

WAIMAKARIRI DISTRICT COUNCIL

MINUTES OF THE MEETING OF THE AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBER, RANGIORA SERVICE CENTRE, 215 HIGH STREET, RANGIORA, ON TUESDAY 18 NOVEMBER 2025 AT 9 AM.

PRESENT:

Councillor Goldsworthy (Chairperson), Councillors T Bartle, W Doody, T Fulton, B McLaren, J Ward and Mayor D Gordon (until 10:35 am).

IN ATTENDANCE:

Councillors B Cairns, S Powell and Deputy Mayor P Redmond.

J Millward (Chief Executive), C Genet (General Manager Finance and Business Support), S Hart (General Manager Strategy, Engagement and Economic Development), G Cleary (General Manager Utilities and Rooding, C Brown (General Manager Community and Recreation), D Young (Senior Engineer Adviser), P Christensen (Finance Manager), Colin Roxburgh (Project Delivery Manager), and T Kunkel (Governance Team Leader).

1. APOLOGIES

Nil.

2. CONFLICTS OF INTEREST

No conflicts of interest were declared.

3. PRESENTATION/DEPUTATION

There were no presentations or deputations.

4. REPORTS

- 4.1 **Annual Report and Audited Accounts for Enterprise North Canterbury for the Year Ended 30 June 2025, and Promotion of Waimakariri District Business Plan Report to June 2025** – S Hart (General Manager Strategy, Engagement and Economic Development) and C Genet (General Manager Finance and Business Support)

The Chairperson of Enterprise North Canterbury's (ENC) Board, C Giffard, and the Chief Executive, H Warwick, were in attendance to present the report. C Giffard thanked the Council for its continued support, whereafter H Warwick highlighted the following:

- The North Course, in which 33 eateries, 48 producers and two supermarkets participated.
- The Pie Trail, in which 22 pie makers participated, and the campaign garnered 215,454 views on Facebook.
- The Proud to be Here campaign, which ran in August 2025, was designed to shine a light on North Canterbury as a place where people and businesses thrive. The campaign included 21 stories, which were viewed 521,821 times on Facebook.
- The ENC supported existing and new businesses to grow and prosper by running seven courses, hosting networking functions, providing startup advice and distributing \$85,529 funding to 65 businesses.
- The ENC promoted the region by supporting and promoting various events, which brought a large number of visitors to the Waimakariri District. The ENC also distributed around 80,000 event calendars to residents and funded 20 local events at a cost of \$49,799.

- The i-Site Visitors Information Centre was busy assisting visitors with over 380 bookings and responding to approximately 1,348 calls and e-mails.
- Looking ahead, the ENC would continue its Outreach, the Gardens of Waimakariri and Waimakariri Cycle Trails Campaigns. It would also host an Agritourism Seminar, various workshops, and a Business Summit.
- The North Canterbury Business Awards would be hosted at the John Knox Church on 21 November 2025, and tickets for the event were sold out.

Councillor Fulton questioned the year-on-year difference in the cost of providing goods and services. H Warwick advised that the \$93,000 variation between 2024 and 2025 was due to the North Canterbury Business Awards being hosted only every second year.

Councillor Fulton enquired that, given the decrease in revenue and the reported net deficit for this year, how solid were the ENC's future income streams. H Warwick noted that overall, funding remained stable, despite fluctuations in government grants. The Department of Internal Affairs (DIA) awarded ENC a \$300,000 grant, which was spent over 2.5 years on cycle trail upgrades and signage. The final \$33,000 was allocated to signage to improve wayfinding and safety. ENC also received \$172,000 in Regional Funding, which was fully distributed. ENC was always on the lookout for financing.

Councillor Ward asked how ENC and the various promotion associations could collaborate to promote the individual towns in the Waimakariri District. S Hart advised that the Council had an existing Event Strategy, which addressed both event planning and the allocation of funding to promotional associations. Staff had been working collaboratively with the promotions associations to clarify their roles and responsibilities. The strategy would inform the Council's 2027/37 Long Term Plan (LTP) and help define the role of promotions associations more clearly. Further discussions would continue once the strategy had been finalised.

Councillor Ward acknowledged the work being done by staff; however, she questioned whether ENC could assist promotion associations in prompting their towns. H Warwick noted that each town had its own promotions association, with varying strengths, weaknesses, and approaches. However, there currently seemed to be an inconsistency between how the promotion associations used the funding allocated to them by the Council and their understanding of their responsibilities. It was agreed that clearer expectations from the Council were needed to ensure funding was used effectively, and that the Event Strategy currently under development would help define roles and priorities.

