

**MEETING OF THE  
RISK & ASSURANCE COMMITTEE**

**Thursday 21 November 2024**

**commencing at 10.30 am**

**at the Council Chambers,**

**1 Rosebank Office**

**BALCLUTHA**

# CLUTHA DISTRICT COUNCIL

Notice is hereby given that a Meeting of the Risk & Assurance Committee will be held in the Council Chambers, 1 Rosebank Terrace, Balclutha on Thursday 21 November 2024, commencing at 10.30 am.

Steve Hill  
**CHIEF EXECUTIVE OFFICER**

Mayor Bryan Cadogan (Acting Chair)  
Councillor Ken Payne (Deputy Mayor)  
Councillor Alison Ludemann (Corporate & Policy Committee Chair)  
Councillor Gaynor Finch (Regulatory & Community Committee Chair)  
Councillor Bruce Graham (Infrastructure Strategy & Operations  
Committee Chair)  
Councillor John Herbert  
Councillor Bruce Vollweiler  
Councillor Michele Kennedy

# RISK & ASSURANCE COMMITTEE

## 21 NOVEMBER 2024

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### APOLOGIES

Mayor Bryan Cadogan

### DECLARATION OF INTEREST

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

### URGENT BUSINESS

### PUBLIC FORUM

Item	Page #	Title
1.	10.	<b>Risk &amp; Assurance Committee Minutes</b> <i>(For the Committee's Confirmation)</i> Minutes of the Risk & Assurance Committee held 10 October 2024.
2.	18.	<b>Risk &amp; Assurance Chair Report</b> <i>(For the Committee's Information)</i> This report provides an update from the chair.
3.	19.	<b>Health and Safety, Risk and Major Projects Report</b> <i>(For the Committee's Information)</i> The purpose of this paper is to provide Risk and Assurance Committee with Health and Safety reporting-
4.	27.	<b>Protozoal and Bacterial Compliance Report</b> <i>(For the Committee's Information)</i> This report provides an update for each Water Treatment Plant (WTP) and their compliance with the Drinking Water Quality Assurance Rules (DWQAR) for Bacterial and Protozoal treatment.
5.	35.	<b>3 Waters Operations 3 Month Report</b> <i>(For the Committee's Information)</i> <i>This report</i> combines high level financial results for the Urban Water, Rural Water, Wastewater, Stormwater, Water Management and Water Operations business units.
6.	41.	<b>Risk &amp; Assurance Workplan Report</b> <i>(For the Committee's Information)</i> This report outlines a proposed workplan to the end of the 2024 year.

Item	Page #	Title
7.	43.	<p><b>Audit Recommendation Monitoring Report</b>  <i>(For the Committee's Information)</i>  This report provides an update on actions taken on recommendations from the Deloitte Final Report to Risk and Assurance Committee on the 30 June 2023 Annual Report Audit.</p>
8.	47.	<p><b>Financial Monitoring Report</b>  <i>(For the Committee's Information)</i>  This report combines the Financial Management Accounts and the Non-Financial Key Performance Indicators (KPIs).</p>
9.	50.	<p><b>Non-Financial Monitoring Report</b>  <i>(For the Committee's Information)</i>  To provide more timely reporting of Key Performance Indicators (KPIs) within Council activities by month instead of just in the Annual Report.</p>
10.	63.	<p><b>Treasury Management Report</b>  <i>(For the Committee's Information)</i>  This report includes the Treasury Services Advisory Report and the Investment Portfolio Compliance &amp; Monitoring Report.</p>
11.	98.	<p><b>Reasons To Move into Public Excluded Session</b>  <i>(For the Committee's Decision)</i>  The Risk &amp; Assurance Committee may by resolution or upon motion being made, exclude the public from the whole or any part of the proceedings of any meeting.</p>

## Risk & Assurance Committee - Delegations

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<b>Constitution</b>	<p>Members of the Committee will be made up of an Independent Chair, Mayor, Deputy Mayor, Chair of the Corporate &amp; Property, Service Delivery and Regulatory and Policy Committees and three other Councillors appointed by Council.</p> <p>Members will be appointed for an initial period not exceeding three years after which they will be eligible for extension or re-appointment, after a formal review of their performance. The Chief Executive and the General Manager Corporate Services will not be members of the Committee but may attend meetings as observers as determined by the Chairperson. The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Council. At least one independent member of the Committee should have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.</p>
<b>Meeting Frequency</b>	<p>6 times per year, or as required.</p> <p>To oversee aspects relating to audit and risk management.</p>
<b>Objective</b>	<p>The Risk &amp; Assurance Committee is an independent committee of Council.</p> <p>The purpose of the committee is to oversee:</p> <ul style="list-style-type: none"><li>• risk management</li><li>• internal control</li><li>• external accountability</li><li>• internal audit</li><li>• external audit and</li><li>• compliance with legislation, policies, and procedures.</li></ul> <p>The Committee has no executive powers and will conduct itself in accordance with the values and ethics of the Council. The Committee is directly responsible and accountable to the Council for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must always recognise that primary responsibility for management of the Council rests with the Chief Executive. The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, the Clutha District Council from time to time.</p> <p>The Council, at its meeting on 27 October 2022, established the Risk and Assurance Committee for the 2022-25 triennium.</p> <p>The Council authorises the Committee, within the scope of its role and responsibilities, to:</p> <ul style="list-style-type: none"><li>• obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);</li></ul>

- discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- request the attendance of any employee, including the Chief Executive and the General Managers of Corporate Services, Service Delivery and Regulatory and
- obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the Council's expense

**Quorum**

5 members

**Additional Attendees**

The Committee may invite various parties to attend its meetings. These parties may include other members of senior management or line managers as appropriate. When the Committee is considering a report, the manager responsible for the area under review will be given the opportunity to discuss the report with the Committee. Other elected members may attend but have no voting rights.

**Areas of responsibility**

**1. Risk Management**

- Ensure that Council has in place a current and comprehensive risk management framework and associated procedures and review for effective identification and management of Council's financial and business risks including fraud.
- Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings.
- Review the effect of the Council's risk management framework on its control environment and insurance arrangements.
- Review whether a sound and effective approach has been followed in establishing the Council's business planning continuity arrangements, including whether disaster recovery plans have been tested periodically and
- Review the Council's internal controls in relation to preventing fraud and satisfy itself that the Council has appropriate processes and systems in place to capture and effectively investigate fraud-related information and to ensure appropriate action is taken against perpetrators of fraud.

**2. Internal Control**

Review whether management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisers, is sound and effective.

Review whether management has in place relevant policies and procedures, and that these are periodically reviewed and updated.

Determine whether the appropriate processes are in place to assess, at least once a year, whether policies and procedures are complied with.

Review whether appropriate policies and procedures are in place for the management and exercise of delegations.

Consider how management identifies and required changes to design or implementation of internal controls and

review whether management has taken steps to embed a culture that is committed to ethical and lawful behaviour.

### 3. External Accountability

The Committee's responsibilities are to:

Review the financial statements and provide advice to the Council, including whether appropriate action has been taken in response to audit recommendations and adjustments.

Satisfy itself that the financial statements are supported by appropriate management sign-off on the statements and on the adequacy of the systems of internal controls.

Review the processes in place designed to ensure that financial information included in the Council's annual report is consistent with the signed financial statements.

Review the processes and risk assessment that are in place for the development and adoption of the Council's Long-Term Plan.

Satisfy itself that the Council has appropriate mechanisms in place to review and implement, where appropriate, relevant external audit reports and recommendations; and

Satisfy itself that the Council has a performance management framework that is linked to organisational objectives and outcomes.

### 4. Internal audit

The Committee's responsibilities are to:

Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors.

Review the internal audit coverage and annual work plan, ensure that the plan is based on the Council's risk management plan, and recommend approval of the plan on behalf of the Council.

Advise the Mayor and Chief Executive on the adequacy of resources to carry out the internal audit, including completion of the approved internal audit plan.

Oversee the co-ordination of audit programs conducted by the internal and external auditors and other review functions.

Review all audit reports and provide advice to the Council on significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of good practice.

Monitor management's implementation of the internal auditor's recommendations.

Review the internal audit charter to ensure that appropriate organisational structures, authority, access, and reporting arrangements are in place.

### 5. External audit

The Committee's responsibilities are to:

Act as a forum for communication between the Chief Executive, senior management, and internal and external auditors.

Provide input and feedback on the financial statements and the audit coverage proposed by the external auditor and provide feedback on the audit services provided.

Review all external plans and reports for planned or completed audits and monitor management's implementation of audit recommendations.

Oversee the co-ordination of audit programs conducted by the internal and external auditors and other review functions and

Provide advice to the Council and Chief executive on action taken on significant issues raised in relevant external audit reports and good practice guides.

### 6. Compliance with legislation, standards, and good practice guidelines

The Committee's responsibilities are to:

Determine whether management has appropriately considered legal and compliance risks as part of the Council's risk assessment and management arrangements and

Review the effectiveness of the system for monitoring the Council's compliance with relevant laws regulations, and associated government policies.

## Financial Delegations

7. Financial delegations are identified in Appendix B – Financial Delegations.

## Power to resolve

8. In exercising the delegated powers, the committee will operate within policies, plans, standards, or guidelines that have been established and approved by Council, the overall priorities of Council, the needs of the local communities and the approved budgets for the activity.

## Power to recommend to Council

9. Strategic Finance

Financial Strategy.

Revenue and Financing Policy matters (excluding rates reviews).

Treasury Management and Borrowing and Investment Policies.

Adoption of Annual Report.

Investment strategy.

Borrowing.

Management policies (e.g. fraud, sensitive expenditure).

10. Risk

Risk Management Policy (setting Council's appetite for risk).

Risk Management outside of budgets (e.g. insurance).

Risk Management outside of Risk Management Policy.

Delegations Policy to Chief Executive and direct to officers where required.

Insurance (including self-insurance) within policy and budgets.

## Power to monitor

11. Strategic Finance

Investment Policy compliance.

Debt Policy compliance.

Financial Strategy compliance

i. risk and opportunities monitoring

ii. capital programme monitoring.

Financial Strategy monitoring.

Investment monitoring (including return on investment for cash and property.

Debt monitoring.

12. Risk

Risk management framework.

Major project monitoring.



Debt risk management.

External audit.

Internal control framework

- i. internal audit
- ii. sensitive expenditure
- iii. conflicts of interest.

Legal compliance.

Health and Safety culture and compliance.

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## **Risk & Assurance Committee**

### **Item for CONFIRMATION**

<b>Report</b>	Confirmation of Minutes
<b>Meeting Date</b>	21 November 2024
<b>Item Number</b>	1
<b>Prepared By</b>	Sonia Farquharson – Finance and Policy Administrator
<b>File Reference</b>	920111

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#### **REPORT SUMMARY**

Attached are the unconfirmed minutes of the Council's Risk & Assurance Committee meeting held 10 October 2024.

#### **RECOMMENDATION**

- 1. That the Risk & Assurance Committee confirms as a true and correct record the minutes of the Risk & Assurance Committee held 10 October 2024.**

## Risk & Assurance Committee

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Minutes of the meeting of the Risk & Assurance Committee held in the Council Chambers, 1 Rosebank Terrace, Balclutha, on Thursday 10 October 2024, commencing at 10.33am

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**Present** David Ward (Chairperson), Councillors Bruce Graham, John Herbert, Gaynor Finch, Michele Kennedy, Alison Ludemann, Ken Payne and Bruce Vollweiler.

**In Attendance** Steve Hill (Chief Executive) Jules Witt (Deputy Chief Executive), Sharon Jenkinson (Chief Financial Officer), Peter Stafford (Strategic Planning Manager), Christina Johnston (Manager Risk Management), Daniel Pickup (Team Leader Compliance & Reporting), Linda Till (Manager Three Waters), Greg Bowie (Financial Accounting Team Leader), Via teams -Trey Willis Croft (Financial Support Accountant), Councillors Wayne Felts, Simon McAtamney, Diane Byars (Communications Manager) and Sonia Farquharson (Finance & Policy Administrator).

Heidi Rautjoki, Blair Smith (Deloitte)

**Apologies** His Worship the Mayor Bryan Cadogan

***Moved Councillor Finch / Vollweiler and Resolved:***

***“That the apology be sustained.”***

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The Chair David Ward welcomed Councillors, staff, members of the public to the meeting and advised that this meeting was being livestreamed and said a Karakia.

Chair David Ward introduced himself as it was his first meeting as chair for the Risk & Assurance Meeting. He emphasised that he has an open-door policy, on phone, email or text. Thanked everyone involved for welcoming him as the new chair and is very proud of being the new chair. He mentioned that a workshop will be held mid to late January 2025 to discuss the following year’s work programme.

## DECLARATIONS OF INTEREST

There were no declarations of interest.

## URGENT BUSINESS

There was no urgent business.

## PUBLIC FORUM

There was no public forum.

### 1. CONFIRMATION OF MINUTES

The minutes of the meeting of the Risk & Assurance Committee held on 29 August 2024 were submitted for confirmation.

- Correction to be made to the minutes for the resolution adopting the minutes of the previous meeting, resolution to correct the date 2024, it should read *“That the Risk & Assurance Committee confirms as a true and correct record the minutes of the Risk & Assurance Committee held 18 July 2024.”*

***Moved Councillor Herbert /Payne and Resolved:***

***“That the Risk & Assurance Committee confirms as a true and correct record the minutes of the Risk & Assurance Committee held 29 August 2024.”***

### 2. RISK STATUS PROGRESS REPORT

The purpose of this paper is to provide the Risk and Assurance Committee with risk status information for the organisation’s various risk themes.

This paper’s focus is on Top Risk #1: “Public health and resource consent breaches (Water Safety and continuity risks)”.

Christina Johnston (Manager Risk Management) was in attendance to speak to the report and answer any questions, with the following key discussion points:

- Typo in the ‘background report’ date of report December 2024, should be December 2023.
- Will the South Bruce rural water scheme be affected by new rules Taumata Arowai are currently consulting on (up to 500 people) with the removal of Waihola – NO - the proposed population will still be at 658. Only two schemes affected – Owaka & Lawrence, however we can comply at a higher level than required.
- Council intends to put in a submission regarding the level 2 supplies prior to 18 October.

***Moved Councillors Finch / Graham and Resolved:***

***“That the Risk & Assurance Committee receives the Risk Status Progress Report – ‘Public health and resource consent breaches (Water Safety and continuity risks)’ held on 10 October 2024”.***

Christina Johnston (Manager Risk Management) left the meeting at 10.49am.

**3. ANNUAL RESIDENTS SURVEY DISCUSSION**

This survey provides a snapshot of the public perception of Council’s performance and is required for several performance measures. Changes to survey results may take time and would be most likely incorporated into Activity Management plans and LTP processes.

Jules Witt (Deputy Chief Executive) was in attendance to speak to the report and answer any questions, with the following key discussion points: The following points were highlighted:

- Please note that this information has been to council but was requested to come back for further discussion.
- Consideration to be given to - are the questions, right? is the timing right, how are we using this data?
- The results have already been circulated for this year.

***Moved Councillors Graham / Kennedy and Resolved:***

***“That the Risk & Assurance Committee receives the ‘2024 Annual Residents Survey Discussion’ report, held on 10 October 2024”.***

**4. PROTOZOAL AND BACTERIAL COMPLIANCE REPORT**

This report provides an update for each Water Treatment Plant (WTP) and their compliance with the Drinking Water Quality Assurance Rules (DWQAR) for Bacterial and Protozoal treatment.

Daniel Pickup (Team Leader Compliance & Reporting) and Linda Till (Head of Three Waters) were in attendance to speak to the report and answer questions. The following points were highlighted:

- Page 81: installation of the UV treatment at Tapanui would provide a multi-barrier approach to Protozoal treatment, when is that being installed? Staff advised they have been advised there may be another option, and they are considering this at present, it will be reported back at the next meeting, additional budget might be required.
- Have we installed the wrong UV unit at Moa Flat, there has been no compliance for over a year. The plant upstream is not getting the water to a state to be treated, we are looking at some combinations to remedy this. A meeting is to be held with the water schemes affected and will be reported back to the next meeting. There will

be an answer to the question why we have spent \$4M and we cannot get compliant water. The legal review of the contract will be back in the next few weeks too.

- One change to the report due to the weather event since the paper has gone out, that the Stirling water plant has had a failure due to the filter, could be some significant repairs and a longer repair, and may require a longer boil water notice.
- There have been impacts from the flooding event since this report was written, our insurers have been notified and we continue to talk with them, however costs are not yet quantified. There is a checklist being completed for each plant to give us a full picture. Wastewater plants have been the most affected overall. There will also be an impact on our work programme.
- Acknowledgment of the work the team has been doing to get these plants up and running.
- ORC and Iwi are being kept informed of any consent issues.

***Moved Councillors Finch / Herbert and Resolved:***

***“That the Risk & Assurance Committee receives the ‘Protozoal and Bacterial Compliance Report’, dated 10 October 2024.”***

## **5. RISK AND ASSURANCE WORKPLAN REPORT**

This report outlines the proposed workplan to the end of the 2024 year.

Sharon Jenkinson (Chief Financial Officer) was in attendance to speak to the report and answer any questions. The following points were highlighted:

- There have been 3 additional items added relating to the Annual Report recommendation to Council and reports to Risk & Assurance on eth audits of both the Annual Report and the Long-Term Plan from Deloitte. These will be presented in the Risk and Assurance Public Excluded meeting.
- The chair is proposing a mid to late January 2025 workshop – dates to consider are 20 January or 27 or 28 January 2025. The purpose of the workshop is to shape the future workplan and what the committee would like to see for the 2025 calendar year. Possible topics to discuss:
  - Reading financials
  - Cost of water compliance
  - Papers on more than one committee agenda
  - Landfill aftercare cost
  - Retention of staff
  - Three waters drivers of public perception
  - Central Government relationship
  - Responding to survey results
  - Incorporate PCG items
  - Consent status
  - Fraud preventions
  - IT security
  - Milton Pool project
  - Greenfields project.

***Moved Councillors Herbert / Payne and Resolved:***

***“That the Risk & Assurance Committee receives the ‘Risk and Assurance Workplan Report’, dated 10 October 2024.”***

## **6. AUDIT RECOMMENDATION MONITORING REPORT**

This report provides an update on actions taken on recommendations from the Deloitte Final Report to Risk and Assurance Committee on 30 June 2023 Annual Report Audit.

There have been no changes since the last meeting, however as the audit of the 30 June 2024 Annual Report is substantially complete Deloitte will issue a report to the Risk and Assurance Committee with recommendations updated based on their findings.

Sharon Jenkinson (Chief Financial Officer) was in attendance to speak to the report and answer any questions. The following points were highlighted:

***Moved Councillors Finch / Kennedy and Resolved:***

***“That the Risk & Assurance Committee receives the ‘Audit Recommendation Monitoring Report’, dated 10 October 2024.”***

## **7. FINANCIAL MONITORING REPORT**

This report outlines the Financial Management Accounts for the period 1 July 2024 to 31 August 2024.

Trey Willis-Croft (Financial Support Accountant) was in attendance via teams to speak to the report and answer any questions.

***Moved Councillors Vollweiler /Graham and Resolved:***

***“That the Risk & Assurance Committee receives the ‘Financial Monitoring Report’, dated 10 October 2024.”***

## **8. NON-FINANCIAL MONITORING REPORT**

This report outlines the non-financial key performance indicators within activities by month.

Trey Willis-Croft (Financial Support Accountant) was in attendance via teams to speak to the report and answer any questions. The following points were highlighted:

- Capital projects will only be calculated at year end.

- Regulatory and building and Planning teams now have separate KPI's rather than the combined ones in past LTPs.
- Discussion on cost of infringement notices, this is to be added to future reports.

***Moved Councillors Payne / Graham and Resolved:***

***"That the Risk & Assurance Committee receives the 'Non-Financial Monitoring Report', dated 10 October 2024."***

## 9. TREASURY MANAGEMENT REPORT

This report covers Council's Investment and Borrowing portfolios, the monitoring of these and compliance with Council Policy. The report also includes information regarding Council's loans with LGFA, their maturity dates and interest rates.

Greg Bowie (Financial Accounting Team Leader) was in attendance to speak to the report and answer any questions. The following points were highlighted:

- There was an update on the Nikko portfolio for September, there was a further increase of \$211k, bringing the YTD cumulative return up to 2.55%.

***Moved Councillors Kennedy/ Herbert and Resolved:***

***"That the Risk & Assurance Committee receives the 'Treasury Management Report', dated 10 October 2024."***

## 10. REASONS TO MOVE INTO PUBLIC EXCLUDED

***Moved Councillors Finch / Vollweiler and Resolved:***

***"That the Risk & Assurance Committee receives the 'Reasons to Move to Public Excluded Session' report."***

***That if required, the Risk & Assurance Committee excludes the public from the following part of the proceedings of this meeting pursuant to the provisions of the Local Government Official Information and Meetings Act 1987 namely:***

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Annual Report 2023/24	To allow the auditors to have a discussion with the elected	A2(f) Maintain the effective conduct of public affairs through the



	members prior to the adoption of the Annual Report.	protection of such members, officers, employees, and persons from improper pressure or harassment.
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This resolution is made in reliance on Section 48(1)(a) of the Local Government Official Information and Meetings Act 1987, and the particular interest or interests protected by Section 6 or Section 7 of that Act or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown after each item.

The meeting took a 5-minute break at 11.32am.

The meeting moved into Public Excluded session at 11.37 am.

The meeting moved back into public session-at 12.11 pm.

The meeting closed with a Karakia at 12.12 pm.

Read and Confirmed

David Ward  
**CHAIRPERSON**

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## **Risk & Assurance Committee**

### **Item for INFORMATION**

<b>Report</b>	Risk & Assurance Chair Verbal Report
<b>Meeting Date</b>	21 November 2024
<b>Item Number</b>	2
<b>Prepared By</b>	David Ward – Risk & Assurance Chair
<b>File Reference</b>	922030

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### **REPORT SUMMARY**

This report provides a placeholder for a verbal update from David Ward chair of the Risk & Assurance Committee. Principally David will be talking to the Committee about the upcoming workshop on Tuesday the 28<sup>th</sup> January 2025 and topics to be included in the 2025 Audit & Risk Workplan.

### **RECOMMENDATION**

- 1. That the Risk & Assurance Committee receives the Risk & Assurance Chair Verbal Report.**

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## **Risk & Assurance Committee**

### **Item for INFORMATION**

<b>Report</b>	Health and Safety, Risk and Major Projects Report
<b>Meeting Date</b>	21 November 2024
<b>Item Number</b>	3
<b>Prepared By</b>	Christina Johnston – Manager Risk Management Jocelyn Lindner – Health and Safety Advisor
<b>File Reference</b>	920112

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#### **REPORT SUMMARY**

The purpose of this paper is to provide Risk and Assurance Committee with Health and Safety reporting for the period 1 July – 30 September (Quarter 1, FY 24/25).

This paper also reports on our Organisational Risk Profile and the Major Projects - Category A Risk Register.

