Audit and Risk Committee

Agenda

Tuesday 27 March 2018

3.30pm

Waimakariri District Council Chambers
215 High Street
Rangiora

Members:

Deputy Mayor Kevin Felstead (Chairperson)
Councillor Neville Atkinson
Councillor Kirstyn Barnett
Councillor Al Blackie
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 27 MARCH 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 13 February 2018

RECOMMENDATION

THAT the Audit Committee

(a) Confirms the circulated minutes of a meeting of the Audit and Risk Committee, held on the 13 February 2018, as a true and accurate record.

4 MATTERS ARISING

5 PRESENTATION/DEPUTATION
6 REPORTS

6.1 Enterprise North Canterbury Half Year Report to December 2017, Draft Statement of Intent for year beginning 1 July 2018; and Six month Promotions Report to December 2017 – Simon Markham (Manager Strategy and Engagement)

Heather Warwick (ENC Chief Executive) and Miles Dalton (ENC Business Support Manager) will be present during consideration of this report.

RECOMMENDATION

THAT the Audit and Risk Committee recommends

THAT the Council

(a) Receives report No. 180313026438

(b) Receives the ENC’s Half Year Report to Dec. 2017, including profit and loss budget analysis

(c) Provides comment on ENCs Draft Statement of Intent for the 2018/19 year

(d) Receives the Six-Month Promotions Report to December 2017

6.2 Te Kohaka o Tuhaitara Trust – Statement of Intent for the Year ending 30 June 2019 and Business Case – Jeff Millward (Manager Finance and Business Support)

Greg Byrnes (General Manager) and Catherine McMillan (Trust Chair) will be present during consideration of Items 6.2 and 6.3.

RECOMMENDATION

THAT the Audit and Risk Committee recommends

THAT the Council

(a) Receives report No 180313026469.

(b) Receives the Statement of Intent for Te Kōhaka o Tuhaitara Trust for the year ending 30 June 2019.

6.3 Te Kohaka o Tuhaitara Trust – Six month Financial Statements for the period ending 31 December 2017 - Jeff Millward (Manager Finance and Business Support)

RECOMMENDATION

THAT the Audit and Risk Committee

(a) Receives report No. 180315027524

(b) Receives the Six Month Report for the Te Kōhaka o Tūhaitara Trust for the period ended 31 December 2017;

(c) Notes the operations for the six months to 31 December progressing as planned and within budget.
6.4 **IaaS (Infrastructure as a Service) Project Finalisation – Jolanda Simon and David Sewell (ICT Team Leader)**

*RECOMMENDATION*

**THAT** the Audit and Risk Committee

(a) **Receives** report No. 180313026656.

(b) **Notes** the success of the Infrastructure as a Service project;

(c) **Notes** that the Infrastructure as a Service project cost were within budget. The budgets provisions in the 2018-2028 LTP have been able to be reduced by at least $300,000 on original estimates based on a more efficiently managed Servers and reductions in contract rates

6.5 **Adoption of SafePlus Health and Assessment Scheme (WorkSafe endorsed) – Liz Ashton (Manager Organisational Development and HR)**

*RECOMMENDATION*

**THAT** the Audit and Risk Committee

(a) **Receives** report No. 180315027921.

(b) **Notes** the adoption of the WorkSafe endorsed SafePlus assessment scheme as the preferred scheme for assessing the effectiveness of Waimakariri District Council health and safety programme.

(c) **Notes** that current Safety Management Systems will be redeveloped to align with the SafePlus assessment model during the remainder of FY 2017/18.

6.6 **Audit New Zealand Management Report for the year ended 30 June 2017 – Jeff Millward (Manager Finance and Business Support)**

*RECOMMENDATION*

**THAT** the Audit and Risk Committee

(a) **Receives** report No. 180316028179

(b) **Receives** Audit New Zealand’s Management Report for the year ending 30 June 2017;

(c) **Notes** there are no significant matters arising from the management letter. Audit New Zealand have made a number of recommendations where systems and reporting could be improved and these improvements have been made or are programmed.
6.7 **Risk Management Framework – Jim Palmer (Chief Executive)**

**RECOMMENDATION**

**THAT** the Audit and Risk Committee

(a) **Receives** report No. 180316028255.

(b) **Recommends** to the Council that it

- **Adopts** the Risk Management Framework (Trim No. 180316028262)

- **Notes** that the Risk Management Framework will be formally reviewed annually, and that the Register of Key Risks will be presented to the Audit and Risk Committee on a six monthly basis.

(c) **Notes** the Register of Key Risks as at March 2018 (Trim 180321030354).

6.8 **Tax Risk Management Framework Strategy – Jeff Millward (Manager Finance and Business Support)**

**RECOMMENDATION**

**THAT** the Audit and Risk Committee

(a) **Receives** report No. 180312026006

(b) **Approves** the Tax Risk Governance Framework (Trim 18036028352) and agrees to the engagement with PwC;

(c) **Notes** funding provision exists within the Finance, Planning and Control budget.

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>
<thead>
<tr>
<th>Item No</th>
<th>Minutes/Report of:</th>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Report of Jeff Millward, Manager Finance and Business Support</td>
<td>Te Kohaka o Tuhaitara Trustee appointments</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Item No</th>
<th>Reason for protection of interests</th>
<th>Ref NZS 9202:2003 Appendix A</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Protection of privacy of natural persons</td>
<td>A2(a) A2(b)ii</td>
</tr>
<tr>
<td></td>
<td>To carry out commercial activities without prejudice</td>
<td></td>
</tr>
</tbody>
</table>

CLOSED MEETING

See In Committee Agenda (blue papers)

OPEN MEETING

WORKSHOP

At the conclusion of the meeting, Simon Markham will conduct a workshop on

Town Promotions Associations Reporting Arrangements
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 13 FEBRUARY 2018 COMMENCING AT 4.00PM.

PRESENT

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

IN ATTENDANCE

Councillors K Barnett, W Doody, J Meyer and D Gordon
Messrs J Millward (Manager Finance and Business Support), S Markham (Manager
Strategy and Engagement), P Christensen (Finance Manager), Mr S Hart (Business and
Centres Manager), and Mrs A Smith (Committee Advisor)

1 APOLOGIES

There were no apologies.

2 CONFLICTS OF INTEREST

There were no conflicts of interest.

3 CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday
28 November 2017

Moved Councillor Atkinson seconded Mayor Ayers

THAT the Audit Committee
(a) Confirms the circulated minutes of a meeting of the Audit and Risk
Committee, held on the 28 November 2017, as a true and accurate
record, with the correction to Item 6.11, Annual Report for Enterprise
North Canterbury for the year ended 30 June 2017, Councillor Stewart
wished to record her vote against this.

CARRIED

4 MATTERS ARISING

No matters arising

5 PRESENTATION/DEPUTATION

There were no presentations or deputations.
6 REPORTS

6.1 Renewal of District Promotions Contract with Enterprise North Canterbury for 2018-21 Period – Simon Markham (Manager Strategy and Engagement)

Mr Markham presented this report, which follows on from a workshop held later in 2017 on district promotions. This is a request for a renewal of the contract on similar terms and conditions, for a further three-year period. The next review, as part of the S17 Reviews is tabled to happen in the 2020/21 year which aligns with the end of this three-year contract period.

Council Stewart questioned the figures in table on page 20 of the agenda on the costs for staff to undertake the district marketing for visitors, business and events promotion. Mr Markham provided an explanation of the figures, and the work that these staff are involved in, with promoting the district. There are three areas considered in this table – staff engaging in promotional work; costs of placement of promotional material in publications; and other funding provided by other organisations, such as those who want their material displayed on the i-Site.

Regarding the contestable fund – it was recorded in the ENC Annual Report, that there were 26 applications for funding, and of these 18 events were funded. Mr Markham noted that sometimes the criteria isn’t met in these applications, and in some case events don’t proceed. It is important that any events that are provided funding for are well organised and planned and that they do go ahead; so that funding isn’t then missed being made available to another applicant. There was a review in 2014 of the criteria and it can be challenging to get the “bar” right for good events and what the event funding panel need to weigh up. Council Stewart asked if it would be possible for other Councillors to sit in on the funding panel meetings. Councillor Dan Gordon as the portfolio holder is one of the three panel members. Councillor Gordon is happy to take on board the concerns of any other Councillors in his roll with the funding panel.

Councillor Williams raised concerns that the Promotion Objectives which are listed in the ENC Annual Report, in particular “Engaging with Council, local developers and property owners to promote business development opportunities” is what the Council staff role of Business and Centres Manager undertakes. The proposal for an additional role in the Business and Centres area was also noted. Mr Markham provided an explanation of the role of the Council’s Business and Centres Manager and proposed additional staff.

Councillor Barnett commented that it is important for the Council to review this contract and make sure the money is spent wisely. Tourism is a very important industry, and does not see in this report how the visitor market is being attracted. Councillor Barnett does not believe there is value for money in this report in attracting visitors from Christchurch, and that it is important that Council knows how many Christchurch people are aware of visitor attractions in Waimakariri. Councillor Barnett asked when was the last survey undertaken of Christchurch residents on their knowledge of attractions in the Waimakariri area? Mr Markham said this had been done within the last two years, possibly 2016. A copy of this information will be circulated to members.

I-Site – Councillor Barnett questioned if it is planned for this to continue, as this is showing a significant drop in numbers coming through the door, and these numbers were largely local community? Councillor Barnett would support a review being undertaken of the I-Site. Mr Markham said this will be something that will be considered by the Council in May in the adoption of the Long Term Plan. As discussed previously in Council workshop the operation
of the i-site and event funding are two areas for consideration before to adoption of the LTP in May.

In relation to recommendation (e), Councillor Stewart moved an amendment that the review be for the full functions of Enterprise North Canterbury and that this be undertaken in the 2018 year as part of Section 17a review. (the amendment was not seconded) Mayor Ayers called a Point of Order, that this amendment is ultra vires to the Local Government Official Information and Meetings Act, in that the amendment would bring up matters that are not subject to the report that has been publically advertised. Mayor Ayers added that this report relates to the promotions contract, and is not on Enterprise North Canterbury as a whole. The Point of Order was upheld by Chair Felstead.

The recommendation was then taken in parts.

Moved Councillor Atkinson seconded Councillor Blackie

THAT the Audit and Risk Committee Receives Report No. 180131009463 and recommends to the Council that it:

(a) Notes that comprehensive reviews of District Promotions Services were undertaken in 2008 and 2014.

CARRIED

(b) Notes that the three-year District Promotions Contract, with Enterprise North Canterbury, expires on 30 June 2018 and that contract provides for Council approval of an annual district promotions business plan setting out the scope of services that are to be provided from year to year.

CARRIED

(c) Renews the District Promotions Contract with Enterprise North Canterbury on similar terms and conditions as at present for a further three year period from 1 July 2018.

CARRIED

Councillors S Stewart and P Williams against

(d) Authorises the Chief Executive to execute, for the Council, a refreshed contract document with ENC to give effect to recommendation (c) above.

CARRIED

Councillor S Stewart abstained

(e) Agrees that the next such review of the delivery arrangements for district promotions services, in terms of S.17A of the Local Government Act, be undertaken in 2020.

CARRIED

Councillor S Stewart against

(f) Notes that the Audit and Risk Committee, in the lead up to the approval of the 2018/19 district promotions business plan, intends to review the following elements of the promotions activity:

- The role/structure/process of the events grants budget with the Events Funding Panel and the Promotions Portfolio Holder;
- The role and function of a physical I-Site in the context of the changing marketing and i-SITE Network landscape which is rapidly moving online.
CARRIED

Councillors Atkinson has concerns with the requests for continual reviews of the operations under this contract.

Councillor Blackie noted that tourism injects $150 million into the area, and if ENC were involved with just 1% of that, this more than covers their entire expenditure for a year and is happy with the status quo.

Councillor Gordon said there is planned to be discussions with the three promotions groups that capacity funding is provided for, on service level agreements. This matter will be brought back to this committee.

Councillor Barnett commented that it is important for the Council to review this contract and make sure the money is spent wisely. Tourism is a very important industry, and does not see in this report how the visitor market is being attracted. Councillor Barnett does not believe there is value for money in this report in attracting visitors from Christchurch, and that it is important that Council knows how many Christchurch people are aware of visitor attractions in Waimakariri. Councillor Barnett asked when was the last survey undertaken of Christchurch residents on their knowledge of attractions in the Waimakariri area? Mr Markham said this had been done within the last two years, possibly 2016. A copy of this information will be circulated to members.

Councillor Barnett has concerns with the visitor numbers to the i-Site and noted the changing functionality, with online sales and changing travel patterns. Councillor Barnett would like to see a lot more evidence based reporting on the i-Site based in Kaiapoi.

Mayor Ayers noted the reviews suggested are of event funding and the operation of the i-Site. Mayor Ayers acknowledged the comments of Councillor Atkinson of the continued request for reviews and suggested that this could discourage people from being Trustees and reminded members that the Trustees are volunteers, with the interests of the wider North Canterbury area at heart. Noted that there is limited options in the district to accommodate the i-site on State Highway One. Mayor Ayer welcomes a review of event funding. Referring to comments on doubling up of functions of ENC staff and Council staff, Mayor Ayers noted that there are many businesses who may wish to establish in the district who do not need to have any Resource Consent, or go through any other Council processes, they just need to have a location to operate their business. Mayor Ayers suggested it would be beneficial for the Councillors to have a future presentation to explain the difference in the roles of the Council and ENC staff involved.

Councillor Williams supported the comments of Councillor Barnett on the i-Site operation and does not support this recommendation and believes there needs to be clarification on matters relating to the promotion contract.

Councillor Stewart also echoes the concerns of Councillors Barnett and Williams. Welcomes the review in recommendation (f), which is an ongoing issue with some groups Councillor Stewart believes the i-site has a real value to the community, noting that the income has increased from its activities, even though the number of visitors has decreased. It was noted the benefits of the location of the i-Site on the prominent corner in the middle of Kaiapoi. Some current Councillors have been through reviews of these functions, but there are many Councillors who haven’t, and suggested with the changing demographics, promotion and economic development needs, that it is timely to have a review of the entire functions.

Councillor Atkinson noted that when the original i-Site was established in Kaiapoi, there were 49 across the country, and now there is 80 operating. 45% of tourists visit an i-Site for information and to make changes to travel
arrangements. The Kaiapoi i-Site is rated as a star 5 facility, which means it delivers extremely well for the people who use it. Some i-Sites are rated just 3 Star. Noted that some years ago there was a push to have machines installed in i-Site facilities, but none of these are now operating and that visitors much prefer to speak face to face with staff members, and there has been an increase in staffing at i-Sites of over 200. Regarding events funding, Councillor Atkinson noted this is a changing area and supports having Council representation reviewing this regularly.

6.2 Non-Financial Performance Measures 2nd Quarter results as at 31 December 2017 – Maria Edgar (Corporate Planner)

Mr Simon Markham presented this report updating the committee on progress of the 2015-2025 Long Term Plan non-Financial performance measures for the 2nd quarter of the 2017/18 financial year.

Councillor Barnett questioned the variances in the ratings used, and the use of the term “nearly met”. Messrs Markham and Millward advised that in future there will be a much more explanation provided on any activities that are “nearly met”. Meeting discussed this and Mr Markham said feedback will be taken back and need to ensure that staff are systematic and use the rating that is there to fairly describe the situation.

Regarding the percentage of items of business considered in the open meeting – it was advised that there has not been any significant improvement over recent years, and it was agreed that the level of 95% needs to be reviewed.

Moved Councillor Felstead seconded Councillor Atkinson

THAT the Audit and Risk Committee

(a) Receives report Non-Financial Performance Measures 2nd Quarter Results as at 31 December 2017 TRIM No. 180208012066.

CARRIED

Councillor Felstead noted that it would be beneficial to review the required percentage of items to be considered by Council in open meeting. It was agreed this needs to be reviewed and reconsidered.

6.3 Capital Projects Report for the period ended 31 December 2017 – Paul Christensen (Finance Manager)

This report was presented by Mr Christensen and taken as read. There were no questions from members.

Moved Councillor Atkinson seconded Councillor Blackie

THAT the Audit and Risk Committee

(a) Receives report N° 180129007740;

(b) Circulates report to the Boards

(c) Notes the progress of the capital projects with 82% of the 238 projects on time or completed.

CARRIED
6.4 **Financial Report for the period ended 31 December 2017 – Paul Christensen (Finance Manager)**

Mr Christensen presented this report which provides an update on the financial result for the quarter ended 31 December 2017.

Moved Mayor Ayers seconded Councillor Blackie

THAT the Audit and Risk Committee

(a) **Receives** report no. 180129008233

(b) **Notes** that progress is tracking favourably in comparison to budget.

CARRIED

6.5 **Interview Panel for the Appointment of Waimakariri Irrigation Limited (WIL) Director – Jim Palmer (Chief Executive)**

Mr Millward spoke to this report on behalf of Mr Palmer. There has been a resignation from the WIL Board and a request for a replacement has been made. This report requests two Councillors to be appointed to the Recruitment sub-committee to join the Mayor to interview and make a recommendation on the appointment of a new Council-appointed director.

Moved Councillor Atkinson seconded Councillor Blackie

THAT the Audit and Risk Committee

(a) **Receives** report No. 180202010142.

(b) **Appoints** the Mayor and Councillors Stewart and Williams as the Recruitment Sub-committee to interview and make a recommendation on the appointment a new Council-appointed director to the Board of Waimakariri Irrigation Limited.

(c) **Notes** it is intended that the Sub-committee will make a recommendation to the Audit and Risk Committee meeting on 27 March with the Council making an appointment on 3 April.

CARRIED
7 PORTFOLIO UPDATES

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

PGC meetings have continued, with another one held yesterday. Staff presented a draft document to the group and this is progressing.

7.2 Communications – Councillor Neville Atkinson

Ten year Plan to be led by the Council, and for the staff to be there for information when needed.

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 Councillor Atkinson seconded Councillor Blackie

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>
<thead>
<tr>
<th>Item No</th>
<th>Minutes/Report of:</th>
<th>General subject of each matter to be considered</th>
<th>Reason for passing this resolution in relation to each matter</th>
<th>Ground(s) under section 48(1) for the passing of this resolution</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Minutes of the public excluded portion of the Audit and Risk Committee meeting of 28 November 2017</td>
<td>Confirmation of minutes</td>
<td>Good reason to withhold exists under Section 7</td>
<td>Section 48(1)(a)</td>
</tr>
</tbody>
</table>

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:
**CLOSED MEETING**

**Resolution to resume in Open Meeting**

Moved Mayor Ayers seconded Councillor Blackie

**THAT** the open meeting resumes and the business discussed with the public excluded remains public excluded

**CARRIED**

**OPEN MEETING**

There being no further business, the meeting closed at 5.25pm.

**CONFIRMED**

________________________________________
Chairperson

________________________________________
Date
WAIMAKARIRI DISTRICT COUNCIL

REPORT FOR INFORMATION

FILE NO and TRIM NO: GOV-01-15/180313026438

REPORT TO: Audit and Risk Committee

DATE OF MEETING: 27 March 2018

FROM: Simon Markham, Manager Strategy & Engagement

SUBJECT: Enterprise North Canterbury Half Year Report to December 2017, Draft Statement of Intent for year beginning 1 July 2018; and, Six Month Promotions Report to December 2017

1. SUMMARY

1.1 This report asks the Committee to receive, for information, Enterprise North Canterbury’s (ENC) Half Year overall report and Six Monthly Promotions report, each for the period 1 July - 31 December 2017. There are no material variances relative to plan to note. It also provides, for comment, a draft Statement of Intent (SOI) for the 12 months period from 1 July 2018. The Board of ENC will provide a draft final SOI for Council approval at a later date in accordance with ENC reporting requirements as a council controlled organisation (CCO).

Attachments:
   i. Half Year Report to December 2017, including Profit & Loss budget analysis (180313026396 & 180313026398)
   ii. Draft Statement of Intent from 1 July 2018 (180313026402)
   iii. Six Month Promotions Report to December 2017 (180313026417)

2. RECOMMENDATION

THAT the Audit and Risk Committee:

(a) Receives report No. 180313026438

(b) Receives the ENC’s Half Year Report to Dec. 2017, including profit and loss budget analysis

(c) Provides comment on ENCs Draft Statement of Intent for the 2018/19 year

(d) Receives the Six-Month Promotions Report to December 2017

3. BACKGROUND

3.1. Reporting relationships with ENC are established as a result of it being a Council Controlled Organisation (CCO). Six month and annual reports are provided as is a draft SOI for comment prior to it being recommended by the ENC Board to the Council. 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.

3.2. **Attachment I** is the Half Year Report on overall operations to December 2017, including a profit and loss budget analysis. The ENC Board adopted it on 7 February 2018 for provision to the Council (WDC) to meet the reporting requirements of the 2017/18 Statement of Intent.

3.3. **Attachment ii** is a draft Statement of Intent for the year beginning 1 July 2018. The Local Government Act (LGA) requires that a CCOs draft SOI be made available to the parent Council(s) each year for their comment. The draft SOI was approved on 7 February 2018 by the ENC Board for respective Council’s comments.

3.4. **Attachment iii** is the Six Monthly Promotions Report to December 2017. Enterprise North Canterbury, on behalf of the WDC, promotes the District as an innovative and progressive place to live, work, stay, play and prosper.

3.5. The Promotions Report sets out the activities delivered against the four key goals as at December 2017.

4. **ISSUES AND OPTIONS**

4.1. The half-yearly overall report on ENC activities indicates satisfactory non-financial and financial performance against targets and there are no significant financial variances of note. The draft SOI follows an established format addressing the purposes for which ENC was established and contracted to WDC. Comment is invited on the draft SOI for the ENC Board to take into account in any revisions prior to recommending to the Council for approval.

4.2. The six months report on district promotions provides greater detail on activities relative to plan. Financial results with the explanations of variances provided are satisfactory. Appended to the report are notes relating to the role and activities of the ENC Business Support Manager and the Council’s Business and Centres Manager. These staff members will attend the Committee meeting to expand on their comments and answer questions as required from the Committee.

4.3. 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. Through oversight, these have not specifically been reported to the Audit & Risk Committee, but are summarised in the two graphs below.

Trends in Satisfaction and Dissatisfaction (%) with Council Encouraging Increased Business Activity 2004 - 2016

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
6. IMPLICATIONS AND RISKS

6.1. Financial Implications

During the 2017/18 year ENC will receive from the WDC through the Economic Development (ED) grant $197,490 to enable the organisation to function and leverage other funding contributions.

Through the District Promotions Contract, payments of $373,770 are made for services, and $47,370 as an events grant fund for distribution by an independent Event Fund Advisory Group made up of external representatives. The anticipated allocation of these funds by major area of activity is as follows:

- Business Promotion - $104,000
- Visitor Promotions and Coordination - $125,000
- Events Grants and advice - $102,000
- Visitor information Centre operations - $90,000

ENC formally reports at six monthly intervals, and meets regularly with WDC staff to monitor progress and address any issues that arise.

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:

* Business 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.
December 2017 Half Year Report to Waimakariri & Hurunui District Councils

1. **Introduction**

This report has been prepared to meet the reporting requirements of the Statement of Intent for the 2017/18 year and follows the format of the Annual Business Plan.

2. **Nature and Scope of Activities**

The vision of ENC is:

“To foster an Exceptional North Canterbury by encouraging the development of exceptional businesses and experiences”

ENC’s role is to enable and empower others in the engine room of the regional economy to do better: to export more; to employ more people in well-paid jobs; and to contribute to the growth in the wealth of our community. This is achieved via a number of programmes. Core funding from the Waimakariri and Hurunui District Councils is leveraged with contracts from central government and supported by project-specific funding from local industries.

3. **Activity Report**

**GOAL ONE  Developing Exceptional Businesses (including Agriculture)**

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

a. Deliver the Regional Business Partner Capability Voucher Programme

*Target: 62 Capability Assessments and issue $80,000 NZTE Vouchers while achieving a minimum of 80% satisfaction of services through NZTE annual customer survey and refer a minimum of 24 businesses to Business Mentors NZ*

In the first six months of this year ENC have:

- Undertaken 51 full capability assessments (82% of target)
- Issued 44 vouchers worth a total of $53,100 to 39 businesses to assist with training or coaching (75% of target)
- ENC assisted 6 businesses with access to Callaghan Innovation funding (target 1)
- Referred 19 businesses to Business Mentors NZ (79% of target)
- Received a net promoter score for North Canterbury of +62.5 (target +50)
b. Provide Training to Local Business Owners and Managers

Target: Run at least 20 workshops/seminars with 160 business people attending, with a minimum of 80% of participants finding the overall standard to be very good or excellent

In the first six months of this year ENC have:

- Run 7 courses comprising of 20 half day workshops YTD with 77 businesses with 100% satisfaction from participants.
- Held a series of coaching sessions as part of a new initiative at the Business Centre “Talk with the Experts”. We had 19 business people as participants.
- We held a similar event for food and beverage businesses with experts from Food South and the Food Innovation Network. Six businesses attended these meetings.

We have a good programme of workshops scheduled for February to June 2018.

c. Provide Networking Functions at least three times a year

Target: A minimum of 60 people attending each networking event and fully sponsored

ENC hosted two networking functions, fully sponsored with 169 business people attending (an average of 84).

d. Support local businesses by referring them to the appropriate agency

Target: A minimum of 30 businesses referred to external agencies for funding

69 businesses referred to external agencies after a formal interview.

- 13 referrals to CECC courses
- 6 referrals to other training
- 21 referrals to advanced business programmes
- 169 referrals to business service providers
- 379 referrals to free online resources

Overall, 109 businesses have been assisted in some positive fashion over the six month period.

e. Expand ENC’s Business Partner Programme to provide increased services to local businesses

Target: Secure and increase of 10% financial commitments from business partners

We currently have 11 active Business Service Partners. They are BNZ, SRB Law, Corcoran French, ARA, The Mark, North Canterbury Business Services, IT Simply, Successful Tradie, Success Factor, IT Online and Luckman and Associates (new partner).

We established a ‘Talk with the Experts’ series where we invite people to talk with experts on a subject one-on-one for 40 minutes at no charge. This provides expertise to our businesses and a chance for our Business Service Partners to show their value.

f. Maintain a strong communication programme with businesses

We continue to produce business relevant content for our website and published 27 stories about new businesses setting events, award winners, who’s coming, new legislations for business and new programmes for ENC (talk with the experts, helping business).
i. ENC Website and social media
The website of www.northcanterbury.co.nz is constantly updated with new and informative content. Website stats:
- Sessions: 19,808, Users: 14,348, Page views: 43,150.
- Facebook: Our page likes are 1,107

ii. Newsletter
ENC produced six electronic newsletters this period to approximately 2,500 recipients with an open rate of 25%.

Objective 1.2 Celebrate and recognise business leaders in the region
North Canterbury Business Awards 2018
ENC can confirm that the 2018 business awards will go ahead. We have secured sufficient sponsor support. They are:

BDO (Professional Services), Continental (Excellence in Retail), Hanmer Thermal Pools and Spa (Tourism and Hospitality), Hellers (New Emerging Business), Spark (Innovation and Technology), The North Canterbury News (People’s Choice), Pak n Save (Community Enterprise) and ECAN (Environmentally Sustainable Business Award). The launch will be in April 2018 culminating in a Gala Awards Dinner to be held 31 August 2018.

Objective 1.3 Undertake analysis of regional employment opportunities and trends
We completed our October Business Confidence Survey in association with Research First. The analysis of this survey is available on our website. It was distributed to Councils, businesses, local media and interested parties.

Objective 1.4 Assist Hurunui Town Development
The Amberley Study - 13 individual business owners were interviewed as part of the Amberley study, feedback collated, and a report drafted. The results were presented to Council and members of the business community who participated. Moving forward, ENC have agreed to establish a business forum for the area early in 2018. We will invite all Amberley business owners to participate in what could potentially be an ongoing platform for information sharing between the business community and council.

Objective 1.5 Recovery of Hurunui Businesses
- We were successful in a $14,420 application to DIA for wages for a project manager (Michele)
- Rangiora Toyota continues to sponsor the vehicle used by Michele to visit businesses. Russell Lane has been very supportive and he has now issued ENC with a brand new four door Toyota Hilux. We are most grateful.
- ENC sponsored a $3,000+GST Spring radio campaign over three weeks to boost the numbers to the Spring Festival and running a competition for a weekend stay in Cheviot. Cheviot Promotions reported the advertising was a huge success with record numbers attending.
- The Business Recovery Grant opened for further applications. Business owners were informed and encouraged to submit an application. Several businesses thought not to apply due to receiving insurance payments for “loss of income”. At least 5 businesses applied for the BRG extension, 3 of them were declined.
• $10,000 worth of 100% voucher funding from MBIE was made available in July 2017 for earthquake impacted businesses in the Hurunui. This was to meet the full cost of any support and services to individual businesses required for sustainability. This has all been utilised.
• ENC offered to underwrite businesses accountants bills up to $1,000 which was to be reimbursed if their BRG application was successful. One applied for this support.
• Businesses in Cheviot and Greta Valley reported they were busy following the road opening on Friday 15th December. All were hoping this is an indication on what the new normal may look like. Trucks were consistently passing through including coaches full of people who stopped in Cheviot.

Objective 1.6 ENC Business Centre

a. Business Centre Activity

<table>
<thead>
<tr>
<th></th>
<th>Full Year Budget</th>
<th>Actual YTD</th>
<th>% Budget Delivered YTD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room Hire</td>
<td>$15,700</td>
<td>$7,318</td>
<td>46%</td>
</tr>
<tr>
<td>Catering</td>
<td>$7,000</td>
<td>$3,560</td>
<td>51%</td>
</tr>
</tbody>
</table>

b. Sponsorship

Although we had two sponsors withdraw from bronze sponsorship we had three new ones sign up including Misco Joinery, Hire Access and Ray White. Spark and BDO have signed up for a further one year Silver sponsorship.

c. Communications and marketing of the Business Centre

• Business Centre brochures were edited and distributed to service centres and put in every training workbook. All external bookings for the business centre spaces, since opening, are being contacted to refresh their engagement with ENC. The sales and marketing plan is being reworked with new targets.
• On 26 July we hosted a networking function with the Board and Sponsors who appreciated the opportunity to meet each other.
• On 17 August, ENC organised a PLC House tenant morning tea which improved our understanding of all businesses in the building, and was an opportunity to promote ENC and our role in the Waimakariri and Hurunui Districts.

1.7 Other Projects

a. Waipara Wine Growers, now North Canterbury Wines

ENC agreed to part fund a marketing strategy for the North Canterbury Wine Growers Assn. We did this in partnership with Hurunui Tourism and the Wine Growers Assn members. Brown Bread were engaged to facilitate a workshop (held October) and write the marketing strategy which was to align the wineries of North Canterbury into one inclusive marketing strategy; introduce, grow and establish the brand in the on and offline world, create followers and fans for North Canterbury wines and identify unique media and partnership opportunities. This was completed and presented to the group in December. The strategy has now been adopted and made available to ENC.

b. Wheels to Wine Cycleway development

ENC CEO met with Geoff Gabities, commercial cycle operator and Graeme Abbot from Hurunui Tourism to discuss the concept of a two day cycle trail that starts in the City, includes the Waimakariri, and finishes up in Waipara. Graeme has funded a feasibility study
to develop the concept and costings of a trail. ENC pulled together interested parties who could be involved to progress this.

The concept got great buy-in from everyone with realistic understanding of time frames, and cost parameters being understood. The key to making the project work is the collective will, intellect and experience of all parties. The next steps to seek support from all four Councils and investigate their appetite for joint funding of a role to drive the project.

**GOAL TWO: Promote Waimakariri District**

A full report on this contract is provided directly to the Waimakariri District Council.

4. **Financial Performance**

The Profit and Loss Account contained in Appendix 1 shows performance for the first 6 months of the year.

YTD Income is $7k above budget, key variances include:
- Business Training is up $18k due to timing of workshops
- Visit Waimakariri income is down $14k due to timing of programmes (OVG in particular)
- EQ Support is $6k up due to an unbudgeted grant from DIA

YTD Expenses is $64k below budget, key variances are:
- Business Training is up $15k due to increase in workshops (timing)
- Regional Business Partner down $5k due to allocation of staffing hours
- Business Attraction is down $26k due to research and marketing not fully completed
- Visit Waimakariri are down $37k as marketing collateral not produced this period (OVG, Walking & Cycling, District Map) and ChristchurchNZ contribution deferred

The forecast trading result shows a surplus of $19k compared with the budgeted surplus of $6k. This $14k surplus primarily relates to the grant from DIA.

The debtors ledger shows a debit of $287 at 90+ days, and $2,280 at 60-90 days. We are confident in receiving all outstanding debts.

5. **Sponsorship**

ENC is grateful to new and existing sponsors of the business centre
- We secured sponsorship for the two networking functions this period
- We have also secured new and existing sponsors for the 2018 North Canterbury Business Awards

6. **Staff**

- This period Pattie resigned after two and a half years at ENC as communications advisor to take up a role at Oasis Beauty. Amelia has picked up the extra 8 hours per week
- Sarah resigned as district promotion manager after five years at ENC.
- Janine Rogers was contracted in October to investigate cycling and walking trails in the district, sell advertising in the new official visitor guide and to complete various projects.

7. **Governance**

There were 14 applications for the two positions of ENC Trustee. The Mayors interviewed a shortlist of five. Clare Giffard (owner of Flat White Café and Urban Revival) along with Holly Sterne (GM of Patoa Farms) were the successful applicants.
8. **Summary**

Successful Economic Development is about long term partnerships. It involves creating an economic vision and an environment that is conducive to business growth while meeting the needs of local communities.

Business development is more short term, helping individual businesses and achieving relatively quick results.

While the economic development goals of Local Government and Central Government can be different, Economic Development Agencies like ENC can align governmental goals with those of the business community so that each ‘agency’ strengthens the work of the other. None of these agencies could succeed alone.

- Central Government sets the economic environment through legislation, government priorities and macro policies looking at the good of the nation.
- Local Government is the steward of place and sets strategies, frameworks and infrastructure to achieve goals that meet the needs of their residents and communities.
- Economic Development Agencies work with businesses to enable them to achieve their individual and sector goals while increasing the opportunities for them to achieve the goals set by Local and Central Government. EDA’s also provide a ‘front-line’ perspective that assists local and central government to stay informed of what is happening in the business community.

We continue to be confident that ENC capably fulfils the role of a successful Economic Development Agency for North Canterbury.

Nick Harris  
Chairman

Heather Warwick  
Chief Executive
## Profit & Loss [Budget Analysis]

**Actuals July 2017 through to December 2017**

### Income

<table>
<thead>
<tr>
<th>Description</th>
<th>Period Actual</th>
<th>Period Budget</th>
<th>$ Difference</th>
<th>Percentage Variance</th>
<th>Annual Budget</th>
<th>Revised Annual Forecast</th>
<th>Slides Forecast used</th>
</tr>
</thead>
<tbody>
<tr>
<td>NCDA Awards Income</td>
<td>$3</td>
<td>$0</td>
<td>$3</td>
<td>100%</td>
<td>$0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td>Biz Training Income</td>
<td>$55,628</td>
<td>$37,704</td>
<td>$17,924</td>
<td>F</td>
<td>$71,606</td>
<td>$71,606</td>
<td>$71,606</td>
</tr>
<tr>
<td>Regional Business Partner Income</td>
<td>$33,553</td>
<td>$33,554</td>
<td>0</td>
<td>0%</td>
<td>$33,554</td>
<td>$33,554</td>
<td>$33,554</td>
</tr>
<tr>
<td>Biz Attraction Income</td>
<td>$69,003</td>
<td>$71,315</td>
<td>($2,312)</td>
<td>U</td>
<td>$73,625</td>
<td>$73,625</td>
<td>$73,625</td>
</tr>
<tr>
<td>Event Income</td>
<td>$51,695</td>
<td>$50,104</td>
<td>$1,591</td>
<td>F</td>
<td>$51,695</td>
<td>$51,695</td>
<td>$51,695</td>
</tr>
<tr>
<td>Kalapee VDC Income</td>
<td>$95,700</td>
<td>$93,647</td>
<td>$2,053</td>
<td>F</td>
<td>$97,753</td>
<td>$97,753</td>
<td>$97,753</td>
</tr>
<tr>
<td>Visit Waimakariri Income</td>
<td>$85,121</td>
<td>$93,632</td>
<td>($8,511)</td>
<td>U</td>
<td>$91,922</td>
<td>$91,922</td>
<td>$91,922</td>
</tr>
<tr>
<td>Earthquakes Support Income</td>
<td>$28,421</td>
<td>$27,300</td>
<td>$1,121</td>
<td>F</td>
<td>$29,522</td>
<td>$29,522</td>
<td>$29,522</td>
</tr>
<tr>
<td>Business Centre</td>
<td>$44,743</td>
<td>$46,114</td>
<td>($1,371)</td>
<td>U</td>
<td>$45,776</td>
<td>$45,776</td>
<td>$45,776</td>
</tr>
<tr>
<td>Management - Admin Expenses</td>
<td>$131,281</td>
<td>$130,754</td>
<td>$527</td>
<td>F</td>
<td>$131,781</td>
<td>$131,781</td>
<td>$131,781</td>
</tr>
</tbody>
</table>

**Total Income**

- **$686,649**
- **$699,236**
- **($12,587)**
- F
- $1,215,957
- $1,235,838

### Costs Of KVIC Sales

- **KVIC Purchases Retail**
  - $593
  - $600
  - ($7)
  - F
  - $1,200
  - $1,200
  - 41.92%

- **KVIC Cost of Trading Activities**
  - $42,371
  - $43,000
  - ($629)
  - U
  - $93,190
  - $93,190
  - 42.47%

- **Total Cost Of Sales**
  - $42,974
  - $44,603
  - ($1,629)
  - F
  - $94,390
  - $94,390

### Net Income

- **$55,675**
- **$555,127**
- **$9,648**
- F
- **$1,131,141**
- **$1,141,248**

### Expenses

- **NC business expenses**
  - $9,385
  - $3,037
  - **(6,348)**
  - **F**
  - **$15,667**
  - **$15,667**
  - **49.90%**

- **Biz Training Expenses**
  - $66,983
  - $64,614
  - **$2,369**
  - **U**
  - $91,610
  - $97,319
  - **61.12%**

- **Regional Business Partner Expenses**
  - $45,873
  - $30,588
  - **$15,285**
  - **F**
  - $100,153
  - $94,353
  - **47.92%**

- **Other Towns Support Expenses**
  - $6,054
  - $7,727
  - **($1,673)**
  - **F**
  - $16,440
  - $15,443
  - **9.93%**

- **Biz Attraction Expenses**
  - $48,534
  - $42,911
  - **$5,623**
  - **U**
  - $145,313
  - $148,163
  - **1.90%**

- **Event Expenses**
  - $60,056
  - $59,282
  - **$774**
  - **U**
  - $91,053
  - $91,813
  - **0.80%**

- **KVIC Expenses**
  - $46,964
  - $51,261
  - **($4,297)**
  - **F**
  - $102,453
  - $102,453
  - **0.88%**

- **Visit Waimakariri Expenses**
  - $51,493
  - $103,314
  - **($51,821)**
  - **F**
  - $100,658
  - $199,108
  - **59.50%**

- **Earthquakes Support**
  - $32,049
  - $33,302
  - **($1,253)**
  - **F**
  - $20,262
  - $33,421
  - **57.33%**

- **Business Centre**
  - $45,296
  - $48,454
  - **($3,158)**
  - **F**
  - $93,682
  - $93,682
  - **0.89%**

- **Management Admin Expenses**
  - $89,982
  - $97,870
  - **($7,888)**
  - **F**
  - $100,729
  - $195,729
  - **49.02%**

**Total Expenses**

- **$417,816**
- **$614,616**
- **($266,800)**
- F
- **$1,145,400**
- **$1,535,287**

### Operating Profit

- **$55,810**
- **$72,206**
- **($16,396)**
- F
- **$9,219**
- **$2,721**

### Other Income

- **Interest Income**
  - $7,150
  - **$8,000**
  - **($650)**
  - **U**
  - **$16,000**
  - **$16,000**
  - **4.81%**

### Total Other Income

- **$7,150**
- **$8,000**
- **($650)**
- **U**
- **$16,000**
- **$16,000**

### Other Expenses

- **$0**
- **$0**
- **$0**
- F
- **$0**
- **$0**

### Net Profit / (Loss)

- **$12,034**
- **$13,121**
- **($1,087)**
- F
- **$0,791**
- **$18,101**
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 foster an Exceptional North Canterbury by encouraging the development of exceptional infrastructure, businesses and experiences”

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 and highest of ethics
- Be innovative, proactive and professional in all aspects of its operations
- Work collaboratively in all activities it facilitates or undertakes
- 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 foster an Exceptional North Canterbury by encouraging the development of exceptional businesses and experiences

Strategic Objective 1: Exceptional Businesses (including Agriculture)

<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></td>
<td>Undertake 52 Capability Assessments and issue a minimum of $80,000 NZTE Vouchers</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A minimum of 24 businesses referred to Business Mentors NZ</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Refer at least 2 businesses undertaking research and development work to Callaghan Innovation</td>
</tr>
<tr>
<td></td>
<td>Provide training of local business owners and managers</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>Provide networking opportunities to market, share knowledge, exchange information three times a year</td>
<td>Run 3 networking functions with a minimum of 60 attending and each event is fully sponsored</td>
</tr>
<tr>
<td></td>
<td>Support local businesses by referring them to the appropriate support agency</td>
<td>A minimum of 60 businesses referred to external agencies (excluding BMNZ)</td>
</tr>
<tr>
<td></td>
<td>Expand ENC’s Business Partner Programme to provide increased services to local businesses</td>
<td>Retain financial commitment of business partners</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A 10% increase in business partners signed up</td>
</tr>
<tr>
<td>Objective 1.2</td>
<td>Communicate with businesses so they are well informed about services and support available to them</td>
<td>A minimum of 10 electronic newsletter distributed Enhance northcanterbury.co.nz website and Facebook and increase number of visitations Grow social media channels and website visitors by 10%</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
<tr>
<td>Objective 1.2 Celebrate and Recognise Business Leaders in the region</td>
<td>Organise the biennial business awards Gala Dinner and Ceremony</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 Undertake analysis of regional employment opportunities and trends</td>
<td>Have a high level of understanding of local labour market conditions and economic confidence in North Canterbury</td>
<td>ENC complete 2 business confidence surveys with a minimum of 50 businesses participating and results are 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>
<td>Survey completed and distributed in nominated township Business initiatives are created following engagement ENC to assist in implementing two activities as a result of their engagement</td>
</tr>
<tr>
<td>Objective 1.5 Manage the ENC Business Centre for local businesses to use</td>
<td>Achieve revenue targets as included in the Business Case justifying the establishment of the Business Centre Partner with private sector to fund the rental and running costs of business centre Grow the use of the Business Centre with new initiatives</td>
<td>Business centre is well utilised and external bookings are increased by 10% compared with the prior year Retain the aggregate level of current sponsorsship Run quarterly ‘Talk with the Experts’ sessions Two monthly BDO ‘Business Discovery’ sessions Two new business forums</td>
</tr>
</tbody>
</table>
Strategic Objective 2: Promote the Waimakariri District
Service delivery agreed annually between WDC and ENC

<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</td>
</tr>
<tr>
<td><strong>2.1 Business Promotion</strong></td>
<td>Integrate online business information with visitor information</td>
</tr>
<tr>
<td></td>
<td>Implement the agreed Investment Strategy for ENC/WDC</td>
</tr>
<tr>
<td></td>
<td>Write case studies to promote the reasons why businesses choose to set up in the district</td>
</tr>
<tr>
<td></td>
<td>Work with private developers to assist promotion of their developments in the Waimakariri</td>
</tr>
<tr>
<td></td>
<td>Work alongside WDC on the regeneration areas (red zone) in Kaiapoi with regard to business use land</td>
</tr>
<tr>
<td></td>
<td>New start up businesses are supported by the Business Support team</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>2.2 Enhance the Visitor Experience</strong></td>
<td>Produce district marketing publications</td>
</tr>
<tr>
<td></td>
<td>Manage online marketing channellets (web, Facebook and Instagram)</td>
</tr>
<tr>
<td></td>
<td>Coordinate joint advertising opportunities with operators</td>
</tr>
<tr>
<td></td>
<td>Operate the Kaiapoi i-SITE</td>
</tr>
<tr>
<td></td>
<td>The number of visitors attracted to the Districts accommodation, attraction and activities is increased as measured by growth in CAM guest nights; visitor spend measured by MBIE; online presence through website page visits and Facebook likes and newsletter uptake, user pay publications are produced.</td>
</tr>
<tr>
<td></td>
<td>Meet i-SITE criteria standards, increase contacts and sales at the i-SITE by 10%</td>
</tr>
</tbody>
</table>

| **2.3 Connect with Residents** | Promote and support quality events which reinforce the strengths and brand of the District and are embraced by the community |
| | Administer the contestible and non contestible funding |
| | Number of events promoted increase by 10% |
| | Events Calendar distribution increases by 10% |
| | Event fund is fully distributed |
| | Event fund is widely promoted, applications considered and fund fully distributed |

| **2.4 Develop new Products** | Work with the private sector investors to plan and develop their new visitor attractions |
| | Two new visitor attractions commenced and promoted by ENC |
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>

TBA = Councils to determine 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 2018. 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.

---- 0000----
We are very pleased with the results being achieved in promoting Waimakariri District in the first six months of this year.

WAIMAKARIRI DISTRICT PROMOTION PLAN OBJECTIVES

To promote the District as an innovative and progressive place to live, work, stay, play, and prosper by:

- Business Promotion – market the district so that more businesses want to set up here
- Enhance the Visitor Experience – collectively market the district to visitors and provide quality information services
- Connect with residents – increase local pride, awareness of events and endorse their own district to friends and family
- Develop new products – grow the districts offering by assisting and promoting new visitor attractions

1. Goals

To achieve the Promotion Objectives the 2017/18 Promotion Plan has four key goals with an aim to attract visitors and new businesses through marketing and events, profiling why it is worth visiting/investing in/doing business in/relocating to.

GOAL 1: BUSINESS PROMOTION (Business Sector)

ENC are mandated to promote the Waimakariri District as a great place to do business and set up a business. ENC’s role in business investment/promotion – Miles Dalton (20 hours per week) and Amelia Norman (communication and online):

1. Assisting existing businesses with their growth goals (new staff, expansion)

Retain existing and expanding businesses:

- Worked with 83 Waimakariri businesses (one on one) in six months to 31 December.
Ran 7 workshops to upskill existing businesses with 72 attending
Proactively approached established businesses that are not in the ENC database to offer our services. We have approached 47 businesses over this period
Welcomed new businesses to the district through social media and our newsletter along with either calling them or visiting them personally to gain their approval to be promoted via our channels.
One particular business was Misco Joinery. ENC invited them to morning tea and introduced them to many local businesses. Misco have since become an ENC Business Sponsor and have offered to host a networking function at their new premises. They have 40 staff that have relocated to the district.

2. Acting as the first point of contact for all new business enquiries.

ENC worked with 17 business interests, 12 of whom remain interested and 2 who now seem extremely likely to establish businesses in the Waimakariri.

While ENC is not able to name businesses due to strict commercial sensitivity and confidentiality, we can confirm that substantive discussions are occurring with:

- A blackcurrent processing plant looking at relocating from Auckland
- A biotech venture developing probiotics for stock
- A large scale food producer looking at building a factory in the Waimak
- An American chain of weight loss clinics developing a new product and looking at basing production in the Waimak.
- A weight loss clinic (by the same investors as above).
- An indoor produce market
- A counselling/wellbeing centre
- A tourism venture based around a working Meadery (to be built)
- A current Waimak manufacturer who is expanding and was considering Selwyn as a location
- An investor looking at purchasing an existing business in the Waimak.
- A retail co-operative
- An online retailer looking at establishing their offices and storage in the Waimak
- An artists’ co-operative
- An international golf academy
- Four Councils – a two day cycle trail from Christchurch to Waipara with the first night in Waimakariri

The ENC Business Support Manager (BSM) provided business start advice to 35 people in the 6 month period to 31 Dec 2017. These included people scoping an idea, and new businesses just getting started. They approached ENC through word of mouth and our website.