S Hart noted that ENC annually submitted a Statement of Intent to the Council, which set out their programme for the year. If there was a desire for ENC to focus on assisting the promotion associations, it should be included in their Statement of Intent.

Deputy Mayor Redmond asked whether ENC received any funding from the Kaikoura District Council. H Warwick noted that the Kaikoura District Council only funded projects in which they participated, such as the North Canterbury Business Awards.

Deputy Mayor Redmond observed that the Council's funding to ENC had increased; however, the Hurunui District Council's funding had remained static. C Giffard confirmed that ENC had engaged with the Hurunui District Council and would make a submission to its long-term plan regarding the required increase in funding.

Responding to a further question from Deputy Mayor Redmond, H Warwick explained that the North Canterbury Business Awards were being hosted at the John Knox Church because it was too expensive to use the MainPower Stadium. ENC would also be using local businesses and entertainment to keep costs as low as possible, as the Canterbury Business Awards lost its MainPower sponsorship.

Moved: Councillor J Ward

Seconded: Mayor D Gordon

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 251003187774.
- (b) **Receives** the Annual Report and Statement of Financial Performance for the year ending 30 June 2025.
- (c) **Receives** the District Promotion Annual Report to 30 June 2025.
- (d) **Acknowledges** the work done by Enterprise North Canterbury over the year and thanks the Trustees and staff for their efforts.
- (e) **Circulates** this report to all Community Boards.

CARRIED

Councillor Ward thanked ENC for the excellent presentation, noting their continued improvement each year. It was acknowledged that the past year had been challenging, but strong initiatives were in place to build on. The North Canterbury region continued to attract visitors, and she appreciated the outstanding work and contributions of the ENC staff.

As the Council's representative to ENC's Board, Mayor Gordon was aware of the ENC team's hard work and dedication, noting that he received positive feedback from Go Wireless, which credited ENC's support for its expansion from a small backyard operation to a purpose-built facility in Southbrook, Rangiora. The Mayor also acknowledged C Giffard and the ENC trustees for their voluntary commitment, noting the strong interest in the current appointment process and their confidence in ENC's future direction. He expressed appreciation for ENC's staff's ability to adapt the North Canterbury Business Awards to challenging economic conditions and noted that the Council would be attending the Awards.

Mayor Gordon further noted that the future role of promotions associations remained an ongoing topic of discussion. These largely volunteer-based organisations provided valuable work but faced challenges in defining their purpose. Promotions associations reported to the Council annually and were accountable for the funding received. Any changes to the arrangement with promotion associations would, therefore, require a Council decision. In addition, he recognised that the Council was ENC's primary funder and would continue to advocate for the Council to support ENC, given the measurable benefits it delivered to local businesses.

Councillor Futon supported ENC's work and was pleased that its funding would remain stable despite fluctuations in government funding. He also expressed appreciation for the work of the promotion associations, noting that they are actively addressing their challenges.

Councillor Doody similarly expressed her appreciation for the work ENC did to support the Waimakariri District.

Deputy Mayor Redmond concurred with previous speakers, noting that he had no reservations about referring struggling businesses to ENC for support.

9.2 **Annual Report for Te Kōhaka o Tūhaitara Trust for the Year Ended 30 June 2025 – P Christensen (Finance Manager)**

The Chairperson of the Te Kōhaka o Tūhaitara Trust (Trust), A Blackie, was in attendance to present the report, noting an apology from the Trust's Manager, K Patterson, who was unable to attend due to travel disruptions. He observed that the report was prepared in July 2025, and that some information was now outdated. He noted that R Anglem resigned on 7 August 2024 for health reasons and subsequently passed away, and that N Leary-Anglem's position was disestablished due to a funding shortfall.

A Blackie reported that the Heritage and Mahinga Kai project at the Huria Reserve was progressing well. However, an issue had developed with the laminated timber used for the waharoa entrance structure and the fencing: it began to delaminate within months. Attempts to repair the structure with epoxy had failed, and the Council's Greenspace Team had advised that they could not accept responsibility for the structure due to the anticipated ongoing maintenance. Responsibility for the delamination was currently being disputed between the timber supplier, the contractor, the insurer, and the Trust. Worst-case scenario may require the complete removal and reconstruction of the entrance and the fencing.

Regarding forestry, A Blackie noted that following the 2022 fire, the Council was required under the Ministry of Primary Industries' Emissions Trading Scheme (ETS) to replant within four years or repay credits. Planning for replanting was, therefore, underway, but logistical and financial challenges remained. He advised that the Council would assume responsibility for forestry within the Tūhaitara Coastal Park, and discussions were also ongoing with Ngāi Tahu Forestry regarding potential involvement.

