

WAIMAKARIRI DISTRICT COUNCIL

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

PRESENT

Deputy Councillor Goldsworthy (Chairperson), Mayor Atkinson, Councillors T Fulton, J Ward and P Williams.

IN ATTENDANCE

Councillors B Cairns and N Mealings (via Audiovisual Link).

J Millward (Chief Executive), P Christensen (Finance Manager), M Harris (Customer Services Manager), S Docherty (Policy and Corporate Planning Team Leader), S Nation (Senior Quality and Risk Adviser), J Eggleton (Project Planning and Quality Team Leader), D Young (Senior Engineering Advisor) and K Rabe (Governance Advisor).

1. APOLOGIES

Moved: Councillor Goldsworthy

Seconded: Deputy Mayor Atkinson

THAT the Audit and Risk Committee:

- (a) **Receives and sustains** an apology for absence from Mayor Gordon.

CARRIED

2. CONFLICTS OF INTEREST

There were no conflicts of interest recorded.

3. CONFIRMATION OF MINUTES

3.1 Minutes of a meeting of the Audit and Risk Committee held on Tuesday 12 August 2025

Moved: Councillor Ward

Seconded: Councillor Fulton

THAT the Audit and Risk Committee:

- (a) **Confirms**, as a true and accurate record, the circulated Minutes of a meeting of the Audit and Risk Committee, held on 12 August 2025.

CARRIED

3.2 Matters Arising (From the Minutes

There were no matters arising.

4. PRESENTATION/DEPUTATION

There were no presentations or deputations.

5. REPORTS

5.1 Request for Rates Remission – Miscellaneous Circumstances Riverside Road and Inglis Road Sealing – M Harris (Customer Services Manager)

M Harris spoke to the report, which sought approval to remit part of the Riverside Road and Inglis Road sealing loan rate in the targeted rating area where the ratepayer had not elected to make a lump sum contribution. The final cost of the completed road sealing was less than estimated; therefore, the loan rates and lump sum contributions were set at a higher figure than was necessary to cover the ratepayer's share. She noted that the rates remission using the Rates Remission in Miscellaneous Circumstances Policy was considered the most appropriate way to implement a rate reduction.

In response to a query from Councillor Goldsworthy regarding whether this would be a one-off payment or would occur annually, M Harris confirmed that it would be a one-off payment to rectify the discrepancy that had occurred due to the project costing less than anticipated.

Moved: Councillor Williams

Seconded: Deputy Mayor Atkinson

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 250825156308.
- (b) **Approves** a rates remission of \$61.06 under the Policy for Rates Remission in Miscellaneous Circumstances on each rating unit in the Riverside Road and Inglis Road Sealing Targeted Rating Area where a Lump Sum Contribution election has not been made.
- (c) **Waives** the requirement for a written application for the Rates Remission in Miscellaneous Circumstances in clause (b) above.
- (d) **Notes** that the Lump Sum Contribution for the Riverside Road and Inglis Road Sealing was recalculated under Section 117M of the Local Government (Rating) Act 2002, resulting in a reduction of the lump sum from \$2,498.09 to \$1,786.95.

CARRIED

Councillor Williams thanked M Harris for bringing this matter to the attention of the Committee.

5.2 Financial Report for the period ended 30 June 2025 – P Christensen (Finance Manager)

P Christensen presented the provisional financial report for the period ended 30 June 2025 and noted that Audit New Zealand was currently auditing the Council's 2024/25 Annual Report; it was anticipated that the Annual Report would be presented to the Council for adoption in October 2025. P Christenson provided a brief overview of the Council's financial position and an explanation of accounting rules relating to internal interest rate swaps.

Councillor Fulton noted that the Capital Expenditure for the year was less than the projected budget and queried if the capital projects were loan-funded. P Christenson advised that the loan-funded component related to the interest-bearing cost, which was actually reduced due to a drop in the Official Cash Rate (OCR).

Councillor Williams queried what the project forecast was, given that there were fewer Development Contributions received than expected. He asked if it was possible to predict what may occur in the next financial year. P Christenson explained that the Development Contribution was dependent on the number of developments within the district, and given that housing was reported to have slowed, the projected budget had been less than expected.

Councillor Williams then questioned if it was expected that the forecast for the 2025/26 financial year would also be wrong and was advised that the 'standard Accountant reply would be that the budget was always incorrect because it was a budget which was set 18 months in advance.

Councillor Williams queried if there was less budget than expected, what projects would not be implemented. J Millward replied that no projects would be negatively impacted, and that it was more a question of timing than funding. The budgets had been adjusted in view of the housing downturn. There were many factors involved which impacted the projected budgets/programme; however, over a period of five years, these would level out and therefore not impact rates.

