is the service significant enough to trigger the Council’s Significance and Engagement Policy?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Is the activity more than $250,000 direct cost? (direct expenditure excluding depreciation, funding and overhead)</td>
<td>Yes</td>
<td></td>
</tr>
<tr>
<td></td>
<td>No</td>
<td></td>
</tr>
<tr>
<td>Has the activities’ governance, funding or delivery been reviewed recently enough that a further review is not justified?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Have there been any changes to the policy and regulatory environment since the last review?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>How effective are the current arrangements?</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Do other Local Authorities have the ability to participate in the review?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Question</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>------------------------------------------------------------------------</td>
<td>-----</td>
<td>----</td>
</tr>
<tr>
<td>Will a change in provider have capacity implications for the Council, particularly where the activity involves a statutory function?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Capacity implications would depend on how much of the function was carried out by another provider – the current contractor manages demand from schools and their own workload, and reports on monthly basis to Council; Enviroschools governance group oversees programme delivery by facilitators and coordinates on a regional level. If Council were to take the education role in-house it would require additional internal staff resources to provide this service.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>What are the views and preferences of the users of the service and the community?</td>
<td>Council staff (Asset Managers) are satisfied with the contractor’s provision of in-school education programme, also satisfied with Enviroschools Facilitators. Most schools and ELC’s are participating in the in-school programme and the contractor has increased their staffing capacity to enable more class-time in response to school demand; Enviroschools is only available to a limited number of schools and has reached that limit of 16 under current funding levels; community education is available on-demand and has been increasing. All ‘users’ are positive about the programmes</td>
<td></td>
</tr>
<tr>
<td>Is the scale or visibility of the activity insignificant enough that the review benefits do not outweigh the costs?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Click here to enter text.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>15A In conclusion, does the cost of undertaking a review outweigh the benefits?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>No review is required S17A (3) (b). Go to Part 4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>16 Are there likely to be realistic potentially beneficial options given the nature of the activity and/or the availability of alternative providers, having regard to S17A (4)</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Activity could be (and is) contracted externally.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Does the service have a need for proximity to or interrelationship with core Council democratic, administrative or policy development processes?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Will another option provide effective delivery of financial, asset and executive management or regulatory responsibilities?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>N/A to this service</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Will a change in provider have capacity implications for the Council, particularly where the activity involves a statutory function?</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>The Council doesn’t currently have capacity to carry out this service in-house. Changing to in-house delivery would involve at least 2.0 additional FTE for both programmes. Changing to a new provider could result in a greater workload for Council staff to embed new contract.</td>
<td></td>
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</tr>
</tbody>
</table>
### S17a Full Service Reviews

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes</th>
<th>No</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the service able to be delivered by another local authority or authorities?</td>
<td>☑️</td>
<td>☐️</td>
<td>No other Council is providing the same level of in-school education programme in-house that is provided externally to WDC. The Enviroschools programme delivery is provided through Environment Canterbury, and funded by WDC.</td>
</tr>
<tr>
<td>Is the service able to be delivered by another person or agency (central government, private sector organisation or community group?)</td>
<td>☑️</td>
<td>☐️</td>
<td>Currently delivered by both private sector and community groups in other Council areas.</td>
</tr>
<tr>
<td>Is the service able to be delivered by a CCO or joint Council/CCO arrangement?</td>
<td>☑️</td>
<td>☐️</td>
<td>It could be in the future, if there were more collaboration and better agreement between Canterbury Councils on provision of in-school and in-community education programmes.</td>
</tr>
<tr>
<td>16A In conclusion, are there likely to be realistic potentially beneficial options?</td>
<td>☑️</td>
<td>☐️</td>
<td>Go to Part 4</td>
</tr>
<tr>
<td></td>
<td>☐️</td>
<td>☑️</td>
<td>No further review is required for up to 6 years S17A. Go to Part 4.</td>
</tr>
</tbody>
</table>

### PART 4 – REVIEW RECOMMENDATION

| 17 | Unit Manager’s recommendation | That the Council’s educational service delivery for waste minimisation and 3-waters and Enviroschools continue to be provided by external contractors with no further review of service delivery required until 2024. |
| 18 | Reason/s for recommendation   | The Council does not have the staffing capacity nor the expertise to deliver educational programmes to schools in-house: this would require an additional 2.0 FTE as a minimum. The external contractor and the Enviroschools facilitators have capacity to deliver the programmes and self-manage the programmes with minimal need for input by Council staff. |

* Enter year next review is scheduled in dark green box in Question 12.

Signed by:

![Department Manager Signature]

![Chief Executive Signature]
## PART ONE - CURRENT ARRANGEMENTS

<table>
<thead>
<tr>
<th></th>
<th>Name of the Unit responsible for the service</th>
<th>Name of Unit Manager</th>
<th>Name of Service under Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Customer Services</td>
<td>Maree Harris</td>
<td>Cash Transportation Security</td>
</tr>
</tbody>
</table>

### 2 Description and scope of the service

**Secure transport of Council cash takings:**
- Workdays – collect takings from Kaiapoi and Rangiora Aquatic Centres and deliver to Kaiapoi and Rangiora Service Centres
- Workdays – collect banking from Kaiapoi and Rangiora Service Centres and deposit at ANZ
- Every day – drop off new float and collect takings from Southbrook Transfer Station
- Friday and Sunday – drop off new float and collect takings from Oxford Transfer Station

### 3 Rationale for service provision

There is no specific legal requirement to provide this service. Cash management is an operational function and the decision to separate out the transportation of cash outside and between Council premises is due to the safety concerns of staff doing this work, and the requirement to provide a safe environment for staff under the Health and Safety at Work Act 2015.

### 4 Community outcomes the service contributes to

There is a safe environment for all

### 5 Council policies, bylaws, strategies and plans the service contributes to

Security of staff and cash

### 6 Performance

**Major levels of service (LTP)**
- Secure transport and hand over of cash
- Appropriate receipting for transfer of custody of cash

**Performance measures (LTP)**
- Cash is transported securely by trained security guards
- Variations to the standard service are arranged
- Handover is documented

### 7 Finance & management

**Type of governance**
- Responsible unit is Customer Services, Accountable to Audit & Risk Committee

**Funding**
- Annual cost is $48,000 met from Customer Services Cash Security Budget

**Method of delivery (include term of contract if currently contracted out)**
- Contracted to Waimak Patrols, 2 year term to 30 June 2020.
### PART 2 - DETERMINING THE TIMEFRAME FOR A REVIEW

<table>
<thead>
<tr>
<th>11</th>
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<th>Year next review is scheduled:</th>
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<tr>
<td></td>
<td></td>
<td>16 February 2016</td>
<td>2020</td>
</tr>
</tbody>
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### Is Council considering a significant change to a level of service? S17A (2) (a)
- Yes ☐
- No ☒

### Is delivery subject to legislation or binding agreement that cannot reasonably be altered within the following 2 years? S17A (3) (a)
- Yes ☐
- No ☒

The service is contracted until 2020 however the contract changed be changed with notice.

### PART 3 – FULL REVIEW ANALYSIS

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<tr>
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<th>Does the cost of undertaking a review outweigh the benefits? S17A (3) (b)</th>
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</tr>
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</tr>
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<td>-------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>Has the governance, funding or delivery of the activity been reviewed recently enough that a further review is not justified?</td>
<td></td>
</tr>
<tr>
<td>The service delivery was reviewed in 2016. The contract with Waimak Patrols was entered into one year ago following the failure of the previous contract with Armourguard. Prior to the engaging of an external contractor the work was carried out by Council staff. The change to external contract occurred as staff were not trained in secure cash transport. There were also health and safety concerns, the desire to protect staff from robbery or accusations of dishonesty.</td>
<td></td>
</tr>
<tr>
<td>Have there been any changes to the policy and regulatory environment since the last review?</td>
<td>Yes ☒</td>
</tr>
<tr>
<td>Click here to enter text.</td>
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</tr>
<tr>
<td>How effective are the current arrangements?</td>
<td></td>
</tr>
<tr>
<td>The current arrangements are working well. Cash collection from the Transfer Stations is to a specific timeframe and this works well with a local provider. This is not an activity that should be brought back in house. When staff were last performing this role concerns regarding safety were raised by the Union and it was necessary to send two people thereby depleting numbers in the office.</td>
<td></td>
</tr>
<tr>
<td>Do other Local Authorities have the ability to participate in the review?</td>
<td>Yes ☒</td>
</tr>
<tr>
<td>This activity is very WDC specific.</td>
<td></td>
</tr>
<tr>
<td>Will a change in provider have capacity implications for the Council, particularly where the activity involves a statutory function?</td>
<td>Yes ☒</td>
</tr>
<tr>
<td>A change in external provider would not have capacity implications for the Council. There would also not be significant capacity issues if the Council changed back to in-house delivery, although two staff would need to be out of the office at times and the cash would not be able to be collected from the Transfer Stations during weekends and public holidays.</td>
<td></td>
</tr>
<tr>
<td>What are the views and preferences of the users of the service and the community?</td>
<td></td>
</tr>
<tr>
<td>The previous contract caused concern for Council staff and staff from the Transfer Station as the contractor was unable to meet the contract specifications. The current service is reliable and communication between the parties is good. Lack of training and security concerns prevent consideration of carrying out this activity in-house.</td>
<td></td>
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<td>Is the activity insignificant enough in terms of scale or (public) visibility for the review costs to outweigh the benefits?</td>
<td>Yes ☒</td>
</tr>
<tr>
<td>While the cost of the review and the scale of the activity is minor there are high risks associated with the security of cash and there could be significant public interest if something went wrong.</td>
<td></td>
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<td>No review is required S17A (3) (b). Go to Part 4</td>
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</table>
### S17a Light Service Reviews

**16** Are there likely to be realistic potentially beneficial options given the nature of the activity and/or the availability of alternative providers, having regard to S17A (4)

<table>
<thead>
<tr>
<th>Question</th>
<th>Yes ☑</th>
<th>No ☐</th>
<th>Go to Question 16</th>
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<td></td>
<td></td>
</tr>
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<td>Is the service able to be delivered by another local authority or authorities?</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Is the service able to be delivered by another person or agency (central government, private sector organisation or community group?)</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Is the service able to be delivered by a CCO or joint Council/CCO arrangement?</td>
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</table>

**16A In conclusion, are there likely to be realistic potentially beneficial options?**

- Yes ☑

**PART 4 – REVIEW RECOMMENDATION**

**17** Unit Manager’s recommendation

- That the current arrangement of contracting cash transport to Waimak Patrols continue until the contract expires in 2020. Prior to this a S17A review is carried out and the need for a separate cash transportation contract is reviewed.
<table>
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<tr>
<th>18</th>
<th>Reason/s for recommendation</th>
</tr>
</thead>
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<tr>
<td></td>
<td>The current contract is working well, there is good communication between the contractor and staff. Risk to Council staff is reduced. Having a local contractor means that if there are any issues requiring a change to usual arrangements this can be accommodated. There is not an effective or viable alternative to external provision currently available. As electronic methods of payment become more popular the requirements for cash transportation may change. For this reason it is recommended the need for the contract is reviewed in 2020.</td>
</tr>
</tbody>
</table>

* Enter year next review is scheduled in dark green box in Question 12.

Signed by:

[Signature]

Department Manager

Chief Executive
## PART ONE - CURRENT ARRANGEMENTS

<table>
<thead>
<tr>
<th></th>
<th>Name of the Unit responsible for the service</th>
<th>Name of Unit Manager</th>
<th>Name of Service under Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Environmental Services, Property, Greenspace</td>
<td>Malcolm Johnston, Rob Hawthorne, Chris Brown</td>
<td>Security Services – After-Hours</td>
</tr>
</tbody>
</table>

### 2 Description and scope of the service (be consistent with LTP/AMP)

Provision of after-hours animal control, wandering stock, after-hours noise control service, building security patrols and alarm attendance, and the opening and closing of reserve gates.

### 3 Rationale for service provision

- Dog Control Act 1996
- Impounding Act 1955
- Resource Management Act 1991

### 4 Community outcomes the service contributes to (LTP)

- There is a safe environment for all.
- Public spaces and facilities are plentiful, accessible and high quality.

### 5 Council policies, bylaws, strategies and plans the service contributes to

- Dog Control Bylaw 2009
- Health & Safety

### 6 Performance

Major levels of service (LTP)

- To respond to dog complaints along with calls for service involving wandering stock/animals
- Respond to noise complaints
- Monitor security of key Council buildings after hours including alarm activation response
- Open and close reserve gates to observe opening hours

Performance measures (LTP)

- Complaints responded to within 1 hour for dog attacks on persons
- Wandering dogs that have been secured are collected and transported to the dog pound
- Excess noise complaints and wandering stock complaints are responded to
- Security patrols and alarm activation response are carried out within the required timeframes
- Public access to reserves is available within the advertised hours

### 7 Finance & management

Type of governance

Responsible units are Property, Greenspace and Environmental Services. These units report respectively to Audit and Risk, Community and Recreation and District Planning and Regulation Committees.