The types of business (sector) included:

- 7 trades and services
- 5 tourism and hospitality
- 9 professional services
- 7 retail
- 1 primary industry
- 4 manufacturing
- 1 wholesale and distribution
- 1 arts and recreation

Of these businesses, 18 were working towards setting up a new business and 17 had already started and needed some help.
3. Working with existing developers to enable them to achieve tenants for their developments

This six month period ENC has:

- Worked with Ravenswood, Silverstream (Fred Rahme and Devon Construction), Andrew Wenborn, PLC Developments and Daniel Smith Developments to promote commercial and industrial land.
- Met with Harcourts Commercial Agents to explain our role in business promotion and development. This was very well received.
- Presented (in conjunction with Simon Hart) to a Chinese Business Delegation who were exploring investment opportunities in the area. This led to them requesting we take them on site in Ravenswood and Pegasus which we did.
- Had a stall at the Christchurch A&P Show presenting the district. We got 2 good leads.
- Held their networking function in December 2017 at Urban Revival, sponsored by Silverstream Investments, with over 100 business people attending
- Provided key statistics on the district to interested tenants to all developments. For example Eagle Brewery, and 4 other confidential potential developments
- Over the past six months ENC interviewed a range of developers, business owners and other stakeholders in the Waimakariri District. This enabled us to develop suggestions on how to take Waimakariri forward in a way that works for both investors and those already invested in the region.
- Been part of the working group developing the plan for the Kaiapoi recovery zone, and advised Council on what is needed to attract appropriate businesses to the zone.

4. Promote the district as a diverse and dynamic business community

In this period ENC has promoted the image of a diverse and dynamic business community via our website news articles and social media channels. Some of the stories have included:

- Misco Settles into Kaiapoi
- Urban Revival Café Opens
- Eagle Brewing to Land in Kaiapoi
- Ravenswood Ramps Up
- Trike Brand Set To Boom

For the six months to December 2017, 221 unique visitors viewed our extensive informational Business Start Up Page and 2,126 visits to the Invest Waimakariri section of the website (note: this counts all of the pages in the Live, Invest & Regional Profile sections of the site)

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 has been completed. Including material on community assets, employment statistics, spending, social and school

A good level of generic information is now available throughout the website with specific information provided as required. We have provided specific information to developers, potential investors and tourism operators as well as potential new small businesses.

Commercial and industrial zone maps are available from the WDC (linked from our website). Providing an up-to-date record of buildings and land available has proven impractical and we link to the various agents around the district instead.
ENC staff work very closely with Simon Hart (Business and Centre’s Manager). They also attended the series of workshops that Council are running for the regeneration area utilisation for both recreation and business land use. Please see Appendix ONE on the roles of each organisation in business promotion and support.

**GOAL 2: ENHANCE THE VISITOR EXPERIENCE (Visitor Industry)**
*Visit Waimakariri will continue to leverage the Waimakariri District profile widely*

### 2.1 MARKETING

#### 2.1.1 Marketing Promotion

- We were asked by Blackwells to coordinate a feature in The Press on Kaiapoi. We obtained 10 advertisers with the page featuring on Wednesday July 12th.
- In November, staff from Visit Waimakariri and ENC facilitated a Trade Stand promoting the Waimakariri District at the Christchurch A&P Show over three days. All aspects of ENC were provided including, business promotion, support, business centre as well as events and visitor attractions. We ran a competition for sign ups to the events newsletter and had ENC staff on hand to talk about business in the Waimakariri.
- In November, staff from Visit Waimakariri and ENC along with WDC staff and volunteers attended a Trade Stand at the Hui-A-Iwi promoting the Waimakariri District.
- In December ENC coordinated a full page in the Press “Summer in Kaiapoi” with 10 advertisers and listing the Top Summer Things to do in Kaiapoi.

#### 2.1.2 Marketing Publications

- We continue to distribute the North Canterbury Food and Wine Trail Guide and will do so until the supply of guides and/or the funding is depleted.
- Devlin and Harcourts Kaiapoi have confirmed their ongoing sponsorship to cover the costs of the Rangiora and Kaiapoi Street Maps
- We were successful in signing up 30 local operators to produce the 2018 Official Visitor Guide. This guide which is fully funded by operators. It is now with the designer and content writer.
- Received grants for $3,500 from CERT and $3,500 from Southern Trust for the printing and distribution of the new walking and cycling guide to be produced.

#### 2.1.3 Website and online channels

- The website of [www.visitwaimakariri.co.nz](http://www.visitwaimakariri.co.nz) and social media is constantly updated to promote the district. Total unique visitors 71,323 vs 79,352 for same period last year.
- Social media engagements on Facebook have grown from 2,866 likes to 3,204 and our Instagram followers are 485
- We ran a Facebook campaign promoting “Roast Meals in the Waimakariri” featuring five business partners which reached 19,151 people with 1488 website clicks for a ROI of 0.06c. Two business partners reported a rise in the roast meals purchased and ChristchurchNZ went on to do the same promotion.
- Ran a successful campaign over the Christmas period via Facebook on Waimak Walks which reached 11,794 people with 789 links through to our webpage.

### 2.2 Coordination

#### 2.2.1 Visit Waimakariri Visitor Industry Partnership

- Visit Waimakariri Business Partner sales were undertaken in July 2017 with 58 partners signing up. We lost ten partners in the last year but gained four. These businesses fund the Visit Waimakariri website.
- After a meeting with the Pegasus Resident Association, we now have a dedicated and branded signage board in their new community meeting rooms which stocks our brochures, events and promotions.
We have been working with the Dept of Conservation on the condition of the Ryde Falls Track, conservation week and the promotion of our forested conservation areas and together we have six walks in the CCC Walking Festival.

We presented to 25 Inbound Tour Operators’ (ITO) at a Trade Event with ChristchurchNZ and other Canterbury organisations. A Waimakariri Trade Manual was produced for this event that featured our Trade Ready Products and why they should include the Waimakariri in their future itineraries. Of the 25 ITO’s, three were already trading in our district and 12 requested 2019 commissionable rates.

2.2.2. Town Centre Promotion and Support

ENC hosted one Promotion Associations Chairs meetings on the 3rd of November.
In December, post Carnival and Jordan Luck concert, we met with members from KPA, Martin Pinkham, Dan Gordon, Simon Hart on future events and relationships.
We assisted KPA to promote the Jordan Luck concert and Carnival. We got a very good rate through Fairfax and North Canterbury News. The advertising totalled $10,694+GST.

2.2.3 Other Stakeholders

Regular liaison has been maintained with local, regional and national stakeholders.
Visit Waimakariri attended a Tourism Infrastructure Fund Meeting (TIF) with other district councils. TIF is not immediately relevant to us but we will consider future funding rounds.
Continually working with DOC and TTKT Coastal Park with their open day and guided walks
Support Rangiora Museum and Ashley Rakahuri River Care by hosting their website as part of the Visit Waimakariri website.

2.3. Operate and grow the Kaiapoi i-SITE

Provide coordinated, consistent and professional district-wide information to residents and visitors.

The i-SITE serves the local community by connecting visitors with residents and businesses. This is six month period:
Visitor numbers were up 20% for December 2017 with the re-opening of State Highway One, however down 12% for the 6-month on the same period to Dec 2016.
Gross Bookings YTD are $42,300 (excl GST), overall down 11% - with Transport down 33%, Accommodation up 4%, Activities/Attractions up 26 %. Transport bookings have been impacted by Kaikoura EQ with no Coastal Pacific and Ferry bookings were well down.
Fish & Game NZ licences were up 42% YTD. A free give away ‘Check, Clean, Dry packs’ was introduced with licence purchases. Supplied free of charge from MPI.
I-SITE NZ successfully negotiated increased commissions with Great Journeys of New Zealand Partnership Agreement that will give i-SITEs a 15% commission instead of 10%.
Kaiapoi i-SITE achieved Qualmark quality assurance this period.
Assisted the community with selling tickets to five local events and/or being a distribution point.
45 local tourism operators pay and display generated a revenue of $2,275 per annum

WDC requested that ENC submit background information and economic and community benefits that the Kaiapoi i-SITE provides to the district. This report will form the basis of a workshop to be held by the Audit and Risk Committee in April 2018.

GOAL 3: CONNECT WITH RESIDENTS (Visitor Industry)

Increase local pride, awareness of events and endorse their own district to friends and family

3.1 Event Promotion

We continue to market Waimakariri Events:
The “Waimakariri Events Guide” is published in The Northern Outlook and The News every month.
A printed events guide is distributed to 115 locations. A monthly Event Newsletter is distributed to our Event Database of 1220 which has grown by 22%.

Events are promoted through the online channels – our website and Social Media, BNZ community e-Noticeboards and WDC e-Noticeboards, Christchurch and Rangiora Mum’s feature our main events in their newsletter and through their online social media.

Through the Rangiora Winter Festival organisers, we directed those that entered the Singapore Airlines competition to further check out the Waimakariri by directing them to a “Top Things To Do” landing page.

We coordinated event entry prizes for a WDC Facebook campaign.

Focus this year was on running more competitions and doing more targeted boosted posts to grow our engagement further.

We coordinated a full page of ‘Waimakariri Events’ showcasing six key events in the local papers in September and December in the Northern Outlook and North Canterbury News along with a half page spread in The Press. These pages are funded by the advertisers. This also included a digital campaign which generated a reach of 11,579 with a CPC of .16c.

The number of events promoted by Visit Waimakariri Website for the period of this report was 304.

Printing.Com continues as our sponsor for the colour printing of the event calendar.

### 3.2 Contestable Event Funding

The Waimakariri Events Funding Group reviewed 10 funding applications. Eight met the criteria and were successful in being granted $26,519. Thus, the following events were approved for funding in the August 2017 round:

<table>
<thead>
<tr>
<th>Event</th>
<th>Who</th>
<th>When</th>
<th>Approved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pegasus Bay Art Show</td>
<td>Pegasus Bay School PTA</td>
<td>13 - 15th October</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>USA Day</td>
<td>American Car Club</td>
<td>5th October</td>
<td>$809.00</td>
</tr>
<tr>
<td>Celebration Night</td>
<td>Rangiora Promotions</td>
<td>23 November 2017</td>
<td>$2,500.00</td>
</tr>
<tr>
<td>Jordan Luck Concert</td>
<td>Kaiapoi Promotions</td>
<td>7 December 2017</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Downtown Street Party</td>
<td>Rangiora Promotions</td>
<td>25th January 2018</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Children’s Party</td>
<td>Reflections Community Trust</td>
<td>4 March 2018</td>
<td>$910.00</td>
</tr>
<tr>
<td>The Colour Festival</td>
<td>Karl Howorth</td>
<td>24 March 2018</td>
<td>$5,000.00</td>
</tr>
<tr>
<td>Eats and Beats</td>
<td>Rangiora Promotions</td>
<td>1 April 2018</td>
<td>$5,000.00</td>
</tr>
</tbody>
</table>

### 3.3 Non-Contestable Event Funding

There is no change in the non-contestable fund since the last report as all funds were allocated.

A review of the existing event funding programme and promotion has been undertaken by an external contractor, Angela Gordon. This will be considered in March by the independent events panel of three, Dan Gordon, Simon Markham and Heather. A report will be provided back to the WDC Audit and Risk Committee with recommendations.

**GOAL 4: DEVELOP NEW PRODUCTS (Visitor Industry)**

Grow the districts offering by assisting and promoting new visitor attractions

- Wheels to Wine:
  - The concept for an off-road two day cycle tour from Christchurch to Waipara was well accepted by a meeting of HDC, WDC, ECAN, ENC and Hurunui Tourism senior staff. The key to making the project work is the collective will, intellect and experience of all parties. The next steps are to seek support from all four Councils for joint funding of a project management role to drive the project.

- Cycle Discovery Project:
  - Janine Rogers has met with parties including Ground Effects, Waimakariri Women’s Cycling Club, Andy Pope and Gary Cattermole and Martin Pinkham.
Plotted trails onto a district map and met with DOC and WDC. Looking to looping or joining existing trails (this includes private land also).

- The IT/GIS team at WDC are looking to create a map and an ‘app’ for the district, starting mid January. The app will be more than just cycling eg walkways, parking, playgrounds, dog friendly areas, public toilets, refuse Stations, freedom camping areas, beaches, fuel stations and camping grounds.

### 2. Financials

<table>
<thead>
<tr>
<th></th>
<th>Six Months Actual</th>
<th>Annual Budget</th>
<th>%age</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Carried forward from previous Year WDC</td>
<td>$22,056</td>
<td>$84,566</td>
<td>26%</td>
</tr>
<tr>
<td>WDC 2016/17 Payment</td>
<td>$213,776</td>
<td>$421,140</td>
<td>50%</td>
</tr>
<tr>
<td>Other Income</td>
<td>$27,500</td>
<td>$93,651</td>
<td>30%</td>
</tr>
<tr>
<td>VIC Sales and Commissions</td>
<td>$49,082</td>
<td>$105,000</td>
<td>47%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>$312,414</td>
<td>$704,357</td>
<td>44%</td>
</tr>
<tr>
<td><strong>Expenditure</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>$193,549</td>
<td>$521,688</td>
<td>37%</td>
</tr>
<tr>
<td>Event Grants</td>
<td>$26,900</td>
<td>$87,853</td>
<td>30%</td>
</tr>
<tr>
<td>VIC Purchases</td>
<td>$42,875</td>
<td>$94,390</td>
<td>45%</td>
</tr>
<tr>
<td><strong>Total Operating</strong></td>
<td>$263,324</td>
<td>$703,931</td>
<td>37%</td>
</tr>
<tr>
<td><strong>Surplus/Loss</strong></td>
<td>$49,090</td>
<td>$426</td>
<td></td>
</tr>
</tbody>
</table>

1. Other Income is down due to timing of producing publications (OVG, Street Maps). These will all go ahead in the coming six month period.
2. Operating Costs down due to timing of programmes including business attraction and production of publications and ChristchurchNZ contribution
3. Event Grants is down due to timing of pay outs. Most events occur in first quarter of 2018.

### 3. Summary

ENC staff had a very productive and busy time this last six months promoting the Waimakariri District to local residents (events), visitors and business interests.

Attracting more visitors who spend more and stay longer provides economic benefits. Making investment in Waimakariri easy for businesses, entrepreneurs and investors will also enable economic growth.

ENC through *Visit Waimakariri* provide visitors with a reason to experience this distinctive district. It is our role to promote and assist with the development of new products for the region to remain competitive.

Waimakariri competes with other districts in New Zealand and needs to support creative entrepreneurs from within Waimakariri and further afield to develop and grow our business sectors. To achieve this, ENC must ensure that our efforts reflect the vision and direction provided by WDC’s policy and planners. The valuable relationships we are developing across districts, Councils and with the private sector allow us to investigate and progress new experiences and opportunities.

Heather Warwick, Chief Executive
APPENDIX ONE

What does the ENC Business Support Manager do?

ENC conducts business attraction/promotion activities by promoting the district as a destination for businesses, relationship development and management. ENC also offers a number of business support functions including best practice advice to existing businesses, professional training and development, and networking opportunities.

Miles is ENC’s business support manager and has been in the role 4 years. Taking up business investment/promotion activity is a natural extension to his role. He is also a business analyst and can provide district wide specific statistics to any interested party.

Miles works closely with prospective businesses to help them in all aspects. This includes:

- Independent and honest feedback to potential investors
- Having important conversations with businesses that Council cannot have due to their role as a regulatory authority.
- Provision of statistical information and demographics to help with decision-making
- Helping potential investors identify and address risks to the business
- Connecting potential investors to expertise and assistance within the Waimakariri as well as nationally and internationally
- Connecting potential investors with the best land/buildings to address their needs
- Offering moral support and ‘hand-holding’ to investors when needed
- Connections to assistance with investor networks, research and development assistance and owner upskilling.
- Providing funding to assist with owner upskilling and/or research & development.
- Hosting Promotion Association Chairperson’s meetings quarterly
- Providing essential advocacy and coordination for the business and commercial sectors with regard to provision of information to Council planning and strategies
- Be a safe and confidential sounding board for local businesses. Sometimes this has led to feedback to Council on how to improve service
- Handshaking conversations to Council with local businesses who may be nervous about talking to a regulatory authority
- ENC is also part of various working groups, including the Kaiapoi Regeneration Zone reference group.

Miles works closely with Simon Hart, Business and Town Centres Manager at the Council who also assists business, but has the focus on ensuring a business is able to comply with council requirements.

What does the Business and Centre Manager Do? (as written by WDC)

Simon Hart’s role provides a senior relationship management advice and support for business interaction with Council’s regulatory functions and services to maximise the Council’s contribution to business development. It also aims to implement town centre strategies, plans and projects and the Council’s economic development strategy while enhancing its working relationship with business at large and ENC. This includes:

- Being the custodian of the Council’s Local Economic Development Strategy in terms of development and implementation of relevant strategies and plans
- 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.
• Developing and implementing 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).
• Lead, guide and support the coordinated development and implementation of its Town Centre strategies and plans
• Coordinate and manage key business and town centre related projects
• Providing ongoing monitoring of resource consents conditions
1. SUMMARY

1.1. The purpose of this report is to present the Statement of Intent (SOI) for Te Kōhaka ō Tuhaitara Trust (TKTT) for the year ending 30 June 2019 for consideration by the Audit and Risk Committee.

1.2. The Trust also would like to provide a presentation of the Business Case that documents the way the Trust will achieve its strategic objectives and priorities.

1.3. Under its delegation the Audit and Risk Committee considers the SOI and provides may comments that it wishes the Trustee to consider in the SOI and other information in relation to the CCOs.

1.4. TKTT is required to consider the comments from Shareholders (Council & Ngai Tahu) within two months of the 1 March and deliver the completed SOI to the Shareholders on or before 30 June each year. The SOI was received on the 14 February 2018.

1.5. Catherine McMillan (Trust Chair) & Greg Byrnes (General Manager) will be in attendance at the meeting to provide a presentation & speak to the report.

Attachments:

i. Draft Statement of Intent for Te Kōhaka ō Tuhaitara Trust for the year ending 30 June 2019, with track changes (TRIM 180314027464)

ii. Te Kōhaka ō Tuhaitara Trust Business Case that incorporates the newly acquired areas in Kairaki, pines Beach and the Eastern and Western Conservation Management areas (trim 180314027468).

2. RECOMMENDATION

THAT the Audit Committee recommends that the Council:

(a) Receives report No 180313026469.

(b) Receives the Statement of Intent for Te Kōhaka ō Tuhaitara Trust for the year ending 30 June 2019.

2.1. Notes that under the Local Government Act 2002, the Audit and Risk Committee may request Te Kōhaka ō Tuhaitara Trust to make changes to the Statement of Intent. Te
Kōhaka ò Tuhaitara Trust would consider these changes requested and re-p resent the Statement of Intent prior to the 30 June;

2.2. **Receives** the Business Case for Te Kōhaka ò Tuhaitara Trust and notes that the Council has made provision in the draft 2018-28 for an additional $120,000 per annum to the Trust to assist in its operations.

3. **BACKGROUND**

3.1 TKTT is a Council Controlled Organisations (CCOs) as determined under the Local Government Act (LGA), as the Council appoints 50% or more of the Trustees.

3.2 Under section 64 of the LGA, the CCO must have a Statement of Intent that complies with clauses 9 and 10 of Schedule 8, provided in section 7.2 of this report.

3.3 One of the principal objectives of a control-controlled organisation is to achieve the objectives of its shareholder Council, as specified in the Statement of Intent.

4. **ISSUES AND OPTIONS**

4.1. The Trust provided the draft SOI for comment and a business case to support the Strategic direction of TKTT that encompasses the newly acquired areas in Kairaki, Pines Beach and the Eastern and Western Conservation Management areas.

4.2. The purpose of a SOI is to:

   (a) state publicly the activities and intentions of a council-controlled organisation for the year and the objectives to which those activities will contribute; and
   
   (b) provide an opportunity for Council, being a shareholder, to influence the direction of the organisation; and
   
   (c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

4.3. The purpose of the Business Case is to provide a strategic framework that identifies the way TKTT will meet its strategic objectives and priorities including how it is aligned and contributes to;

   - National Polices; and
   - the customs and customary practices of Ngai Tahu Whanui Values; and
   - the Waimakariri District Councils community outcomes.

4.4. Changes made to the SOI, other than date changes the draft SOI is generally unchanged except for two measures of the newly acquired areas. These inclusions are:

   - Objective 16 (reworded)
     Complete the development of The Pines and Kairaki Beaches Concept Plan and inclusion of this area into the Tuhaitara Coastal Reserves Management Plan.
   
   - Objective 17 (new)
     Complete the inclusion of the Pegasus Town ECMA and WCMA areas into the Tuhaitara Coastal Reserves Management Plan.

4.5. The Audit and Risk committee have the option to:

   4.5.1. Accept the SOI as presented;
   
   4.5.2. Request TKTT to consider amending the SOI, in which case TKKT would consider these changes and is required to under the Act to represent the SOI to Council prior to 30 June;
4.5.3. The Council could receive the Business Case and / or provide feedback on areas within the Business Case.

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

5. **COMMUNITY VIEWS**

5.1. **Groups and Organisations**
Not specifically sought, however the performance measures include reporting requirements to both Ngai Tahu and the Ngai Tuahuriri Runanga.

5.2. **Wider Community**
The objectives and measures are reported within annual plans and the draft LTP to be adopted in June and are reported to within the Annual Report.

6. **IMPLICATIONS AND RISKS**

6.1. **Financial Implications**
6.2. The Council has budget provision in the 2018/19 year of Draft LTP totalling $243,390 consisting of:

<table>
<thead>
<tr>
<th>Activity</th>
<th>2018/19</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operating Grant, including audit fees</td>
<td>204,120</td>
</tr>
<tr>
<td>Directors insurance</td>
<td>5,450</td>
</tr>
<tr>
<td>Meeting Fees</td>
<td>2,750</td>
</tr>
<tr>
<td>Lease Camp</td>
<td>10,000</td>
</tr>
<tr>
<td>Lease Forestry</td>
<td>21,070</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>243,390</strong></td>
</tr>
</tbody>
</table>

6.3. The Council also provides for the accounting, payroll and administrative services for the Trust.

6.4. **Community Implications**
6.5. The Statement of Intent provides the opportunity for Council to participate with setting direction, objectives, and the accountability measures the Trust will use to communicate its activities to Council.

6.6. **Risk Management**
n/a

6.7. **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**
The following are some relevant extracts from Schedule 8 of the Local Government Act 2002:

1. **Purpose of statement of intent**
The purpose of a statement of intent is to—
(a) state publicly the activities and intentions of a council controlled organisation for the year and the objectives to which those activities will contribute; and
(b) provide an opportunity for shareholders to influence the direction of the organisation; and
(c) provide a basis for the accountability of the directors to their shareholders for the performance of the organisation.

2 Statements of intent for council-controlled organisations

The board of a council-controlled organisation must deliver to its shareholders a draft statement of intent on or before 1 March each year.

3 Completion of statements of intent

The board must—
(a) consider any comments on the draft statement of intent that are made to it within 2 months of 1 March by the shareholders or by any of them; and
(b) deliver the completed statement of intent to the shareholders on or before 30 June each year.

4 Modifications of statements of intent by board

The board may, by written notice, modify a statement of intent at any time if the board has first—
(a) given written notice to the shareholders of the proposed modification; and
(b) considered any comments made on the proposed modification by the shareholders or by any of them within—
(i) 1 month after the date on which the notice under paragraph (a) was given; or
(ii) any shorter period that the shareholders may agree.

5 Modifications of statements of intent by resolution of shareholders

(1) Despite any other provision of the Act or of the constitution of any council-controlled organisation, the shareholders of a council-controlled organisation may, by resolution, require the board to modify the statement of intent by including or omitting any provision or provisions of the kind referred to in clause 9(1)(a) to (i), and any board to whom notice of the resolution is given must comply with the resolution.

(2) Before giving notice of the resolution to the board, the shareholders must consult the board concerned as to the matters to be referred to in the notice.

6 Statement of intent required if exemption granted under section 7 revoked

If an exemption granted under section 7 is revoked, the council-controlled organisation must,—
(a) if there is more than 6 months remaining in the financial year, prepare a statement of intent for that financial year; or
(b) if there is not more than 6 months remaining in the financial year, prepare a statement of intent for the following financial year.

7 Obligation to make statements of intent available

A completed statement of intent and each modification that is adopted to a statement of intent must be made available to the public by the board within 1 month after the date on which it is delivered to the shareholders or adopted, as the case may be.

8 Savings of certain transactions

A failure by a council-controlled organisation to comply with any provision of this schedule or with any provision in a statement of intent does not affect the validity or enforceability of any deed, agreement, right, or obligation entered into, obtained, or incurred by that organisation.

9 Contents of statements of intent

A statement of intent must, to the extent that is appropriate given the organisational form of the council-controlled organisation, specify for the group comprising the council-
controlled organisation and its subsidiaries (if any), and in respect of the financial year immediately following the financial year in which it is required by clause 3(b) to be delivered and each of the immediately following 2 financial years, the following information:
(a) the objectives of the group; and
(b) a statement of the board’s approach to governance of the group; and
(c) the nature and scope of the activities to be undertaken by the group; and
(d) the ratio of consolidated shareholders’ funds to total assets, and the definitions of those terms; and
(e) the accounting policies of the group; and
(f) the performance targets and other measures by which the performance of the group may be judged in relation to its objectives; and
(g) an estimate of the amount or proportion of accumulated profits and capital reserves that is intended to be distributed to the shareholders; and
(h) the kind of information to be provided to the shareholders by the group during the course of those financial years, including the information to be included in each half-yearly report (and, in particular, what prospective financial information is required and how it is to be presented); and
(i) the procedures to be followed before any member or the group subscribes for, purchases, or otherwise acquires shares in any company or other organisation; and from any local authority (whether or not the local authority has agreed to provide the compensation); and
(k) the board’s estimate of the commercial value of the shareholders’ investment in the group and the manner in which, and the times at which, that value is to be reassessed; and
(l) any other matters that are agreed by the shareholders and the board.
(2) If a council-controlled organisation has undertaken to obtain or has obtained compensation from its shareholders in respect of any activity, this undertaking or the amount of compensation obtained must be recorded in—
(a) the annual report of the council-controlled organisation; and
(b) the annual report of the local authority.
(3) Any financial information, including (but not limited to) forecast financial information, must be prepared in accordance with generally accepted accounting practice.

7.3. Community Outcomes

The work of Te Kohaka o Tuhaitara Trust contributes to the outcomes that:

- Public spaces and facilities are plentiful, accessible and high quality;
- There are wide ranging activities for enjoying the outdoors;
- Public Organisations give effect to the spirit of the Treaty of Waitangi;
- The community’s cultures, arts and heritage are conserved and celebrated;
- People have a wide ranging opportunities for learning and being informed;
- People are friendly and caring, creating a strong sense of community in our district;
- There are wide ranging opportunities for people to contribute to the decision-making by public organisations that affects our District.

7.4. Delegations

The Audit and Risk Committee has the jurisdiction to “review annually draft performance agreements, including Statement of Corporate Intent of the Council-controlled organisations and recommend adoption to Council” (Delegation S-DM 1022).

Jeff Millward
Manager Finance & Business Support
DRAFT STATEMENT OF INTENT
FOR THE YEAR ENDING 30 JUNE 2019

INTRODUCTION
Te Kōhaka o Tūhaitara Trust is a creation of Statute under the Ngāi Tahu (Tūtaepatu Lagoon Vesting) Act 1998, that gave effect to certain provisions of the Deed of ‘On Account Settlement’, signed on 14 June 1996 by the Crown and Te Runanga o Ngāi Tahu as representative of Ngāi Tahu, -

(a) By vesting Tūtaepatu Reserve in Te Runanga o Ngāi Tahu; and
(b) By providing for the establishment of a recreation reserve at Woodend.

Tūtaepatu Lagoon is defined in Schedule 1 of the Act; and the recreational lands are defined in schedule 2 of the Act.

The Act required the Waimakariri District Council and Te Runanga o Ngāi Tahu (The Settlors) to establish a Trust to manage and administer the reserves. By a Deed, dated 31 August 1998, the Settlors established a charitable Trust known as Te Kōhaka o Tūhaitara Trust, whereby the trustees shall be 3 appointed by the Waimakariri District Council and 3 from Te Runanga o Ngāi Tahu. The Ngāi Tahu (Tūtaepatu Lagoon Vesting) Act 1998 provides the legal mechanism for this to be achieved.

Te Kōhaka o Tūhaitara Trust is a Council Controlled Organisation (CCO) under the Local Government Act 2002, because the Council appoints half of the trustees.

Accordingly, the Trust must prepare an annual Statement of Intent and meet certain reporting requirements under the Local Government Act.

The purpose of the Statement of Intent is to specify the purpose, direction and objectives of the Trust and thereby providing an accountability mechanism for the operation of the Trust.

THE OBJECTS OF THE TRUST
The object of the Trust is to manage and administer the Reserve under the management plan prepared in accordance with the Trust Deed for so long as the Reserve is classified as a Recreation Reserve pursuant to the Reserves Act.

NATURE AND SCOPE OF ACTIVITIES
Tūhaitara Coastal Park covers approximately 575ha of land along the coastline from the Waimakariri River mouth to Waikuku Township. Stretching along the coast for 10.5 kilometres it comprises many natural features of local, regional and national importance to the people of New Zealand. As a coastal park it will provide a range of opportunities to preserve Ngāi Tahu values, retain and enhance biodiversity, and provide recreational and educational opportunities for all people.

The Minister of Conservation has appointed the Trust as a local authority for the purpose of the Reserves Act 1977.

The Trust has commenced implementation of the adopted Management Plan.
The Reserves Act does not apply to the Tūtaepatu Lagoon, although the Tūhaitara Coastal Park and Waikuku Beach Reserves Management Plan does. Part B Waikuku Beach Reserve, which is administered by the Waimakariri District Council, is a separate Reserve but is also subject to the Reserve Management Plan as the land is contiguous.

**GOVERNANCE ARRANGEMENTS**

The Trust’s policies and objectives are detailed in the Tūhaitara Coastal Reserve Management Plan. The Statement of Intent is the Trust’s annual work programme aimed at meeting the vision *To create a coastal reserve which is founded on and expresses strong ecological, conservation and cultural values and provides opportunity for compatible recreation and education activities for all people of New Zealand and to uphold the mana of Ngai Tahu Whanui by protecting and enhancing the mahinga kai values of Tūtaepatu lagoon.*

The Trust is required to meet at least twice per year to provide governance over the Trust’s activities, and copies of minutes are distributed to the Settlors. The Trust meets monthly to ensure that the expectations required by the management plan are realised.

All staff, volunteer and contractors working in the Tūhaitara Coastal Park are required to comply with the Te Kōhaka o Tūhaitara Trust Coastal Park Health and Safety Plan.
OBJECTIVES & PERFORMANCE TARGETS 2017 -2018

All of the listed performance targets will be prioritised and evaluated with consideration to the success in obtaining external funding and the needs of our adjoining communities.

The Trust will:

1. Manage and administer the Reserve in accordance with the approved Reserve Management Plan.

2. Ensure all reporting mechanisms to the Settlors are timely and within their statutory timeframes.

3. Ensure that the health and safety and employment conditions of Trust staff, contractors, and visitors meet relevant legislation.

4. Ensure concessions for events and other activities on Trust land will have Health and Safety Plans and Public Liability Insurance. (Note: Concessions are not just for events, but can be for ice cream vehicles, coffee vehicles, and research activities; they are a mechanism to control all activities.)

5. Ensure that lease agreements are compatible with the Reserve Management Plan and finalised where necessary to maximise the revenue potential for the Trust.

6. Promote the cultural significance and history of the land, and ensure this is reflected in new programmes.

7. Maximise the opportunities for additional partnerships and sustainable funding to continue with the rehabilitation of Tūhaitara Coastal Park.

8. Develop two performing biota nodes to progress the long-term goal of indigenous coastal forest along the length of the Tūhaitara Park.

9. Continue the rehabilitation of Tūtaepatu Lagoon.

10. Continue the rehabilitation of The Pines wetland.

11. Ensure that access and maintenance programmes are in line with strategic plans and priorities and that they are appropriately resourced.

12. Ensure all work programmes and maintenance activities are consistent with the Park’s cultural, biodiversity, ecological, and recreation values.

13. Provide and maintain a minimum 15 kilometres of walking, cycling, and bridle trails within the park for recreational purposes.

14. Establish an animal pest control programme at the Pegasus Town WCMA.

15. Implement Te Kōhaka o Tūhaitara Education Strategy

16. Complete the development of The Pines and Kairaki Beaches Concept Plan and inclusion of this area into the Tuhaitara Coastal Reserves Management Plan.

17. Complete the inclusion of the Pegasus Town ECMA and WCMA areas into the Tuhaitara Coastal Reserves Management Plan.
INFORMATION TO BE PROVIDED TO THE SETTLORS

The Trust shall present:

- A six monthly report on the Trust’s activities shall be provided, in accordance with the Local Government Act 2002, on the financial performance and position and its progress towards the Performance Targets and other Measures contained in the Statement of Intent.
- An Annual Report shall be prepared in accordance with the Local Government Act 2002, and the reporting requirements prescribed from time to time by the Settlors.
- Copies of the minutes of meetings.
- The MOU between the Trust and the WDC sets out the partnership and requirements
- Ngāi Tahu have informed the Trust that it should report directly to Ngāi Tūahuriri Runanga which will be done quarterly

OTHER REQUIREMENTS

Ratio of Trustee Funds to Total Assets

The ratio of Trust Funds to Total Assets shall be maintained at a minimum of least 90%.

- **Trust Funds** means the retained earnings of the trust as at balance date.
- **Total Assets** means all current and non-current assets of the Trust as at balance date.

Profits and Financial Reserves to be Distributed

The Trust will not distribute any profits or financial reserves during the financial year.

Interests in Other Organisations

The Trust will not purchase or accept an ownership interest in any other organisation, without the prior approval of the Settlors.

Commercial Value of the Trust

The Trustees’ estimate of the value of the Trust is the level of retained earnings shown in the latest audited financial statements. The Trustees will consider the Trust’s value annually as part of the preparation of the Annual Report.

Activities the Trust is Seeking Compensation from the Council

The Council provides administrative support and financial management for the Trust and compensates the three Council appointed trustees with meeting allowances.

From time to time the Trust may request the Council to assist the Trust by contributing to various projects on the Trust land. Other than in these circumstances, there are no activities that the Trust is seeking compensation from the Council, other than for any land leased to the Council, which will be on normal commercial terms and conditions.

Accounting Policies

Refer to Appendix 1
Appendix 1

STATEMENT OF ACCOUNTING POLICIES

REPORTING ENTITY AND STATUTORY BASE

Te Kōhaka o Tūhaitara Trust is a Trust established to manage and administer the Recreation Reserve contained in the deed of interest of Ngāi Tahu Whanau and other New Zealanders in terms of the Reserves Act 1977.

The financial statements will be prepared in accordance with New Zealand Generally Accepted Accounting Practice.

MEASUREMENT SYSTEM

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the Trust.

ACCOUNTING POLICIES

The following specific accounting policies that materially affect the measurement of financial performance and financial position are applied:

(a) Fixed Assets

Fixed assets are recorded at valuation deemed appropriate at the time of transfer, by Quotable Value New Zealand. Valuation was based on a fair market value. Depreciation is recognised in the Statement of Financial Performance on a straight line basis over the estimated life of each part of an item of property, plant and equipment. The estimated useful life for the current and comparative periods are as follows:

Property, plant and equipment 3-40 years.

(b) Goods and Services Tax (GST)

The Trust is registered for GST. The financial statements are prepared exclusive of GST, with the exception of receivables and payables, whose invoices include GST.

(c) Receivables

Receivables are stated at expected realisable value, after a provision (if any) for doubtful balances.

(d) Differential Reporting

The Trust qualifies for Differential Reporting. Full advantage will be taken of all differential reporting exemptions.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies.

The Trust changed in June 2015 to report under Public Benefit SFR-A basis replacing New Zealand equivalents to International Financing Reporting Standards (NZIFRS) and differential reporting.
Te Kōhaka o Tūhaitara Trust:

Business Case

Prepared by: Courageous Solutions Limited
Prepared for: Te Kōhaka o Tūhaitara Trust
Date: 7 March 2018
Version: 3
Status: Adopted

To be read in conjunction with:
- Tūhaitara Coastal Reserve and Waikuku Beach Reserves Management Plan: September 2005
- Te Kōhaka o Tūhaitara Trust Strategic Plan 2015 - 2025
- Te Kōhaka o Tūhaitara Trust Annual Report to 30 June 2017
Disclaimer:

This disclaimer governs the use of this report. By using this report, you accept this disclaimer in full. You must not rely on the information in the report as an alternative to legal or financial advice from an appropriately qualified professional. If you have any specific questions about any matter you should consult an appropriately qualified professional.

Without prejudice to the generality of the foregoing paragraph, we do not represent, warrant, undertake or guarantee that the use of guidance in the report will lead to any particular outcome or result. We will not be liable to you in respect of any business losses, including without limitation loss of or damage to profits, income, revenue, use, production, anticipated savings, business, contracts, commercial opportunities or goodwill.

No liability is accepted on any grounds whatsoever to any party in respect of any errors or omissions, or any action or omission to act taken as a result of the information contained within this report. This report is prepared based on the information supplied by Te Kōhaka o Tūhaitara Trust.
# Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business details</td>
<td>1</td>
</tr>
<tr>
<td>Executive Summary</td>
<td>2</td>
</tr>
<tr>
<td>Introduction</td>
<td>5</td>
</tr>
<tr>
<td><strong>Strategic Case – Making the Case for Change</strong></td>
<td>6</td>
</tr>
<tr>
<td>Strategic Context</td>
<td>6</td>
</tr>
<tr>
<td>Investment Objectives, Existing Arrangements and Business Needs</td>
<td>10</td>
</tr>
<tr>
<td><strong>Economic Case – Exploring the Preferred Way Forward</strong></td>
<td>11</td>
</tr>
<tr>
<td>Critical Success Factors</td>
<td>11</td>
</tr>
<tr>
<td>Constraints</td>
<td>12</td>
</tr>
<tr>
<td>Options Assessment</td>
<td>12</td>
</tr>
<tr>
<td>Option 3: Realistic development: Preferred Way Forward</td>
<td>12</td>
</tr>
<tr>
<td>Non-monetary Benefits and Costs</td>
<td>15</td>
</tr>
<tr>
<td>Risk and Uncertainty</td>
<td>16</td>
</tr>
<tr>
<td><strong>Commercial Case</strong></td>
<td>18</td>
</tr>
<tr>
<td>Strategy for accessing the required additional funding, equipment and staffing</td>
<td>18</td>
</tr>
<tr>
<td>Required services</td>
<td>18</td>
</tr>
<tr>
<td>Contract provisions</td>
<td>18</td>
</tr>
<tr>
<td><strong>Financial Case - Affordability and Funding Requirements</strong></td>
<td>19</td>
</tr>
<tr>
<td>Indicative costs and benefits</td>
<td>19</td>
</tr>
<tr>
<td>Funding sources</td>
<td>19</td>
</tr>
<tr>
<td>Preferred Way Forward: Operating Forecast</td>
<td>20</td>
</tr>
<tr>
<td><strong>Management Case: Planning for Successful Delivery</strong></td>
<td>21</td>
</tr>
<tr>
<td>Next Steps</td>
<td>21</td>
</tr>
<tr>
<td>Appendix A: Options considered</td>
<td>22</td>
</tr>
<tr>
<td>Appendix B: On-going Board Skills required</td>
<td>24</td>
</tr>
<tr>
<td>Appendix C: Environmental restoration strategy</td>
<td>25</td>
</tr>
<tr>
<td>Background</td>
<td>25</td>
</tr>
<tr>
<td>Strategy</td>
<td>27</td>
</tr>
<tr>
<td>Appendix D: Education strategy</td>
<td>28</td>
</tr>
<tr>
<td>Background</td>
<td>28</td>
</tr>
<tr>
<td>Strategy</td>
<td>28</td>
</tr>
<tr>
<td>Appendix E: Recreation Strategy</td>
<td>30</td>
</tr>
<tr>
<td>Background</td>
<td>30</td>
</tr>
<tr>
<td>Strategy</td>
<td>31</td>
</tr>
<tr>
<td>Appendix F: Financial Assumptions</td>
<td>32</td>
</tr>
<tr>
<td>Appendix G: Risk Criteria</td>
<td>34</td>
</tr>
<tr>
<td>Consequence Criteria</td>
<td>34</td>
</tr>
<tr>
<td>Likelihood Criteria</td>
<td>35</td>
</tr>
<tr>
<td>References</td>
<td>36</td>
</tr>
</tbody>
</table>
Commercial: in Confidence
**Business details**

<table>
<thead>
<tr>
<th>Business name</th>
<th>Te Kōhaka o Tūhaitara Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trading name</td>
<td>Tūhaitara Coastal Park</td>
</tr>
<tr>
<td>Established</td>
<td>1997</td>
</tr>
<tr>
<td>Structure</td>
<td>Charitable Trust; Council Controlled Organisation</td>
</tr>
<tr>
<td>Date on Charities register</td>
<td>13/07/2010</td>
</tr>
<tr>
<td>Registration number</td>
<td>CC44619</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Contact details</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contact name</td>
</tr>
<tr>
<td>Landline</td>
</tr>
<tr>
<td>Mobile</td>
</tr>
<tr>
<td>Email</td>
</tr>
<tr>
<td>Physical address</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Postal address</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Online/social media</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Website</td>
</tr>
<tr>
<td>Facebook</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

Tēnei mātou ngā tangata o te Kōhaka o Tūhaitara

*This is us the people of the nest of Tūhaitara*

E mihi nui te aroha ki a koutou katoa

*Greetings/acknowledgement of great love to you all*

Mauri ora, mauri tū

*Living essence, standing essence*

Wai ora me Te Wairua Tapu

*Living water and the Holy Spirit*
Executive Summary

Introduction

The purpose of this business case is to document the way the Trust will achieve its strategic objectives and seek approval to pursue the preferred way forward.

Strategic Case

The success of the current rehabilitation and education programmes at the Tūhaitara Coastal Park (the Park), along with awarding of the regeneration areas in Kairaki and The Pines Beach, and the inclusion of the Eastern Conservation Management Area (ECMA) and Western Conservation Management Area (WCMA) into Te Kōhaka o Tūhaitara Trust lands are increasing the activities of the Trust such that the current organisational structure is not able to accommodate the increased workload. Even though the Trust is only in the initial stages of this expansion, this increased workload is already visible with the increased usage of the Tūhaitara Coastal Park for educational and recreational areas.

The activities of Te Kōhaka o Tūhaitara Trust align with a range of national, regional and district strategies:

Contribution to national policies

- Coastal enhancement and protection, with the Trust being acknowledged nationally as a leader in coastal environmental rehabilitation
- Conservation efforts including protection and restoration of waterways, improving water quality and carbon sequestration
- A strong bicultural focus, which underpins all the Trust’s activities

Contribution to Waimakariri District Council (WDC) community outcomes

- Public effect is given to the spirit of the Treaty of Waitangi.
- The air and land [is] healthy.
- There are areas of significant indigenous vegetation and habitats for indigenous fauna.
- The community’s cultures, arts and heritage are conserved and celebrated.
- Public spaces and facilities are plentiful, accessible and high quality.
- There is sufficient clean water to meet the needs of communities and eco systems.
- People have wide ranging opportunities for learning and being informed.
- People are friendly and caring, creating a strong sense of community in our District.

Alignment with the Trust’s strategic objectives and priorities

This business case aligns with the Trust’s current strategic objectives and priorities (TKOT, 2015, p13):

Interpretation: Ensuring our communications and language enables the park stories to be told.

Ngāi Tahu Whanui Values: Maintaining the many customs and customary practices of Ngāi Tahu whanui and acknowledgement of whakapapa of whenua and resources.

Effective Reserve Management: Achieving the directives of the Trust Deed by providing functional governance for effective management.
Natural & Cultural Values: The on-going rehabilitation of the environment providing the opportunity to utilise natural resources for cultural values.

Education: Continuing to engage with others to provide a multi-faceted approach to learning

Recreation: Encouraging recreation that is compatible, appropriate and sympathetic to the values and vision of Te Kōhaka o Tūhaitara Trust.

Community: Encouraging the community to develop a sense of place and foster a living environment.

Economic Case
A range of options were considered as possible ways forward.

- Option 1: Retaining the status quo option (retained as a baseline comparator)
- Option 2: Minimal development
- Option 3: Realistic development (the preferred way forward)
- Option 4: Aspirational development

This report evaluates the preferred way forward.

Commercial Case (preferred way forward)
The initial assessment is that it will not be difficult to find appropriate people for the additional roles, and the additional equipment is relatively easy to source. It may, however, take longer to up-scale the facilities and premises.

The aim is to match employment agreements and contracts to the term of the funding provided. The preference is for funding to be “permanent” so the additional staffing can be employees with permanent contracts, rather than contractors or fixed term employees.

Financial Case (preferred way forward)
A comprehensive review of the financial commitments needed is included within the report. It is proposed that the additional funding required is sought from the settlors and other funders as identified.
Management Case

The General Manager is supervising the project, providing advice and information as required, and will be responsible for implementation of the expansion.

<table>
<thead>
<tr>
<th>Proposed key milestones</th>
<th>Estimated timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project plan and contract</td>
<td>18 October 2017</td>
</tr>
<tr>
<td>Collation of background information and concept draft</td>
<td>30 November 2017</td>
</tr>
<tr>
<td>First draft of business plan</td>
<td>31 January 2018</td>
</tr>
<tr>
<td>Second draft of business plan, including attachments:</td>
<td>28 February 2018</td>
</tr>
<tr>
<td>• Organisation structure</td>
<td></td>
</tr>
<tr>
<td>• Board skills matrix</td>
<td></td>
</tr>
<tr>
<td>• Risk classifications and matrix</td>
<td></td>
</tr>
<tr>
<td>• Education strategy</td>
<td></td>
</tr>
<tr>
<td>• Environmental restoration strategy</td>
<td></td>
</tr>
<tr>
<td>Final report</td>
<td>30 March 2018</td>
</tr>
</tbody>
</table>

Next Steps

This business case seeks approval from the Trust to confirm the financial commitments and implement the preferred way forward.
Introduction

Due to the success of the Trust's existing environmental education and rehabilitation programmes, it has reached capacity with current resources. Additionally, the inclusion of the regeneration areas in Kairaki and The Pines Beach, as well as the inclusion of the approximately 120 hectares of Eastern and Western Conservation Management Areas (ECMA, WCMA) at Pegasus Town into Te Kōhaka o Tūhaitara Trust lands are increasing the activities of the Trust such that the current organisational structure is not able to accommodate the increased workload. Even though the Trust is only in the initial stages of this expansion, this increased workload is already visible with the increased usage of the Tūhaitara Coastal Park for educational and recreational areas. Further pressure is being put on the Trust to meet the expectations of its communities and partners.

Planning to meet these increased needs led to the Trust to exploring possible structures and funding options through a comprehensive business plan, so they can be implemented through a sound, sustainable structure.

The purpose of this business case is to document the way the Trust will achieve its strategic objectives and seek approval to pursue the preferred way forward.

The business case process is organised around a five-case structure designed to systematically ascertain that the proposal:

- is supported by a compelling case for change - the 'strategic case'
- optimises value for money - the 'economic case'
- is commercially viable - the 'commercial case'
- is financially affordable - the 'financial case', and
- is achievable - the 'management case'.
Strategic Case – Making the Case for Change

Strategic Context

Organisational overview

The key aims of the Trust are to:

- create a coastal reserve which is founded on and expresses strong ecological, conservation and cultural values
- provide opportunity for compatible recreation and education activities for all people of New Zealand
- uphold the mana of Ngāi Tahu whānui by protecting and enhancing the mahinga kai values of Tūtaepatu Lagoon.

The Tūhaitara Coastal Park was established as an outcome of the Ngāi Tahi settlement with the Crown. The lands were gifted to the people of New Zealand and are managed by the Te Kōhaka o Tūhaitara Trust. The Trust is run by six trustees; three appointed by Te Runanga o Ngāi Tahu and three by Waimakariri District Council. The Trust employs a full-time General Manager and a part-time Secretary, and has annual expenditure of $220,000 (TKoT, 2017).

Tūhaitara Coastal Park covers approximately 700ha of land along 10.5 kilometres of coastline between the Waimakariri River mouth and the township of Waikuku. The Park comprises many natural features of local, regional and national importance to the people of New Zealand. These include the Tūtaepatu Lagoon, Taranaki Stream and Saltwater Creek freshwater coastal system, and The Pines Wetland. The Park provides a range of opportunities to preserve Ngāi Tahu values, retain and enhance rare indigenous biodiversity, and provide recreational and educational opportunities for all people.