A Blackie explained that to meet its financial obligations, the Trust was selling its ETS credits. The first tranche of ETS credits was placed on the market last week; however, the market dropped sharply from \$56 per unit to \$42, resulting in a loss of approximately \$40,000. The Trust required roughly \$700,000 to meet all its financial obligations, as revenue from harvested trees had not covered costs, leaving the Trust in deficit. The Trust's financial position, therefore, remained challenging, with funding split roughly 50% from the Council and 50% from external sources, which had declined significantly. Additionally, Ngāi Tahu was not currently contributing to operational funding. Staff numbers had therefore been reduced from seven to three, and KPIs had been scaled back to maintenance-only.

Councillor Futon asked if the interest of Ngāi Tahu Forestry in the Trust's forestry portfolio could impact the Trust's governance structure and finances. A Blackie noted that the extent of Ngāi Tahu Forestry's future involvement was unclear. Currently, an Ngāi Tahu Forestry expert was assisting the Trust and Council staff in drafting a Forestry Plan.

Councillor Ward questioned how the Trust could encourage Ngāi Tahu to contribute to its financial operation. J Millward advised that Ngāi Tahu provided around \$200,000 when the Trust was established, which was a substantial contribution at the time; however, since then, their financial contribution had declined. Ngāi Tahu had representatives on the Trust's Board, whose responsibility it was to report on the Trust's challenges. Nevertheless, he suggested that the Council would have to prove the Trust's benefits to Ngāi Tahu in the hope of securing additional future funding.

Deputy Mayor Redmond noted that the Trust had been working on strategies to reverse its financial deficits. He enquired when a report on the review would be brought to the Council. A Blackie confirmed that a report would be submitted after the sale of the Trust's ETS credits had been finalised and more definitive information on the Trust's financial position was available.

J Millward observed that a report on the Trust's final review was expected by March 2026. Currently, the primary focus was on keeping the Trust operational, as the Tūhaitara Coastal Park was a large geographic area within the Waimakariri District that generated substantial public interest.

Deputy Mayor Redmond commented that the Trust always had an educational goal. He asked if the Trust had considered training opportunities with the NOAIA Trust at Tuahiwi. A Blackie explained that the Trust no longer employed an Educational Ranger, so its interaction with schools had fallen by the wayside; however, he would investigate the opportunities.

Councillor Fulton questioned whether the Trust had considered concentrating solely on education, environment, and biodiversity, and outsourcing the more commercial aspects, such as forestry. A Blackie noted that the Trust's forestry operation was too small to justify employing an external management company. However, the Council would take over management of its forestry operations.

Moved: Mayor D Gordon

Seconded: Councillor T Fulton

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 251030206104.
- (b) **Receives** the Annual Report for Te Kōhaka o Tūhaitara Trust for the year ended 30 June 2025.
- (c) **Acknowledges** the work done by the Trust and thanks the Trustees and staff for their efforts.
- (d) **Circulates** the report to the Community Boards for information.

CARRIED

Mayor Gordon thanked A Blackie for the update and acknowledged the significant workload he undertook in a voluntary capacity as the Trust's Chairperson. He noted that questions were raised about whether the current model remained appropriate, given changing circumstances. He therefore suggested that a review of the Trust may be timely, including its adequacy, governance structure, partnership arrangements, and overall viability.

Mayor Gordon also expressed appreciation for the contributions of current trustees, whose responsibilities sometimes had to extend beyond governance into management functions that may not align with the intended structure. He recognised the Trust as a valuable Council asset and emphasised the need to ensure its sustainability.

Councillor Fulton concurred with Mayor Gordon's comments that it may be an appropriate time to undertake a review of the Trust. He suggested that such a review could consider the scope of utilities, financing arrangements, governance structures and future direction. Councillor Fulton further noted that the Trust operated at an extraordinary level, driven by a small number of dedicated individuals, delivering a wide range of activities. Hence, he acknowledged the excellent work of the staff and Trustees.

4.3 **Audit New Zealand Report to the Council for the year ended 30 June 2025** – P Christensen (Finance Manager)

Y Yang, the Audit Director from Audit New Zealand (Audit NZ), reported that Audit NZ issued the Council with an unmodified audit opinion on 7 October 2025, indicating that, in the Auditor's view, the Council's financial statements and the statement of service performance presented its results for the year fairly. She noted that Audit NZ and Council staff collaborated closely to finalise the 2025 Audit before the Local Government Elections in October 2025.

Y Yang observed that the Council was the first council to secure approval for its Water Services Delivery Plan. Audit NZ was therefore comfortable that there would be uncertainty associated with water delivery. In addition, Audit NZ was satisfied that the Council's asset additions were fairly reflected in the financial statements. However, they commented on the Council's year-end capitalisation process and encouraged management to consider moving away from a manual, spreadsheet-based approach that slowed year-end processing.