#### **RECOMMENDATIONS**

- 1. That the Risk & Assurance Committee receives the Health & Safety, Risk and Major Projects report.**

## HEALTH AND SAFETY

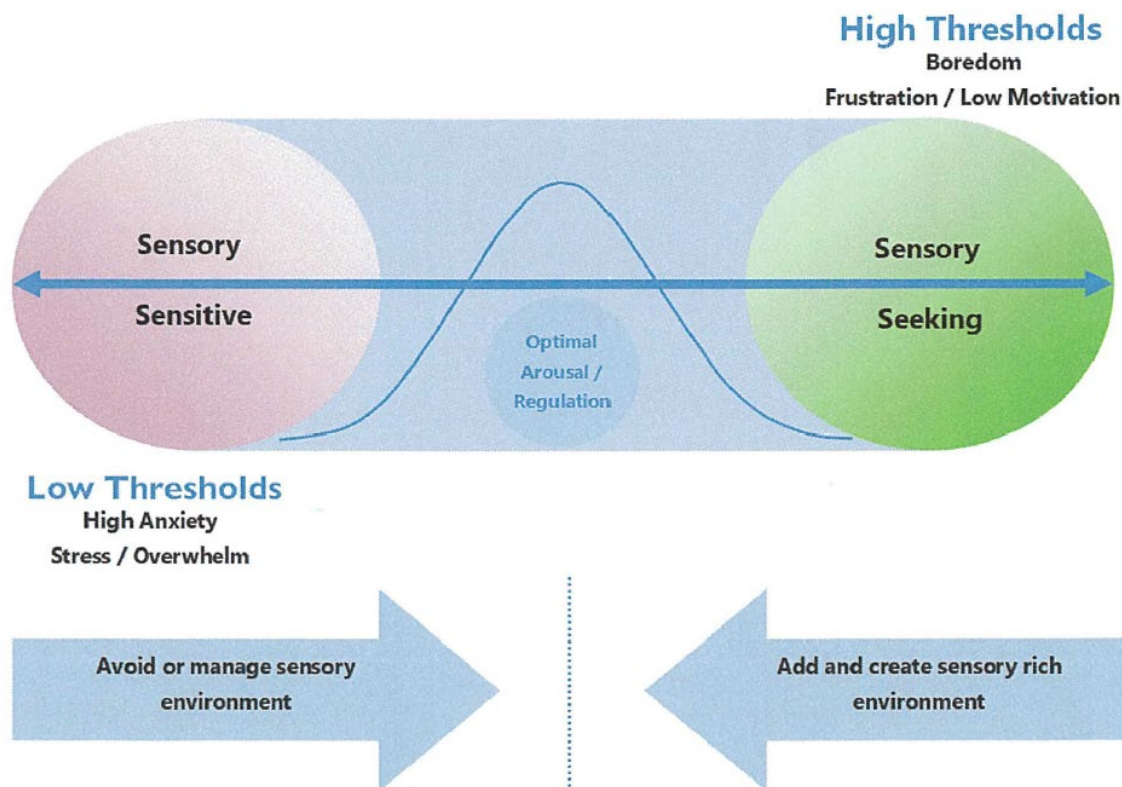
### Policy and Planning

#### 1. Health and Safety Committee (HSC):

The HSC has held regular monthly meetings since their formation in May.

- The HSC is a safe place for workers to learn and lead discussions regarding mental and physical health.
- The HSC reviews issues reported through Safety Culture that are open and past due by thirty days. Controls and other recommendations are shared with the person assigned to close the issue. However, the HSC is considering how to make the transfer of information more efficient.
- There have been three workshops to review and develop the H&S Policy which is now ready for consultation.
- H&S Representatives (HSRs) agreed to the professional development pathway and began Stage 1 Training with IMPAC.
- HSRs are heavily resourced with access to the Safety Culture dashboard, HSC SharePoint, and encouraged to utilise HSR Connection Point through WorkSafe.
- HSRs have been trained to operate the new PPE system with Leedsafe.

The HSC had the privilege to host a couple of guests this quarter. Kylie Wild, occupational therapist and part owner of Neuro Sense, spoke to the HSC about Neurodiversity and sensory tools in the workplace at the July meeting. These products help foster calm and focus which ultimately improve productivity. All HSRs completed DivergenThinking training (see more information in "Monitoring – Risks"). Learnings from this training complimented the information shared by Kylie.



Rob Kirkwood, an expert in contemporary safety and organisational performance, introduced the five principles of Human and Organisational Performance (HOP) to the HSC at the August meeting. These principles were considered in the development of the new H&S Policy.



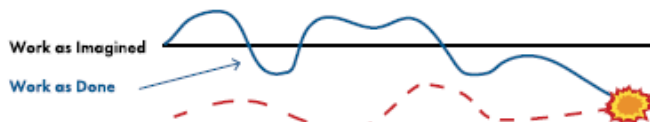
## 2. Activity Management and Action Plan

The Health & Safety Team have developed our 2025 Activity Management Plan that outlines key focus areas and associated Key Performance Indicators for the year. To drive progress, our annual Action Plan has also been drafted to help meet these objectives and the organisation's vision. This Action Plan will first be reviewed and approved by the HSC, and thereafter, they will monitor it regularly to ensure all actions are implemented and we are performing.

The objectives are centred around supporting leadership and Health and Safety Representatives fulfilling their roles and fostering a culture where team members take ownership of great work that leads to health and safety as an outcome. The Health and Safety Team are working toward applying the HOP philosophy, something that has been building for the last two years. We would redefine our definition of Health as Safety as "Health and Safety is the presence of capacity, controls and is an outcome of great work".

Learning from normal work will be one area of focus for the organisation.

The black line/blue line illustrates what we think is happening versus how work is actually done, the red line depicts the hazard, or the inherent risk associated with a task or activity. HOP through learning, helps us get closer to the truth for decision making and ultimately minimise risk of prosecution.



## 3. Ongoing Policy Reviews and Developments:

The following major health and safety policies and procedures are currently under review:

- **The Drug and Alcohol Policy and Handbook** (Under Legal review)
- **Health, Safety, and Wellbeing Procedure** (Review due: 26 January 2020)
- **Health and Safety Policy** (Review due: 8 December 2023)
- **Leadership and Worker Engagement Procedure (Health and Safety Governance Policy)** (Review due: 2019)

## Delivery

### 1. Three Waters

Health and Safety improvements that were identified prior to the transition are still being monitored, there are only two remaining, relating to gantry assessments and Location Compliance Certification.

- Gantry assessments - The gantry assessments have been completed but further investigation is underway to obtain certification without expensive upgrades - No progress has been achieved since our last report.
- Limited progress has been made since our last report, primarily due to the auditor's limited capacity. Health & Safety staff have been in discussions with WorkSafe and on their recommendation a new auditor has been engaged. Currently, all fifteen plants requiring certification have expired. This issue is attributed to the auditor's availability rather than any unfitness of the sites, though we anticipate some improvement recommendations may arise. The auditor has communicated the certification delay to WorkSafe.

The following areas have been reported, considered high-risk, remain unresolved, and require oversight:

Outstanding/unresolved issues	Risks	Current corrective actions
Several Wastewater Booster Pump Stations require attention, with some described as a "serious health and safety concern"	<ul style="list-style-type: none"> <li>○ Electrocution</li> <li>○ Asset failure</li> <li>○ Financial</li> </ul>	<ul style="list-style-type: none"> <li>○ Lawrence has been prioritized for refurbishment due to critical need (estimated cost: \$50k).</li> <li>○ Review planned for all sites.</li> <li>○ An audit has been developed in SafetyCulture for regular asset inspections.</li> <li>○ SOP development is underway.</li> </ul>
Request for welfare facilities (toilets and handwashing) at Water and Wastewater Treatment Plants	<ul style="list-style-type: none"> <li>○ Legal noncompliance (Duty to provide welfare facilities under General Risks and Workplace Management Regulations 2016)</li> <li>○ Hygiene</li> <li>○ Financial</li> </ul>	<ul style="list-style-type: none"> <li>○ Portaloo-type facilities have been purchased for a limited number of sites</li> <li>○ No corrective actions agreed</li> </ul>

## Monitoring

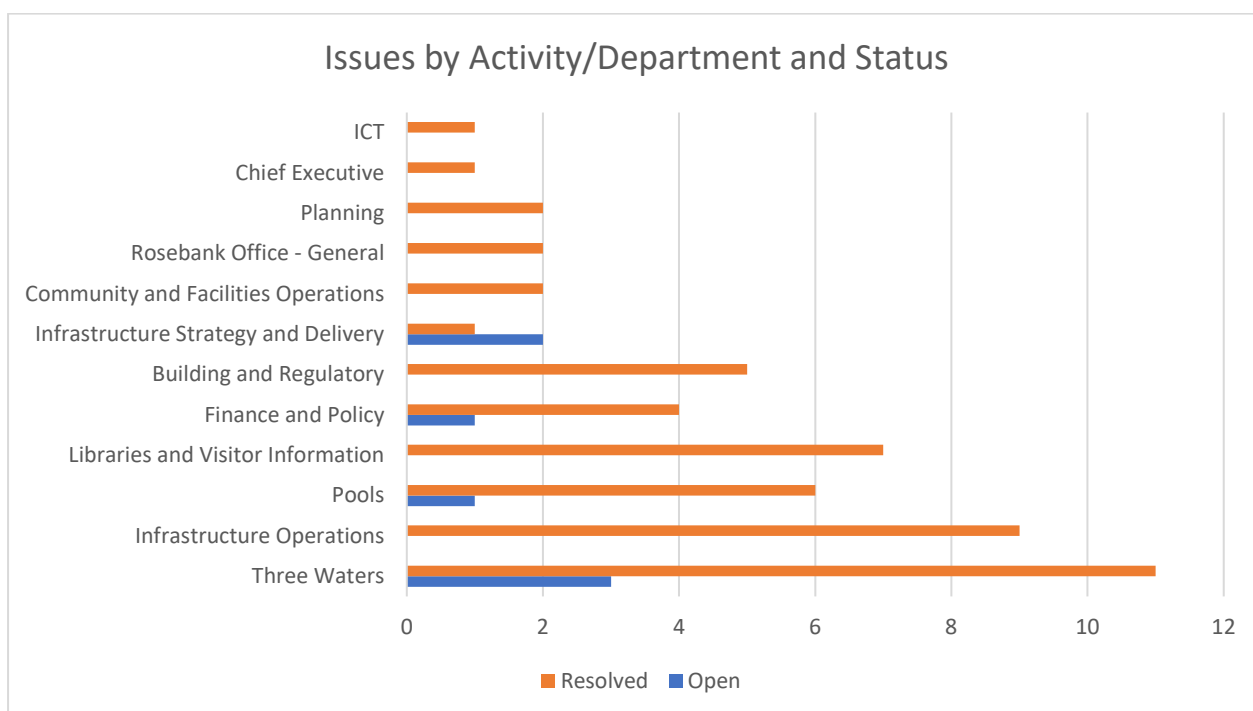
### 1. Health and Safety reported issues

58 issues were reported this quarter

- 88% have been resolved
- 11% remain open
- 50% were rated as Low
- 47% were rated as Medium
- 2% were rated as High

The issues reported as high were:

1. Racial hate speech - Resolved
2. Roll over – Three Waters staff member rolled vehicle – Open



### 2. Risks

#### Staff Security

Threats and abusive behaviour are a recognised critical risk, with staff increasingly vocalising concerns and are cautious of the current environment. OPSEC, a security specialist, has provided recommendations specific to the Rosebank Office, which can be applied across other sites. This review process is being drafted, and additional mitigation strategies have been proposed by the Health and Safety Committee. The Library and I-site leadership are workshopping this issue as well.

#### Stress

Stress is recognised as a critical risk. The elements that typically cause stress to relate to poor leadership, communication, and processes. Clutha Stars aims to address these, and positively impact mental health while achieving high performance.

During this period, it was Mental Health Awareness Week. Our organisation demonstrated its commitment to mental health through the following initiatives:

- **DivergenThinking Training:** Three DivergenThinking sessions, a key component of Clutha Stars, were conducted to support the mental wellbeing of all staff intentionally.
- **E-Learning module on psychosocial hazards:** The Health & Safety team launched an online module focused on Safety Culture, specifically covering psychosocial hazards. Psychosocial risks in the workplace can harm employees' physical and mental health, and it's essential to manage these risks effectively.
- **Daily mental health tips:** The HR team shared daily emails with practical tips to support and enhance mental health for all staff.

WorkSafe is consulting on proposed guidelines for managing psychosocial risks at work. These good practice guidelines matter because it will support us in mitigating our Stress risk. The guide will describe in plain language:

- businesses' legal obligation to manage psychosocial risks
- the importance of mentally healthy work
- how to use a risk management process to manage psychosocial risks
- how to respond when workers have been exposed to psychosocial risks
- further related guidance on specific psychosocial risks such as bullying, sexual harassment and work-related stress.

The HR team, as the internal owners of our Bullying and Harassment Policy, are currently conducting a review of the policy.

## Review

### 1. Audits and Actions

Officer due diligence includes the duty to verify, which entails ensuring that adequate systems are in place. One such system is our Actions ticketing process, designed to address risks, hazards, and operational needs. This process ensures that actions are assigned when issues are identified, signalling the need for follow-up—whether the issues arise from an audit or are based on staff observations of items needing attention (referred to as “no template” items).

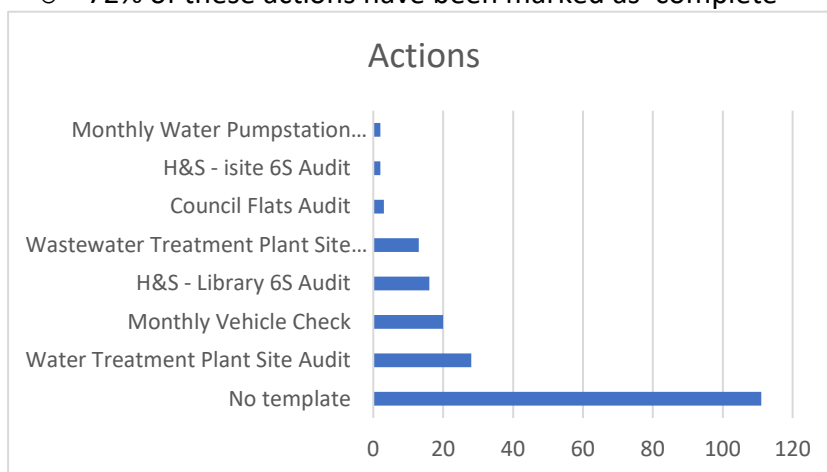
A total of 554 audits were completed during this period. A sample is described in the table below:

Template	Inspections	Template	Inspections
Monthly Vehicle Check	210	Reticulation Site Audit	9
Monthly Water Pumpstation Inspection	161	SIDE BY SIDE (LUV) PRESTART CHECKLIST	7
Water Treatment Plant Site Audit	29	First Aid Kit Check - Small	7
Water Restrictor Inspection - Urban Clinton 24	27	H&S - Library 6S Audit	5
Wastewater Treatment Plant Site Audit	24	Worksite Audit - Greenspace	5
External - Community Hall Inspection	13	H&S - Contractor Site Audit - Roothing	4
Drinking Water Reservoir Inspection	11	H&S - Contractor Site Audit #1	3



195 Actions were created this quarter from 10 different Audit templates.

- 72% of these actions have been marked as 'complete'



### Risk update

1. No changes have been made to our critical and high-risk profile.

### Risk Dashboard

This reports on the critical and high risks and the movement of the residual risk rating since the last reporting period.		Q1 Residual risk rating	Movement
1	Public health and resource consent breaches	Red	→
2	Failure to manage response to and the impacts of Central Government Reforms	Red	→
3	Water services assets and/or operations failure	Red	→
4	Non-compliance with legal and policy obligations	Yellow	→
5	Misalignment of strategic capacity for delivery of Asset Management plan	Yellow	→
6	Ineffective people leadership	Yellow	→
7	Lack of clear business continuity processes in place	Yellow	→
8	Failure to deliver the program of capital works	Yellow	→
9	Failure to manage an effective response to climate change	Yellow	→
10	Failure to meet service delivery commitments	Yellow	→
11	Failure to implement procurement processes successfully	Yellow	→
12	Failure to give effect to Te Tiriti and build successful Iwi/Mana Whenua partnerships	Yellow	→
13	Failure to implement a strong organisational culture	Yellow	→
14	Failure to manage regulatory change from the ORC or Taumata Arowai	Yellow	→

<b>Key insights: Activities happening at Council that impact our risks</b>	
3 Waters service delivery	3 Waters are continuing to negotiate the Three Waters Reticulation Operations and Maintenance Contract.
Leadership	The final cohort of leaders to complete Clutha Stars is underway. The purpose is for Leadership within teams to demonstrate a commitment to values, customer focus, employee development, and effective communication.
Iwi partnerships and Te Tiriti	A key issue identified among staff is a gap in understanding their specific responsibilities, particularly in relation to their roles in managing consents. This is especially true for those who are new to consent management. To address this, a leadership group has been set up to develop KPIs focused on compliance and iwi-related responsibilities, while a People-focused leadership team will concentrate on Cultural Competency KPIs. Additionally, a separate fortnightly leadership hui has been established to work on meeting outstanding resource consents that include iwi conditions. Regular hui continue with Aukaha, and a relationship is growing with Hokonui.
Human Resourcing	Recruitment: 3 current open vacancies, 2 vacancies currently interviewing for. Staff on payroll – 195 Performance and percentage reviews completed. Successful HRIS implementation completed.

### “Major Projects/Category A” Risk Register Update

- The Council agreed on the Category A projects for 2025/26, which will undergo regular reporting and monitoring by the Risk & Assurance Committee. This decision was made on 12 September, and risk assessments with Project Managers are to be completed.
  - Balmoral/Tuapeka Rural Water Scheme & Lawrence New Supply
  - ERP Upgrade (IT)
  - Milton Community Pool/Library Hub Project
  - Milton Main Street Group of projects
  - Mt Cooee Landfill Group of Projects
  - Wastewater Compliance Group of Projects
  - Water Compliance Group of Projects
  - Rural/Urban Water Scheme Funding Policy

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## Risk & Assurance Committee

### Item for INFORMATION

<b>Report</b>	Protozoal and Bacterial Compliance Report
<b>Meeting Date</b>	21 November 2024
<b>Item Number</b>	4
<b>Prepared By</b>	Keiran Medel – Senior Compliance Engineer Daniel Pickup – Team Leader Compliance and Reporting
<b>File Reference</b>	920113

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### REPORT SUMMARY

This report provides an update for each Water Treatment Plant (WTP) and their compliance with the Drinking Water Quality Assurance Rules (DWQAR) for Bacterial and Protozoal treatment. The report aims to identify the cause of non-compliance, and the improvement works required to achieve compliance with the DWQARs. The supply is considered compliant if it meets the requirements of the relevant Bacterial and Protozoal rules for more than 95% of the reporting period at the treatment plant and in 85% of the samples collected from the distribution network.

### RECOMMENDATIONS

- 1. That the Risk & Assurance Committee receives the Protozoal and Bacterial Compliance Report.**

### BACKGROUND

The reporting period for September and October 2024 saw an improvement in Urban Water Bacterial compliance compared with the August 2024 reporting period. The Urban Water Protozoal compliance saw an improvement in compliance during September and October 2024 compared with the August 2024 reporting period as the Balclutha supply remained compliant.

The reporting period for September and October 2024 saw a decrease in compliance for Rural Water Bacterial and Protozoal compliance compared with the August 2024 reporting period. Rural WTPs supply several distribution networks subject to a Boil Water Notice (BWN), i.e., Moa Flat, North Bruce, Waitahuna, and Tuapeka West.

Waitahuna and Tuapeka West supplies will not achieve full compliance without significant upgrades and will be replaced by the Greenfield Rural scheme.

# URBAN WATER COMPLIANCE WITH DWQARs FOR BACTERIOLOGICAL AND PROTOZOAL COMPLIANCE

For the period 1 September to 31 October 2024 an assessment has been completed against the DWQARs. Clutha has used the rules relating to bacterial and protozoal compliance that replaced those in the DWSNZ. The modules in the DWQARs used to assess bacterial and protozoal compliance depend on the population size supplied by the treatment plant. The results of this testing are as below.

## 1 - Bacteriological Compliance 1 September to 31 October 2024

Name	Treatment Plant	Population	Bacto Compliant? 1 Sept - 30 Sept 2024	Bacto Compliant? 1 Oct - 31 Oct 2024	Improvement Work/Comments
Balclutha	Balclutha	4002	Yes T3 100% Compliant. D3 100% Compliant.	Yes T3 100% Compliant. D3 100% Compliant.	N/A
Clinton Township	Clydevale-Pomahaka	300	Yes T3 100% Compliant. D3 100% Compliant.	Yes T3 100% Compliant. D3 100% Compliant.	N/A
Kaitangata Township	Kaitangata	780	Yes T3 100% Compliant. D3 100% Compliant.	Yes T3 100% Compliant. D3 100% Compliant.	N/A
Kaka Point Township	Puerua	235	Yes T3 95% Compliant. D3 100% Compliant.	No T3 90% Compliant. D3 100% Compliant. Refer to comments a), and c).	UV non-compliances caused by the wet weather event.
Lawrence	Lawrence	430	Yes T2 100% Compliant. D2 100% Compliant.	Yes T2 99% Compliant. D2 100% Compliant.	Minor UV non-compliances.
Milton	Milton	1929	Yes T3 98% Compliant. D3 100% Compliant	Yes T3 97% Compliant. D3 100% Compliant	Minor FAC non-compliances.
OCF	Milton	600	Yes T3 98% Compliant. D3 100% Compliant	Yes T3 97% Compliant. D3 100% Compliant	Minor FAC non-compliances.
Owaka	Owaka	315	Yes T3 97% Compliant. D3 100% Compliant	Yes T3 98% Compliant. D3 100% Compliant.	N/A
Stirling Township	Stirling	309	Yes T3 98% Compliant. D3 100% Compliant.	No T3 94% Compliant. D3 95% Compliant. Refer to comment a).	UV non-compliances caused by the wet weather event.

Tapanui	Tapanui	760	Yes T3 100% Compliant. D3 100% Compliant.	No T3 77% Compliant. D3 70% Compliant. Refer to comments b), and d).	FAC non-compliances caused by the wet weather event.
Waihola Township	Milton (Oct 2024)	430	No T3 70% Compliant. D3 94% Compliant. Refer to comments a), b), c), and e).	Yes T3 97% Compliant. D3 100% Compliant	Minor FAC non-compliances.
<b>Total</b>		<b>10090</b>	<b>96%</b>	<b>87%</b>	

- a. UV Non-compliance: The UV dose was not maintained for the required period to achieve compliance.
- b. FAC Non-compliance: The chlorine dose rate and/or contact time was not maintained for the required period to achieve compliance.
- c. Turbidity Non-compliance: The turbidity in the treated water exceeded the maximum allowable NTU.
- d. Chlorine residual in the distribution zone must be above 0.2 mg/l in 85% of all samples collected. Results cannot be less than 0.1 mg/l.
- e. Waihola is on a long-term BWN due to the inadequate barriers at the treatment plants. It is now supplied by the Milton WTP.