The Trust operates in a range of sectors including environment and conservation, education, training and research, community development and social services, sport and recreation, and promotion of volunteering. The recreation opportunities are diverse and unique, from walking, cycling and bridle trails, to formal picnic and event settings, through to semi wilderness natural sites, all with easy access to some of the most pristine beaches of the Northern Pegasus Bay.

The core activities of the Trust include:

- Management of Tūhaitara Coastal Park
- Environmental rehabilitation, provision of environmental education, protection and enhancement of mahinga kai, restoration and protection of waterways
- Preservation and protection of cultural sites
- Visitor services, provision of walking, cycling and bridle trails and infrastructure
- Ranger and enforcement activities.
Charitable Purpose

The purpose of the Trust is to manage and administer the Tūhaitara Coastal Reserve, classified as a recreation reserve pursuant to the Reserves Act 1977. The Trust operates in a range of sectors including environment and conservation, education, training and research, community development and social services, sport and recreation, and promotion of volunteering. The beneficiaries are the general public (Charities Service, n.d.).
Analysis of the operating environment

Key factors impacting the current and expected operating environments include:

- A range of activities have increased the workload considerably, including:
  - The increasing numbers of schools and other organisations developing and maintaining biota nodes
  - Managing and supporting the volunteer network
  - Increased research and education from tertiary providers, locally and internationally
  - Demand for more information about the part and the stories that need to be told through interpretation
  - The increased recreational usage in the Park over the last year, most noticeably following the Port Hills fires
  - Increased amounts of land being regenerated into native plantings
  - Bringing the ECMA and WCMA in the Pegasus Town area into the Trust
  - Planning for the transfer of the Kairaki and The Pines Beach Regeneration areas into the Trust.

- There is increasing awareness and support for environmental restoration, particularly for wetlands and water ways, locally, nationally and internationally.

- There is an increasing awareness of the cultural significance of the area and a desire to acknowledge that significance by fostering bi-cultural cooperation, locally, nationally and internationally.

- The Waimakariri District is in a period of growth, as outlined through the Waimakariri 2048 District Development Strategy (WDC, 2017b). This is resulting in increased use by the Park of local people as well as also increased tourism generating the need to improved infrastructure.

- The Trust needs to become financially sustainable. This is difficult while it remains dependent on one-off and intermittent resourcing.
Alignment to existing strategies

The activities of Te Kōhaka o Tūhaitara Trust align with a range of national and regional strategies.

Contribution to national policies

The activities of the Trust align with a number of government initiatives including:

- Coastal enhancement and protection, with the Trust being acknowledged nationally as a leader in coastal environmental rehabilitation
- Conservation efforts including protection and restoration of waterways, improving water quality and carbon sequestration
- A strong bicultural focus, which underpins all the Trust’s activities

Contribution to WDC community outcomes

The activities of the Trust contribute to a number of the community outcomes identified by the Waimakariri District Council in its Annual Plan (WDC, 2017, p12) including:

- Public effect is given to the spirit of the Treaty of Waitangi.
- The air and land [is] healthy.
- There are areas of significant indigenous vegetation and habitats for indigenous fauna.
- The community’s cultures, arts and heritage are conserved and celebrated.
- Public spaces and facilities are plentiful, accessible and high quality.
- There is sufficient clean water to meet the needs of communities and eco systems.
- People have wide ranging opportunities for learning and being informed.
- People are friendly and caring, creating a strong sense of community in our District.

Alignment with the Trust’s strategic objectives and priorities

This business case aligns with the Trust’s current strategic objectives and priorities (TKOT, 2015, p13):

- Interpretation: Ensuring our communications and language enables the park stories to be told.
- Ngāi Tahu Whanui Values: Maintaining the many customs and customary practices of Ngāi Tahu whanui and acknowledgement of whakapapa of whenua and resources.
- Effective Reserve Management: Achieving the directives of the Trust Deed by providing functional governance for effective management.
- Natural & Cultural Values: The on-going rehabilitation of the environment providing the opportunity to utilise natural resources for cultural values.
- Education: Continuing to engage with others to provide a multi-faceted approach to learning
- Recreation: Encouraging recreation that is compatible, appropriate and sympathetic to the values and vision of Te Kōhaka o Tūhaitara Trust.
- Community: Encouraging the community to develop a sense of place and foster a living environment.
Investment Objectives, Existing Arrangements and Business Needs

Investment Objectives

The objectives are outlined in the Trust’s Action Plan in the Strategic Plan 2015 – 2025 (TKOT, 2015, pp.18-19). They are identified in seven areas …

- Business development
- Culture
- Habitat protection
- Environmental rehabilitation
- Coastal protection
- Education
- Recreation


These are further refined and articulated on an annual basis through the Statement of Intent with Waimakariri District Council.

There is an increasing focus within the community for integrated bio-systems that generate healthy water. In addition, the Trust is seeking to become financially independent through the development of income streams that support its operations.

Existing Arrangements and Business Needs

The Trust has met and exceeded the objectives due to date, as outlined in the latest Annual Report (TKOT, 2017). However, it will not be possible to meet the objectives for 2020 and 2025 without considerable additional investment and increasing the personnel capacity of the Trust – the focus of this business case.

Financial sources

The Trust generates income to support the maintenance of the Park and facilitation of its current education programmes. However, it is reliant upon sourcing external funding to support the rehabilitation of the Park. This includes leases, for example, for forestry, camping grounds and farm lands.

The Trust has been fortunate to receive an annual grant from WDC as a Settlor partner. Additionally, it has been supported for specific projects by Te Runanga o Ngāi Tahu, the CWMS Waimakariri Zone Committee, Vodafone Foundation, the World Wildlife Fund for Nature, Walking Access NZ, Te Ngāi Tuahuriri Runanga, Landcare Research, Environment Canterbury and the Department of Conservation.
Economic Case – Exploring the Preferred Way Forward

The purpose of the economic case is to identify the investment option that optimises value for money, by:

- identifying critical success factors
- considering unique constraints
- undertaking an initial options assessment to identify a limited number of short-listed options, and
- identifying a preferred way forward based on the short-listed options.

Critical Success Factors

The following are critical success factors for Te Kōhaka o Tūhaitara Trust.

<table>
<thead>
<tr>
<th>Generic Critical Success Factors</th>
<th>Broad Description</th>
<th>Proposal-Specific Critical Success Factors</th>
</tr>
</thead>
<tbody>
<tr>
<td>Strategic fit and business needs</td>
<td>Meeting the agreed investment objectives, related business needs and service requirements, and integrates with other strategies, programmes and projects.</td>
<td>The Trust will expand in all key areas of environmental restoration, cultural enhancement, education, interpretation and recreation.</td>
</tr>
<tr>
<td>Potential value for money</td>
<td>Optimising value for money through the mix of potential benefits, costs and risks.</td>
<td>The activities of the Trust contribute to the national and regional strategies, in an affordable manner.</td>
</tr>
<tr>
<td>Volunteer and supplier capacity and capability</td>
<td>The ability of potential volunteers and suppliers to deliver the required services, in a sustainable arrangement.</td>
<td>Roles and responsibilities of volunteers are expanded and documented through position descriptions and the pool of volunteers is expanded and well-managed.</td>
</tr>
<tr>
<td>Potential affordability</td>
<td>Likely available funding.</td>
<td>The Trust is starting to generate its own income, so it is not 100% dependent on external funding.</td>
</tr>
<tr>
<td>Potential achievability</td>
<td>The Trust’s ability to respond to the changes required, and match the level of available skills required for successful delivery.</td>
<td>Appropriate people are employed. Additional capital items, particularly working spaces, are obtained.</td>
</tr>
<tr>
<td>Community acceptance</td>
<td>Acceptance by the community (“customers”) that the option will add value, in excess of its cost.</td>
<td>Positive community response. Increased regional and national focus and profile.</td>
</tr>
</tbody>
</table>
Commercial: in Confidence

Constraints

There are some constraints that are unique to the nature of the work of the Trust, and its structure:

• There is urgency to restore and maintain dune systems for protection against coastal inundation.

• The dependence on volunteers can provide challenges around finding appropriate people who are willing to give their time freely and remain with an activity on a long-term basis.

• Financial resources are dependent on being successful with funding applications and receiving charitable donations. This can result in variable funding streams which make it difficult to maintain activities in a consistent and sustainable manner.

Options Assessment

A range of options were considered as possible ways forward.

• Option 1: Retaining the status quo option (retained as a baseline comparator)
• Option 2: Minimal development
• Option 3: Realistic development (the preferred way forward)
• Option 4: Aspirational development

This report evaluates Option 3: the preferred way forward. The remaining options are outlined in Appendix A.

Option 3: Realistic development: Preferred Way Forward

Description

This option would expand the organisational structure of one full-time General Manager and part-time secretarial assistance to include an educational/visitor services person, an environmental/operational services person and a part-time funding/sponsorship/partnership development person (see Figure 2 below). The use of volunteers would continue as this meets a number of the aims of the Trust in engaging with its community and extending the intergenerational interest in the Park.

The Trust will also need to increase its assets and expand the size of the physical base of operations. In conjunction with a third party, additional premises would be explored to accommodate teaching and research facilities. These would also provide room for its offices. Improved workshop and garaging facilities would also be explored.

Advantages

The main advantages are:

• This would allow the Trust to meet the demands from the increased land area and use of the Park.
• It furthers the strategic plans of the Trust and contributes to the national policies and WDC community outcomes.
Disadvantages

The main disadvantages are:

- Additional sustainable permanent funding is required to meet increased salary and operational costs
- Capital outlay is required to establish premises and resources required.

Conclusion

This is the most desired option in the medium to long-term.

Organisational Structure

To achieve this, the Trust would develop an organisational structure similar to Figure 2, with the Trustees and General Manager at the core of the organisation, and each area overlapping. For example, there are the educational services are also assisting with operational aspects of environmental rehabilitation, and vice versa.

![Organisational Structure Diagram]

Figure 2: Proposed organisational structure
Trustees
- The skills required by trustees to govern this expanded organisation are identified in Appendix B.

General Manager
Lead the following work
- Lead and develop external and internal stakeholder relationships
- Promotional work and advocacy
- Education and interpretation
- Innovation and new initiatives, including integration of new areas into the Park
- Lead regeneration activities towards the 200-year vision
- Promoting and overseeing research

Education/Visitor services
- Outward focus, linked to education, recreation, external "customer" stakeholders
- Responsible for:
  - Managing interactions with schools and University of Canterbury
  - Working with schools to develop appropriate learning activities
  - Preparation and delivery of lesson plans
  - Event bookings; liaising with Park users
  - Initiating and planning events
  - Managing volunteers

Environmental/Operational services
- Operational focus:
  - Field operations within the Park, e.g. planting and maintenance of the environment
  - Understand the rehabilitation of the land
  - Competent with managing contractors etc
- Responsible for:
  - Field operations work within the Park, e.g. planting and maintenance of the environment
  - Keeping trails clear

Administration

Secretarial
- Manage secretarial assistance provided by WDC to the Trust, General Manager and staff
- Provide additional secretarial assistance required due to the expanded size of the organisation

Funding
- Seek external funding sources and prepare and lodge funding applications
- Develop and maintain stakeholder relationships, particularly with funders and potential funders
- Liaising with professional fundraisers
Activities

In addition to the current activities within the Park, the range of activities will expand to include:

- Full management of the camping grounds at Woodend Beach and Kairaki, rather than leasing them to third parties. This would provide ongoing income for the Trust and provide additional buildings that could be adapted for the multi-purpose needs of the Park. There will be requirements for initial capital costs and ongoing operational costs.

- Establish shops, cafes and other retail outlets throughout the Park, at access points where there are currently no retail outlets. These could be provided in conjunction with the camping grounds in some areas.

- Begin a programme of intensive coastal protection planting the length of the Park (Waikuku to Kairaki) to mitigate the effects of events such as storm surges, global warming and climate change and provide improved habitats for flora and fauna. This will provide additional protection to the settlements of Kaiapoi, The Pine Beach, Kairaki and Waikuku.

Strategies have been prepared for each of the following key areas:

- Environmental Restoration (Appendix C)
- Education (Appendix D)
- Recreation (Appendix E)

Assumptions

The assumptions made in determining the initial estimate are outlined in Appendix F.

Estimated costs

Non-funded depreciation, capital charges, interest and other financing costs are excluded from the analysis.

Taxation

All dollar figures are expressed in GST exclusive terms (where applicable).

Estimating monetary benefits

Where possible monetary benefits have been estimated. These do not include potential returns and costs from activities such as operation of cafes and other retail outlets, and direct management of the currently leased areas such as camping grounds.

Non-monetary Benefits and Costs

Some benefits could not be reliably quantified in monetary terms. These include the Trust’s contribution to national policies and WDC community outcomes, as well as the general increase in community health and wellbeing due to increased connection with the natural environment, as outlined in the earlier strategic case section.
Commercial: in Confidence

Risk and Uncertainty

Risk appetite

The Trust has a low risk appetite. It has a responsibility to maintain and develop its assets, ensuring that their long-term security is not compromised.

Risk identification and measurement

Ten key risks for the Trust that might create, enhance, prevent, degrade, accelerate or delay the achievement of the objectives are plotted on this matrix (Figure 3) and listed below. The criteria are outlined in Appendix G.

![Risk Matrix](image)

**Figure 3: Risk matrix**

**Key:**

<table>
<thead>
<tr>
<th>Risk Severity</th>
<th>Control Effectiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severe</td>
<td>Controls are strong</td>
</tr>
<tr>
<td>High</td>
<td>Controls being implemented</td>
</tr>
<tr>
<td>Medium</td>
<td>Controls are inadequate</td>
</tr>
<tr>
<td>Low</td>
<td>Control status unknown</td>
</tr>
</tbody>
</table>

16 | Te Kōhaka o Tūhaitara Trust
## Risk assessment and risk management strategies

<table>
<thead>
<tr>
<th>Risk</th>
<th>Consequence (H/M/L)</th>
<th>Likelihood (H/M/L)</th>
<th>Comments and Risk Management Strategies</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Natural adverse events, e.g. earthquake, storms</td>
<td>Extreme</td>
<td>Rare</td>
<td>There is no practical mitigation. However, the Trust has response plans for such an event.</td>
</tr>
<tr>
<td>2. Environmental problems, e.g. biological</td>
<td>Minor</td>
<td>Rare</td>
<td>Some of these could be extreme and increases in likelihood as more land is rehabilitated. They are well mitigated against.</td>
</tr>
<tr>
<td>3. Water quality</td>
<td>Significant</td>
<td>Possible</td>
<td>Water quality on Trust land is dependent on the events occurring upstream. It is also a large land area with easy public access which makes it possible for illegal activity.</td>
</tr>
<tr>
<td>4. Coastal erosion and sea level rise</td>
<td>Extreme</td>
<td>Rare</td>
<td>Rare because happening over a long-time period. Consequences are extreme but the Trust is attempting to mitigate that by robust coastal protection measures.</td>
</tr>
<tr>
<td>5. Health &amp; Safety risks, e.g. personal injury</td>
<td>Insignificant to moderate</td>
<td>Almost certain</td>
<td>Mitigated by Health and Safety plans, risk identification for Park users, events, staff and contractors</td>
</tr>
<tr>
<td></td>
<td>Significant to extreme</td>
<td>Rare</td>
<td></td>
</tr>
<tr>
<td>6. Funding loss</td>
<td>Moderate</td>
<td>Rare</td>
<td>Mitigated by extending the range of funders, volunteer network, high-quality service delivery, key outcomes for national and local government</td>
</tr>
<tr>
<td>7. Vandalism, e.g. fire, dumping, inappropriate use of trails</td>
<td>Moderate</td>
<td>Almost certain</td>
<td>This occurs frequently and is mitigated by education and enforcement. With more legitimate recreational visitors, more people will be around to observe and discourage this activity.</td>
</tr>
<tr>
<td>8. Reputational risk, e.g. being unable to meet the expectations of its communities</td>
<td>Significant</td>
<td>Rare</td>
<td>Open transparent organisation that fronts-up to issues and connects with its community and stakeholders</td>
</tr>
<tr>
<td>9. Management and succession planning</td>
<td>Moderate</td>
<td>Rare</td>
<td>Mitigated by processes and increasing staffing.</td>
</tr>
<tr>
<td>10. Governance breakdown</td>
<td>Extreme</td>
<td>Rare</td>
<td>Mitigated by developing excellent relationships with settlor partners and other stakeholders.</td>
</tr>
</tbody>
</table>
Commercial Case

Strategy for accessing the required additional funding, equipment and staffing

The preferred supply position and approach to the supply market is to:

- develop detailed position descriptions and advertise for appropriate staff
- prepare a detailed list of additional equipment and resources required, sourcing these from the most cost-effective suppliers, while being conscious of quality and “fit” with current equipment
- identify and document the additional facilities, work spaces, vehicles etc required, sourcing these from the most cost-effective suppliers, while being conscious of quality and “fit” with current equipment

The initial assessment is that it will not be difficult to find appropriate people for the additional roles, and the additional equipment is relatively easy to source. It may, however, take longer to up-scale the facilities and premises.

The type of volunteer roles and number of volunteers are both increasing. As a result, it is intended that the volunteer roles will be more clearly defined, with position descriptions being prepared for all roles. This standardisation will increase the clarity of these roles for the volunteers. In addition, it will enable the number and variety of these roles to be scaled up, while still being managed effectively.

Required services

The required goods and/or services in relation to the preferred way forward are:

- Additional staffing
- Office/working space/shed for equipment/ tools/ teaching room
- Equipment

Contract provisions

The aim is to match employment agreements and contracts to the term of the funding provided. The preference is for funding to be “permanent” so the additional staffing can be employees with permanent contracts, rather than contractors or fixed term employees.
Financial Case - Affordability and Funding Requirements

This part of the financial case provides assurance that the preferred way forward is affordable to the Trust, taking into account potential funding sources.

Indicative costs and benefits

Based on current estimates, the anticipated cash flows for the expanded operation are set out in the table below. The assumptions are included in Appendix F: Financial Assumptions.

Funding sources

It is proposed that the additional funding required is sought from Waimakariri District Council, Te Runanga o Ngāi Tahu, and other funders as identified during the next stage. External funding for specific projects will be targeted to relevant organisations, for example, Trees That Count are currently funding 2,000 podocarps per year for five years; the Corrections Department assist with planting and maintenance of trees.

To date, Waimakariri District Council have indicated they will include an additional $150,000 per annum into their Long-Term Plan.
## Preferred Way Forward: Operating Forecast

<table>
<thead>
<tr>
<th>$$</th>
<th>2019</th>
<th>2020</th>
<th>2021</th>
<th>2022</th>
<th>2023</th>
<th>2024</th>
<th>2025</th>
<th>2026</th>
<th>2027</th>
<th>2028</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest</td>
<td>2,520</td>
<td>2,520</td>
<td>2,520</td>
<td>2,520</td>
<td>2,520</td>
<td>2,520</td>
<td>2,520</td>
<td>2,520</td>
<td>2,520</td>
<td>2,520</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>413,833</td>
<td>413,833</td>
<td>413,833</td>
<td>413,833</td>
<td>413,833</td>
<td>413,833</td>
<td>413,833</td>
<td>413,833</td>
<td>413,833</td>
<td>413,833</td>
</tr>
<tr>
<td>Employment/operations</td>
<td>194,250</td>
<td>199,250</td>
<td>229,250</td>
<td>234,250</td>
<td>254,750</td>
<td>254,750</td>
<td>254,750</td>
<td>254,750</td>
<td>254,750</td>
<td>254,750</td>
</tr>
<tr>
<td>Environmental works</td>
<td>222,000</td>
<td>151,000</td>
<td>151,000</td>
<td>151,000</td>
<td>151,000</td>
<td>151,000</td>
<td>151,000</td>
<td>151,000</td>
<td>151,000</td>
<td>151,000</td>
</tr>
<tr>
<td>Vehicle</td>
<td>16,500</td>
<td>16,500</td>
<td>16,500</td>
<td>16,500</td>
<td>16,500</td>
<td>16,500</td>
<td>16,500</td>
<td>16,500</td>
<td>16,500</td>
<td>16,500</td>
</tr>
<tr>
<td>Funded depreciation</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
<td>10,000</td>
</tr>
<tr>
<td>Marketing, promotions</td>
<td>7,300</td>
<td>7,300</td>
<td>7,300</td>
<td>7,300</td>
<td>7,300</td>
<td>7,300</td>
<td>7,300</td>
<td>7,300</td>
<td>7,300</td>
<td>7,300</td>
</tr>
<tr>
<td>Office</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
<td>20,000</td>
</tr>
<tr>
<td>Sundry</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
<td>2,500</td>
</tr>
<tr>
<td>Trustee</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
<td>1,500</td>
</tr>
<tr>
<td>Total Expenses</td>
<td>474,050</td>
<td>408,050</td>
<td>438,050</td>
<td>443,050</td>
<td>463,550</td>
<td>463,550</td>
<td>463,550</td>
<td>463,550</td>
<td>463,550</td>
<td>463,550</td>
</tr>
<tr>
<td>Surplus/Deficit</td>
<td>(60,217)</td>
<td>5,783</td>
<td>(24,217)</td>
<td>(29,217)</td>
<td>(49,717)</td>
<td>(49,717)</td>
<td>(49,717)</td>
<td>(49,717)</td>
<td>(49,717)</td>
<td>(49,717)</td>
</tr>
</tbody>
</table>
Management Case: Planning for Successful Delivery

The General Manager is supervising the project and will be responsible for implementation.

Project milestones

<table>
<thead>
<tr>
<th>Proposed key milestones</th>
<th>Estimated timing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project plan and contract</td>
<td>18 October 2017</td>
</tr>
<tr>
<td>Collation of background information and concept draft</td>
<td>30 November 2017</td>
</tr>
<tr>
<td>First draft of business plan</td>
<td>31 January 2018</td>
</tr>
<tr>
<td>Second draft of business plan, including attachments:</td>
<td>28 February 2018</td>
</tr>
<tr>
<td>- Organisation structure</td>
<td></td>
</tr>
<tr>
<td>- Board skills matrix</td>
<td></td>
</tr>
<tr>
<td>- Risk classifications and matrix</td>
<td></td>
</tr>
<tr>
<td>- Education strategy</td>
<td></td>
</tr>
<tr>
<td>- Environmental restoration strategy</td>
<td></td>
</tr>
<tr>
<td>Final report</td>
<td>30 March 2018</td>
</tr>
</tbody>
</table>

Due to requirements from potential funders, it is intended to bring the final report date earlier than the 30 March 2018.

Next Steps

This business case seeks approval from the Trust to confirm the financial commitments and implement the preferred way forward.
Appendix A: Options considered

Option 1: The status quo option

Description

This option will retain the current organisational structure of one full-time General Manager, part-time secretarial assistance and ad hoc contracted assistance.

Advantages

The main advantages are:

- this is a familiar way of operating.
- short-term, this is a low-cost option, with limited increase in funding levels required.

Disadvantages

The main disadvantages are:

- the education programme will stall
- the capacity to maintain the standard of the Park is at risk, with a risk of failing to deliver planned services
- there is very slow improvement in quality of the environment
- the outcomes of stakeholders such as WDC are at risk
- there is increased dependence on volunteer services
- funding is uncertain and dependent on winning grants, resulting in a variable level of service to the community.

Conclusion

This option is not viable in the medium to long-term.

Option 2: Minimal development

Description

This option would retain the current organisational structure of one full-time General Manager and part-time secretarial assistance. It would add more permanent contracted assistance for either educational/visitor services or environmental/operational services.

Advantages

The main advantages are:

- this is a familiar way of operating.
- short-term, this is a low-cost option, with limited increase in funding levels required.
- It relieves some of the pressure off the General Manager.
Disadvantages

The main disadvantages are:

- either the education programme will stall, or the capacity to maintain the standard of the Park is at risk, depending on which branch of activity receives the more permanent contracted assistance. Either has the risk of failing to deliver planned services.
- there is very slow improvement in quality of the environment.
- the outcomes of stakeholders such as WDC are at risk.
- there is continuing dependence on volunteer services.
- funding is uncertain and dependent on winning grants, resulting in a variable level of service to the community.

Conclusion

This option is not viable in the medium to long-term.

Option 4: Aspirational development

Description

In addition to option 3, this option allows for the employment of additional people in the educational/visitor services (e.g. full-time interpretation) and/or the environmental/operational services (e.g. Park rangers/operational staff) teams.

Advantages

The main advantages are:

- Accelerates the development within the Park
- Cater for much wider groups of users
- Accelerates the provision of education and interpretative services
- Rapid improvement of the natural environment, quality of water, aquatic life, soil, plants, birds, reptiles and insect life.
- Reach the 200-year vision earlier

Disadvantages

The main disadvantages are:

- Larger amount of sustainable funding required.

Conclusion

This option is not being pursued at this stage but is the right direction to aim for.
Appendix B: On-going Board Skills required

The following is an outline of key skills required by Trustees. These will be developed into a skills matrix to assist the on-going development of the Trust.

Competencies required include:

Strategic and governance leadership, including:

- Strategic thinking
- Understands the “political” context for the settlors, as well as the national political context
- Contributes to the formation, direction, implementation and oversight of the organisation’s culture based on the vision and strategy
- Understands and has affinity with environmental restoration and the natural environment
- Is bi-culturally competent and embraces co-operation

Decision making based on comprehensive information, including:

- Applies critical thinking to analyse and evaluate information
- Applies criteria to decisions and understands the consequences of them
- Can use key performance indicators as part of the decision-making process

Business acumen, including:

- Applies business and commercial knowledge to influence business growth and achievement of objectives.
- Focuses on results, monitoring and evaluating strategic performance to achieve outcomes
- Understands the business drivers of the organisation and maintains industry specific knowledge.
- Identifies, assesses and manages risks

Communication skills, including:

- Engages with fellow Trustees, management and stakeholders to establish and maintain effective relationships
- Is able to communicate effectively, verbally and non-verbally
- Uses relevant communication channels, adhering to associated policies and protocols.

It is also essential that Trustees have appropriate behavioural attributes that foster co-operative, cohesive governance.
Appendix C: Environmental restoration strategy

Background

Tūhāaitara Coastal Park is made up of a number of ecosystems including the fore and back dunes, exotic plantation and coastal protection plantings and the coastal freshwater network made up of a series of wetlands, a lagoon and streams which run parallel to the sea and connect the Waimakariri and Ashley-Rakahuri Braided Rivers.

The Trust has a 200-year plan to rehabilitate the lands to an indigenous coastal ecosystem supporting a diverse range of native flora and fauna species and providing sustainable mahinga kai. There are numerous projects underway or in the planning stages involving environmental rehabilitation, trail development, dune restoration, forestry, education and research.

Currently, its keystone projects include the establishment of a biota node network and the rehabilitation of Tūtaepatu Lagoon and The Pines Beach Wetland. In addition, the Trust is actively managing and restoring the coastal dunes.

Biota Nodes

The Trust is establishing a series of ‘biota nodes’ along the 10.5km length of the Trust’s lands at approximately 250m centres.

With ‘biota’ meaning the ecological system (flora and fauna) of a particular environment, and ‘node’ being a point of intersection, these biota nodes are a series of small, localised points of native wildlife, which, as they mature, will extend outwards to form a ‘biodiversity skeleton’ stretching the length of the Park. Each contains a freshwater pond and native plant life that will attract birds, aiding seed transfer for easy and eventual self-maintaining propagation.

Each Node is adopted and maintained by a school, class or community group.

Currently there are 17 established biota nodes. Over 5,000 native plants including manuka, harakeke, tikouka, tarata, ake ake, kaikatea and totara, among others, have been planted.

In October 2015, with the support of the Working Waters Trust, Kowaro/Canterbury Mudfish fry were released into a number of the nodes, to extend the habitat of these threatened species within Tūhāaitara. In March 2016, during the first monitoring survey, mudfish were located in each of the nodes ranging in size from 53 - 91mm.

Tūtaepatu Lagoon

The Tūtaepatu Lagoon site includes the largest area of natural open water in the coastal strip between the Waimakariri and Ashley Rakahuri Rivers, and an area of surrounding vegetation, totalling over 54 hectares. It is a spring fed freshwater wildlife sanctuary which is home to many species of native fauna and flora. The overall goal of the proposed restoration of Tūtaepatu Lagoon is “a lagoon with indigenous vegetation that supports mahinga kai and spiritual values”.

Tūtaepatu Lagoon discharges north into the Taranaki Stream which then flows into the Ashley Rakahuri and south into the Saltwater Creek which discharges into the Waimakariri at Kairaki. The Lagoon and its freshwater network support a diverse range of indigenous biota,
Commercial: in Confidence

e.g. wetland and swamp plants, fish e.g. inaka, tuna (eel), kowaro (mudfish) and birds, e.g. kotuku (white heron) bittern, kotare (kingfisher) kōrimako (bellbird) and ruru (morepork).

Over the past 5 years 30,000 natives have been planted, female grey willow and old man’s beard controlled and over 1,000 animal pests eradicated.

**The Pines Beach Wetland**

The Pines Beach Wetland is a 36-hectare open reedland, surrounded by dunes. Originally, it was a lagoon open to the sea; however, around 1970, the opening was closed and the area has converted to a freshwater wetland.

The Trust has commenced an extensive weed control programme primarily targeting willow and beggars tick. Additionally, planting has commenced on the periphery with a range of native wetland shrub and tree species.

The work, along with a comprehensive animal pest control programme will result in a rapid transformation of the area.

**Carbon Sequestration - Trees that Count**

The Trust commenced the planting of a proposed 10,000 podocarp forest in April 2016 with a mix of 2000 kaikatea, matai and totara planted at Woodend Beach on the southern side of Tūtaepatu Lagoon. This coincided with New Zealand and 174 other countries signing the Paris Agreement on Climate Change in New York the previous night. In what is probably the first tree planting to sequester carbon from the atmosphere after the agreement was signed, about 150 volunteers organised by the Student Volunteer Army descended on the Park. The planting was a truly international effort (with lots of international students participating) in a truly bicultural project. For Trees that Count, which provided the trees, this is hopefully the beginning of a much larger nationwide project that combines biodiversity restoration and action on climate change.

On Anzac Day 2017, another 1,000 totara and 1,000 assorted native tree species were added to the Woodend Beach forest including kowhai, ribbonwood, ake ake, tarata and kanuka. There were over 200 volunteers on site from all walks of New Zealand life, small children to great-grandparents, pai rawa atu, excellent.

**Coastal Management**

Tūhaitara Coastal Park runs for 10.5 kilometres of the Northern Pegasus Bay coastline, between the Waimakariri and Waikuku Beach.

The Park includes all of the back dunes along this stretch and some of the fore dunes and fore shore areas. Tūhaitara Coastal Park is managed under the Tūhaitara Coastal Reserve & Waikuku Beach Reserves, Reserve Management Plan.

The fore dunes and fore shore are managed under the Northern Pegasus Bay Bylaw 2016.

The dunes are an ecosystem for many native fauna and flora species, they provide protection from storm surges and sea events including Tsunami, have significant cultural and archaeological values arising from the occupation of Maori and; act as filters for coastal water.
Te Kōhaka o Tūhaitara Trust and Environment Canterbury have commenced the restoration of the dunes system, with a number of fore dune trial plots planted with native sand binding plants including Spinifex and Pingao. Additionally, there are numerous back dune native planting sites.

Over time these plantings will be extended so that they reflect the Trusts 200-year vision to restore the lands, protect the coastal communities and provide opportunities for mahinga kai.

**Strategy**

The Trust has an environmental restoration strategy. The update and expansion of this strategy will be the primary initial task for the new Environmental/Operational Services position. The development of the environmental restoration strategy will include:

- A Park wide strategy, e.g. biota nodes spanning the whole park.
- Incremental development, so newly restored and planted areas can be maintained, i.e. high quality sustainable development.
- Reliance on volunteers, with neighbouring communities encouraged to look after the Park areas closest to them
- Links with the braided rivers at each end of the Park. These are managed by ECAn as regional parks. The Ashley Rakahuri River Care group actively support the river. The development of these links will provide a connecting corridor and facilitate the release of black stilt kaki because of connection with other neighbouring groups.
- Involvement with national genetics group.

As funding becomes available, the following projects will be undertaken:

- Establish boardwalk areas through the wetlands between Tūtaepatu Lagoon and Pegasus ECMA
- Trail development as forestry project moves through the Park
- Re-naturalising Tūtaepatu Lagoon northern outlet, lagoon to Waikuku Beach
- Riparian planting Tūtaepatu Lagoon northern outlet, lagoon to Waikuku Beach
- Inclusion of Ashley Rakahuri estuary into Tūhaitara Coastal Park
- Foredune planting
- Planting Pegasus carpark surrounds
- Planting Western conservation management area ridge
- Create firebreak and native planted area behind Dunns Ave houses at The Pines Wetland
- Establish bird hides at Tūtaepatu Lagoon and Pegasus ECMA
- Establish Rongoa gardens at Te pa harakeke o Tūhaitara
- Establish basic plant nursery at Woodend Beach
Appendix D: Education strategy

Background

Learning for Life

Te Kōhaka o Tūhaitara Trust provides environmental education to many of North Canterbury and Christchurch's primary and secondary schools. These range from regular fortnightly sessions through to a few visits per year.

The modules are based around the biota node development (see the projects page) and provide for a mix of theory and experiential learning.

The Trust has developed its own learning resources and supplements these with visits by topic experts covering subjects including freshwater, invertebrates, microscopy, and animal pest control.

Bruce Banks Environmental Education Award

The Bruce Banks Award is offered annually to any primary or secondary school student who aims to further native biodiversity in the Waimakariri District. The award has been established by the Trust to recognise the important work Bruce did establishing the animal pest control programme at the Park.

Bruce had also recognised the importance of encouraging young people to become involved in caring for the Park and often brought his young grandchildren to work with him, nurturing their interest in biodiversity.

Resources

The Trust also has a range of environmental education lesson plans. The content is available for reuse and redistribution under Creative Commons Attribution-NonCommercial 3.0. Please reference Te Kohaka o Tūhaitara Trust, Note © Peter Langlands Wild Capture research & photography all fauna photos.

Hard copies of the Tūhaitara Coastal Park Field Guide are available from the Trust Office or WDC Kaiapoi Service Centre, cost $20. Original oil pencil art is available from Katherine.jacob@xtra.co.nz.

Additionally, the Trust has under graduate and post graduate resources. These can be sourced by contacting the Trust office.

Strategy

The Trust is working on the full development of an education strategy. This will be the primary initial task for the new Education/Visitor Services position. The development of the education strategy will include:

- Consideration of who uses the Park for education purposes, e.g. schools, university, general public, special interest groups, and the varying needs of these groups.

- Review of the pedagogy relating to the style of learning (e.g. learning facilitator compared with teaching for of education) and stages of learning and building of
knowledge at different stages of learning (e.g. basics, advanced knowledge followed by investigations, action research, self-directed learning).

- Consultation with schools regarding the level of involvement they want from the Trust on an on-going basis. The range could be from merely provision of a living laboratory through to total responsibility for teaching and learning that takes place at the biota nodes.

The strategy will include, but not be limited to current users, resources and activities:

- **Schools**
  - Darfield
  - Enviroschools
  - Hurunui
  - Kaiapoi North
  - Pegasus
  - Rangiora High
  - St Josephs
  - Tuahiwi
  - Woodend

- **University of Canterbury**
  - Education
  - Engineering
  - Forestry
  - Genetics
  - Geography
  - Management
  - Office of the AVC Māori

- **Community**

- **Biota node booklet and lesson plans**

It will also include exploration of involvement from other potential users such as Lincoln University and corporate bodies.
Appendix E: Recreation Strategy

Background
The Tūhaitara Coastal Park contains a variety of walking, cycling and bridle trails with access from all of the adjoining communities. A number of the walking and cycling trails link to the adjoining Waimakariri River and Ashley Rakahuri Regional Parks. There are many natural features to view and enjoy including Tūtaepatu Lagoon.

Tūtaepatu Lagoon
The lagoon is a 49ha spring fed freshwater wildlife sanctuary which is home to many species of native fauna and flora. A viewing platform allows you to see over the raupo beds into the open water to view the many species of waterfowl, wetland and forest bird species.

Tūtaepatu Trail
Tūtaepatu Trail is a 5km all weather walking and cycling trail running between Woodend Beach Road and Kiwi Ave Waikuku. It can also be accessed from Tiritirimoana Drive Pegasus Town. The trail passes Tūtaepatu Lagoon and its viewing platform and a seated area with views north to Maukatere Mt Grey. Dogs may be taken on the trail but are required to be on a leash between Woodend Beach and Pegasus Town. This trail is for all levels of fitness.

Pegasus Walkway
Pegasus Walkway meanders the 10.5km length of the Park between The Pines and Kairaki Beaches and Waikuku Beach. It is a shared trail with walkers, mountainbikers and horses. It is a natural surfaced trail which requires a reasonable level of fitness if mountain biking. The walkway meanders along the back of the dune system and through the coastal protection pine forests. There are numerous sign-posted access points leading to the beach.

Horse riding
Horse Float carparks are located at Kiwi Avenue Waikuku Beach (Key available from Waimakariri District Council) and Ferry Road Woodend Beach. Bridle Trails are clearly marked. Horse are not permitted on the Tūtaepatu Trail or in the Woodend Beach Domain.

Picnics/Events
Woodend Beach Domain provides a great picnic and event area and bookings can be made by contacting the Trust. Vehicles are permitted in the designated picnic area. NOTE: the gate is shut in the evenings and there is a charge to get out if you are locked in. Details are on the signs located at the entrance to the domain.

Beaches
Tūhaitara Coastal Park borders 10.5km of the Northern Pegasus Bay. Surf patrols operate at Waikuku Beach between mid-November and mid-March. Woodend Beach is patrolled during the Christmas New Year period. The beaches bordering Kairaki, The Pines and Pegasus Town are not patrolled. The entire length of beach is covered by the Northern Pegasus Bay bylaw.
Strategy

Recreational activities change over time as communities develop new and different interests and ways to recreate. The Park is available to all people for organised or unorganised activities, formally arranged events or casual use, active or passive pursuits. It is being regenerated to provide for a resource for the community as a place which offers many different things to different people, so they will use it in their own way, contributing to all aspects of their health and well-being.

Alongside the education strategy, the development of the recreation strategy will be one of the primary tasks for the new Education/Visitor Services position.

These are some of the activities that could be developed and enjoyed at the Park:

- Events
- Orienteering
- Picnics
- Horses
- Swimming/beach access
- Biking
- Walking
- Fitness
- Nature study
- Photography
- Reading and writing
Appendix F: Financial Assumptions

The following assumptions have been made in determining the initial estimate:

- While the Trust is a separate legal entity and has no obligation to follow Local Government pay scales, it is assumed that the Local Government Remuneration Report September 2017 categories and remuneration indications will be used to ascertain appropriate salary levels (Strategic Pay Limited, 2017).

- The General Manager will have increased responsibilities and, therefore, potentially move to a different position category. This could be Parks & Recreation Manager CS04 (Strategic Pay Limited, 2017, p90). This is a full-time position.

- The Education / Visitor Services position will be similar to IM43, with a range of $56,734 to $66,274 (Strategic Pay Limited, 2017, p201). The position will initially be 40 hours per fortnight, but may move to full-time over 3-5 years.

- The Environmental/Operational Services position will be a technical, practical person with expertise in botany, fauna and ecology. It is expected they will hold a degree-level qualification in ecology, freshwater or similar areas of study, and demonstrate initiative (i.e. self-directed with guidance from the General Manager). There was no similar position in the Local Government Remuneration Report September 2017. However, it is expected that they will be in the range $50,000 to $65,000. This is a full-time position.

- The Funding Assistant position will be similar to CO10, with a range of $38,406 to $40,671 (Strategic Pay Limited, 2017, p111). It will be a part-time position of 10 to 20 hours per week.

- There will be additional operational and overhead costs associated with the increased structure of twice the current budget.

- There will be capital costs required for:
  
  o Premises – Additional office space for the Trust and additional operational buildings. These may be able to be attached to a UC research centre. This may be a joint venture, where the Trust provides the land and the university provides the buildings. The Trust may use some parts of the centre for offices or to operate revenue generating activities such as a café - estimated at least $400,000
  o Office and IT equipment, workstations – estimated $10,000
  o Vehicles – at least one additional vehicle (purchase or lease) - $30,000
  o Additional tools and equipment - $5,000.

  These will be sought from funding applications and external funders.

- Current leases (e.g. for forestry and camping grounds) will “run their course” at which time they will be reviewed to consider whether it is still in the best interests of the Trust. Some land may be retired for wetland rehabilitation. Some activities may be directly managed by the Trust.
• Revenue generating activities will require capital investment, e.g.
  o Upgrades to camping grounds
  o Temporary residential structures at locations within the Park, e.g. The Pines Beach, Kairaki, next to Pa Harakeke
  o Nursery
  o Retail outlets – café, ice cream shop

• The Trust will keep a “watching brief” on the availability of neighbouring properties. It may be possible to purchase one of these to resolve the premises requirements as well as develop revenue generating activities through leasing of paddocks and/or residential dwellings.

• WDC will fund:
  o Secretarial services
  o Rates for ECMA, WCMA, Pines Kairaki Regeneration Areas
  o Audit fees

• Previous external funders will continue to support the operations of the Trust.

• Funding will continue to be sought for specific projects, such as:
  o Maintaining current trails and rehabilitation areas underway
  o Mahinga kai, rongoa, freshwater network ($50,000 per annum)
  o Tūtaepatu Lagoon ($37,000 per annum)
  o Pines beach Wetlands, Dunes, biota nodes
  o Pest control throughout the Park.
  o Coastal protection – as available. It would take $7million for the coast line to be cleared and planted so it could become self-sustaining.
  o Pegasus ECMA and WCMA – initial planting and ongoing weed and pest control

• The Trust will retain at least $100,000 in fixed term investments as an “emergency” fund for prudent financial management, to ensure the long-term sustainability of the Trust so it can respond to variations in cash-flow needs.

• Budget shows a deficit which will be covered through additional funding sought by the new funding administrator. The work plan will be subject to the success of these external applications, with the environmental works being scaled up or down to meet funding levels.
### Appendix G: Risk Criteria

#### Consequence Criteria

<table>
<thead>
<tr>
<th>Criteria</th>
<th>Insignificant</th>
<th>Minor</th>
<th>Moderate</th>
<th>Significant</th>
<th>Extreme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Financial impact</strong></td>
<td>Financial loss less than $1,000.</td>
<td>Financial loss or increased costs equivalent to less than 5% of budgeted operational costs.</td>
<td>Financial loss or increased costs equivalent to 5-10% of budgeted operational costs</td>
<td>Financial loss or increased costs equivalent to 10-20% of budgeted operational costs</td>
<td>Financial loss or increased costs equivalent to 20% or more of budgeted operational costs.</td>
</tr>
<tr>
<td><strong>Operational</strong></td>
<td>Negligible impact on achieving key objectives. No measurable disruption to operational objectives.</td>
<td>Delay in achieving a key objective. Disruption to operational objectives or minor performance degradation.</td>
<td>Inability to achieve a key objective. Disruption up to 1 week and/or temporary degradation in the quality of output delivery.</td>
<td>Inability to achieve a number of key objectives. Disruption up to 1 month resulting in some community/customer dissatisfaction.</td>
<td>Inability to achieve key strategic objectives. Disruption greater than 1 month, resulting in failure to meet community/customer expectations.</td>
</tr>
<tr>
<td><strong>Management effort</strong></td>
<td>Management effort can be absorbed into routine operations.</td>
<td>Minimal additional management effort required to prevent escalation.</td>
<td>Management effort required to prevent escalation.</td>
<td>Significant Senior Management and Trustee attention and possible diversion of resources to manage issues or prevent crisis.</td>
<td>Extensive Senior Management and Trustee effort or resources diverted to prevent/recover from a crisis event.</td>
</tr>
<tr>
<td><strong>Health &amp; Safety</strong></td>
<td>Insignificant injury, no lost time. No long term effects.</td>
<td>First aid injury, minimal lost time. No long term effects.</td>
<td>Injury requiring medical attention off-site, short term lost time. Medium to long-term effects.</td>
<td>Serious illness/injury resulting in hospitalisation. Some rehabilitation costs.</td>
<td>Serious injury/illness resulting in permanent and critical loss of personnel.</td>
</tr>
<tr>
<td><strong>Stakeholder confidence/reputation</strong></td>
<td>Minor adverse publicity</td>
<td>Significant adverse publicity in particular locations</td>
<td>Adverse publicity causing targeted board scrutiny or investigation</td>
<td>Sustained adverse publicity locally or nationally causing sustained board, settlor and community scrutiny or investigation. Adverse impact with key suppliers and or customers regionally.</td>
<td>Sustained national and international adverse media coverage causing: Loss of confidence in the board and/or management. Loss of key community and/or funding support, customers and/or suppliers.</td>
</tr>
</tbody>
</table>
## Likelihood Criteria

<table>
<thead>
<tr>
<th>Rating</th>
<th>Description</th>
<th>Frequency (business context)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost certain</td>
<td>The event is expected to occur in most circumstances</td>
<td>Expected to occur twice (or more) each year</td>
</tr>
<tr>
<td>Likely</td>
<td>The event will probably occur in most circumstances</td>
<td>Expected to occur every year</td>
</tr>
<tr>
<td>Possible</td>
<td>The event should occur at some time</td>
<td>Expected to occur every 1 to 2 years</td>
</tr>
<tr>
<td>Unlikely</td>
<td>The event could occur at some time</td>
<td>Expected to occur about once every two to three years</td>
</tr>
<tr>
<td>Rare</td>
<td>The event may occur only in exceptional circumstances</td>
<td>May occur every three to-five years (or more)</td>
</tr>
</tbody>
</table>
References


Te Kōhaka o Tūhaitara Trust (n.d.) http://tkot92.wixsite.com/tuhaitara


WAIMAKARIRI DISTRICT COUNCIL

REPORT FOR / DECISION

FILE NO and TRIM NO: FIN-01 / 180315027524
REPORT TO: Audit & Risk Committee
DATE OF MEETING: 27 March 2018
FROM: Jeff Millward, Manager Finance & Business Support
SUBJECT: Six Month Financial Statements for the Period Ended 31 December 2017 - Te Kōhaka o Tūhaitara Trust

1. SUMMARY
1.1. The purpose of this report is to present the Six Month Report for the Period ended 31 December 2017.
1.2. The Trust Income Statement shows it has an operating loss of $128 for the six month period ending 31 December 2017 (Dec 2016: $15,081), as budgeted.
1.3. The Trust holds net cash assets of $211,518, primarily in cash investments compared with $148,502 as at 31 December 2016 and is in a relatively sound position.
1.4. Catherine McMillan (Trust Chair) and Greg Byrnes (General Manager) will be in attendance at the meeting to present the report and provide an update of the operations and the performance measures that have been provided.

Attachments:
i. Report for the Te Kōhaka o Tūhaitara Trust for the six month period ended 31 December 2017 (TRIM 180315027521).

2. RECOMMENDATION
THAT the Audit Committee:
(a) Receives report No. 180315027524
(b) Receives the Six Month Report for the Te Kōhaka o Tūhaitara Trust for the period ended 31 December 2017;
(c) Notes the operations for the six months to 31 December progressing as planned and within budget.

3. BACKGROUND
3.1 TKTT is a Council Controlled Organisation and is required under the Local Government Act within 2 months after the end of the first half of each financial year, must deliver to the shareholders a report on the organisation’s operations during that half year.

4. ISSUES AND OPTIONS
4.1. The Trust Income Statement shows it has an operating loss of $128 for the six month period ending 31 December 2017 (Dec 2016: $15,081), as budgeted.
4.2. The Trust holds net cash assets of $211,518, primarily in cash investments compared with $148,502 as at 31 December 2016 and is in a relatively sound position.

4.3. A significant milestone was the Eastern and Western Conservation Areas are now under the ownership and management of the Trust. The Trust have developed a Business Plan (Report TRIM 180313026469, A&R Agenda) that provides the strategic direction and management of the Trust. Objectives and measures for these areas have been included into the Statement of Intent.

4.4. The Trust is still in a relatively sound position given it still has a relatively healthy cash position and no term loan debt. It however, given the nature of the operations, rely on Grants and contributions from Shareholders and other submissions for funding to meet its objectives.