### 8 Funding

Dog registration fees

Rates

### 10 Method of delivery (include term of contract if currently contracted out)

Contract 15/60 refer (Trim 151126157037). This contract, with Armourguard, ran from December 2015 to 30 June 2018 with the right of renewal for a further 12 months which has been agreed to. Services provided include dog complaints, wandering stock, noise complaints, alarm attendance, building security...
and the unlocking and locking of gates in Council reserves.

<table>
<thead>
<tr>
<th></th>
<th>Cost of providing the service</th>
<th>Capital Cost</th>
<th>Operating Cost</th>
<th>Total Cost</th>
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<tr>
<td>11</td>
<td>Contract 1 year</td>
<td>$148,000</td>
<td>$148,000</td>
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**PART 2 - DETERMINING THE TIMEFRAME FOR A REVIEW**

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<td>12</td>
<td></td>
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<td>2022</td>
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<td>Yes ☐</td>
<td>Yes ☐</td>
<td>No ☒</td>
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<td>Yes ☐</td>
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Next to no cost reviewing this service

<table>
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<tr>
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<th>What is the total cost of providing the service (both operating and capital costs)?</th>
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As per contract rates

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<td>since the last review?</td>
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<tr>
<td>How effective are the current arrangements?</td>
<td></td>
<td>The arrangements having an external provider carry out these after-hours services are extremely cost effective, in-house capacity would be cost prohibitive.</td>
</tr>
<tr>
<td>Do other Local Authorities have the ability to participate in the review?</td>
<td>Yes ☐</td>
<td>No neighbouring Councils provide these services in-house.</td>
</tr>
<tr>
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<td>What are the views and preferences of the users of the service and the</td>
<td></td>
<td>community? Users of the service (the unit managers) have a preference for an external contractor to provide after-hours services. The views of the community were not sought.</td>
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<td>the need for proximity to or interrelationship with core Council</td>
<td></td>
<td>providers, having regard to S17A (4)</td>
</tr>
<tr>
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<td>core Council democratic, administrative or policy development processes?</td>
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<td>Will another option provide effective delivery of financial, asset and</td>
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<td>executive management or regulatory responsibilities?</td>
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<td>Will a change in provider have capacity implications for the Council,</td>
<td>Yes ☒</td>
<td>particularly where the activity involves a statutory function?</td>
</tr>
<tr>
<td>Is the activity insignificant enough in terms of scale or (public)</td>
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<td>visibility for the review costs to outweigh the benefits?</td>
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<td>benefits?</td>
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</tr>
<tr>
<td>Question</td>
<td>Option Yes</td>
<td>Option No</td>
</tr>
<tr>
<td>----------</td>
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</tr>
<tr>
<td>Is the service able to be delivered by another local authority or authorities?</td>
<td>Yes ☒</td>
<td>No ☐</td>
</tr>
<tr>
<td>Is the service able to be delivered by another person or agency (central government, private sector organisation or community group?)</td>
<td>Yes ☒</td>
<td>No ☐</td>
</tr>
<tr>
<td>Is the service able to be delivered by a CCO or joint Council/CCO arrangement?</td>
<td>Yes ☒</td>
<td>No ☐</td>
</tr>
<tr>
<td>16A In conclusion, are there likely to be realistic potentially beneficial options?</td>
<td>Yes ☐</td>
<td>Go to Part 4</td>
</tr>
<tr>
<td></td>
<td>No ☒</td>
<td>No further review is required for up to 6 years S17A. Go to Part 4</td>
</tr>
</tbody>
</table>

**PART 4 – REVIEW RECOMMENDATION**

| 17 | Unit Manager's recommendation | To continue with the 15/60 Security Services Contract for another 12 months and then re-tender the contract for a further 3 year term. |

| 18 | Reason/s for recommendation | The delivery of the after-hours security service was reviewed in December 2015. Other Councils are not in a position to provide these services to our Council. An in-house Council response would be cost prohibitive. Having an external contract is the only practical option. |

* Enter year next review is scheduled in dark green box in Question 12.

Signed by:

_____________________________  ____________________________
Department Manager                  Chief Executive
1. SUMMARY

1.1. The purpose of this report is to provide an update of the Standard and Poor's (S&P) rating and report.

1.2. The Council contracted with S&P in February 2015 to provide a credit rating for the Council so that the Council could take advantage of lower interest rates, primarily from the Local Government Funding Agency (LGFA). At that period of time it was forecast within the 2015-25 Long Term Plan that external debt was signalled to increase from $50 million to $150 million. A debt of $50,000 is the threshold where it is worthwhile obtaining a credit rating. The Council achieved a credit rating of AA / A-1+ (the highest being the same as the Government), which in terms of interest rates, is about 30 percentage points lower than an unrated Council. The LGFA is also obtaining interest rates on behalf of Local Authorities consistently lower than financial institutions.

1.3. A credit rating assessment is carried out annually to maintain the credit rating. Since becoming a credit rated Council three reviews have been undertaken by S&P and the credit rating of AA / A-1+ has been retained. The first two reviews provided a stable outlook, however the most recent review provided in April was issued with a negative outlook. S&P has advised that one in three organisations that receive a negative outlook are downgraded in later years.

1.4. The reason for the negative outlook is primarily due to the increased capital spend signalled in the first two years of the 2018-28 Long Term Plan.

Attachments:

i. Credit Rating Definitions (attached)
ii. Standard & Poors Crediting Rating report (TRIM 180411039353)

2. RECOMMENDATION

THAT the Audit & Risk Committee:

(a) Receives report TRIM 180713078284

(b) Notes that as a result of the Credit Rating review undertaken by Standard and Poors the Council has retained a Credit Rating of AA / A-1+, with a negative outlook;
(c) **Notes** that where the Council can contain its expenditure within the limits of the policy and financial forecasts provided within the 2018-28 Long Term Plan, it would be expected that the Council would retain the AA / A-1+ credit rating with a stable outlook being issued;

(d) **Notes** that the next credit rating review is programmed to be undertaken in April 2019;

(e) **Notes** that additional actions are being undertaken to ensure capital programmes are being monitored and improving efficiencies.

3. **BACKGROUND**

3.1. It is important that Council ensures that the right framework and risk management systems are in place to manage the treasury function. It is particularly important due to the higher levels of debt that are required associated with our capital programs and identified in the Long Term Plan (LTP). The Council’s treasury function is reviewed by Bancorp Treasury Services.

3.2. The Council achieved a Credit Rating of AA / A-1+ in April 2015 in conjunction with the 2015-25 Long Term Plan, where external debt was forecast to reach $150 million. A review of the Council credit rating is carried out annually to determine whether there is an adjustment required.

3.3. As a result of the 2018 review S&P issued a credit rating of AA / A-1+, however the rating was not issued with the previous comment of “stable”, but with a “negative” outlook comment. Even though the Council demonstrated it is maintaining its debt within the LGFA conveyances and the LGFA and Council’s policy limits, the increased expenditure are at levels not previously forecast and has resulted in S&P provided a negative outlook comment.

3.4. S&P have indicated that where a negative outlook is provided, about one third of those issued a negative outlook are usually downgraded in following reviews. However where the Council is able to meet or better its budget forecasts it would be unlikely that a downgrading would be issued resulting in a stable outlook. S&P state in their report that “we could lower our rating if capital expenditure exceeds forecast or if debt service coverage were to weaken further”.

3.5. The increased expenditure of $71m is due a number of factors that culminated into a larger capital programme over the seven year period 2018-2025 and is mainly within the first 2 years of the 2018-28 LTP. The additional capital expenditure comes primarily from the following:

3.5.1. An additional $14m was added to the Capital Programme for regeneration of the red zone area resulting from the 2010 & 2011 earthquakes. This programme was, to a degree, accelerated to be completed earlier than anticipated with $14.7m in 2018/19 & $1.9m in 2019/20;

3.5.2. The multi-use sports stadium was bought forward from 2021-22 to 2018-20 and the budget increased from 22.6m to 27.85m, spread over the two financial years;

3.5.3. There were 101 capital projects carried over totalling about $25.9 with an unspent portion of $13.6m where the work had been delayed through various reasons. The most significant were works relating to earthquake projects delayed to coincide with the regeneration programme;

3.5.4. The balance of projects are made up of a number of adjustments to other work programmes, where the largest would be adjustments to the District Plan and the additional drainage works.
3.6. The following table provides the comparison of capital expenditure for both the 2015-25 and 2018-28 LTPs. The 5 years (2021-25) years are generally about the same as forecast 3 years earlier within the 2015-25 LTP.

![Capital Expenditure](image)

3.7. The table below shows the comparison of debt between the 2015 and 2018 LTPs.

![Debt](image)

3.8. The following graph provides the debt profile of the council over the period of ten years of the 2018-28 LTP.

![Debt Profile](image)

Council debt is forecast to be $173 million in Jun 2019. Debt is expected to peak in 2020/21 at $217 million and $195 million at June 2027.
4. ISSUES AND OPTIONS

4.1. The negative outlook issued by S&P provides Council with a number of options. Generally these options are limited to containing future expenditure and/or debt to be within current policy limits.

4.2. The forecasts provided within the 2018-28 LTP indicate that Council is managing its financial position within the limits of its policy. Therefore, if these financial forecasts are met, then the Council should again receive an S&P Stable forecast.

4.3. Given the issuance of the S&P negative outlook, a number of additional controls, measures and reviews have been established and added to our current control environment.

Additional controls and reviews

4.4. There are a number of key areas where additional controls are being established:

4.4.1. Asset Management steering control group
This group comprises of cost centre managers across the council who will oversee all of the capital works programme. The terms of reference includes overseeing Asset Management Planning and reviewing all new capital works to determine the appropriate income streams and the project control methodology. Where loan funding is required, this group will either identify existing budget offsets within the activity or look across all of the council activity with the objective to contain or reduce Council debt.

4.4.2. Procurement & Contract management maturity assessment
The Council capital works programme is $0.552B over the ten years of the 2018-28 LTP. $140m is being spent on capital expenditure in the first 2 years. It is important that the council knows it has the right procurement & contract management practices and systems in place to deliver the programme. Therefore a procurement and contract management maturity assessment is currently taking place and any recommendations will be put in place.

4.4.3. Contracts register
A new electronic contracts register has been established. This allows Council to collect and hold better information so that better monitoring, reporting and visibility is provided.

4.5. The Management Team/CE has reviewed this report and supports the recommendations.

5. COMMUNITY VIEWS

5.1. Groups and Organisations

5.2. Miles O’Connor from Bancorp, the Council’s treasury consultant, provides a review of our policies and reviews the Council’s treasury transactions.

5.3. The S&P credit rating is generally relied on by investors and, under the Trust Deed, the Auditors reports and returns are monitored by the Covenant Trustee Services Ltd.
6. IMPLICATIONS AND RISKS

6.1. Financial Implications

6.2. The Council debt is forecast in the 2018-28 LTP to peak at about $200million. The table below shows the likely savings on LGFA long term debt under 4 credit rating scenarios.

<table>
<thead>
<tr>
<th>Loan amount</th>
<th>200,000,000</th>
<th>200,000,000</th>
<th>200,000,000</th>
<th>200,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debt</td>
<td>AA rated</td>
<td>AA- rated</td>
<td>A+ rated</td>
<td>Unrated</td>
</tr>
<tr>
<td>Saving</td>
<td>0.00%</td>
<td>0.05%</td>
<td>0.10%</td>
<td>0.30%</td>
</tr>
<tr>
<td>Dollar saving</td>
<td>600,000</td>
<td>500,000</td>
<td>400,000</td>
<td>0</td>
</tr>
</tbody>
</table>

6.3. Under the scenarios above, if Council was downgraded, over time as current debt was refinanced it would cost an additional $100,000 to finance debt. Whether the amount is actually $100,000 is also subject to our interest rate hedging policy. For example under the Council's Treasury policy debt is required to be offset by interest rate hedging to mitigate against the floating interest rate and the risk that interest rates will rise over the life of the loan.

6.4. Council policies and benchmarks requiring to be reported under the Local Government (Financial Reporting Prudence) Regulations 2014 are provided within the 2018-28 LTP. The most relevant measure that is required by the Council’s Treasury Policy and LGFA is the interest cost on Debt to Rate Revenue. The Council also makes allowance for headroom in the event of another major natural disaster. As shown below, Council's measure peaks at 15.3%, well under the 25% policy limit. Whilst other measures, with the headroom included, do come close to the limits over the ten years of the LTP they are being managed below the policy limits.