## 2 - Protozoal Compliance 1 September to 31 October 2024

Name	Serviced Zones	Population	Proto Compliant? 1 Sept - 30 Sept 2024	Proto Compliant? 1 Oct - 31 Oct 2024	Improvement Work
Balclutha	Balclutha	4002	Yes T3 99% Compliant.	Yes T3 100% Compliant.	NA
Lawrence	Lawrence	430	Yes T3 100% Compliant.	Yes T3 99% Compliant.	Minor UV Non-compliances.
Milton	Milton + OCF + Waihola	2529	Yes T3 100% Compliant	Yes T3 99% Compliant.	Minor membrane non-compliances.
Owaka	Owaka	315	Yes T3 96% Compliant	Yes T3 98% Compliant.	Improvements must be made to the Owaka bore head to ensure it complies with the DWQAR Sanitary Requirements.
Tapanui	Tapanui	760	No T3 90% Compliant. Refer to comments a), and B).	No T3 8% Compliant. Refer to comments a), and b).	Filter non-compliances caused by the wet weather event.
	<b>Total</b>	<b>8466</b>	<b>91%</b>	<b>91%</b>	

- a. 4-log Protozoal Compliance must be met by all treatment plants that source water from rivers.
- b. Tapanui uses Coagulation, Flocculation, Sedimentation, and Filtration to achieve 4 log protozoal compliance. The turbidity in the treated water exceeded the maximum allowable NTU.

## RURAL WATER COMPLIANCE WITH DWQARs STANDARDS FOR BACTERIOLOGICAL AND PROTOZOAL COMPLIANCE

For the period 1 September to 31 October 2024 an assessment has been completed against the DWQARs. Clutha has used the rules relating to bacterial and protozoal compliance that replaced those in the DWSNZ. The modules in the DWQARs used to assess bacterial and protozoal compliance depend on the population size supplied by the treatment plant. The results of this testing are as below.

### 1 - Bacteriological Compliance 1 September to 31 October 2024

Name	Treatment Plant	Population	Bacto Compliant? 1 Sept - 30 Sept 2024	Bacto Compliant? 1 Oct - 31 Oct 2024	Improvement Work
Balmoral 1	Waitahuna	247	No T3 15% Compliant. D3 44% Compliant. Refer to comments b), c), e), f), and h).	No T3 17% Compliant. D3 42% Compliant. Refer to comments b), c), e), f), and h).	The Waitahuna WTP is to be replaced by the Greenfield Rural Scheme. Significant upgrades are required to achieve compliance.
Balmoral 2	Waitahuna	399	No T3 15% Compliant. D3 25% Compliant. Refer to comments b), c), e), f), and h).	No T3 17% Compliant. D3 42% Compliant. Refer to comments b), c), e), f), and h).	As Above
Clydevale-Pomahaka	Clydevale-Pomahaka	550	Yes T3 100% Compliant. D3 100% Compliant.	Yes T3 100% Compliant. D3 100% Compliant.	N/A
Glenkenich	Glenkenich	705	Yes T3 100% Compliant. D3 100% Compliant.	Yes T3 99% Compliant. D3 100% Compliant.	Minor FAC non-compliances.
Moa Flat	Moa Flat	534	No T3 94% Compliant. D3 100% Compliant. Refer to comments a), b), f), and g).	No T3 93% Compliant. D3 100% Compliant. Refer to comments a), b), f), and g).	The UVT now controls the plant which will improve the UV treatment. New reservoir work is underway which will help improve compliance.
North Bruce	North Bruce	658	No T3 70% Compliant. D3 100% Compliant. Refer to comments a), b), f), and g).	No T3 60% Compliant. D3 77% Compliant. Refer to comments a), b), e), f), and g).	The UVT now controls the plant which will improve the UV treatment. New reservoir work is underway which will help improve compliance.
Richardson North	Whitelea Road	312	No T3 91% Compliant. D3 100% Compliant. Refer to comment b).	No T3 77% Compliant. D3 100% Compliant. Refer to comment b).	Non-compliances caused by the wet weather event.

Richardson South	Puerua	469	Yes T3 95% Compliant. D3 100% Compliant.	No T3 90% Compliant. D3 100% Compliant. Refer to comment a).	UV non-compliances caused by the wet weather event.
South Bruce	Stirling	434	Yes T3 98% Compliant. D3 100% Compliant.	No T3 94% Compliant. D3 92% Compliant. Refer to comments a), and i).	UV non-compliances caused by the wet weather event.
Tuapeka East	Waitahuna	276	No T3 15% Compliant. D3 11% Compliant. Refer to comments b), c), e), f), and h).	No T3 17% Compliant. D3 42% Compliant. Refer to comments b), c), e), f), and h).	As Above for Balmoral 1 and 2.
Tuapeka West	Evans Flat	283	No T2 84% Compliant. D2 63% Compliant. Refer to comments b), d), e), f), and h).	No T2 85% Compliant. D2 78% Compliant. Refer to comments b), d), e), f), and h).	The Tuapeka West WTP is to be replaced by the Greenfield Rural Scheme. Significant upgrades are required to maintain compliance.
Wangaloa	Kaitangata	50	Yes T3 100% Compliant. D3 100% Compliant.	Yes T3 100% Compliant. D3 100% Compliant.	NA
	<b>Total</b>	<b>4917</b>	<b>45%</b>	<b>27%</b>	

- a. UV Non-compliance: The UV dose was not sufficient to achieve compliance.
- b. FACE Non-compliance: The chlorine dose rate and contact time was not maintained for the required period to achieve compliance.
- c. Turbidity Non-compliance: The turbidity in the treated water exceeded the maximum allowable NTU.
- d. pH Non-compliance: The pH level in the final water was outside the required range to achieve compliance.
- e. Chlorine residual in the distribution zone must be above 0.2 mg/l in 85% of all samples collected. Results cannot be less than 0.1 mg/l.
- f. A BWN is considered if there is significant non-compliance at the treatment plant or if *E. coli* is detected in the distribution zone.
- g. Moa Flat and North Bruce have been on a long-term BWN due to the inadequate barriers at the treatment plant.
- h. Balmoral 1, Balmoral 2, Tuapeka East and Tuapeka West are on a long-term BWN due to the inadequate barriers at the treatment plant. These plants will be replaced by the Greenfield Rural Scheme.
- i. *E. coli* detected at the treatment plant or in the reticulation.



## 2 - Protozoal Compliance 1 September to 31 October 2024

Name	Serviced Zones	Population	Proto Compliant? 1 Sept - 30 Sept 2024	Proto Compliant 1 Oct - 31 Oct 2024	Improvement Work
Clydevale-Pomahaka	Clydevale-Pomahaka + Clinton	850	Yes T3 98% Compliant.	Yes T3 100% Compliant.	N/A
Evans Flat	Tuapeka West	283	No T2 0% Compliant. Refer to comments b), c), and e).	No T2 0% Compliant. Refer to comments b), c), and e).	There is no protozoal barrier at this site. The Tuapeka West WTP will be replaced by the Greenfield Rural Scheme at the end of 2024.
Glenkenich	Glenkenich	705	Yes T3 99% Compliant.	Yes T3 97% Compliant.	Minor non-compliances with NTU levels leaving the membrane units.
Kaitangata	Kaitangata + Wangaloa	830	Yes T3 97% Compliant.	Yes T3 100% Compliant.	NA
Moa Flat	Moa Flat	534	No T3 89% Compliant. Refer to comments a), c), d), and f).	No T3 93% Compliant. Refer to comments a), c), d), and f).	Ongoing UV non-compliances. The UVT now controls the plant which will improve the UV treatment.
North Bruce	North Bruce	658	No T3 60% Compliant. Refer to comments a), c), d), and f).	No T3 53% Compliant. Refer to comments a), c), d), and f).	Ongoing UV non-compliances. The UVT now controls the plant which will improve the UV treatment.
Puerua	Richardson South + Kaka Point	704	Yes T3 97% Compliant.	No T3 93% Compliant. Refer to comments a), and f).	UV non-compliances caused by the wet weather event.
Stirling	Stirling + South Bruce + Benhar	743	Yes T3 100% Compliant.	Yes T3 95% Compliant.	Minor UV non-compliances caused by the wet weather event.
Waitahuna	Balmoral 1 + Balmoral 2 + Tuapeka East	922	No T3 0% Compliant. Refer to comments a), b), c), and e).	No T3 0% Compliant. Refer to comments a), b), c), and e).	There is no effective protozoal barrier at this site. The Waitahuna WTP is to be replaced by the Greenfield Rural Scheme at the end of 2024.
Whitelea Road	Richardson North	312	Yes T3 100% Compliant.	Yes T3 100% Compliant.	N/A

	<b>Total</b>	<b>6541</b>	<b>59%</b>	<b>53%</b>	
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- a. 4-log Protozoal Compliance must be met by all treatment plants that supply a population greater than 500 and all that source water from rivers.
- b. Waitahuna and Evans Flat WTPs do not have sufficient processes in place to achieve protozoal compliance.
- c. A BWN is considered if there is significant non-compliance at the treatment plant or if *E. coli* is detected in the distribution zone.
- d. Moa Flat and North Bruce WTPs have been on a long-term BWN due to the inadequate protozoal barriers at the treatment plant.
- e. Waitahuna and Tuapeka West WTPs are on a long-term BWN due to the inadequate protozoal barriers at the treatment plant. The Greenfield Rural Scheme will replace these plants.
- f. Puerua, Clydevale-Pomahaka, North Bruce and Moa Flat WTPs rely on UV disinfection to achieve protozoal compliance.

### 3 - Aluminium Compliance 1 September to 31 October 2024

Aluminium testing is a requirement of the DWQARs which came into effect in November 2022.

Aluminium levels that exceed the Maximum Allowable Value (MAV) of 1 mg/l continue to be detected at the North Bruce WTP and in the distribution network. The PACI is now creating good floc formation and potential issues with the clarifier are under investigation. The latest non-compliant result was collected from North Bruce, Waiholā Reservoir Inlet on 16 October 2024. The Waiholā Reservoir Inlet sample point is to be decommissioned and replaced with a new sample point at Beacon Street.

An Aluminium Advisory notice was issued for the Moa Flat consumers on 27 March 2024. Aluminium levels that exceed the MAV continue to be detected at the Moa Flat WTP and in the distribution network. The most recent exceedance was collected from Edievale Road on 13 September 2024. A carbon-based media will be trialled at the treatment plant. During the trial the flocculation and clarifier tanks will be bypassed.

Aluminium levels that exceed the MAV of 1 mg/l continue to be detected at the Waitahuna WTP and in the three distribution networks. A new Aluminium Advisory notice was issued for all Waitahuna consumers on 25 March 2024. Due to the lack of dose control at this site, the AI advisory notice will remain in place. The latest non-compliant results were collected from the WTP, Balmoral 1 and Tuapeka East distribution on 16 October 2024.

The Waiholā township is now supplied by the Milton WTP and has demonstrated consistent compliance with the Aluminium MAV since 3 October 2024. The Waiholā reticulation has been removed from the weekly AI compliance update. Lifting the Aluminium Advisory notice for Waiholā will be considered.

Following the October wet weather event, treatment issues at Tapanui and Puerua WTPs saw an increase in aluminium residuals in the distribution networks. Non-compliant aluminium sample results were analysed on 7, 16 and 22 October at the Tapanui WTP and on 16 October in the Richardson South distribution network. The treatment issues are getting resolved, and an Aluminium Advisory notice was not issued for either supply.

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## Risk & Assurance Committee

### Item for INFORMATION

<b>Report</b>	3 Waters Operations 3 Month Report
<b>Meeting Date</b>	21 November 2024
<b>Item Number</b>	5
<b>Prepared By</b>	Linda Till – Head of Three Waters Greg Bowie – Financial Accounting Team Leader
<b>File Reference</b>	920116

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### REPORT SUMMARY

This report displays the financial results for the 3 Waters activity for the first three months of the 2024/25 financial year.

This report combines high level financial results for the Urban Water, Rural Water, Wastewater, Stormwater, Water Management and Water Operations business units.

### RECOMMENDATION

- 1. That the Risk & Assurance Committee receives the 3 Waters Operations 3 Month Report.**

## REPORT

A summary of the 3 months is provided below with further detail included in Appendix A.

	Actual	3 Month Budget	Variance	Full Yr Budget	Variance
Income	-4,398,408	-4,545,999	-147,591	-18,183,997	-13,785,589
Expenditure	5,594,955	5,429,110	-165,845	21,716,440	16,121,486
Capital Funding	0	-8,528,203	-8,528,203	-34,112,811	-34,112,811
Capital Expenditure	4,475,200	7,645,092	3,169,892	30,580,367	26,105,167
Net	5,671,747	-0	-5,671,747	-0	-5,671,747

### July to September 2024 for Three Waters

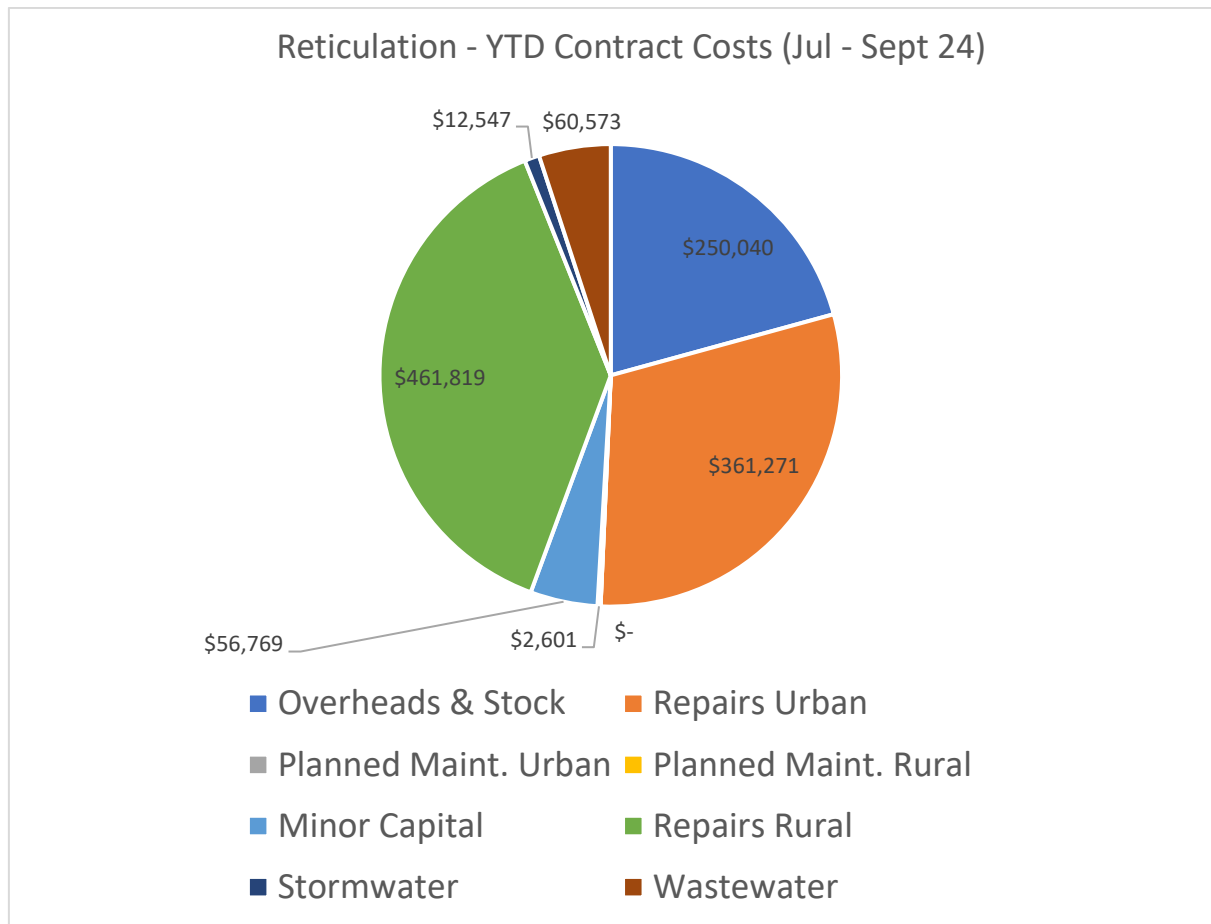
- Total 3 Waters opex expenditure for the 3 months of 2024/25 is \$5.6m, compared to YTD budget of \$5.4m, meaning an overspend of \$0.2m, or 3%.
- Consultancy charges total \$430k to date. The bulk is made up of payments to Beca Infrastructure Limited (\$191k), Iain Rabbitts (\$42k) and JK Process (\$20k). Much of this relates to support and assistance with 3 Waters work, which we would expect to reduce going forward. Year to date costs for the reticulation contractor Isaac Construction Limited (\$128k), Contract Excavation Limited (\$12k) and Andrew Haulage 2011 Limited (\$26k) will be journalled proportionately against non-routine maintenance, bringing this overspend down by \$166k.
- Salaries & KiwiSaver are \$20k over YTD budget.
- Education costs of \$21k include \$10k for Drinking Water Treatment training and \$9k for NZ Diploma in Engineering course costs. Budget in this area has been identified as insufficient to meet the requirements to train water and wastewater operators. Training was identified as a shortcoming in the Milton WTP Compliance Order issued by the regulator, in November 23 with improvement required by January 2025.
- Non-routine sampling is under YTD budget by \$39k. This is a product of our advisory notices. Non-routine expenditure over budget by \$90k and includes costs for the reticulation contractors.
- Chemical costs are under budget by \$54k, this is after completing monthly stocktakes and allocation to plants has been completed. A contra has been made against 7930 Contract Payments.
- Operating deficit to 30 September is \$1.2m (Income less Expenditure).
- Please note – Capital work is not yet funded, no loans have been raised or reserves transferred, this will be done at year end as part of our annual report process.

### The year ahead

- Consultancy costs have been identified as a significant budget gap, though are expected to reduce in the new year as our wastewater plants are now largely compliant, with key improvements bedded in. There will be an ongoing need for advice from our Beca specialist on wastewater plants, though on a more targeted basis. Advice from Iain Rabbitts who is providing technical advice on our non-compliant water treatment plants, will be required on an ongoing basis. His input is needed to continue improvements at our Moa Flat & North Bruce plants and enable us to lift boil water notices and advisories on those schemes. A Beca staff member is

seconded to the Operations team on a part time basis from September – December 2024. Costs will be netted off against salary costs for a vacant position. An independent contractor is reviewing and rewriting our Drinking Water Safety Plans, to ensure we meet the regulators requirements. This work is being completed progressively and commenced in last FY.

- Isaac Group Limited is our lead contractor for the reticulation contract with Andrew Haulage & Contract Excavation subcontracted to them with back-to-back arrangements in place. Year to date costs have totalled \$1,205,620.
- From August 24, costs reflect an annual price adjustment increase balanced against a reduced margin and overhead costs.



## APPENDIX A

	Actual	3 Month Budget	Variance		Full Yr Budget	Variance
<b>Income</b>						
1115 Rates - Water	-2,504,045	-2,733,618	-229,573		-10,934,473	-8,430,428
1118 Rates - Stormwater	-271,695	-264,420	7,275		-1,057,681	-785,987
1121 Rates - Wastewater	-638,735	-638,926	-190		-2,555,702	-1,916,967
1123 Rates - Loan Rates	-8,768	0	8,768		0	8,768
1138 Out of District Water	-120,046	0	120,046		0	120,046
1176 Stimulus Support	0	-32,947	-32,947		-131,786	-131,786
1211 Sales - Sundry	0	-9,699	-9,699		-38,795	-38,795
1215 Water Meter Income	3,314	-29,866	-33,181		-119,465	-122,779
1216 Operational Income from OCF	-94,945	-99,638	-4,692		-398,550	-303,605
1219 Fees - Water Application Admin	-16,477	0	16,477		0	16,477
1233 Income - Miscellaneous	-18,247	-17,742	505		-70,968	-52,721
1269 Fees - Sewerage Connect	0	-1,047	-1,047		-4,186	-4,186
1273 Fees - Water Connection	-685	-12,588	-11,902		-50,350	-49,665
1280 Fees - Contributions	-86,228	-55,073	31,155		-220,292	-134,064
1281 Loans repaid Benhar/Toko	-9,371	0	9,371		0	9,371
1285 Fees - Trade Waste	-5,735	0	5,735		0	5,735
1286 I & I Reinspection Fee	0	-4,368	-4,368		-17,471	-17,471
1555 Interest - Reserves	0	-19,325	-19,325		-77,299	-77,299
1810 Internal - Recoveries	-40,432	-40,432	0		-161,727	-121,295
1815 Internal Transfer	-586,313	-586,313	0		-2,345,251	-1,758,938
	<b>-4,398,408</b>	<b>-4,545,999</b>	<b>-147,591</b>		<b>-18,183,997</b>	<b>-13,785,589</b>

<b>Expenditure</b>	<b>Actual</b>	<b>3 Month Budget</b>	<b>Variance</b>	<b>Full Yr Budget</b>	<b>Variance</b>
3111 Salaries	855,838	832,032	-23,806	3,328,129	2,472,291
3162 Kivisaver	21,583	25,533	3,950	102,132	80,548
3193 Staff Training	12,308	12,766	459	51,066	38,758
3194 Education	21,530	645	-20,885	2,579	-18,951
3229 Staff Uniform	2,579	0	-2,579	0	-2,579
3239 Cafeteria Expenses	1,565	0	-1,565	0	-1,565
3243 Protective Clothing	1,528	0	-1,528	0	-1,528
3245 Employee Membership Fee	4,177	1,312	-2,865	5,248	1,071
3448/3451 Consultancy	430,179	6,445	-423,734	25,781	-404,398
3459 Rates	0	29,434	29,434	117,736	117,736
3461/3462 Insurance Expenses	0	28,969	28,969	115,875	115,875
3465 Legal Expenses	3,439	0	-3,439	0	-3,439
3473 Fringe Benefit Tax	1,718	0	-1,718	-	-1,718
3491 Interest Charge	859,396	859,396	-0	3,437,583	2,578,187
3495 Stimulus Repayment	0	32,947	32,947	131,787	131,787
3531 Meeting Expenses	140	0	-140	0	-140
3571 Advertising - Newspaper	165	0	-165	0	-165
3593 Freight & Courier	911	0	-911	0	-911
3611 Printing & Stationery	1,004	0	-1,004	0	-1,004
3613 Office Consumables	716	0	-716	0	-716
3615 Photocopying	1,503	0	-1,503	0	-1,503
3619 Newspaper, Periodical	178	0	-178	0	-178
3851 Electricity	3,907	4,844	937	19,377	15,470
4023 Consent Mgmt Syst software mtc	29,520	0	-29,520	0	-29,520
4061/4062 Chemicals	206,510	260,300	53,790	1,041,200	834,690
4121 Minor - Plant & Equipme	3,107	0	-3,107	0	-3,107
4127 Cleaning & Security	11,781	0	-11,781	0	-11,781
4165 Vehicle Expenses	35	0	-35	0	-35
4170 Vehicle Internal Lease	102,160	102,160	0	408,640	306,480
4215/4218 Routine Maintenance	162	0	-162	0	-162
4219/4220 Non Routine Maintenance	33,921	0	-33,921	0	-33,921
4835 Telemetry Internal Purch	3,175	3,175	-1	12,698	9,523
4836 Telemetry Ops Costs	5,268	12,500	7,232	50,000	44,732
4837 Repairs and Servicing	12,918	0	-12,918	0	-12,918
4838 Rural Retic Materials	8,840	0	-8,840	0	-8,840
4839 Planned Maintenance	4,346	278,425	274,079	1,113,700	1,109,354
4840/4842 Operation & Maintenance	73,994	58,616	-15,378	234,463	160,469
4841 Opex Projects	0	148,903	148,903	595,611	595,611
4843/4849 O&M Routine Sampling	228,852	142,500	-86,352	569,999	341,147
4845 Monitoring Expenses	7,018	1,616	-5,402	6,465	-553
4848 Consumables	11,903	0	-11,903	0	-11,903
4851 Special Waste	383	0	-383	0	-383
4855 Resource Management	16,781	23,887	7,105	95,547	78,766
4860 Sundry Expenditure	484	10,807	10,322	43,226	42,742
4863/4864 Non Routine Sampling	13,709	52,428	38,718	209,710	196,001
4865/4866 Non Routine Expenditure	894,082	804,502	-89,581	3,218,007	2,323,925
4867 Emergency Repairs	530	0	-530	0	-530
4870/4871 Electricity Water Services	315,677	305,460	-10,218	1,221,838	906,161
4880 Booster - Electricity	50,185	54,261	4,076	217,044	166,859
5520 Internal - Others	748,937	748,937	0	2,995,749	2,246,812
5525 Internal Water Purchase	586,313	586,313	-0	2,345,251	1,758,938
	<b>5,594,955</b>	<b>5,429,110</b>	<b>-165,845</b>	<b>21,716,440</b>	<b>16,121,486</b>

<b>Capital Funding</b>	<b>Actual</b>	<b>3 Month Budget</b>	<b>Variance</b>		<b>Full Yr Budget</b>	<b>Variance</b>
6914 Transfer from Depreciation	0	-302,121	-302,121		-1,208,484	-1,208,484
9715 Loan Principal - Receive	0	-8,226,082	-8,226,082		-32,904,327	-32,904,327
	<b>0</b>	<b>-8,528,203</b>	<b>-8,528,203</b>		<b>-34,112,811</b>	<b>-34,112,811</b>
<b>Capital Expenditure</b>						
7810 Professional Services	136,628	1,864	-134,764		7,454	-129,174
7820/7821 Minor Purchases	105,518	196,514	90,996		786,057	680,539
7830 Physical Works	3,603,786	7,014,958	3,411,172		28,059,832	24,456,046
7930 Contract Payments (Ass	182,660	0	-182,660		0	-182,660
8204 Motor Vehicles Additions	14,852	0	-14,852		0	-14,852
9717 Loan Principal - Paid	431,756	431,756	0		1,727,025	1,295,269
	<b>4,475,200</b>	<b>7,645,092</b>	<b>3,169,892</b>		<b>30,580,367</b>	<b>26,105,167</b>



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## **Risk & Assurance Committee**

### **Item for INFORMATION**

<b>Report</b>	Risk & Assurance Workplan Report
<b>Meeting Date</b>	21 November 2024
<b>Item Number</b>	6
<b>Prepared By</b>	Sharon Jenkinson – Chief Financial Officer
<b>File Reference</b>	920143

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### **REPORT SUMMARY**

This report presents the workplan to the end of the 2024 year.