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

5. COMMUNITY VIEWS

5.1. Groups and Organisations

Te Runanga o Ngāi Tahu and the Council are Shareholder partners in the Trust and appoint three Trustee each to represent on the Trust

5.2. Wider Community

The objectives and measures are provided for within annual plans and the draft 2018-28 LTP that is currently being consulted with the community.

6. IMPLICATIONS AND RISKS

6.1. Financial Implications

6.2. The Council has budget provision in the 2018-2028 LTP for the following:

<table>
<thead>
<tr>
<th>2018-19 (Proposed)</th>
<th>Description and nature of cost</th>
<th>Activity area</th>
<th>Ledger Reference</th>
</tr>
</thead>
<tbody>
<tr>
<td>195,120</td>
<td>Grant</td>
<td>Governance</td>
<td>140.100.2410</td>
</tr>
<tr>
<td>9,000</td>
<td>Audit fees</td>
<td>Governance</td>
<td>140.100.2410</td>
</tr>
<tr>
<td>5,450</td>
<td>Insurance for Directors</td>
<td>Governance</td>
<td>135.332.2312</td>
</tr>
<tr>
<td>2,750</td>
<td>Meeting allowances</td>
<td>Governance</td>
<td>135.332.2465</td>
</tr>
<tr>
<td>21,070</td>
<td>Forestry land rental</td>
<td>Property-Forestry</td>
<td>167.532.2332</td>
</tr>
<tr>
<td>10,000</td>
<td>Camp land rental</td>
<td>Property - Camp</td>
<td>163.739.2391</td>
</tr>
<tr>
<td>$243,390</td>
<td>Total</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note that the above Grant includes an additional $120,000 provided for in the LTP

6.3. The Council also provides for the accounting and administrative services for the Trust.

6.4. Ngāi Tahu is contributing $241,415 ($80,472 / p.a.) over the next three years as a general operating grant.

6.5. Community Implications

6.6. Risk Management

6.7. Health and Safety
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 66(1) of the Local Government Act 2002 states “Within 2 months after the end of the first half of each financial year, the board of a council-controlled organisation must deliver to the shareholders a report on the organisation’s operations during that half year”.

7.3. **Community Outcomes**
The work of Te Kōhaka o Tūhaitara Trust contributes to the following outcomes:
- There are areas of significant indigenous vegetation and habitats for indigenous fauna;
- Public organisations give effect to the spirit of the Treaty of Waitangi.

7.4. **Delegations**
Delegation S-DM 1022 provides that the Audit & Risk Committee has the jurisdiction to “Monitor performance of the Council-Controlled organisations on a six monthly basis”.

Jeff Millward  
Manager Finance & Business Support
1. **PURPOSE**

The purpose of this report is to provide the Trustee’s with the six-month report for the period ending 31 December 2017. This report will also being provided to the Waimakariri District Council and Te Runanga o Ngāi Tahu in accordance with the requirements of the Local Government Act and Statement of intent for 2017/18.

2. **RECOMMENDATION**

**THAT** Te Kōhaka o Tūhaitara Trust:

(a) **Receives** the six monthly report for the period ended 31 December 2017;

(b) **Forwards** this report to the Trust Settlor partners, Waimakariri District Council, Audit Committee and Te Runanga o Ngai Tahu

3. **BACKGROUND**

As reported to the Trustees throughout the year, this report culminates to the six month report to the Trustees and also serves as the report provided to the Waimakariri District Council and Te Runanga o Ngāi Tahu.

This report is provided in significant areas:

- The financials which includes an Income Statement and Balance sheet for the period ended 31 December. To date the budget is going to plan. Revenue is being received as expected and we have been successful obtaining the following grants $80,000 from Te Runanga o Ngai Tahu, $52,000 from Waimakariri District Council for Trust Administration and the completion of a Business Plan and $13,500 from the CWMS Waimakariri Zone Committee for restoration work at The Pines Wetland.

- Non-Financial Information which primarily consists of the measures the Trust set and agreed within the Statement of Intent. The following information is provided:

  Te Kōhaka o Tūhaitara Trust non-financial actions against the 2017/18 Statement of Intent (Measure in Italics)

  The Trust will:

  1. **Manage and administer the Reserve in accordance with the approved Reserve Management Plan.**

     Te Kōhaka o Tūhaitara Trust is managing and administering Tūhaitara Coastal Park in accordance with the Reserve Management Plan, 2015-25 Strategic Plan and current Statement of Intent.

  2. **Ensure that the health and safety and employment conditions of Trust staff, contractors, and visitors meet relevant legislation.**
All contractors, volunteers, and formal visitors are required to complete a hazard review before working in the park. First aid training was completed during November.

3. **Ensure all reporting mechanisms to the Settlors are timely and within their statutory timeframes.**

   All required reporting during the current financial year have been within the required statutory timeframes.

4. **Ensure that lease agreements are compatible with the Reserve Management Plan and finalised where necessary to maximise the revenue potential for the Trust.**

   Lease agreements are up to date. The Trusts Pa Road land parcel leases were renewed with the existing lessee for a period of two years.

5. **Promote the cultural significance and history of the land and ensure this is reflected in new programmes.**

   The Trust continues to promote the cultural significance of the lands. This is ongoing, however, specific opportunities to promote the cultural significance of the lands have included the 6th annual Tūhaitara Coastal Park Open Day and Te Runanga o Ngai Tahu's settlement day staff visit.

6. **Maximise the opportunities for additional partnerships and sustainable funding to continue with the rehabilitation of Tūhaitara Coastal Park.**

   Staff from Te Runanga o Ngai Tahu attended the Trusts November meeting to discuss funding options through the iwi’s Tribal Properties and Mahika Kai funds. Additionally, we have made initial approaches to a number of community groups who are interested in supporting projects at Tūhaitara Coastal Park including the Pegasus Town and Woodend Residents Groups.

7. **Develop two performing biota nodes to progress the long-term goal of indigenous coastal forest along the length of the Tūhaitara Park.**

   We have established a new node in conjunction with the Rangiora Rotary Club on the beach side of Woodend Beach Domain. Club members carried out their first planting session as part of the Open Day. We have also started discussions with Hurunui College around the school adopting and developing a Biota Node from 2018, after a large group of students visited the park in October.

8. **Continue the rehabilitation of Tūtaepatu Lagoon.**

   To date we have focused on controlling any regrowth of woody weeds around the lagoon periphery. We engaged Wai ora Forest landscapes to carry out woody weed spot spraying during October. We continue to run animal pest control trap lines around the lagoon and these are now maintained by volunteers.

9. **Continue the rehabilitation of The Pines wetland.**

   The Pines Wetland water levels have been higher than usual due to long periods of heavy rain through the winter. This is beneficial for the wetland but has meant that we have been unable to commence the woody weed control program associated with the grant by the CWMS Waimakariri Zone Committee. We have developed a work plan in conjunction with Environment Canterbury biodiversity staff and Wai ora Forest Landscapes. The work is scheduled to commence early in the New Year.

10. **Develop a comprehensive Te Kōhaka o Tūhaitara Education Strategy**

    The Trust has engaged Courageous Solutions to complete a Business Plan during the current financial year. We have added the task of developing the Education Strategy to this project. The draft education strategy will be tabled at the February 2018 Trustee meeting for adoption.

11. **Ensure that access and maintenance programmes are in line with strategic plans and priorities and that they are appropriately resourced.**

    All access and maintenance programmes are in line with strategic plans and priorities and are appropriately resourced.
12. Provide and maintain a minimum 15 kilometres of walking, cycling, and bridle trails within the park for recreational purposes.

Over 15 kilometres of trails have been maintained during the reporting period. We have received funding from Waimakariri District Council to maintain the Pegasus Walkway and have been busy on the Woodend Beach to Ocean Outfall section, completing silviculture pruning on the pine trees along that section of the trail in order to provide a wide and safe corridor. Spring mowing was carried out in October and November. Additionally, we are working with the WDC Roading Department to upgrade the cycle walkway from Kiwi Avenue Waikuku Beach to Pegasus Town as the primary connect between these two settlements. Plans are complete and the work will commence in January 2018.

13. Ensure concessions for events and other activities on Trust land will have Health and Safety Plans and Public Liability Insurance. (Note: Concessions are not just for events, but can be for ice cream vehicles, coffee vehicles, and research activities; they are a mechanism to control all activities.)

All events are required to have Health & Safety Plans and insurance. The Trust provides a basic risk identification template for event coordinators.

14. Ensure all work programmes and maintenance activities are consistent with the Park’s cultural, biodiversity, ecological, and recreation values.

All programmes and maintenance activities are consistent with the Park’s cultural, biodiversity, ecological, and recreation values.

15. Establish an animal pest control programme at the Pegasus Town ECMA.

We have established traplines on both the eastern and western sides of the Pegasus Town ECMA. These traplines are maintained by volunteers who live at Pegasus. The traplines include 26 DoC 200 kill traps, 4 Timms and 10 rat and mouse bait stations. We have been surprised by the number of weasels caught on the eastern margin of the wetlands. The Trust has also reached agreement with Todd Group for the purchase of both the Pegasus Town ECMA and WCMA parcels. The agreement went unconditional in December 2017 with settlement date confirmed as 24th January 2018.

16. Develop a Concept Plan, in consultation with the community, for The Pines and Kairaki Beaches land included into Tūhaitara Coastal Park as an outcome of the Waimakariri Residential Red Zone Recovery Plan and; commence updates to the Tūhaitara Coastal Park Reserve Management Plan to cover these areas of the park.

We have completed a draft Concept Plan based upon the input to the Waimakariri Residential Red Zone Recovery Plan. The draft Plan has been forwarded to the immediate neighbours within The Pines and Kairaki Beaches regeneration area, Waimakariri District Council, LINZ and the Kaiapoi Community Board for their information prior to the formal consultation process commencing in the early part of 2018.

The Chair and General Manager provided copies and spoke to the draft concept plan for the Waimakariri Regeneration Steering Group in early December.

4. FINANCIAL & RISK

Operational

Operational expenditure is tracking in line with the approved budget. There are no substantial variations.

Capital

To date the Trust have not completed any capital works projects. However items of capital equipment including brush cutter, blower and laptop have been purchased.
**Investment**

Te Kōhaka o Tūhaitara currently has $107,315.95 invested in 3 short term interest accounts to coincide with operational cashflow demands. A proportion of the investment funds are for funded depreciation

- Investment Account 00881534921003 $26,835.02 (matures 13 Feb 2018, 91 days)
- Investment Account 00881534921002 $26,576.52 (matures 16 Jan 2018, 91 days)
- Investment Account 00881534921004 $53,904.41 (matures 22 May 2018, 1 year)
- Cheque Account 0853-0007757-00 $95,132.03 (As at 31 December 2017)

There are no substantial risks that have been identified at this stage to the achievement of the 2017/18 programme.

**Policy**

Te Kōhaka o Tūhaitara Trust, under Section 66(1) of the Local Government Act 2002 is required to “Within 2 months after the end of the first half of each financial year, the board of a council-controlled organisation must deliver to the shareholders a report on the organisation’s operations during that half year”.

The work of Te Kōhaka o Tūhaitara Trust contributes to the following Waimakariri District Council outcomes:

- There are areas of significant indigenous vegetation and habitats for indigenous fauna;
- Public organisations give effect to the spirit of the Treaty of Waitangi

Greg Byrnes  
General Manager
Te Kōhaka o Tūhaitara Trust

Statement of Financial Position
as at 31 December 2017

<table>
<thead>
<tr>
<th></th>
<th>December 2017 $</th>
<th>December 2016 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash equivalents</td>
<td>94,202</td>
<td>44,309</td>
</tr>
<tr>
<td>Debtors and prepayments</td>
<td>6,828</td>
<td>1,314</td>
</tr>
<tr>
<td>Investments</td>
<td>107,316</td>
<td>104,193</td>
</tr>
<tr>
<td>Total current assets</td>
<td>208,346</td>
<td>149,816</td>
</tr>
<tr>
<td><strong>Non-Current Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, Plant and Equipment</td>
<td>4,729,510</td>
<td>4,749,519</td>
</tr>
<tr>
<td>Intangible Assets - Carbon credits</td>
<td>27,478</td>
<td>27,478</td>
</tr>
<tr>
<td>Total non-current assets</td>
<td>4,756,988</td>
<td>4,776,997</td>
</tr>
<tr>
<td><strong>Total Assets</strong></td>
<td>4,965,334</td>
<td>4,926,813</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Creditors and accrued expenses</td>
<td>22,003</td>
<td>19,889</td>
</tr>
<tr>
<td>Employee costs payable</td>
<td>12,726</td>
<td>16,713</td>
</tr>
<tr>
<td>Revenue received in advance</td>
<td>42,783</td>
<td>20,271</td>
</tr>
<tr>
<td>Total current liabilities</td>
<td>77,512</td>
<td>56,873</td>
</tr>
<tr>
<td><strong>Total Liabilities</strong></td>
<td>77,512</td>
<td>56,873</td>
</tr>
<tr>
<td><strong>Net Assets</strong></td>
<td>4,887,822</td>
<td>4,869,940</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Equity</td>
<td>2,102,425</td>
<td>2,084,543</td>
</tr>
<tr>
<td>Revaluation Reserve</td>
<td>2,785,397</td>
<td>2,785,397</td>
</tr>
<tr>
<td><strong>Trust Equity</strong></td>
<td>4,887,822</td>
<td>4,869,940</td>
</tr>
</tbody>
</table>

Signed
Te Kōhaka o Tūhaitara Trust Chairperson

__________________________
Chairperson

---

Trustee

DATED: 7th February 2018
### Te Kōhaka o Tūhaitara Trust

#### Statement of Comprehensive Revenue and Expense for the period ending 31 December 2017

<table>
<thead>
<tr>
<th></th>
<th>Actual Period ending 31 December 2017</th>
<th>Budget Period ending 31 December 2017</th>
<th>Budget Full Year</th>
<th>% Full Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>1,757</td>
<td>1,260</td>
<td>2,520</td>
<td>70%</td>
</tr>
<tr>
<td>Grant - Council Administration/Operations</td>
<td>18,392</td>
<td>18,750</td>
<td>37,500</td>
<td>52%</td>
</tr>
<tr>
<td>Grants - Other</td>
<td>69,058</td>
<td>81,351</td>
<td>162,701</td>
<td>42%</td>
</tr>
<tr>
<td>Lease Rental &amp; Rates Revenue</td>
<td>20,099</td>
<td>19,987</td>
<td>39,974</td>
<td>50%</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
<td>323</td>
<td>1,125</td>
<td>2,250</td>
<td>14%</td>
</tr>
<tr>
<td>Field Guide/ Merchandise Sales</td>
<td>52</td>
<td>500.00</td>
<td>1,000</td>
<td>5%</td>
</tr>
<tr>
<td>Donations</td>
<td>92</td>
<td>1,500</td>
<td>3,000</td>
<td>3%</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>110,773</td>
<td>124,473</td>
<td>248,945</td>
<td></td>
</tr>
<tr>
<td>Expenses</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Advertising</td>
<td>376</td>
<td>500</td>
<td>1,000</td>
<td>38%</td>
</tr>
<tr>
<td>Audit Fee</td>
<td>3,295</td>
<td>3,200</td>
<td>6,500</td>
<td>51%</td>
</tr>
<tr>
<td>Bank Fees and Interest</td>
<td>65</td>
<td>50</td>
<td>100</td>
<td>65%</td>
</tr>
<tr>
<td>Biota Nodes Enhancement</td>
<td>-</td>
<td>1,000</td>
<td>3,000</td>
<td>0%</td>
</tr>
<tr>
<td>Boardwalk and Cycle Way and Tutaeatu Lagoon Expenses</td>
<td>8,672</td>
<td>36,750</td>
<td>73,500</td>
<td>12%</td>
</tr>
<tr>
<td>Building &amp; Grounds Maintenance / Rates</td>
<td>508</td>
<td>1,100</td>
<td>2,200</td>
<td>23%</td>
</tr>
<tr>
<td>Functions / Community Events</td>
<td>1,219</td>
<td>625</td>
<td>1,250</td>
<td>98%</td>
</tr>
<tr>
<td>Communications Strategy</td>
<td>80</td>
<td>75</td>
<td>150</td>
<td>53%</td>
</tr>
<tr>
<td>Cultural Education Programme &amp; Field Booklet</td>
<td>2,658</td>
<td>1,250</td>
<td>2,500</td>
<td>100%</td>
</tr>
<tr>
<td>Employment /Operations Expenses</td>
<td>46,281</td>
<td>42,125</td>
<td>84,250</td>
<td>55%</td>
</tr>
<tr>
<td>Depreciation of property, plant and equipment</td>
<td>18,738</td>
<td>19,000</td>
<td>38,000</td>
<td>49%</td>
</tr>
<tr>
<td>Insurance</td>
<td>599</td>
<td>1,375</td>
<td>2,750</td>
<td>22%</td>
</tr>
<tr>
<td>Lease Expenses</td>
<td>520</td>
<td>300</td>
<td>600</td>
<td>87%</td>
</tr>
<tr>
<td>Maintenance /Park Services</td>
<td>3,687</td>
<td>3,250</td>
<td>6,500</td>
<td>57%</td>
</tr>
<tr>
<td>Office Expenses -Equipment, Stationery etc</td>
<td>2,975</td>
<td>3,525</td>
<td>7,050</td>
<td>42%</td>
</tr>
<tr>
<td>Pa Herakeke</td>
<td>59</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pines Beach Wetlands</td>
<td>-</td>
<td>500</td>
<td>1,000</td>
<td>0%</td>
</tr>
<tr>
<td>Red Zone Land submissions</td>
<td>1,132</td>
<td>5,000</td>
<td>10,000</td>
<td>11%</td>
</tr>
<tr>
<td>Sundry Expenses</td>
<td>821</td>
<td>750</td>
<td>1,500</td>
<td>55%</td>
</tr>
<tr>
<td>Vehicle Expenses</td>
<td>3,995</td>
<td>3,075</td>
<td>7,350</td>
<td>54%</td>
</tr>
<tr>
<td>Loss on disposal of assets</td>
<td>12</td>
<td>-</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total expenses</td>
<td>95,692</td>
<td>124,000</td>
<td>249,200</td>
<td></td>
</tr>
<tr>
<td>Operating Surplus/ (deficit) before tax</td>
<td>15,081</td>
<td>(128)</td>
<td>(255)</td>
<td></td>
</tr>
<tr>
<td>Income tax expense</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Surplus / (deficit) after tax</td>
<td>15,081</td>
<td>(128)</td>
<td>(255)</td>
<td></td>
</tr>
</tbody>
</table>

#### Other comprehensive revenue and expense

- Gain/ (Loss) on asset revaluation: -

Total other comprehensive revenue and expense: -

Total comprehensive revenue and expense: 15,081 (128) (255)
1. SUMMARY

1.1 This report provides final report on the project to move to Infrastructure as a Service (IaaS) project and the outcomes achieved to date.

1.2 The IaaS project was implemented in a phased approach and was finalised in February 2018. The last server (SCADA) was moved into IaaS in October 2017 (one month behind schedule), but due to 3rd party dependencies this server did not move into the “live” environment until February 2018.

1.3 The IaaS project costs have been completed under budget and we have been able to reduce the IaaS budget in the 2018-2021 LTP budget round by about $300,000 (between 2018 and 2021) with further savings, as IaaS becomes more popular. Revera frequently applies volume discounts (due to more government agencies signing up to IaaS) to their IaaS pricing, that should result in future cost reductions.

1.4 At a high level the key benefits of the IaaS project are having a solution that is Business continuity ready, now having a fully document IT system, a very robust network solution from the Rangiara Service centre to Revera in Christchurch, with a built-in (Disaster Recovery (DR) solution in Trentham and transparency and visibility on the true cost of managing the server infrastructure environment. Storing and accessing application software and information in a datacentre is producing cost efficiencies. IT expertise is able to be delivered and sourced centrally and shared across all the data centre clients.

Attachments:
A. IaaS – Post Implementation Review (TRIM 180308024823)
B. Monthly IaaS costs – graphs
C. Revera monthly report (TRIM 180308024563)

2. RECOMMENDATION

THAT the Audit and Risk Committee:

(a) Receives report No. 180313026656.

(b) Notes the success of the Infrastructure as a Service project;
Notes that the Infrastructure as a Service project cost were within budget. The budgets provisions in the 2018-2028 LTP have been able to be reduced by at least $300,000 on original estimates based on a more efficiently managed Servers and reductions in contract rates

3. BACKGROUND

Waimakariri District Council’s (WDC) infrastructure had grown over the last 10 years in an ‘ad-hoc’ fashion. The hardware was old, was prone to failure, inefficient and becoming a high risk to the council’s continuity of business. The Disaster Recovery (DR) options had become complicated, limited and to a degree manual to manage. During the 2016/17 annual plan deliberations two options were provided to the council to be considered for our network infrastructure renewal programme:

a. Replace on-site with new hardware solution;

b. Move to Infrastructure as a Service (IaaS), i.e. moving our servers to a data centre potentially located in Christchurch,

Council approved the recommendation to move to IaaS and a RFP was released in August 2016 through the “All of Government” (AoG) contract tendering, and Revera was chosen as the preferred vendor.

Revera’s IaaS solution is fully AoG approved, having undergone a rigorous examination by the MBIE and the Department of Internal Affairs as an offering to central and local government. AoG pricing means that WDC have access to cheaper services, through a consumption model combined with discounts available through aggregated demand.

4. ISSUES AND OPTIONS

The IaaS project was implemented in a phased approach and was scheduled to be finalised by the end of September 2017.

The Planning/Initiation phase (October 2017) consisted of working with Revera to build the new IaaS platform and develop the migration track, and with 2Degrees to build in redundant data network connectivity. We spent a lot of time on “discovery”, documenting the current servers and network, removing redundant servers and server consolidation. Server consolidation has meant that the original 77 servers have now been consolidated into about 60 server.

The pilot phase (November 2016-March 2017) saw the move of the new TRIM (HP Content Manager) server to IaaS. The main objectives of the pilot phase were to prove the viability of moving all servers to IaaS in respect of network speed, performance and redundancy and to prove IaaS is “fit for purpose”.

The pilot phase was a success and the TRIM upgrade project ran very smoothly with minimal disruption compared to previous TRIM upgrades.

A paper was presented to Council in February 2017 (TRIM # 170217015277) detailing the results of the pilot. Speed tests indicated an improved speed performance of the servers in IaaS and no disruption to service. Council approved continuation of the IaaS project and budget of $2.6m over the 3 years.

The Test phase (March-April 2017) consisted of testing the migration track, backup as a service (BaaS) and possible Disaster Recovery (DR) scenarios with these test VMs to define final structure on backup and DR before transition phases begin. We also tested procedures for provisioning, alerts, monitoring, service portal etc.
4.7. This phase also covered the finalisation of sizing, tiering and backup policy for virtual servers ready to start the migration phase.

4.8. The Migration phases (April – October 2017) saw the gradual move of existing servers onto IaaS and setting up of the DR site at Trentham. The move of servers to IaaS was completed by the end of October 2017, a month behind schedule, with the last server to “go-live” being the SCADA server in February 2018.

4.9. One reason for the month delays was our decision to, for some servers, opt to build a new server instead of simply migrating the existing virtual server. The benefits of building a new server were deployment on the latest version of the Windows operating system and performance improvement of the server.

4.10. The SCADA server had been migrated to the datacentre by the end of October but cutover to “live” was delayed until February 2018 due to 3rd parties (Bremca) not being available to complete their part of the project.

4.11. Work was also completed on redesigning the internet breakout point and redesigning the internal WiFi networks, e.g. a new network was added and new virtual server created to manage the internet break out and to create an additional breakout for all non WDC corporate Internet Traffic. This successfully reduced the load on our network links to IaaS.

4.12. All objectives in each phase were met, see Appendix A, the Post Implementation Review document for more details on each phase.

4.13. The Business Continuity Plan (BCP) exercise in October 2017 highlighted that IaaS would make setting up alternative office locations much more straightforward. The exercise also highlighted our existing vulnerability of the phone system, which at the moment is on-premise. Moving the phone system to a cloud solution will also mitigate that risk.

4.14. At a high level the key achievements of the IaaS project were:
   - New servers as opposed to migration of existing servers,
   - Cleaning up of our infrastructure,
   - Having a fully document IT system,
   - WDC now has a very robust network solution from the Rangiora Service centre to Revera in Christchurch, with a built-in DR solution in Trentham’
   - Transparency and visibility on the true cost of managing the server infrastructure environment.

4.15. We have a monthly account meeting with Revera to discuss the previous month (Appendix C is December-January monthly report). The meeting discusses any issues and changes made, and reports on performance of services (e.g. datacentre availability, backups, security breaches etc.) and change requests made.

4.16. A detailed billing summary is also included. This allows us to pro-actively monitor the costs from month to month. Revera prices for compute and storage keep coming down due to volume discounts (due to more government organisations taking up IaaS), and in February DIA reduced their fee payable by agencies from 2.5% down to 1.5%. This fee is recovered through the contracting agency.

4.17. The Management Team have reviewed this report.
5. COMMUNITY VIEWS

5.1. Groups and Organisations

N/A

5.2. Wider Community

N/A

6. IMPLICATIONS AND RISKS

6.1. Financial Implications

6.2. For financial years 17/18 and onwards the budget provisions for IaaS have come down (see table underneath); the figures provided in 2016 were estimates, the budget figures for 17/18 Annual plan were based on Revera’s RFP response and the 18/19 LTP figures are based on actual IaaS costs.

<table>
<thead>
<tr>
<th>IaaS budget allowance ('000)</th>
<th>16/17</th>
<th>17/18</th>
<th>18/19</th>
<th>19/20</th>
<th>20/21</th>
</tr>
</thead>
<tbody>
<tr>
<td>16/17 Annual Plan</td>
<td>$433</td>
<td>$560</td>
<td>$707</td>
<td>$913</td>
<td>$679</td>
</tr>
<tr>
<td>17/18 Annual Plan</td>
<td>$543</td>
<td>$657</td>
<td>$893</td>
<td>$665</td>
<td></td>
</tr>
<tr>
<td>18/19 LTP</td>
<td>$615</td>
<td>$644</td>
<td>$658</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Budgets above includes IaaS and other associated improvement works, e.g. network review to Kaiapoi and Oxford, SQL server consolidation, file and print storage; items that would have needed to be included too if we had chosen on-site replacement of server infrastructure).

6.1. Monthly “true” IaaS costs for Production and DR servers (incl. Backup as a Service) is currently $43,990. The indicative monthly costs for Revera in their RFP response was $41,300. The increase is due to the addition of 6 servers (extra SCADA server, T1 web server, Citrix, Citrix gateway for resiliency, Sharefile, Mobility solution and NCS), which potentially pushed the price up to $47,399, but volume discounts lowered this to $43,990.

6.2. We continually monitor and fine tune the amount storage on each tier and we expect that in March we can reduce the monthly fee by about $800 by resizing disks. As opposed to having infrastructure on-site we can keep fine-tuning the amount of disk space needed and thus only pay for what we actually need.

6.3. The following graph shows the running costs of IaaS since the start of the project in 2016:

6.4. There was a steady increase in costs of IaaS since the start of the project in November 2016 until July 2017, when a bulk All of Government (AoG) discount was applied and costs reduced. From July onwards, we continued adding servers and services, from August to November, costs stayed relatively stable, as there were no major changes.
6.5. The spike in December is due to the DR site at Trentham coming on-line and we have now stabilised at our approximate monthly cost of $43-$44K per month. This will continue to fluctuate slightly due to new servers and storage being added, which will increase cost. This will be offset regularly by Revera applying bulk discounts as more government agencies start consuming AoG IaaS. WDC IT are also actively monitoring and reviewing usage to reduce costs.

6.6. IaaS costings provide another benefit in that we can now easily breakdown server costs based on cost centres so we could charge individual department/unit for their server compute and storage costs and provide a server price for individual projects requiring a new server (See Appendix B).

6.7. **Community Implications**

N/A

6.8. **Risk Management**

6.9. The main ‘perceived’ risk of IaaS is the failure of the datalink to Christchurch. This risk is being mitigated by having extra redundant datalinks in place to the data centre and within Rangiora. However the offset to this disruption is that a local power outage that can effect server capability is avoided, if the power is maintained in Christchurch and along the datalink, as on Friday 9 March 2018.

6.10. In case there is a major disaster and all local fibre links have been affected we can make use of what’s called the “network ladder” that’s in place that covers the entire country.

6.11. In the case of an Alpine event it’s “wait and see” (much like it would be having servers on-site here). The datacentre in Christchurch is built to 100%+ Earthquake code plus the secondary data centre is on the North Island, providing extra resilience.

6.12. In the case of a BCP event WDC have reduced the risk of having no server access, IaaS will allow for easy relocation to temporary office locations.

6.13. IaaS now has DR built-in, so in the event of the main datacentre being unavailable we can easily switch over to the DR site.

6.14. The project was developed using contracts of Service with an experienced IT and System Engineers. One of the risks of the project was losing this resource, particularly when they were on fixed term contracts, which occurred. This was overcome by transforming the work to a contract for Service agreement with Spark and fortunately the system engineer that was employed on the contract was able to be retained at minimal extra cost and managed under the budget provision.

6.15. **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
N/A

7.4. Delegations
N/A

Jolanda Simon, CIO
Document Control
This table shows a record of significant changes to the document.

<table>
<thead>
<tr>
<th>Version</th>
<th>Date</th>
<th>Author</th>
<th>Description of Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.1</td>
<td>31/01/2018</td>
<td>D Sewell</td>
<td>Initial Draft</td>
</tr>
<tr>
<td>1.0</td>
<td>05/03/2018</td>
<td></td>
<td>Jolanda review</td>
</tr>
</tbody>
</table>
## Contents

Document Control............................................................................................................................... 2  
Executive Summary............................................................................................................................... 4  
Introduction ............................................................................................................................................ 5  
Purpose and scope of the Post Implementation Review ................................................................. 5  
Scope and objectives of the project .................................................................................................. 5  
Scope................................................................................................................................................... 6  
Success Criteria ................................................................................................................................... 7  
Constraints.......................................................................................................................................... 7  
Critical Success Factors ....................................................................................................................... 7  
Project Performance ............................................................................................................................... 8  
Phase 1:............................................................................................................................................... 9  
Phase 2:............................................................................................................................................. 10  
Phase 3:............................................................................................................................................. 10  
Phase 4:............................................................................................................................................. 11  
Changes/Variations........................................................................................................................... 12  
Budget............................................................................................................................................... 13  
Risks and issues ................................................................................................................................. 14  
Lessons Learned.................................................................................................................................... 15  
What Went Well ............................................................................................................................... 15  
What Didn’t Go So Well .................................................................................................................... 15  
Improvements.................................................................................................................................. 15  
Next Steps ............................................................................................................................................. 16  
Appendices............................................................................................................................................ 17  
A: Tracking Costs ............................................................................................................................... 17
Executive Summary

Waimakariri District Council's (WDC) infrastructure had grown over the last 10 years in an ‘ad-hoc’ fashion. The hardware was old and prone to failure. The Disaster Recovery (DR) options were limited and manual.

During the 2016 council 2016/17 annual plan deliberations two options were considered for our network infrastructure refresh:

- Replace on-site with new hardware solution
- Move to Infrastructure as a Service (IaaS), i.e. moving our servers to a data centre in Christchurch

Council approved the recommendation to move to IaaS and a RFP was released in August 2016 and Revera was chosen as the preferred vendor.

The IaaS project has been a success, coming in on budget and within scope. The project overall, kept to time, but we did overrun by 1 month, this was caused by under-estimation of the amount of work involved.

Some of the key achievements of the project were:

- New servers as opposed to migration of existing servers,
- Cleaning up of our infrastructure,
- Having a fully document IT system,
- WDC now has a very robust network solution from the Rangiora Service centre to Revera in Christchurch, with a built-in DR solution in Trentham.

Some of the lessons learned: It was important to have the right people involved, not only from a technical stand point, but also from within the business.
Introduction

Waimakariri District Council’s (WDC) infrastructure had grown over the last 10 years in an ‘ad-hoc’ fashion. The hardware was old and prone to failure. The Disaster Recovery (DR) options were limited and manual.

During the 2016 council 2016/17 annual plan deliberations two options were considered for our network infrastructure refresh:
- Replace on-site with new hardware solution
- Move to Infrastructure as a Service (IaaS), i.e. moving our servers to a data centre in Christchurch

Apart from pricing the other main benefits of moving to IaaS are:
- Risk of infrastructure failure is reduced;
- Moving to operational cost which makes it lower cost in the long run and certainty of budget;
- Built-in DR and Backup solution (off-island);
- Easily scalable for redundancy and growth.

Council approved the recommendation to move to IaaS and a RFP was released in August 2016 and Revera was chosen as the preferred vendor.

Revera’s IaaS solution is fully AoG (“All of Government”) approved, having undergone a rigorous examination by the DIA as an offering to central and local government. AoG pricing means that WDC have access to cheaper services, through a consumption model combined with discounts available through aggregated demand.

The IaaS project was implemented in a phased approach, starting with a pilot phase (November 2016-March 2017) which saw the move of the new TRIM server to IaaS. The move to IaaS was scheduled to be finalised by the end of September 2017.

Purpose and scope of the Post Implementation Review

The purpose of the Post Implementation Review (PIR) is to determine whether the project was successful and identify any lessons learned. The PIR also looks at whether the project produced the required deliverables within the agreed timeframe.

The Post Implementation Review applies to the:
- Project communication
- Technical solution
- Implementation
- Project dates and budget

Scope and objectives of the project

The following goals and objectives have been identified for the initiation, pilot, testing and migration phases of the IaaS project:
- An extensive planning and testing phase: WDC wishes to test a lot of functionalities in this timeframe: migration tracks, backup possibilities, DR, performance testing.
- Development of migration procedures in the planning/testing phase of the project will be used in the transition phases.
• Deliver these phases to time, budget and scope
• Use the TRIM upgrade to HP Content Manager (CM) as the pilot phase;
• Provide a recommendation at the end of the Pilot phase to management team on whether to continue with the transition phases.
• Deliver the migration strategy developed during the planning/testing phase
• Deliver new network and security designs
• Deliver redundant networks
• Deliver backups and DR solutions
• Deliver upgraded software solutions where possible
• Deliver IT SLA to help the WDC manage and maintain their environment
• Deliver completed project on Time and within budgets

Scope

Inclusions
The following are in scope of the project:

1. Initial phase
   • Revera to propose migration track and software for transition
   • Revera to build IaaS platform for WDC fulfilling all requirements
   • Revera together with WDC network provider to provide redundant connectivity onto MPLS for WDC
   • Revera to deliver IaaS platform and backup as a service for the pilot

2. Pilot phase
   • New Virtual Machines (VM) will be created for testing HP Content Manager

3. Planning/Test phase
   • WDC to test migration track; existing test VMs (VM created at WDC infrastructure with non-production functionality) will be migrated using software migration tools proposed
   • WDC to test functionality regarding backup as a service (BaaS) and possible Disaster Recovery (DR) scenarios with these test VMs to define final structure on backup and DR before transition phases begin
   • WDC to test procedures for provisioning, alerts, monitoring, service portal etc.
   • WDC to finalise backup strategy and DR strategy with Revera before start of transition phase
   • WDC to finalise sizing, tiering, backup policy for VMs of transition phase 1 ready to migrate.

4. Migration Phase
   • Build new servers and migrate services
   • Migrate servers which are unable to be rebuilt due to nature and complexity
   • Redesign the internet break out
   • Create additional redundant network links
   • Redesign the internal network security
   • Redesign the WiFi Networks
   • Redesign the email flow and perimeter security
   • Segregate the SCADA network for security
Success Criteria
The project will be successfully completed when:

- HP CM is fully deployed within the IaaS environment
- The various services outlined in the scope section above have been successfully tested and rolled out
- Services and solutions are available and accessible 24/7 from all WDC locations
- Disaster Recovery Solution is in place and Backups are being taken and managed.

Constraints
The project is subject to the following constraints that must be taken into consideration prior to the initiation of the project:

- Budget
- Availability of staff
- Business areas ability to support and resource the project for design, requirements gathering, user acceptance testing, general business knowledge and questions and piloting.
- Business priorities set by the Business Improvement Steering Group which may prioritise other projects above this project.
- Access to external parties' resources in the event of project delays.

Critical Success Factors
- Project buy in and commitment from all key stakeholders and assigned Project Implementation Team members
- Within reason and as subject to approval, the project should not sacrifice the delivery of any key scoped items or specified functionality in response to pre-set budgetary and/or time constraints
- Ensuring that project governance and management processes are maintained throughout the project
- The commitment and availability of key Project Implementation Team members to complete assigned project tasks in a timely manner
- Availability of key resources (WDC, Revera and 2 Degrees) to be committed for the duration of the project
- Timely sign off and acceptance of key project deliverables
Project Performance
This section identifies how the project performed against each of the targets identified during the Initiation and Planning phases of the project.

<table>
<thead>
<tr>
<th>Oct 16</th>
<th>Nov 16</th>
<th>Dec 16</th>
<th>Jan 17</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiation</td>
<td>PILOT phase</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*VM = Virtual Machine/Server
Phase 1 - Initiation:
Included in this phase are:

- Revera to propose migration track and software for transition
- Revera to build IaaS platform for WDC fulfilling all requirements
- Revera together with WDC network provider to provide redundant connectivity onto MPLS for WDC
- Revera to deliver IaaS platform and backup as a service for the pilot

This section of the project involved working with 2 Degrees to help with the network design and building the connectivity into the Revera Datacentre at Perimeter Rd.

<table>
<thead>
<tr>
<th>Description</th>
<th>Outcome</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Design and Build network connectivity and plan for redundant links for disaster situations</td>
<td>Achieved</td>
<td>The initial build was achieved quickly, but the redundant links design went through several iterations and was not solidified until late in the final phase</td>
</tr>
<tr>
<td>Review and design WDC infrastructure in IaaS</td>
<td>Achieved</td>
<td>During the design process many network devices and software applications were discovered around the Rangiora Service Centre and on the servers which had no documentation. The current IT staff also had no idea what much of this equipment was doing or software was doing. During this period IT turned off this unknown equipment and stopped the software services, and it was only items where we were alerted to something not working that items were turned back on and documented.</td>
</tr>
<tr>
<td>Build and supply of IaaS platform in Revera for the WDC, including portal access.</td>
<td>Achieved</td>
<td>This was done well, and supplied to the WDC early on in the phase to allow us to test server builds and confirm connectivity.</td>
</tr>
</tbody>
</table>
Phase 2 – Pilot phase:
Pilot phase - build of the new TRIM server and migration of data.

<table>
<thead>
<tr>
<th>Description</th>
<th>Outcome</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build and deploy new Servers in IaaS and provide access to WDC and InfoCentrik for HPCM9</td>
<td>Achieved</td>
<td>New servers were deployed with the latest version of the Windows Server OS.</td>
</tr>
<tr>
<td>Deploy new version of TRIM (HPCM9) and confirm upgrade was successful</td>
<td>Achieved</td>
<td>No outages were experienced by WDC Staff.</td>
</tr>
<tr>
<td>Upgrade all WDC clients to Office 2016 and HPCM9</td>
<td>Achieved</td>
<td>This upgrade was managed and run very successfully compared to the previous office and TRIM upgrade.</td>
</tr>
</tbody>
</table>

Phase 3 – Test phase:
- WDC to test migration track; existing test VMs (VM created at WDC infrastructure with non-production functionality) will be migrated using software migration tools proposed
- WDC to test functionality regarding backup as a service (BaaS) and possible Disaster Recovery (DR) scenarios with these test VMs to define final structure on backup and DR before transition phases begin
- WDC to test procedures for provisioning, alerts, monitoring, service portal etc.
- WDC to finalise backup strategy and DR strategy with Revera before start of transition phase
- WDC to finalise sizing, tiering, backup policy for VMs of transition phase 1 ready to migrate.

Many of the aspects in this phase were reliant on WDC, Spark, Revera and 2 Degrees, with all parties being involved at some point to make sure everything ran smoothly and was working as expected.

<table>
<thead>
<tr>
<th>Description</th>
<th>Outcome</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>WDC to test migration track; existing test VMs (VM created at WDC infrastructure with non-production functionality) will be migrated using software migration tools proposed</td>
<td>Achieved</td>
<td>It was found that DoubleTake, the proposed software solution to migrate servers took longer than expected</td>
</tr>
<tr>
<td>WDC to test functionality regarding backup as a service (BaaS) and possible Disaster Recovery (DR) scenarios with these test VMs to define final structure on backup and DR before transition phases begin</td>
<td>Achieved – late (in Migration phase)</td>
<td>Due to delays in the setup of the DR site (Trentham) setup of the DR site was only delivered in Phase 4. BaaS was available and confirmed working from the 1st server being installed in IaaS.</td>
</tr>
</tbody>
</table>
WDC to test procedures for provisioning, alerts, monitoring and service portal access. | Achieved | Access and ability to build and edit servers was confirmed.
---|---|---
WDC to finalise sizing, tiering, backup policy for VMs of transition phase 1 ready to migrate | Achieved | 

**Phases 4-6 – Migration of other servers and setup of DR:**

<table>
<thead>
<tr>
<th>Description</th>
<th>Outcome</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Build new servers and migrate services</td>
<td>Achieved</td>
<td>With the aid of Spark Technical services new systems were built and brought on line, although the complete process took longer than expected, pushing the past the projected completion date by 1 month. No outages to the WDC</td>
</tr>
<tr>
<td>Migrate servers which are unable to be rebuilt due to nature and complexity</td>
<td>Achieved</td>
<td>The migration of the T1 Servers proved that the platform was performing better than the on premise infrastructure. Minimal outages to the WDC, only occurring out of normal business hours.</td>
</tr>
<tr>
<td>Redesign the internet break out and Redesign the WiFi Networks</td>
<td>Achieved</td>
<td>New network was added and new VM created to manage the internet break out and to create an additional breakout for all non WDC corporate Internet Traffic. This successfully reduced the load on our network links to IaaS. No outages to the WDC.</td>
</tr>
<tr>
<td>Redesign the internal network security and Segregate the SCADA network for security</td>
<td>Achieved</td>
<td>Internal network security was tightened with the creation of new network segments to keep the servers away from the clients and to move the insecure SCADA network away from the WDC data network.</td>
</tr>
<tr>
<td>Redesign the email flow and perimeter security</td>
<td>Achieved</td>
<td>This was implemented with no outages to the WDC.</td>
</tr>
</tbody>
</table>
Create additional redundant network links | Achieved | Due to the extreme complexity and nature of the additional networks, these were not completed within the timesframes of the project and are still ongoing. Build has been completed, but testing is continuing to confirm reliability.

Migration of SCADA systems | Achieved (delayed) | Systems were rebuilt in IaaS and functionality confirmed. Actual cut over to IaaS was delayed due to 3rd parties.

Disaster Recovery build in Trentham | Achieved | Connectivity and Silverlining DR services up and running in December 2017. Later than planned, due to creating the network connectivity for the WDC.

Changes/Variations
Describe the intended scope and any changes/variations that occurred, using the following table:

<table>
<thead>
<tr>
<th>Category</th>
<th>Original Scope</th>
<th>Changes/Variations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology - Servers</td>
<td>50% of servers to be moved with DoubleTake</td>
<td>It was found to be faster, and more efficient to rebuild the server.</td>
</tr>
<tr>
<td>Technology - Servers</td>
<td>Citrix access via UTM</td>
<td>Citrix Netscaler was a better solution and allowed high availability</td>
</tr>
<tr>
<td>Technology - Servers</td>
<td>Email remote access</td>
<td>Citrix Netscaler was a better solution and allowed high availability</td>
</tr>
<tr>
<td>Business – Staffing</td>
<td>All staff employed by WDC</td>
<td>Kristof moved to Spark. Was actually better as we now had full support of the Spark technical teams</td>
</tr>
</tbody>
</table>
Budget

The following graph shows the running costs of IaaS since the start of the project in 2016:

There has been a steady increase in costs until July 2017. At this point a bulk AoG discount was applied, and costs reduced.

From July onwards, we continued adding servers and services, until the end of August, when everything was in IaaS. From August to November, costs stayed relatively stable, as there were no major changes.

In December 2017 DR was added with the Silver Lining solution which is protecting all our servers and data in a 2nd data centre. (Trentham in Upper Hutt, NI)

Now we are running at our full monthly costs for IaaS.

In fact, we are running about $3,500.00 per month below the projected running costs. The Projected running costs were formulated during Phase 4 of the project, once all information was known, and this included an additional 6 servers which were identified late into the project.

See appendix: A for additional charts, tracking costs and showing where those costs are being applied.
Risks and issues

The following risks were identified:

<table>
<thead>
<tr>
<th>Risk / Issue</th>
<th>Identified</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Scope Creep and project end date</td>
<td>yes</td>
<td>Scope was actively managed and items identified were bundled into a set of ‘post’ project tasks. The project completed 1 month late</td>
</tr>
<tr>
<td>IaaS Fit for Purpose</td>
<td>yes</td>
<td>Initial tests from the testing phase with HPCM9 proved IaaS was fit for purpose, both availability and speed wise.</td>
</tr>
<tr>
<td>Techone performance</td>
<td>yes</td>
<td>Full testing of T1 in IaaS was undertaken for over 2 months which proved that T1 would perform better in IaaS</td>
</tr>
<tr>
<td>Staff Resources</td>
<td>yes</td>
<td>Loss of key staff.</td>
</tr>
<tr>
<td>3rd Party availability to perform tasks as required</td>
<td>yes</td>
<td>All parties were responsive and reacted in a timely manner with the exception of Bremca (SCADA), where it was very difficult to make contact, and this pushed the SCADA deployment out by several months despite constant requests from the WDC IT team and Utility Services.</td>
</tr>
</tbody>
</table>

The only major identified risk which eventuated was the loss of Kristof to Spark towards the end of the project. This was mitigated by Spark, with him finishing the project for us, but with the backing of Spark and also with the ability to call on and use the large technical team within Spark. This in the end was a win/win for all 4 parties involved (Spark, WDC, Revera and 2 Degrees)
Lessons Learned

What Went Well

• Discovery: Having the time and resource to fully investigate the network and every device and then document this.
• Single point of contact for Spark, WDC and Revera. Having a single person acting as liaison between all parties.
• Having the right people available for the right job.
• Interaction between all parties and having a high level of professionalism, again from having the right people involved at the right time.
• Understanding the vision and keeping the end goal static. Knowing what the ultimate outcome was to be lead to a well-managed and targeted project, which ultimately delivered to the vision.
• Control of the project: This came from understanding the end goal and keeping scope creep to a minimum.

What Didn’t Go So Well

• Discovery caused some outages and loss of services until identification of the source issue could be achieved. Restoration was normally quick.
• Timeline. This could have been better managed and controlled which could have avoided the over run.
• Business understanding. Understanding from many areas of the business around what IT was trying to achieve was poor, despite many attempts to explain. It is a deeply complex solution.
• Engagement with some 3rd parties.

Improvements

• Additional resources early on the in project could have helped with the discovery and interaction with other sections of the business. This extra resource would have been useful to have interacted with staff to make sure that we didn’t turn off any systems which were still in use.
• Engage with all identified 3rd parties early in the project to make sure they are aware and have the resources available when required.
### Next Steps

<table>
<thead>
<tr>
<th>Task Description</th>
<th>Ownership / Responsible</th>
<th>Target date</th>
</tr>
</thead>
<tbody>
<tr>
<td>SoW for recommendations to further improve the IaaS solution</td>
<td>Dave Sewell / Kristof</td>
<td>SoW’s arrived, reviewed and approved 01/03/2018. Projects to start 01/04/2018 to add improvements to: Citrix Email Remote access</td>
</tr>
<tr>
<td>Review of usage and further right sizing of environment</td>
<td>Dave Sewell and Aamir Ismail</td>
<td>Continual review. Started 01/12/2017. Continually right sizing the environment for best cost vs performance.</td>
</tr>
<tr>
<td>Final Removal of all old equipment</td>
<td>Dave Sewell</td>
<td>01/04/2018 – finalising of SCADA delayed removal of some old servers. 90% was removed in September 2017</td>
</tr>
</tbody>
</table>
Appendices

A: Tracking Costs
The following chart shows the breakdown of costs to the various areas of IaaS: Physical Datacentre, Compute, Storage, Backup and DR.