Table: Interest cost on debt to Rate Revenue

6.5. The 2018-28 LTP is prepared using the best information that we are aware of at the time. There are future events or circumstances that arise that may affect our assumptions and these in turn will affect the forecasts provided within the LTP.

6.6. Community Implications

n/a

6.7. Risk Management

The Council's Treasury Policy provides policy limits and processes.

6.8. Health & Safety

n/a
7. **CONTEXT**

7.1. **Policy**

This matter is not a matter of significance in terms of the Council’s Significance & Engagement Policy. However, the nature of the policy may be significant in regards to the loan and investment activity.

7.2. **Legislation**


Section 104 of the Local Government Act requires the Council to:

- adopt a Liability management policy and state the local authorities policies in respect of the management of both borrowing and other liabilities, including—
  - (a) Interest rate exposure; and
  - (b) Liquidity; and
  - (c) Credit exposure; and
  - (d) Debt repayment.

Section 105 of the Local Government Act requires the Council to:

- adopt an Investment policy and state the local authorities policies in respect of investments, including—
  - (a) [Repealed]
  - (b) The mix of investments; and
  - (c) The acquisition of new investments; and
  - (d) An outline of the procedures by which investments are managed and reported on to the local authority; and
  - (e) An outline of how risks associated with investments are assessed and managed.

7.2.2. Local Government (Financial Reporting and Prudence) Regulations 2014

7.3. **Community Outcomes**

The Treasury policy contributes towards and supports the achievement of Council’s Community Outcomes.

7.4. **Delegations**

The Audit & Risk Committee have delegation to “receive and consider management reports and any other information received from the Council’s external auditors”.

Jeff Millward  
Manager Finance & Business Support
Issuer credit ratings can be either long-term or short-term.

**Long-Term Issuer Credit Ratings**

<table>
<thead>
<tr>
<th>Category</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAA</td>
<td>An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by S&amp;P Global Ratings.</td>
</tr>
<tr>
<td>AA</td>
<td>An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.</td>
</tr>
<tr>
<td>A</td>
<td>An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.</td>
</tr>
<tr>
<td>BBB</td>
<td>An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments.</td>
</tr>
<tr>
<td>BB, B, CCC, and CC</td>
<td>Obligors rated 'BB', 'B', 'CCC', and 'CC' are regarded as having significant speculative characteristics. 'BB' indicates the least degree of speculation and 'CC' the highest. While such obligors will likely have some quality and protective characteristics, these may be outweighed by large uncertainties or major exposure to adverse conditions.</td>
</tr>
<tr>
<td>B</td>
<td>An obligor rated 'B' is more vulnerable than the obligors rated 'BB', but the obligor currently has the capacity to meet its financial commitments. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial commitments.</td>
</tr>
<tr>
<td>CCC</td>
<td>An obligor rated 'CCC' is currently vulnerable and is dependent upon favourable business, financial, and economic conditions to meet its financial commitments.</td>
</tr>
<tr>
<td>CC</td>
<td>An obligor rated 'CC' is currently highly vulnerable. The 'CC' rating is used when a default has not yet occurred but S&amp;P Global Ratings expects default to be a virtual certainty, regardless of the anticipated time to default.</td>
</tr>
<tr>
<td>R</td>
<td>An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favour one class of obligations over others or pay some obligations and not others.</td>
</tr>
<tr>
<td>SD and D</td>
<td>An obligor rated 'SD' (selective default) or 'D' is in default on one or more of its financial obligations including rated and unrated obligations but excluding hybrid instruments classified as regulatory capital or in non-payment according to terms. An obligor is considered in default unless S&amp;P Global Ratings believes that such payments will be made within five business days of the due date in the absence of a stated grace period or within the earlier of the stated grace period or 30 calendar days. A 'D' rating is assigned when S&amp;P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when S&amp;P Global Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. An obligor's rating is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.</td>
</tr>
</tbody>
</table>

Ratings from 'AA' to 'CCC' may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories.

**Short-Term Issuer Credit Ratings**

<table>
<thead>
<tr>
<th>Category</th>
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</tr>
</thead>
</table>

180713078284
A-1 An obligor rated 'A-1' has strong capacity to meet its financial commitments. It is rated in the highest category by S&P Global Ratings. Within this category, certain obligors are designated with a plus sign (+). This indicates that the obligor's capacity to meet its financial commitments is extremely strong.

A-2 An obligor rated 'A-2' has satisfactory capacity to meet its financial commitments. However, it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in the highest rating category.

A-3 An obligor rated 'A-3' has adequate capacity to meet its financial obligations. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments.

B An obligor rated 'B' is regarded as vulnerable and has significant speculative characteristics. The obligor currently has the capacity to meet its financial commitments; however, it faces major ongoing uncertainties that could lead to the obligor's inadequate capacity to meet its financial commitments.

C An obligor rated 'C' is currently vulnerable to non-payment that would result in an 'SD' or 'D' issuer rating and is dependent upon favourable business, financial, and economic conditions to meet its financial commitments.

R An obligor rated 'R' is under regulatory supervision owing to its financial condition. During the pendency of the regulatory supervision, the regulators may have the power to favour one class of obligations over others or pay some obligations and not others.

SD and D An obligor rated 'SD' (selective default) or 'D' has failed to pay one or more of its financial obligations (rated or unrated), excluding hybrid instruments classified as regulatory capital or in non-payment according to terms, when it came due. An obligor is considered in default unless S&P Global Ratings believes that such payments will be made within any stated grace period. However, any stated grace period longer than five business days will be treated as five business days. A 'D' rating is assigned when S&P Global Ratings believes that the default will be a general default and that the obligor will fail to pay all or substantially all of its obligations as they come due. An 'SD' rating is assigned when S&P Global Ratings believes that the obligor has selectively defaulted on a specific issue or class of obligations, excluding hybrid instruments classified as regulatory capital, but it will continue to meet its payment obligations on other issues or classes of obligations in a timely manner. An obligor's rating is lowered to 'D' or 'SD' if it is conducting a distressed exchange offer.

Rating Outlooks

An S&P Global Ratings outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or future CreditWatch action.

- Positive means that a rating may be raised.
- Negative means that a rating may be lowered.
- Stable means that a rating is not likely to change.
- Developing means a rating may be raised, lowered, or affirmed.
- N.M. means not meaningful.
Research Update:

**DRAFT: Waimakariri District Council Outlook Revised To Negative On Rising Debt Burden; ’AA/A-1+’ Ratings Affirmed**

**Primary Credit Analyst:**
Martin J Foo, Melbourne + 61396312016; Martin.Foo@spglobal.com

**Secondary Contact:**
Anthony Walker, Melbourne + (61)396312019; anthonywalker@spglobal.com

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DRAFT: Waimakariri District Council Outlook Revised To Negative On Rising Debt Burden; 'AA/A-1+' Ratings Affirmed

Overview

- The negative outlook reflects an increased likelihood that S&P Global Ratings will lower its long-term credit ratings on Waimakariri District Council (Waimakariri) within the next two years.
- We expect that a large program of capital works will lead to prolonged deficits and a rising debt burden. Liquidity also has weakened, by our measures, because of a higher volume of maturities in the next 12 months.
- We are affirming our 'AA/A-1+' ratings, which are supported by Waimakariri's high level of budgetary flexibility, strong financial management, and New Zealand's excellent institutional settings.
- We could lower our ratings if capital expenditure exceeds our forecasts, without offsetting growth in revenue, leading to larger deficits and higher debt than in our base case. We could also lower our ratings if debt service coverage were to weaken further.

Rating Action

On April 11, 2018, S&P Global Ratings revised to negative its outlook on the long-term issuer credit ratings on Waimakariri District Council (Waimakariri), a New Zealand local government. At the same time, we affirmed our 'AA/A-1+' long- and short-term ratings on Waimakariri.

Outlook

The negative outlook reflects our expectation that Waimakariri will maintain a relatively large program of capital works during the next two years, which it will fund partly through new borrowings. This will lead to a growing debt burden.

Downside scenario

We could lower our ratings on Waimakariri within the next two years if capital expenditure exceeds our forecasts, without offsetting growth in revenue, leading to larger deficits and higher debt than in our base case. We could also lower our ratings if debt service coverage weakens further, which might
Research Update: Waimakariri District Council Outlook Revised To Negative On Rising Debt Burden; ‘AA/A-1+’ Ratings Affirmed

occur if Waimakariri significantly increases its short-term borrowings. Such actions might also cause us to reappraise our view of financial management.

Upside scenario

We could revise our outlook to stable if Waimakariri’s budgetary performance turns out better than we presently expect, resulting in a stabilisation of the debt trajectory.

Rationale

We have updated and extended our forecasts for Waimakariri through FY2019-20. The revision in outlook reflects the fact that we now forecast capital outlays to be relatively large, compared with our previous expectations, during the next few years. We project that this will lead to sustained and substantial after-capital-account deficits and a growing debt burden. The ratings continue to be supported by Waimakariri’s high level of budgetary flexibility, strong financial management, and New Zealand’s excellent institutional settings.

A large program of capital works will lead to larger deficits and higher debt, while debt service coverage has weakened

Like all New Zealand councils, Waimakariri is currently in the process of preparing a long-term plan that will set out its priorities in fiscal years 2019 (i.e., the year ending June 30, 2019) to 2029. The draft long-term plan budgets for a relatively large NZ$141 million of capital works (in cash terms) during the next two years. Meanwhile, revenues are set to grow at only a moderate pace, with average rates budgeted to increase by 4.4% next year. As a result, we expect Waimakariri to run after-capital-account deficits averaging about 16.8% of total revenues during fiscal years 2016 to 2020, which is high, compared with most peers. We expect operating surpluses to remain robust, averaging about 15.3% of adjusted operating revenues during the same period.

Much of the capital budget is likely to be funded by new borrowings. We expect Waimakariri’s total tax-supported debt, as a proportion of adjusted operating revenues, to grow to 136% by the end of fiscal 2020, up from 132% at the end of fiscal 2018. Similar to many of its domestic peers, Waimakariri typically under-delivers on its capital budget each year. As such, our base-case forecasts incorporate a 25% haircut to budgeted capital expenditure, roughly in line with the council’s historical execution. We note that the draft long-term plan is currently open for community consultation and that some aspects could change before it is finalized in June 2018. Nevertheless, our debt projections are now substantially higher than we previously forecast.

Further, the council’s debt service coverage is lower than in the past. We expect that during the next 12 months, Waimakariri will need to service NZ$10 million in maturing commercial paper, NZ$7 million in a New Zealand Local Government Funding Agency (LGFA) loan that will mature in August 2018, and
about NZ$6 million in annual interest payments. These obligations will be covered by about NZ$11.7 million in free cash and access to an undrawn NZ$10 million credit facility with ANZ. As a result, we estimate that Waimakariri's free cash and available committed bank lines stand at about 102% of the next 12 months' debt service. In 2017, Waimakariri's debt service coverage was about 140% of upcoming maturities and interest costs.

Aside from cash, Waimakariri does not hold other liquid financial assets. We consider the council's access to external liquidity to be satisfactory. While New Zealand's capital markets are comparatively liquid, they lack depth, given their relatively small size. During the severe market dislocation of 2008 and 2009, some New Zealand councils had difficulty issuing unrated commercial paper. Similar to most of its domestic rated peers, Waimakariri sources the majority of its external debt through the LGFA.

The ratings on Waimakariri continue to be supported by its very high level of budgetary flexibility. We estimate that about 92% of the council's operating revenues are modifiable, which means they can be raised or lowered at the council's discretion. The largest single source of council revenue is rates. Like other territorial authorities in the Canterbury region, Waimakariri's focus during the past few years has been on recovering from the major earthquakes of 2010-2011. As most repairs to critical infrastructure are now complete, our view is that Waimakariri's fiscal flexibility has improved. We expect the largest single project in the next two years to be a multiuse sports facility, budgeted at NZ$27.85 million and scheduled for completion by mid-2020. The remainder of the capital budget is spread across a range of smaller undertakings, including the earthquake Red Zone Regeneration Plan and various water, sewerage, storm water, and transportation works.

The Waimakariri district is exposed to a range of natural hazard risks, most notably earthquakes. There is a network of known fault lines in the west of the district and well-defined areas of liquefaction-prone land. The council maintains insurance cover with a panel of commercial insurers and with the Local Authority Protection Programme for underground assets; in the event of natural disaster, the Crown typically would also pay for 60% of repairs to underground assets. Other contingent liabilities, such as a small guarantee for a community art trust, are minimal. Like many of its domestic peers, Waimakariri is a shareholder and guarantor of the LGFA's borrowings. We consider it unlikely that this guarantee would be activated in the near future.