There has been one additional item added, a verbal report from David Ward, Risk & Assurance Chair, principally to talk about the workshop in January and the workplan for the 2025 year.

This workplan will be updated following the 28<sup>th</sup> January 2025 workshop.

### **RECOMMENDATIONS**

- 1. That the Risk & Assurance Committee receives the Risk and Assurance Workplan Report.**

Clutha District Council Risk and Assurance Committee Workplan 2024											
	12-Oct-23	23-Nov-23	1-Feb-24	14-Mar-24	24-Apr-24	6-Jun-24	18-Jul-24	29-Aug-24	10-Oct-24	21-Nov-24	
Risk & Assurance Chair Verbal Report										✓	
Health & Safety, Risk & Major Projects Report		✓		✓		✓		✓		✓	
Risk Status Report	✓		✓		✓		✓		✓		
Treasury Management Report (Investments & Debt)		✓	✓	✓	✓	✓	✓	✓	✓	✓	
Quarterly Investment Reporting		✓	✓			✓		✓		✓	
Quarterly Borrowing Reporting		✓	✓		✓			✓		✓	
Performance Monitoring Report Financials	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
Protozoal and Bacterial Monitoring Report			✓	✓	✓	✓	✓	✓	✓	✓	
Three Waters Financials Monitoring Report			✓		✓	✓	✓	✓	✓	✓	
Audit Recommendation Monitoring	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	
2022/23 Annual Report - Management Representation Letter	✓										
2022/23 Annual Report - Recommend adoption to Council	✓										
2022/23 Annual Report - Audit Management Report	✓										
2022/23 Annual Report - Debenture Trust Independent Report	✓										
2023/24 Annual Report - Deloitte Engagement Letter							✓				
2023/24 Annual Report - Audit Timetable						✓					
2023/24 Annual Report - Debenture Trust Engagement Letter							✓				
2023/24 Annual Report - Recommend Annual Report to Council for Adoption									✓		
2023/24 Annual Report - Deloitte Report on the Audit									✓		
2024/34 Long Term Plan - Deloitte Report on the audit									✓		
2024/34 Long Term Plan - significant forecasting assumptions			★								
2024/34 Long Term Plan - Deloitte Engagement Letter				★							
2024/34 Long Term Plan - Recommend Draft for Consultation to Council			★								
2024/34 Long Term Plan - Recommend adoption to Council							★				
2024/34 Long Term Plan - Audit Management Report							★				
Insurance Renewal Approval						✓	✓				
Cyber security update			✓					✓			
Conflicts of interest register update				✓				✓			
Mandatory Documents Register update								✓			
✓	Actions completed										
★	Upcoming actions										
★	Indicates this item has been moved since the last workplan report										
★	Indicates this item has been moved into a Council Workshop/Council Meeting										

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## **Risk & Assurance Committee**

### **Item for INFORMATION**

<b>Report</b>	Audit Recommendation Monitoring Report
<b>Meeting Date</b>	21 November 2024
<b>Item Number</b>	7
<b>Prepared By</b>	Sharon Jenkinson – Chief Financial Officer
<b>File Reference</b>	920144

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### **REPORT SUMMARY**

This report has been updated to reflect the recommendations arising from the Deloitte Final Report to Risk and Assurance Committee on the 30 June 2024 Annual Report Audit.

Staff comments have been added relating to recommended actions.

### **RECOMMENDATION**

- 1. That the Risk & Assurance Committee receives the Audit Recommendation Monitoring Report.**

### Audit Recommendation Monitoring:

#### Deloitte Recommendations to Clutha District Council from the Final Report to Risk and Assurance on the 30<sup>th</sup> June 2024 Annual Report Audit.

Finding/observation	Business implication	Deloitte recommendation	Management response
<p><b>Review of Journal Entries</b></p> <p>We note that management has a control in place which addresses the review of journal entries, which is performed by the CFO. However, we note that the CFO has the ability to post journal entries in the system and therefore a risk exists that entries posted by the CFO are not appropriately reviewed.</p> <p>For context we note the CFO only posted one journal during the year (in January 2024).</p> <p>We also note that from July 2023 – October 2023 there was a system error that prevented some user details being recorded (posting and approval) meaning we could not verify if these journals had been appropriately reviewed.</p>	<p>In the absence of strong journal entry controls, there is an increased risk that journal entries posted could be fraudulent or contain errors in financial reporting.</p>	<p>We recommend that segregation of duties is put in place between those who post journals and those who review journal entries, noting that the review should be on a one-up basis.</p>	<p>The entry referred to as being posted by the CFO was a system generated transaction and was done along with another staff member in the process of fixing a system error relating to water billing. However, should the CFO be required to post a journal entry, it would be reviewed by the Financial Accounting Team Leader.</p>
<p><b>Quality of accounting records</b></p> <p>We identified a number of instances where assessments of the appropriate accounting treatment of various transactions had not been considered.</p> <p>Areas where management may want to enhance their financial reporting process:</p> <ul style="list-style-type: none"> <li>• Position papers for key estimates and assumptions (particularly those for areas such as Development Property impairment assessments and asset capitalisations in accordance with accounting standards)</li> </ul>	<p>Transactions may be incorrectly recorded and not in line with accounting standards.</p>	<p>Accounting papers and assessments should be prepared for all key, complex transactions and where there has been significant judgements or estimates.</p>	<p>These assessments are performed at year end. Council had a different assessment to audit on the treatment of some of our IT costs.</p>

Finding/observation	Business implication from control deficiency	Deloitte recommendation	Management response and remediation plan
<p><b>Progress reporting on major projects and review of WIP accounts</b>            We note that the major projects report only reports budget versus actual spend to date and when the expected completion date is.            It does not include an analysis of costs to complete and an assessment of percentage of completion for each project to enable an appropriate assessment of expected under/over achievement relative to budget and an early warning signal if projects are expected to be overbudget.            Further we note that costs relating to projects are only reviewed (for allocation purposes) once the project is completed. This means that costs that are not capital in nature often sit within the WIP account (overstating the balance sheet) and are not expensed until the end of the project.            [2022 first year communicated]</p>	<p>Balance sheet could be overstated if transactions are not expensed until the end of the project.</p>	<p>We recommend the Council implement a process to include a project by project progress assessment based on the expected costs to complete and an assessment of % of completion as part of the its major projects reporting. This should also include a more in depth assessment of budgeted costs versus actual spend.            We also continue to recommend WIP accounts (including project costs) be reviewed periodically (at least annually as part of the annual report process) to ensure costs are correctly capitalised and/or expensed to ensure appropriate recognition in the relevant period. i.e. to avoid prior period adjustments subsequently being required.</p>	<p>Staff are working on improvements to reporting for our Category A projects.</p>
<p><b>Statement of Service Performance – lack of review of calculation measures</b>            We note there is no formal review of the calculation of performance measures being reported to Council.            [2022 first year communicated]</p>	<p>We note Council should focus on community focussed and meaningful measures that are supportable through good quality underlying information.</p>	<p>Performance measures are an important part of Council’s reporting to its ratepayers. We recommend a review process over the calculation and reporting of performance measures be implemented on a regular basis to provide greater confidence in performance reporting to Council.</p>	<p>Measures that are being reported to Council are calculated and checked by both a member of the finance team and a member of the team responsible for them.</p>

Finding/observation	Business implication from control deficiency	Deloitte recommendation	Management response and remediation plan
<p><b>Segregation of duties</b> There is presently a lack of segregation of duties as certain personnel who can raise a payment and can also approve the same payments that they have raised. Per review of payroll control, audit note the Payroll Manager can generate and approve the payroll payment (albeit a second approver is also required). [2022 first year communicated]</p>	<p>There is a risk that inappropriate payments are made without being appropriately reviewed.</p>	<p>We recommended that management review its segregation levels and ensure that there is sufficient separation such that those raising payments are not also able to authorise them and make the payment.</p>	<p>This is an ongoing issue that can be remedied by increasing the number of online banking authorisers, this would exacerbate the next point. The first authoriser uploads the payment into then banking system and when they authorise it signals that they have checked it and the file is ready for review. No one person can upload and authorise a payment, two are always required.</p>
<p><b>Quantum of online banking signatories</b> A total of 7 (7 in 2023) staff members have access to the online banking system as primary authorising signatories including all finance staff, two rates officers and the HR Manager. This presents a risk to Council due to a high number of staff having the ability to submit and authorise online banking transactions. Additionally Council's processes allow for the creators of batch payments to approve them with a secondary approval from one other team member. [2022 first year communicated]</p>	<p>There is a risk that inappropriate payments are made without being appropriately reviewed.</p>	<p>We recommend that Council review their listing of online signatories to determine whether it is appropriate for all aforementioned staff to maintain the same level of access within the Online Banking System. Best practice would see two individuals approving payments who are different to those who create the batches for payment. Council should also consider implementing a primary and secondary tier based approval process which would require only certain employees with higher delegations, as appropriate for their position, to be the secondary approvers for payments.</p>	<p>As per above.</p>

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## **Risk & Assurance Committee**

### **Item for INFORMATION**

<b>Report</b>	Financial Monitoring Report
<b>Meeting Date</b>	21 November 2024
<b>Item Number</b>	8
<b>Prepared By</b>	Trey Willis-Croft – Financial Support Accountant
<b>File Reference</b>	920147

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### **REPORT SUMMARY**

Financial Monitoring:

- This report presents Management Accounts for the period 1 July 2024 to 30 September 2024 are reflected below.
- No commentary has been added for this month as we are currently working with Datacom to upload the adopted LTP budgets for each activity. We plan to have this completed prior to the meeting and be able to provide commentary verbally.

### **RECOMMENDATIONS**

- 1. That the Risk & Assurance Committee receives the Financial Monitoring report.**

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE					
For the Period ended 30th September 2024					
	2025	2025	2025	2024	
	\$000	\$000	\$000	\$000	Full Year
	YTD	YTD		Full Year	
	Actual	Budget	Variance	Actual	Budget
<b>REVENUE</b>					
Rates	8,888	8,959	(71)	30,706	35,836
Grants, Subsidies and Donations	2,683	3,922	(1,239)	17,836	15,688
Fees & User Charges	638	980	(343)	1,099	2,656
Permits & Licences	215	247	(32)	826	987
Other Fees	504	854	(350)	1,838	3,414
Rental Revenue	329	328	1	1,350	1,311
Interest Revenue	1,255	400	854	2,206	1,601
Other Revenue	163	133	30	1,276	530
Other Gains	0	0	0	2,645	0
Sales of corporate and development property	328	0	328	1,393	0
<b>Total Revenue</b>	<b>15,001</b>	<b>15,822</b>	<b>(821)</b>	<b>61,175</b>	<b>62,023</b>
<b>EXPENDITURE</b>					
Grants, Contributions & Sponsorship	486	670	(185)	796	2,681
Other Operating Expenditure	6,365	5,822	544	26,937	23,286
Roading Repairs & Maintenance	2,068	2,632	(563)	9,480	10,527
Employee Benefits	3,248	3,355	(107)	13,209	14,540
Depreciation & Amortisation	4,248	4,248	(0)	17,364	16,993
Finance Costs	1,171	1,560	(389)	5,838	6,240
Operating lease payments	13	14	(1)	39	54
Cost of sales of corporate and development property	0	0	0	1,364	0
<b>Total Expenditure</b>	<b>17,600</b>	<b>18,301</b>	<b>(701)</b>	<b>75,027</b>	<b>74,322</b>
<b>SURPLUS FOR THE YEAR</b>	<b>(2,598)</b>	<b>(2,479)</b>	<b>(120)</b>	<b>(13,852)</b>	<b>(12,299)</b>
<b>Other Comprehensive Revenue and Expenditure</b>					
<b>Items that may be reclassified to surplus or deficit:</b>					
Fair value on unlisted shares	0	0	0	1	0
<b>Items that will not be reclassified to surplus or deficit:</b>					
Gain on property, plant and equipment revaluation	0	0	0	464,948	0
<b>Total Other Comprehensive Revenue and Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>464,949</b>	<b>0</b>
<b>Total Comprehensive Revenue and Expenditure for the year</b>	<b>(2,598)</b>	<b>(2,479)</b>	<b>(120)</b>	<b>451,097</b>	<b>(12,299)</b>



<b>STATEMENT OF FINANCIAL POSITION</b>					
<b>As at 30th September 2024</b>					
			<b>2024</b>	<b>2024</b>	<b>2025</b>
			<b>\$000</b>	<b>\$000</b>	<b>Full Year</b>
			<b>Sep</b>	<b>Full Year</b>	<b>Budget</b>
<b>Assets</b>					
<b>CURRENT ASSETS</b>					
Cash and Cash Equivalents			3,364	11,927	485
Receivables and prepayments			7,646	7,436	5,379
Other financial assets			25,981	25,997	33,350
Derivative financial instruments			0	1,171	0
Non-current assets held for resale			198	0	2,477
Development property			3,536	4,014	0
<b>Total Current assets</b>			<b>40,725</b>	<b>50,545</b>	<b>41,691</b>
<b>NON-CURRENT ASSETS</b>					
Property, Plant and equipment			1,895,726	1,867,998	1,350,073
Intangible assets			95	1,385	683
Other financial assets			4,036	3,165	77,785
<b>Total non-current assets</b>			<b>1,899,858</b>	<b>1,872,548</b>	<b>1,428,541</b>
<b>TOTAL ASSETS</b>			<b>1,940,582</b>	<b>1,923,093</b>	<b>1,470,232</b>
<b>Liabilities</b>					
<b>CURRENT LIABILITIES</b>					
Payables and accruals			8,524	12,359	12,127
Employee entitlements			319	1,502	1,096
Derivative financial instruments			0	-	-
Borrowings			16,500	34,067	26,452
<b>Total current liabilities</b>			<b>25,343</b>	<b>47,928</b>	<b>39,675</b>
<b>NON-CURRENT LIABILITIES</b>					
Provisions			1,534	1,534	1,232
Other liabilities - Mercer Trust			13	13	13
Borrowings			104,300	89,000	138,882
<b>Total non-current liabilities</b>			<b>105,847</b>	<b>90,547</b>	<b>140,127</b>
<b>TOTAL LIABILITIES</b>			<b>131,190</b>	<b>138,475</b>	<b>179,802</b>
<b>NET ASSETS</b>			<b>1,809,392</b>	<b>1,784,618</b>	<b>1,290,430</b>
<b>EQUITY</b>					
Reserves			1,603,401	1,581,578	1,111,528
Accumulated Funds			205,991	203,040	178,902
<b>TOTAL EQUITY</b>			<b>1,809,392</b>	<b>1,784,618</b>	<b>1,290,430</b>

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## **Risk & Assurance Committee**

### **Item for INFORMATION**

<b>Report</b>	Non-Financial Monitoring Report
<b>Meeting Date</b>	21 November 2024
<b>Item Number</b>	9
<b>Prepared By</b>	Trey Willis-Croft – Financial Support Accountant
<b>File Reference</b>	920148

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### **REPORT SUMMARY**

#### **Non-Financial Monitoring:**

- To provide more timely reporting of Key Performance Indicators (KPIs) within Council activities by month instead of just in the Annual Report we have included below a summary by month of Council's main KPIs.
- Please note the numbers are not audited but the trends do provide information on how the different activities are doing from a performance perspective. The actual 2024 results are now final and audited.
- Some of the KPI data is only relevant once a year.

### **RECOMMENDATIONS**

- 1. That the Risk & Assurance Committee receives the Non-Financial Monitoring report**

YTD July-October

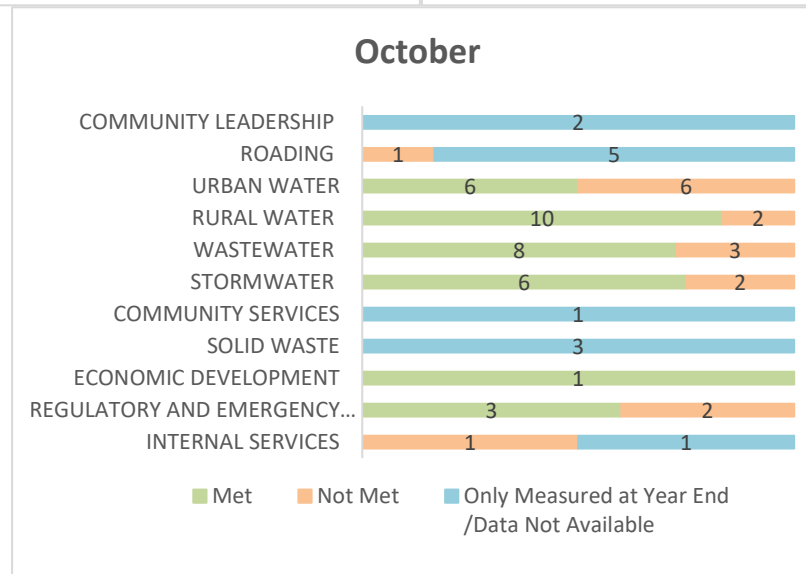
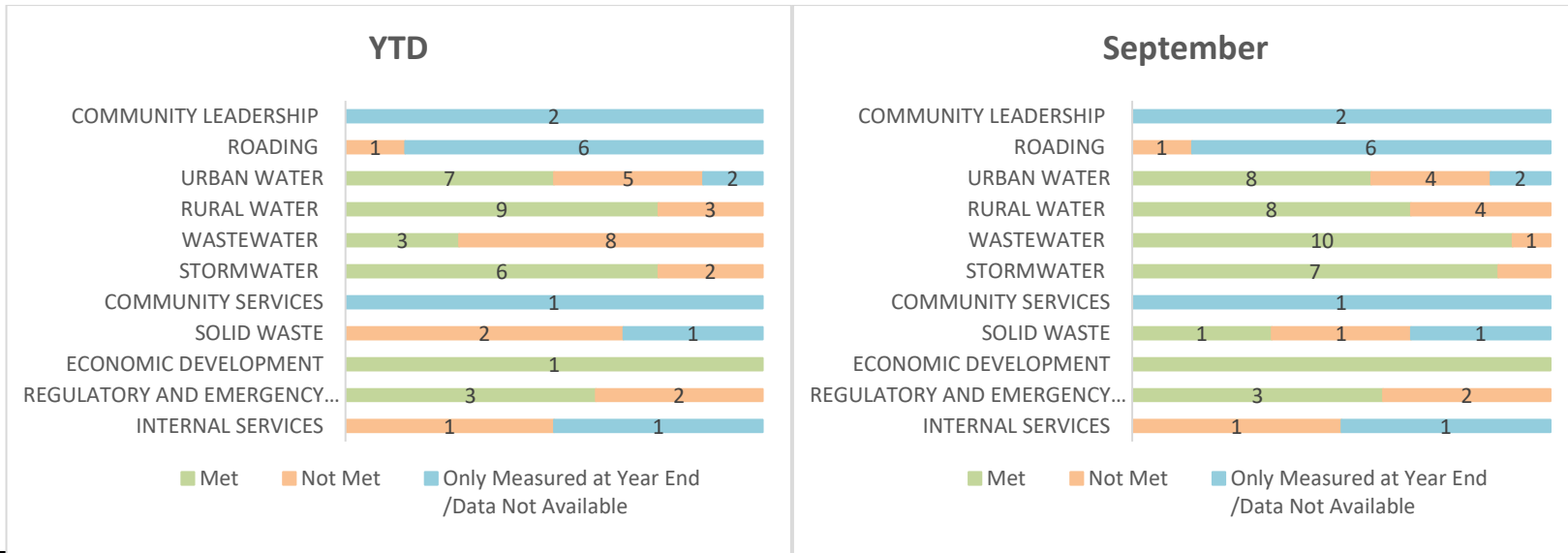


September



## October





Summary of Non Financial Performance Measures for the Year Ending 30 June 2025								
Summary of KPI Targets Met	Actual 2023	Actual 2024	Actual 2025 YTD	Possibly Monthly KPI's	Aug	Sep	Oct	Spark Trendline
Community Leadership	1	1	0	0	0	0	0	
Rooding	2	3	0	1	1	0	0	
Urban Water	9	9	7	12	9	8	6	
Rural Water	6	6	9	12	8	8	10	
Waste Water	7	6	3	11	8	10	8	
Storm Water	7	6	6	8	8	7	6	
Community Services	1	2	0	0	0	0	0	
Solid Waste	3	3	0	2	0	1	0	
Economic Development	1	1	1	1	1	1	1	
Regulatory and Emergency Services	0	0	3	5	3	3	3	
Internal Services	0	0	0	1	0	0	0	
<b>Total Met</b>	<b>37</b>	<b>37</b>	<b>29</b>		<b>38</b>	<b>38</b>	<b>34</b>	<b>Key</b> Target Achieved <span style="color: green;">■</span> Target Not Achieved <span style="color: orange;">■</span> Target <span style="color: grey;">■</span> KPI Not Measured <span style="color: blue;">■</span>
<b>Total KPIs</b>	<b>63</b>	<b>63</b>	<b>66</b>		<b>66</b>	<b>63</b>	<b>63</b>	
<b>Total Monthly KPI's</b>			<b>43</b>		<b>53</b>	<b>43</b>	<b>43</b>	
<b>Total Percentage</b>	<b>59%</b>	<b>59%</b>	<b>44%</b>		<b>58%</b>	<b>60%</b>	<b>54%</b>	
<b>Total Monthly Percentage</b>			<b>67%</b>		<b>72%</b>	<b>88%</b>	<b>79%</b>	