Y Yang further noted that Audit NZ reviewed the Council's controls to ensure that all Development Contributions and vested assets were charged in accordance with the policy, the accounting treatment, and the disclosures in the annual report. They identified an immaterial cut-off error; however, they found that, overall, the completeness and valuation of vested assets were fairly stated. Audit NZ also completed a high-level review of the Council's procurement practices as a value-add component, which was found to meet the core requirements for managing procurements. Nonetheless, some aspects of good practice and areas for improvement had been identified.

Y Yang advised that the Council commenced use of the Datascope Service Request System on 1 July 2024. Full integration, particularly regarding some performance measures, had been delayed. The existing system, TechOne, would be phased out by June 2026, coinciding with the implementation of the new financial management system scheduled to go live between March and June 2026. As part of the review of the Council's material performance measures, its Service Request System was considered. The goals and performance measures were deemed appropriately presented, and additional insights had been provided to management in a separate letter. It was recommended that the Council undertake a comprehensive measurement review following full implementation, consistent with common sector practice for large capital projects, to identify lessons that could inform and improve future major project delivery.

In conclusion, Y Yang expressed Audit NZ's appreciation to Council staff and management for their assistance and the quality of information supplied during the 2025 Audit.

Mayor Gordon sought clarity on Audit NZ's concerns about risks arising from conflicts of interest in procurement. Y Yang clarified that the deviation was primarily due to the process and the staff's understanding of the required policy. While staff generally understood the policy requirements and implemented them appropriately, there were instances in which declarations were not reviewed or not fully completed. No compliance breaches were identified; however, a documentation improvement was suggested.

Mayor Gordon asked which previous Audit NZ recommendations the Council had not addressed. C Genet noted that approximately 15 items were identified. The most significant issue discussed was asset capitalisation, which was raised in Audit NZ's report and reflected the core nature of the process. A realistic timeframe for implementing and investing in a new Enterprise System was acknowledged, taking into account the transition period before go-live. Of the items reviewed, six pertained specifically to system setup and permission-related matters. These were the types of issues expected to be integrated into the new system currently under development.

Mayor Gordon requested that staff report back to the Audit and Risk Committee on concerns raised by Audit NZ regarding conflicts of interest in procurement and on recommendations that had not previously been addressed.

Councillor Fulton asked whether a revaluation of the Council's water assets was captured within the current audit, or whether this would instead be addressed in the 2025/26 audit cycle. Y Yang advised that, as at 30 June 2025, the Council's water assets remained in-house and therefore formed part of the 2025 Audit. C Genet explained that Annual Reports included all Council business units; water asset valuations would consequently be included in future Council Annual Reports and financial statements.

Responding to a secondary question from Councillor Fulton, J Millward confirmed that as an independent in-house business unit, the proposed Waimakariri Water Services Unit's accounts and Infrastructure Service Delivery Plan would be ringfenced. However, as it was an 'in-house business unit', all the information would be consolidated in the Council's overarching Annual Report.

Councillor Ward questioned how many times the Council had been audited during 2025. Y Yang clarified that overall, the audit was a single process spread across primarily three stages: planning, interim, and final. This enabled half-year testing, better risk assessment, and evaluation of work before year-end, thereby easing the final reporting process. Early commencement of the audit allowed tasks to be brought forward before year-end, reducing pressure closer to the statutory deadline, which fell only four months after year-end.

Deputy Mayor Redmond enquired whether 'roading response times' referred to the time responding to roading services requests or the time the Council's contractor dealt with roading requests. Y Yang noted that the roading response measures related to two key areas: the service request system itself and the performance measure of contractor response times. This measure tracked the period from when a service request was received to when the contractor appropriately responded.

Moved: Councillor T Fulton

Seconded: Mayor D Gordon

THAT the Audit and Risk Committee:

- (a) **Receives** report No. 251104209697.
- (b) **Receives** Audit New Zealand's Report to Council for the year ending 30 June 2025 (TRIM 251104209681).
- (c) **Notes that** the Auditor issued an unmodified opinion on the Annual Report on 7 October 2025.
- (d) **Notes that** there are no significant matters arising from the audit. Audit New Zealand have made a number of recommendations where processes could be improved, and staff have agreed with the recommendations.

CARRIED

J Millward thanked Y Yang for her dedication, professionalism, and expert advice, noting that this was her final year as Audit Director for the Council.

Councillor Fulton also expressed gratitude to Y Yang for the valued service that Audit NZ provided to the Council. He was pleased that the Council received an unmodified audit opinion and that Councillors had extensive oversight of the value and use of Council assets and financial position. He, therefore, supported the motion.