Councillor Cairns asked if the Depreciation Account was generating the \$2.9 million interest earned. P Christenson noted that the Council did not have a Cash Depreciation Account, and the interest was primarily derived from dividends and interest swaps, which were achieved by interest rates lower than the current market rate.

Councillor Ward noted that there was public perception that the Council had a growing debt situation and requested confirmation that \$30 million of old debt had been paid off this year. P Christenson observed that some of the Council bonds had matured; however, the bonds were renewed, creating new debt. Councillor Ward confirmed that these funds were then used for capital works, which grow the Council's assets.

Councillor Fulton asked if this was a rolling funding facility that paid off old debt while bringing in new debt, which was then rolled into the assets. P. Christenson agreed, noting that the budget for loans for infrastructure/capital work was spread over 25 years; however, bonds were issued over five to six years. Therefore, there was no central loan worth of fees at any one time.

In response to Councillor Williams' question regarding loan funding for maintenance of infrastructure such as drainage projects, P Christenson replied that loan funding was not usually utilised for maintenance and operational costs. However, loan funding had been used for the Canterbury Museum Redevelopment Levy, which was considered operational expenditure, and for the new computer software programme, which was also regarded as operational.

J Millward clarified that any overspends in drainage would be funded through reserves, which would be corrected when setting the budget for the following financial year; therefore, any temporary imbalance of accounts would be corrected in the next budget cycle. J Millward noted that there may be imbalances occurring during a natural emergency, such as a weather event, which may result in loan funding so as not to impact rates.

Councillor Goldsworthy questioned whether the Treasury Policy was well placed to take advantage of the lower interest rates. P Christenson replied that the Policy required at least 40% of loans to be fixed for the first three years. Currently, the Council had between 50 and 60% fixed, which meant that it was locked into the rate at the time the loan was taken out; however, when they matured and were renewed, they would be at a lower rate. Decreasing interest rates could be used to hedge and offset the risks of high fixed rates.

Moved: Councillor Ward

Seconded: Councillor Fulton

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 250825157021.
- (b) **Notes** the preliminary surplus for the year ended 30 June 2025 is \$3.7 million. This is \$21.9 million under budget and is primarily due to development contribution revenue \$13.4 million under budget, interest rate swaps accounting valuation adjustment \$4.2 million and losses on disposals of assets of \$6.7 million.
- (c) **Notes** that external debt at 30 June 2025 was \$220 million, which was \$16.1 million under the forecast. The Council uses debt to fund capital expenditure, including three waters, roading, recreation and community buildings and the earthquake recovery and regeneration programme.
- (d) **Notes** that Audit New Zealand is currently auditing the Annual Report. The Annual Report will be presented to the Council in October for adoption.

CARRIED

Councillor Ward thanked staff for the work that had been done preparing the financial report and for the continued high quality of advice offered to elected members. She noted that she believed it would be prudent to utilise the low interest rates to support local contractors while moving the Council's Capital Programme forward. Councillor Ward stated that it was her opinion that the Council was in good shape financially.

Councillor Fulton thanked P Christenson for his insights and diligence in safeguarding the Council's financial position by ensuring the debt-to-equity ratio was maintained with minimal risk.

5.3 Non-Financial Performance Measures for the quarter ended 30 June 2025 – H Street (Corporate Planner)

S Docherty presented the report, which provided the Committee with the results of the non-financial performance measures for the 2024/25 financial year. She took the report as read.

Councillor Fulton queried the reduction of performance measures pertaining to reticulated water from 40% to 30%. J Milward noted that once water was chlorinated, there was an expectation that there would be no water loss. The Council worked diligently to mitigate all water leaks; however, this was not always possible.

Moved: Deputy Mayor Atkinson

Seconded: Councillor Ward

THAT the Audit and Risk Committee:

- (a) **Receives** report No. 250826157687.
- (b) **Notes** 69 (77%) of performance measures for the third quarter of the 2024/25 financial year were achieved, and 21 were not achieved.
- (c) **Notes** 21 (23%) of the measures did not meet the target, but four were within 5% of being achieved.
- (d) **Notes** all measures have been reviewed for the 2024-2034 Long Term Plan and adopted for the 2024/25-2026/27 financial years.

CARRIED

Deputy Mayor Atkinson thanked staff for an informative report and noted it was a positive sign that the Council was performing well. He noted that many years ago, the Council had decided to concentrate on stopping water leaks rather than opting to install water metres.

Councillor Williams observed that there was no clear information that the water loss, particularly at night, was from water leaks, as it could also be from people who irrigated at night.

Councillor Ward supported the motion and also thanked staff for an illuminating report.