Summary of Non Financial Performance Measures for the Year Ending 30 June 2025		Actual 2023	Actual 2024	Actual 2025 YTD	Target per LTP	Monthly Target per LTP	Aug	Sep	Oct	Spark Trendline
<b>COMMUNITY LEADERSHIP</b>										
<b>Level of Service 1: Provide a effective leadership, representation and service to residents and ratepayers.</b>										
Satisfaction with decision-making, leadership and planning of elected members (Council)	Greater than or equal to	62%	47%	N/A	80%	80%	N/A	N/A	N/A	
<b>Level of Service 2: Monitor rates affordability and provide prudent, effective and efficient financial management</b>										
To stay within rates limits - per Long Term Plan	Less than or equal to	29.2	30.50	N/A	36.3	36.3	N/A	N/A	N/A	
<b>ROADING</b>										
<b>ROADS</b>										
<b>Level of Service 1: Provide an effective and sustainable local roading network</b>										
Average quality of ride on the sealed road network (as per smooth travel exposure)*	Greater than or equal to	96%	96%	N/A	96%	96%	N/A	N/A	N/A	
Percentage of the sealed local network that is resurfaced	Greater than or equal to	3%	3.5%	N/A	6.0%	6.0%	N/A	N/A	N/A	
% of customer service for roads and footpaths responded to within timeframes*	Greater than or equal to	89%	72.6%	78.4%	95%	95%	96.6%	80.6%	64.0%	
<b>Level of Service 2: Monitor safety and invest in improving the roading network</b>										
Number of fatalities and serious injury crashes	Less than or equal to	17	7	N/A	10	0.83	N/A	N/A	N/A	
Average speed residents feel they can safely travel at on unsealed roads (km per hr)	Greater than or equal to	N/A	N/A	N/A	60-70	60-70	N/A	N/A	N/A	
<b>FOOTPATHS</b>										
<b>Level of Service 3: Provide an effective and sustainable network of footpaths throughout the district</b>										
% of footpaths that are in good, very good or new / near new condition	Greater than or equal to	92%	93%	N/A	93.0%	93.0%	N/A	N/A	N/A	
<b>BRIDGES</b>										
<b>Level of Service 4: Provide a safe and economic network of bridges throughout the district</b>										
Percentage of bridges on key routes that meet heavy vehicle (50 Max) safety requirements.	Greater than or equal to	92.3%	93.4%	N/A	93.0%	93.0%	N/A	N/A	N/A	

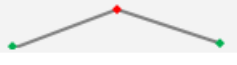




Summary of Non Financial Performance Measures for the Year Ending 30 June 2025		Actual 2023	Actual 2024	Actual 2025 YTD	Target per LTP	Monthly Target per LTP	Aug	Sep	Oct	Spark Trendline
<b>URBAN WATER</b>										
<b>Level of Service 1: Water from Council urban supplies is safe to drink.</b>										
Compliance with the NZDW Standards for bacteriological compliance*	Greater than or equal to	0%	86%	56%	100%	100%	71%	90%	87%	
Compliance with the NZDW Standards for protozoal compliance*	Greater than or equal to	0%	81%	41%	100%	100%	41%	91%	91%	
<b>Level of Service 2: Urban supplies provide a continuous and reliable source of water to consumers</b>										
Number of drinking water complaints (Requests for Service) per 1000 connections about:										
Clarity	Less than or equal to	8.7	7.9	8.3	17	1.4	1.3	1.1	4.1	
Taste	Less than or equal to	0.4	0.8	0.4	3	0.3	0.2	0.0	0.0	
Odour	Less than or equal to	0.0	0.6	0.0	2	0.2	0.0	0.0	0.0	
Pressure	Less than or equal to	4.5	6.2	2.3	5	0.4	0.6	0.8	0.6	
Continuity	Less than or equal to	28.0	15.4	6.8	30	2.5	0.9	1.5	2.3	
Council's response to any of these issues	Less than or equal to	0.0	0.9	0.2	14	1.2	0.0	0.0	0.0	
Average consumption of drinking water per resident per day (litres per day)*	Less than or equal to	530	541	N/A	650	54.2	N/A	N/A	N/A	
<b>Level of Service 3: Urban water schemes are managed effectively and efficiently</b>										
Median response time (in hours) from notification of fault or unplanned interruption to when personnel reach the site:										
Urgent	Less than or equal to	4.2	1.8	1.1	4.0	2.0	0.9	1.8	1.0	
Non-urgent	Less than or equal to	18.8	19.6	12.8	24.0	24.0	4.9	17.1	3.1	
Median response time (in hours) from notification of fault or unplanned interruption to when personnel confirm resolution:										
Urgent	Less than or equal to	24.8	23.8	14.3	12.0	12.0	3.3	25.0	14.3	
Non-urgent	Less than or equal to	76.6	105.8	46.5	48.0	48.0	25.0	46.1	52.8	
Percentage of real water loss from Council's reticulation system*	Less than or equal to	28.3%	23.1%	N/A	29%	29%	N/A	N/A	N/A	

Summary of Non Financial Performance Measures for the Year Ending 30 June 2025		Actual 2023	Actual 2024	Actual 2025 YTD	Target per LTP	Monthly Target per LTP	Aug	Sep	Oct	Spark Trendline
<b>RURAL WATER</b>										
<b>Level of Service 1: Water from council rural schemes is safe to drink</b>										
Compliance with the NZDW Standards for bacteriological compliance	Greater than or equal to	0%	62%	27%	100%	100%	31%	45%	27%	
Compliance with the NZDW Standards for protozoal compliance	Greater than or equal to	0%	63%	15%	100%	100%	49%	59%	53%	
<b>Level of Service 2: Rural schemes provide a continuous and reliable source of water to consumers</b>										
Number of drinking water complaints (requests for service) per 1000 connections about:										
Clarity	Less than or equal to	6.5	12.9	1.8	12	1.0	0.6	0.6	0.6	
Taste	Less than or equal to	1.8	0.0	0.0	5	0.4	0.0	0.0	0.0	
Odour	Less than or equal to	0.6	0.0	0.0	3	0.3	0.0	0.0	0.0	
Pressure	Less than or equal to	144.6	148.0	31.1	200	16.7	4.7	8.2	15.3	
Continuity	Less than or equal to	237.6	223.7	45.2	250	20.8	8.2	12.9	16.4	
Council's response to any of these issues	Less than or equal to	0.0	7.1	3.5	14	1.2	1.2	1.2	0.6	
<b>Level of Service 3: Rural water schemes are managed effectively and efficiently</b>										
Median response time (in hours) from notification of fault or unplanned interruption to when personnel reach the site:										
Urgent	Less than	9.2	4.2	2.2	4	4	2.1	1.2	2.3	
Non-urgent	Less than	23.1	20.5	18.5	24	24	18.6	17.3	19.6	
Median response time (in hours) from notification of fault or unplanned interruption to when personnel confirm resolution:										
Urgent	Less than	45.3	22.1	24.4	24	24	52.7	17.2	21.6	
Non-urgent	Less than	55.3	33.0	23.7	48	48	24.0	24.2	25.5	

Summary of Non Financial Performance Measures for the Year Ending 30 June 2025		Actual 2023	Actual 2024	Actual 2025 YTD	Target per LTP	Monthly Target per LTP	Aug	Sep	Oct	Spark Trendline
<b>Wastewater</b>										
<b>Level of Service 1: Provide Wastewater services that effectively collect and dispose of sewage</b>										
Number of dry weather wastewater overflows expressed per 1,000 sewerage connections to that sewerage system	Less than or equal to	4.2	3.2	0.6	6	0.5	0.2	0.2	0.2	
<b>Level of Service 2: Wastewater schemes are managed efficiently and effectively</b>										
Median response time (in hours) from notification of fault to when personnel:										
Reach the site (response)	Less than	1.6	2.4	18.3	2	2	0.9	9.1	45.8	
Confirm resolution of blockage or other fault	Less than	12.8	22.4	88.5	12	8	46.6	6.2	94.6	
Number of complaints per 1,000 connections about any of the following:										
Wastewater odour	Less than	2.5	1.1	0.0	3	0.3	0.0	0.0	0.0	
Wastewater system faults	Less than	2.1	1.5	0.6	10	0.8	0.6	0.0	0.0	
Wastewater system blockages	Less than	7.8	6.3	1.5	8	0.7	0.2	0.2	0.8	
Council's response to any of these issues	Less than	0.0	0.0	0.0	5	0.4	0.0	0.0	0.0	
Compliance with Council's resource consents for wastewater discharge, measured as number of:										
Abatement notices	Equal to	7	2	2	0	0	1	0	0	
Infringement notices	Equal to	5	4	6	0	0	5	0	0	
Enforcement orders	Equal to	0	0	0	0	0	0	0	0	
Convictions	Equal to	0	0	0	0	0	0	0	0	

Summary of Non Financial Performance Measures for the Year Ending 30 June 2025		Actual 2023	Actual 2024	Actual 2025 YTD	Target per LTP	Monthly Target per LTP	Aug	Sep	Oct	Spark Trendline
<b>STORMWATER</b>										
<b>Level of Service 1: To provide stormwater drainage that protects against the effects of flooding</b>										
Flooding events to habitable floors due to overflows from a council stormwater system	Equal to	0	2	0	0	0	0	0	0	
Number of flooding events that occur in a territorial authority district (i.e. an overflow from a Council stormwater system)	Less than	6	13	8	23	1.9	0	1	6	
Number of complaints about performance of stormwater systems (per 1,000 connected properties)	Less than or equal to	0.0	0.2	0.0	10	0.8	0.0	0.0	0.0	
Median response time from notification of fault to when personnel reach the site	Less than	21.7	82.9	71.7	12	12	1.1	243.3	125.4	
Compliance with Council's resource consents for discharge from stormwater systems measured by the number of:										
Abatement notices	Equal to	0	0	0	0	0	0	0	0	
Infringement notices	Equal to	0	0	0	0	0	0	0	0	
Enforcement orders	Equal to	0	0	0	0	0	0	0	0	
Successful prosecutions received	Equal to	0	0	0	0	0	0	0	0	

Summary of Non Financial Performance Measures for the Year Ending 30 June 2025		Actual 2023	Actual 2024	Actual 2025 YTD	Target per LTP	Monthly Target per LTP	Aug	Sep	Oct	Spark Trendline
<b>COMMUNITY SERVICES</b>										
<b>Operate a network of community facilities throughout the district including library / service / information centres, pools, halls, playgrounds, sportsgrounds, parks and reserves.</b>										
Resident satisfaction with community facilities	Greater than or equal to	87%	90%	N/A	90%	90%	N/A	N/A	N/A	
<b>SOLID WASTE</b>										
<b>Level of Service 1: Provide a facility in the district for the disposal of solid waste</b>										
Resident satisfaction with refuse/recycling service	Greater than or equal to	90%	89%	N/A	80%	80%	N/A	N/A	N/A	
Kilogrammes of waste per resident to Mt Cooe landfill (kg) (Population data as at 30 June 2024)	Less than or equal to	513.93	501.38	118.14	462	38.50	48.10	35.82	N/A	
<b>Level of Service 2: Provide waste minimisation services and education</b>										
Kilogrammes of waste per resident diverted from Mt Cooe landfill (kg) (Population data as at 30 June 2024)	Greater than or equal to	64.22	63.58	11.90	59	4.92	3.91	3.64	N/A	
<b>ECONOMIC AND COMMUNITY DEVELOPMENT</b>										
<b>Level of Service 1: Support the District's communities and economy through community planning, facilitation and support.</b>										
Percentage of projects and activities identified in Our Place Community Plans completed (Based on an increase from 1 July 2024 result of 36.39%)	Greater than or equal to	N/A	100%	3.80%	4% Increase	0.33%	2.72%	0.54%	0.54%	

Summary of Non Financial Performance Measures for the Year Ending 30 June 2025		Actual 2023	Actual 2024	Actual 2025 YTD	Target per LTP	Monthly Target per LTP	Aug	Sep	Oct	Spark Trendline
<b>REGULATORY AND EMERGENCY SERVICES</b>										
<b>Level of Service 1: To provide an application processing service where consents are processed within statutory timeframes in an efficient manner</b>										
Building and Regulatory Services Department applications lodged and processed within statutory timeframes	Equal to	N/A	N/A	88.0%	100%	100%	85.0%	95%	91%	
Planning Team applications lodged and processed within statutory timeframes	Equal to	N/A	N/A	100.0%	100%	100%	100.0%	100%	100%	
<b>Level of Service 2: To retain registration as a Building Consent Authority</b>										
Registration is current	Equal to	N/A	N/A	100.0%	100%	100%	100.0%	100%	100%	
<b>Level of Service 2: Complaints are prioritised and responded to in an efficient manner</b>										
Building and Regulatory Services Department customer service requests are called back within targeted time frames	Greater than or equal to	N/A	N/A	84.8%	95%	95%	87.7%	86%	79%	
Planning Team customer service requests are called back within targeted time frames	Greater than or equal to	N/A	N/A	97.8%	95%	95%	100.0%	100%	98%	
<b>INTERNAL SERVICES</b>										
<b>Level of Service 1: We handle customer requests for service efficiently and effectively</b>										
Percentage of service requests called back within targeted timeframes	Greater than or equal to	90%	77%	88.6%	95%	95%	94.6%	90%	80%	
<b>Level of Service 2: We deliver on our work programmes</b>										
Percentage of capital projects completed.	Greater than	73.34%	73.12%	N/A	85%	7.08%	N/A	N/A	N/A	

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## **Risk & Assurance Committee**

### **Item for INFORMATION**

<b>Report</b>	Treasury Management Report
<b>Meeting Date</b>	21 November 2024
<b>Item Number</b>	10
<b>Prepared By</b>	Greg Bowie – Financial Accounting Team Leader
<b>File Reference</b>	920149

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### **REPORT SUMMARY**

This report covers Councils Investment and Borrowing portfolios, the monitoring of these and compliance with Council Policy.

The report also includes information regarding Council's loans with LGFA, their maturity dates and interest rates.

Please note that the reporting year starts from 1 April 2024 for investments.

We have included the quarterly reports from Bancorp and Melville Jessup Weaver to 30 September 2024 at the conclusion of this report.

### **RECOMMENDATION**

- 1. That the Risk & Assurance Committee receives the Treasury Management Report.**

REPORT

1. Dashboard

<b>TREASURY DASHBOARD</b>																																						
Period to 31/10/2024																																						
<b>Investment Balance</b>		\$000																																				
Nikko Current Balance	27,111	↓																																				
Nikko Year-End Budgeted Balance	33,350																																					
<b>Movements</b>		\$000																																				
Opening Balance (01/07/2024)	25,982																																					
Growth (Interest + Gains/Losses)	1,199																																					
Additions	-																																					
Withdrawals (Rates Subsidy + Inv Surplus)	-																																					
Management Fees	- 70																																					
Closing Balance (31/10/2024)	<u>\$ 27,111</u>																																					
<b>Debt Balance</b>		\$000																																				
LGFA Borrowing Current Balance	128,800	↓																																				
LGFA Year-End Budgeted Balance	165,334																																					
<b>Movements</b>		\$000																																				
Opening Balance (01/07/2024)	118,800																																					
New Debt	10,000																																					
Rollover Debt	11,500																																					
Repaid Debt	- 11,500																																					
Reversal of Accrued Interest - 2023/24	-																																					
Closing Balance (31/10/2024)	<u>\$ 128,800</u>																																					
Westpac Borrowing - Multi Option Credit Line	\$ -																																					
Link Management Fees (paid from bank a/c)	16																																					
<b>YTD Return on Investment (October)</b>																																						
<b>Debt Maturity Profile</b>																																						
<b>Benchmarks - Performance (NZD Gross Returns)</b>		<b>Benchmarks - Liability Management Policy</b>																																				
<table border="1" style="width: 100%;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2">3 months</th> </tr> <tr> <th>Fund</th> <th>B'mark</th> </tr> </thead> <tbody> <tr> <td>New Zealand cash</td> <td>1.61%</td> <td>1.42%</td> </tr> <tr> <td>New Zealand bonds</td> <td>4.43%</td> <td>3.89%</td> </tr> <tr> <td>Global bonds</td> <td>4.65%</td> <td>4.22%</td> </tr> <tr> <td>Core Equity</td> <td>5.72%</td> <td>6.37%</td> </tr> <tr> <td>Property</td> <td>9.65%</td> <td>8.43%</td> </tr> <tr> <td>Global equities UnH</td> <td>0.79%</td> <td>2.11%</td> </tr> <tr> <td>Global equities H</td> <td>3.92%</td> <td>4.84%</td> </tr> <tr> <td>Multi-strategy</td> <td>0.93%</td> <td>2.17%</td> </tr> <tr> <td>Multi-strategy SPV</td> <td>6.62%</td> <td>2.17%</td> </tr> <tr> <td><b>Total gross return</b></td> <td><b>3.91%</b></td> <td><b>4.13%</b></td> </tr> </tbody> </table>					3 months		Fund	B'mark	New Zealand cash	1.61%	1.42%	New Zealand bonds	4.43%	3.89%	Global bonds	4.65%	4.22%	Core Equity	5.72%	6.37%	Property	9.65%	8.43%	Global equities UnH	0.79%	2.11%	Global equities H	3.92%	4.84%	Multi-strategy	0.93%	2.17%	Multi-strategy SPV	6.62%	2.17%	<b>Total gross return</b>	<b>3.91%</b>	<b>4.13%</b>
	3 months																																					
	Fund	B'mark																																				
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<b>Policy Compliance</b>		<b>Policy Compliance</b>																																				
✓		✓																																				
<b>Emerging Issues</b>		<b>Emerging Issues</b>																																				
Nothing to note at present.		Cash flow and monitoring debt limits is an emerging issue.																																				



## **2. Nikko Investment Portfolio**

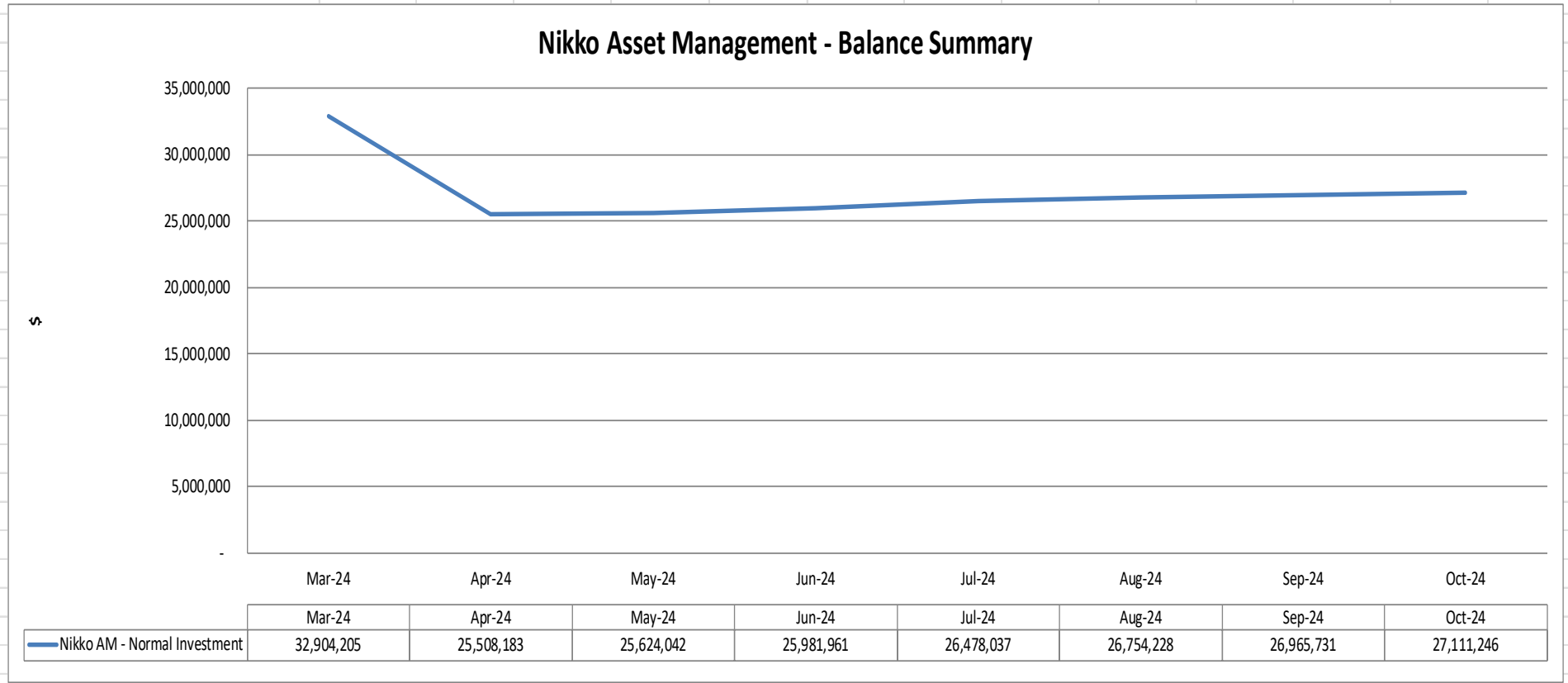
The Nikko Investment Portfolio report shows the monthly returns and compliance with agreed portfolio allocations for the months of April to October 2024.

We had a \$180k unrealised gain in October, resulting in a year-to-date cumulative return on investment of 2.99% including the losses and gains from prior months.