Mayor Gordon believed that a direct way the Central Government could reduce councils' costs was by relaxing Local Government audit regulations and requirements, which would especially assist smaller councils. He thanked Y Yang for her years of service and positive engagement with the Council.

Mayor Gordon left at 10:35 am.

4.4. **Financial Report for the period ended 30 September 2025** – P Christensen (Finance Manager)

P Christensen presented the Council's financial report for the period ended 30 September 2025, highlighting the following:

- The \$0.4 million surplus was \$2.2 million under budget. The main reason for the difference was that subsidies and Development Contribution revenue fell short of the budget. In addition, structural maintenance was over budget due to increased work during the winter months.
- The Council's external debt was \$210 million at the end of September 2025; however, the forecast for the 2025/26 financial year was \$256.6 million by 30 June 2026. It was anticipated that most of the debt would need to be raised in the second half of the financial year, when construction of the capital projects would take place. At the end of September 2025, the net debt to operating revenue ratio was 130%, well below the Council's target of 250%.
- Interest costs were 7.5% of rates revenue compared to the 8.9% forecasted in the 2025/26 Annual Plan.

Councillor Ward questioned whether the projected \$256.6 million debt by the end of the fiscal year was realistic. P Christensen explained that if the Council's entire 2025/26 Capital Works Program were delivered, the Council would need to raise \$256.6 million. However, staff had already indicated that not all the Capital Works projects would be delivered. Hence, the Council would not need to raise the projected debt.

Responding to a question from Councillor Bartle, P Christensen confirmed that the current interest cost was approximately 7.5% of total rates revenue, slightly lower than projected due to a recent decline in interest rates. This outcome was acknowledged as a positive result for the Council.

Moved: Councillor J Ward

Seconded: Councillor T Bartle

THAT the Audit and Risk Committee:

- (a) **Receives** Report No.251031207208.
- (b) **Notes** the surplus for the period ended 30 September 2025 is \$0.4 million. This is \$2.2 million under budget.

CARRIED

Councillor Ward thanks the Finance Team for their work, noting that the Council's finances reflect the ongoing economic realities. The \$2.2 million under-budget surplus was due to the Council not receiving subsidies and to the expected Development Contribution not being paid, both of which were outside the Council's control.

Councillor Bartle concurred with Councillor Ward's comments and thanked staff for the detailed report.

Report 4.7 '2025/26 Capital Works September Quarterly Report' was taken at this time. However, the agenda order was retained in the Minutes to mitigate confusion.

4.5. **Consideration of an Independent Member on the Audit and Risk Committee** – C Genet (General Manager Finance and Business Support)

The Chairperson advised that the report has been withdrawn and would be considered in a workshop before the end of the year.

4.6. **Non-Financial Performance Measures for Financial Year 2025/2026 Quarter 1 (July to September 2025)** – H Street (Corporate Planner)

S Hart provided an overview of the Council's Non-Financial performance for July to September 2025. Overall results improved compared with the same period last year, with 87% of targets met. Regarding the 8% of targets not met, the Council had an active programme to address the challenges encountered in achieving them.

Councillor McLaren questioned the 24% of water loss from extraction to delivery. G Cleary commented that the method used to measure water loss was overly prescriptive and not necessarily suited for the Council's reticulation network. The reported 24% unaccounted-for water did not necessarily indicate leakage; it reflected water that was not measured at the property level. G Cleary noted that installing water meters at every property would be required for full accountability; however, this was not currently mandated and would not be cost-effective. Water production costs in the Waimakariri District were approximately \$0.60 per cubic meter, and assessments showed that the cost of installing and maintaining meters would exceed any potential savings. From a financial perspective, the Waimakariri District was among the most efficient in the country in terms of water supply costs. The environmental impact was minimal, as Council-supplied water accounted for only about 5% of the district's total water use. Ongoing initiatives to curb water loss included zone-level measurement, night-flow monitoring to identify potential leaks and other network management improvements short of universal metering. These measures aimed to strengthen network performance and demonstrate responsible water management without incurring unnecessary costs.

Councillor McLaren also enquired whether a loss of pressure in the Council's reticulation network raised the risk of contamination by groundwater entering the system, thus obviating the success of protozoan bacterial treatment between extraction and delivery. G Cleary confirmed there was a risk; the Council was therefore cautious and maintained pressure in the system, even during required shutdowns.

Councillor Fulton raised concerns about the delay in the refurbishment of Council-owned pensioner housing in Oxford, resulting in some units remaining vacant despite a long waiting list. C Brown undertook to follow up and report back to Councillor Fulton.