Ratings continue to be supported by Waimakariri's strong financial management and New Zealand's excellent institutional settings

Waimakariri's fiscal processes are credible and well established, with the council preparing long-term plans every three years, annual plans in the intervening years, and audited annual reports, in line with New Zealand requirements. The council's treasury policy sets prudent limits on external borrowing, liquidity, and interest-rate risk. Waimakariri borrows only in local currency, in accordance with legislation. Like all New Zealand councils, Waimakariri is governed by an elected group of councilors, led by a mayor.
Day-to-day management of the council is delegated to a full-time chief executive.

The institutional framework within which New Zealand local governments operate is a key factor supporting Waimakariri's credit profile. We believe this framework is one of the strongest and most predictable globally. It promotes a robust management culture, fiscal discipline, and high levels of disclosure.

We expect Waimakariri's local economy to remain solid. We have restated the GDP figures using a new dataset from New Zealand's Ministry of Business, Innovation, and Employment. The data indicate that local GDP per capita averaged about US$14,400 between 2014 and 2016 (the last year for which data are available). In our view, this figure significantly understates Waimakariri's economic strength because a large proportion of its residents commute to work in nearby Christchurch, New Zealand's third-most-populous city. As a result, their economic contributions are likely to be captured in Christchurch's GDP statistics and not Waimakariri's. Supporting our view is Waimakariri's average household income, which at NZ$97,900 in 2017 is high by international standards and on par with the New Zealand average. Waimakariri has a population of about 59,300 and has been one of the fastest-growing districts in the country for the past 15 years, with growth driven largely by domestic migration.

### Key Statistics

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<tbody>
<tr>
<td><strong>Selected Indicators</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating revenues</td>
<td>77,555</td>
<td>72,201</td>
<td>76,036</td>
<td>78,489</td>
<td>81,06</td>
<td>86,472</td>
</tr>
<tr>
<td>Operating expenditures</td>
<td>63,088</td>
<td>52,845</td>
<td>62,651</td>
<td>68,609,509</td>
<td>72,988,832</td>
<td>76,689,3268</td>
</tr>
<tr>
<td>Operating balance</td>
<td>14,467</td>
<td>9,356</td>
<td>13,385</td>
<td>15,881,494</td>
<td>15,111,1268</td>
<td>15,762,16732</td>
</tr>
<tr>
<td>Operating balance (% of operating revenues)</td>
<td>18.75%</td>
<td>12.95%</td>
<td>12.95%</td>
<td>18.57%</td>
<td>14.29%</td>
<td>18.25%</td>
</tr>
<tr>
<td>Capital revenues</td>
<td>17,352</td>
<td>22,988</td>
<td>16,982</td>
<td>18,201</td>
<td>18,375</td>
<td>21,225</td>
</tr>
<tr>
<td>Capital expenditures</td>
<td>65,592</td>
<td>36,535</td>
<td>42,002</td>
<td>55,994</td>
<td>54,900</td>
<td>52,225</td>
</tr>
<tr>
<td>Balance after capital accounts</td>
<td>-38,361</td>
<td>-4,217</td>
<td>-10,735</td>
<td>-28.57%</td>
<td>-24,14%</td>
<td>-15,22%</td>
</tr>
<tr>
<td>Balance after capital accounts (% of total revenues)</td>
<td>-42.33%</td>
<td>-4.33%</td>
<td>-11.43%</td>
<td>-20.55%</td>
<td>-24.21%</td>
<td>-14.14%</td>
</tr>
<tr>
<td>Debt repaid</td>
<td>5</td>
<td>15</td>
<td>25</td>
<td>10</td>
<td>5</td>
<td>15</td>
</tr>
<tr>
<td>Gross borrowings</td>
<td>35</td>
<td>39</td>
<td>30</td>
<td>38.57%</td>
<td>39.44%</td>
<td>30.12%</td>
</tr>
<tr>
<td>Balance after borrowings</td>
<td>-8,261</td>
<td>-10,791</td>
<td>-5,735</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Modifiable revenues (% of operating revenues)</td>
<td>79.89%</td>
<td>88.56%</td>
<td>88.69%</td>
<td>88.69%</td>
<td>89.94%</td>
<td>89.85%</td>
</tr>
</tbody>
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APRIL 10, 2018 5

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Key Statistics (cont.)

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<tbody>
<tr>
<td>Capital expenditures (% of total expenditures)</td>
<td>50.98766175</td>
<td>38.77858608</td>
<td>40.13453886</td>
<td>45.25353297</td>
<td>43.76158321</td>
<td>42.45391593</td>
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<tr>
<td>Tax-supported debt (outstanding at year-end)</td>
<td>82.06386719</td>
<td>99.37608408</td>
<td>161.222051615</td>
<td>129.79540989</td>
<td>125.6395685</td>
<td>160.1984177</td>
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<tr>
<td>Tax-supported debt (% of consolidated operating revenues)</td>
<td>105.6776347</td>
<td>132.40822269</td>
<td>131.50422264</td>
<td>105.34978571</td>
<td>109.50417697</td>
<td>195.6637516</td>
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<tr>
<td>Interest (% of operating revenues)</td>
<td>4.958598516</td>
<td>5.59687539</td>
<td>5.387568084</td>
<td>6.708122103</td>
<td>7.816897411</td>
<td>8.046210119</td>
</tr>
<tr>
<td>Local GDP per capita (single units)</td>
<td>18713</td>
<td>19148</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>

The data and ratios above result in part from S&P Global Ratings' own calculations, drawing on national as well as international sources, reflecting S&P Global Ratings' independent view on the soundness, coverage, accuracy, credibility, and usability of available information. The main sources are the financial statements and budgets, as provided by the issuer. Base case reflects S&P Global Ratings' expectations of the most likely scenario. Downside case represents some but not all aspects of S&P Global Ratings' scenarios that could be consistent with a downgrade. Upside case represents some but not all aspects of S&P Global Ratings' scenarios that could be consistent with an upgrade. RC—base case.

Ratings Score Snapshot

Key Rating Factors

- Institutional framework: Extremely predictable and supportive
- Economy: Average
- Financial management: Strong
- Budgetary flexibility: Very strong
- Budgetary performance: Weak
- Liquidity: Adequate
- Debt burden: Very high
- Contingent liabilities: Low

S&P Global Ratings bases its rating on local and regional governments on the basis of its rating methodology for local and regional governments, published on June 30, 2014, summarizes how the eight factors are combined to derive the foreign currency rating on the government.

Key Sovereign Statistics


Related Criteria

- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings
Research Update: Waimakariri District Council Outlook Revised To Negative On Rising Debt Burden; 'AA/A-1+' Ratings Affirmed

, April 7, 2017

- Criteria - Governments - International Public Finance: Methodology For Rating Non-U.S. Local And Regional Governments, June 30, 2014
- Criteria - Governments - International Public Finance: Methodology And Assumptions For Analyzing The Liquidity Of Non-U.S. Local And Regional Governments And Related Entities And For Rating Their Commercial Paper Programs, Oct. 15, 2009
- General Criteria: Use Of CreditWatch And Outlooks, Sept. 14, 2009

Related Research


In accordance with our relevant policies and procedures, the Rating Committee was composed of analysts that are qualified to vote in the committee, with sufficient experience to convey the appropriate level of knowledge and understanding of the methodology applicable (see 'Related Criteria And Research'). At the onset of the committee, the chair confirmed that the information provided to the Rating Committee by the primary analyst had been distributed in a timely manner and was sufficient for Committee members to make an informed decision.

After the primary analyst gave opening remarks and explained the recommendation, the Committee discussed key rating factors and critical issues in accordance with the relevant criteria. Qualitative and quantitative risk factors were considered and discussed, looking at track-record and forecasts.

The committee's assessment of the key rating factors is reflected in the Ratings Score Snapshot above.

The chair ensured every voting member was given the opportunity to articulate his/her opinion.

The chair or designee reviewed the draft report to ensure consistency with the Committee decision. The views and the decision of the rating committee are summarized in the above rationale and outlook. The weighting of all rating factors is described in the methodology used in this rating action (see 'Related Criteria and Research').

Ratings List

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RatingsDirect at www.capitaliq.com. All ratings affected by this rating action
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1. SUMMARY

1.1 This report is to inform the Committee of the outcome of discussions regarding the future of the Oxford Bulletin.

1.2 An agreement has been reached with Bruce and Emily Chapman, the publishers of the Oxford Observer, to take over the publication of the Oxford Bulletin from the issue dated 17th August 2018.

2. RECOMMENDATION

THAT the Audit & Risk Committee:

(a) Receives report No. 180704074184.

(b) Agrees that the Council will cease producing the Oxford Bulletin from the 3 August 2018 issue and that from this date responsibility for publication of the Bulletin will transfer to Bruce and Emily Chapman.

3. BACKGROUND

3.1 Councillors discussed options for publication of the Bulletin at the Draft LTP meeting in January 2018 and were advised of an approach from an external agency that was interested in taking over the Oxford Bulletin and operating it on a commercial basis. Staff met with the interested party and provided some follow up information. There was no interest from either party in continuing these discussions.

3.2 Subsequently Emily and Bruce Chapman from Oxford who are the new publishers of the Oxford Observer expressed an interest in the Bulletin and discussions were held to determine whether there were benefits in operating both publications under the same ownership.

3.3 The Chapmans see the Bulletin as complementing the Observer, one being more of a trades publication with primarily advertising content and the other containing more news articles, and would initially continue to publish them separately. Merging the two may be considered in the future and it has been requested that if this occurs the Council would like to retain the Bulletin name in the title as acknowledgement of the long history of that publication.
3.4 Councillor Felstead briefed the Council at the 5th June meeting that the Chapmans were interested in taking over the Bulletin, and the Oxford Ohoka Community Board were similarly informed at their 7 June 2018 meeting. Board members were generally supportive of divesting the Bulletin to owners who already had a stake in the community and were looking to develop the Bulletin in conjunction with their own business.

3.5 It was agreed that the Bulletin would transfer to the Chapmans from the issue dated 17 August 2018. The final Council produced Bulletin would be the 3 August issue.

4. ISSUES AND OPTIONS

4.1. The Council could continue to publish the Bulletin in house. Council has previously questioned involvement in the Bulletin when similar publications are not produced for other communities, and has supported staff investigating alternative options for publication.

4.2. The Management Team have reviewed this report and support the recommendations.

5. COMMUNITY VIEWS

5.1. Groups and Organisations

No consultation has occurred outside the Council.

5.2. Wider Community

NA

6. IMPLICATIONS AND RISKS

6.1. Financial Implications

Bulletin advertising income for the 2018/19 year was budgeted at $77,000, the majority of which covered printing and distribution expenses that will not be spent if the publication is transferred. Staff time of $22,000 has been spent in the current year and will have been allocated to the Bulletin for 2018/19. This time covers the Oxford staff accepting and processing advertising and the Administration/Typing team producing the Bulletin. Both staff groups have other uses for this time and transferring the Bulletin is likely to reduce the need to call in casual staff during peak times.

The proposed transfer of the Bulletin is not a sale so there will be no proceeds received by the Council.

Advertising paid in advance beyond 3 August will be paid to the Chapmans. This amount is small.

The Chapmans have undertaken to hold the current advertising rates for the Bulletin at least for the remainder of 2018.

6.2. Community Implications

The impact on the community should be minor at the outset and overall beneficial in securing a future provider of the Bulletin. The plan is for the Bulletin to continue in its current format at least in the interim. There will continue to be a fortnightly publication, possibly the Bulletin and Observer on alternate fortnights, the detail of this will be decided once the new owners have had the opportunity to assess advertiser and reader feedback.
6.3. Risk Management

There is a risk that outside Council ownership, the Bulletin may fail and publication end. Transferring the publication to owners who are already in the local newspaper business and have a community focus lessens this risk.

6.4. Health and Safety NA

7. CONTEXT

7.1. Policy
This matter is not a matter of significance in terms of the Council's Significance and Engagement Policy.

7.2. Legislation NA

7.3. Community Outcomes

People have wide ranging opportunities for learning and being informed.

7.4. Delegations NA

Maree Harris

Customer Services Manager
WAIMAKARIRI DISTRICT COUNCIL

REPORT FOR INFORMATION & DECISION

FILE NO and TRIM NO: GOV-01-15/180708075704

REPORT TO: Audit and Risk Committee

DATE OF MEETING: 24 July 2018

FROM: Simon Markham, Manager Strategy & Engagement

SUBJECT: Enterprise North Canterbury Statement of Intent and Business Plan for year beginning 1 July 2018; and Proposed District Promotions Plan for 2018/19

SIGNED BY: (for Reports to Council, Committees or Boards)

1. SUMMARY

1.1 This report asks the Committee to approve the draft final Enterprise North Canterbury (ENC) Statement of Intent (SOI) for the 12 months period from 1 July 2018; to receive ENC’s Board approved Business Plan that implements the SOI; and, to approve the draft District Promotions Business Plan for the 2018/19 year.