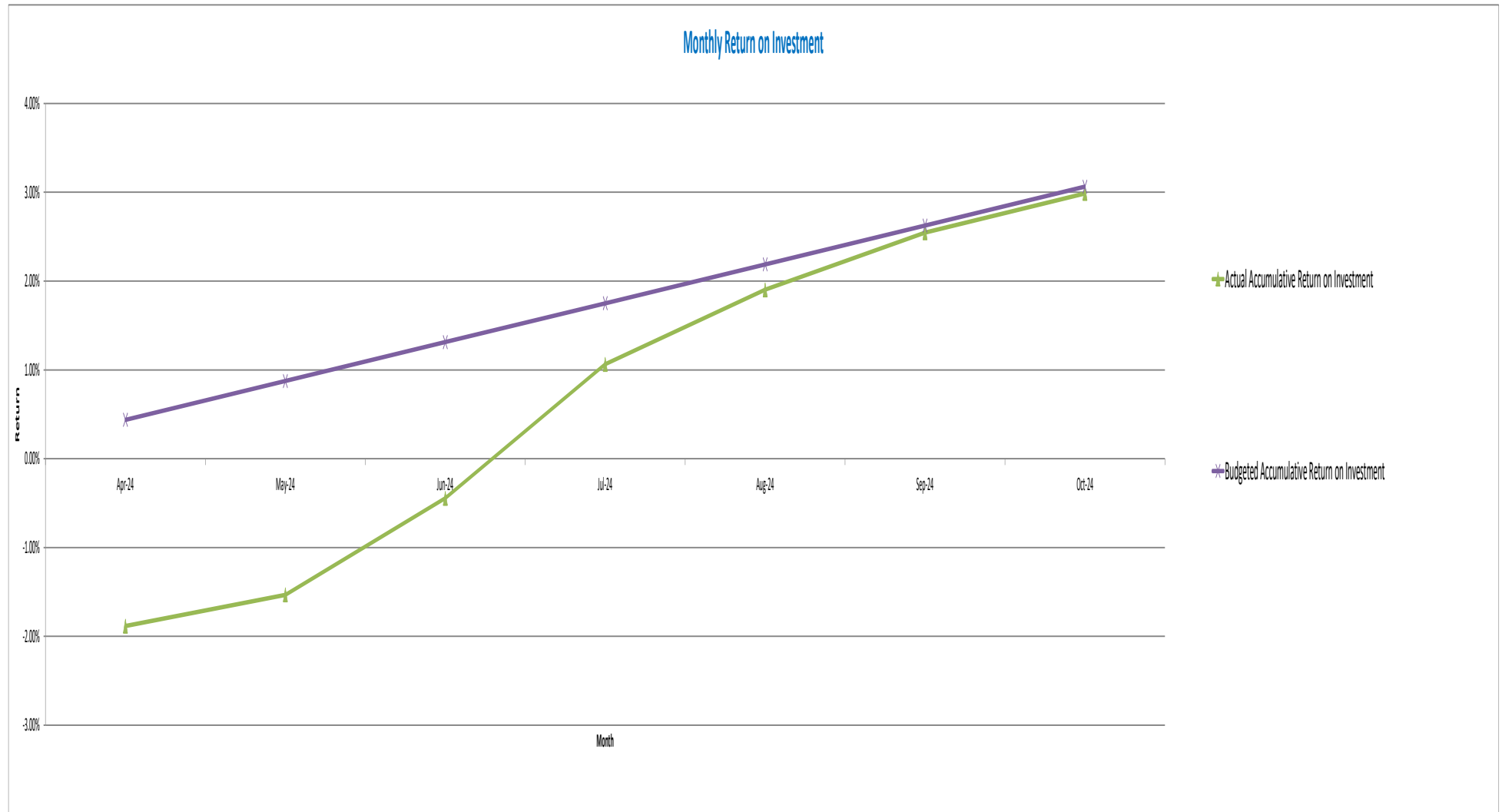
**NIKKO INVESTMENT PORTFOLIO REPORT**

**Combined Nikko Investment Portfolio**

	Mar-24	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25
Nikko AM - Normal Investment	32,904,205	25,508,183	25,624,042	25,981,961	26,478,037	26,754,228	26,965,731	27,111,246					
Total	32,904,205	25,508,183	25,624,042	25,981,961	26,478,037	26,754,228	26,965,731	27,111,246	-	-	-	-	-
Change each month	842,736	- 7,396,021	115,859	357,918	496,077	276,191	211,503	145,515					
Year to date change	4,131,924	- 7,396,021	- 7,280,162	- 6,922,244	- 6,426,167	- 6,149,976	- 5,938,474	- 5,792,958					



## Normal Nikko Investment Portfolio Return on Investment



### Monitoring of Nikko Asset Management’s Investment Portfolio

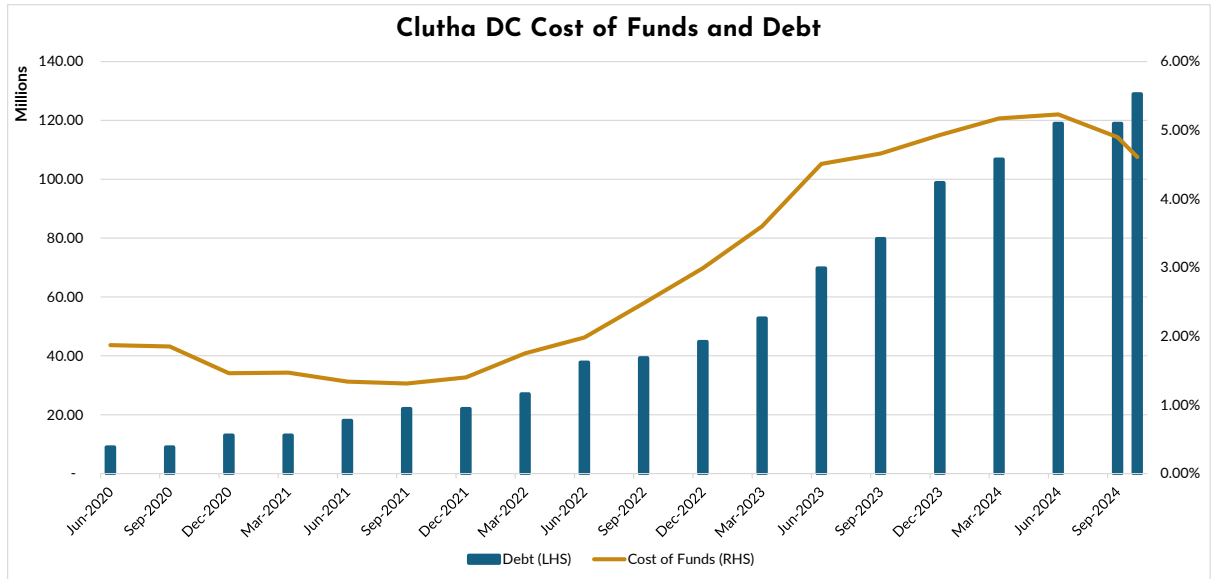
Clutha District Council - Monitoring of Nikko Asset Management’s Investment Portfolio																
Actual Balances	Apr-24		May-24		Jun-24		Jul-24		Aug-24		Sep-24		Oct-24			
		%		%		%		%		%		%		%		
TW0605 - Nikko AM Wholesale NZ Bond Fund	3,322,909	13.03%	3,360,870	13.12%	3,404,452	13.10%	3,502,261	13.23%	3,532,119	13.20%	3,556,833	13.19%	3,522,809	13.19%		
TW0606 - Nikko AM Wholesale NZ Cash Fund	1,159,149	4.54%	1,165,478	4.55%	1,170,761	4.51%	1,142,982	4.32%	1,148,784	4.29%	1,154,726	4.28%	1,125,736	4.28%		
TW0607 - Nikko AM Wholesale Core Equity Fund	2,597,452	10.18%	2,574,445	10.05%	2,548,958	9.81%	2,684,951	10.14%	2,673,482	9.99%	2,685,286	9.96%	2,744,599	9.96%		
TW0610 - Nikko AM Wholesale Global Bond Fund	8,212,164	32.19%	8,260,318	32.24%	8,380,060	32.25%	8,533,327	32.23%	8,663,239	32.38%	8,770,617	32.53%	8,614,868	32.53%		
TW0617 - Nikko AM Wholesale Multi-Strategy Fund	1,982,435	7.77%	1,981,543	7.73%	1,973,178	7.59%	1,981,320	7.48%	1,972,174	7.37%	1,983,216	7.35%	1,977,639	7.35%		
750617C - Nikko AM W/S Multi-Strategy Fund-MAR20	6,395	0.03%	6,404	0.02%	6,422	0.02%	6,801	0.03%	6,829	0.03%	6,847	0.03%	6,875	0.03%		
TW0618 - Nikko AM Wholesale Global Equity Unhedged Fund	3,437,397	13.48%	3,438,844	13.42%	3,572,688	13.75%	3,662,130	13.83%	3,588,956	13.41%	3,613,733	13.40%	3,857,975	13.40%		
TW0619 - Nikko AM Wholesale Global Equity Hedged Fund	3,506,825	13.75%	3,585,079	13.99%	3,712,080	14.29%	3,674,839	13.88%	3,789,962	14.17%	3,868,278	14.35%	3,914,241	14.35%		
TW0622 - Nikko AM Wholesale Property Fund	1,283,457	5.03%	1,251,062	4.88%	1,213,362	4.67%	1,289,426	4.87%	1,378,683	5.15%	1,326,195	4.92%	1,346,505	4.92%		
<b>Total</b>	<b>25,508,183</b>	<b>100%</b>	<b>25,624,042</b>	<b>100%</b>	<b>25,981,961</b>	<b>100%</b>	<b>26,478,037</b>	<b>100%</b>	<b>26,754,228</b>	<b>100%</b>	<b>26,965,731</b>	<b>100%</b>	<b>27,111,246</b>	<b>100%</b>		
Standard Investment Allocation	Apr-24		May-24		Jun-24		Jul-24		Aug-24		Sep-24		Oct-24		Range Limit	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	+/-	
TW0605 - Nikko AM Wholesale NZ Bond Fund	3,316,064	13.00%	3,331,126	13.00%	3,377,655	13.00%	3,442,145	13.00%	3,478,050	13.00%	3,505,545	13.00%	3,524,462	13.00%	5.00%	-5.00%
TW0606 - Nikko AM Wholesale NZ Cash Fund	1,275,409	5.00%	1,281,202	5.00%	1,299,098	5.00%	1,323,902	5.00%	1,337,711	5.00%	1,348,287	5.00%	1,355,562	5.00%	5.00%	-5.00%
TW0607 - Nikko AM Wholesale Core Equity Fund	2,550,818	10.00%	2,562,404	10.00%	2,598,196	10.00%	2,647,804	10.00%	2,675,423	10.00%	2,696,573	10.00%	2,711,125	10.00%	5.00%	-5.00%
TW0610 - Nikko AM Wholesale Global Bond Fund	8,162,619	32.00%	8,199,694	32.00%	8,314,227	32.00%	8,472,972	32.00%	8,561,353	32.00%	8,629,034	32.00%	8,675,599	32.00%	6.00%	-6.00%
TW0617 - Nikko AM Wholesale Multi-Strategy Fund	1,913,114	7.50%	1,921,803	7.50%	1,948,647	7.50%	1,985,853	7.50%	2,006,567	7.50%	2,022,430	7.50%	2,033,343	7.50%	5.00%	-5.00%
750617C - Nikko AM W/S Multi-Strategy Fund-MAR20	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	-	0.00%	5.00%	-5.00%
TW0618 - Nikko AM Wholesale Global Equity Unhedged Fund	3,507,375	13.75%	3,523,306	13.75%	3,572,520	13.75%	3,640,730	13.75%	3,678,706	13.75%	3,707,788	13.75%	3,727,796	13.75%	6.00%	-6.00%
TW0619 - Nikko AM Wholesale Global Equity Hedged Fund	3,507,375	13.75%	3,523,306	13.75%	3,572,520	13.75%	3,640,730	13.75%	3,678,706	13.75%	3,707,788	13.75%	3,727,796	13.75%	5.00%	-5.00%
TW0622 - Nikko AM Wholesale Property Fund	1,275,409	5.00%	1,281,202	5.00%	1,299,098	5.00%	1,323,902	5.00%	1,337,711	5.00%	1,348,287	5.00%	1,355,562	5.00%	4.00%	-4.00%
<b>Total</b>	<b>25,508,183</b>	<b>100%</b>	<b>25,624,042</b>	<b>100%</b>	<b>25,981,961</b>	<b>100%</b>	<b>26,478,037</b>	<b>100%</b>	<b>26,754,228</b>	<b>100%</b>	<b>26,965,731</b>	<b>100%</b>	<b>27,111,246</b>	<b>100%</b>		
Variance	Apr-24		May-24		Jun-24		Jul-24		Aug-24		Sep-24		Oct-24			
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%		
TW0605 - Nikko AM Wholesale NZ Bond Fund	6,845	0.03%	29,744	0.12%	26,797	0.10%	60,116	0.23%	54,069	0.20%	51,288	0.19%	1,653	0.19%	Nothing out of range.	
TW0606 - Nikko AM Wholesale NZ Cash Fund	- 116,260	-0.46%	- 115,724	-0.45%	- 128,337	-0.49%	- 180,920	-0.68%	- 188,927	-0.71%	- 193,561	-0.72%	- 229,826	-0.72%		
TW0607 - Nikko AM Wholesale Core Equity Fund	46,634	0.18%	12,040	0.05%	- 49,238	-0.19%	37,148	0.14%	1,941	-0.01%	11,287	-0.04%	33,474	-0.04%		
TW0610 - Nikko AM Wholesale Global Bond Fund	49,545	0.19%	60,624	0.24%	65,833	0.25%	60,355	0.23%	101,886	0.38%	141,583	0.53%	60,731	0.53%		
TW0617 - Nikko AM Wholesale Multi-Strategy Fund	69,321	0.27%	59,739	0.23%	24,531	0.09%	4,533	-0.02%	34,393	-0.13%	39,214	-0.15%	55,704	-0.15%		
750617C - Nikko AM W/S Multi-Strategy Fund-MAR20	6,395	0.03%	6,404	0.02%	6,422	0.02%	6,801	0.03%	6,829	0.03%	6,847	0.03%	6,875	0.03%		
TW0618 - Nikko AM Wholesale Global Equity Unhedged Fund	- 69,978	-0.27%	- 84,462	-0.33%	169	0.00%	21,400	0.08%	89,751	-0.34%	94,055	-0.35%	130,179	-0.35%		
TW0619 - Nikko AM Wholesale Global Equity Hedged Fund	- 550	0.00%	61,774	0.24%	139,560	0.54%	34,109	0.13%	111,256	0.42%	160,490	0.60%	186,444	0.60%		
TW0622 - Nikko AM Wholesale Property Fund	8,048	0.03%	- 30,140	-0.12%	- 85,736	-0.33%	- 34,476	-0.13%	40,972	0.15%	22,091	-0.08%	9,058	-0.08%		

### Nikko Investments – Combined Summary of Transactions since Inception to October 2024

<u>Nikko Investments - Combined</u>		No. of months									
<u>Summary of transactions since inception</u>		3	12	12	12	12	12	12	12	4	91
		Year 1 - 2016/17	Year 2 - 2017/18	Year 3 - 2018/19	Year 4 - 2019/20	Year 5 - 2020/21	Year 6 - 2021/22	Year 7 - 2022/23	Year 8 - 2023/24	Year 9 - 2024/25	Inception to date
<b>Opening Balance</b>		17,467,879	22,971,320	25,519,659	27,210,811	28,984,496	31,702,036	27,750,397	29,850,316	25,996,948	17,467,879
Plus Capital Injections - Forestry Sales		5,355,020	0	0	0	0	0	0	0	0	5,355,020
Plus Capital Contributions		0	789,000	1,015,263	0	0	0	0	0	0	1,804,263
Plus Returns		148,421	2,669,443	2,124,598	1,885,278	3,898,341	-2,888,395	2,246,511	3,079,808	1,199,995	14,363,999
Less Management Fees		0	-119,056	-140,446	-111,593	-156,337	-163,944	-146,591	-157,099	-69,540	-1,064,606
Less Capital Withdrawals - Rates Subsidy		0	-791,048	-1,308,263	0	-1,024,464	-899,300	0	-6,776,077	0	-10,799,152
Consolidation of Investments		0	0	0	0	0	0	0	0	0	0
<b>Closing Balance - per audited financial statements (fair price)</b>		<b>22,971,320</b>	<b>25,519,659</b>	<b>27,210,811</b>	<b>28,984,496</b>	<b>31,702,036</b>	<b>27,750,397</b>	<b>29,850,316</b>	<b>25,996,948</b>	<b>27,127,403</b>	<b>27,127,403</b>
Budgeted Long Term Plan forecast balance		14,320,000	13,009,000	25,281,000	25,718,000	26,163,000	30,507,000	30,044,000	29,855,000	33,350,000	33,350,000
Overall Annual % Change in Fund Value - including Capital Withdrawals/Contributions		31.51%	11.09%	6.63%	6.52%	9.38%	-12.46%	7.57%	-12.91%	4.35%	55.30%
Overall Annual % Change in Fund Value - excluding Capital Withdrawals/Contributions		0.85%	11.10%	7.77%	6.52%	12.91%	-9.63%	7.57%	9.79%	4.35%	76.14%

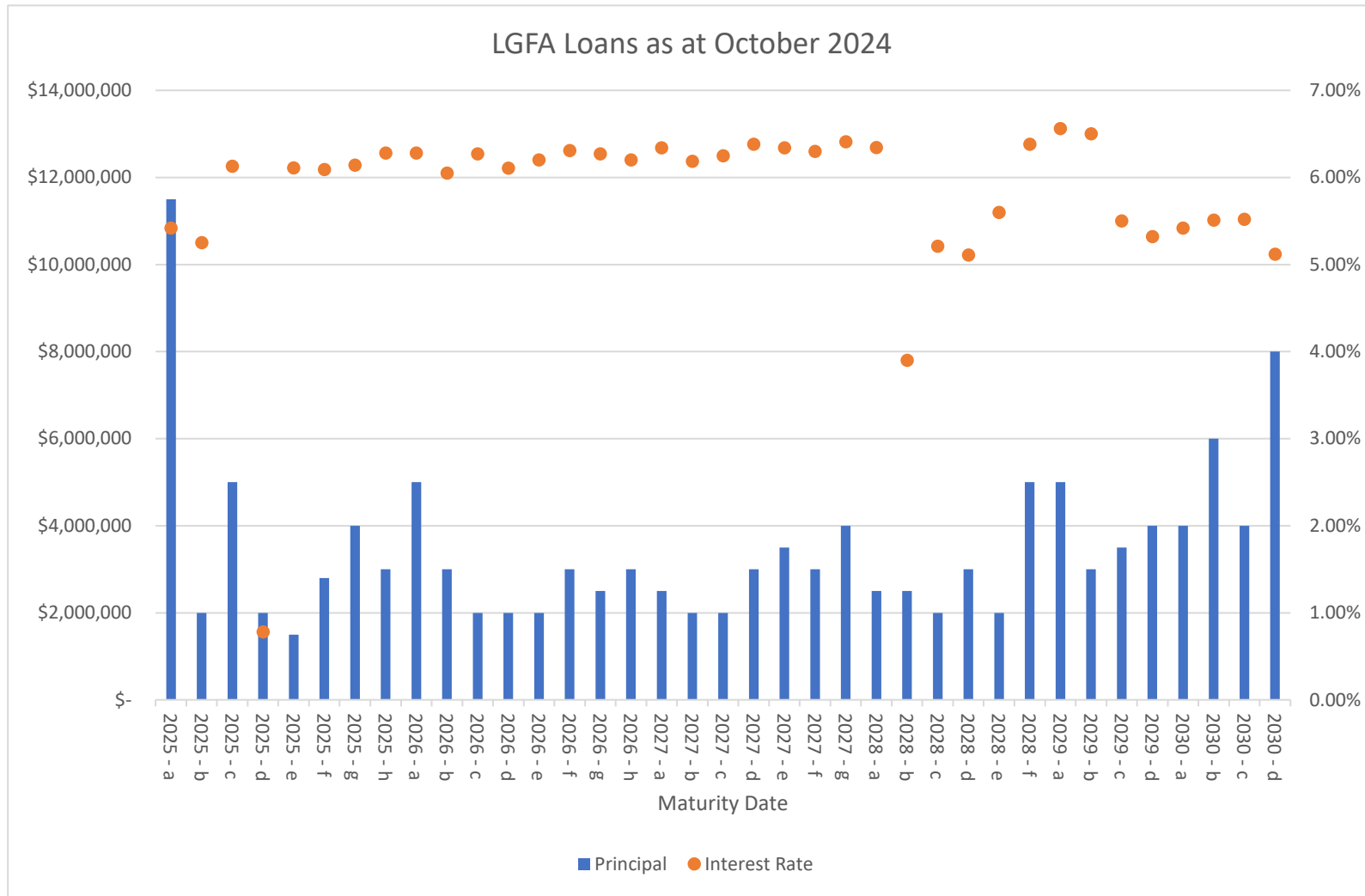
### 3. LGFA Borrowing Portfolio

The following table shows Council's LGFA borrowing at the end of October 2024. It shows each tranche of borrowing, the relative interest rate and the maturity date. We have also shown this graphically. For comparative purposes we have shown the same information as at the end of the three financial years.