5.4 **Corporate Risks Update** – S Nation (Senior Quality and Risk Advisor)

S Nation presented the report, which provided the Committee with an updated summary of the Corporate Risks register. She took the report as read.

There were no questions for elected members relating to this report.

Moved: Councillor Fulton

Seconded: Deputy Mayor Atkinson

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 250714127819.
- (b) **Notes** the current Corporate Risks.
- (c) **Notes** that the Health, Safety and Wellbeing risk register is a separately reported document that is managed and overseen by the Health, Safety and wellbeing Manager.
- (d) **Notes** that a copy of this report is provided to the Council for information.

CARRIED

Councillor Fulton congratulated S Nation on an excellent report.

Deputy Mayor Atkinson noted that the report was well-written and easy to understand. He was pleased to see the Council's improvement in this area.

5.5 **Capital Works Report Year Ending June 2025** – J Eggleton (Project Planning and Quality Team Leader), D Young (Senior Engineering Advisor), G Cleary (General Manager Utilities and Roading) and C Brown (General Manager Community and Recreation)

D Young and J Eggleton presented the report, which advised the Committee on the overall delivery of the 2024/25 Capital Works Programme. He noted that there had been a range of challenges associated with the low delivery of the 2024/25 Programme, which was \$38 million below budget.

Councillor Fulton noted that the report did not include any indication of the cost and work of the new Infrastructure Recovery Team and asked what impact this new resource had made. D Young noted that the team's work had not been separated from the projects they had worked on, as the team currently had no cost centre. The work that had been done had been mainly for the Roading and Drainage Units.

Deputy Mayor Atkinson requested that consideration be given to having this information included in the report in future. D Young replied that he would discuss the matter with management and investigate the best way to capture this information, which he agreed was an essential aspect of the work carried out. J Millward noted that a report would be presented to the following Utilities and Roading Committee, which would capture some of

the information being requested; however, agreed that this should be defined and tracked separately from the projects it had worked on.

In response to Councillor Goldsworthy's query relating to carry-overs in the next financial year, D Young advised that this work was currently being collated, and clarification of budget vs expenditure was still being sought. Additionally, J Millward noted that some of the issues which had impacted the delivery of the programme had been out of the Council's control; however, 74% of the programme had been delivered, and it was believed a more accurate reflection of project delivery would be given if the reporting period was longer than a year.

Moved: Councillor Fulton

Seconded: Councillor Williams

THAT the Audit and Risk Committee:

- (a) **Receives** Report No. 250820153484.
- (b) **Notes** the actual achievement across all tracked capital expenditure, with 74% of projects completed or on track at the Financial Year End (FYE).
- (c) **Notes** that of the \$94.29 million total Capital spend, \$56.03 million (59.4%) has been completed.
- (d) **Notes** that the previous March Quarterly Report predicted a spend of 64%.
- (e) **Notes** that progress towards achieving the 2025/26 Capital Works Programme has begun, and staff will report on this after the September 2025 quarter.

CARRIED

Councillor Fulton found it interesting how often outside factors impacted the delivery of the Council's Capital Work Programme, which could delay projects. He believed that when this occurred, the projects should be prioritised to ascertain if a better outcome could be achieved in the future.

Councillor Williams noted it was pleasing to see that some projects were coming in under budget.

Councillor Goldsworthy noted that this report was just a snapshot of the position on any given day; however, it was not the whole picture.

Councillor Fulton urged staff to report on the positive outcomes, i.e. projects under budget, more often to mitigate the negative information being circulated currently.

6. PORTFOLIO UPDATES

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

- The Annual Report was currently being audited and progressing well and was planned to be adopted on 7 October 2025.
- Debt at \$220 million and about \$16 million less than forecasted due to a slower Capital Works Programme.
- Added about \$14 million to Revaluation Reserves, primarily related to the revaluation of Parks and Reserves and Roading assets.
- Staff would be bringing an overview of the position to the new Council in November 2025 as a lead into the 2025/26 annual plan budget.

6.2 **Communications and Customer Services – Councillor Joan Ward**

Communications and Engagement

Following the Annual Plan engagement period, the team transitioned to proactive projects and events, including dog registration, a new car maintenance event, and emergency preparedness initiatives. It also led communications for the establishment of the Water Services Unit, discussed the Council's financial position, confirmed the route of the Rangiora Eastern Link, investment in the after-hours medical centres, and the finalisation of the District Plan.