Councillor Ward observed that reports had been received of premature failures of hot water cylinders in homes, seemingly due to the chlorine in water supplies. She questioned whether the Council should launch a community awareness campaign recommending the installation of water filters to guard against chlorine corrosion. G Cleary explained that the Council was obligated to deliver complaint water, and that the standards required residual disinfection, hence the use of chlorine. He acknowledged that there was a public perception that hot water cylinders were failing due to chlorination; however, this was not necessarily accurate. The Council delivered water that met all New Zealand standards, and building consents ensured the installed cylinders were compliant. The responsibility for cylinder maintenance and replacement lay with property owners, as with other household assets. It was not feasible for the Council to assume liability for installing filters or replacing cylinders, as these activities fall outside its scope of responsibility.

Moved: Councillor B McLaren

Seconded: Councillor T Fulton

THAT the Audit and Risk Committee:

- (a) **Receives** report No. 251022200929.
- (b) **Receives** the Waimakariri District Council Quarterly Non-Financial KPI Report July to September 2025 (TRIM 251021200512).

- (c) **Notes** 78 (87%) of performance measures for the first quarter of the 2025/26 financial year were achieved, and 10 were not achieved.
- (d) **Notes** 8 (8%) of the measures did not meet the target, but four were within 5% of being achieved.
- (e) **Notes** 4 (4%) measures will be reported later in the year.

CARRIED

Councillor McLaren supported the motion, noting that once water entered private properties, the Council had no control over the condition of household infrastructure such as pipes, which may be decades old. Hence, chlorine remained the only viable option for residual disinfection, protecting households regardless of pipe condition. He did not support the Council advocating for the installation of water filters, as installing devices at the point of delivery to remove chlorine would reduce homeowners' protection and add unnecessary costs. Councillor McLaren noted that most complaints about chlorination appeared to concern odour and taste rather than safety, which could be easily mitigated.

Councillor Fulton endorsed the comments made by Councillor McLaren and thanked staff for a well-prepared report.

4.7. **2025/26 Capital Works September Quarterly Report** – J Eggleton (Project Planning and Quality Team Leader), D Young (Senior Engineer Adviser), G Cleary (General Manager Utilities and Roading and C Brown (General Manager Community and Recreation)

D Young provided an update on the 2025/26 Capital Works programme, noting significant work had been completed over the past three to five months. He observed that, historically, the Council had not effectively spread expenditure across previous years, resulting in significant costs appearing in the Annual Plan unexpectedly, leaving the Council unprepared and requiring carry-forwards. D Young advised that the current approach aimed to mitigate this by spreading work over three years. Thus, efforts had been made to spread expenditure across multiple years, though further improvement was possible. The staff's reporting format had been revised to improve visibility of individual projects.

D Young reported that the Roading Program was delayed by about six months. Roading differed from other programs because the annual roading budgets subsidised by the New Zealand Transport Agency (NZTA) were on a three-year rolling programme. These projects were therefore presented as multi-year projects to provide flexibility within these budgets across the three-year programme of works.

Staff were projecting about a \$20 million carryover from this year to the next. Adding the carryover to the current projects in the 2025/26 Annual Plan placed the budget significantly above what could be delivered with existing resources and channels. Hence, the staff had prepared revised budgets for review in January and February 2026. The goal was to align next year's budget with realistic delivery capacity, typically around \$55 million. The coming year was therefore expected to serve as a reset, with a focus on getting back on track.

G Cleary commented that staff had completed the first draft of the revised budgets. If there was uncertainty about completing a project within the financial year, the item would be deferred, and the Council would be advised accordingly. Also, projects without certainty of resource consent or significant community buy-in would be deferred until these factors were resolved. This approach aimed to provide realistic forecasts and avoid misleading impressions of under-delivery in the capital program and risk management. Capital program delivery would be subject to the Commerce Commission scrutiny, so maintaining performance was a priority.

C Brown noted that recreation projects were approximately 50% complete. This included high-value projects such as the purchase of land for the Pegasus Community Centre and the Ravenswood neighbourhood reserve. The timing of these projects may not align with the financial year due to ongoing negotiations. If completed earlier, progress would significantly increase. As in other areas, projects with anticipated delays or requiring additional community engagement were pushed out, with commentary provided for the Council's review. He further noted that a recent restructure within the Community Recreation area had introduced a dedicated team focused on capital delivery. Initial focus was on the Pegasus Community Centre project, with expected benefits from this dedicated approach becoming evident in the coming months.