Attachments:

i. ENC Statement of Intent for the Financial Year Beginning 1 July 2018 (180706075152)
ii. ENC 2018/19 Business Plan (180706075155)
iii. ENC Proposed District Promotions Plan for 2018/19 (180706075154)

2. RECOMMENDATION

THAT the Audit and Risk Committee:

(a) Receives report No. 180708075704
(b) Approves ENC’s Statement of Intent for the Financial Year beginning 1 July 2018
(c) Receives ENC’s 2018/19 Business Plan
(d) Approves ENC’s Draft District Promotions Business Plan for 2018/19

3. BACKGROUND

3.1. Reporting relationships with ENC are established because of it being a Council Controlled Organisation (CCO) and in light of its contractual obligations to the Council. These provide for ENC to prepare and for the Council to approve a statement of Intent for the coming year’s activities, and for ENC to prepare a business plan to give effect to that SOI.

3.2. The Council recently resolved to renew the District Promotions Contract with ENC for a further three-year period. That Contract provides for the contractor to prepare, and for Council to approve an Annual District Promotions Plan and for ENC to report against it at six months and at year’s end.
4. ISSUES AND OPTIONS

4.1. Attachment i is the SOI prepared by ENC and approved by its Board on 30 May 2018. The Statement of Intent is required under the Local Government Act to set out the goal and objectives for ENC for the next three years – this document is subject to prior consideration by Councils and review by Audit NZ at each year’s end. A Draft SOI was provided for Council consideration through this Committee at its 27 March meeting. In light of no comments being received, it was considered by the ENC Board on 30 May. It is recommended you approve this SOI.

4.2. Attachment ii is the Business Plan for the year beginning 1 July 2018. The ENC Annual Business Plan draws together all the responsibilities of ENC and prescribes the specific actions to be taken in the forthcoming year. It has embedded within it the requirements of the WDC Promotion Plan. The ENC Business Plan is primarily an internal document that is used to guide management and staff actions and programmes throughout the year and sets out the performance measure against which success is assessed. It also is the basis for approval of the budget for the year and subsequent reporting to the Board. It is recommended you receive this Plan.

4.3. Attachment iii is the proposed District Promotions Business Plan for 2018/19. The Promotions Plan that is approved by both the ENC Board and WDC is a public document that must be consistent with the funding contract between ENC and WDC and the various programmes the ENC delivers for WDC. It addresses the goals set out below. It is recommended the Committee approve the Plan.

4.4 ENC in its business promotion activities propose to continue to act as a first point of contact for new business enquiries, working with existing developers and Council to enable them to achieve tenants for new developments, and to promote the district as a diverse and dynamic business community

4.5 Towards enhancing the visitor experience, ENC will market and promote the district (online, inbound tour operators and trade shows), and create the Waimakariri Story and lead the development of a 5-year Visitor Strategy with Council staff.

4.6 The major product development focus for ENC/Visit Waimakariri in 2018/19 will be on assessing the feasibility of and business case for new, and marketing existing, cycle trails and connections in/through the Waimakariri District. It is anticipated Provincial Growth Fund funding will assist this undertaking.

4.7 The Management Team have reviewed this report and support the recommendations.
5. **COMMUNITY VIEWS**

5.1. **Groups and Organisations**

Ongoing dialogue that ENC has with the local business sector and visitor industry assisted with the preparation of the Draft Statement of Intent and the District Promotions Business Plan that has been reported on.

5.2 **Wider Community**

Previously reported to the Council during 2017 as part of overall findings of the 2016 Customer satisfaction survey, are wider community views of the Councils activities related to economic development and district promotions. While these have been reported to the Audit & Risk Committee, there has not been an opportunity to discuss them. They are summarised in the two graphs below.

Pleasing increases in satisfaction and reduction in dissatisfaction were recently recorded for both encouragement of business activity and promotion of the District. The link below provides further information on survey methodology and results.

[http://www.waimakariri.govt.nz/__data/assets/pdf_file/0026/36917/5-2016-District-Development.pdf](http://www.waimakariri.govt.nz/__data/assets/pdf_file/0026/36917/5-2016-District-Development.pdf)
6. IMPLICATIONS AND RISKS

6.1. Financial Implications

During the 2018/19 year ENC will receive from the WDC through the Economic Development (ED) grant $201,240 to enable the organisation to function and leverage other funding contributions.

Through the District Promotions Contract, payments of $380,870 are made for services, and $48,270 as an events grant fund for distribution by an independent Event Fund Advisory Group made up of external representatives. ENC formally reports at six monthly intervals, and meets regularly with WDC staff to monitor progress and address any issues that arise.

Together with carryforward funds, ENC propose to apply up to $492,732 of WDC funding to district promotions in 2018/19 as set out below, and to raise from other sources/apply a further $143,000 to district promotions.

- Business attraction $149,500
- District marketing and promotions $141,446
- Events funding and support $106,786
- District i-Site $95,000

6.2. Community Implications

Among other advantages, supporting and enabling the growth in the local economy; visitor industry partnering and promotions; and, attracting new business to the district through ENC programmes have benefits in increased local business sector strength, more local jobs, retained retail expenditure and increased town centre vitality.

6.3. Risk Management

The ENC Board meets regularly to oversee implementation of agreed plans and programmes in accordance with the accountability requirements of ENC being a CCO.
ENC formally reports to the Council at six monthly intervals, and meets regularly with WDC staff to monitor progress and address any issues that arise.

6.4. **Health and Safety**

ENC operates at arm’s length from the WDC and manages its own health and safety programme.

7. **CONTEXT**

7.1. **Policy**

This matter is not a matter of significance in terms of the Council’s Significance and Engagement Policy.

The relevant council strategic policy context is provided by its Local Economic Development Strategy. This sets out the Council’s intent with respect to, among other strategic directions, Business and Visitors.


7.2. **Legislation**

Local Government Act S.10 Purpose of Local Government and Part 5 Council- controlled organisations and council organisations

7.3. **Community Outcomes**

Community outcomes that are particularly relevant to this report are:

*Businesses in the District are diverse, adaptable and growing*

- There are growing numbers of businesses and employment opportunities in our District

*The distinctive character of our takiwā - towns, villages and rural areas is maintained*

- The centres of our towns are safe, convenient and attractive places to visit and do business

7.4. **Delegations**

Delegation S-DM 1022 provides for delegated authority to the Audit and Risk Committee to monitor the performance of Council Controlled organisations and to review and provide comments on draft Statements of Intent.
STATEMENT OF INTENT
For the Financial Year Beginning 1 July 2018

INTRODUCTION
North Canterbury Economic Development Trust trading as Enterprise North Canterbury (ENC) is a Council Controlled Organisation (CCO) established by the Waimakariri District & Hurunui District Councils. This Statement of Intent sets out the overall intentions and objectives for the period of 1 July 2018 to 30 June 2021.

NATURE AND SCOPE OF ACTIVITIES
ENC is an Economic Development Agency with a vision:

‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’

THE OBJECTIVES OF THE TRUST
The objects of the Trust as set out in clause 3.1 of the Deed of Trust are to:

a) “Cultivate economic initiatives and foster growth for the benefit of the North Canterbury Community
b) Promote the economic, environmental, cultural and social well being of the North Canterbury Community
c) Foster, develop and assist in the management of best practices and effective use of the resources of North Canterbury
d) Promote and nurture community-based, sustainable economic growth through projects to benefit the people of North Canterbury Community”

In pursuing these objects ENC will:

• Operate with the utmost integrity
• Be innovative, proactive and professional
• Work collaboratively in all activities it facilitates
• Respect the democratic processes of the sponsoring Councils.

ENC’s modus operandi is to “stimulate/facilitate/liberate” new projects, as initiatives will only lead the regional economy to a higher level if a project is self-sustaining in the hands of the private sector. ENC does not see itself as “owning” projects in the long term. Accordingly when assessing new initiatives ENC will:

• Promote the sustainability of business
• Have an awareness of the needs of the community within which business operates
• Be a leader and facilitator but not an investor in development projects

THE PERFORMANCE MEASURES
In pursuit of its vision ENC has adopted strategic objectives against which its performance will be monitored.
ENC Strategic Objectives  
Performance Measures 2018/19  

Vision: ‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’

Strategic Objective 1: Supporting existing businesses to grow and prosper

<table>
<thead>
<tr>
<th>Objective 1.1</th>
<th>Performance Measure</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Support existing businesses by the provision of training, coaching, and mentoring services and networking opportunities</td>
<td>Deliver the Regional Business Partner Programme for NZTE</td>
<td>A minimum of 60% net promoter score of services provided by ENC through NZTE’s annual customer survey</td>
</tr>
<tr>
<td></td>
<td>Provide training of local business owners and managers</td>
<td>Undertake 52 Capability Assessments and issue a minimum of $80,000 NZTE Vouchers</td>
</tr>
<tr>
<td></td>
<td>Provide networking opportunities to market, share knowledge, exchange information three times a year</td>
<td>A minimum of 24 businesses referred to Business Mentors NZ</td>
</tr>
<tr>
<td></td>
<td>Support local businesses by referring them to the appropriate support agency</td>
<td>Refer at least 2 businesses undertaking research and development work to Callaghan Innovation</td>
</tr>
<tr>
<td></td>
<td>Retain ENC’s Business Partner Programme to provide increased services to local businesses</td>
<td>Run 20 half day business training workshops with 80 business people attending, with attendees expressing a minimum of 80% satisfaction rate</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Run 3 networking functions with a minimum of 60 attending and each event is fully sponsored</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A minimum of 60 businesses referred to external agencies (excluding BMNZ)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Retain financial commitment of business partners</td>
</tr>
</tbody>
</table>

Approved SOI 1.7.18
<table>
<thead>
<tr>
<th>Objective 1.2</th>
<th>Communicate with businesses so they are well informed about services and support available to them. Maintain and grow ENC’s website and social media.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Objective 1.2 Celebrate and Recognise Business Leaders in the region</strong></td>
<td>Organise the biennial business awards Gala Dinner and Ceremony.</td>
</tr>
<tr>
<td></td>
<td>Full capacity and attendance at the Gala Awards Ceremony. Participating businesses are surveyed with a minimum of 80% satisfaction rate of involvement.</td>
</tr>
<tr>
<td>Objective 1.3</td>
<td>Undertake analysis of regional employment opportunities and trends.</td>
</tr>
<tr>
<td>Have a high level of understanding of local labour market conditions and economic confidence in North Canterbury.</td>
<td>Complete 2 business confidence surveys with a minimum of 50 businesses participating with results picked up by newspapers.</td>
</tr>
<tr>
<td>Objective 1.4 Assist Hurunui Town Development</td>
<td>ENC and the Council’s fully understand the needs of small businesses in rural townships.</td>
</tr>
<tr>
<td>Survey completed and discussed with participants and Council. Business initiatives are created following engagement. ENC to assist in implementing two activities as a result of their engagement.</td>
<td></td>
</tr>
<tr>
<td>Objective 1.5 Manage the ENC Business Centre</td>
<td>Maintain engagement with Corporate Sponsor MainPower, two Silver sponsors and eight bronze sponsors. Generate bookings and catering for room hire. Success in repeat business for room hire and new business as a result of marketing the business centre through various channels. Run free events to encourage businesses to engage with the Centre.</td>
</tr>
<tr>
<td>Achieve sponsorship to the value of $64,000. Achieve at least $17,200 room hire and $7,600 for catering for the Business Centre. Quarterly “Talk with the Experts” are held and well supported.</td>
<td></td>
</tr>
</tbody>
</table>
### Strategic Objective 2: Attract and inspire businesses, Te Rūnanga o Ngāi Tahu and Government to Invest in our region

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2.1 Develop a North Canterbury Cycle Trail</strong></td>
<td>Involve strategic partners who will provide leadership and advocacy. Access funding for a full feasibility study. Prepare a feasibility study for the development of a North Canterbury Cycle Trail from Christchurch to Waipara. Steering Group formed to lead initiative. Application for feasibility study completed and submitted to funder. Successful funding and feasibility study written.</td>
</tr>
<tr>
<td><strong>2.2 Develop a strategic partner group to influence and attract a significant business to the region</strong></td>
<td>Set up a focus group with an appropriately skilled team who will strategically develop relationships with key innovative investors and organisations who would move to the region. Group set up and objectives agreed. Several significant businesses identified. Council actively involved and working in partnership with the group.</td>
</tr>
</tbody>
</table>