<table>
<thead>
<tr>
<th></th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>OP017277 DataCentre</td>
<td>$88.50</td>
<td>$503.56</td>
<td>$503.56</td>
<td>$503.57</td>
<td>$391.14</td>
<td>$1,703.59</td>
<td>$2,405.05</td>
<td>$2,715.33</td>
<td>$2,361.01</td>
<td>$2,361.01</td>
<td>$2,458.28</td>
<td>$2,465.30</td>
<td>$2,508.61</td>
<td>$2,913.26</td>
<td>$2,913.26</td>
<td>$2,913.26</td>
</tr>
<tr>
<td>OP017276 Compute</td>
<td>$476.12</td>
<td>$1,838.15</td>
<td>$1,768.45</td>
<td>$1,847.51</td>
<td>$2,036.68</td>
<td>$1,947.23</td>
<td>$3,745.03</td>
<td>$10,988.40</td>
<td>$7,901.96</td>
<td>$10,832.16</td>
<td>$9,385.89</td>
<td>$9,936.60</td>
<td>$10,111.79</td>
<td>$10,084.93</td>
<td>$10,212.02</td>
<td>$10,252.02</td>
</tr>
<tr>
<td>OP017275 Storage</td>
<td>$135.12</td>
<td>$304.73</td>
<td>$600.59</td>
<td>$812.30</td>
<td>$976.46</td>
<td>$1,016.10</td>
<td>$3,748.85</td>
<td>$3,437.39</td>
<td>$3,855.09</td>
<td>$3,879.48</td>
<td>$3,897.55</td>
<td>$3,508.01</td>
<td>$3,485.37</td>
<td>$3,485.49</td>
<td>$3,495.32</td>
<td></td>
</tr>
<tr>
<td>OP017273 Backup</td>
<td>$111.81</td>
<td>$1,993.57</td>
<td>$2,244.85</td>
<td>$2,602.71</td>
<td>$2,628.35</td>
<td>$3,121.07</td>
<td>$3,979.62</td>
<td>$3,960.18</td>
<td>$5,791.29</td>
<td>$6,385.24</td>
<td>$6,665.38</td>
<td>$6,855.95</td>
<td>$7,359.15</td>
<td>$7,403.94</td>
<td>$7,421.82</td>
<td></td>
</tr>
<tr>
<td>OP017274 DR</td>
<td>$75.87</td>
<td>$19,552.43</td>
<td>$19,888.24</td>
<td>$19,908.24</td>
<td>$19,908.24</td>
<td>$19,908.24</td>
<td>$19,908.24</td>
<td>$19,908.24</td>
<td>$19,908.24</td>
<td>$19,908.24</td>
<td>$19,908.24</td>
<td>$19,908.24</td>
<td>$19,908.24</td>
<td>$19,908.24</td>
<td>$19,908.24</td>
<td>$19,908.24</td>
</tr>
</tbody>
</table>
The following chart is tracking the overall spend within IaaS:

![Chart showing overall spend within IaaS over months]

- November: $699.74
- December: $2,758.25
- January: $4,866.17
- February: $5,408.23
- March: $6,006.99
- April: $7,295.27
- May: $10,816.76
- June: $21,432.20
- July: $17,660.54
- August: $22,839.55
- September: $22,108.89
- October: $22,964.83
- November: $22,960.23
- December: $43,395.14
- January: $43,902.95
- February: $43,990.66

TOTAL
The following chart shows the breakdown of costs based on cost centre. The costs centres are broken down to the departments who have specific services within IaaS, and then a General WDC cost centre which covers the items used by the whole council.

<table>
<thead>
<tr>
<th>COST CENTRE</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Waters</td>
<td>$4,866.17</td>
<td>$5,408.23</td>
<td>$5,223.46</td>
<td>$6,343.80</td>
<td>$10,816.76</td>
<td>$18,636.55</td>
<td>$17,133.75</td>
<td>$22,839.80</td>
<td>$22,108.89</td>
<td>$22,964.83</td>
<td>$29,925.34</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GIS</td>
<td>$2,944.66</td>
<td>$3,107.95</td>
<td>$3,148.00</td>
<td>$3,063.16</td>
<td>$3,066.42</td>
<td>$6,430.45</td>
<td>$6,430.45</td>
<td>$6,430.45</td>
<td>$6,430.45</td>
<td>$6,430.45</td>
<td>$6,430.45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>GOGet</td>
<td>$126.36</td>
<td>$186.42</td>
<td>$187.36</td>
<td>$183.27</td>
<td>$183.74</td>
<td>$335.75</td>
<td>$335.75</td>
<td>$335.75</td>
<td>$335.75</td>
<td>$335.75</td>
<td>$335.75</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IT</td>
<td>$8,782.44</td>
<td>$10,757.22</td>
<td>$9,502.98</td>
<td>$10,218.60</td>
<td>$10,548.55</td>
<td>$1,494.28</td>
<td>$2,674.45</td>
<td>$2,674.45</td>
<td>$2,674.45</td>
<td>$2,674.45</td>
<td>$2,674.45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mobility</td>
<td>$605.88</td>
<td>$685.54</td>
<td>$677.45</td>
<td>$599.09</td>
<td>$335.75</td>
<td>$599.09</td>
<td>$599.09</td>
<td>$599.09</td>
<td>$599.09</td>
<td>$599.09</td>
<td>$599.09</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>HPECM9</td>
<td>$3,843.00</td>
<td>$3,993.96</td>
<td>$4,032.49</td>
<td>$3,851.12</td>
<td>$3,890.59</td>
<td>$7,528.45</td>
<td>$7,528.45</td>
<td>$7,528.45</td>
<td>$7,528.45</td>
<td>$7,528.45</td>
<td>$7,528.45</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TechOne</td>
<td>$698.46</td>
<td>$3,187.73</td>
<td>$3,500.06</td>
<td>$3,555.78</td>
<td>$3,513.75</td>
<td>$3,538.82</td>
<td>$7,038.63</td>
<td>$7,038.63</td>
<td>$7,038.63</td>
<td>$7,038.63</td>
<td>$7,038.63</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wendel</td>
<td>$132.95</td>
<td>$711.01</td>
<td>$711.39</td>
<td>$711.77</td>
<td>$698.57</td>
<td>$699.03</td>
<td>$1,483.16</td>
<td>$1,483.16</td>
<td>$1,483.16</td>
<td>$1,483.16</td>
<td>$1,483.16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>WDC</td>
<td>$4,866.17</td>
<td>$5,408.23</td>
<td>$5,223.46</td>
<td>$6,343.80</td>
<td>$10,816.76</td>
<td>$18,636.55</td>
<td>$17,133.75</td>
<td>$22,839.80</td>
<td>$22,108.89</td>
<td>$22,964.83</td>
<td>$29,925.34</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The Spike in December is from the Disaster Recovery component being added, then it drops off in January 2018 as we have assigned it correctly within the system to spread the correct level of cost over all relevant areas.
## APPENDIX B – Monthly IaaS costs

### Breakdown of costs to the various areas of IaaS: Physical Datacentre, Compute, Storage, Backup and DR

**TOTAL**

<table>
<thead>
<tr>
<th>Month</th>
<th>Physical Datacentre</th>
<th>Compute</th>
<th>Storage</th>
<th>Backup</th>
<th>DR</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nov 17</td>
<td>$88.50</td>
<td>$476.12</td>
<td>$135.12</td>
<td>$111.81</td>
<td>$75.87</td>
</tr>
<tr>
<td>Dec 17</td>
<td>$503.56</td>
<td>$1,838.15</td>
<td>$304.73</td>
<td>$1,993.57</td>
<td>$19,552.4</td>
</tr>
<tr>
<td>Jan 18</td>
<td>$503.56</td>
<td>$1,768.45</td>
<td>$600.59</td>
<td>$2,244.85</td>
<td>$19,888.2</td>
</tr>
<tr>
<td>Feb 18</td>
<td>$503.57</td>
<td>$1,847.51</td>
<td>$812.30</td>
<td>$2,602.71</td>
<td>$19,908.2</td>
</tr>
<tr>
<td>Mar 18</td>
<td>$391.14</td>
<td>$2,036.68</td>
<td>$976.46</td>
<td>$3,121.07</td>
<td>$0.00</td>
</tr>
<tr>
<td>Apr 18</td>
<td>$1,703.59</td>
<td>$2,197.23</td>
<td>$1,016.10</td>
<td>$5,791.29</td>
<td>$6,385.24</td>
</tr>
<tr>
<td>May 18</td>
<td>$2,405.05</td>
<td>$3,745.03</td>
<td>$1,545.61</td>
<td>$6,655.95</td>
<td>$7,359.15</td>
</tr>
<tr>
<td>Jun 18</td>
<td>$2,715.33</td>
<td>$3,374.85</td>
<td>$3,437.39</td>
<td>$6,655.95</td>
<td>$7,403.94</td>
</tr>
<tr>
<td>Jul 18</td>
<td>$2,361.01</td>
<td>$3,478.85</td>
<td>$3,855.09</td>
<td>$6,855.95</td>
<td>$7,421.82</td>
</tr>
<tr>
<td>Aug 18</td>
<td>$2,361.01</td>
<td>$3,979.62</td>
<td>$3,879.48</td>
<td>$6,885.95</td>
<td>$7,421.82</td>
</tr>
<tr>
<td>Sep 18</td>
<td>$2,361.01</td>
<td>$3,960.18</td>
<td>$3,897.55</td>
<td>$6,855.95</td>
<td>$7,421.82</td>
</tr>
<tr>
<td>Oct 18</td>
<td>$2,458.28</td>
<td>$5,938.89</td>
<td>$3,879.48</td>
<td>$7,359.15</td>
<td>$7,421.82</td>
</tr>
<tr>
<td>Nov 18</td>
<td>$2,465.30</td>
<td>$9,396.60</td>
<td>$3,879.48</td>
<td>$7,403.94</td>
<td>$7,421.82</td>
</tr>
<tr>
<td>Dec 18</td>
<td>$2,465.30</td>
<td>$10,011.7</td>
<td>$3,879.48</td>
<td>$7,421.82</td>
<td>$7,421.82</td>
</tr>
</tbody>
</table>

**Monthly Costs Breakdown**

- **OP017277 DataCentre**: $88.50 - $5,000.00
- **OP017276 Compute**: $476.12 - $10,000.00
- **OP017275 Storage**: $135.12 - $15,000.00
- **OP017273 Backup**: $111.81 - $20,000.00
- **OP017274 DR**: $75.87 - $25,000.00

---

INF-05-49/180313026656  
Page 8 of 10  
Audit and Risk Committee  
27 March 2018
The following chart shows the breakdown of costs based on cost centre. The costs centres are broken down to the departments who have specific services within IaaS, and then a General WDC cost centre which covers the items used by the whole council.

<table>
<thead>
<tr>
<th>COST CENTRE</th>
<th>January</th>
<th>February</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>3 Waters</td>
<td>$409.41</td>
<td>$424.06</td>
<td>$425.29</td>
<td>$424.37</td>
<td>$437.83</td>
<td>$816.22</td>
<td>$903.93</td>
<td>$10,181.76</td>
<td>$11,033.75</td>
<td>$12,133.75</td>
<td>$13,289.80</td>
<td>$14,430.45</td>
<td>$15,571.13</td>
<td>$16,711.83</td>
</tr>
<tr>
<td>GIS</td>
<td>$2,944.66</td>
<td>$3,077.95</td>
<td>$3,108.38</td>
<td>$3,148.00</td>
<td>$3,063.16</td>
<td>$3,066.42</td>
<td>$6,430.45</td>
<td>$6,430.45</td>
<td>$6,430.45</td>
<td>$6,430.45</td>
<td>$6,430.45</td>
<td>$6,430.45</td>
<td>$6,430.45</td>
<td>$6,430.45</td>
</tr>
<tr>
<td>GOGet</td>
<td>$126.36</td>
<td>$179.58</td>
<td>$186.42</td>
<td>$187.36</td>
<td>$183.27</td>
<td>$183.74</td>
<td>$335.75</td>
<td>$335.75</td>
<td>$335.75</td>
<td>$335.75</td>
<td>$335.75</td>
<td>$335.75</td>
<td>$335.75</td>
<td>$335.75</td>
</tr>
<tr>
<td>IT</td>
<td>$8,782.44</td>
<td>$10,757.22</td>
<td>$9,502.98</td>
<td>$10,218.60</td>
<td>$10,548.55</td>
<td>$1,494.28</td>
<td>$2,674.45</td>
<td>$2,674.45</td>
<td>$2,674.45</td>
<td>$2,674.45</td>
<td>$2,674.45</td>
<td>$2,674.45</td>
<td>$2,674.45</td>
<td>$2,674.45</td>
</tr>
<tr>
<td>Mobility</td>
<td>$605.88</td>
<td>$634.50</td>
<td>$681.64</td>
<td>$685.54</td>
<td>$677.45</td>
<td>$159.09</td>
<td>$299.71</td>
<td>$299.71</td>
<td>$299.71</td>
<td>$299.71</td>
<td>$299.71</td>
<td>$299.71</td>
<td>$299.71</td>
<td>$299.71</td>
</tr>
<tr>
<td>HPECM9</td>
<td>$3,843.00</td>
<td>$3,882.40</td>
<td>$3,993.96</td>
<td>$4,032.49</td>
<td>$3,851.12</td>
<td>$3,890.59</td>
<td>$7,528.45</td>
<td>$7,528.45</td>
<td>$7,528.45</td>
<td>$7,528.45</td>
<td>$7,528.45</td>
<td>$7,528.45</td>
<td>$7,528.45</td>
<td>$7,528.45</td>
</tr>
<tr>
<td>TechOne</td>
<td>$698.46</td>
<td>$1,187.73</td>
<td>$3,500.06</td>
<td>$3,555.78</td>
<td>$3,513.75</td>
<td>$3,538.82</td>
<td>$7,038.63</td>
<td>$7,038.63</td>
<td>$7,038.63</td>
<td>$7,038.63</td>
<td>$7,038.63</td>
<td>$7,038.63</td>
<td>$7,038.63</td>
<td>$7,038.63</td>
</tr>
<tr>
<td>Wendel</td>
<td>$132.95</td>
<td>$711.01</td>
<td>$711.39</td>
<td>$711.77</td>
<td>$698.57</td>
<td>$699.03</td>
<td>$1,483.16</td>
<td>$1,483.16</td>
<td>$1,483.16</td>
<td>$1,483.16</td>
<td>$1,483.16</td>
<td>$1,483.16</td>
<td>$1,483.16</td>
<td>$1,483.16</td>
</tr>
<tr>
<td>WDC</td>
<td>$4,866.17</td>
<td>$5,408.23</td>
<td>$5,223.46</td>
<td>$6,343.80</td>
<td>$10,816.76</td>
<td>$18,636.55</td>
<td>$17,133.75</td>
<td>$22,839.80</td>
<td>$22,108.89</td>
<td>$22,964.83</td>
<td>$22,960.24</td>
<td>$29,925.34</td>
<td>$17,296.13</td>
<td>$17,296.13</td>
</tr>
</tbody>
</table>
APPENDIX C - Revera monthly report (TRIM 180308024563)
ALL OF GOVERNMENT IAA S
Participating Agency Monthly Report

February 2018

WAIMAKARIRI DISTRICT COUNCIL

Presented by: Scott Savage
Title: Revera Client Engagement Manager
Contact: Scott.Gave@revera.co.nz
Monthly Report

Summary

Operational:

- VM stats – 38 VMs operational (37 in PRC, 1 in ART WMKDC21). 35 servers being backed up (PRC 34, ART 1).
- Silver Lining DR operational at DR site (ART). Replication from source VMs (PRC). 36 Silver Lined (Excludes DC’s)
- Silver Lining Protect (BaaS V2) – ART in place on DC. Being built in PRC – Image/FS/App/retention period choices.
- Silver Lined VMs – Disk increases logged via Revera SD. Due to capturing replicated LUN’s to PRC.
- Change Request process – Work Order (WO) logged by Revera SD (notification to client requestor), Change Request (CRQ) then created/logged by the relevant Revera technical team who will be completing the work.
- DIA have reduced their fee payable by agencies. 2.5% down to 1.5%
- IaaS auditor report - Summary
- INC354768 – Backups 30 days on disk – then to tape monthly last good full.
- INC367321 – resolved without Revera intervention.

Recommendations/Other items/Billing:

- Maintenance – CloudCreator release 21/3/18
- Risks – Client/3rd party single source powered devices in DC’s.

Service Summary

Submitted Tickets

- Incidents
- Requests
- Changes
## Incident/Request Detail

### Service Request Type: Incidents

<table>
<thead>
<tr>
<th>Service Request ID</th>
<th>Ticket number</th>
<th>Summary</th>
<th>Area</th>
<th>Submit Date</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>REQ0000000347171</td>
<td>INC0000000354768</td>
<td>Revera Backups</td>
<td>Backup Client/Ad Hoc backup/</td>
<td>02/02/18</td>
<td>04/02/18</td>
</tr>
<tr>
<td>REQ0000000358530</td>
<td>INC0000000367321</td>
<td>WDC - DHCP ack from 10.2.0.11 to WDC WAN remotes sites (192.168.0.0/16)</td>
<td>Network/Firewall/</td>
<td>21/02/18</td>
<td>22/02/18</td>
</tr>
</tbody>
</table>

### Service Request Type: Requests

<table>
<thead>
<tr>
<th>Service Request ID</th>
<th>Ticket number</th>
<th>Summary</th>
<th>Area</th>
<th>Submit Date</th>
<th>Completed</th>
</tr>
</thead>
<tbody>
<tr>
<td>REQ0000000354412</td>
<td>WO0000000428250</td>
<td>Increase in Disk size for Waimakariri District Council</td>
<td>Service/AoG Utility Compute Services/</td>
<td>14/02/18</td>
<td>14/02/18</td>
</tr>
<tr>
<td>REQ0000000351889</td>
<td>WO0000000427756</td>
<td>URGENT: Server doing backup and using processor</td>
<td>Service/AoG Backup/Restore as a Service/Commence Backup/Restore</td>
<td>12/02/18</td>
<td>12/02/18</td>
</tr>
<tr>
<td>REQ0000000349910</td>
<td>WO0000000427202</td>
<td>Needs Exchange server side increased from 160 gb to 180 gb</td>
<td>Virtual Machine/VMware VM’s/</td>
<td>07/02/18</td>
<td>08/02/18</td>
</tr>
<tr>
<td>REQ0000000349270</td>
<td>WO0000000427208</td>
<td>Request to increase size of C drive in WMMECH2016</td>
<td>Service/AoG Storage as a Service/Tier 1 (Enterprise Storage) - Increase- Less than 20%</td>
<td>07/02/18</td>
<td>08/02/18</td>
</tr>
<tr>
<td>REQ0000000363206</td>
<td>WO0000000432575</td>
<td>Removal of disk from data Server</td>
<td>Service/AoG Storage as a Service/Tier 1 (Enterprise Storage) - Increase- Less than 20%</td>
<td>27/02/18</td>
<td>27/02/18</td>
</tr>
<tr>
<td>REQ0000000363274</td>
<td>WO0000000433801</td>
<td>Request for additional disks - WMKDFS1</td>
<td>Service/AoG Storage as a Service/Tier 1 (Enterprise Storage) - Increase- Less than 20%</td>
<td>28/02/18</td>
<td>28/02/18</td>
</tr>
<tr>
<td>REQ0000000359447</td>
<td>WO0000000431702</td>
<td>Add Public IP to whitelist to Cloudcreator Console for WDC</td>
<td>Assistance/Information Provided/</td>
<td>22/02/18</td>
<td>CRQ53563</td>
</tr>
<tr>
<td>REQ0000000359449</td>
<td>WO0000000431704</td>
<td>CRQ - WDC - Firewall Exception Request</td>
<td>Network/Firewall/</td>
<td>22/02/18</td>
<td>CRQ53327</td>
</tr>
<tr>
<td>REQ0000000359420</td>
<td>WO0000000431560</td>
<td>CRQ - WDC - Firewall Exception Request</td>
<td>Assistance/Information Provided/</td>
<td>22/02/18</td>
<td>26/02/18</td>
</tr>
<tr>
<td>REQ0000000359915</td>
<td>WO0000000431487</td>
<td>Add me to email list for “Revera Notification of Planned Maintenance”</td>
<td>Account/Active Directory/</td>
<td>22/02/18</td>
<td>23/02/18</td>
</tr>
<tr>
<td>REQ0000000361278</td>
<td>WO0000000432333</td>
<td>WMKINTOUCH1 Waimakariri District Council</td>
<td>Service/AoG Storage as a Service/Tier 1 (Enterprise Storage) - Increase- Less than 20%</td>
<td>26/02/18</td>
<td>26/02/18</td>
</tr>
<tr>
<td>REQ0000000356849</td>
<td>WO0000000429949</td>
<td>WDC - Firewall Change Request</td>
<td>Network/Firewall/</td>
<td>19/02/18</td>
<td>20/02/18</td>
</tr>
</tbody>
</table>

## Change Summary

### Scheduled Change Requests

<table>
<thead>
<tr>
<th>Change ID</th>
<th>Summary</th>
<th>Area</th>
<th>Scheduled Date</th>
<th>Completed Date</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRQ0000000053327</td>
<td>Firewall Change -WDC</td>
<td>Network/Firewall/</td>
<td>22/02/18 02:50</td>
<td>27/02/18 09:53</td>
<td>Completed</td>
</tr>
<tr>
<td>CRQ0000000053412</td>
<td>Firewall Change - WDC</td>
<td>Network/Firewall/</td>
<td>22/02/18 11:55</td>
<td>26/02/18 11:43</td>
<td>Completed</td>
</tr>
</tbody>
</table>
## Service Management

<table>
<thead>
<tr>
<th>Backup as a Service (BaaS)</th>
<th>Service Level</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>Backup Remediation Time (Standard Managed Backups)</td>
<td>Next day</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Backup Success Rate (Standard Managed Backups)</td>
<td>&gt; 96%</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Commence Backup/Restore (Standard Managed Backups)</td>
<td>&lt; 4 hour commence</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>backup or restore</td>
<td>from disk</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commence Restore from Tape (Standard Managed Backups)</td>
<td>&lt; 4 hour commence</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td></td>
<td>restore from tape</td>
<td>when tape received</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Failure Notifications (Standard Managed Backups)</td>
<td>&lt; 1 hour</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>SRT Backup/Restore (Standard Managed Backups)</td>
<td>&lt; 30 minutes</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Datacentre Services</th>
<th>Service Level</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability Housed Client Racks</td>
<td>&gt;99.99%</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Availability Housed Co-located Equipment</td>
<td>&gt;99.99%</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Return to Operation (RTO) Housed Client Racks</td>
<td>&lt; 1 hour</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Return to Operation (RTO) Housed Co-located Equipment</td>
<td>&lt; 1 hour</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Service readiness lead time Housed Client Racks</td>
<td>Client Racks &lt;=3</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Service readiness lead time Housed Co-located Equipment</td>
<td>Co-located Equipment &lt;=5 days</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Service Request Response Time (SRT) Housed Client Racks</td>
<td>&lt; 15 minutes</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Service Request Response Time (SRT) Housed Co-located Equipment</td>
<td>&lt; 15 minutes</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Utility Compute (IaaS)</th>
<th>Service Level</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>Availability Utility Compute Services (All models excluding baremetal)</td>
<td>99.99%</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Physical Redundancy Utility Compute Services (All models excluding baremetal)</td>
<td>&gt;= N+1</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Return to Operation (RTO) Utility Compute Services (All models excluding baremetal)</td>
<td>&lt; 1 hour</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Service Requests time to provision/change Bare Metal Servers</td>
<td>&lt; 8 weeks</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>
### Service Requests time to provision/change Resource Pool (Dedicated)

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 2 weeks</td>
<td>✓</td>
</tr>
</tbody>
</table>

### Service Requests time to provision/change Resource Pool (Shared)

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 8 hours</td>
<td>✓</td>
</tr>
</tbody>
</table>

### Service Requests time to provision/change VMs (Pay as You GO)

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 4 hours (up to 10 VMs)</td>
<td>✓</td>
</tr>
</tbody>
</table>

### Service Requests time to provision/change VMs (Revera Provisioned)

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 4 hours (up to 10 VMs)</td>
<td>✓</td>
</tr>
</tbody>
</table>

### Service Response Time (SRT) Utility Compute Services (All models including baremetal)

<table>
<thead>
<tr>
<th>Timeframe</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; 15 minutes</td>
<td>✓</td>
</tr>
</tbody>
</table>

### Billing Summary

#### Backup as a Service (BaaS)

<table>
<thead>
<tr>
<th>Service</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4.1.1 Backup Storage GB</td>
<td>10,231.92</td>
<td>11,082.11</td>
<td>11,232.98</td>
<td>11,677.17</td>
<td>11,731.97</td>
<td>12,471.02</td>
</tr>
<tr>
<td>4.5.1.1 Backup Tape Media</td>
<td>8</td>
<td>8</td>
<td>3</td>
<td>7</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>4.5.1.3 Backup Tape Offsite Vault</td>
<td>34</td>
<td>41</td>
<td>48</td>
<td>55</td>
<td>61</td>
<td>66</td>
</tr>
<tr>
<td>5.1.3.2 Backup Managed Backup Data GB</td>
<td>12,186.8</td>
<td>12,585.94</td>
<td>12,972.48</td>
<td>13,333.88</td>
<td>13,554.87</td>
<td>13,796.61</td>
</tr>
<tr>
<td>5.1.3.3 Backup Managed Server Charge</td>
<td>28.98</td>
<td>31</td>
<td>32.75</td>
<td>33</td>
<td>34</td>
<td>34</td>
</tr>
</tbody>
</table>

#### Datacentre Services

<table>
<thead>
<tr>
<th>Service</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1.1.3 Datacentre Rack Power (KWh)</td>
<td>0.9</td>
<td>0.35</td>
<td>0.35</td>
<td>0.35</td>
<td>0.35</td>
<td>0.35</td>
</tr>
<tr>
<td>2.2.1.1 Datacentre 600 RU</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>2.3.1.49 Mfa Sms Token</td>
<td>5</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
<td>6</td>
</tr>
</tbody>
</table>

#### Net Gen Backups

<table>
<thead>
<tr>
<th>Service</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.5.1.10 Backup Offsite Copy 30 Day</td>
<td>22.41</td>
<td>23.86</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
<tr>
<td>5.5.1.5 Backup File Standard 30 Day</td>
<td>22.34</td>
<td>23.79</td>
<td>23.94</td>
<td>23.94</td>
<td>23.94</td>
<td>23.94</td>
</tr>
<tr>
<td>5.5.1.8 Backup App Standard 30 Day</td>
<td>0.07</td>
<td>0.07</td>
<td>0.07</td>
<td>0.07</td>
<td>0.07</td>
<td>0.07</td>
</tr>
<tr>
<td>5.5.1.17 Backup Tape 7 Years</td>
<td>22.41</td>
<td>23.86</td>
<td>24</td>
<td>24</td>
<td>24</td>
<td>24</td>
</tr>
</tbody>
</table>

#### Network Services

<table>
<thead>
<tr>
<th>Service</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.3.1.1 Datacentre 1g Ntwk Port</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>5</td>
</tr>
<tr>
<td>2.3.1.13 Datacentre Virtual Firewall</td>
<td>0.27</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2.3.1.14 Datacentre Hardware Firewall</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>2.3.1.16 Datacentre Concurrent VPN Acs</td>
<td>0.53</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

#### Storage as a Service (SaaS)

<table>
<thead>
<tr>
<th>Service</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1.1.1 Storage T1 GB</td>
<td>5,521.3</td>
<td>5,492.03</td>
<td>5,670.15</td>
<td>11,168.01</td>
<td>11,168</td>
<td>11,219.46</td>
</tr>
<tr>
<td>4.2.1.1 Storage T2 GB</td>
<td>5,523.4</td>
<td>5,493.05</td>
<td>5,705.16</td>
<td>11,177.01</td>
<td>11,219.46</td>
<td>11,219.46</td>
</tr>
<tr>
<td>4.2.1.6 Storage T2 Rep</td>
<td>5,504</td>
<td>5,504</td>
<td>5,504</td>
<td>5,504</td>
<td>5,504</td>
<td>5,504</td>
</tr>
<tr>
<td>4.3.1.1 Storage T3 GB</td>
<td>18,230.65</td>
<td>18,370.67</td>
<td>18,280</td>
<td>36,560.13</td>
<td>36,560</td>
<td>36,468.73</td>
</tr>
</tbody>
</table>
### Utility Compute (IaaS)

<table>
<thead>
<tr>
<th>CI2 Description</th>
<th>SCID</th>
<th>Quantity</th>
<th>Rate</th>
<th>Total</th>
<th>Total (Discounted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>VM Resource 20% vGB</td>
<td>2.1.1.11</td>
<td>12.9</td>
<td>12.01</td>
<td>12</td>
<td>9.67</td>
</tr>
<tr>
<td>Compute Managed 80% VM VGB</td>
<td>2.1.1.1</td>
<td>290</td>
<td>300.55</td>
<td>314.99</td>
<td>319.73</td>
</tr>
<tr>
<td>Compute Managed 100% VM Rep VGB</td>
<td>3.1.1.10a</td>
<td>56</td>
<td>56</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>Compute Managed 80% VM Rep VGB</td>
<td>3.1.1.3a</td>
<td>312</td>
<td>326</td>
<td>326.18</td>
<td>326.18</td>
</tr>
<tr>
<td>Compute Managed 100% VM VGB</td>
<td>3.1.1.8</td>
<td>56</td>
<td>56</td>
<td>56</td>
<td>56</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CI2 Description</th>
<th>SCID</th>
<th>Quantity</th>
<th>Rate</th>
<th>Total</th>
<th>Total (Discounted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vault Standard GB</td>
<td>4.11.1.1</td>
<td>71</td>
<td>138.57</td>
<td>151.54</td>
<td>141.91</td>
</tr>
</tbody>
</table>

### February Billing

<table>
<thead>
<tr>
<th>CI2 Description</th>
<th>SCID</th>
<th>Quantity</th>
<th>Rate</th>
<th>Total</th>
<th>Total (Discounted)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Datacentre Rack Power (KWh)</td>
<td>2.1.1.3</td>
<td>0.35</td>
<td>331.47</td>
<td>$116.01</td>
<td>$116.01</td>
</tr>
<tr>
<td>Datacentre 600 RU</td>
<td>2.2.1.1</td>
<td>3.00</td>
<td>20.16</td>
<td>$60.48</td>
<td>$60.48</td>
</tr>
<tr>
<td>Datacentre 1g Ntwk Port</td>
<td>2.3.1.1</td>
<td>5.00</td>
<td>22.57</td>
<td>$112.85</td>
<td>$112.85</td>
</tr>
<tr>
<td>Datacentre Virtual Firewall</td>
<td>2.3.1.13</td>
<td>1.00</td>
<td>281.00</td>
<td>$281.00</td>
<td>$281.00</td>
</tr>
<tr>
<td>Datacentre Hardware Firewall</td>
<td>2.3.1.14</td>
<td>1.00</td>
<td>2,250.00</td>
<td>$2,250.00</td>
<td>$2,250.00</td>
</tr>
<tr>
<td>Datacentre Concurrent VPN Acs</td>
<td>2.3.1.16</td>
<td>2.00</td>
<td>25.49</td>
<td>$50.98</td>
<td>$50.98</td>
</tr>
<tr>
<td>Mfa Sms Token</td>
<td>2.3.1.49</td>
<td>6.00</td>
<td>6.99</td>
<td>$41.94</td>
<td>$41.94</td>
</tr>
<tr>
<td>Compute Managed 80% VM VGB</td>
<td>3.1.1.1</td>
<td>326.18</td>
<td>25.99</td>
<td>$8,477.44</td>
<td>$8,477.44</td>
</tr>
<tr>
<td>Compute Managed 100% VM Rep VGB</td>
<td>3.1.1.10a</td>
<td>56.00</td>
<td>25.99</td>
<td>$1,455.44</td>
<td>$1,455.44</td>
</tr>
<tr>
<td>VM Resource 20% vGB</td>
<td>3.1.1.11</td>
<td>8.00</td>
<td>21.48</td>
<td>$171.84</td>
<td>$171.84</td>
</tr>
<tr>
<td>Compute Managed 80% VM Rep VGB</td>
<td>3.1.1.3a</td>
<td>326.18</td>
<td>23.99</td>
<td>$7,825.07</td>
<td>$7,825.07</td>
</tr>
<tr>
<td>Compute Managed 100% VM VGB</td>
<td>3.1.1.8</td>
<td>56.00</td>
<td>27.99</td>
<td>$1,567.44</td>
<td>$1,567.44</td>
</tr>
<tr>
<td>Vault Standard GB</td>
<td>4.11.1.1</td>
<td>294.12</td>
<td>0.06</td>
<td>$17.65</td>
<td>$17.65</td>
</tr>
<tr>
<td>Storage T2 GB</td>
<td>4.2.1.1</td>
<td>11,219.46</td>
<td>0.32</td>
<td>$3,590.23</td>
<td>$2,872.18</td>
</tr>
<tr>
<td>Storage T2 Rep</td>
<td>4.2.1.6</td>
<td>5,529.73</td>
<td>0.30</td>
<td>$1,658.92</td>
<td>$1,658.92</td>
</tr>
<tr>
<td>Storage T3 GB</td>
<td>4.3.1.1</td>
<td>36,468.73</td>
<td>0.14</td>
<td>$5,105.62</td>
<td>$4,084.50</td>
</tr>
<tr>
<td>Storage T3 Rep</td>
<td>4.3.1.6</td>
<td>18,234.36</td>
<td>0.30</td>
<td>$5,470.31</td>
<td>$5,470.31</td>
</tr>
<tr>
<td>Backup Storage GB</td>
<td>4.4.1.1</td>
<td>12,471.02</td>
<td>0.07</td>
<td>$872.97</td>
<td>$872.97</td>
</tr>
<tr>
<td>Backup Tape Media</td>
<td>4.5.1.1</td>
<td>5.00</td>
<td>77.00</td>
<td>$385.00</td>
<td>$385.00</td>
</tr>
<tr>
<td>Backup Tape Offsite Vault</td>
<td>4.5.1.3</td>
<td>66.00</td>
<td>1.20</td>
<td>$79.20</td>
<td>$79.20</td>
</tr>
<tr>
<td>Backup Managed Backup Data GB</td>
<td>5.1.1.3.2</td>
<td>13,796.61</td>
<td>0.38</td>
<td>$5,242.71</td>
<td>$5,242.71</td>
</tr>
<tr>
<td>Backup Managed Server Charge</td>
<td>5.1.1.3.3</td>
<td>34.00</td>
<td>26.00</td>
<td>$884.00</td>
<td>$884.00</td>
</tr>
<tr>
<td>Backup Offsite Copy 30 Day</td>
<td>5.5.1.10</td>
<td>24.00</td>
<td>0.06</td>
<td>$1.44</td>
<td>$1.44</td>
</tr>
<tr>
<td>Backup Tape 7 Years</td>
<td>5.5.1.17</td>
<td>24.00</td>
<td>0.20</td>
<td>$4.80</td>
<td>$4.80</td>
</tr>
<tr>
<td>Backup File Standard 30 Day</td>
<td>5.5.1.5</td>
<td>23.94</td>
<td>0.27</td>
<td>$6.46</td>
<td>$6.46</td>
</tr>
<tr>
<td>Backup App Standard 30 Day</td>
<td>5.5.1.8</td>
<td>0.07</td>
<td>0.39</td>
<td>$0.03</td>
<td>$0.03</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td></td>
<td></td>
<td><strong>$45,729.83</strong></td>
<td><strong>$43,990.66</strong></td>
</tr>
</tbody>
</table>
## Authorisations

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Aamir Ismail</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Adam Creswell</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Dave Sewell</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Glenn Busch</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Jolanda Simon</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Kristof Van Marsenille</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

**Note:** ‘Global Admin’ and/or ‘Service Desk Admin’ roles assigned result in ‘Authorised Requestor’ role

## Utility Compute

### Virtual Machines Currently Parked
None

### Current Snapshots
None

### Virtual Machine Services Consumed

<table>
<thead>
<tr>
<th>Revera Provisioned</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Ram 20% (GB)</td>
<td>12.9</td>
<td>12.01</td>
<td>12</td>
<td>9.67</td>
<td>8</td>
<td>8</td>
</tr>
<tr>
<td>Primary Ram 80% (GB)</td>
<td>290</td>
<td>300.55</td>
<td>314.99</td>
<td>319.73</td>
<td>326</td>
<td>326.18</td>
</tr>
<tr>
<td>Primary Ram 100% (GB)</td>
<td>56</td>
<td>56</td>
<td>56</td>
<td>56</td>
<td>56</td>
<td>56</td>
</tr>
<tr>
<td>Replicated Ram 80% (GB)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>312</td>
<td>326</td>
<td>326.18</td>
</tr>
<tr>
<td>Replicated Ram 100% (GB)</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>56</td>
<td>56</td>
<td>56</td>
</tr>
</tbody>
</table>
## Storage as a Service

<table>
<thead>
<tr>
<th>Revera Provisioned</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tier 1</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Tier 2</td>
<td>5,521.3</td>
<td>5,492.03</td>
<td>5,670.15</td>
<td>11,168.01</td>
<td>11,168</td>
<td>11,219.46</td>
</tr>
<tr>
<td>Tier 3</td>
<td>18,230.65</td>
<td>18,370.67</td>
<td>18,280</td>
<td>36,560.13</td>
<td>36,560</td>
<td>36,468.73</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Vault Storage</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vault Archive</td>
<td>71</td>
<td>138.57</td>
<td>151.54</td>
<td>141.91</td>
<td>143.69</td>
<td>294.12</td>
</tr>
</tbody>
</table>

Total: 23,822.94 24,001.28 24,101.69 47,870.05 47,871.69 47,982.31

## Backup

<table>
<thead>
<tr>
<th>BaaS</th>
<th>September</th>
<th>October</th>
<th>November</th>
<th>December</th>
<th>January</th>
<th>February</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent Success</td>
<td>99.2</td>
<td>98.52</td>
<td>98.55</td>
<td>98.96</td>
<td>99.03</td>
<td>99.28</td>
</tr>
</tbody>
</table>

## Security

**Security Breaches**

No security breaches for this period
1. SUMMARY

1.1. The purpose of this report is to present the adoption of the WorkSafe endorsed SafePlus assessment scheme as the preferred scheme for assessing the effectiveness of Waimakariri District Council health and safety programme, and to present

Attachments:

i. 171009108858 SAFEPLUS GENERAL OVERVIEW

ii. 171009108855 SAFEPLUS WORKSAFE BUSINESS QUESTIONS

2. RECOMMENDATION

THAT the Audit and Risk Committee:

(a) Receives report No. 180315027921.

(b) Notes the adoption of the WorkSafe endorsed SafePlus assessment scheme as the preferred scheme for assessing the effectiveness of Waimakariri District Council health and safety programme.

(c) Notes that current Safety Management Systems will be redeveloped to align with the SafePlus assessment model during the remainder of FY 2017/18.

3. BACKGROUND

SafePlus Safety Management Assessment Scheme

3.1. It has been acknowledged through government and industry that New Zealand has an unacceptably high rate of serious workplace injury, fatality and illness. The social and economic cost of people being killed and hurt in New Zealand workplaces is conservatively estimated at $3.5 billion each year, and inflicts an enormous emotional toll on the people affected.

3.2. The ACC Workplace Safety Management Practices (WSMP) programme and Workplace Safety Discount (WSD) were previously considered to be ‘best practice’ programmes to assess organisational compliance with Health and Safety requirements. Previously
Waimakariri District Council was a participant in the ACC WSMP programme, and had achieved a Tertiary level accreditation (highest level available). These programmes ended in early 2017, and the Health and Safety team has been assessing alternative programmes with the goal of recommending an alternative programme with which to align Waimakariri District Council’s health and safety objectives.

4. **ISSUES AND OPTIONS**

4.1. SafePlus, previously known as ‘The Safety Star Rating’ has recently been developed by WorkSafe New Zealand, ACC and the Ministry of Business, Innovation and Employment (MBIE) to help improve workplace health and safety in New Zealand. It is the outcome of several years of development and testing work, after an injury prevention initiative was recommended by the Independent Taskforce on Workplace Health and Safety.

4.2. SafePlus is not considered to be a direct replacement for ACC WSMP/WSD, as the performance requirements for SafePlus are different and focused on ‘what good health and safety looks like’ and what is needed to support continuous improvement in performance. The assessment approach is also different to WSMP and WSD as it uses a behavioural evaluation assessment approach, rather than an audit focus on documented policies and procedures.

4.3. The Government endorsed programme is a voluntary performance improvement toolkit for workplaces that sets out what good health and safety practice looks like. The toolkit is made up of 10 performance requirements for achieving good health and safety performance, and includes behavioural and evaluative assessment approaches. It focuses on best practice health and safety performance, which goes beyond minimum legal compliance.

4.4. The ten performance requirements are organised into three core areas: leadership, worker engagement, and risk management - and are underpinned by continuous improvement. Each performance requirement has a maturity scale that measures a business’s performance initially and over time as illustrated below:

![Image of performance requirements and assessment focus]

- **Leadership**
  - Effective health and safety governance
  - Demonstrable commitment
  - Continuously improve
  - Resource health and safety

- **Worker Engagement**
  - Effective communication
  - Empower workers and representatives

- **Risk Management**
  - Identify risks
  - Assess risks
  - Control risks
  - Monitor control effectiveness

- **Continuous Improvement**
4.5. The Independent Onsite Assessment and Advisory Service uses a behavioural based consultative assessment approach to measure organisational performance and give fresh, independent, expert insights and advice.

4.6. The assessment will:
   4.6.1. observe practices, behaviours, attitudes perceptions and culture onsite
   4.6.2. interview workers, managers and senior leaders at all levels
   4.6.3. review the effectiveness of systems and processes
   4.6.4. trace three key health and safety risks (including one work-related health risk) in the organisation to identify how well they are being managed.

4.7. The organisation will receive a detailed report with an Illustration of Performance and tailored advice to support and focus resources and effort on the right issues.

4.8. SafePlus is made up of three products:
   4.8.1. Free Resources and Guidance
   4.8.2. Independent Onsite Assessment and Advisory Service (available October 2017)
   4.8.3. Free Online Self Assessment (available mid 2018)

4.9. For more information about the resources, the behavioural focus of the assessment and how it differs from the WSMP programme, see the attachments listed above.

4.10. Organisations will not get stars or a rating. SafePlus defines good health and safety and provides advice and guidance. It is designed as practical ‘how to’ guidance which has been tested with organisations and co-designed with the health and safety sector. Following their onsite assessment, organisations will receive an Illustration of Performance received to give them confidence and enable them to measure their improvements over time. SafePlus is delivered by independent assessors, but developed and endorsed by government.

4.11. Benefits of SafePlus (as listed on the WorkSafe website):
   4.11.1. Worker benefits
      Helps reduce the likelihood of workplace accidents and illness.
      Supports worker behaviour change.
      Reduces the financial burden and social impact of health and safety failure.
      Improves confidence that they’ll be safe and healthy at work.
      Lets them know their employer takes health and safety seriously and has their best interests in mind.
      Supports the workforce professional development of health and safety practitioners and managers in a business.
   4.11.2. Business benefits
      Helps reduce workers’ time off work, reducing your costs.
      Improves productivity due to safer, healthier, happier workers.
      Helps avoid the consequences and cost of workplace accidents.
      Boosts your reputation as an employer of choice.
Gives you confidence that you’re following a credible, government-approved standard. Provides an independent and qualified view of current health and safety performance.
Tailors guidance and advice to support continuous improvement.
Shows leadership in health and safety within industry and wider community.

4.12. For Waimakariri District Council, the key benefit of aligning itself with the SafePlus assessment scheme is the opportunity to benchmark organisational health and safety performance against like organisations, and the reassurance that the Council is aligned with a scheme which is endorsed by the regulator (WorkSafe). Early adoption of the SafePlus framework as a system to guide safety management will ensure that Waimakariri District Council not only has effective safety management systems, but is also well-prepared for the independent assessment.

4.13. The Management Team has reviewed this report and supports 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**

N/A

5.3. **Wider Community**

N/A

6. **FINANCIAL IMPLICATIONS AND RISKS**

6.1. **Financial Implications**

The costs to use SafePlus are outlined below:

6.1.1. **Online Guidance and Resources** - Free

6.1.2. **Onsite Assessment and Advisory Service** - Cost set by the independent accredited assessor

6.1.3. **Online Self-Assessment tool** - Free (available mid 2018)

The fee charged is a commercial matter between the organisation and the SafePlus Accredited Assessor that is commissioned, similar to hiring any health and safety service provider or professional in the market. The fee is one of the factors that will need to be considered when selecting an Assessor.

Another cost implication to take into account is staff time and involvement in both preparing for and participating in the SafePlus assessment. Until there is further guidance around the self-assessment process, it is difficult to determine exact resource requirements.

6.2. **Community Implications**

N/A
6.3. **Risk Management**

Risk Management is one of the key performance requirements of this system, therefore Health and Safety risk management will be taken into account at all times through the adoption of this accreditation system.

6.4. **Health and Safety**

Continuous improvement in Health and Safety is the focus of the SafePlus programme, and adoption of this approach will ensure that Health and Safety is managed to best-practice standards.

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
A performance improvement toolkit to help reduce work-related injuries, illness and fatalities by providing independent qualified assessments and advisory services to businesses.

**General Overview**

A three level maturity scale is used for each performance requirement to help determine current health and safety strengths and areas for improvement and support ongoing performance improvement.

**WHO IS IT FOR**

Designed for all sectors

**PERFORMANCE REQUIREMENTS**

There are ten performance requirements across three key themes - Leadership, Worker Engagement and Risk Management. These requirements have been developed and tested with New Zealand workers.

**ASSESSMENT FOCUS**

- People
- Resources
- Behaviours
- Systems
- Practices
- Attitudes
- Culture
- Perceptions

**MEASURING PERFORMANCE**

A three level maturity scale is used for each performance requirement to help determine current health and safety strengths and areas for improvement and support ongoing performance improvement.

**DEVELOPING (NOT MEETING THE STANDARD)**

The business knows it needs to improve but has not identified what to improve or how. Likely to rely on PPE, administrative controls and informal processes and may respond reactively to address issues.

**PERFORMING**

Health & safety performance is reviewed and monitored to support continual improvement. Workers are engaged and empowered. Risks are identified and actions are taken to address root causes.

**LEADING**

Health & safety is integral to core business activities. There is a sense of ownership from workers at all levels and workers are supported to lead initiatives. The business takes a leadership role in industry to help lift performance.

**HOW IT WORKS**

Assessment Process: choose one or both

- **Online assessment**
  - Self-assessment
  - 360° approach
  - Multiple layers of the business
  - Customised by sector
  - Customised by business size

- **Independent onsite assessment**
  - Independent accredited and trained assessors
  - Behaviour-based
  - Interviews and observations
  - Deep-dive - tracing at least 3 key health and safety risks through the layers of business

**MEASURING PERFORMANCE**

A three level maturity scale is used for each performance requirement to help determine current health and safety strengths and areas for improvement and support ongoing performance improvement.

**DEVELOPING (NOT MEETING THE STANDARD)**

The business knows it needs to improve but has not identified what to improve or how. Likely to rely on PPE, administrative controls and informal processes and may respond reactively to address issues.

**PERFORMING**

Health & safety performance is reviewed and monitored to support continual improvement. Workers are engaged and empowered. Risks are identified and actions are taken to address root causes.

**LEADING**

Health & safety is integral to core business activities. There is a sense of ownership from workers at all levels and workers are supported to lead initiatives. The business takes a leadership role in industry to help lift performance.

**WHO IS IT FOR**

Designed for all sectors

**PERFORMANCE REQUIREMENTS**

There are ten performance requirements across three key themes - Leadership, Worker Engagement and Risk Management. These requirements have been developed and tested with New Zealand workers.

**ASSESSMENT FOCUS**

- People
- Resources
- Behaviours
- Systems
- Practices
- Attitudes
- Culture
- Perceptions

**MEASURING PERFORMANCE**

A three level maturity scale is used for each performance requirement to help determine current health and safety strengths and areas for improvement and support ongoing performance improvement.
Questions and answers for businesses

These Q&As are for businesses to find out more about the SafePlus toolkit, and/or to commission a SafePlus Accredited Assessor to provide SafePlus onsite assessment and advisory services.