Date	Debt (LHS)	Cost of Funds (RHS)
Jun-2020	9,000,000.00	1.87%
Sep-2020	9,000,000.00	1.85%
Dec-2020	13,000,000.00	1.46%
Mar-2021	13,000,000.00	1.47%
Jun-2021	18,000,000.00	1.34%
Sep-2021	22,000,000.00	1.31%
Dec-2021	22,000,000.00	1.40%
Mar-2022	27,000,000.00	1.75%
Jun-2022	37,800,000.00	1.98%
Sep-2022	39,300,000.00	2.48%
Dec-2022	44,800,000.00	2.99%
Mar-2023	52,800,000.00	3.60%
Jun-2023	69,800,000.00	4.51%
Sep-2023	79,800,000.00	4.66%
Dec-2023	98,800,000.00	4.93%
Mar-2024	106,800,000.00	5.17%
Jun-2024	118,900,000.00	5.23%
Sep-2024	118,900,000.00	4.90%
Oct-2024	129,000,000.00	4.61%

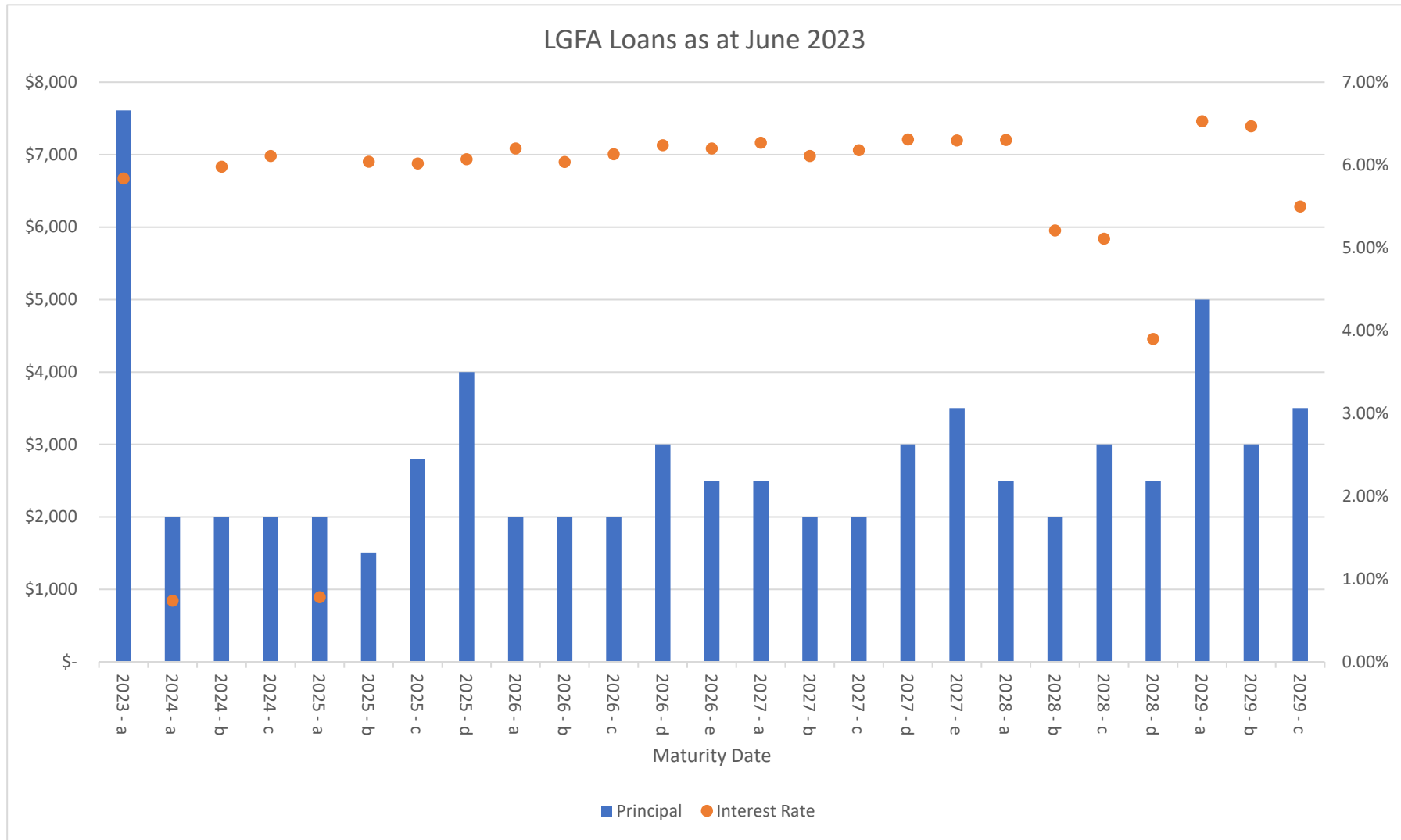
<b>LGFA Borrowing October 2024</b>			
Loan Type	Maturity Date	Interest Rate	Principal
LGFA CP	15-Nov-24	5.42%	\$11,500,000
LGFA CP	15-Nov-24	5.25%	\$2,000,000
LGFA FRN	15-Apr-25	6.13%	\$5,000,000
LGFA FRB	17-Apr-25	0.78%	\$2,000,000
LGFA FRN	17-Apr-25	6.11%	\$1,500,000
LGFA FRN	17-Apr-25	6.09%	\$2,800,000
LGFA FRN	17-Apr-25	6.14%	\$4,000,000
LGFA FRN	17-Apr-25	6.28%	\$3,000,000
LGFA FRN	17-Apr-26	6.28%	\$5,000,000
LGFA FRN	15-Apr-26	6.05%	\$3,000,000
LGFA FRN	17-Apr-26	6.27%	\$2,000,000
LGFA FRN	17-Apr-26	6.11%	\$2,000,000
LGFA FRN	17-Apr-26	6.20%	\$2,000,000
LGFA FRN	17-Apr-26	6.31%	\$3,000,000
LGFA FRN	17-Apr-26	6.27%	\$2,500,000
LGFA FRN	17-Apr-26	6.20%	\$3,000,000
LGFA FRN	15-Apr-27	6.34%	\$2,500,000
LGFA FRN	15-Apr-27	6.19%	\$2,000,000
LGFA FRN	15-Apr-27	6.25%	\$2,000,000
LGFA FRN	15-Apr-27	6.38%	\$3,000,000
LGFA FRN	15-Apr-27	6.34%	\$3,500,000
LGFA FRB	15-Apr-27	6.30%	\$3,000,000
LGFA FRN	15-Apr-27	6.41%	\$4,000,000
LGFA FRN	15-May-28	6.35%	\$2,500,000
LGFA FRB	15-May-28	3.90%	\$2,500,000
LGFA FRB	15-May-28	5.21%	\$2,000,000
LGFA FRB	15-May-28	5.11%	\$3,000,000
LGFA FRB	15-May-28	5.60%	\$2,000,000
LGFA FRN	15-May-28	6.38%	\$5,000,000
LGFA FRN	20-Apr-29	6.56%	\$5,000,000
LGFA FRN	20-Apr-29	6.50%	\$3,000,000
LGFA FRB	20-Apr-29	5.50%	\$3,500,000
LGFA FRB	20-Apr-29	5.32%	\$4,000,000
LGFA FRB	15-May-30	5.42%	\$4,000,000
LGFA FRB	15-May-30	5.51%	\$6,000,000
LGFA FRB	15-May-30	5.52%	\$4,000,000
LGFA FRB	15-May-30	5.12%	\$8,000,000
		5.68%	\$128,800,000

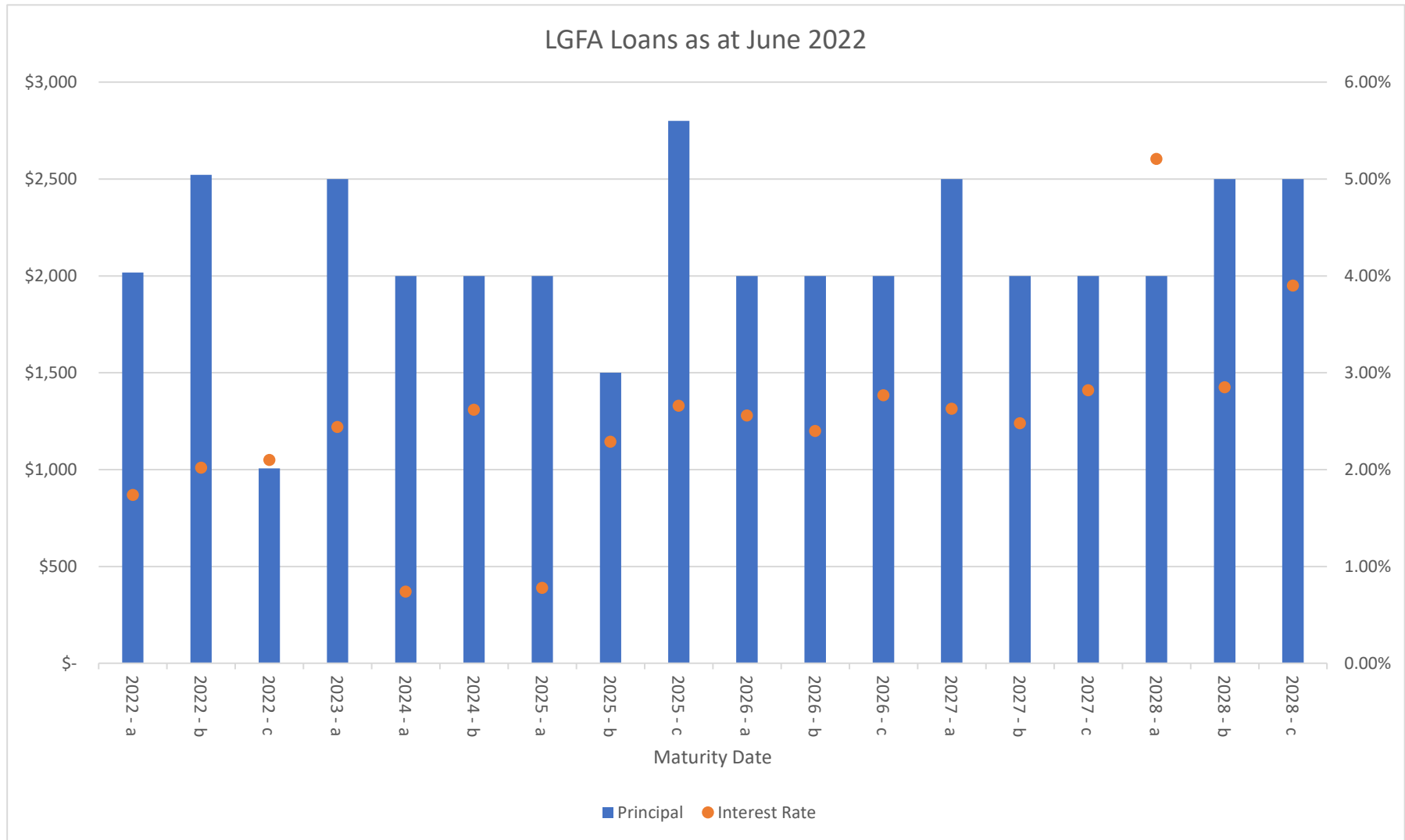




<b>LGFA Borrowing June 2023</b>		
Maturity Date	Principal	Interest Rate
August 2023	\$7,610	5.84%
April 2024	\$2,000	0.74%
April 2024	\$2,000	5.98%
April 2024	\$2,000	6.11%
April 2025	\$2,000	0.78%
April 2025	\$1,500	6.04%
April 2025	\$2,800	6.02%
April 2025	\$4,000	6.07%
April 2026	\$2,000	6.20%
April 2026	\$2,000	6.04%
April 2026	\$2,000	6.13%
April 2026	\$3,000	6.24%
April 2026	\$2,500	6.20%
April 2027	\$2,500	6.27%
April 2027	\$2,000	6.11%
April 2027	\$2,000	6.18%
April 2027	\$3,000	6.31%
April 2027	\$3,500	6.30%
April 2028	\$2,500	6.31%
April 2028	\$2,000	5.21%
April 2028	\$3,000	5.11%
May 2028	\$2,500	3.90%
April 2029	\$5,000	6.53%
April 2029	\$3,000	6.47%
April 2029	\$3,500	5.50%
Total & average interest rate	\$69,910	5.68%

<b>LGFA Borrowing June 2022</b>		
Date Maturing	Amount (\$'000)	Interest Rate
August 2022	\$2,017	0.0174%
August 2022	\$2,522	2.02%
August 2022	\$1,007	2.10%
April 2023	\$2,500	2.44%
April 2024	\$2,000	0.74%
April 2024	\$2,000	2.62%
April 2025	\$2,000	0.78%
April 2025	\$1,500	2.29%
April 2025	\$2,800	2.66%
April 2026	\$2,000	2.56%
April 2026	\$2,000	2.40%
April 2026	\$2,000	2.77%
April 2027	\$2,500	2.63%
April 2027	\$2,000	2.48%
April 2027	\$2,000	2.82%
April 2028	\$2,000	5.21%
May 2028	\$2,500	2.85%
May 2028	\$2,500	3.90%
Total & average interest rate	\$37,846	2.53%







# Quarterly Treasury Report

**30 September 2024**

STRICTLY PRIVATE AND CONFIDENTIAL



**BANCORP**

BANCORP TREASURY SERVICES LIMITED



## Global (for the September 2024 quarter)

The US Federal Reserve (“Fed”) began its cutting cycle on 18 September, lowering the Fed Funds rate by 50 basis-points (“bps”) to a target range of 4.75% - 5.00%. The Federal Open Market Committee (“FOMC”) indicated 2 more 25 bps cuts by the end of the year. Notably, the FOMC vote was 11-1 in favour of the 50bps cut, with Governor Michelle Bowman instead advocating for a 25bps cut, the first dissenting vote by a Fed governor since 2005. The post-meeting statement declared, *“The Committee has gained greater confidence that inflation is moving sustainably toward 2 percent, and judges that the risks to achieving its employment and inflation goals are roughly in balance,”* with Fed Chair Jerome Powell stating in a news conference that *“We’re trying to achieve a situation where we restore price stability without the kind of painful increase in unemployment that has come sometimes with this inflation. That’s what we’re trying to do, and I think you could take today’s action as a sign of our strong commitment to achieve that goal.”*

Markets are now projecting the Fed Funds rate to fall to 4.00% by the end of the year, 3.00% by August 2025 and 2.75% by the end of 2025. The benchmark US 10-year Treasury bond rate opened the quarter at 4.47% which represented the high for the quarter, fell to a low of 3.60% on the day of the September Fed meeting, but subsequently retraced a little of the down move and finished September at 3.78%. This post Fed meeting increase demonstrates that the markets were expecting a 50bps cut, so it was a classic case of ‘buy the rumour sell the fact’.

The Bank of England (“BoE”) and Sweden’s Riksbank cut their cash rates over August. Despite the ongoing weakness in the Chinese economy, the People’s Bank of China (“PBoC”), after its July rate cuts, initially left its key interest rates unchanged in September. However, in late September the PBoC released a multitude of stimulus measures which included reducing a number of key interest rates to try boost its slowing economy.

Against the global rate-cutting trend, the Bank of Japan (“BoJ”) remains an outlier and increased its cash rate by 15bps to 0.25%. The BoJ also intervened to support the yen, spending USD36.6bn in August following on from June’s USD65.0bn of US dollar sales. This time it was helped by general US dollar weakness, which saw investors aggressively unwind yen sourced carry trades. Markets are not expecting any further BoJ rate hikes until December.

The Reserve Bank of Australia (“RBA”) again left its cash rate unchanged at 4.35% at its 24 September meeting and implied no cuts until early 2025. The RBA reiterated its commitment to combating inflation while acknowledging the uncertain economic outlook. The unemployment rate was steady at 4.2%, with a positive employment change of 47,500 workers, better than the expected 26,400.

## New Zealand (for the September 2024 quarter)

	OCR	90 day	2 years	3 years	5 years	7 years	10 years
30-Jun-24	5.50%	5.63%	4.80%	4.51%	4.38%	4.38%	4.46%
30-Sep-24	5.25%	4.87%	3.58%	3.47%	3.55%	3.70%	3.89%
Change	-0.25%	-0.76%	-1.22%	-1.04%	-0.83%	-0.68%	-0.57%

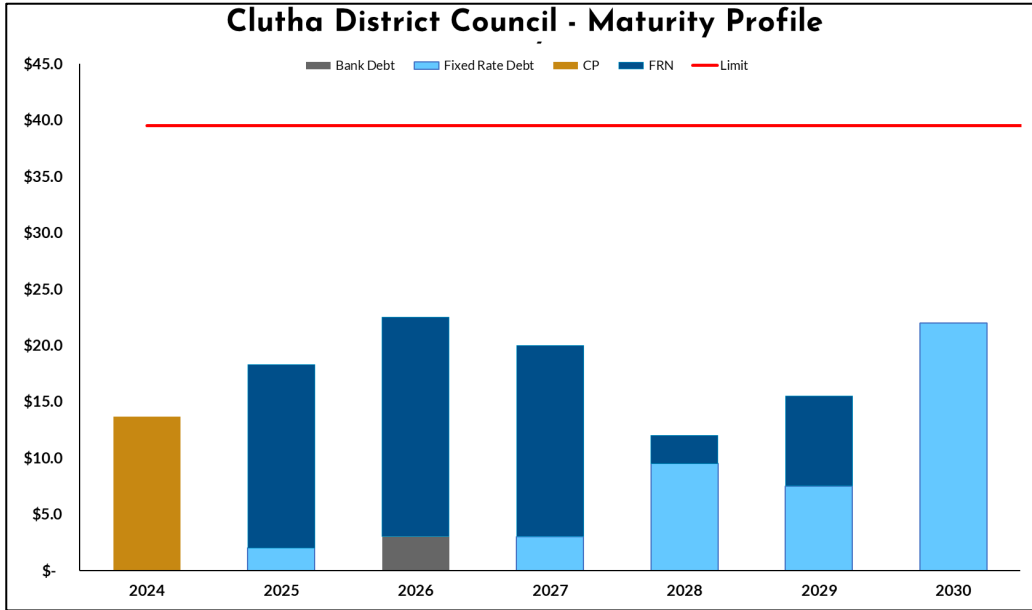
The Reserve Bank of New Zealand (“RBNZ”) cut the Official Cash Rate (“OCR”) by 25bps to 5.25% at its August *Monetary Policy Statement* as the central bank was, “*Confident inflation (will be) back in its target band*”. Following the MPS, at the Government’s Finance and Expenditure Select Committee, RBNZ Governor Adrian Orr emphasised the need for OCR cuts to address the weak economy, and reiterated the RBNZ’s commitment to controlling inflation stating, “*The current economic environment is weak (and the) economy is weaker than anticipated 6-months ago. We have strong control over the inflation story. There was no talk on committee of raising rates again. We are not done yet on inflation, but it’s definitely moving in the right direction. If inflation expectations are well anchored, we can look through some of the noise*”. There is no doubt that the economy warrants an accelerated cutting cycle, but it does raise the question of credibility given the RBNZ’s abrupt change in its outlook since the prior May MPS.

GDP fell in the June quarter by -0.2%, with an annual decrease of -0.5%, slightly better than forecasts of -0.4% and -0.6%, respectively. GDP per capita fell 0.5% in the second quarter and was down 2.7% for the year. Primary industries saw the greatest decline over the quarter, with a -1.6% drop. Goods-producing industries increased by 0.7% over the quarter, although with a -3.2% decrease over the year, manufacturing increasing by 1.9% over the quarter and a -4.3% decrease over the year. Services were overall flat over the quarter, with a 0.7% increase over the year.

The current account deficit grew to \$27.8 billion in the year to June, or around 6.7% of GDP. This is slightly worse than the previous \$27.6 billion for the year to March. The deficit for the June quarter was \$7.2 billion, \$269 million more than the March quarter. The goods deficit widened by \$110 million to \$2.6 billion, as goods imports increased by \$183 million, led by transport equipment, while exports were up by \$74 million, led by meat and other commodities such as aluminium, wine, and fish. The services deficit narrowed by \$28 million to \$501 million over the quarter, with exports up \$127 million, led by transportation services, while imports increased \$99 million, led by New Zealanders spending while travelling overseas.

The weak GDP figures are expected to help reduce inflation, which the RBNZ is projecting to fall to 2.3% in the September 2024 year (currently it is 3.3%). Markets are pricing in a 100% probability of the OCR being at 5.00% in October 2024 and a 72% probability that it will be at 4.75%, while for November 2024 markets are pricing a 100% probability that the OCR will be at 4.50% and a 56% probability that it will be at 4.25%. By November 2025 markets are projecting it to have fallen to 2.75%.

Interest rate swap rates fell sharply over the quarter, even more so at the shorter end of the yield curve where the presumed future OCR cuts have more of an influence than at the longer end of the curve which is largely driven by moves in US and global bond rates. However the moves at the long end of the curve have still been significant driven by the moves in US and global bond yields. This flattening of the local yield curve reduces the benefit of forward start swaps compared to spot swaps but given the fall in spot swaps they are now providing more benefit than earlier in the year.



Debt  
**\$121.0m**  
 External Council Drawn Debt

LGFA Debt  
**\$121.0m**  
 Funds Drawn from LGFA

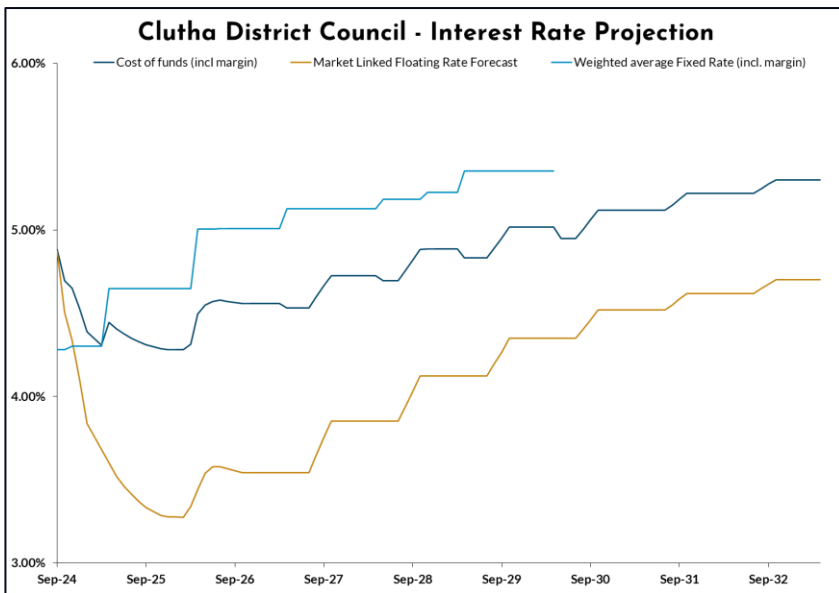
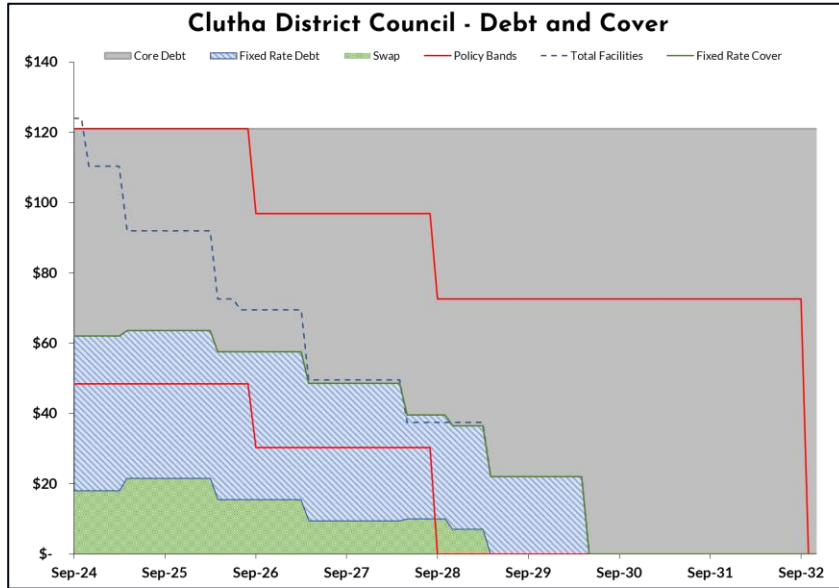
Headroom = undrawn bank facility, cash in bank and the Managed Fund (the LGFA accepts that this can be used in the liquidity calculation)  
**\$40.0m**

Liquidity Ratio (must be >110%)  
**133.67%**

Cost of Funds as at 30 September 2024  
**4.88%**

Policy Compliance	Compliant
Have all transactions been transacted in compliance with policy?	Yes
Is fixed interest rate cover within policy control limits?	Yes
Is the funding maturity profile within policy control limits?	Yes
Is liquidity within policy control limits?	Yes
Are counterparty exposures within policy control limits?	Yes

# Interest Rate Risk Management



<i>Current % of Debt Fixed</i>	51.2%
<i>Current % of Debt Floating</i>	48.8%
<i>Value of Fixed Rate (m)</i>	\$62.0
<i>Weighted Average Cost of Fixed Rate Instruments</i>	4.12%
<i>Value of Forward Starting Cover</i>	\$10.5
<i>Weighted Average Cost of Forward Starting Cover</i>	3.94%
<i>Value of Floating Rate (m)</i>	\$59.0
<i>Current Floating Rate</i>	4.87%
<i>Current Floating Rate (incl margin)</i>	5.44%
<i>All Up Weighted Average Cost of Funds Including Margin</i>	4.88%
<i>Total Facilities In Place</i>	\$124.0

<b>Fixed Rate Hedging Bands</b>			
	<b>Minimum</b>	<b>Maximum</b>	<b>Policy</b>
0 - 2 years	40%	100%	Compliant
2 - 4 years	25%	80%	Compliant
4 - 8 years	0%	60%	Compliant



# LGFA Borrowing Rates

Listed below are the credit spreads and applicable interest rates as at 30 September for Commercial Paper (“CP”), Floating Rate Notes (“FRN”) and Fixed Rate Bonds (“FRB”), at which Clutha District Council could source debt from the Local Government Funding Agency (“LGFA”).