### Strategic Objective 3: Promote the Waimakariri District

<table>
<thead>
<tr>
<th>Performance Measure</th>
<th>Target</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Promote the Waimakariri District to businesses and visitors</strong></td>
<td>Overall satisfaction by WDC. Favourable response from annual report to WDC and renewal of service delivery contract.</td>
</tr>
<tr>
<td><strong>3.1 Business Promotion</strong>&lt;br&gt;Promote the Waimakariri District to attract new businesses and support expanding businesses:</td>
<td>Act as the first point of contact for all new business enquiries. At least 40 new and expanding businesses are supported with investigating setting up a business in the district.</td>
</tr>
</tbody>
</table>
| **Work with existing developers and Council to enable them to achieve tenants for their developments** | **Number of connections to developers tracked**  
At least 5 new businesses set up in the District as a direct result of ENC’s intervention  
ENC will be an active member with Council in the Mixed Use Business regeneration land discussions and plan development |  
**Promote the district as a diverse and dynamic business community** | **Track and grow online visitations to the Invest Section of ENC website**  
15 case studies have been written and promoted widely  
At least 20 new businesses to the District are profiled on ENC’s Facebook  
District promotional video is produced |
<table>
<thead>
<tr>
<th><strong>3.2 Enhance the Visitor Experience</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Develop the Waimakariri Story</td>
</tr>
<tr>
<td>Lead the development of a Waimakariri District Visitor Strategy</td>
</tr>
<tr>
<td>Leverage the Waimakariri District profile to visitors</td>
</tr>
<tr>
<td>Distribute marketing publications both hard copy and online</td>
</tr>
<tr>
<td>Manage web and online channels</td>
</tr>
<tr>
<td>Coordinate joint advertising opportunities with operators</td>
</tr>
<tr>
<td>Operate the Kaiapoi i-SITE</td>
</tr>
<tr>
<td><strong>Waimakariri Story created</strong></td>
</tr>
<tr>
<td>A new visitor strategy developed and signed off by key stakeholders</td>
</tr>
<tr>
<td>New image and video library produced</td>
</tr>
<tr>
<td>Official Visitor/Walking and Cycling Guide and Street Maps and Inbound Tour Operator Manual distributed</td>
</tr>
<tr>
<td>Achieve growth in online presence through website page visits and Facebook likes and reach, Instagram and newsletter uptake</td>
</tr>
<tr>
<td>Coordinate the Waimakariri District's inclusion in the 2018 Walking Festival and representation at travel expos</td>
</tr>
<tr>
<td>Meet i-SITE NZ membership accreditation</td>
</tr>
</tbody>
</table>
| 3.3 Connect with Residents | Promote and support quality events which reinforce the strengths and brand of the District and are embraced by the community | Number of events currently promoted (800) increased by 5%  
Waimakariri Events Calendar distribution and the database continues to increase |
| | Administer the contestible event funding | The contestable event fund is fully subscribed  
Event Organisers receive templates, advice and networking opportunities  
ENC will monitor for Council:  
• the proportion of innovation ie new events vs existing  
• the reject rate (is the fund big enough?) |

| 3.4 Develop new Products | Develop cycle trails and connections in the Waimakariri  
Identify and support new rural tourism experiences  
Celebrate culture and diversity in the district | District wide walking/cycling map developed and printed and online  
New loop track investigated with agencies and operators  
Assist new rural tourism product to commence  
Progress opportunities to promote culture of local iwi  
Assist TKTT in promoting their places and stories |
THE BOARD’S APPROACH TO GOVERNANCE

The Board of Trustees is responsible for the overall corporate governance of ENC. The Trust Deed sets out the governance responsibilities of the Trustees. The Board guides and monitors management of the business and affairs of the Trust on behalf of the Councils to whom they are accountable. The Mayors of each of the Councils are Trustees, and the two CEO’s are Advisory Trustees. The Board meets two monthly.

THE ACCOUNTING POLICIES

The Trust is a not-for-profit organisation. The Trust has adopted accounting policies that are consistent with the Financial Reporting Act 1993 and Financial Reporting Standards issued by the Institute of Chartered Accountants of New Zealand. The Trust has elected to apply the PBE SFR-A (PS) Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability and has total annual expenses of less than $2m.

THE RATIO OF CONSOLIDATED SHAREHOLDERS FUNDS TO TOTAL ASSETS

As at 30th June 2017 the Trust’s Equity comprised 67% of total assets and 100% of net assets. Equity is defined as the sum of the amount of retained earnings and accumulated losses. Total assets are defined as the sum of the net book values of current assets and non-current assets as disclosed in the Trust’s annual report.

DISTRIBUTIONS TO SHAREHOLDERS

The Trust’s Equity is not distributed, but is held in reserve to fund the Trust’s future economic development activities and Waimakariri District promotion activities as appropriate.

INFORMATION TO BE PROVIDED TO SHAREHOLDERS

Annually the Trust reports to the Councils, with the following matters being covered:

- Trust Directory
- Review of the Year’s Activities
- Report against the Year’s Performance Measures
- Statement of Financial Position
- Statement of Cashflows
- Statement of Financial Performance
- Statement of Movements in Equity
- Notes to the Accounts
- Auditor’s Opinion

Half yearly reports are provided to Councils including a statement of income and expenditure for the period, and a report of achievements against the Trust’s objectives.

Quarterly reports are required by WDC.

The two Mayors and CEO attend Board meetings and receive bi-monthly management and financial reports. The Trust’s Strategic Plan and the Annual Business Plan and Budget are made available to the two Councils following its approval by the ENC Board.
PROCEDURES FOR MEMBERS TO ACQUIRE SHARES

There is no means for Trustees to acquire shares.

COMPENSATION FROM LOCAL AUTHORITIES

The Trust receives seed capital from the two District Councils to enable it to initiate its economic development activities. In addition ENC has a service contact with Waimakariri District for the provision of District Promotion services. The following table sets out the current level of funding and that projected for the next three years (excl. GST).

<table>
<thead>
<tr>
<th>Local Authority</th>
<th>2018/19</th>
<th>2019/20</th>
<th>2020/21</th>
<th>Activity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Waimakariri District Council</td>
<td>$TBA</td>
<td>$TBA</td>
<td>$TBA</td>
<td>Economic Development</td>
</tr>
<tr>
<td>Waimakariri District Council</td>
<td>$TBA</td>
<td>$TBA</td>
<td>$TBA</td>
<td>District Promotion</td>
</tr>
<tr>
<td>Hurunui District Council</td>
<td>$TBA</td>
<td>$TBA</td>
<td>$TBA</td>
<td>Economic Development</td>
</tr>
</tbody>
</table>

To be advised as Councils determine funding through their Annual Plan processes.

If any other contracts are entered into between the Trust and any territorial or regional authority, payment of the contract price will be required from such contracting authority.

COMMERCIAL VALUE OF THE SHAREHOLDERS’ INVESTMENT

The commercial value of the shareholders’ investment is the Trust’s equity is $450,631 at 30 June 2017 as stated in the annual report.

The Trust Deed requires that “the capital and income of the Trust fund shall be applied only within New Zealand to meet the Objects of the Trust”. On winding up all surplus assets are to be applied by the Councils to similar purposes as the Objects of the Trust. No reassessment of the Trust’s commercial value is therefore proposed.

OTHER MATTERS

The Trust has a contract with Waimakariri District Council for the provision of promotion services until 30 June 2021. The contract has a right for the trust to call for renewal of the contract for a further three years. The contract has a minimum annual level of funding specified ($200,000) but provides for the Council to confirm a final level of funding each year as it approves the annual Promotion Business Plan, prior to the commencement of each year.

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Approved SOI 1.7.18
Enterprise North Canterbury

2018/19 Business Plan

‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’
1.0 INTRODUCTION

The ENC Strategic Plan vision is:

‘To inspire, attract and retain individuals, businesses and social enterprises to invest in our region’

This Annual Business Plan takes the Objectives from the Statement of Intent, then prescribes the initiatives ENC will take, and the means and resources required, to progress the Strategic Objectives in 2018/19.

2.0 FINANCIAL RESOURCES

Annually the Waimakariri (WDC) and Hurunui District Councils (HDC) provide seed funding for ENC. This year we will receive $205k from WDC and $51k from HDC as capacity funding for economic development activities.

This base level of funding is used to undertake specific projects and is also used as a catalyst with Government departments and agencies, and the business sector, to leverage additional funds. The contracts ENC has with Government agencies are for the regional delivery of national economic development programmes. These Government contracts are negotiated for the delivery of specified services, with payments being made against agreed milestones. For 2018/19 contracted funding is $60k ($67k last year) from NZTE for the Regional Partner Programme. We have also included funding for a feasibility study for a North Canterbury off-road cycle trail from MBIE to the Provincial Growth (up to $90k).

Our corporate sponsor MainPower has again pledged $30k as capacity funding (same as last year). Other private sector funding for specific projects is budgeted at $297k ($268k last year) plus VIC sales of $111k ($105k last year).

ENC has a service contract with WDC through to June 2021 for the delivery of promotion activities specific to that District, with confirmed funding of $429k ($421k last year) which includes Event Funding in the amount of $48k. WDC and the ENC Board jointly approve the annual Promotion Business Plan setting out the services to be provided and appropriate performance measures.

ENC operates a project-based accounting system. To the greatest extent possible, staff and related overhead costs are charged to individual projects, so such costs are funded by the project sponsors, and the budget is prepared with this objective in mind. Where individual projects span more than one financial year any pre-payments received are recorded as “Income in Advance”– some $72k ($93k last year) have therefore been carried forward into 2018/19.

The financial position for ENC remains healthy. An operating surplus of $37k is budgeted this year.

To the greatest extent possible we secure funding before incurring Project expenses (thus minimising financial risk) and anticipate earning $16k in interest as a result. The 2018/19 budget is attached as an Appendix. It sets out the funding to be attached to each of the programmes.
3.0 STRATEGIC OBJECTIVES

It is the District’s capacity that drives economies – the twenty-first century infrastructure; the business culture; the regional leadership; the connected, active networks of innovation and the spirit of collaboration. Waimakariri and Hurunui District Council’s investment through ENC enables and facilitates:

- Acceleration of high growth companies through the Business Accelerator Programme
- Entrepreneurship events through their networking functions and business breakfasts
- Joining the dots between sources of capital and the creation of new businesses
- Start-up advice and resources
- Research and development funding;
- Celebration of businesses through the North Canterbury Business Awards

The draft Statement of Intent that was submitted to Councils in February 2018. Subsequently the ENC Board held a strategic planning session on the 28th of March 2018 to review their goals and objectives. As a result, the 2018/19 Statement of Intent sets out THREE Objectives for the year and relevant Performance Measures but is necessarily high-level.

To more fully describe the wide range of activities to be undertaken by ENC some additional detail on objectives and performance measures and targets are included ensuring the business environment supports successful and sustainable enterprises.

OBJECTIVE ONE: Supporting existing businesses to grow and prosper

Objective 1.1 Support existing businesses by the provision of training coaching, mentoring services and networking opportunities.

There is considerable scope for the enhancement of business capability through training, coaching and mentoring of the SME sector. A particular focus is on the needs of individual businesses experiencing growth.

*Performance Measures – ENC will:*
  - Work one on one with businesses to deliver the Regional Business Partner (RBP) Programme for NZTE and issue vouchers where appropriate
  - Provide training of local business owners and managers
  - Provide networking opportunities
  - Support local businesses by referring them to the appropriate support agency this includes providing research and development support and funding to innovate
  - Retain ENC’s Business Service Partner Programme
  - Communicate with businesses and maintain and grow ENC’s website and social media
Targets:
- Undertake at least 52 Capability Assessments for NZTE and issue $80,000 NZTE Vouchers while achieving a minimum of 60% net promoter score through NZTE annual customer survey
- Refer a minimum of 24 businesses to Business Mentors NZ
- Refer a minimum of 60 businesses to external agencies for funding and support (excluding BMNZ)
- Refer at least 2 businesses to Callaghan Innovation
- Run at least 20 half day workshop/seminars with 80 business people attending each session with a minimum of 80% of participants finding the overall standard to be very good or excellent
- Run 3 networking functions with a minimum of 60 people attending each networking event and have each event fully sponsored
- A minimum of 60 businesses ‘outside of the RBP’ met with and referred to appropriate agency (excluding BMNZ)
- Continue to secure financial commitments from business service partners with a minimum of 10 partners at any given time and income generation of $10,000
- Produce at least 10 electronic newsletters and increase website visitors and Facebook connections increase by 10% (currently 1,300 Facebook followers)

Funded by:
NZTE $60,612; Businesses $83,340; Sponsors $7,500; Council Capacity Grants $7,912

Objective 1.2 Celebrate and recognise business leaders in the region

The recognition and celebration of business achievements within the region is an important stimulus for entrepreneurs and will be leveraged to increase the involvement and overall reputation of North Canterbury businesses.