Deciding whether to use SafePlus

What are the benefits to my business and my workers of using SafePlus?
Your business will get an assessment of your health and safety performance against good practice performance requirements. Using the Onsite Assessment and Advisory Service will identify strengths and weaknesses in your health and safety performance. You will receive performance recommendations on what your business needs to do to improve. A key benefit from a SafePlus assessment is that you will get tailored guidance and advice on how you can implement the performance recommendations.

SafePlus will help improve productivity by creating a safer and healthier workplace. It will provide a degree of business confidence about your performance, and boosts their reputation as an employer of choice. By focusing on improved workplace health and safety, businesses can be assured you are focusing your efforts and costs in the right places.

For workers, it’ll help reduce the likelihood of workplace accidents and illness and provide a safer and healthier place to work.

Do I have to use SafePlus to meet my business’s health and safety requirements under the law?
No. SafePlus is a voluntary toolkit, which businesses can elect to use. It focuses on best practice health and safety performance, and this goes beyond minimum legal compliance.

How do I know if SafePlus is right for my business?
You should first understand what SafePlus is, and then make a decision if it’s right for your business.

Some components of SafePlus are freely available for anyone to use. A business might want to incorporate SafePlus into their own approach to managing health and safety.

Once the Online Self-Assessment tool is available (mid 2018) businesses can use this to undertake their own self-assessment of their performance and receive free guidance and advice based on the findings of their assessment. This will be a good first step for some businesses, but it will not provide an independent verification of performance from a qualified and Accredited SafePlus Assessor. The first version of the online self-assessment tool will be targeted at small to medium sized businesses. Future versions will be customised to larger businesses and key risk sectors.

If you want to use the Onsite Assessment and Advisory Service, you can commission an independent SafePlus Accredited Assessor. This part of SafePlus toolkit is designed for medium to larger sized business that are committed to achieving good health and safety practice.

However, it could also be suitable for some smaller businesses. For example, when SafePlus was piloted a 14-person business used it and got benefit and value from it.

How much will the SafePlus onsite assessment and advisory service cost?
The fee charged is a commercial matter between your business and the SafePlus Accredited Assessor that you commission, similar to hiring any health and safety service provider or professional in the market. The fee is one of the factors that you will need to consider when selecting your Assessor.

Will there be a cost to use the SafePlus online self-assessment tool?
No. When it is available in mid-2018, it will be free for any business to use.
**Accredited Assessors**

**Why should I use a SafePlus Accredited Assessor?**
WorkSafe NZ and ACC strongly recommends that businesses wanting to use the independent Onsite Assessment and Advisory Service should always use a SafePlus Accredited Assessor (rather than a generic health and safety consultant).

This will give you greater certainty that your Accredited Assessor is trained in the use and application of SafePlus, has the capability and competency to do a good job, and can give you the best value from a SafePlus onsite assessment.

Accredited SafePlus Assessors have had their competency to use the SafePlus Onsite Assessment and Advisory Service verified by the independent Accreditation Body. To become accredited, applicants have to demonstrate they meet a set of core competencies developed by WorkSafe that are considered essential to be able to use SafePlus. These competencies are set out in the Assessor Competency Specification (www.safeplus.nz/assessors). The accreditation process also requires candidates to undertake and pass a SafePlus training course run by an independent training provider.

The Accreditation Body undertakes referee checks for each assessor candidate and considers a range of evidence when assessing the competence of each applicant. Accredited Assessors must also be members of one of the member organisations of the Health and safety Association of New Zealand (HASANZ) – the umbrella organisation representing workplace health and safety professions in New Zealand. HASANZ aims to raise professional standards across the sector to provide healthier and safer workplaces for New Zealanders.

SafePlus Accredited Assessors also have to go through a re-evaluation process every three years to ensure that their competency has been maintained.

**How do I find and select a SafePlus Accredited Assessor?**
There will be a public register that lists all of the SafePlus Accredited Assessors and contains their contact details. This will be published on the SafePlus website.

Accredited Assessors will also be able advertise and promote their services. As with any service provider you may want to seek quotes or written proposals from multiple assessors to help you select an appropriate Accredited Assessor.

**SafePlus Onsite Assessment and Advisory Service**

**What is the scope of my onsite assessment?**
This is something that you will need to agree upfront with your SafePlus Accredited Assessor and be tailored to the nature and type of your business and the key risks that are relevant. You should agree with your Assessor issues such as:

- The Deep Dive risks that will be traced through your organisation as part of the assessment – two safety risks and at least one work-related health risk
- The people to be interviewed – workers from all levels
- An assessment schedule – sites to be visited on what dates and the schedule of observations/interviews/focus groups
- Timeframes for undertaking the Onsite Assessment.

Every onsite assessment will need to consider performance against the ten SafePlus Performance Requirements and their indicators.

The requirements are organised into three core elements: leadership, worker engagement and risk management – and are underpinned by continuous improvement. Each performance requirement has a maturity scale to help support continuous improvement and help measure performance over time.
How long will an independent SafePlus onsite assessment take?
This will depend on a number of factors such as the size and complexity of your business, the parts of your business to be included in the assessment (eg., sites chosen), the scope of the assessment and specific risks being considered, the issues found during the assessment, how well prepared for the assessment your business is, and your business’s existing performance level, etc.

Experience from the pilot undertaken before SafePlus was released to the market suggested that the minimum time for an onsite assessment of a medium sized business, using two assessors, takes approximately 2 days complete. Larger or more complex businesses will likely take 3-4 days. Assessors will need to write their reports after their onsite visit is complete, and there will also be a process where businesses can provide comments on their Assessor’s draft report, which will also play out after the onsite visit.

What resource and commitment do I have to put into a SafePlus Onsite Assessment?
This depends on the size and complexity of your business, the scope of the assessment, and your level of preparedness and familiarity with SafePlus of the people in your business. To get the best value out of the onsite assessment your business will need to work and collaborate with their Accredited Assessors during the assessment.

What will I get out of using the Onsite Assessment and Advisory Service?
You will receive expert and independent assessment and advice on your business’s health and safety performance against a set of good practice Performance Requirements. The Assessor will identify your strengths and weakness and make recommendations on what you need to do to improve. You will also get tailored guidance and advice how you can implement the recommendations. Your SafePlus Accredited Assessor will provide you with a written report that documents this information.

Will I get a score or performance illustration following my Onsite Assessment?
Yes. Your report will include a performance illustration, as well as a detailed description of your business’s performance and the key issues found during the assessment (along with recommendations, guidance and advice). The performance illustration will provide you with an understanding at a glance of how well your business is performing across the SafePlus Performance Requirements and your areas of strengths and weaknesses. It should also give your business greater confidence and assurance about how you are performing right now and help you to track improvements over time (when you get a re-assessment).
How does the scoring work?
There are ten Performance Requirements that make up SafePlus. Each requirement has a set of four or five indicators that are fundamental to achieving good health and safety. Performance is measured against each requirement using a three-level maturity scale to illustrate the business’s health and safety strengths and areas for improvement. Each of the ten Performance Requirements is given a performance level outcome of either: Developing, Performing or Leading.

The performance levels achieved for each of the ten Performance Requirements then determines the business’s overall performance outcome. You will receive a performance illustration level for each of the ten Performance Requirements and also an overall performance illustration that is either Developing, Performing, or Leading.

Your Accredited Assessor can explain how the scoring system works. While the performance illustration will provide a snapshot of performance, the key value for businesses will be the Accredited Assessors’ findings, recommendations, and tailored guidance and advice on how to improve your health and safety performance.

What happens if my business does not meet one or more of the SafePlus Performance Requirement(s)?
You will be given a performance outcome of Developing for any performance requirements that you do not meet. Your SafePlus Accredited Assessor will set out their findings in their report and explain why the business didn’t meet the performance requirement(s) in question, and what you could do to improve.

Do I get the opportunity to action a recommendation or make changes before the Assessor finalises their report?
Yes. In many cases this will be a viable option and if the necessary action is undertaken by the business, then this could influence their performance level for a given Performance Requirement (or in some cases even their overall performance level).

For example, if a business successfully actions one or more of your recommendations during or soon after your on-site assessment, then this could be sufficient for your Assessor to consider moving the business from the ‘developing’ level to the ‘performing’ level.

The SafePlus tool design allows for a three-month period from the end of the assessment visit to be a reasonable timeframe to give the business the opportunity to action those recommendations made by the Assessors that can be practically achieved following the assessment. Three months has been selected to account for contingencies such as peak seasonal issues and key personnel being on leave and is seen as the maximum timeframe. In practice, it is recommended that the business and Assessor aim to finish in 6-8 weeks.

Each case needs to be considered in its own context and will come down to a professional judgement by the Assessor in discussion with the business to consider what is reasonable in the circumstances. Relevant factors will include:

- The nature and complexity of the recommendation(s) and action(s) required.
- The likely time it will take to action the recommendation(s).
- Whether there is the opportunity for the Assessor to verify that their recommendation(s) has/have been appropriately actioned.
- Cost or logistical implications for any verification needed or implications of delay on being able finalise the assessment report.
- Whether actioning the recommendation(s) would likely change the performance level (or whether a range of other actions are also needed).

If the change is a relatively quick and simple fix that the business can action during or shortly after the assessment visit, and can be readily verified, then this may be an option. In contrast if the recommendation will take longer to implement and would necessitate the Assessor needing to come back to spend time verifying it has been appropriately actioned, then the best course may be for the business to work on all of its recommendations and seek a reassessment at a future date.
How long is my SafePlus assessment likely to be valid for? When should I get a reassessment?

SafePlus emphasises the need for continuous improvement. While there is no set time for a reassessment, the outcome of your onsite assessment will not remain valid indefinitely. There will always be new issues arising and opportunities for you to improve your performance. Even for Leading businesses, there is always room for improvement.

Your SafePlus Accredited Assessor will be able to provide advice on when they think you should be re-assessed and this will depend on a range of factors specific to your business including: the risk factors your workers face, the specific findings of your SafePlus Onsite Assessment, the nature of any performance recommendation made by your Assessor (and how long they will take to implement), and your level of health and safety performance. For most business, getting a SafePlus reassessment approximately every two years will likely be appropriate.

If the overall outcome of your assessment is Developing, then you may want to spend time implementing the recommendations, guidance and advice provided by your Assessor with a view to getting reassessed to move into the Performing level. Likewise, if you are assessed as Performing, you may decide to make the necessary improvements and seek reassessment to achieve Leading status.

Roles and responsibilities

What are my roles and responsibilities as a user business of SafePlus?

SafePlus is a voluntary toolkit. First, find out about SafePlus and decide whether or not it is right for your business. This could include using any of SafePlus’ components, tools, or resources – individually or in combination.

For example, if you decide to commission an independent Onsite Assessment, you will be responsible for selecting a SafePlus Accredited Assessor, agreeing the services to be provided, contracting them to provide such services, and monitoring progress (as with any service provider you use).

To get the best value out of your Onsite Assessment you will need to work with your SafePlus Accredited Assessor(s) during the assessment process. This will include ensuring that all levels of the business participate in the assessment as needed (governance, senior managers, line managers, workers, contractors, etc.), and ensure that Assessors have access to the areas of the business and information they need that is within the scope of the assessment.

Once you receive your assessment report you will need to consider the recommendations that your Assessor has made and the guidance and advice they have provided and decide what improvements you will implement.

A comprehensive list of roles and responsibilities for SafePlus Partners and Users is available at www.safeplus.nz

Who are the other parties involved with SafePlus and what do they do?

The other key parties include:

- SafePlus Accredited Assessors – independent health and safety practitioners can be hired to provide Onsite Assessment and Advisory Services
- The SafePlus Accreditation Body – a private sector organisation appointed by WorkSafe to undertake competency assessments of assessor candidates and accredit those that meet a set of key competencies and have passed the required training
- The SafePlus Training Provider – a private sector organisation appointed by WorkSafe to run SafePlus training courses for assessor applicants
- Government agencies including WorkSafe and ACC – led the development of SafePlus in collaboration with private sector health and safety experts and other sector stakeholders. WorkSafe and ACC will have an ongoing role during SafePlus’ implementation.
- A service provider to develop, test, and host the Online Self-Assessment tool has been appointed following a contestable public tender process run by WorkSafe.
Use of Government branding

Can I use the SafePlus logo and branding in my business’s marketing and promotions?
Yes, but only in some circumstances. You can only promote your business as meeting the SafePlus performance requirements initiative if your business has:

- Completed the onsite assessment and advisory service, and
- The assessment was undertaken by an Accredited SafePlus Assessor, and
- You scored an overall outcome of Performing or Leading.

You cannot use the SafePlus branding or logo or expressly state or imply that you meet the SafePlus performance requirements if you have been assessed at the Developing performance level for any one or more of the requirements (this will mean your overall performance level will also be Developing). The reason for this is that all 10 of the SafePlus performance requirements are considered essential for good health and safety. All must be met in order to use the SafePlus brand.

Advertising and promotion could include using the SafePlus logo on your print material and digital channels but not on permanent fixtures such as signage, equipment and vehicles.

When using the SafePlus branding and logo, businesses must comply with the SafePlus Style Guide, which is available by emailing info@safeplus.nz

Business that has used the free SafePlus resources and tools themselves cannot expressly state or imply that they meet the SafePlus performance requirements. Such businesses have had no independent verification by a SafePlus Accredited Assessor so cannot use SafePlus logos or branding.

The online self-assessment tool (due for release in mid-2018) does not involve any independent verification of performance. As such, businesses cannot use the outcomes of their own internal self-assessments to expressly state or imply that they meet the SafePlus performance requirements.

Can I use the logos of the government agencies that created SafePlus in my business marketing or promotions?
No. You cannot use WorkSafe or ACC’s organisational logos. Some SafePlus resources include Government logos, because these documents were developed to support SafePlus. Accredited Assessors or businesses must not add Government logos to their own communications, or promotional material, reports or documents that they produce.

Assessors or businesses must not express or imply that the Government in any way endorses or supports the performance findings, recommendations, and advice contained in their specific assessment reports. Such reports are commercial transactions between the SafePlus Accredited Assessors and the businesses concerned. The Government has no involvement in, or visibility of, specific SafePlus Onsite Assessment and Advisory Services provided by Accredited Assessors to their client businesses.

Complaints

What if I have a complaint or concern about the SafePlus Accredited Assessor I used?
SafePlus is a voluntary toolkit that the Government has developed for the market. WorkSafe, ACC or any other government agency will not be involved in the specific SafePlus assessments that are commissioned by businesses. These are specific commercial transitions between the Assessor and business concerned.

If you wish to make a complaint against an Accredited Assessor that you have commissioned, this should be raised with the Assessor concerned in the first instance (as you will usually do with any service provider).

Businesses should only commission SafePlus Accredited Assessors to undertake SafePlus Onsite Assessment and Advisory Services. Only SafePlus Accredited Assessors have had their competency assessed by the SafePlus Accreditation Body and this process includes completing a training course on how to use SafePlus.
If you feel that your Accredited Assessor is not, or was not, sufficiently technically competent to undertake the assessment, you could raise such concerns with the SafePlus Accreditation Body, Tracecare Limited. More information about the complaints process is available on Tracecare’s website www.tracecare.co.nz or you can write to:

The Manager
SafePlus Accreditation Body
PO Box 10138
Wellington

If you become aware of any practitioner that has been acting as a SafePlus Accredited Assessor when they have not been accredited, please notify the SafePlus Accreditation Body.

Use of my information

Will any third-party be able to access information from my SafePlus Onsite Assessment and Advice?

No, not without your approval. The findings and outcomes of any SafePlus Onsite Assessment and Advisory Services that your business commissions from an Accredited Assessor is a private commercial transaction between the two parties.

From time to time, WorkSafe may commission an independent research provider to survey businesses that have commissioned SafePlus Onsite Assessment and Advisory Services. Participation in such research is voluntary, and information will be aggregated and anonymised by the research provider so that individual business cannot be identified by the Government or any third-party.

This research helps to inform the Government’s understanding of the health and safety needs of businesses and the performance issues facing businesses, and ensures that SafePlus is kept up-to-date and relevant to New Zealand businesses. Over time, good practice health and safety will evolve, and the critical performance issues facing businesses will also change. Obtaining appropriate market intelligence from businesses that use SafePlus will help maintain it and support businesses’ continuous performance improvement over time.

Market intelligence is also important to support and inform other Government and industry health and safety initiatives e.g. informing future policy and injury prevention programmes, and developing guidance for the sector on key health and safety issues facing New Zealand businesses. For example, market intelligence from SafePlus could benefit ACC’s insurance role as it can help ACC better understand the performance of their levy paying businesses.

Can any third party see any information when I use the online self-assessment tool (when it is available in mid 2018)?

Businesses that use the SafePlus Online Self-Assessment tool will be required to enter administrative information (such as their identity, business size, types of geographical location(s)) as well as their own self-assessment of how they believe they are performing against the SafePlus Performance Requirements.

The Tool will be hosted by an independent third party, who will provide the Government with aggregated and anonymised self-assessment information only. The Government will not have access to the information from any individual business, or to the entries made by individual business respondents who input information into the Online Self-Assessment Tool.
1. SUMMARY

1.1. The purpose of this report is to present Audit New Zealand’s Management Report for the year ended 30 June 2017.

1.2. The management report culminates the interim audits and the audit work carried out on the Council’s Annual Report for the year ended 30 June 2017, which commenced with an interim audit on 19 May – 9 June 2017 and the final audit commencing 28 August and completed with an unmodified audit opinion issued for the Annual Report that was adopted by Council on 24 October 2017.

1.3. During the audit, there were a number of areas that were reviewed by Audit New Zealand and their findings within recommendations are provided within the management report. These recommendations have been, or are to be addressed as noted within the Auditors management report.

1.4. John Mackey, the Director from Audit New Zealand will be present at the meeting to present the Audit New Zealand’s Management Letter.

Attachments:

i. Audit New Zealand Management Report for the Year Ending 30 June 2017 (TRIM 180311025490)

2. RECOMMENDATION

THAT the Audit Committee:

(a) Receives report No. 180316028179

(b) Receives Audit New Zealand’s Management Report for the year ending 30 June 2017;

(c) Notes there are no significant matters arising from the management letter. Audit New Zealand have made a number of recommendations where systems and reporting could be improved and these improvements have been made or are programmed.
3. **BACKGROUND**

3.1. The Local Government Act 2002, section 98 requires states that a local authority must prepare and adopt in respect of each financial year an annual report containing in respect of that year the information required by Part 3 of Schedule 10.

3.2. The Council is required to produce both an Annual Report and a Summary Annual Report, which are both audited each year, under an agreed engagement and pricing schedule by Audit New Zealand on behalf of the Auditor-General.

3.3. The Auditors will then provide the Council with a final Management Report that sets out the findings of the audit, any observations, recommendations and provides the management an opportunity to provide feedback to the Auditors report, which is then provided to the Audit and Risk Committee.

4. **ISSUES AND OPTIONS**

4.1. As part of the annual audit process, Audit New Zealand carries one or more interim audits that review the control environment which looks at systems, delegations and internal controls.

4.2. The interim audit commenced on the 19 May 2017 and provides the Auditors an opportunity to update their understanding of the issues facing the Council and how these are being addressed. It also provides the opportunity to update the auditors understanding of the Council’s service performance reporting systems. The final Audit, which commenced on 28 August 2017, is primarily concerned with auditing the information contained within the Council’s Annual Report for the year ended June 2017.

4.3. Audit New Zealand have made a number of recommendations in relation to Council’s service performance reporting systems and controls that could be improved and a number of these have been since been put in place or incorporated in the work plan.

4.4. The Auditor have made comment and reservations on the following:

- **Vested Assets** - There are a number of processes that need to be improved in relation to assets that are vested into Council ownership. These generally relate to the timeliness of capture and ensuring there is a more stringent reconciliation basis. This work has been identified within organisation development plan for this year;

- **Development Contributions** – This process has been corrected and is now well documented. A report was provided to the Council last year;

- **Recognition of revenue under the cost sharing agreement with the Crown** – The delays that have occurred with red zone regeneration plan has resulted in the Crown contributing to 60% to maintain the infrastructure, whilst some areas are waiting works to be completed. Now that the regeneration plan is progressing the balance of works are now able to be undertaken. Agreements in existing infrastructure have been budgeted for in the draft LTP;

- **Revaluation of 3 Waters and Roading** – this is a significant piece of work as a prerequisite and in conjunction to preparing the Annual Report that involves internal and external valuations. A number of observations made by our external Valuers will require a work programme to be agreed;

- **Non-financial service reporting** – The measures agreed with the community in the 2015-25 LTP are required to be reported against. There sometimes becomes a need to amend a measure, however it was agreed that the original measure still requires commentary in the Annual Report.
4.5. There are some areas also identified where non-performance measurements and reporting are being enhanced, generally through better recording and monitoring.

4.6. Overall, the Auditors have concluded that processes and systems have been operating effectively throughout the period.

4.7. There are no significant matters arising from the Audit New Zealand’s Management Letter.

4.8. The Council’s responses have been discussed and agreed with Audit New Zealand.

4.9. As an option, the Audit & Risk Committee could request alternative or further action be taken on one or a number of items provided within the Auditors report.

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

5. COMMUNITY VIEWS

5.1. Groups and Organisations

Occasionally grants and subsidies that are provided to the Council are required through the terms of the funding to be shown in the Annual Report. The Annual Report is a document that is often relied upon through stakeholders, banks and financial institutions.

The Annual Report is required to include the financial and non-financial performance of our CCOs.

Under the requirements of the Local Government Act 2002, the Council “must within one month after adoption of its annual report send copies of that report and of the summary”.

6. IMPLICATIONS AND RISKS

6.1. Financial Implications

6.2. Most of the proposals do not have financial implications although some involve staff time.

6.3. The Creditors costs for Audit and Valuation to undertake the Annual Report was $222,906 (Budget $227,310). The Audit cost was $167,014 including an additional $19,428 to verify vested assets and valuations.

6.4. Community Implications

n/a

6.5. Risk Management

The annual audit carried out by Audit New Zealand provides added assurance in respect of the accuracy of the Council’s financial statements. Implementation of the recommended internal controls on a consistent basis could improve operational performance and/or reduce risk.

6.6. 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**


7.3. **Community Outcomes**

There are wide ranging opportunities for people to contribute to the decision making that effects our District.

7.4. **Delegations**

Delegation S-DM 1022 provides that the Audit and Risk Committee has the jurisdiction to:

- Liaise with and manage the Council’s relationship and arrangements with the Council's external auditors; and
- Review corporate risk assessment and internal risk management practices.

Jeff Millward
Manager Finance & Business Support
Report to the Council on the audit of

Waimakariri District Council

for the year ended 30 June 2017
Key messages

We have completed the audit for the year ended 30 June 2017. This report sets out our findings from the audit and draws attention to areas where Waimakariri District Council (the Council) is doing well or where we have made recommendations for improvement.

Opinion

We issued an unmodified audit opinion on 24 October 2017.

Prior period errors

Two material prior period errors were corrected in the 2017 financial statements. The errors relate to the recognition of vested assets, and complex development contributions arrangements.

The errors primarily resulted from significant growth in the Waimakariri District since the Canterbury Earthquakes, and the need for improvement to systems to record vested assets and development contributions. Recommendations to improve these systems are in sections 2.1 and 2.1.1 of this report.

The Council corrected the errors by restating the prior period financial statements, and made the appropriate disclosures for the two errors. We reviewed the disclosures and concluded they are fairly stated, and comply with accounting standards.

Revaluation of property, plant, and equipment

Council revalued its three waters assets and roading assets, at 30 June 2017. The valuations resulted in increases of $48 million and $46 million respectively. We confirmed that the valuations complied with relevant accounting and valuation standards, and concluded they were fairly stated in the financial statements.

Service performance information

The Council reported adequately on all of its performance measures including those where the results are reliant upon the service request system. We were satisfied that the data quality improvements, which have been carried out since the fourth quarter of the 2015/16 financial year, and the controls implemented subsequently, have improved data quality and reporting.

Issues identified during the audit

The following table summarises our recommendations and their priority:

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Urgent</th>
<th>Necessary</th>
<th>Beneficial</th>
</tr>
</thead>
<tbody>
<tr>
<td>Process to record vested assets</td>
<td>✔️</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Improve procedures to identify assets and capture asset information in a timely manner. This should include a review as to whether the Council should continue to allow section 224c certificates to be issued before as-built plans are received.</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Recommendation | Urgent | Necessary | Beneficial
--- | --- | --- | ---
Accounting for development contributions | ✓ | | 
Implement a process to record all development contribution offsetting arrangements, to enable correct recording for financial reporting purposes.

Revaluation process improvements | | ✓ | 
Implement recommendations for improvements in revaluations included in section 2.3 of this report.

Shared Services Business Review Report | | ✓ | 
Implement the recommendations of the shared services business process review, taking into account the cost of implementation compared to the benefits provided.

Roading renewals | | ✓ | 
Review assumptions for renewal of roading assets and revise the accounting recognition of disposals as appropriate.

Expenditure cut-off process | | | ✓
Review the threshold applied for the review of cut off for expenditure invoices.

There is an explanation of the priority rating system in Appendix 1.

Thank you

We would like to thank the Council and management for their assistance during the final audit visit.

John Mackey
Audit Director
4 December 2017
1 Our audit opinion

1.1 We issued an unmodified audit opinion

We issued an unmodified audit opinion on 24 October 2017. This means that we were satisfied that the financial statements, and statement of service performance, fairly reflected the Council’s activity for the year and its financial position at the end of the year.

In forming our audit opinion, we considered the following matters.

1.2 Uncorrected misstatements

The financial statements are free from material misstatements, including omissions. During the audit, we have discussed with management the misstatements that we found, other than those which were clearly trivial. The significant misstatements that have not been corrected are listed in Appendix 2, along with management’s reasons for not adjusting these misstatements. We are satisfied that these misstatements are individually and collectively immaterial.

2 Significant risks or issues identified during the audit

We comment in this section on the risks and issues, identified in our audit arrangements letter dated 21 February 2017, and those identified during the audit process.

Other areas of audit focus are discussed separately in section 3 of this report. For our other areas of audit focus we include consideration of the risks and issues specific to the Council, as well as risks and issues common to local authorities.

2.1 Correction of material prior period errors

Two material prior period errors were corrected in the 2017 financial statements. The errors related to the recording of vested assets, and complex development contributions arrangements.

The errors primarily resulted from two factors. The first, is the significant growth which the Waimakariri District has experienced since the Canterbury earthquakes. The volume of assets vested and the development contributions charged, has increased significantly with subdivision activity.

The second, is the significant growth in deficiencies in systems to record vested assets, and development contributions. We have previously reported to the Council, on the need for improvements to the system to record vested assets. Deficiencies in the recording of development contributions were identified as a result of an internal review performed by Council management.

As required by accounting standards, the Council corrected the errors by restating the prior period financial statements. We accepted the Council’s correction of the errors on the basis of materiality, details of parts of the error that were unadjusted are included in Appendix 2.
The Council disclosed in the notes to the financial statements, the nature and amounts of the restatements, and the financial statement line items they impact. We reviewed the disclosures and concluded they are fairly stated and comply with the relevant accounting standard.

We discuss each error in more detail in 2.1.1 and 2.1.2 below.

We were required to perform additional work to determine the amount and causes of the errors, as well as to ensure that the corrections were correctly made. We will seek to recover additional costs from the Council.

2.1.1 Vested assets

Recommendation – Urgent

Improve procedures to identify assets and capture asset information in a timely manner. This should include reviewing whether Council should continue to allow 224c certificates to be issued before as-built plans are received.

Findings

In preparing the valuation for three waters assets, the Council identified assets which had not previously been recorded in the fixed asset register.

Initially, the Council recorded the assets at $0.01 to wash the amounts through the revaluation. As accounting standards require vested assets to be initially recognised at fair value, we requested management to determine the fair value of the assets. The estimated value of the assets was $18.5 million. Additionally, roading assets which vested in prior periods but were first recorded in the current year of $1.6 million were identified.

The errors were a result of the 224c certificates being issued prior to developers supplying as-built plans. This reduces the Council’s control over receiving the asset information it requires from the developers. As a result of the delay in receiving as-built plans, vested assets are recorded late. Many assets identified had an acquisition date of 2014 or earlier.

Not capturing asset information in a timely manner also results in underfunding of depreciation, which will impact the Council’s long term renewals strategy.

Management comment

The process is being reviewed with the intent to formalise the process and identify any gaps. As a result of the review a number of more formal approvals are to be established which will result in greater certainty in the robustness of the process PROMAPP will be used as the processing software which is the Council’s central management software that controls all business processes. Further submissions of as-built documentation will be an event in the Technology One process for resource consents that must be completed prior to issuance of the 224c certificate.

The current system to ensure as-built plans are received in the right form and on time are as follows:
A condition requiring as-built information is included in the resource consent. This also specifies how the data is to be submitted.

As-builts are submitted with the developer’s request for 224c certificate.

The as-builts are verified and checked by Council staff.

Once verified, the 224c certificate can be issued provided all other conditions of consent are met and development contributions have been paid.

As-built information is sent to the AIM team at issue of the 224c certificate. The AIM team uploads the required information and provides a draft back to PDU for review prior to finalising the data.

2.1.2 Development contributions

Recommendation – Urgent

Implement a process to record all development contribution offsetting arrangements, to enable correct recording for financial reporting purposes.

Findings

Management’s review of development contributions identified four development contributions amounting to $5.3 million which had not been recognised. These were accrued as a subsequent adjustment to the financial statements.

We reviewed the proposed adjustment, including the accounting treatment of the development contributions. We referred to guidance issued by the Office of Auditor-General, which defines the recognition point for development contributions to be the issuing of the 224c certificate, or building consent. This depends on whether the charge has been levied on a building consent, or resource consent application.

We concluded that three out of the four development contributions should have been recognised in prior years. The value of the three development contributions was $4.1 million.

The non-recognition of two development contributions was a result of offsetting agreements between the Council and developer, for the non-payment of development contributions, in lieu of subsequent transfers of land. No invoices were raised for development contributions for multiple stages of subdivisions because of the agreement to offset. This was despite section 224c certificates, and building consents being issued in previous years.

The offsetting arrangements were also originally recognised as the net value owed by the developer i.e. the development contribution owing, less the value of the land. The substance of the arrangement is that the agreement is two separate transactions, the charging of a development contribution, and the vesting of land. As a result, these arrangements were subsequently corrected, and recognised as two separate transactions at the gross amounts.
Management comment

Prior to the time of the audit, the Council had a group of staff from each aspect of the Council business reviewing the processes. The findings has been reported to the Council. The result of the review, provided a number of improvements to the information provided and the Council’s control environment has been strengthened, including the following:

- The process has been mapped in a centralised software application PROMAPP.
- Technology One software is now used to control the process, with approvals placed in the system to provide checks, appropriate approvals and avoids the release of the 224c until certain information and actions have been provided/completed.
- The information is now all held in the Technology One systems. Invoicing is able to be reviewed by all, including Finance, so that invoicing and other information is verified.
- Invoicing for the Development (and stages to the development) is provided based on the information verified in the system and provided to the application for all lots developed and including any assessment over lots that required no Development Contribution.
- All lots are tracked within the Technology One system ensuring that at the end of a development all lots have been accounted for through a development contribution invoice or offset.
- Monthly reporting is undertaken and signed off which shows the progress on each consent in the system.
- Reconciliation to various registers is undertaken monthly.

2.2 Recognition of revenue under the cost sharing agreement with the Crown

The Council continues to recognise revenue from the Crown, under the cost sharing agreement. Revenue is recognised on the basis of eligible costs incurred. Accounting standards dictate that Crown contributions can only be recognised if there is virtual certainty of the receipt of payment, and the Crown funding contributions can be reliably measured.

Based on the revised Residential Red Zone Recovery plan, the Council has revised its Earthquake recovery budget to $40.6 million which represents a $500,000 decrease from previous estimates. The Council is yet to make a decision on future use of red zone land and provision of permanent services to properties in the red zone. The future use of this land impacts upon the existing earthquake recovery programme. Specifically, which three waters assets are required to be retained, renewed, or repaired in the red zone.
Council received $1.75 million of revenue from the Crown during the year. We reviewed the recognition of the revenue and confirmed it is fairly stated in the financial statements.

This Council has again disclosed the judgements that it made on the non-recognition of future revenue in its contingent assets note. We reviewed the note disclosure and concluded it fairly reflects the matter.

We also observed the total amount of revenue recognised under the cost sharing agreement has now reached $29.77 million.

The cost sharing agreement agrees to fund 60% of all eligible costs for horizontal infrastructure, up to $29.965 million. In addition to this, the agreement allows for $7 million for earthquake damaged community facilities, and 60% of the costs of removing unnecessary roads and reinstating necessary roads.

The agreement also allows for an independent assessor to be appointed should the expected works and costs for horizontal infrastructure change.

For the long term plan (LTP), and 2018 annual report the Council will need to consider the remaining funding requirements for horizontal infrastructure. Specifically, if the horizontal infrastructure funding needs are in excess of the limit in the cost sharing agreement. This will impact funding estimates in the LTP, and may impact future revenue recognition where the payment of funding becomes less certain.

Management comment

The amounts provided are correct and staff report to Council quarterly on the status of the Recovery plan projects. The council have consulted in the LTP the regeneration of the Red zone land. Consultation period ends on 9 April, with Deliberations in May. In relation to the servicing to properties in the Red zone the Council has confirmed it will continue to service these properties. There is provision in the budgets to allow for this.

2.3 Revaluation of Property, Plant and Equipment

_PBE IPSAS 17 Property, Plant and Equipment_, requires that valuations are carried out with sufficient regularity to ensure that the carrying amount does not differ materially from fair value.

As at 30 June 2017, the Council carried out revaluations on its roading and three waters assets. We comment on these in turn below.

- The Council’s roading assets are valued annually by MWH. This year the valuation increased by $46.2 million. The increase reflects movements in unit rates to reflect current year contract prices. The movement is consistent with comparable transport pricing indices.

- The Council also valued its three waters and solid waste assets consistent with its three yearly cycle. The valuation resulted in a combined increment of $48 million. This was primarily due to changes in methodology, an increase in asset quantities and increased construction costs in the Canterbury region.
These impacts are principally a result of earthquake rebuild activity, and growth in the district.

Our review of the valuation focussed on the methodology, key assumptions, and source data collection processes. We concluded that the valuations were prepared in accordance with the relevant accounting and valuation standards, and revaluation movements were correctly recorded in the financial statements.

From our review of the valuation process, we identified improvements to enhance the quality of the valuations. We comment on this further in section 2.3.1 and 2.3.2 below.

2.3.1 Roading revaluation improvements

Recommendation - Necessary

Council implement the recommendations made by the roading valuer before the next valuation.

Findings

Section 22 of the MWH valuation report contains many recommendations, which remain outstanding from prior valuations. The recommendations include the following significant matters:

- review total useful lives for sealed surfacing and drainage assets which are performing beyond their current economic lives;
- review and keep the RAMM database up-to-date particularly for drainage and street lights; and
- review and verify the assumptions used in the valuation.

Management comment

Agree - Council staff will respond to matters and work to have them completed prior to the next valuation.

2.3.2 Three waters revaluation improvements

Recommendation – Necessary

Council implement the recommendations made in the internal valuation report and peer review before the next revaluation.

Findings

The internal valuation report contains recommendations made by the Project Development Unit (PDU), which are also supported by OPUS who peer reviewed the valuation. The recommendations include the following significant matters:

- improvements to data quality; and
simplification of calculations in the valuation spreadsheets to reduce the likelihood of formula errors.

We also note that the PDU identified $237,000 of assets which were privately owned in the Council’s fixed asset register. While we recognise that Councils have a need to track the existence of private schemes, only Council owned assets should be capitalised in the financial fixed assets register.

Management comment

Agree, these issues will be resolved as part of the Activity management plan improvement programme prior to the next valuation.

2.4 Service performance reporting

Recommendation – Necessary

The Council further reviews its performance framework as part of the development of its 2018-28 LTP.

Findings

In our interim report to the Council, we noted that the Council has implemented adequate systems to report against the mandatory measures. Our focus for the final audit was to ensure that Council was able to accurately report the results for measures that relied on the service request system.

We focused on the three mandatory measures for loss of water supply, dry weather sewerage overflows and flooding from the Council’s stormwater drainage network. We were satisfied that the Council maintained appropriate records during the year to report on these measures.

Council also reviewed its performance framework during the year and revised targets for certain measures. In particular, the mandatory measures for response times in relation to service requests were amended. As the Council is required to report against the levels of service, determined in the 2015-25 Long Term Plan, we advised management to report against targets set in the Long Term Plan rather than the revised targets.

Management comment

The performance reporting framework has been reviewed for the 2018-2028 Long Term Plan.

Where a target is changed this is carried out through the Annual Plan process. It is agreed that the original measure that was included in the Long Term Plan should be reported against. It is suggested that in the future when there is a change that where practical both measures will be reported and/or the reason for not reported is provided within the Annual Report, with the measure that has been consulted.
2.5 Management override

Management override is a potential audit risk because in any organisation, management is in a unique position to perpetrate fraud because of management’s ability to manipulate accounting records and prepare fraudulent financial statements by override of controls that otherwise appear to be operating effectively.

To address this risk, during the audit we:

- tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- reviewed audit estimates, including the revaluations of property plant, and equipment, and estimation of impairment, for bias and evaluated if there was any risk of material misstatement due to fraud from bias; and
- evaluated the business rationale of any significant transactions that were outside the normal course of business, or that otherwise appeared to be unusual given our understanding of the Council.

We found no indications of management override that would result in a material misstatement in the financial statements, due to fraud.

3 Other areas of audit focus and internal control findings

3.1 Shared Services Business Process Review

Recommendation — Necessary

Implement the recommendations of the shared services business process review, taking into account the cost of implementation compared to the benefits provided.

Findings

During the year, Deloitte performed a shared services business process review. The scope was to review procurement and contract management procedures and supplier set up. The recommendations made by Deloitte are summarised below:

Procurement

- implement clear policies and procedures that set the requirements/expectations for exceptions from following a competitive process;
- ensure that all expenditure is supported by a purchase order in-line with the purchasing (and tendering) policy;
- update purchasing policy (including tendering) to include sections on record keeping requirements, conflict of interest declaration and management, when legal advice should be sought and risk management; and
- consider broadening the role of the Project Delivery Unit to provide oversight and leadership of procurement across the Council.
Contract management

- develop comprehensive contract management policies and procedures; and
- develop a fully functioning contract management system.

Supplier Set up

- review access levels and restrict access to the supplier masterfile; and
- implement procedures to verify supplier details such as bank accounts, prior to making payments.

We note most of the findings for contract management, and supplier masterfile access are consistent with those made in our previous reports to Council. The report has already been presented to the Audit Committee, and management is working through the recommendations.

Management comment

The actions required in the Deloitte report are currently being worked through and are substantially completed.

The Contract Management system has been completed, including a central depository, which is fully functional. The decision has been made to work with a system developed within Excel in the meantime, which is held centrally and reconciled on a monthly basis by Finance. Each contract is held centrally in the record management system.

The Supplier set ups have been completed.

The 2018 programme has been agreed with the Canterbury Shared services and is to review Cyber security arrangements and polices Councils have established. This work is to be completed by May 2018.

3.2 Ocean Outfall

Council continues to carry out remediation work to resolve the corrosion issue. The Council approved a budget of $1.8 million to recover/replace stainless steel components on the ocean outfall and for the costs that have been incurred since 1 January 2017.

Management advised that the Council has evaluated tenders for the contract after balance date, and the contract has been awarded to March Construction Limited. We will continue to monitor the situation, including the accounting treatment of the work completed in the 2017/18 financial year.

3.3 Roading renewals

Recommendation - Necessary

Review assumptions for renewal of roading assets and revise the accounting recognition of disposals as appropriate.
Findings

As part of our review of roading renewals, we noted that when the roads are renewed, they are not formally disposed of with only the changes to the asset specifications recorded in RAMM. The effect of this is then washed up through the valuation without the disposals being recorded in the fixed asset register. There is a likelihood that the revaluation movement could be overstated as result of this process which may result in incorrect recognition of asset impairments in the future.

Additionally, Council assumes that only assets close to the end of their useful lives are renewed. However, this assumption may be invalid given the high growth of the district in recent years and some assets potentially being renewed before the end of their lives, to cope with increasing traffic volumes.

Management comment

The Council made a decision to revalue its Roading on an annual basis given the value of the assets and that Roading has been in the past subject to large valuation adjustments, relating to the market place.

It is accepted that any roads renewed should have an assessment to determine whether any residual value existed on renewal of the assets. Our Roading valuer, Stantec, will also be asked to ascertain/verify residual values.

3.4 Expenditure cut-off process

Recommendation – Beneficial

The Council review the threshold applied for the review of cut off of expenditure invoices.

Findings

We identified three invoices, with a total value of $36,600, which were recognised in the current year, but related to the 2015/16 financial year. All invoices were for information technology costs, or software licenses.

We were informed that a value threshold is applied to the invoices reviewed for cut-off, and that the invoices concerned were below this threshold. Whilst the matter was not material to our audit, the Council does have a high volume of expenditure invoices, and the accumulation of cut off errors creates a risk to the accuracy of reporting expenditure.

Management comment

The expectation is that no threshold will be applied to invoices and the amounts will be placed to the correct year. In future years, for expediency and to avoid a number of reworks to the accounts, a register of any late invoices not placed back will be held to ascertain materiality and agreement with the auditors.
4 Status of previous recommendations

The status of each matter that was outstanding in last year’s report to the Council is summarised in Appendix 3.

Summary of action taken against previous years’ recommendations:

<table>
<thead>
<tr>
<th>Number of recommendations from previous years’ audits</th>
<th>Current status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Six</td>
<td>Matters that have been resolved</td>
</tr>
<tr>
<td>One</td>
<td>Progress is being made, but not yet fully resolved</td>
</tr>
<tr>
<td>One</td>
<td>No progress has been made</td>
</tr>
</tbody>
</table>
Appendix 1: Explanation of priority rating system

Our recommendations for improvement and their priority are based on our assessment of how far short the Council is from a standard that is appropriate for the size, nature, and complexity of its business.