- Media
 - Responded to 102 media queries
 - Proactively put out 30 media releases
- Engagement:
 - Ten Engagement projects included:
 - Youth Action Plan
 - Waikuku Beach Community Facilities Development Plan
 - Play and Public Spaces Survey
 - These projects had 7,600 visits, 5,800 were aware, 1600 made submissions.
 - There were 154 new registrations, primarily in the youth space, which took the participant database up to 3,102.
- Website:
 - 177,000 sessions on Council's website by 98,000 users
 - Notable spikes in web traffic were caused by:
 - Eastern Link route being confirmed
 - After-hours medical centre announcement
 - 1 May weather event
 - Top searches included the District Plan
- Social Media
 - Facebook continued to be the primary channel. 25,964 followers, 923 were new
- Design:
 - Some fun campaigns included:
 - Dog of the District
 - Northbrook story walk
 - Stronger Communities event
 - More serious campaigns included:
 - Full AP document
 - Let's Talk Community Development Plan

Councillor Fulton noted the 102 media queries and requested more information regarding these to be circulated.

Councillor Williams requested further data on the people blocked from the Council's website. J Millward noted people were only blocked if they contravened the Council's Policy, which was available online.

Customer Services

- To date, 2,215 rates rebates totalling \$1.767 have been processed. The new eligibility criteria had resulted in most applicants receiving the maximum rebate of \$805.
- The first instalment of rates was due on 20th August, 2,027 (out of 29,402) properties still had part of the first instalment owing at the penalty date.

- The discount for early payment ended in the last financial year. This year, the rates were paid in full on 1,548 rating units (not including Council-owned properties). Last year, with the discount, rates were paid in full on 2,166 properties.
- The District Rating Revaluation was progressing well. The Valuer General and the Team were currently auditing the revaluation. Rates staff attended the Audit Entry Interview on 8 September 2025. The final revaluation would be available towards the end of September.
- LIM numbers were closer to regular business as usual in August 2025; however, they had picked up again in the last two weeks. One hundred and seventy-five LIMs had been issued in August 2025.

Councillor Williams requested an explanation on how rates rebates were issued for people who did not receive rates bills. J Millward explained that this was when retirement villages received the rates bill, which included people who were eligible to receive a rebate. Therefore, while the residents did not actually receive the bill, an apportionment of the bill allowed for the rebate.

7. QUESTIONS

Nil.

8. URGENT GENERAL BUSINESS

Nil.

9. MATTERS TO BE CONSIDERED WITH THE PUBLIC EXCLUDED

In accordance with section 48(1) 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 (or sections 6, 7 or 9 of the Official Information Act 1982, as the case may be), it was moved:

Moved: Councillor J Goldsworthy

Seconded: Councillor J Ward

That the public be excluded from the following parts of the proceedings of this meeting:

- Item 9.1 Minutes of the Public Excluded Portion of the Audit and Risk Committee held on Tuesday, 12 August 2025
- Item 9.1 Deputation from Miles O'Connor – Bancorp Treasury

The general subject of each matter to be considered while the public was 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 were as follows:

Item No.	Subject	Reason for excluding the public	Grounds for excluding the public-
MINUTES			
9.1	Minutes of the Public Excluded Portion of the Audit and Risk Committee held on Tuesday, 12 August 2025	Good reason to withhold exists under section 7	To protect the privacy of natural persons, including that of deceased natural persons. LGOIMA Sections 7(2) (a).

Item No.	Subject	Reason for excluding the public	Grounds for excluding the public-
DEPUTATION/PRESENTATION			
9.2	Miles O'Connor – Bancorp Treasury	Good reason to withhold exists under section 7	To maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to members or officers or employees of any local authority in the course of their duty. LGOIMA Sections 7(2) (f(i)).

CARRIED

CLOSED MEETING

The public excluded portion of the meeting was held from 10.18am to 11.09am.

OPEN MEETING

Deputy Mayor Atkinson thanked the elected members who had served on the Audit and Risk Committee over the years, and their support of him as both Chairperson of the Committee and as the Deputy Mayor. He believed that the Audit and Risk Committee was one of the most critical committees in any local authority. He noted that the Committee had grown and progressed since its inception. Deputy Mayor Atkinson also thanked the staff for their support by ensuring the work was carried out to such a high standard. He wished his colleagues well in the upcoming elections.

Councillor Ward noted that the Council was fortunate to have highly knowledgeable staff who supported elected members. She also thanked the Chief Executive for his leadership during the last term.

NEXT MEETING

This was the final meeting of the Audit and Risk Committee for the 2022-25 electoral term.

The new Council would be sworn into office in late October 2025, with Council and Committee meetings resuming from mid-November 2025. Further information would be advertised and listed on the Council's website

THERE BEING NO FURTHER BUSINESS, THE MEETING CONCLUDED AT 11.10AM.

CONFIRMED



Chairperson



Chief Executive

16 September 2025

Date