Performance Measure – ENC will:
- Organise to a high standard the biennial North Canterbury Business Awards to be held in August 2018
- Encourage residents to vote in the People’s Choice voting process
- Survey participating businesses

Targets:
- Have at least 360 people attend the Gala Dinner and Awards
- Achieve at least 5% of the North Canterbury population to vote in the People’s Choice Awards
- Achieve a minimum of 80% level of satisfaction from the participants

Funded by sponsors $42k and ticket sales of $55k and in-kind contributions of $30k
Objective 1.3  Undertake analyses of regional business opportunities and trends

ENC and Council seek to have a high level of understanding of local business conditions and economic confidence in North Canterbury.

Performance Measure – ENC will:
- Complete 2 business confidence surveys

Targets:
- Achieve a minimum of 50 participating businesses in the survey and ensure that the results are picked up by the newspapers
- Infometric reports are included in board reports and widely distributed.

Funded by in kind sponsorship from Research First (value $5k)

Objective 1.4  Assist Hurunui Town Development

ENC can provide support services to clusters of North Canterbury small businesses in rural townships, to further assist their development. Waimakariri District’s requirements are accommodated in the Promotion Contract.

Performance Measures – ENC will:
- Complete a town survey to determine the opportunities for development by consulting with businesses and Council

Targets:
- Survey completed and shared with businesses and Councils
- Business initiatives are created following engagement
- ENC assists in implementing activities as a result of engagement

Funded by Hurunui Council Capacity Grant of $13,817

Objective 1.5  Manage the ENC Business Centre

The Business Centre is an excellent way of partnering with the private sector to offer meeting and training room facilities for use. It also allows businesses to access the many services that ENC offers to North Canterbury based businesses including free business assessments, funding to assist with business training and coaching, an extensive calendar of business relevant events and free ‘Talk with the Experts’ sessions.

There are also drop-in workspaces where businesses can use the ultrafast Wi-Fi and work productively whilst on the move, and photocopying and printing facilities.

Performance Measures – ENC will:
- Maintain engagement with Corporate Sponsor MainPower, two Silver sponsors and eight bronze sponsors
- Generate bookings and catering for room hire
- Secure repeat business for room hire and new business as a result of marketing the Business Centre through various channels
Run free events to encourage businesses to engage with the Centre for example “Talk with the Experts” and topical sessions by specialist consultants

Targets:
- Achieve sponsorship to the value of $64,000
- Achieve at least $17,200 room hire and $7,600 for catering for the Business Centre
- Bookings increase through greater awareness of centre
- Quarterly free “Talk with the Experts” sessions held with good uptake

Funded by Sponsors $64,000 and $24,800 from meeting room bookings and catering and photocopying/equipment hire

OBJECTIVE TWO: Attract and Inspire Businesses, Te Rūnanga o Ngāi Tahu and Government to Invest in our region

ENC has and can continue to play a role in attracting businesses and government investment in new product development and be part of an influencer group tasked with identifying potential significant organisations to set up in North Canterbury.

Objective 2.1 Develop a North Canterbury Cycle Trail

Some sectors of the regional economy will benefit from a collaborative approach to achieve better results than is possible by each business acting independently.

Performance Measures – ENC will:
- Involve strategic partners who will provide leadership and advocacy
- Access funding from the Provincial Growth Fund for a full feasibility study
- Produce a feasibility study for the development of a North Canterbury Cycle Trail from Christchurch to Waipara

Targets:
- Steering Group formed to lead initiative
- Application completed and submitted to funder
- Successful funding and feasibility study written

Funded by Provincial Growth Fund (MBIE) $90,000

Objective 2.2 Develop a strategic partner group to influence and attract a significant business to the region

It is the District’s capacity that drives economies – the twenty-first century infrastructure; the business culture; the regional leadership; the connected, active networks of innovation and the spirit of collaboration. ENC will:

Performance Measures – ENC will:
- Pull together a strategic summit of key influencers
- Set up a focus group with an appropriately skilled team who will strategically develop relationships with key innovative investors and organisations who would move to the region
Targets:
- Group set up and objectives agreed
- Several significant businesses identified
- Council actively involved and working in partnership with the group to target
  significant new business entities

Funded by Council’s Capacity Grant

OBJECTIVE THREE: Promote the Waimakariri District

ENC will promote Waimakariri District in accordance with the Promotion Business Plan. There are four key objectives in the plan: one is focused on the business sector, and three are specific to the visitor industry sector. The specifics are set out in the 2018/19 Promotion Business Plan approved annually by WDC/ENC.

Objective 3.1 Business Promotion (Business Sector)

Promote the Waimakariri District to attract new businesses and support expanding businesses:

Performance Measures - ENC will
- Act as the first point of contact for all new business enquiries
- Work with existing developers and Council to enable them to achieve tenants for their developments
- Promote the district as a diverse and dynamic business community

Targets:
- At least 40 new and expanding businesses are supported with investigating setting up a business in the district
- Number of connections to developers tracked
- At least 5 new businesses set up in the District as a direct result of ENC’s intervention
- ENC will be an active member with Council in the Mixed Use Business regeneration land discussions and plan development
- Track and grow online visitations to the Invest Section of ENC website
- 15 case studies written and promoted widely
- At least 20 new businesses to the District are profiled on ENC’s Facebook
- District promotional video is produced

Objective 3.2 Enhance the Visitor Experience (Visitor Industry)

Promote the District so visitors are attracted to visit and spend time in the District by the special experiences and attractions offered and provided with quality information services

Performance Measures – ENC will:
- Develop the Waimakariri Story
- Lead the development of a Waimakariri District Visitor Strategy
- Leverage the Waimakariri District profile to visitors
- Distribute marketing publications both hard copy and online
- Manage web and online channels

Approved ENC Business Plan 2018/19
- Coordinate joint advertising opportunities with operators
- Operate the Kaiapoi i-SITE

Targets:
- Waimakariri Story created
- A new visitor strategy is developed and signed off by key stakeholders
- New image and video library produced
- Official Visitor/Walking and Cycling Guide and Street Maps and Inbound Tour Operator Manual distributed
- Achieve growth in online presence through website page visits and Facebook likes and reach, Instagram and newsletter uptake
- Coordinate the Waimakariri District’s inclusion in the 2018 Walking Festival
- Oxford town survey completed, and results shared with community and Council
- Achieve more awareness of the district with other tourism agencies which results in more inbound bookings
- Achieve growth in guest nights and visitor arrivals to the district measured by Stats NZ (Commercial Accommodation Monitor)
- Achieve growth in visitor spend measured by MBIE (Regional Tourism Estimate Spend)
- Meet i-SITE NZ membership accreditation

Objective 3.3 Connect with Residents (Visitor Industry)

Promote and support quality events which reinforce the strengths and brand of the District and are embraced by the community to the local and domestic markets. Events raise the profile of the District.

Performance Measures – ENC will:
- Promote and support quality events which reinforce the strengths and brand of the District and are embraced by the community
- Administer the contestable event funding

Targets:
- Number of events currently promoted (800) increases by 5%
- Waimakariri Events Calendar distribution and the database continues to increase
- The contestable event fund is fully subscribed
- Event Organisers receive templates, advice and networking opportunities
- ENC will monitor for Council:
  - the proportion of innovation ie new events vs existing
  - the reject rate (is the fund big enough)

Objective 3.4 Develop new visitor products

Developing the Waimakariri District as a tourism destination includes improving and supporting existing operators, iwi, and working with private sector investors to plan and develop new visitor attractors that leverage the Waimakariri offering.

Performance Measures – ENC will:
- Develop cycle trails and connections in the Waimakariri
Identify and support new rural tourism experiences
Celebrate culture and diversity in the district

Targets:
- New district wide walking/cycling maps are created and printed and online
- New loop track investigated with agencies and operators
- Assist new rural tourism product to commence
- Progress opportunities to promote culture of local iwi
- Assist Te Kohaka o Tuhaitara Trust (TKTT) in promoting their places and stories

Funded by Waimakariri District Council $429k ($421k last year) plus $72k income in advance from WDC and OVG ($93k last year); operators and sponsors $24 ($85k last year) plus VIC sales of $111k ($105k last year)

4.0 THE SUCCESS MEASURES

ENC will monitor trends in the region’s economic activity

Measuring economic activity within the region with any accuracy is limited by the quality of available data. Most economic data is collected at a national level then interpolated to the regions. There is only a limited linkage between ENC’s strategic objectives and the available data, and furthermore, ENC does not operate in isolation in the pursuit of economic development with North Canterbury.

The following statistics will be monitored to assess absolute and relative changes in economic activity in the region:

- Changes in the region’s real value-added (GDP) growth relative to that of Canterbury and New Zealand (Source: BERL or Infometrics)
  - In 2015-2016 (most recent publicly available data from MBIE) Waimakariri GDP grew by 4.7% and Hurunui grew by 6.4%. This is compared to a growth of 3.5% for Canterbury and 3.6% for New Zealand
  - In 2016 the Waimakariri GDP was $1,106m and the Hurunui GDP was $493m

- Changes in the number of businesses in the region by size category and the number of their employees (Source: Statistics NZ & NZ Business Frame)
  - In Hurunui (as of 2017) there are 2,601 businesses with 4,550 employees. This is a tiny drop in business numbers of 0.04% and an increase in employees of 1.0%
  - In Waimakariri (as of 2017) there are 6,366 businesses with 14,600 employees. This is a drop in business numbers of 1.1% and an increase in employees of 2.2%

- The percentage growth rate in the number of businesses and their employees in North Canterbury relative to that of Canterbury and New Zealand (Source: Statistics NZ & NZ Business Frame)
  - As above for Waimakariri and Hurunui.
  - For Canterbury an increase in business numbers of 0.7% an increase in employees of 1.3%
- For New Zealand an increase in business numbers of 2.0% an increase in employees of 2.6%

- Changes in the number of full-time equivalent jobs in North Canterbury relative to the region’s population growth rate (Source: Statistics NZ)
  - ENC were unable to find any up-to-date information showing how many people are FTE in individual TLAs. The most recent data I could find was from the last census in 2013.
  - Hurunui population increased an estimated 100 from 12,700 to 12,800 – an increase of 0.2%
  - Waimakariri population increased an estimated 1,500 from 57,800 to 59,300 – an increase of 2.5%

- Changes in residents’ income levels relative to that of Canterbury and New Zealand (Source: Statistics NZ)
  - Hurunui population increased an estimated 100 from 12,700 to 12,800 (an increase of 0.2%)
  - Waimakariri population increased an estimated 1,500 from 57,800 to 59,300 (an increase of 2.5%)
  - Waimakariri average income level has DECREASED 1.9% to $87,400
  - Hurunui average income level has DECREASED 1.9% to $71,500
  - Canterbury average income level has DECREASED 1.8% to $82,600
  - New Zealand average income level has increased 1.7% to $82,300

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PROMOTION OF WAIMAKARIRI DISTRICT

2018/19 BUSINESS PLAN

Incorporating

Business Promotion
Visit Waimakariri and Events
Kaiapoi i-SITE
EXECUTIVE SUMMARY

Enterprise North Canterbury (ENC) has been contracted since 2005 by Waimakariri District Council to promote the Waimakariri District as an innovative and progressive place to stay and play and since 2012 ENC has been working closely with local developers and Council to promote the Waimakariri District as a destination for business relocation, expansion and start-ups.

This is being achieved by developing a strong, positive profile promoting Waimakariri to local, national and international audiences. This aims to attract visitors and new business through marketing and events, profiling why it is worth visiting/investing in/doing business in/relocating to.

WAIMAKARIRI DISTRICT PROMOTION OBJECTIVES

GOALS

To achieve the Promotion Objectives, the 2018/19 Promotion Plan has four key goals, one of which is focused on the business sector, and three of which are specific to the visitor industry sector.

GOAL ONE: BUSINESS PROMOTION (Business sector)

The role of ENC is to market the desirable features of setting up in the Waimakariri District, encouraging more businesses to establish will create more jobs and greater benefits to the local economy. This role is not an isolated one, so to be effective ENC must, and does, work closely with multiple parties including private (local and prospective) business interests, developers, and WDC staff.