We have developed the following priority ratings for our recommended improvements:

<table>
<thead>
<tr>
<th>Urgent</th>
<th>Needs to be addressed urgently</th>
</tr>
</thead>
<tbody>
<tr>
<td>Major improvements required</td>
<td>These recommendations relate to a significant deficiency that exposes the Council to significant risk. Risks could include a material error in the financial statements and the non-financial information; a breach of significant legislation; or the risk of reputational harm.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Necessary</th>
<th>Address at the earliest reasonable opportunity, generally within 6 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Improvements are necessary</td>
<td>These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness that could undermine the system of internal control or create operational inefficiency.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Beneficial</th>
<th>Address, generally within 6 to 12 months</th>
</tr>
</thead>
<tbody>
<tr>
<td>Some improvement required</td>
<td>These recommendations relate to deficiencies that result in the [entity type] falling short of best practice. These include weaknesses that do not result in internal controls being undermined or create a risk to operational effectiveness. However, in our view it is beneficial for management to address these.</td>
</tr>
</tbody>
</table>
Appendix 2: Uncorrected misstatements

<table>
<thead>
<tr>
<th>Current year misstatements</th>
<th>Assets</th>
<th>Liabilities</th>
<th>Equity</th>
<th>Financial Performance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Dr (Cr)</td>
<td>Dr (Cr)</td>
<td>Dr (Cr)</td>
<td>Dr (Cr)</td>
</tr>
<tr>
<td>Correction to the opening equity balance and land asset for incorrect recognition of vested land which was subsequently purchased by the Council this year.</td>
<td>435</td>
<td></td>
<td>(435)</td>
<td></td>
</tr>
<tr>
<td>Reversal of the additional amount receivable resulting from an interim settlement of a contractor dispute. This was a subsequent event post balance date last year but not adjusted.</td>
<td>(287)</td>
<td></td>
<td></td>
<td>287</td>
</tr>
<tr>
<td>To recognise vested assets income and corresponding assets found this year, which were acquired in the prior year. The amounts are estimated on the depreciated replacement cost of the assets.</td>
<td>474</td>
<td></td>
<td>(474)</td>
<td></td>
</tr>
<tr>
<td>Netting off revenue and expenditure for amount of imputation credits received with dividends.</td>
<td></td>
<td></td>
<td></td>
<td>361</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(361)</td>
</tr>
<tr>
<td><strong>Total parent</strong></td>
<td>622</td>
<td>(909)</td>
<td>287</td>
<td></td>
</tr>
</tbody>
</table>
## Appendix 3: Status of previous recommendations

### Outstanding matters

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Current status</th>
<th>Priority</th>
<th>Management’s proposed action</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Identification of vested assets</strong></td>
<td><strong>No progress has been made</strong></td>
<td><strong>Necessary</strong></td>
<td>The AIM team are provided with all consents that have been issued. The process is currently being reviewed to establish full visibility and that staff involved in obtaining these are working to set Council guidelines.</td>
</tr>
<tr>
<td>Implement a process whereby the AIM team can access information on completed subdivision projects to enable the team to capture and record vested assets in a timely manner.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Leave carried over against policy</strong></td>
<td><strong>In progress</strong></td>
<td><strong>Beneficial</strong></td>
<td>Annual leave is being monitored. Over the last seven months more leave has been taken. With alignment to the policy, more emphasis will be placed on ensuring staff are taking leave.</td>
</tr>
<tr>
<td>Council implement the requirements of its leave policy, requiring staff with excessive leave balances to obtain approval for the balance.</td>
<td></td>
<td></td>
<td>June 2017 was $1,788,831 February 2018 $1,749,068</td>
</tr>
<tr>
<td><strong>Annual leave remains high, but staff are being actively encouraged to take annual leave.</strong></td>
<td></td>
<td></td>
<td>Our review of the year-end leave liabilities noted that 83 employees out of 334 employees have annual leave balances greater than 25 days. The annual leave liability for these employees amounted to $1,069,023 of total annual leave balance of $1,788,831. (i.e. 60% of the total population in terms of dollar value).</td>
</tr>
<tr>
<td><strong>Leave balances remain high, but staff are being actively encouraged to take annual leave.</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Our review of the year-end leave liabilities noted that 83 employees out of 334 employees have annual leave balances greater than 25 days. The annual leave liability for these employees amounted to $1,069,023 of total annual leave balance of $1,788,831. (i.e. 60% of the total population in terms of dollar value).</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
## Matters that have been resolved

<table>
<thead>
<tr>
<th>Recommendation</th>
<th>Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Taxation of severance payments</strong></td>
<td>The Council review its policy for out of court settlements for hurt and humiliation, and consider if it should make a voluntary disclosure to the IRD. One severance payment was made for $7,000 during the year. This was taxed appropriately. We will review significant severance payments in future audits.</td>
</tr>
<tr>
<td><strong>GST risks from TechOne implementation</strong></td>
<td>We encourage the Council to implement the recommendations of the tax compliance review. Council has received the outstanding refunds on GST and other taxes that resulted from the voluntary disclosure. There was a delay in determining the amount of refund from the IRD’s end. However, this has now been resolved and the IRD has closed the matter.</td>
</tr>
<tr>
<td><strong>Consistency of unit rates</strong></td>
<td>Review three waters unit rates as part of the next revaluation. Unit rates have been reviewed as part of the 2016/17 valuation process. This included comparisons to current and past contract rates, and relevant index movements, since the previous valuation. We were satisfied that the unit rates have been determined appropriately as part of the valuation process.</td>
</tr>
<tr>
<td><strong>Not signing Individual Contract Agreement (ICA) - HR</strong></td>
<td>Ensure that all Individual Employment Agreements are signed by the relevant personnel with the required delegated authority. The HR team have reviewed a total of 287 employee files and are confident that they only have 60 remaining to attend to. The HR team is working towards filing all employment information on the Council’s document management system. The remaining 60 employees have been contacted and it is expected that the employee information will be complete upon receipt of the signed contracts from these employees. We are satisfied that management has implemented the appropriate process to ensure completeness of employee information in their document management system.</td>
</tr>
<tr>
<td><strong>Community loans impairment</strong></td>
<td>The Council recognises concessionary interest loans at their fair values and reviews their collectability to ensure it recognises any impairment required. The Southbrook park loan has been written off as a bad debt this financial year as a result of the review performed for doubtful debts this year. The remaining community loans of $143,000 are not considered to be material to the financial statements of the Council.</td>
</tr>
<tr>
<td><strong>Shared services business process review – sensitive expenditure, fraud and conflicts of interest</strong></td>
<td>Implement the recommendations, made by Deloitte, taking into account the cost of implementation of the recommendations and the benefits provided. The Council has implemented all the relevant recommendations including a presentation to staff on awareness and risks of fraud.</td>
</tr>
</tbody>
</table>
### Appendix 4: Other areas of interest for all local authorities

<table>
<thead>
<tr>
<th>Areas of interest</th>
<th>Our audit response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Rates</strong></td>
<td>We completed our review over the rating practices and have no matters to bring to your attention.</td>
</tr>
<tr>
<td></td>
<td>Rates are Council’s primary funding source. Compliance with the Local Government (Rating) Act 2002 (LGRA) in rates setting and collection is critical to ensure that rates are validly set and not at risk of challenge. The Council should ensure it has appropriate processes in place, including seeking legal advice where appropriate, to ensure compliance of its rates and rating processes with legislation.</td>
</tr>
<tr>
<td><strong>Shared services</strong></td>
<td>Forums have been established to share ideas amongst Canterbury Councils. Initiatives are being discussed to achieve efficiency gains and improve service provision to the communities. We will continue to monitor the impacts of any new shared service initiatives as part of future audits.</td>
</tr>
<tr>
<td></td>
<td>Local authorities are continually exploring opportunities to deliver enhanced and more efficient services. Among the range of options increasingly discussed are shared services, often with other local authorities.</td>
</tr>
<tr>
<td><strong>Performance measure rules</strong></td>
<td>We were satisfied that all the required disclosures were included in the annual report. However, we do note that the Council has not set a quantified limit on total rates income per annum, known as the “Rates (income) affordability” benchmark. We recommend the Council sets the quantified limit in absolute dollars of rates increases as part of the development of the 2018-28 LTP.</td>
</tr>
<tr>
<td><strong>Development contributions</strong></td>
<td>As noted in section 2.1.2, it is important that Council reviews its process to levy development contributions to ensure that all development contributions are invoiced and recognised in the correct accounting period. We were satisfied with the prior period error adjustments made in the financial statements, and the total value of development contributions recognised this year.</td>
</tr>
<tr>
<td></td>
<td>Development contributions, which are levied under the Local Government Act, are important funding tools for many local authorities. This is particularly the situation for the Council as it is a territorial local authority addressing substantial ongoing growth. Development contributions can be contentious. There is a risk that developers may challenge Council’s compliance with legal requirements. Council may also face the risk of needing to repay contributions if developments do not proceed. To</td>
</tr>
</tbody>
</table>
### Areas of interest

<table>
<thead>
<tr>
<th>Council’s governance role over Council Controlled Organisations (CCOs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CCOs are responsible to meet the accountability requirements of the Local Government Act 2002 (LGA), including preparation of Statements of Intent (SOIs) with appropriate involvement from their parent local authorities.</td>
</tr>
<tr>
<td>We are satisfied with Council’s oversight of its CCOs. We have no matters to bring to your attention.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project management</th>
</tr>
</thead>
<tbody>
<tr>
<td>A project-managed approach is important to effectively control capital works, changes to key IT systems and the process of change more generally – whether that is change to service delivery, or change to the way the Council operates.</td>
</tr>
<tr>
<td>We are satisfied that the project management arrangements in place are appropriate.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Conflicts of interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conflicts of interest are an area of concern from two perspectives; probity and the potential for a conflict of interest, which is not well managed, to create significant legal and reputation risks. During 2007, the Office of the Auditor-General (OAG) published two sets of guidance for entities in this area. The Local Authorities (Members’ Interests) Act 1968 controls the making of contracts between councillors and the Council, and prevents councillors from participating in Council matters in which they have a pecuniary interest.</td>
</tr>
<tr>
<td>We have reviewed the Council’s management of conflicts of interest and have no new issues to raise. We understand that the Council will be implementing a conflicts of interest policy and interest register for elected members later this year.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Contract management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract management is an important component of procurement. Contract management includes the effective management and monitoring of the delivery of goods or services to the agreed levels. It is essential to ensuring that the Council obtains value for money from the contracts its procurement processes have put in place. Contract renewals provide opportunities for the Council to refresh contract expectations and</td>
</tr>
<tr>
<td>We are satisfied that the contract management policies and procedures in place are appropriate for the Council’s circumstances. During the year, Deloitte carried out a shared services review of Council’s procurement and contract management process. The recommendations have been presented to the Audit and Risk Committee and are also summarised in section 3.1 above. Most of</td>
</tr>
</tbody>
</table>
### Areas of interest

<table>
<thead>
<tr>
<th>Our audit response</th>
</tr>
</thead>
<tbody>
<tr>
<td>deliverables to align to its LTP. This can also provide opportunities for efficiencies or other savings.</td>
</tr>
<tr>
<td>the recommendations made are consistent with our recommendations made in previous reports to the Council. The Council should implement these recommendations to improve its contract management system.</td>
</tr>
</tbody>
</table>

### Elected members – remuneration and allowance

| The Local Government Act gives the Remuneration Authority responsibility to set the remuneration of local government elected members. The Authority also has the role to approve a local authority’s policy on allowances and expenses. Council’s annual report must disclose the total remuneration received by or payable to each member of the local authority in the reporting period.1 A local authority must disclose remuneration paid or payable to each member from both the local authority and any council organisation of the local authority. |
| We confirmed that the Council had complied with the necessary requirements of the Local Government Act 2002 for the remuneration of each member of the local authority. |

### Possible LTP amendments

| Every proposed amendment must be audited. An amendment arises where Council proposes: |
| We have confirmed there have been no LTP amendments required during the current financial year. |
| • a significant change to services levels [section 97 (1)(a)]; or |
| • to transfer ownership of a strategic asset [section 97(1)(b)]; or |
| • a significant change to the revenue and financing policy [section 103(4)]. |

### Emissions trading scheme

| We were satisfied with Council’s disclosures of information on the emissions trading scheme. |
| Councils with operating landfills have obligations to report their emissions and surrender carbon units (New Zealand Units or eligible international units) under the Emissions Trading Scheme (ETS). |

### Public Private Partnerships

| We confirmed Council is not planning to use any PPPs to complete any upcoming projects. |
| Public Private Partnerships (PPPs) are used to procure public infrastructure when this approach represents good value for money and is in the public interest. Any projects should only proceed, as a PPP, if this provides better value compared with what the same project could achieve under a more traditional procurement method. |

---

1 Schedule 10, clause 18, Local Government Act 2002.
## Appendix 5: Mandatory disclosures

<table>
<thead>
<tr>
<th>Area</th>
<th>Key messages</th>
</tr>
</thead>
</table>
| Our responsibilities in conducting the audit  | We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001. 
The audit of the financial statements does not relieve management or the Council of their responsibilities. 
Our audit engagement letter contains a detailed explanation of the respective responsibilities of the auditor and the Council. |
| Auditing standards                              | We carry out our audit in accordance with generally accepted audit standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity or inefficiency that are immaterial to your financial statements. The [governing body] and management are responsible for implementing and maintaining your systems of controls for detecting these matters. |
| Auditor independence                           | We are independent of the Council in accordance with the independence requirements of the Auditor-General’s Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners, issued by New Zealand Auditing and Assurance Standards Board. 
In addition to the audit, we have carried out an assurance engagement in respect of the Council’s debenture trust deed, which is compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with, or interests in, the Council. |
| Other relationships                            | We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the Council that is significant to the audit. 
We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with the Council during or since the end of the financial year. |
| Unresolved disagreements                       | We have no unresolved disagreements with management about matters that individually or in aggregate could be significant to the financial statements. Management has not sought to influence our views on matters relevant to our audit opinion. |
1. SUMMARY

1. This report presents the Risk Management Framework for the Council’s business and proposes that it be recommended to the Council for adoption. The report also contains the Register of Key Risks which outlines management’s assessment of the Council’s key risks as at March 2018.

2. The Risk Management Framework is intended to demonstrate the Council’s approach to managing risk, and provide an outline of what the key risks of the Council’s business are and how we respond to them.

3. The purpose of the Framework is to:
   - Define the Council’s appetite for risk
   - Outline how key risks are managed
   - Document the process for considering and managing risk
   - Provide guidance to the Council staff in considering risks.

4. LGNZ’s Excellence Programme, as part of its review of the Council’s performance, recommended that we could strengthen our approach to risk management with the adoption of a Risk Management Framework or policy.

Attachments:
   i. Risk Management Framework (Trim 180316028262)
   ii. Register of Key Risks (Trim 180321030354)
   iii. Risk rating

2. RECOMMENDATION

THAT the Audit and Risk Committee

(a) Receives report No. 180316028255.
(b) **Recommends** to the Council that it

i. **Adopts** the Risk Management Framework (Trim No. 180316028262)

ii. **Notes** that the Risk Management Framework will be formally reviewed annually, and that the Register of Key Risks will be presented to the Audit and Risk Committee on a six monthly basis.

(c) **Notes** the Register of Key Risks as at March 2018 (Trim 180321030354).

3. **BACKGROUND**

3.1. The Risk Management Framework is intended to demonstrate the Council’s approach to managing risk, and provide an outline of what the key risks of the Council’s business are and how we respond to them.

3.2. The purpose of the Framework is to:

- Define the Council’s appetite for risk
- Outline how key risks are managed
- Document the process for considering and managing risk
- Provide guidance to the Council staff in considering risks.

3.3. The risks that the Council should be most concerned about those that, having considered all the control measures and risk mitigation actions, are likely to have the most significant effect on Council. Those effects could be financial, reputational, related to health and safety, or non-performance by the Council.

3.4. LGNZ’s Excellence Programme, as part of its review of the Council’s performance, recommended that:

- “The Council should develop a risk policy, with the risk appetites in relevant areas clearly stated beyond that provided in the Treasury Policy.”

- There needs to be clearer and more specific risk reporting, and a focus on strategic risks being reported to the Audit and Risk Committee, especially without an independent chair.”

3.5. The Risk Management Framework document will be formally reviewed every 12 months and the Register of Key Risks will be reported every six months to the Audit and Risk Committee.

**Register of Key Risks**

3.6. Having considered all mitigation actions and other controls to manage risks, the following are assessed as the most significant risk facing the Council:

Natural hazards and environmental events

- Catastrophic natural disaster, especially Alpine Fault rupture or major local source earthquake.
- Flooding in excess of a 1 in 200 event.
- Climate changes, including the effects of inundation from sea level rise, impacts on groundwater levels and flooding
- Decreasing water quality of lowland streams
Growth
- Growth rates varying significantly from that anticipated
- Unable to meet community expectations to respond to growth or the manner in which it occurs, including implementation of any associated development plans

Financial Operational
- Not meeting community expectations re mode of service delivery or losing opportunities to be innovative, due to not investing in IT/business improvement, therefore not remaining relevant to community
- Health and Safety - risk of accident or injury crystallises, or Council fails to meet legislative standards, or actions/inaction endangers staff, the public or contractors

Political
- Nationally led change seeking reorganisation of Council structure for service delivery - eg outcome of 3 waters review

4. ISSUES AND OPTIONS

4.1. The Audit and Risk Committee could ask for other risks or matters to be considered and reflected in the Framework or Register of Key Risks, or it could ask that the issues be workshoped before the Report is considered.

4.2. Management Team has reviewed this report and support the recommendations.

5. COMMUNITY VIEWS

5.1. Groups and Organisations
   Not Applicable

5.2. Wider Community
   Not Applicable

6. IMPLICATIONS AND RISKS

6.1. Financial Implications
   The financial implications of key risk crystallising can be significant for the Council. The risks with the greatest financial exposure relate to a major earthquake. The Council’s Risk Assessment and Financing Strategy has signalled the need for headroom of $84 million in the Council’s borrowing policy limits. The Council resolved to maintain that level of headroom.

6.2. Community Implications
   Our intent is to ensure events or issues are managed so that should the risks crystallising the impact on the community and Council’s operation are minimised.

6.3. Risk Management
   It is the subject of the report.
6.4. **Health and Safety**

Addressed as a risk within the Register of Key Risks.

7. **CONTEXT**

7.1. **Policy**

The Risk Management Framework forms the Council's Policy on Risk Management and should be adopted by the Council. The Framework is not a matter of significance in terms of the Council’s Significance and Engagement Policy.

7.2. **Legislation**

Not Applicable.

7.3. **Community Outcomes**

Directly or indirectly the Council management of its risk affects the Council’s ability to deliver against all its community outcomes.

7.4. **Delegations**

The adoption of the Framework should be referred to the Council.

Jim Palmer
Chief Executive
Risk Management Framework

Waimakariri District Council

Adopted: April 2018
Foreword from Chief Executive

Risk (the effect of uncertainty on objectives) is present in all aspects of our business.

Gaining a clear understanding of the risks associated with a plan, objective, project, decision, or operation can give us confidence in the way we do business. Effectively managing risk reduces uncertainty and increases the likelihood of successful outcomes.

Risk awareness should be an integral part of the way we think, plan and operate, with plans in place to manage key risks, while not stifling opportunities for development, operational efficiency and customer service.

For the Council events and circumstances that give rise to risk are many and varied. Events giving rise to high levels of risk and uncertainty include such things as:

- Natural disasters impacting communities
- Actions resulting in financial loss to the Council
- Contract and project risks crystalising
- Events impacting the Council’s reputation and integrity
- Major legislative or regulatory changes
- World-wide events impacting New Zealand
- Major safety incidents affecting people’s health and wellbeing.

We have a responsibility to assess and manage risk. The better we consider and respond to risks the more effective we will be at lessening the effects should an unfavourable event occur.

The level of risk associated with an event or issue is subject to constant change, as issues develop, or as time passes. Therefore, we need to remain vigilant and alert to our changing environment, and the key issues and events that may impact our risk assessment.

This Risk Management Framework demonstrates how the Council considers and responds to risk. It provides an overview of how we ensure risks are reviewed regularly; mitigation and control measures are put in place; and thereby enabling us to continue to operate effectively and efficiently, maintain public confidence and deliver services for our community.

Jim Palmer
Chief Executive
Risk Management Framework

Risk manifests itself in a number of ways.

The following diagram illustrates well the complexity of risk as it applies to an organisation. It shows that risk exists at an organisation-wide level, and at Department and Unit levels, and it indicates for different events and risk types there are a range of responses as to how we should assess, manage and respond to risk.

A Framework for Risk Management

**Council Purpose**

The Local Government Act outlines a council's purpose is to:

- enable democratic local decision-making and action by, and on behalf of, communities; and
- meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

The Council has translated this purpose:

“To make Waimakariri a great place to be, in partnership with our communities”

**Council’s Strategic Approach to Managing Key Risks**

**Risk Philosophy and Appetite**

The Council must have due regard to the needs of today’s and tomorrow’s residents and ratepayers.

Essentially, the Council is the steward of the assets and resources that the community has entrusted to it.

The Council’s role embraces both the responsibilities of a steward and those akin to a trustee. Elected members will want to ensure that the Council and community are in a better “place” at the end of their term than it was at the beginning.

Accordingly, discharging responsibilities will tend to reflect prudence and to some extent conservatism.

Principles and practices that underpin the Council’s management of its resources and statutory responsibilities will include:

- Displaying effective governance and leadership principles and disciplines that reflect best practice
- Maintaining assets, resources and service delivery through responsible management
- Planning in a sustainable manner to ensure the community’s current and long-term needs are met, and required services are provided for
- Investing in the replacement and enhancement of assets and to ensure they fit for their long-term intended purposes
- Actively managing activities and assets to make them, and the community, more resilient
- Assessing the most appropriate forms of service delivery and ensuring contracts provide best value and that risk-share principles between Council and contractors are explored
- Planning that supports the community in times of disaster or adversity
- Maintaining financial capacity to withstand the effect of adverse events, including ensuring appropriate insurance and risk sharing/transfer arrangements are in place.
- Maintaining borrowing levels within prudent limits
- Adopting a conservative strategy to managing investments reflected in the Treasury Management Policy, with no involvement in property development unless it is ancillary to a core purpose or activity
**Sources of Risk and Council’s Response**

Risk affects the community (such as Natural Hazards) and risk also affects the Council (eg impact on infrastructure arising from a natural hazard event).

While Council mitigation responses may reduce community risk, the strategic responses contained in this framework are directed primarily to managing the Council’s risk.

The Council categorises risk into five main themes or sources of risk:

- Natural hazards and environmental events
- Growth
- Financial
- Operational
- Political

The range, nature and extent of events, actions or inactions that give rise to risk crystallising for the Council are extensive. The following list outlines the events or issues that give rise to the more significant risks that the Council is exposed to and what its strategic approach to managing those risks is.

**Natural Hazards and Environmental Events**

The major natural hazard risk facing the community, and the Council, is the threat of earthquakes with the Alpine Fault having a 30% probability of generating an earthquake of magnitude 8.

Living on a flood plain creates risk for the community, and while a major flood may cause some damage to Council assets and infrastructure, most of the risk the Council faces relates to how well it has anticipated and planned for the effects of flood, how it responds during a flood event and then supports a community to recover.

Other natural hazard events, such as rural fire, snow, wind, and tsunami risk are present and depending on the nature and extent of the issue dictates the response, but these events are likely to be less severe on the Council than the impacts from major earthquakes or floods.

The effect of Climate Change has longer term consequences and while planning at a local level is starting to emerge to ensure the effects are considered in planning decisions, the Council is dependent on national and regional policy settings which have yet to be developed.

The increasing focus on water quality and quantity issues is an emerging risk for the Council as community expectations, standards, and the costs associated with improving water quality and ensuring adequate water management continue to increase.

<table>
<thead>
<tr>
<th>Risk/ Event</th>
<th>Risk Rating</th>
<th>Strategic Response</th>
</tr>
</thead>
</table>
| Major earthquake - (alpine fault or major local fault) | Severe impact on community and Council services | **Policy Response**
  - All known fault and liquefaction prone areas are mapped and recorded in the District Plan and LIMs advice
  - Earthquake Zones are reflected in building code requirements
  - Risk Assessment & Financing Strategy in place that assesses risk and potential damage, as well as the funding strategy and prioritisation of asset replacement

  **Resilience Response**
  - All Council-owned properties have been strengthened to, at least, 67% of the building code
  - All infrastructure is subject to a risk-based renewal replacement programme, with priority focused on vulnerable/high risk parts of the 3 Waters network
  - Infrastructure installed in liquefaction prone areas is subject to earthquake assessment during design – eg pressurised sewer pump networks in high liquefaction prone areas |
<table>
<thead>
<tr>
<th>Event Type</th>
<th>Incident</th>
<th>Policy Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flooding (design standards of localised stormwater and flood systems will be exceeded)</td>
<td>Major</td>
<td></td>
</tr>
</tbody>
</table>
  - Flood mapping developed for inclusion in the District Plan based on flood modelling using LIDAR data identifying high/medium/low hazard areas, and reflecting projected sea level rise giving effect to Regional Policy Statement requirements.  
  - New stormwater and flood infrastructure design factors in sea level/groundwater rise and climate change projections  
  - Programme of flood mitigation work following the 2014 flood being designed and implemented over 5-10 years period, valued at about $20 million  
  - Major upgrade in sewer network capacity upgrade in Rangiora to address, among other things, stormwater infiltration, costing about $25 million |
| Other natural events including Tsunami, Snow, Wind, Fire | Moderate – Major (depending on event severity) |  
  - Building regulations specify wind and snow loading  
  - Tsunami modelling developed for inclusion in the District Plan  
  - Tsunami mapping and building regulations used to advise PIMs and LIMs  
  - Tsunami warning sirens in beach communities.  
  - Competent Earthquake Operations Centre trained, supported by effective communications  
  - Knowledgeable, competent Council engineers and Water Unit to manage effects and lead repair work, along with contractors  
  - Insurance for damage to insurable assets.  
  - Professional Indemnity insurance re information distributed and relied on  
  - Utilise NZTA funding formula for road repairs, funding the local share by loan  
  - Providing ‘head-room’ in the Council borrowing policy to cover Council’s share of uninsurable costs |
<table>
<thead>
<tr>
<th>Climate Change</th>
<th>Severe, albeit gradual effects – (Main risks are sea level/groundwater levels rising, more storms events, and potential for higher rural fire risk)</th>
<th>Policy Response</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Rigorous processes and well-trained people preparing LIMs and PIMs information</td>
<td>Financial Response</td>
</tr>
<tr>
<td></td>
<td>Financial Response</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Insurance for damage for insurable assets.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Professional Indemnity insurance re information distributed and relied on</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Utilise NZTA funding formula for road repairs, funding the local share by loan</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Providing ‘head-room’ in the Council borrowing policy to cover Council’s share of uninsurable costs</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Resilience Response</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• New stormwater and flood infrastructure designs factor in sea level/groundwater rise and climate change projections</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Operational Response</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Rigorous processes and well-trained people preparing LIMs and PIMs information</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Financial Response</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• No specific modelling undertaken yet as to the effects on infrastructure or community impacts/effects. Will follow national guidance</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Providing ‘head-room’ in the Council borrowing policy to cover Council’s uninsurable costs</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Water Quantity and Quality Issues</th>
<th>Major-Severe</th>
<th>Policy Response</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Financial Response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Contributing to Canterbury Water Management Strategy through Water Zone Committee</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Flood mapping developed for inclusion in the District Plan based on flood modelling using LIDAR data identifying high/medium/low hazard areas, and reflecting climate change projections</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Contributing to regional and national water forums to understand and influence policy formulation</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Working closely with Ngai Tuahuriri to understand, respect and respond to Iwi interests and concerns</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Developing stormwater by-laws and global consents to improve waterway management</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Resilience Response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• New stormwater and flood infrastructure designs factor in sea level/groundwater rise and climate change projections</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Commissioning investigations to better understand ecology of water environments and best practices improvement options</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operational Response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Trialling solutions to improve lowland stream environments</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Considering best management practices adjacent to waterways, such as weed management solutions</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Financial Response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Financial provision for improving water quality and quantity with $40 million forecast in the next 30 years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Budgeted $20 million flood protection works</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Increased annual provision for consent monitoring and water testing and investigations</td>
</tr>
</tbody>
</table>
The District is one of the fastest growing districts in the country and the population of 60,000 is projected to grow between 86,000 and 97,000 by 2048.

It is essential that the growth is well planned: ensuring there is sufficient business and residential land zoned; that infrastructure and community services are in place to support the growing population; that settlement patterns are consistent with sustainable development; and that growth occurs in accordance with agreed settlement patterns for Greater Christchurch.

<table>
<thead>
<tr>
<th>Risk/ Event</th>
<th>Risk Rating</th>
<th>Strategic Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Insufficient or inappropriately zoned land to meet residential and business demand</td>
<td>Major</td>
<td>Policy Response&lt;br&gt;• District Development Strategy developed to provide direction for growth to 2048&lt;br&gt;• Settlement Pattern Review undertaken to meet the requirements of the NPS on urban development&lt;br&gt;• Co-ordination and collaboration with other Great Christchurch councils to manage the fair allocation of growth&lt;br&gt;• District Plan Review underway to ensure planning provisions are fit for future purposes and to enable development in appropriate locations&lt;br&gt;• Development planning provisions are based on robust analysis of natural hazards and other known constraints&lt;br&gt;• Constant review of population projections and household requirements compared to planned and zoned capacity to respond.</td>
</tr>
<tr>
<td>Infrastructure (roads, water, sewer, drainage, community facilities) not sized or timed appropriately to cater for reasonably foreseeable growth</td>
<td>Moderate</td>
<td>Policy Response&lt;br&gt;• Infrastructure Strategies and Asset Management Plans are aligned to the District Development Strategy taking account of future development locations&lt;br&gt;• Growth planning provides a minimum of a 30 year horizon, with network sizing factored to account for long-term growth and capacity projections&lt;br&gt;• Asset management renewal based on 100 year renewal cycles to ensure long term replacement and capacity for growth is aligned.&lt;br&gt;• Long Term Plans provide for growth projections and funding streams&lt;br&gt;Resilience Response&lt;br&gt;• Network configuration and construction material design anticipated future requirements&lt;br&gt;Operational Response&lt;br&gt;• Customer focused collaborative response to developers seeking to initiate development&lt;br&gt;• Regular updates with developers on the intended development and servicing requirements&lt;br&gt;Financial Response&lt;br&gt;• Revenue and Financing Policy and Long Term Plan specifically provide for development funding, along with ratepayer funded implications&lt;br&gt;• Development Contributions Policy reflects to growth-related work, with the programme of intended growth-related work and policy settings subject to peer review</td>
</tr>
</tbody>
</table>
Financial

The Council is a ‘net borrower’ and is a high-growth council, therefore subject to higher levels of debt than would otherwise be the case. Ensuring prudent financial management of the Council’s affairs is extremely important along with maintaining debt levels within acceptable policy limits. The Council has maintained its Standard and Poor’s AA credit rating.

Because the Council is a ‘net borrower’ it has relatively few funds to invest and little surplus property or commercial property. Investment practises are governed by the Treasury Management policy and reflect a conservative approach. The Council does not act as developer unless it is co-incidental to a core project it is undertaking.

Ensuring a sound culture is in place, having good budgetary control and robust systems and checks in place is the best defence to managing risk of fraud, corruption or misappropriation.

<table>
<thead>
<tr>
<th>Risk/Event</th>
<th>Risk Rating</th>
<th>Strategic Response</th>
</tr>
</thead>
</table>
| Economic Risks                          | Low-Moderate (the risk of significant global or national downturn is present) | **Policy Response**  
- Long Term Plans prepared every 3 years with the ability to review every year if change occurs  
- Prudent financial policy limits set  
**Operational Response**  
- Daily monitoring of global and national economic trends  
**Financial Response**  
- Standard and Poors’ AA credit rating maintained which provides confidence that prudent financial management is exercised |
| Borrowing exceeds financial capacity of the Council | Low (if this occurred the impact would be sever, but sufficient controls are in place to reduce the risk rating) | **Policy Response**  
- Prudent debt limits set with policy limits within parameters that lenders consider acceptable  
- Self-imposed lower limits utilised as ‘head-room’ provided for major natural disasters  
- Long Term Plan process forecasts debt requirements and affordability parameters  
- Treasury Management Policy specifies acceptable parameters re counter party risk, credit exposure, interest rate risk management  
- No speculation is permitted when managing interest rate risk  
**Operational Response**  
- Financial performance is subject to regular review by the Audit and Risk Committee  
- Independent treasury advisor appointed to provide advice  
- Treasury Management Committee regularly reviews debt position, lending requirements, compliance with policy settings and interest rate hedging strategy  
- Experienced finance team  
**Financial Response**  
- Standard and Poors’ AA credit rating maintained which provides confidence prudent financial management is exercised |
| Investment funds lost                   | Low (as quantum of funds involved is relatively low) | **Policy Response**  
- Treasury Management Policy specifies acceptable parameters re counter party risk, credit exposure, investment strategy management practices  
**Operational Response**  
- Financial performance is subject to regular review by the Audit and Risk Committee |
### Risk Management Framework

|-----------|----------------|-------------|--------|-----------------|----------------------|-------------------|
| Failure to secure appropriate insurance cover at reasonable cost | Moderate (insurance cover withdrawal is possible if a major natural disaster occurred, but financial head-room capacity has been retained in borrowing policy) | Moderate | Financial | Policy Response:  - Policy to fully insure all assets except land, some reserves and park assets, and roads and bridges which are subject to NZTA subsidy  - Assets subject to regular revaluations for insurance purposes  
Operational Response:  - Insurance broker engaged to advise on insurance placement and claim management  
Financial Response:  - Annual market testing of insurance proposals  - Head-room provided in borrowing policy to limit debt exposure in the event of a major natural disaster and insurance withdrawal | |
| Budgetary Control | Low (failure to meet budget targets) | Low | Policy | Policy Response:  - Delegations Policy in place limiting spending authority of staff  - Council develops budgets on a break-even basis, including conservative revenue assumptions  - Annual Report and LTP subject to annual audit  
Operational Response:  - Production and review of monthly financial statements against year-to-date budget  - Quarterly meeting of finance staff and budget holders to discuss progress  - Quarterly reporting on financial performance and position to the Audit & Risk Committee | |
| Fraud, corruption, sensitive and inappropriate expenditure | Low | Low | Policy | Policy Response:  - Fraud and whistle blower policies in place.  - One-up sign-off required for sensitive expenditure and credit card spending  - Gifts policy established with disclosure required  - Employment agreements, Code of Conduct and Values Statement set behaviour expectations  
Operational Response:  - Values promoted and reinforced regularly  - Regular review of transactions by managers  - Internal audit of sensitive expenditure and periodic audit of processes  - Segregation of duties requiring more than one person involved in any financial transaction  - Vigilant Finance Officer review of invoices  
Financial Response:  - Insurance cover in the advent of loss | |
| Non-compliance with law | Low (compliance with Tax and Rating Act law closely monitored) | Low | Policy | Policy Response:  - Rating Policy development subject to independent legal review  
Operational Response:  - Tax practices subject to regular tax audit by taxation specialists  - Experience Finance team | |

---

*Experience Finance team*
## Operational Risk

The business of a Council involves more than 30 separate businesses and the nature and range of business risk is entirely different.

The most significant operational risks relate to ensuring the health and safety of the public and staff. This can span from ensuring drinking water safety, food safety, ensuring people remain safe in our aquatic facilities or on our play equipment, or keeping hazardous areas like refuse transfer stations safe, and making sure built structures ensure public safety.

Other operational risks relate to non-delivery of services or capital projects, breaches of legislation or consents (eg sewer treatment discharges), information systems and human resources related risks.

The majority of these key risks are addressed through appropriate policies, systems and procedures being developed, having skilled and well trained staff and ensuring activities are subject to independent review.

<table>
<thead>
<tr>
<th>Risk / Event</th>
<th>Risk Rating</th>
<th>Strategic Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Public safety endangered</td>
<td>Low - Moderate (if this occurred the impact would be severely on Council)</td>
<td><strong>Policy Response</strong>&lt;br&gt;• All activities subject to high public risk (eg drinking water, pool safety, playground equipment, airfield safety, sewage discharges, building control, swimming pool audits, food safety, transfer station movements, road design and maintenance) are all subject to legislation or standards that specify policies and procedures to be adopted&lt;br&gt;&lt;br&gt;<strong>Operational Response</strong>&lt;br&gt;• Detailed operating procedures developed for each activity&lt;br&gt;• Staff trained to requisite standards&lt;br&gt;• Continuing vigilance and ongoing operational audit and review procedure&lt;br&gt;• Independent audit of compliance – (eg DWS assessors, Ecan review, IIANZ accreditation, CAA reviews, technical and H&amp;S audits)&lt;br&gt;&lt;br&gt;<strong>Financial Response</strong>&lt;br&gt;• Sufficient budget provided to ensure activities undertaken to, at least, meet minimum standards&lt;br&gt;• Professional Indemnity insurance of up to $200 million if Council found negligent</td>
</tr>
<tr>
<td>Health and Safety of staff and public</td>
<td>Major (if a serious harm accident or death occurred it would have a major impact on the Council)</td>
<td><strong>Policy Response</strong>&lt;br&gt;• Health and Safety policies developed for all staff, contractors and members of the public affected by Council activities&lt;br&gt;• Detailed operating policies procedures developed for high risk activities (eg confined spaces).&lt;br&gt;&lt;br&gt;<strong>Operational Response</strong>&lt;br&gt;• H&amp;S risk register regularly reviewed&lt;br&gt;• Regular site safety audits and process review&lt;br&gt;• Full-time H&amp;S Officer employed&lt;br&gt;• H&amp;S Committee meetings held quarterly.&lt;br&gt;• Appropriate training provided for all staff&lt;br&gt;• Annual external audit of H&amp;S performance&lt;br&gt;&lt;br&gt;<strong>Financial Response</strong>&lt;br&gt;• Insurance to defend any court case brought (fines uninsurable)</td>
</tr>
<tr>
<td>Non-delivery of services or capital programme not delivered</td>
<td>Low - Moderate (processes ensure service delivery continuity.)</td>
<td><strong>Policy Response</strong>&lt;br&gt;• Budget provision ensures specified level of services capable of being delivered.&lt;br&gt;&lt;br&gt;<strong>Operational Response</strong>&lt;br&gt;• Contracts or staff resource set at levels to ensure service delivery&lt;br&gt;• Critical systems (eg water supplies) subject to regular maintenance regimes</td>
</tr>
<tr>
<td>----------------------------------------------------------------------</td>
<td>-------------</td>
<td>---------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Not keeping pace with community expectations re service delivery modes (especially digital service delivery)</td>
<td>Major</td>
<td>Business Improvement Strategy (reviewed annually with 3-5 year focus for digital/systems investment)</td>
</tr>
<tr>
<td>Primary Policy Risk: Low</td>
<td></td>
<td>Contract management policies and procedures developed</td>
</tr>
<tr>
<td>Breach of Legislation, regulation or contract</td>
<td>Low</td>
<td>Policies and procedures established for operation and use of systems</td>
</tr>
<tr>
<td>Financial Response</td>
<td></td>
<td>Business Interruption insurance in place</td>
</tr>
<tr>
<td>Information Technology failure or breach</td>
<td>Low-Moderate</td>
<td>Policies and procedures established for operation and use of systems</td>
</tr>
<tr>
<td>Human Resource – breach of good employer obligations</td>
<td>Low</td>
<td>Policies and employment contracts developed to align with legislation and best practice</td>
</tr>
<tr>
<td>Financial Response</td>
<td></td>
<td>Business Interruption insurance in place</td>
</tr>
<tr>
<td>Financial Response</td>
<td></td>
<td>Business Interruption insurance in place</td>
</tr>
<tr>
<td>Financial Response</td>
<td></td>
<td>Business Interruption insurance in place</td>
</tr>
<tr>
<td>Employee Assistance Programme services provided</td>
<td></td>
<td>Business Interruption insurance in place</td>
</tr>
</tbody>
</table>
Political Risk

Councils are democratically elected and open to public scrutiny. Expectations of certain behaviours and performance of a council, and its willingness to engage with the community, along with its level of transparency, impact a view about the competence and capability of a council to function.

Risks can relate to flawed decision making due to inadequate advice or processes, poor relationships with key stakeholders and community groups, not engaging meaningfully with communities, including Iwi, allowing conflicts of interest to impact decision making, and poor internal protocols and relationships creating conflict among elected members, and/or elected members and management.

Any of these risks crystallising in a significant manner will undermine public trust and confidence, and therefore the effectiveness of the Council.

<table>
<thead>
<tr>
<th>Risk/Event</th>
<th>Risk Rating</th>
<th>Strategic Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decision making risks</td>
<td>Low – Moderate</td>
<td>Policy Response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Clearly prescribed Local Government Act and LGOIMA Act processes</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Significance and Engagement Policy specifies processes for engagement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Standing Orders developed and enforced during debates.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reports prepared for elected members follow a prescribed format and process</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operational Response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Reports to elected members subject to Management Team review</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Clear timetable for discussion of evolving and key issues</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Workshopping of key issues prior to Council formally considering a report</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Advice provided as part of report about community views and public engagement undertaken</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Well chaired meetings enabling structured debate.</td>
</tr>
<tr>
<td>External relationship risks</td>
<td>Low – Moderate</td>
<td>Policy Response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Triennial Agreement with other Canterbury Councils clarifying respective expectations and processes.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Memorandum of Understanding in place with Ngai Tuahuriri as the basis for a sound relationship with Iwi</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Significance and Engagement Policy specifies processes for community engagement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Councillors have portfolio responsibilities to support engagement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operational Response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Effective Council and community board interaction.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Monthly meeting with Ngai Tuahuriri runanga and annual hui</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Active participation in regional and national issues.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Membership of LGNZ and SOLGM</td>
</tr>
<tr>
<td>Central Government Policy change or intervention</td>
<td>Major</td>
<td>Policy Response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Understand Government’s policy agenda and submit and influence through submission and other agencies like LGNZ.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Assessment of effects of proposed or potential changes eg 3 Waters review.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operational Response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Responsible leadership of Council lessening risk of intervention</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Active participation in regional and national issues.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Membership of LGNZ and SOLGM</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>Low</td>
<td>Policy Response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Interest register developed and Gifts Policy/register in place</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Meeting agendas specifically consider Conflicts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operational Response</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Training of elected members at induction</td>
</tr>
<tr>
<td>---</td>
<td>---</td>
<td>---</td>
</tr>
</tbody>
</table>


Managing Risks

Management Philosophy

Risk is associated with every activity of the Council’s business.

We cannot eliminate risk. But we can manage risk, which includes minimising, transferring or accepting risk in a planned way. In this way we can pursue opportunities and manage risks that may affect us.

By using risk management tools we can identify some risks we didn’t recognise, or identify others we placed too much importance on.

Managers and staff need to be risk aware, not to be risk averse. Knowledge, analysis and planning are key components of our risk programme. This leads to sound decision making.

This document provides staff the tools and guidance to implement Council’s risk management processes by:

- Introducing tools and internal assistance enabling sections to complete a risk analysis relevant to their operation.
- Ensuring decision making is consistent and demonstrable.
- Developing a ‘risk aware’ culture that encourages everyone to identify risks and associated opportunities.
- Promoting and fostering communication and risk monitoring throughout the organisation.

Risk Review Process

Risk is present in every decision or action undertaken. Having an awareness of potential risks, consequences and mitigation strategies is an important part of judgement that is exercised by all decision makers.

1. Gaining a clear understanding of the risks associated with a plan, objective, project, decision, or operation can give us confidence in the way we do business. Effectively managing risks reduces uncertainty and increases the likelihood of successful outcomes.

2. Risk awareness should be an integral part of the way we think, plan and operate, with plans in place to manage key risks, while not stifling opportunities for development, operational efficiency and customer service.

3. We all deal with risks every day and we intuitively manage them as they appear on our radar. In business we need to be able to demonstrate how we consider this intuitive process.

4. Council’s focus is to regularly review risks within the various sections of Council. The Management Team is responsible for overall organisation risk management, although the Chief Executive and Council are ultimately accountable. Department and Unit Managers are responsible for developing a risk profile specific to their operations. These profiles include strategies and action plans to manage or treat risk. Risk profiles are then regularly monitored and reviewed – a formal six monthly review is undertaken as a minimum.

5. The Forms provided as part of this Framework are for guidance and help ensure consistency of profiles across our organisation.
Communication and Reporting

The reporting template for all reports to the Council and Management Team for decision making include a section in the report that allows the author to record and consider the key risks related to the issue, and outline key risks associated with making a decision, and how they will be managed.

Any events and issues that give risk to a risk crystallising and adversely affecting the Council should be escalated to the appropriate level of management and if appropriate included in advice to the Audit & Risk Committee.

The Management Team will formally consider and review the corporate risk register risk on a six monthly basis, referring to risk assessments completed by them and their Unit Managers.

The Audit and Risk Committee will receive a report every six months that outlines the key risks and any new or emerging strategies for risk treatment.

Growing Our Risk Management Leadership

To deeply embed the concepts and practices of risk management in our organisation we need to ensure leaders, including those that are responsible for key areas of our business, are strongly grounded in the principles of good risk management and apply practices and procedures that demonstrate a comprehensive understanding of how risk impacts their business.

To ensure we have effective leadership it requires:

- Effective championing from the Chief Executive and Senior Management Team
- Expectations to be clearly set about what we require leaders to be doing in respect of risk management.
Risk Management Framework

- Training and development focused on the principles and best practices approaches to Risk Management
- Inquisitive and inquiring minds that think about the environmental context within which we operate, opportunities, and "what could go wrong" to test the adequacy of our risk assessments and proposed responses.
- A willingness to implement and review the success of mitigation strategies.
- Effective reporting and accountability surrounding Risk Management

The Council will develop a programme that supports the implementation of the Risk Management Framework that helps leaders to be more effective in this regard.
Risk Management Framework

Likelihood and Consequences

Risk assessment involves considering the likelihood and consequences of event occurring and therefore the risk crystallising. It also notes the mitigation strategies that are put in place to mitigate or minimise the risk.

<table>
<thead>
<tr>
<th>LIKELIHOOD RATINGS</th>
<th>Description</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost Certain</td>
<td>The event is expected to occur in most circumstances or A very low level of confidence/information</td>
<td>5</td>
</tr>
<tr>
<td>Likely</td>
<td>The event will probably occur in most circumstances or A low level of confidence/information</td>
<td>4</td>
</tr>
<tr>
<td>Moderate</td>
<td>The event should occur at some time A moderate level of confidence/information</td>
<td>3</td>
</tr>
<tr>
<td>Unlikely</td>
<td>The event could occur at some time A high level of confidence/information</td>
<td>2</td>
</tr>
<tr>
<td>Rare</td>
<td>The event may occur only in exceptional circumstances A very high level of confidence/information</td>
<td>1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CONSEQUENCE RATINGS</th>
<th>Health and Safety</th>
<th>$</th>
<th>Project Delays</th>
<th>Design/Project robustness</th>
<th>Environment</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severe</td>
<td>Fatality, or permanent total disability</td>
<td>&gt;$20m</td>
<td>Years</td>
<td>Significant performance deficiencies</td>
<td>Permanent widespread ecological damage</td>
<td>International media, public enquiry</td>
</tr>
<tr>
<td>100</td>
<td>$2m-20m</td>
<td>6-12 months</td>
<td>Fails to meet design criteria</td>
<td>Heavy ecological damage, costly restoration</td>
<td>National media, ministerial questions</td>
<td></td>
</tr>
<tr>
<td>Major</td>
<td>Significant injury resulting in permanent partial disability, Serious Harm</td>
<td>$200K-$2m</td>
<td>0-6 months</td>
<td>Unable to meet some design criteria</td>
<td>Significant but recoverable damage</td>
<td>Regional media, official information</td>
</tr>
<tr>
<td>70</td>
<td>$20K-$200K</td>
<td>Weeks</td>
<td>Meets design criteria most of the time</td>
<td>Limited but medium term effects</td>
<td>Local media, minor</td>
<td></td>
</tr>
<tr>
<td>Minor</td>
<td>Injury or illness requiring medical treatment, with &lt; 10 days lost time</td>
<td>&lt;$20K</td>
<td>Days</td>
<td>Routine operational niggles</td>
<td>Minor short term effects</td>
<td>Internal questions</td>
</tr>
</tbody>
</table>

Combined factor ratings

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low risk</td>
<td>0 - 149</td>
</tr>
<tr>
<td>Medium risk</td>
<td>150 - 199</td>
</tr>
<tr>
<td>High risk</td>
<td>200+</td>
</tr>
</tbody>
</table>
## Definitions

Definitions below are reproduced in whole or part summary from the [Australian/New Zealand Standard Risk Management Principles and Guidelines, pp 1-7](AS/NZS ISO 31000:2009) [AS/NZS ISO 31000:2009]

Not all definitions contained in the Standard are shown.

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk</td>
<td>The effect of uncertainty on objectives.</td>
</tr>
<tr>
<td>Note 1:</td>
<td>An effect is a deviation from the expected - positive and/or negative.</td>
</tr>
<tr>
<td>Note 2:</td>
<td>Objectives can have different aspects (such as financial, health and safety, and environmental goals) and can apply at different levels (such as strategic, organisation-wide, project, product and process).</td>
</tr>
<tr>
<td>Note 3:</td>
<td>Risk is often characterised by reference to potential events and consequences, or a combination of these.</td>
</tr>
<tr>
<td>Note 4:</td>
<td>Risk is often expressed in terms of a combination of the consequences of an event (including changes in circumstances) and the associated likelihood of occurrence.</td>
</tr>
<tr>
<td>Note 5:</td>
<td>Uncertainty is the state, even partial, of deficiency of information related to, understanding or knowledge of an event, its consequences, or likelihood.</td>
</tr>
<tr>
<td>Risk Identification</td>
<td>Process of finding, recognizing and describing risks.</td>
</tr>
<tr>
<td>Note 1:</td>
<td>Risk identification involves the identification of risk sources, events, their causes and their potential consequences.</td>
</tr>
<tr>
<td>Note 2:</td>
<td>Risk identification can involve historical data, theoretical analysis, informed and expert opinions, and stakeholder’s needs.</td>
</tr>
<tr>
<td>Risk Source</td>
<td>Element which alone or in combination has the intrinsic potential to give rise to risk.</td>
</tr>
<tr>
<td>Note 1:</td>
<td>A risk source can be tangible or intangible.</td>
</tr>
<tr>
<td>Event</td>
<td>Occurrence or change of a particular set of circumstances</td>
</tr>
<tr>
<td>Note 1:</td>
<td>An event can be one or more circumstances, and can have several causes.</td>
</tr>
<tr>
<td>Note 2:</td>
<td>An event can consist of something not happening.</td>
</tr>
<tr>
<td>Note 3:</td>
<td>An event can sometimes be referred to as an “incident” or “accident”.</td>
</tr>
<tr>
<td>Note 4:</td>
<td>An event without consequences can also be referred to as a “near miss”, “incident”, “near hit” or “close call”</td>
</tr>
<tr>
<td>Consequence</td>
<td>Outcome of an event affecting objectives.</td>
</tr>
<tr>
<td>Note 1:</td>
<td>An event can lead to a range of consequences.</td>
</tr>
<tr>
<td>Note 2:</td>
<td>A consequence can be certain or uncertain and can have positive or negative effects on objectives.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>-----------------</td>
<td>-----------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Risk Management Framework</td>
<td><strong>Term</strong></td>
</tr>
<tr>
<td>Likelihood</td>
<td>Chance of something happening</td>
</tr>
<tr>
<td>Risk Profile</td>
<td>Description of any set of risks</td>
</tr>
<tr>
<td>Risk Analysis</td>
<td>Process to comprehend the nature or risk and to determine the level of risk</td>
</tr>
<tr>
<td>Risk Criteria</td>
<td>Terms of reference against which the significance of a risk is evaluated</td>
</tr>
<tr>
<td>Level of Risk</td>
<td>Magnitude of a risk or combination of risks, expressed in terms of the combination of consequences and their likelihood.</td>
</tr>
<tr>
<td>Risk Treatment</td>
<td>Process to modify risk</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
<tr>
<td>----------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td></td>
<td>- Changing the <strong>likelihood</strong>;</td>
</tr>
<tr>
<td></td>
<td>- Changing the <strong>consequences</strong>;</td>
</tr>
<tr>
<td></td>
<td>- Sharing the <strong>risk</strong> with another party or parties (including contracts and <strong>risk</strong> financing); and</td>
</tr>
<tr>
<td></td>
<td>- Retaining the <strong>risk</strong> by informed decision.</td>
</tr>
<tr>
<td>Note 2:</td>
<td><strong>Risk treatments</strong> that deal with negative consequences are sometimes referred to as &quot;<strong>risk mitigation</strong>, &quot;<strong>risk elimination</strong>, &quot;<strong>risk prevention</strong>&quot; and &quot;<strong>risk reduction</strong>&quot;.</td>
</tr>
<tr>
<td>Note 3:</td>
<td><strong>Risk treatment</strong> can create new <strong>risks</strong> or modify existing <strong>risks</strong>.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Control(s)</th>
<th>Measure(s) that is modifying <strong>risk</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Note 1:</td>
<td><strong>Controls</strong> include any process, policy, device, practice, or other actions which modify <strong>risk</strong>.</td>
</tr>
<tr>
<td>Note 2:</td>
<td><strong>Controls</strong> may not always produce the intended or assumed modifying effect.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Residual Risk</th>
<th><strong>Risk</strong> remaining after <strong>risk treatment</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Note 1:</td>
<td><strong>Residual risk</strong> can contain unidentified <strong>risk</strong>.</td>
</tr>
<tr>
<td>Note 2:</td>
<td><strong>Residual risk</strong> can also be known as &quot;retained <strong>risk</strong>&quot;.</td>
</tr>
</tbody>
</table>
## Responsibilities

<table>
<thead>
<tr>
<th>Function</th>
<th>Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Audit &amp; Risk Committee</strong></td>
<td>• Consider and agree key risks facing the Council</td>
</tr>
<tr>
<td></td>
<td>• Monitor the Council’s risk profile and be assured residual risk mitigation actions are being actioned</td>
</tr>
<tr>
<td><strong>Chief Executive</strong></td>
<td>• Responsibility for risk management Council wide and ownership of the Risk Register.</td>
</tr>
<tr>
<td><strong>Management Team</strong></td>
<td>• Continuously improve and develop our risk programme as best practice evolves.</td>
</tr>
<tr>
<td></td>
<td>• Continue to commit budget and resources to ensure the risk programme continues and is implemented effectively.</td>
</tr>
<tr>
<td></td>
<td>• Management oversight of risk management in relation to strategic and operational risks relative to their areas of responsibility.</td>
</tr>
<tr>
<td></td>
<td>• Determination of the levels of acceptable risk and treatments within their departments.</td>
</tr>
<tr>
<td></td>
<td>• Ensure their managers implement treatments and manage controls as agreed.</td>
</tr>
<tr>
<td></td>
<td>• Monitoring of risk register and annual reporting to Council on risk management issues.</td>
</tr>
<tr>
<td></td>
<td>• Approval of risk management policy.</td>
</tr>
<tr>
<td><strong>Manager, Finance and Business Support</strong></td>
<td>• Management responsibility for creating, implementing and disseminating risk management policy within Council.</td>
</tr>
<tr>
<td></td>
<td>• Assist sections to develop and review Risk Profiles.</td>
</tr>
<tr>
<td></td>
<td>• Maintenance of Central Risk Register (master copies of Risk Profiles).</td>
</tr>
<tr>
<td></td>
<td>• Provision of regular updates for managers/staff to promote a positive risk aware culture.</td>
</tr>
<tr>
<td></td>
<td>• Operational group profile development and periodic review. He is also there to assist with project specific profiling if needed. The ownership and management of profiles rests with individual department managers and their staff with oversight from unit managers.</td>
</tr>
<tr>
<td><strong>Unit Managers</strong></td>
<td>• Assessment, management, monitoring and reporting of risks relative to their operational and project responsibilities.</td>
</tr>
<tr>
<td></td>
<td>• Use Risk Profiles as an effective tool for management of operations and staff.</td>
</tr>
<tr>
<td></td>
<td>• Amend/annotate Risk Profiles between formal reviews to maintain relevance/capture changes.</td>
</tr>
<tr>
<td></td>
<td>• Request a formal review where significant changes occur.</td>
</tr>
<tr>
<td></td>
<td>• Direct implementation of treatments and maintenance of controls.</td>
</tr>
<tr>
<td>Function</td>
<td>Responsibilities</td>
</tr>
<tr>
<td>------------------</td>
<td>----------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Ensure profiles are reviewed annually at minimum (with Risk Manager).</td>
<td></td>
</tr>
<tr>
<td>All Staff</td>
<td>• Awareness of operational and business risks.</td>
</tr>
<tr>
<td></td>
<td>• Identify and advise supervisor of change in any risks in a timely way.</td>
</tr>
<tr>
<td></td>
<td>• Implement treatments and maintain controls as directed.</td>
</tr>
<tr>
<td></td>
<td>• While the third tier managers are accountable for risk management in their</td>
</tr>
<tr>
<td></td>
<td>particular sections, responsibility ultimately rests with us all.</td>
</tr>
</tbody>
</table>
Appendix 1: Risk Management Process

Step 1 - Establish the Context and Criteria

We need to understand the context and criteria before starting a risk review. The context refers to the strategic context, organisational context, and risk management context. We also need to understand the criteria or areas of impact and the organisational environment. The decisions on ‘what to do’ about the risk depends on the context in which that risk occurs. We must also understand the areas of impact. This means where the consequences could happen.
(a) Strategic Context

The strategic plans, operational plans and reports of Council which look at areas such as the legal requirements and the financial, regulatory, political, social and cultural obligations;

The physical environment of the area we operate within;

Identification of the stakeholders, e.g. the community, employees, elected representatives and local iwi.