J Millward added that the Council was forecasted to spend approximately \$84 million on new capital projects, of which around \$47 million would be loan-funded. He noted that while some projects were advancing, the Council would not be able to complete all carryover project items. As a result, staff were preparing a more realistic Capital Works Program for inclusion in the 2027/37 LTP, with a focus on priority works. An analysis conducted last year found that approximately 5% of delays were within the Council's direct control, with the remainder attributable to external factors. The current situation was similar. Strategic discussions would be required to determine priorities and ensure sustainable delivery.

Councillor Fulton questioned whether there would be value in advising the public when projects had to be carried over to subsequent financial years, thereby avoiding the impression that they were new projects. C Cleary agreed that it was always advisable to keep the public informed to manage expectations, without making excuses.

Councillor Fulton asked whether it would be advisable to plan and design larger projects the year before the capital budget became available to shorten delivery times. C Cleary explained that the plans and designs for projects were usually completed prior to undertaking large projects such as the Rangiora Eastern Link Road. However, in the past, the Council had borne the time and cost of designing roading projects that the NZTA did not subsequently fund.

Deputy Mayor Redmond noted that the report referred to the land purchase for the development of the Ravenswood Community Centre. He was unaware that the Council had agreed to develop a community centre in Ravenswood and was concerned that it would raise public expectations. C Brown advised that the Council previously agreed to fund a community centre of approximately 850m², with funding allocated to the outer years of the 2024/34 LTP. Feasibility studies presented as part of the LTP identified the need for community facilities in both Pegasus and Ravenswood. The proposed land purchase would provide space for a community centre and a recreation facility, aligning with recommendations from the Council's Aquatic Strategy, which identified a need for additional water space in the eastern part of the district. Securing land now was considered essential to maintain flexibility for future development options.

Responding to Councillor Doody's question, G Cleary explained that the Waimakariri Gorge Bridge was a shared 150-year-old asset owned by the Council and the Selwyn District Council. A concrete deck was initially considered for the bridge; however, it was deemed infeasible because the concrete's weight would compromise the bridge's integrity during an earthquake. Therefore, around the 1950s or 1960s, a timber deck was installed, which served effectively for several decades because traffic at the time was lighter. Approximately ten years ago, the original timber deck began to deteriorate and was replaced with an Australian hardwood deck, which did not last as long due to timber quality not being as high as in earlier decades and increased traffic. The latest deck was made of very thick plywood sourced from the Solomon Islands or Papua New Guinea, similar to the material used on the Rakaia Gorge Bridge. Known issues included delamination at joints and planks; however, despite this, the deck would provide the necessary flexibility, allowing movement under vehicle loads. Work was ongoing to identify and implement improvements to the bridge surfacing, and negotiations with the contractor were still underway regarding some

maintenance issues. The Council had engaged the best available experts to manage the bridge's unique challenges, as it was a complex structure which required careful management. Maintaining the bridge would remain challenging, and while a new bridge would be ideal, the current structure was critical and must be managed as effectively as possible.

Councillor Doody also enquired about plans to upgrade the Rangiora Cenotaph intersection. D Young advised that there appeared to be no alignment between the staff and the Rangiora-Ashley Community Board on the need to upgrade the intersection. The matter was therefore still being considered by staff.

Moved: Councillor W Doody

Seconded: Councillor T Fulton

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 251105210591.
- (b) **Notes** the actual and predicted achievement across all tracked capital expenditure.
- (c) **Notes** that of the \$81.88 million total capital spend, \$6.35 million (8%) has been completed, \$48.89 million (60%) is on track, \$15.11 million (18%) is at risk, and \$11.53 million (14%) is delayed. A total of \$65.23 million (79.7%) is predicted to be completed.
- (d) **Notes** that this is the first quarterly report for the 2025/26 financial year.
- (e) **Notes** that progress towards achieving the 2025/26 Capital Works Programme is well advanced across most areas. However, some projects are either delayed or at risk, as reported elsewhere.

CARRIED

Councillors Doody and Fulton thanked staff for the detailed report and for explaining the challenges in delivering the 2025/26 Capital Works programme.

9.3 **Reporting on LGOIMA Requests for the period 1 July to 30 September 2025** – T Kunkel (Governance Team Leader)

T Kunkel reported that from 1 July 2025 to 30 September 2025, the Council received 111 official requests, 43 more than in the same period in 2024. The Council also responded to 94 official requests during the period under review, which required approximately 144.5 hours of staff time at an estimated cost of \$10,982.

Responding to Councillor McLaren's question, T Kunkel advised that the Council could opt to treat any request for information as an official request under the provisions of the Local Government Official Information and Meetings Act 1987. However, it was standard practice to evaluate all requests and route general enquiries or service requests to the relevant Departments for response.