ENC conducts marketing activities by promoting the Waimakariri District as a destination for business to setup, expand or relocate to. ENC will:

Approved 2018/19 Business Plan
• Give business planning and modelling support to new and expanding businesses
• Work alongside developers to promote their developments and making connections and making direct referrals to the appropriate opportunities
• Understand and promote the opportunities for businesses to set up in the district

The Waimakariri District Council will:
• Actively lead and implement Councils ‘Business friendly’ resources and processes aimed at helping new and expanding businesses to successfully navigate all regulatory and legislative requirements
• Develop and implement key plans and strategies aimed at creating an appropriate environment and framework for businesses to operate within (being town centre plans, district development strategies and district plan)
• Case management and support through Council’s regulatory processes

1.1 Acting as the first point of contact for all new business enquiries
ENC’s role is one of developing close working relationships with business and developers which can involve having important and impartial conversations with businesses that Council cannot (due to its role as the regulatory authority). ENC will:

• Provide start up support by providing valuable statistics, business planning and modelling assistance
• Make introductions and connections with local community, businesses and developers
• Assist in identifying appropriate locations suitable to the new business

1.2 Working with existing developers and Council to enable them to achieve tenants for their developments
The key values seen by business, developers, investors, banks and real estate agents is ENC’s ability to be independent, apolitical and to offer sound impartial advice. It is a partnership-focused relationship building on good collaboration with business owners and developers. ENC will:

• Work with local developers and building/land owners to assist them to catalyse their developments
• Work with Council to assist with setting up the framework for the Kaiapoi 8 ha mixed business zone’s future developments

1.3 Promoting the district as a diverse and dynamic business community
To raise the awareness of the District as a business destination by profiling the benefits and opportunities of the region, ENC will:

• Host a significant section on ENC’s website on business investment in the Waimakariri District including lifestyle, job opportunities and education with a link to Visit Waimakariri’s website showcasing the “play” element
• Provide case studies as part of the marketing profile
• Improve social media business promotion channels
• Work with the WDC Communications team and their online editors to link content on business promotion and Council support
• Produce a District promotional video
Targets:

- At least 40 new and expanding businesses are supported with investigating setting up or expanding their business in the district
- Number of connections to developers tracked
- At least 5 new businesses set up in the District as a direct result of ENC’s intervention
- ENC will be an active member with Council in the Mixed-Use Business regeneration land discussions and plan development
- Track and grow online visitations to the Invest Section of ENC website
- 15 case studies written and promoted widely
- At least 20 new businesses to the District will be profiled on ENC’s Facebook
- District promotional video is produced

GOAL TWO: ENHANCE THE VISITOR EXPERIENCE (Visitor Industry)

Determining the promotional message and positioning for a destination is complex. Destination branding attempts to tie up all the attractions, visitor activities, natural features, community cultures and aspirations for a place. Visit Waimakariri aims to position the district in the minds of locals, domestic and international tourists as a desirable destination.

Visitation delivers a range of benefits that can be difficult to measure but are nevertheless important, including:

- Energy, excitement, confidence and pride
- Bragging rights
- Positive and unique experiences
- Opportunities to make deals, new friends, exchange knowledge and expand networks
- The likelihood that some visitors will choose to permanently relocate their talents and capital to Waimakariri

To achieve this Visit Waimakariri will deliver the following objectives:

2.1 MARKETING

2.1.1 Marketing Promotion

a. Work with Council to develop the ‘Waimakariri Story’ which will filter through planning documentation, be the underlying concept of print and digital advertising and gives us a standard pitch which can be used by all organisations to promote the Waimakariri as a visitor destination

b. Visit Waimakariri will lead the development of a Waimakariri District Visitor Strategy spanning five years, in collaboration with Council and industry operators. This document will guide tourism and visitor marketing initiatives based on key themes and growth plans.

c. Visit Waimakariri will continue to leverage the Waimakariri District profile by:
   - Themed advertising campaigns with a domestic focus both through joint ventures and stand-alone campaigns matching the district’s story e.g. the Walking Festival
• Increasing our international tourism profile by providing a toolkit for our operators, to assist them to become trade ready as well as supporting those who are already trade ready.
• Assisting tourism operators to make themselves accessible to the China market e.g. through payment methods and online marketing tools.
• Developing and delivering a new image and video library for the district to create more visual content to promote the district
• Working with ChristchurchNZ to ensure our Trade Manual gets to key Inbound Tour Operators.
• Directing potential and existing tourism businesses to agencies who can assist them to grow and meet their full potential.
• Attending relevant industry networking and training events, representing the district

2.1.2 Marketing publications

The Official Visitor Guide incorporating the Walking and Cycling Guide went to print in May 2018. This year will focus on the distribution to ensure it lands in the hands of the correct people. This piece of collateral is something to keep and refer back to on a regular basis.

We will be developing electronic collateral to support the district themes and profile. Which can be distributed via the Visit Waimakariri website, social media channels, business to business and business direct to consumer.

Coordinate the distribution of the following marketing collateral:
• The Official Visitor Guide and Walking & Cycling Guide
• Town Centre street maps
• Trade Ready IBO Manual
• Theme specific guides

2.1.3 Web and online channels

Manage the following online marketing channels:
• www.visitwaimakariri.co.nz which includes business partners, i-SITE and town profiles. Grow the content of this site to include non-business partners at a lower listing level.
• Visit Waimakariri social media channels – Facebook and Instagram
• Introduce more blogs to increase social and website traffic as well as Google rankings
• Create suggested itineraries (half, full and multi-day) to be used by both domestic and international visitors, for locals and for travel agents.
• Continual increase of the profile of the Waimakariri District on the Tourism New Zealand and ChristchurchNZ web portals

Targets:
• Waimakariri Story created
• A new visitor strategy is developed and signed off by key stakeholders
• New image and video library produced
• Official Visitor/Walking and Cycling Guide and Street Maps and Inbound Tour Operator Manual distributed and picked up
• Coordinate the Waimakariri District’s inclusion in the 2018 Walking Festival and at travel expos
• Achieve growth in guest nights and visitor arrivals to the district measured by Stats NZ (Commercial Accommodation Monitor)
• Achieve growth in visitor spend measured by MBIE (Regional Tourism Estimate Spend)
• Achieve growth in online presence through website page visits and Facebook likes and reach, Instagram and newsletter uptake
• Meet i-SITE NZ membership accreditation

2.2 COORDINATION

Much of the tourism sector depends on effective relationships, partnerships and connections as it does on promotion. Visit Waimakariri has a small staff with a limited marketing budget. Therefore, we rely on our ability to entice tourism operators and sponsors to take part in everything we initiate. This includes district publications, website listings and events.

2.2.1 Visit Waimakariri Visitor Industry Partnership

Visit Waimakariri maintains Business Partners with key participants in the visitor industry as a means of ensuring collective strength and consistent messaging in the sector and to ensure partners are well informed of industry developments.

Visit Waimakariri will:
• Continue to promote and sign up business partners annually
• Review and update business partner benefits
• Communicate with partners by a quarterly newsletter containing relevant industry information as well as on an as needed basis with time-specific information
• Coordinate two networking functions or topical workshops for business partners
• Commercial Accommodation Monitors and Visitor Spend is monitored and communicated to all relevant parties
• Continue to facilitate business partner communications and forums around the key events held in Christchurch and emerging and growing international markets of which the Waimakariri would appeal
• Work alongside trade ready products to ensure they are represented at appropriate trade events either on their own or through joint ventures with key industry bodies or agents.
• Support and host familiarisation visits by ChristchurchNZ and Tourism New Zealand

2.2.2 Town Centre Promotion and Support

ENC’s role is to ensure that individual town organisation promotion programmes are well coordinated and understood and complement one another to achieve a stronger district wide profile.

This will be achieved by:
• Undertaking a town survey on Oxford, consulting with businesses and Council as to the results regarding increased visitor opportunities
• Coordinating and hosting regular meetings to maintain effective relationships with the Town Centre Promotion Association’s chairs and staff
• Support and cooperate with Council, Community Boards and the Town Centre Association’s.
• Identifying joint promotional opportunities
2.2.3 Other Stakeholders
When undertaking marketing projects, ENC will liaise with other stakeholders where appropriate:

- Local promotion associations
- Waimakariri District Council and Community Boards
- ECAN
- Te Kohaka o Tuhaitara Trust (TKTT)
- Te Rūnanga o Ngāi Tahu
- Department of Conservation
- Canterbury Regional and District Tourism Organisations
- Tourism New Zealand
- New Zealand Motor Caravan Association
- NZTA

Targets:
- Oxford town survey completed, and results shared with community and Council
- Two business partner functions held
- Four newsletters sent to business partners
- Achieve growth in business partners to fund website
- Achieve more awareness of the district with other tourism agencies which results in more inbound bookings

2.3.1 OPERATING AND GROWING THE KAIAPOI i-SITE
The Kaiapoi i-SITE is the official Visitor Centre for Waimakariri District and has national i-SITE accreditation. It provides coordinated, consistent and professional District-wide information to residents and visitors, as set out in i-SITE standards and requirements.

- The i-SITE focus will continue to be the high standard delivery of information services. There will be continued emphasis on staff training, attend i-SITE Conference for increased knowledge and product presentations
- Strengthen customer relationships by developing a programme of regular contact and familiarisation of the District tourism businesses
- External revenues will be maximised contained by:
  - Raising the awareness of local residents and operators of the services available through the Kaiapoi i-SITE to achieve increased sales, bookings and commissions.
  - Acting as a ticketing agent for Dash, i-Ticket and NC Music Society
- Distribute the District’s marketing material including the Official Waimakariri Visitor Guide/Walking and Cycle brochure, Rangiora and Kaiapoi street maps, Waimakariri Events Calendar, North Canterbury Food and Wine Trail guide, and the new residents’ pamphlet.

Targets:
- Meet i-SITE NZ membership accreditation
- Achieve income from business partners and commissions
GOAL THREE: CONNECT WITH RESIDENTS (Visitor Industry, event specific)

Visit Waimakariri will promote and support the district’s quality events, which reinforce the strengths and brand of the Waimakariri District to the local and domestic markets. Events raise the profile of the District.

3.1 Event Promotion
Visit Waimakariri will raise the awareness of what Waimakariri has to offer including the many attractions our residents support such as local markets and events. This includes leveraging their personal networks (social media and word-of-mouth).

Develop and manage an Events Marketing and Communications Plan for the promotion of events in the Waimakariri District to residents and visitors, including:

- Produce a monthly Waimakariri Event Guide showcasing key visitor events, including the distribution of the guide and growth of the listings and distribution channels
- Produce an annual events calendar
- Produce an email newsletter showcasing events, walks and business partner promotions – currently monthly.
- Manage event poster display on promotional signboards at the WDC Rangiopa Service Centre and the Mega Mitre 10 Sports Centre and look to expand these signboards into other district locations
- Investigate advertising collective events around a common time including school holiday promotional programmes, seasonal and outdoor events.

3.2 Contestable Event Funding
Provide a contestable events fund for the promotion of events and/or to fund event coordination.

Maintain and adhere to the funding conditions (e.g. allocations, criteria and application forms) of the event fund with the Events Funding Panel, and implement any enhancements to ensure criteria are relevant, realistic and achievable.

The Events Funding Panel will meet twice a year to review applications for visitor and community events applying to the Waimakariri Event Fund Contestable Fund.

3.3 Assistance to Event organisers
Add value to the events sector by:

- Providing a support role for event development and planning with existing and new event organisers as required. This may include assisting organisers with event management and marketing plans but does not extend to delivering or managing events.
- Updating the online Waimakariri Event Toolkit, and offer it as a digital resource
- Continuing to work alongside event organisers to promote their events and identify any existing or new events that have the potential to grow and improve the districts attraction to visitors

1 This Event Funding Panel comprises: Robin Brown, Nicola Cull and Claire Gifford
• Host two networking functions annually for event organisers to networking for future collaboration purposes

Targets:
• Number of events currently promoted (800) increases by 5%
• Waimakariri Events Calendar distribution and the database continues to increase
• The contestable event fund is fully subscribed
• Event Organisers receive templates, advice and networking opportunities
• ENC will monitor for Council:
  o the proportion of innovation ie new events vs existing
  o the reject rate (is the fund big enough)

GOAL FOUR: DEVELOP NEW PRODUCTS

Developing the Waimakariri District as a tourism destination includes improving and supporting existing operators and working with private sector investors to plan and develop new visitor attractors that leverage the Waimakariri offering. New areas of development include:

4.1 Develop Cycle trails and connections in the Waimakariri:
• Create new maps promoting the district’s walking and cycling trails and place on the website
• Work with Council to develop and produce content for its website on cycling
• Coordinate agencies to facilitate the development of a loop track in the district
• Work with operators to develop a compelling story “why cycle in the Waimakariri District” and promote this to local and Christchurch residents
• Develop itineraries for all target markets
• Work with ECAN on the new tracks being developed
• Work with ECAN and Councils to create a joint track into the district

4.2 Identify and support new rural tourism experiences
• Work with Council and its team who are looking at visitor and business opportunities in regard to the regeneration land in Kaiapoi
• Continue to support local rural tourism operators to develop new itineraries for the Cruise Ship market and Chinese tour operators

4.3 Celebrate culture and diversity of the district
• Work with local Iwi and TKTT to assist them in promoting their stories and projects

Targets:
• District wide walking/cycling map developed and printed and online
• New loop track investigated with agencies and operators
• Assist new rural tourism product to commence
• Progress opportunities to promote culture of local iwi
• Assist TKTT in promoting their places and stories