(b) Organisational Context

The goals and objectives of our organisation and department/unit. Also the organisational structure e.g. staffing, elected representatives, work areas, locations, sites, IT systems etc.

(c) Risk Management Context

The activities of the Council and the scope of these activities should be defined.

Step 2 - Identify Risks

Keep in mind that risk is the effect of uncertainty on objectives, therefore initial clarity around the organisational or departmental objectives is critical to the process, as we are most interested in "risk that matters".

(a) Identify the function or activity to be reviewed, fill this information in on Form 1- Risk Register.

(b) List these risks on Form 1- Risk Register.

Step 3 - Analyse the Risks

(a) Use Consequence and Likelihood Table to assess and quantify the likelihood and consequence.

(b) What are the existing controls.

(c) Are the existing controls adequate.

(d) Record your findings in a Risk Register – Form 1.

Step 4 - Evaluate Risks

(a) Use the Consequence x Likelihood process to determine the level of each risk. This tool will help you to establish the risk ranking.

(b) Fill out risk priority from highest to lowest.

(c) Record your findings on the Risk Register - Form 1.
Step 5 - Treat Risks

Treatment - This is how you respond to or modify the risk. Accepting a risk is a valid response. Any response will take factors such as risk appetite, budgets, other resources and technical limitations into account. The key is clear analysis, evaluation against policy and sound decision making. Options for treatment can include:

(a) Avoiding the risk by deciding not to start or continue with the activity that gives rise to the risk;
(b) Taking or increasing risk in order to pursue an opportunity;
(c) Removing or modifying the risk source;
(d) Changing the likelihood;
(e) Changing the consequences;
(f) Sharing the risk (or consequences should the risk eventuate) with another party or parties (including contracts and risk financing); and
(g) Retaining the risk unmodified by informed decision.

The outcome of this risk evaluation will represent the risk profile for the Unit or activity. It will have prioritised risks with controls and treatments.

(h) Complete Form 2 - Risk Treatment Plan by listing in priority the risks you have identified in highest to lowest ranking.
(i) Assess options for treatment.
(j) Detail the treatment options.
(k) Use Form 3 as an action plan for treatments as required.
(l) This should identify responsibilities and schedules and may include the expected outcome of treatments, budgeting, and performance measures and the review process to be set in place. Responsibility for implementing the plans should be agreed at the earliest possible time.

Step 6 - Risk Monitoring & Review and Communicate & Consult

(a) Use Form 3 - Action Plan to monitor and review the risks. The form should be updated whenever the review is conducted. The period of the review will depend on the risk and will be decided when the action plan is formulated.
(b) Once the Risk Profile has been established, Unit Managers must lead the monitoring process. The quality of monitoring is a section management responsibility, and must cover all relevant indicators.
(c) Communicate and Consult with all relevant stakeholders throughout the process.
(d) Form 4 - Risk Monitoring and Review Form is available to help summarise your Unit’s risk monitoring and reviews.
(e) The monitoring and review process should also lead to a re-evaluation of the residual risk rating.
Appendix 2 : Forms

Form 1 - Risk Register

<table>
<thead>
<tr>
<th>Risk Category:</th>
<th>Specific assessment of the risk</th>
<th>Possible effects</th>
<th>Consequences</th>
<th>Likelihood</th>
<th>Risk Rating</th>
<th>ARE THE EXISTING CONTROLS ADEQUATE?</th>
<th>Comments</th>
<th>Action Plan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Natural hazards and environmental events</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Growth</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Operational</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Political</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Reviewed by:…………………………………… Date:…………………………………

Action Plan
Form 2 - Risk Treatment Schedule and Plan

Date of Risk Review………………………………………………

Compiled by:…………………………………… Date:……………………………………..

Reviewed by:…………………………………… Date:……………………………………..

Function/Activity…………………………………………………………..

<table>
<thead>
<tr>
<th>The risk in priority order from Risk Register</th>
<th>Possible treatment options</th>
<th>Risk rating after treatment</th>
<th>Result of cost/benefit analysis</th>
<th>Preferred option</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Item</td>
<td>Ref</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>--------------</td>
<td>-----</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Summary - Recommended response and impact</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Action plan</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed actions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource requirements</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Responsibilities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Timing</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reporting and monitoring required</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compiler…………………</td>
<td>Date………………..</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reviewer………………….</td>
<td>Date……………...</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
### Form 4 - Risk Monitoring and Review Record

<table>
<thead>
<tr>
<th>Risk to be reviewed</th>
<th>How this will be reviewed</th>
<th>The outcome</th>
<th>The frequency of future reviews</th>
<th>Other monitoring procedures</th>
<th>Confirm a new Form 2 &amp; 3 (Treatment Plan &amp; Action Plan) has been completed</th>
<th>Who will implement the plans</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Compiler………………… Date……………….. Reviewer…………………. Date……………..
## REGISTER OF KEY RISKS

<table>
<thead>
<tr>
<th>Risk categories</th>
<th>Specific Risks Identified</th>
<th>Possible Effects</th>
<th>Existing Controls and Mitigation Measures in place</th>
<th>Likelihood</th>
<th>Consequence Rating</th>
<th>Risk Rating</th>
<th>Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Natural Hazards &amp; Environmental Events</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Natural events and disasters</td>
<td>Catastrophic natural disaster, especially Alpine Fault rupture or major local source earthquake.</td>
<td>Potential for injury and death; Major service disruptions with critical infrastructure damaged; Extended periods with low levels of service; Financial capacity challenged</td>
<td>Civil Defence and Emergency Management team prepared for a range of disasters; all staff have first aid training; Business continuity (including criticality assessment) in place; Insurance arrangements in place, with Borrowing headroom; Buildings strengthened</td>
<td>4</td>
<td>100</td>
<td>400</td>
<td></td>
</tr>
<tr>
<td>Flooding</td>
<td>Property damage; Infrastructure damage; Damage to reputation if not taken into account in decision making; Financial loss</td>
<td>EOC capacity and capability; 16% contingency added to HIRDS2 rainfall data. Flood plans have been developed to assess flooding on the latest modelling. $20million flood mitigation project being implemented. Allowing for sea level rise in flood modelling and plans</td>
<td>3</td>
<td>70</td>
<td>210</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fires (including rural fires), Snow, Tsunami</td>
<td>Financial loss; Injury/death; Wild fire spreading &amp; out of control</td>
<td>EOC capacity and capability responsive, tsunami sirens &amp; signs, weather warning alerts, In Council buildings - fire evacuation practices; fire hoses and extinguishers; insurance arrangements. Other buildings - fire risk taken into account in building codes. Rural fire - function transferred to FENZ</td>
<td>2</td>
<td>70</td>
<td>140</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pandemic</td>
<td>Infection/death; Difficulties in maintaining levels of service</td>
<td>Pandemic planning has been developed and tested with the pandemic flu in the winter of 2009.</td>
<td>2</td>
<td>70</td>
<td>140</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Climate Change</td>
<td>Floods, rising water table, coastal inundation</td>
<td>Property damage; Damage to reputation if not taken into account in decision making; Financial loss</td>
<td>16% contingency added to HIRDS2 rainfall data. Flood mapping includes effect of 1 metre of sea level rise. $20million flood mitigation project being implemented.</td>
<td>4</td>
<td>70</td>
<td>280</td>
<td></td>
</tr>
<tr>
<td>Water</td>
<td>Over-abstraction of Waimakariri water resource</td>
<td>Difficulties in managing drinking water or stockwater availability; Loss of amenity value; Potential impact on economic development</td>
<td>Work quality and quantity key focus of water zone committee and in management of the water ways. Council acts responsibility by restrictor checks for restricted supplies; prompt repairs to water faults, &amp; I investigations and leak reduction programmes, education re wise water use.</td>
<td>3</td>
<td>50</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Risk categories</td>
<td>Specific Risks Identified</td>
<td>Possible Effects</td>
<td>Existing Controls and Mitigation Measures in place</td>
<td>Likelihood</td>
<td>Consequence Rating</td>
<td>Risk</td>
<td>Changes</td>
</tr>
<tr>
<td>----------------</td>
<td>--------------------------</td>
<td>-----------------</td>
<td>-----------------------------------------------</td>
<td>-------------</td>
<td>------------------</td>
<td>------</td>
<td>---------</td>
</tr>
<tr>
<td>Growth</td>
<td>Water quality - Natural waterways</td>
<td>Health of water and waterways and impact of health of humans and environment</td>
<td>Investigation, monitoring and trials underway. Resource consent for waste water and stormwater discharge</td>
<td>4</td>
<td>70</td>
<td>280</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Growth risks associated with development</td>
<td>Development contributions too high/low with corresponding impacts on ratepayers; Infrastructure not suited to need; Difficulties in meeting specified levels of service</td>
<td>Forecasts have been reviewed for growth estimates in LTP which will better reflect expected growth; Potential growth considered in depth as part of the development of the DDS. Independent probity audit undertaken on development contribution policy underlying methodology and charging schedules.</td>
<td>3</td>
<td>70</td>
<td>270</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Unable to meet community expectations about rate growth and the manner in which it occurs</td>
<td>Loss of amenity value; Overloading of services; Reactive service provision; Excessive costs for future ratepayers; Ecological damage</td>
<td>District plan in place; research and consultation carried out prior to rezoning land; NPS on Urban Development (Settlement Platform Review and Future Demand Strategy); GCP and DDS to manage the way in which growth occurs, sequencing current development growth areas; DDS and DP review underway.</td>
<td>3</td>
<td>70</td>
<td>210</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Development contributions set at levels that make development less viable.</td>
<td>Limited ratepayer base from which to meet costs funding/holding costs. Development less attractive than adjacent districts</td>
<td>District Plan specifies requirements relating to staging. Regular meetings with Developers. Monitoring development activity monthly and regular demand reassessments.</td>
<td>2</td>
<td>70</td>
<td>140</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk that long term assets may not meet future needs, e.g. obsolescence, changing demand patterns, changing legislation, unexpected growth rates</td>
<td>Inability to meet expected level of service without incurring additional cost</td>
<td>Activity management plans extend over one asset cycle, and network demand performance modelling undertaken</td>
<td>3</td>
<td>50</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Vested assets being below necessary standards</td>
<td>Difficulties in maintaining levels of service; Financial loss</td>
<td>Consent conditions; Engineering approvals; Auditing of consent conditions; Engineering code of practice</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The 4ha rule or MR 873 zoning could contribute to a demand for infrastructure which may not be possible to meet in a timely and economic manner</td>
<td>Inability to meet expected level of service without incurring additional cost</td>
<td>GCUDS provides for smaller rural residential lots; DP review will consider 4ha development options; Development contributions policy seeks to recover equitable share of costs.</td>
<td>2</td>
<td>70</td>
<td>140</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not appropriately assessing flood risks</td>
<td>People could build in inappropriate places and suffer loss; Council infrastructure doesn't operate in accordance with expectations (historic risk, new builds now managed)</td>
<td>LIDAR database; surveying when constructing infrastructure; District Plan rules re floor heights; Activity management planning. Ashley break-out modelling effects on existing and new developments. Each LIM notes draft flood modelling and any BC in flood hazard area has flood effects specifically considered.</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Financial</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk categories</td>
<td>Specific Risks Identified</td>
<td>Possible Effects</td>
<td>Existing Controls and Mitigation Measures in place</td>
<td>Likelihood</td>
<td>Consequence Rating</td>
<td>Risk Changes</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------</td>
<td>-----------------</td>
<td>--------------------------------------------------</td>
<td>------------</td>
<td>--------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td>Affordability of Council Services.</td>
<td>Ratepayer distress; Increased political risk; Media interest; Trying to do more with less leading to errors/burnout; Reduction in levels of service; increased difficulties collecting rates.</td>
<td>Review of budgets by management, community plans committee and council; Financial analysis included with proposals to council; Consultation on LTP and annual plans and levels of service completed. Full insurance cover over assets including govt subsidies.</td>
<td>2</td>
<td>70</td>
<td>140</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bad debts by multiple debtors (possible causes include downturn in economy, ratepayer revolt, unemployment or ageing population).</td>
<td>Financial loss</td>
<td>Reviews of applications for credit; Monitoring of outstanding debts; Early contact re overdue debts; Enforcement mechanisms.</td>
<td>2</td>
<td>10</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Significant cost escalation, e.g. with major projects such as LTP programme, rapidly increasing fuel costs, water upgrades are relevant.</td>
<td>Financial loss; Possible impacts on ability to provide expected levels of service</td>
<td>Budgets calculated with provision for escalation; Experienced staff/consultants involved in estimating costs for major projects; Specified procedures where budgets likely to be exceeded; Financial proposals indicate degree of robustness of forecasts.</td>
<td>1</td>
<td>50</td>
<td>50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest rate movements</td>
<td>Financial loss or exposure</td>
<td>Treasury management policy specifies hedging strategy; regular monitoring by Treasury Committee (including independent advisor) and A &amp; R Committee oversight.</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Theft/misappropriation of assets</td>
<td>Financial loss; loss of reputation</td>
<td>Values and culture reinforced, systems reviews and independent audits, and fidelity insurance cover in place</td>
<td>2</td>
<td>10</td>
<td>20</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Operational</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legal/Compliance Risk</td>
<td>Failure to comply with Reserves Act processes</td>
<td>Prosecution; Financial loss; Loss of amenity value; Loss of reputation</td>
<td>Green space team adequately resourced, skilled and experience is being maintained; Legal advice sought as required</td>
<td>1</td>
<td>50</td>
<td>50</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not taking sufficient steps to meet resource consent conditions related to Council activites</td>
<td>Prosecution; Financial loss; Loss of amenity value</td>
<td>Monitoring conditions regularly and reported to A &amp; R Committee</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not effectively discharging environmental &amp; legislative monitoring and compliance role, or not being timely in responses</td>
<td>Reputation risk, Legislative provisions not given effect to (eg RMA/BA provisions being monitored effectively)</td>
<td>Staff resources and after-hours service available, legal review of challenging issues</td>
<td>3</td>
<td>50</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Council liability flowing from not meeting Building Act requirements - leaky building or flooding issues</td>
<td>Financial loss; Loss of reputation</td>
<td>Internal Review of processes, Insurance protection via JLT.</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Tender/contracting errors expose Council to legal action or financial loss</td>
<td>Civil action; Financial loss; contract works may not be carried out in accordance with expectations.</td>
<td>Project Development Unit involved in preparing contract documents; Contractual documents were reviewed; Tender secretary and deputy trained; Sometimes seek external technical tender evaluations; Legal assistance sought as required. Insurance policies</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Staff mistakes or staff providing incorrect advice, e.g. Advice re RMA planning, LIMs, PIMS, building consents, or miscommunication between staff and customers regarding advice given</td>
<td>Legal challenge; Financial loss; Damage to Council reputation</td>
<td>Staff training; internal review; electronic filing systems capturing all data; legal advice where relevant; professional indemnity insurance</td>
<td>3</td>
<td>50</td>
<td>150</td>
<td></td>
</tr>
<tr>
<td>Risk categories</td>
<td>Specific Risks Identified</td>
<td>Possible Effects</td>
<td>Existing Controls and Mitigation Measures in place</td>
<td>Likelihood</td>
<td>Consequence Rating</td>
<td>Risk Changes</td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>---------------------------</td>
<td>------------------</td>
<td>---------------------------------------------------</td>
<td>------------</td>
<td>--------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Changes in legislation/regulations not reflected in practices impacting the way functions are carried out, or compliance requirements etc.</td>
<td>Additional costs of compliance and/or risks of non-compliance; Ability to provide some services; Delays in delivery in some services</td>
<td>The Council submits on proposed legislation or regulations, and receives bulletins re proposed changes in legislation; training and system redesign when changes are known.</td>
<td>2</td>
<td>50</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Not meeting community expectations re mode of service delivery or losing opportunities to be innovative, due to not investing in IT/business improvement, not remaining relevant to community</td>
<td>Could affect Council’s relevance to community and customers, and impact future financial outcomes and service provision</td>
<td>Remain alert to community expectations and sector changes; appropriate long term plan investment, scanning sector and community developments organisational development strategy (and Business improvement strategy) in place and implemented; Long term plan funding</td>
<td>3</td>
<td>70</td>
<td>27</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Poor performance because of lack of information as to how the Council is performing</td>
<td>The Council may not be performing in line with its own expectations or those of the community</td>
<td>Monitoring of information in the Service Request System; Quarterly reports (financial, capital projects, LTP, strategies, AMP’s); Subdivision consent spreadsheet; Performance appraisal process; Telemetry data</td>
<td>2</td>
<td>10</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>4 Human Resources</td>
<td>Loss of key staff.</td>
<td>Difficulties in achieving performance targets; Loss of &quot;institutional memory&quot;; Recruitment costs</td>
<td>Use of surveys to establish staff remuneration; staff encouraged to carry out professional development; Climate study used to identify staff concerns; documentation of standard operating procedures; some succession planning.</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Risk of poor performance</td>
<td>Difficulties in providing expected levels of service; Could have implications for finances and reputation</td>
<td>Recruitment processes; training; regular performance reviews</td>
<td>3</td>
<td>10</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>5 Health and Safety</td>
<td>Risk of accident or injury crystallises: Council fails to meet legislative standards, or actions/inaction endangers staff, the public or contractors</td>
<td>A number of affects ranging Injury/Death; Damage to reputation; prosecution and personal liability.</td>
<td>H&amp;S Culture reinforced; work place practices, policies &amp; procedures developed for all areas; Health &amp; Safety risk register with high risks activities identified/mitigated; Training provided; dedicated H&amp;S advisor with international accreditation; H&amp;S Committee and A&amp;R Committee oversight: Tertiary accreditation received from ACC accredited with international qualification. Worker participation and Steering committees established</td>
<td>3</td>
<td>100</td>
<td>30</td>
<td></td>
</tr>
<tr>
<td>6 Public Health and Safety</td>
<td>Swimming pool health and safety not being correctly monitored</td>
<td>Sickness; injury; drowning; damage to reputation</td>
<td>Staff training; Water quality monitoring; Regular hazard identification; Appropriate pool equipment and staffing levels; Statutory obligations met</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Earthquake prone building policy not being implemented</td>
<td>Injury or death. Prosecution and damage to Council reputation.</td>
<td>Appropriately trained and resourced staff adhering to Council policy and practices. Council buildings strengthen to 67%+ of National Building Standards</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Risk categories</td>
<td>Specific Risks Identified</td>
<td>Possible Effects</td>
<td>Existing Controls and Mitigation Measures in place</td>
<td>Likelihood</td>
<td>Consequence Rating</td>
<td>Risk Changes</td>
<td></td>
</tr>
<tr>
<td>----------------</td>
<td>--------------------------</td>
<td>-----------------</td>
<td>-------------------------------------------------</td>
<td>------------</td>
<td>-------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td>Oxidation pond health and safety. Other public facilities operated by contractors, including Refuse, Camping grounds and other Council premises on rental or lease arrangements</td>
<td>Sickness; injury; drowning</td>
<td>Restricted access - lock gates after hours, Sign in book at Marsh Road; Reviews of Health and Safety plans at all sites; Inspections of facilities, Water Unit staff inoculated</td>
<td>1</td>
<td>70</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cars crashing in or into reserves</td>
<td>Injury; Death; Damage to Council reputation</td>
<td>In reserve: Carriageways in reserves appropriately maintained; speed limits signposted; car park separated from field</td>
<td>1</td>
<td>70</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Falls in council buildings, e.g. library</td>
<td>Injury; Damage to Council reputation</td>
<td>Regular hazard reviews; Tradesmen use signs to signal hazards, Maintenance is kept at a high standard through mtc programme.</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contamination of public water supplies (accidental/deliberate)</td>
<td>Illness; Death; Damage to Council reputation</td>
<td>Adherence to WINZ testing programme; Procedures in the event of failed tests; Staff appropriately qualified; Locks on Water Supply buildings and wells. Approved Water safety plans for all schemes</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer overflows</td>
<td>Illness; Death; Prosecution; Damage to Council reputation; Loss of amenity value</td>
<td>Appropriately qualified staff; regular maintenance programme; Telemetry for monitoring systems; After hours call out system to mitigate effects of any overflows; Sewer Modelling and upgrades occurring</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sewer Treatment Plant performance deteriorates resulting in non-compliant/insanitary effluent</td>
<td>Illness; Death; Prosecution; Damage to Council reputation; Loss of amenity value</td>
<td>Appropriately qualified staff; regular maintenance programme; After hours call out system to mitigate effects of any overflows. Regular monitoring of plant and compliance with standards</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private Swimming Pools not complying with Act resulting in drowning</td>
<td>Death; Prosecution; Council reputation</td>
<td>A service level agreement has been developed. The Water unit have well developed quality procedure manuals in place</td>
<td>1</td>
<td>70</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public health risks are inherent in supply. Detection and response.</td>
<td>Illness; Death; Prosecution; Damage to Council reputation; Added financial cost</td>
<td>Staff subject to 3 yearly audit; trained audit staff</td>
<td>1</td>
<td>100</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Traffic accidents due to poorly designed or maintained roads</td>
<td>Injury; Illness; Death; Prosecution; Damage to Council reputation</td>
<td>For new roads or modifications - Staff appropriately qualified; internal review of designs; use of external expertise in some instances. For existing roads, programmed maintenance programme</td>
<td>1</td>
<td>70</td>
<td>70</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Council assets</td>
<td>Infrastructure failure (lots of possible causes, including wear and tear, inappropriate design for use or vice versa, poor construction)</td>
<td>Difficulties in maintaining levels of service; Financial loss in restoring service; loss of reputation</td>
<td>Maintenance and renewals programme; regular inspections of some infrastructure e.g. roads; staff involved in design and maintenance well qualified; Engineering code of practice and implementing new techniques, Resilience incorporated into renewal strategies &amp; insurance in place.</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Sewer mains underneath buildings</td>
<td>Added maintenance costs; Damage to buildings-May need to demolish a building</td>
<td>Buildings no longer allowed to be built on top of sewer mains</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Vandalism at multiple locations or severe in nature</td>
<td>Financial loss; loss of amenity value</td>
<td>Support security camera operation in selected locations; repair vandalism promptly to reduce subsequent damage</td>
<td>3</td>
<td>10</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ability to Provide Expected Service</td>
<td>If failures could affect ability to carry out some functions, e.g. library, LIMS/PIMS, rates.</td>
<td>Difficulties in maintaining levels of service; Financial loss</td>
<td>Regular backups and off site storage of backups; Laptop available for off site SCADA use; Deployment IaaS, Disaster recovery plans and BCP exist</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td>Risk categories</td>
<td>Specific Risks Identified</td>
<td>Possible Effects</td>
<td>Existing Controls and Mitigation Measures in place</td>
<td>Likelihood</td>
<td>Consequence Rating</td>
<td>Risk Changes</td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------</td>
<td>-----------------</td>
<td>-----------------------------------------------</td>
<td>------------</td>
<td>-------------------</td>
<td>--------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Power failure (more than minor)</td>
<td>Difficulties in maintaining levels of service; Financial loss</td>
<td>Block of generators; Battery power for SCADA system; Criticality plan prepared; UPS for critical IT equipment; Storage arrangements (e.g. water, stormwater); Generator strategy</td>
<td>2</td>
<td>50</td>
<td>100</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Withdrawal of community funding</td>
<td>Difficulties in maintaining levels of service; Financial loss</td>
<td>Discussions, securing agreements, advocating the need and representation to decision makers</td>
<td>2</td>
<td>10</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Post earthquake Regeneration process unaffordable or does not meet community expectations</td>
<td>Reputation with community and Central government. Financial, budget and costs</td>
<td>Regeneration plan approved, with regular community consultation and government engagement re Plan implementation; LTP provisions consulted on</td>
<td>1</td>
<td>50</td>
<td>50</td>
<td></td>
</tr>
</tbody>
</table>

**Political**

<table>
<thead>
<tr>
<th>Risk categories</th>
<th>Specific Risks Identified</th>
<th>Possible Effects</th>
<th>Existing Controls and Mitigation Measures in place</th>
<th>Likelihood</th>
<th>Consequence Rating</th>
<th>Risk Changes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Elections</td>
<td>Major change in local composition of Council 2019 election changes of council and board membership</td>
<td>Local risk of some change.</td>
<td>Manage conflict processes well. Good election &amp; induction process. Long Term planning processes, community consultation processes</td>
<td>2</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>Change in regional composition of council - 2019 Ecan return to full democracy with representation review in 2018</td>
<td>Regional - risk re nature of representation arrangements, and focus of Ecan council/relationships with WDC</td>
<td></td>
<td>Manage conflict processes well. Engage regularly with Ecan councillors and through Canterbury Mayoral and CE forum.</td>
<td>2</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>Reputation</td>
<td>Some Council decisions and activities are inherently likely to be unpopular with some parts of the community, e.g. Town Centre development, parking arrangements, resource consents, level and prioritisation of seal extensions</td>
<td>Damage to reputation; Added political risk</td>
<td>Transparent decision making processes; specified objection processes; publicity about rules and bylaws and any changes in enforcement arrangements; Council values support customer focus</td>
<td>2</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td></td>
<td>Inability to meet rising community expectations (especially if expected with current resources)</td>
<td>Damage to reputation; Added political risk</td>
<td>Consulting on levels of service as part of development of activity management plans; Consultation on annual plans and LTP; Advising those lodging service requests of expected response times; Open communication with the community</td>
<td>3</td>
<td>50</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td>Personnel could leak confidential information (e.g. details of tenders). One particular instance would be espionage</td>
<td>Damage to reputation; Financial loss, Added political risk</td>
<td>Employment agreements specify that information is confidential; Confidential council/committee papers not stored in main drive and have limited circulation; Council/committee papers clearly specify which information is in committee</td>
<td>1</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>Decision making</td>
<td>Making poor judgements/decisions (staff or elected members)</td>
<td>Legal action; community dissatisfaction; loss of income and/or additional expenditure; difficulties with service provision; loss of staff morale; political risk</td>
<td>Report template; Review of Council/Committee reports by management team; staff training; staff recruitment and retention strategies; performance feedback; internal review of some types of work; documented policies and procedures</td>
<td>2</td>
<td>70</td>
<td>140</td>
</tr>
<tr>
<td></td>
<td>Confidence in decision making: if RMA process not followed or inadequate consent conditions, then the Council may be exposed decision review processes or loss.</td>
<td>Inability to meet expected level of service without incurring additional cost</td>
<td>Use of appropriately qualified staff; Internal review of consent conditions; Feedback from consent audits useful</td>
<td>2</td>
<td>70</td>
<td>140</td>
</tr>
<tr>
<td>Risk categories</td>
<td>Specific Risks Identified</td>
<td>Possible Effects</td>
<td>Existing Controls and Mitigation Measures in place</td>
<td>Likelihood</td>
<td>Consequence Rating</td>
<td>Risk Rating</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------</td>
<td>------------------</td>
<td>-----------------------------------------------</td>
<td>------------</td>
<td>-------------------</td>
<td>------------</td>
</tr>
<tr>
<td>Political</td>
<td>Nationally led change seeking reorganisation of Council structure for service delivery - eg outcome of 3 waters review</td>
<td>Affect ability to carry out Council business; Council reputation; staff morale/turnover; Staff experience difficulty in meeting some councillor/community expectations</td>
<td>Contribute to national reviews and ensure our voice is heard. Remain alert to the local impacts and ensure community awareness. Ensure local service delivery is to a high standard.</td>
<td>3</td>
<td>70</td>
<td>210</td>
</tr>
<tr>
<td></td>
<td>Regional collaboration support requiring significant investment/commitment from the Council</td>
<td>Impact on Council operations/diversion of resources/divergent community expectations</td>
<td>Engage constructively through the Cant Mayoral Forum. Remain alert to the local impacts and ensure community awareness. Ensure local service delivery is to a high standard.</td>
<td>3</td>
<td>50</td>
<td>150</td>
</tr>
<tr>
<td></td>
<td>Central government changes may impose further changes on council, e.g. reviews, rates caps, changing functions, appointment of commissioners.</td>
<td>Affect ability to carry out Council business; Council reputation; staff morale/turnover</td>
<td>Endeavour to operate Council affairs with regard for due process, legal obligations and ratepayer expectations; Monitor central government initiatives; Participation in central government reviews, e.g. submissions, Mayoral forum</td>
<td>2</td>
<td>50</td>
<td>100</td>
</tr>
<tr>
<td>Risk categories</td>
<td>Specific Risks Identified</td>
<td>Possible Effects</td>
<td>Existing Controls and Mitigation Measures in place</td>
<td>Likelihood</td>
<td>Consequence Rating</td>
<td>Risk Changes</td>
</tr>
<tr>
<td>-----------------</td>
<td>--------------------------</td>
<td>-----------------</td>
<td>-----------------------------------------------</td>
<td>------------</td>
<td>--------------------</td>
<td>--------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>(worst case)</td>
<td>(after controls)</td>
</tr>
</tbody>
</table>


## Risk Rating

### LIKELIHOOD RATINGS

<table>
<thead>
<tr>
<th>Descriptor</th>
<th>Description</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Almost Certain</td>
<td>The event is expected to occur in most circumstances or A very low level of confidence/information</td>
<td>5</td>
</tr>
<tr>
<td>Likely</td>
<td>The event will probably occur in most circumstances or A low level of confidence/information</td>
<td>4</td>
</tr>
<tr>
<td>Moderate</td>
<td>The event should occur at some time A moderate level of confidence/information</td>
<td>3</td>
</tr>
<tr>
<td>Unlikely</td>
<td>The event could occur at some time A high level of confidence/information</td>
<td>2</td>
</tr>
<tr>
<td>Rare</td>
<td>The event may occur only in exceptional circumstances A very high level of confidence/information</td>
<td>1</td>
</tr>
</tbody>
</table>

### CONSEQUENCE RATINGS

<table>
<thead>
<tr>
<th>Descriptor</th>
<th>Health and Safety</th>
<th>$</th>
<th>Project Delays</th>
<th>Design/Project robustness</th>
<th>Environment</th>
<th>Image</th>
</tr>
</thead>
<tbody>
<tr>
<td>Severe</td>
<td>Fatality, or permanent total disability</td>
<td>&gt;$20m</td>
<td>Years</td>
<td>Significant performance deficiencies</td>
<td>Permanent widespread ecological damage</td>
<td>International media, public enquiry</td>
</tr>
<tr>
<td>100</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major</td>
<td>Significant injury resulting in permanent partial disability. Serious Harm</td>
<td>$2m-20m</td>
<td>6-12 months</td>
<td>Fails to meet design criteria</td>
<td>Heavy ecological damage, costly restoration</td>
<td>National media, ministerial questions</td>
</tr>
<tr>
<td>70</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Moderate</td>
<td>Serious injury or illness, with &gt;10 days lost time</td>
<td>$200K-$2m</td>
<td>0-6 months</td>
<td>Unable to meet some design criteria</td>
<td>Significant but recoverable damage</td>
<td>Regional media, official information</td>
</tr>
<tr>
<td>50</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Minor</td>
<td>Injury or illness requiring medical treatment, with &lt; 10 days lost time.</td>
<td>$20K-$200K</td>
<td>Weeks</td>
<td>Meets design criteria most of the time</td>
<td>Limited but medium term effects</td>
<td>Local media, minor</td>
</tr>
<tr>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Routine</td>
<td>Slight injuries</td>
<td>&lt;$20K</td>
<td>Days</td>
<td>Routine operational niggles</td>
<td>Minor short term effects</td>
<td>Internal questions</td>
</tr>
<tr>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Combined factor ratings

<table>
<thead>
<tr>
<th>Risk Level</th>
<th>Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Low risk</td>
<td>0 - 149</td>
</tr>
<tr>
<td>Medium risk</td>
<td>150 - 199</td>
</tr>
<tr>
<td>High risk</td>
<td>200+</td>
</tr>
</tbody>
</table>
1. SUMMARY

1.1 The purpose of this report is to present a Tax Risk Governance Framework as proposed by the Tax Team from PwC.

Attachments:

i. Proposed Tax Risk Governance Framework (TRIM 180315028134 Strategy, 180316028152 Framework)

2. RECOMMENDATION

THAT the Audit Committee recommends that the Council:

(a) Receives report No. 180312026006
(b) Approves the Tax Risk Governance Framework (Trim 18036028352) and agrees to the engagement with PwC;
(c) Notes funding provision exists within the Finance, Planning and Control budget.

3. BACKGROUND

3.1. The Council currently has an annual turnover of about $100 million dollars and has a significant risk without a formal Tax Risk Governance Framework. Capital works average between $30 million - $40 million a year.

3.2. The Council may be subject to tax risk through a number of taxable activities including, income tax, Goods and Services tax (GST), Fringe Benefit Tax (FBT), Pay As You Earn (PAYE) Tax, Withholding Tax (WHT) and Kiwisaver.

4. ISSUES AND OPTIONS

4.1. Although the Council has qualified and chartered accountants who have a number of years’ experience dealing with financial matters, taxation is a specialist field where the nature of tax matters being dealt with can be complex in an ever changing environment.
4.2. Although tax audits are undertaken regularly and budget is provided for, the taxation audits are ad hoc in design and no agreed framework on regularity or process is undertaken. On balance, when audits are undertaken, the audit generally results in finding areas where the Council has not been taking advantage of opportunities in tax savings that exist, rather than not paying enough in taxation. The last exercise undertaken was on GST/FBT and looked back six years. The result was a tax savings, reported through the Audit & Risk committee was about $128k.

4.3. There is always a risk that the Council has not paid enough tax and if Inland Revenue were to carry out an investigation on an entity and find the tax hasn’t been paid, the penalty regime can be significant and the quantum of penalties can vary depending of the type of error and the extent the entity has gone to ensure it pays the correct amount of tax.

4.4. The Tax Team from PwC are the Council tax advisors and act for a number of Local Authorities. They have a good reputation in the Local Government sector by acting as the tax agent for a number of Local Authorities, providing advice, seminars, targeted training, audits and helpdesk facilities.

4.5. The Tax Team of PwC were asked to provide Council with a proposal for a Tax Risk Governance Framework. This framework covers how Council deals with tax and manages the tax risk that comes from Council’s business environment and is attached as Appendix i.

4.6. Given the high profile and nature of Council’s business, the proposal is that Council should adopt a ‘LOW’ tax risk profile. The framework outlines processes that Council will put in place to manage tax risk and proposes rolling reviews of Council’s GST, PAYE, and FBT practices.

4.7. The options available to the Audit & Risk Committee are to:

- continue with the current tax system. This currently exposes the Council to additional risk; or
- adopt a Tax Risk Governance Framework, as proposed. A further option is that the timeframes and pricing could be further negotiated with PwC. However, based on the Tax Team’s experience and current practices used in other business of our turnover ad tax exposure the proposed strategy is recommended.

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

5. COMMUNITY VIEWS

5.1. Groups and Organisations

5.2. Wider Community

The framework provides greater assurance to the community and Inland Revenue that funding is being managed prudently and within approved risk framework.

6. IMPLICATIONS AND RISKS

6.1. Financial Implications
The costs relating to the Tax Risk Governance Framework including the following and as rolling reviews are undertaken, it is likely that the amount of confidence taken by the reviewer can be greater, resulting in lower cost.

<table>
<thead>
<tr>
<th>Activity undertaken</th>
<th>Annual Cost ($'s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax policies review and update</td>
<td>1,500</td>
</tr>
<tr>
<td>Helpdesk</td>
<td>4,000</td>
</tr>
<tr>
<td>A rolling review</td>
<td>20,000 – 24,000</td>
</tr>
<tr>
<td>Total annual cost</td>
<td>25,500 – 29,500</td>
</tr>
</tbody>
</table>

Budget provision is made within Finance planning and control codes (101257662537 & 101257612465)

6.2. **Community Implications**

n/a

6.3. **Risk Management**

6.4. The Tax Risk management framework and strategy provides greater assurance to the community and Inland Revenue that our policies, practices and procedures are best practice and are independently reviewed. Should anything tax issue arise the penalty regime of Inland Revenue takes into account the extent the organisation has gone to ensure it pays the correct tax.

6.5. Taxation error or fraud, when uncovered, can seriously affect the reputation of an organisation and there are a number of cases recently experience by some organisations in New Zealand where this has occurred. This amount of expenditure to recovery from a situation can lead to significant costs.

6.6. **Health and Safety**

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**

Local Government Act 2002 section 14

Various Tax Acts, primarily the Income Tax Act and Goods and Services Tax Act and amendment
7.3. **Community Outcomes**

There are wide ranging opportunities for people to contribute to the decision making that effects our District.

7.4. **Delegations**

Delegation S-DM 1022, provides that the Audit and Risk Committee is responsible for Risk Management. This Delegation also provides that the Audit and Risk have the following specific jurisdiction:

- To receive and consider management reports and any other information received from the Council’s external auditors
- To review corporate risk assessment and internal risk management practices

Jeff Millward
Manager Finance & Business Support
# Waimakariri District Council
## Tax risk management strategy

<table>
<thead>
<tr>
<th>Tax services</th>
<th>Financial year ending 30/06/2018</th>
<th>Financial year ending 30/06/2019</th>
<th>Financial year ending 30/06/2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tax Helpdesk facility</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Access to MyTax Policies and Guides¹</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td><strong>Tax compliance reviews undertaken</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• PAYE/Withholding Tax</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>• GST</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• FBT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Income tax return independently reviewed²</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Tax agency – income tax³</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>External advice sought on major tax issues</td>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
<tr>
<td>Tax training provided to staff</td>
<td>As required</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

¹ Formerly known as Online Tax Policies.
² We understand that Waimakariri District Council's income tax return is prepared and/or reviewed by an independent party.
³ We understand Waimakariri District Council is on an independent party's tax agency.
Waimakariri District Council
Tax risk governance framework

For adoption by the Audit and Risk Committee
March 2018
1. **Purpose**

This document establishes the tax risk governance framework for Waimakariri District Council’s (Council) Audit and Risk Committee.

1.1. **Background**

Council is a large, high profile, organisation that is responsible for providing services to the New Zealand public. As such, Council must maintain exemplary governance and tax compliance standards. Although Council is largely exempt from paying corporate income tax, it is required to correctly account for Goods and Services Tax, Fringe Benefit Tax, PAYE, and a range of other withholding taxes. These taxes make up a significant portion of the New Zealand Government’s annual tax take. Accordingly, the tax obligations of Council cannot be taken lightly.

Inland Revenue has signalled its expectation that all large organisations should have tax risk management incorporated within their governance framework. This is consistent with international best practice; tax authorities in foreign jurisdictions, including Australia and the United Kingdom, have been advocating this approach is taken by large Public and Private sector organisations.

1.2. **Risk management**

The Audit and Risk Committee is, along with other responsibilities, tasked to:

- Assist Council to determine its appetite for risk.
- Review whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of Council’s significant risks.
- Consider whether appropriate action is being taken by management to mitigate Council’s significant risks.
- Ensure that management is kept appraised of Council’s governance body’s views on uncontrolled risk.
- Ensure management are keeping the Audit and Risk Committee fully appraised of all independent sources of assurance, via the risk management framework.

Proactive tax risk management can facilitate mitigation of:

- Operational risk – by way of reducing the potential for reputational damage befalling Council as a result of non-compliance, and the possible negative impacts on various stakeholders, such as employees and suppliers.
- Financial risk – through minimising the financial impact of non-compliance, and the costs associated with over- or under-paying tax by Council.
- Compliance risk – in terms of ensuring areas of non-compliance are identified, thereby minimising any penalties or interest being imposed by Inland Revenue and reducing the risk of Council being subject to an Inland Revenue audit.

2. **Tax risk profile**


Given the high profile and public nature of Council, there is a need to adopt a conservative approach towards tax compliance. Accordingly, Council will adopt a “LOW” tax risk profile such that it has an open and honest working relationship with Inland Revenue.
3. Tax risk management strategies

The following strategies will be adopted by Council to ensure that it maintains a low tax risk profile and effectively manages its tax obligations and potential tax risks.

Council will develop a tax risk management plan to be formally adopted by the Audit and Risk Committee. The plan will be reviewed at least every three years. The plan will:

- Identify key areas of tax compliance risk that are faced by Council
- Establish the steps required to effectively manage or mitigate each risk area
- Provide clear and realistic time frames to carry out the steps.

3.1. Responsibility for tax issues

The Manager Finance & Business Support has overall responsibility for the management of the tax issues of Council. As appropriate, the Manager Finance & Business Support may delegate responsibility for tax issues to the Finance Manager.

3.2. Reporting tax risks to Audit and Risk Committee

Any ‘significant tax risks’ will be reported in the first instance to the Manager Finance & Business Support as soon as they are identified and where appropriate, to the chair of the Audit and Risk Committee within two weeks of being identified.

A ‘significant tax risk’ to Council may be where an incorrect interpretation is made that results in:

- A situation where penalties and interest could be imposed against Council.
- A situation where a tax liability is required to be settled that is in excess of $20,000.
- A situation where Council could be subject to prosecution.
- A situation where an accusation of tax avoidance could be levied.

Council will report on all tax risk management matters to the Audit and Risk Committee at least once a year. As part of that report, a summary should be prepared and presented to the Audit and Risk Committee setting out key issues, and may include the following:

- Key financial information including any outstanding taxes due, and any interest or penalties imposed during the year.
- Particulars of any proposed legislative tax changes which could impact on Council.
- Details of any significant outstanding taxes in dispute with Inland Revenue.
- Details of advice sought and future matters to consider.
- A table of tax tools and services used and whether each aligns with Council’s ‘LOW’ risk tax profile i.e. Strategy vs Achievement.

3.3. Tax awareness and training

Council will ensure that all relevant staff are provided with adequate training and resources to effectively identify and manage its tax obligations and risks. Where appropriate, this may involve sending selective staff on external courses or engaging an external speaker to conduct in-house training.

3.4. Meetings and correspondence with Inland Revenue

Council will endeavour to maintain strong working relationships with Inland Revenue, other government bodies, and related third parties. All dealings with external parties will be undertaken in a professional and timely manner.
Apart from routine PAYE, FBT and GST returns and payments, all other correspondence, meeting requests or queries from Inland Revenue must be immediately referred to the Manager Finance & Business Support. The Manager Finance & Business Support is the only person authorised to correspond or meet with Inland Revenue to discuss the tax matters of Council – although they may delegate this to the Finance Manager.

3.5. Tax advice and rulings
Council will maintain detailed information and computations supporting all tax return filing positions. If there is any uncertainty in respect of a filing position where the amount of tax exceeds $10,000, Council will seek written advice from external tax advisors.

In some instances, the degree of uncertainty over a particular tax issue may warrant seeking a Binding Ruling from Inland Revenue. No approach should be made for a Binding Ruling without the prior approval of the Manager Finance & Business Support. However, the Manager Finance & Business Support may obtain agreement from the Audit and Risk Committee, if considered appropriate.

3.6. Tax returns and payments
Council will file all returns and pay any resulting tax liability on, or before, the stipulated due dates. When preparing and filing tax returns, Council will be transparent, and fully disclose all relevant information supporting a tax position in a tax return. Council will only adopt tax positions that are highly likely to be correct based on current law. Notwithstanding this, Council will endeavour to ensure that the most tax efficient position is adopted.

Any tax payments in excess of $20,000 must be authorised by the Manager Finance & Business Support. However, the Manager Finance & Business Support may delegate this responsibility to the Finance Manager.

Tax payments must be supported by detailed tax computations and explanations which are initialled by the preparer and then countersigned by that person’s superior prior to payment.

3.7. Filing and record keeping
In terms of the Tax Administration Act 1994, Council is required to retain tax records for several years. To assist in archiving and the subsequent retrieval of relevant tax records, Council will separately file each tax return and supporting computation and advisory correspondence based on the year of assessment and tax type.

In addition, Council will maintain a detailed index of the relevant tax files to enable their efficient retrieval should they be requested by Inland Revenue in later years. Specifically, the index should contain details relating to the file reference, relevant tax period, tax type, subject of the document on file and location of the file, and evidence of review by the Manager Finance & Business Support. This index should be maintained irrespective of whether the information is in electronic or hard copy format.

3.8. Regular reviews
The tax risks of Council potentially increase over time through a combination of personnel and legislative changes. To ensure the tax compliance procedures of Council are kept up to date and accurate, an independent external review of GST, PAYE/Withholding Taxes and FBT should be undertaken every three years. This review will tend to be undertaken in a ‘rolling’ format, with a different tax type being reviewed each year.

3.9. Penalties and voluntary disclosures
Wherever possible Council should endeavour to minimise any penalties and Use Of Money Interest. Accordingly, any tax discrepancies identified should be addressed and disclosed to Inland Revenue as soon as possible. Unless the discrepancy has been identified pursuant to a (current) tax investigation, Council (in consultation with the Audit and Risk Committee) should always consider making a Voluntary Disclosure as a means of minimising any potential penalties.

3.10. Tax policies
To assist staff with the day to day tax treatment of issues specific to Council and to ensure a consistent tax treatment of items across the organisation, a set of tax policies will be maintained. These tax policies will provide an outline of common tax issues arising and how they should be treated in the various tax returns of Council.
4. **Tax risk governance framework - adoption**

Tax Risk Governance Framework – version 1.1
Approved:

```
……………………………….. ……………………………….
Name: Name:
Position: Position:
Date: Date:
```

231