Councillor Fulton observed that the increase in requests since May 2025 was likely due to heightened political interest surrounding the 2025 Local Body Elections. He asked whether many candidate requests had been received. T Kunkel noted that there had definitely been an increase in politically motivated requests; however, the actual number of requests submitted by candidates contesting the elections could be made available. J Millward commented that there had not only been an increase in official requests but also in calls and emails to staff during a local Government election, which placed additional pressure on staff.

Moved: Councillor W Doody

Seconded: Councillor T Fulton

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 251105210934 for information.
- (b) **Notes** that the Council received 111 official requests and responded to 94 official requests for information from 1 July 2025 to 30 September 2025, 29 more than the 65 official requests responded to in the same period in 2024.

CARRIED

Councillors Doody and McLaren thanked staff for taking the time to respond to the official information requests.

10. PORTFOLIO UPDATES

10.1 Audit, Risk, Annual / Long Term Plans – Councillor Joan Ward

Councillor Ward reported that the Council adopted the Annual Report on 7 October 2025. Budget preparation for the 2026/27 financial year was underway within departments, with review processes to be completed before the end of December 2025.

An Annual Plan Project Control Group (PCG) had been established, which included the Mayor and elected member representatives. An initial briefing on the Annual Plan process would be held later in the day, covering key dates, milestones, the current environment, and early messages. It was anticipated that the 2026/27 budget information would be distributed to Councillors in mid-January 2026, as the Council budget meetings were scheduled for 27 and 28 January 2026. The adoption of the Annual Plan for public consultation was planned for 17 February 2026.

A Council Strategy Day was scheduled for 4 December 2025, providing an opportunity for management to present more developed plans and for Councillors to provide input on priorities and direction.

10.2 Communications – Councillor Shona Powell

Councillor Powell highlighted the following:

- Media
 - The Communications and Engagement Team responded to 96 media queries and proactively issued 36 media releases over the quarter under review.
- Engagement:
 - Five Engagement projects focusing on play spaces were undertaken. These projects garnered 5,585 visits; 3,800 were aware; and 447 submitted.
 - There were 103 new registrations, primarily in the youth space, which brought the Council's database up to 3189.
- Council Website:
 - There were 162,000 website sessions and 86,000 users this quarter. Compared to the preceding quarter, there had been a decrease of 15,000 in sessions and 12,000 in users to the Council's website. The top five news stories were:
 - BNZ Corner: Construction starting soon
 - We've got an election on our hands
 - Finalised District Plan
 - Strong Wind Warning
 - Tolling of the Woodend Bypass

- Social Media
 - The third quarter of 2025 showed a clear pivot toward Local Elections 2025 content, which was balanced by the service/civic posts and the beginning of the 'Do You Know' series. The content tone was constructive and civic-minded. Sentiment tone was net positive to neutral, helped by fast moderation and a human tone.
- Brand and Design
 - Some of the more fun campaigns included:
 - Welcome to the Birds
 - Love your Organics
 - Do you Know Waimakariri?
 - More serious campaigns included:
 - Annual Report
 - Local Government Election Content

10.3 Customer Services – Councillor Wendy Doody

Councillor Doody opted not to provide an update at this time.

10.4 Procurement (Efficiencies and Savings) – Councillor Tim Bartle

Councillor Bartle advised that the Council updated its Procurement and Contract Management Policy to streamline it, improve efficiency and understanding, and adjust thresholds to align with inflation. Separate requirements for procuring contracted services and consultants were also introduced to ensure appropriate oversight and scrutiny. The update was minor, with a comprehensive review of the overall procurement framework planned over the next three years. This would commence with the procurement strategy in 2026, followed by a further, more comprehensive policy review in 2027, with updates to the process, guidance, and documentation to follow.

Quarterly reporting to the Management Team on cost savings and efficiency initiatives continued. However, many initiatives were in early stages and focused on process efficiency, processes designated to release savings to departments.

Department budgets were currently being compiled, and budget narratives for each Department would now include a specific section on cost savings and efficiencies. It was anticipated that this would provide greater transparency into the cost savings and efficiencies released by each department during the Council's budget reviews.

11. QUESTIONS

Nil.

12. URGENT GENERAL BUSINESS

Nil

13. NEXT MEETING

The next meeting of the Audit and Risk Committee was scheduled for Tuesday, 17 February 2026, at 9 am to be held in the Council Chamber, Rangiora Service Centre, 215 High Street, Rangiora.

THERE BEING NO FURTHER BUSINESS, THE MEETING CONCLUDED AT 11.52 AM.

CONFIRMED

A handwritten signature in black ink, appearing to be 'J. M.', enclosed within a large, loopy, oval-shaped flourish.

Chairperson

17 February 2026

Date