Maturity	Margin	FRN (or CP Rate)	FRB
3-month CP	0.15%	5.02%	N/A
6-month CP	0.15%	5.14%	N/A
April 2025	0.42%	5.29%	5.00%
April 2026	0.50%	5.37%	4.20%
April 2027	0.62%	5.49%	4.08%
May 2028	0.76%	5.63%	4.20%
April 2029	0.91%	5.78%	4.39%
May 2030	1.02%	5.89%	4.58%
May 2031	1.10%	5.97%	4.74%
April 2033	1.20%	6.07%	4.97%
May 2035	1.27%	6.14%	5.15%
April 2037	1.34%	6.21%	5.32%



As at 30 September 2024, CDC had \$121.0 million of core debt, all of which is sourced from the LGFA using Commercial Paper (“CP”), Floating Rate Notes (“FRN’s”), and Fixed Rate Bonds (“FRB’s”). In addition, CDC has a \$3m Westpac facility, with a maturity date of 31 July 2026. Details of the drawn LGFA debt is as follows.

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	15-Nov-24	5.42%	N/A	\$11,655,399
LGFA CP	15-Nov-24	5.25%	N/A	\$2,014,096
LGFA FRB	15-Apr-25	0.78%	N/A	\$2,000,000
LGFA FRN	15-Apr-25	6.05%	0.49%	\$1,500,000
LGFA FRN	15-Apr-25	6.03%	0.47%	\$2,800,000
LGFA FRN	15-Apr-25	6.08%	0.52%	\$4,000,000
LGFA FRN	15-Apr-25	6.07%	0.51%	\$5,000,000
LGFA FRN	15-Apr-25	6.16%	0.60%	\$3,000,000
LGFA FRN	15-Apr-26	6.21%	0.65%	\$2,000,000
LGFA FRN	15-Apr-26	6.05%	0.49%	\$2,000,000
LGFA FRN	15-Apr-26	6.14%	0.58%	\$2,000,000
LGFA FRN	15-Apr-26	6.25%	0.69%	\$3,000,000
LGFA FRN	15-Apr-26	6.21%	0.65%	\$2,500,000
LGFA FRN	15-Apr-26	6.14%	0.58%	\$3,000,000
LGFA FRN	15-Apr-26	6.22%	0.66%	\$5,000,000
LGFA FRN	15-Apr-27	6.28%	0.72%	\$2,500,000
LGFA FRN	15-Apr-27	6.12%	0.57%	\$2,000,000
LGFA FRN	15-Apr-27	6.19%	0.63%	\$2,000,000
LGFA FRN	15-Apr-27	6.32%	0.76%	\$3,000,000
LGFA FRN	15-Apr-27	6.28%	0.72%	\$3,500,000
LGFA FRB	15-Apr-27	6.30%	N/A	\$3,000,000
LGFA FRN	15-Apr-27	6.35%	0.79%	\$4,000,000
LGFA FRN	15-May-28	6.00%	0.73%	\$2,500,000
LGFA FRB	15-May-28	3.90%	N/A	\$2,500,000
LGFA FRB	15-May-28	5.21%	N/A	\$2,000,000
LGFA FRB	15-May-28	5.11%	N/A	\$3,000,000
LGFA FRB	15-May-28	5.60%	N/A	\$2,000,000
LGFA FRN	20-Apr-29	6.49%	0.94%	\$5,000,000
LGFA FRN	20-Apr-29	6.43%	0.88%	\$3,000,000
LGFA FRB	20-Apr-29	5.50%	N/A	\$3,500,000
LGFA FRB	20-Apr-29	5.32%	N/A	\$4,000,000
LGFA FRB	15-May-30	5.42%	N/A	\$4,000,000
LGFA FRB	15-May-30	5.51%	N/A	\$6,000,000
LGFA FRB	15-May-30	5.52%	N/A	\$4,000,000
LGFA FRB	15-May-30	5.12%	N/A	\$8,000,000

## Disclaimer

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## MJW Investment Survey

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September 2024

**Market commentary**

The September quarter booked a positive result for most investors. The median growth fund in our KiwiSaver survey returned 4.2% (after fees, before tax), while the median conservative fund rose 3.7%. The returns for the trailing twelve months are now firmly in double-digits for most funds, with the top spot in our survey going to the Westpac Growth Fund with a return of 21.3% for the one year period. Longer term, the Milford Active Growth Fund retains its first ranking, but Generate has narrowed the gap to just 0.6 percentage points per annum over the three year period.

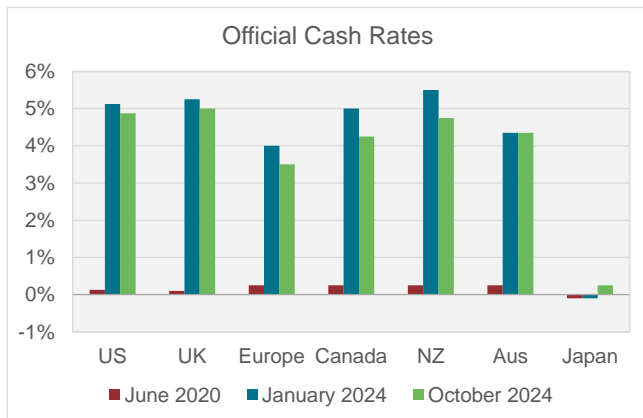
Among the default funds, BNZ is top over the two year period with a return of 13.3% per annum. Interestingly, this would place BNZ’s Default Fund second in our broader balanced fund peer group. This might partly reflect the lower average fee level of default funds.

**Interest rates**

This quarter, positive momentum built as more central bankers kicked off an interest rate easing cycle. Cuts to official interest rates were made by the US Federal Reserve (50 basis points on 18 September), Bank of England (25 basis points on 1 August), European Central Bank (25 basis points on 18 September) and Bank of Canada (25 basis points on each of 24 July and 4 September). Our own Reserve Bank cut the OCR by 25 basis points on 14 August and followed this up with a 50 basis point cut after quarter end.

Notable exceptions are Australia, which remains on hold at 4.35% for now, and Japan, where the official rate was lifted to 0.25% having sat in negative territory since January 2016.

As the following chart shows, the easing of monetary policy has been incremental so far. Cash rates mostly remain well above their lows reached in 2020 when Covid-19 shutdowns strangled the global economy.

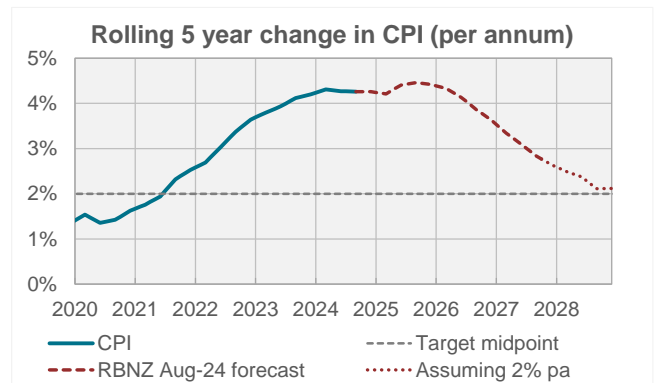


Few commentators think that interest rates are returning to near-zero levels, but where central bankers ultimately end their rate-cutting cycle is up for debate.

**Inflation**

This dynamic, of course, reflects falling inflation rates, with our own Consumers Price Index (CPI) registering a 2.2% rise for the year to 30 September 2024. This reading was marginally below the Reserve Bank’s forecast in its August 2024 Monetary Policy Statement, placing CPI well within the 1-3% target band. The market currently expects the Bank to see out the 2024 calendar year with another 50 basis points cut on 27 November.

The rapid decline in CPI will be celebrated by those who have real return objectives. Commonly, investors will look to preserve or grow the real value of capital and therefore set an investment objective to exceed CPI plus some margin over the long-term. This is typically specified using rolling five year periods, which could be problematic in the near term. As the following chart illustrates, even if CPI follows the expected trajectory, it will take some time for the trailing five year figure to normalise.



The chart shows that if we follow the pathway anticipated by the Reserve Bank, the five year CPI change will still be above 4% per annum in early 2026 – twice the long-term target midpoint. Trustees may therefore need to be prepared to be measured against a challenging hurdle for some time yet.

**Bonds**

Falling interest rates give a short term boost to bond funds. This is due to the mark-to-market gains which correspond to the level of duration in the portfolio. So, as we survey manager results for the quarter, we see domestic and global bond managers returning in the region of 4% this quarter. Moreover, with the negative September 2023 quarter rolling out of the one year series, the twelve month results for most bond managers have hit double-digits.

One should be mindful that mark-to-market gains are like a short-term “sugar rush”. Ultimately, the return received from the bond sector is drawn towards the average yield. Mark-to-market gains are, in effect, bringing forward future returns to today. If yields stay on the current trajectory, future bond returns will not be as strong as the past year’s have been.

## Equities

Turning to the equity market, falling interest rates also boosted “bond proxies”. Listed real estate and infrastructure funds were up 9% to 15% over the quarter.

Supporting active share managers, particularly in the domestic market, was a rebound in small and mid-cap stocks. To the extent that active managers are overweight these areas (and, correspondingly, underweight large caps), they performed well.

Similarly, the Australian share market outperformed our own bourse. This lifted the performance of those “domestic” equity managers which include Australia in their mandate.

Global share markets were positive but trailed the NZX, perhaps due to our market’s greater sensitivity to interest rates. The rising New Zealand dollar also dented unhedged global share investors’ returns. On average, global share managers were up in the order of 2% for the quarter.

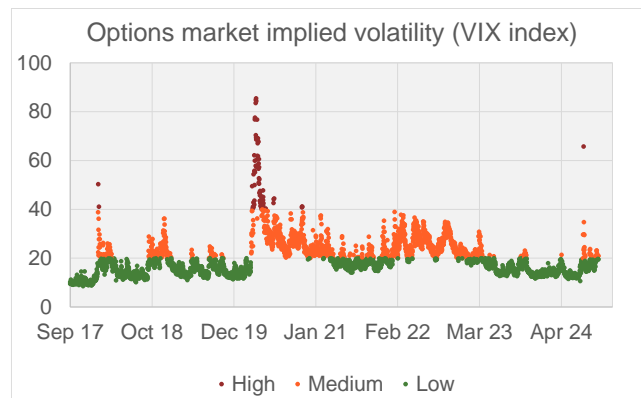
The median value manager in our survey pipped the median growth manager this quarter. However, growth has been on a tear recently, thanks in part to the US technology giants, and the median growth manager in our survey has returned 25.9% over the past twelve months.

Turning to emerging markets, China rebounded strongly as investors anticipated significant monetary and fiscal stimulus. This comes after June GDP release showed annual growth of 4.7% which was below the government’s target of 5%.

Over the last three years, China’s equity market is flat to down (depending on how you measure it), making it a stark outlier among large economies. For contrast, S&P 500 Index is up a cumulative 34% over that period. Amongst emerging markets, a key success story is India, where it was announced in September that its weight had overtaken China’s within MSCI’s All Country World Index.

## Volatility

Last quarter we stated that investment markets were remarkably sanguine, despite several key uncertainties. Almost immediately after we published our commentary, we witnessed a spike in market volatility to levels not seen since the emergence of Covid-19.



The cause of the August spike is unclear, although it is speculated that low trading volumes during a period when many Northern Hemisphere traders were on summer holidays exacerbated the market reaction to weak US economic data. Volatility has receded since then.

With the conflict in the Middle East expanding in scope in recent weeks, plus the looming, potentially volatile US election, we are cautious of market returns in the short-term. We continue to advocate for well-diversified investment portfolios, managed under a robust governance regime.

– Ben Trollip, written 17 October 2024

## Wholesale Fund Returns (before fees and tax)

New Zealand & Australian Shares		Aus. weight / hedging %	NZ FUM \$m	3 months % Rk	1 year % Rk	3 years % pa Rk	5 years % pa Rk	10 years % pa Rk	5 years Vol. pa	
<b>New Zealand</b>										
CPF	Trans-Tasman <sub>1</sub>	13/95	44	5.2 (17)	12.3 (10)	-2.2 (17)	5.0 (15)	12.5 (3)	15.8	
DEV	Core <sub>1</sub>	4/68	0	5.7 (14)	11.0 (15)	0.9 (3)	5.4 (11)	9.8 (15)	12.9	
DEV	NZ Equity <sub>1</sub>	0/0	36	5.5 (15)	10.6 (16)	0.1 (9)	4.3 (17)	-	12.6	
FIS	NZ Grow th <sub>1</sub>	0/0	219	<b>10.1 (1)</b>	<b>21.3 (1)</b>	-0.9 (14)	<b>9.2 (1)</b>	13.2 (2)	18.0	
HAM	Australasian Eq <sub>1</sub>	19/27	392	7.3 (6)	19.2 (2)	-0.7 (12)	6.1 (5)	11.1 (10)	16.3	
MAM	NZ Equities <sub>1</sub>	6/85	806	6.9 (8)	16.8 (5)	1.3 (2)	8.1 (2)	<b>13.8 (1)</b>	13.5	
MER	Ethical Leaders <sub>1</sub>	15/100	36	7.9 (4)	17.0 (4)	-0.9 (13)	6.6 (4)	11.4 (7)	15.4	
MER	Trans-Tasman <sub>1</sub>	8/80	922	6.3 (10)	13.2 (9)	0.0 (11)	5.4 (12)	10.3 (14)	13.8	
MNT	Australasian Equity <sub>2</sub>	14/99	210	4.6 (18)	15.1 (6)	0.6 (5)	5.3 (13)	11.2 (9)	12.9	
MNT	NZ SRI <sub>1</sub>	0/0	95	6.5 (9)	10.3 (17)	-1.1 (15)	5.1 (14)	-	13.3	
NAM	Core <sub>1</sub>	7/0	271	5.7 (13)	11.4 (13)	0.1 (10)	4.7 (16)	11.1 (11)	13.8	
NAM	SRI <sub>1</sub>	6/0	62	5.8 (11)	11.9 (11)	0.5 (6)	6.0 (6)	11.9 (4)	13.3	
OAM	NZ Equities <sub>1</sub>	0/0	107	7.3 (7)	9.2 (18)	0.5 (7)	5.4 (10)	-	13.1	
QAM	NZ Equity <sub>2</sub>	2/100	164	5.5 (16)	11.8 (12)	0.8 (4)	5.7 (9)	11.2 (8)	11.3	
RUS	NZ Shares <sub>1</sub>	1/0	183	5.7 (12)	11.0 (14)	-1.2 (16)	4.2 (18)	10.3 (13)	13.2	
SALT	Dividend Appreciation <sub>2</sub>	0/0	125	8.9 (2)	17.1 (3)	<b>2.8 (1)</b>	7.0 (3)	11.8 (5)	13.0	
SALT	NZ Share Plus <sub>2</sub>	11/100	795	7.7 (5)	14.9 (7)	0.1 (8)	5.9 (8)	10.5 (12)	13.6	
TRU	ESG Australasian Shares <sub>3</sub>	20/100	111	8.7 (3)	13.8 (8)	-2.6 (18)	5.9 (7)	11.5 (6)	17.1	
<b>Median</b>				<b>6.4</b>	<b>12.7</b>	<b>0.1</b>	<b>5.6</b>	<b>11.2</b>	<b>13.4</b>	
<b>Australasian*</b>										
DEV	Dividend Yield <sub>2+4</sub>		16	5.0 (9)	9.9 (9)	5.5 (2)	5.8 (9)	10.1 (5)	15.7	
DEV	Trans-Tasman <sub>2+4</sub>		116	7.9 (5)	19.3 (4)	<b>8.3 (1)</b>	9.0 (4)	11.4 (4)	14.9	
DEV	Sustainability <sub>2+4</sub>		48	6.9 (6)	15.4 (6)	4.1 (4)	6.9 (7)	-	14.3	
FIS	Trans-Tasman		411	8.7 (3)	22.0 (2)	3.1 (7)	<b>10.8 (1)</b>	<b>13.5 (1)</b>	19.1	
HAM	Equity Income		68	5.5 (8)	13.1 (8)	3.4 (6)	6.7 (8)	10.0 (6)	14.3	
HAM	Focus <sub>2+4</sub>		87	<b>9.6 (1)</b>	20.6 (3)	0.1 (9)	9.0 (5)	12.2 (3)	20.4	
MAM	Trans-Tasman <sub>2+4</sub>		744	5.8 (7)	18.4 (5)	4.4 (3)	9.9 (3)	12.6 (2)	14.8	
PFAM	Ethical Trans-Tasman <sub>2+4</sub>		136	8.0 (4)	<b>22.8 (1)</b>	2.7 (8)	10.8 (2)	-	13.7	
TAH	Te Tai o Rehu <sub>2+4</sub>		26	8.9 (2)	14.5 (7)	4.1 (5)	7.9 (6)	-	16.0	
<b>Median</b>				<b>7.9</b>	<b>18.4</b>	<b>4.1</b>	<b>9.0</b>	<b>11.8</b>	<b>14.9</b>	
<b>Other</b>										
DEV	Absolute <sub>2+4</sub>		8	7.5 (3)	18.6 (6)	<b>9.3 (1)</b>	11.0 (4)	10.1 (6)	14.5	
MAM	Dynamic (small cap)		766	5.2 (5)	20.7 (4)	7.3 (3)	13.5 (2)	14.0 (3)	19.0	
NAM	Concentrated		46	4.2 (6)	13.4 (7)	0.1 (6)	6.8 (7)	11.6 (4)	14.7	
PIE	Australasian Dividend		362	3.8 (7)	21.7 (3)	6.2 (4)	13.4 (3)	<b>17.9 (1)</b>	21.3	
PIE	Australasian Grow th		102	6.7 (4)	20.7 (5)	-0.4 (7)	6.4 (8)	10.4 (5)	18.2	
PIE	Australasian Grow th 2		377	10.2 (2)	<b>35.5 (1)</b>	-0.6 (8)	9.6 (5)	-	29.9	
PIE	Emerging Companies		133	<b>11.0 (1)</b>	28.0 (2)	7.5 (2)	<b>15.2 (1)</b>	16.9 (2)	21.4	
QAM	Altum Fund		109	0.1 (8)	11.8 (8)	4.4 (5)	9.6 (6)	9.5 (7)	11.6	
<b>Median</b>				<b>6.0</b>	<b>20.7</b>	<b>5.3</b>	<b>10.3</b>	<b>11.6</b>	<b>18.6</b>	
<b>Indexed/Smart Beta</b>										
HAM	NZ Index Shares		549	8.1	8.0	-2.2	2.9	-	14.6	
KW	NZ 20		90	5.3	12.4	0.4	4.6	-	13.1	
KW	NZ Small & Mid Cap		25	17.8	8.1	-10.2	-1.1	-	20.9	
KW	NZ 50 ESG Tilted		33	6.2	8.9	0.3	-	-	-	
MER	Passive <sub>1</sub>		384	6.5	10.9	-1.3	3.4	10.1	13.5	
SMS	NZ Top 10		123	4.2	11.2	0.1	4.4	9.8	14.0	
SMS	NZ Top 50 <sub>3</sub>		581	8.1	7.9	-2.2	3.3	10.3	14.8	
SMS	Dividend		79	6.0	2.6	-0.4	1.2	-	16.2	
<b>Indices</b>										
S&P/NZX 50 (including ICs) <sub>1</sub>				6.4	10.8	-1.4	3.4	10.0	13.5	
S&P/NZX 50 (excluding ICs) <sub>2</sub>				6.0	10.0	-2.2	2.6	9.0	13.5	
S&P/NZX 50 Portfolio (including ICs) <sub>3</sub>				8.0	7.7	-2.3	3.2	10.3	14.9	
S&P/ASX 200 (NZD) <sub>4</sub>				7.2	23.6	9.9	8.7	8.6	18.5	
S&P/ASX 200 (AUD) <sub>4</sub>				7.8	21.8	8.4	8.4	8.9	18.0	

Where possible, the subscript numbers show the correspondence between funds and their benchmark indices.

\* The funds in this section adopt a variety of hedging positions on the Australian portion of their benchmarks.

Australian Shares		NZ FUM	3 months		1 year		3 years		5 years		10 years		5 years
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol. pa
FIS	Australian	118	7.0	(3)	22.3	(3)	7.2	(5)	<b>13.4</b>	<b>(1)</b>	<b>13.1</b>	<b>(1)</b>	22.2
MAM	Australian	509	5.9	(5)	20.1	(5)	9.4	(4)	10.5	(2)	-	-	17.4
MER	Australian <sub>1</sub>	373	7.2	(2)	<b>23.9</b>	<b>(1)</b>	10.2	(2)	8.7	(5)	8.2	(3)	18.4
OAM	Australian	100	6.9	(4)	23.4	(2)	<b>10.8</b>	<b>(1)</b>	10.0	(3)	-	-	17.4
QAM	Australian <sub>1</sub>	110	<b>7.7</b>	<b>(1)</b>	21.9	(4)	9.6	(3)	9.9	(4)	8.6	(2)	16.2
<b>Median</b>			<b>7.0</b>		<b>22.3</b>		<b>9.6</b>		<b>10.0</b>		<b>8.6</b>		<b>17.4</b>
<b>Indices</b>													
S&P/ASX 200 (NZD) <sub>1</sub>			7.2		23.6		9.9		8.7		8.6		18.5
S&P/ASX 200 (AUD)			7.8		21.8		8.4		8.4		8.9		18.0

Property & Infrastructure		NZ FUM	3 months		1 year		3 years		5 years		10 years		5 years
		\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol. pa
<b>Australasian Listed Property</b>													
HAM	Real Estate	114	<b>10.1</b>	<b>(1)</b>	9.3	(2)	<b>-3.3</b>	<b>(1)</b>	<b>2.1</b>	<b>(1)</b>	-	-	17.8
KW	NZ Commercial Property	98	8.9	(5)	6.4	(7)	-5.5	(7)	-1.6	(7)	-	-	15.9
MNT	Australasian Property	20	9.6	(3)	<b>11.0</b>	<b>(1)</b>	-3.7	(2)	-0.2	(3)	7.7	(2)	16.1
NAM	NZ Property	24	9.7	(2)	7.6	(3)	-5.2	(6)	-0.7	(5)	7.7	(3)	16.7
OAM	NZ Property	47	9.3	(4)	7.1	(4)	-4.4	(5)	-0.5	(4)	-	-	15.9
SALT	Wholesale Property	332	8.7	(7)	7.1	(5)	-4.4	(4)	-1.0	(6)	<b>8.0</b>	<b>(1)</b>	15.3
SALT	Enhanced Property	21	8.7	(6)	7.0	(6)	-3.8	(3)	0.1	(2)	-	-	15.5
<b>Median</b>			<b>9.3</b>		<b>7.1</b>		<b>-4.4</b>		<b>-0.5</b>		<b>7.7</b>		<b>15.9</b>
<b>Australasian Direct Property</b>													
FIS	NZ Property	406	<b>2.0</b>	<b>(1)</b>	<b>5.3</b>	<b>(1)</b>	3.4	(2)	5.0	(2)	7.2	(3)	5.2
MER	Trans-Tasman	162	-1.0	(3)	-0.4	(3)	<b>6.1</b>	<b>(1)</b>	<b>6.5</b>	<b>(1)</b>	<b>9.1</b>	<b>(1)</b>	6.1
TRU	NZ Property	311	-0.9	(2)	1.0	(2)	-0.2	(3)	4.3	(3)	7.4	(2)	4.3
<b>Median</b>			<b>-0.9</b>		<b>1.0</b>		<b>3.4</b>		<b>5.0</b>		<b>7.4</b>		<b>5.2</b>
<b>Global Listed Property</b>													
BTFM	139% hedged	369	<b>15.1</b>	<b>(1)</b>	<b>30.1</b>	<b>(1)</b>	0.1	(5)	1.8	(5)	-	-	22.3
MER	Ex-Macquarie 100% hedged	197	13.5	(5)	25.6	(5)	0.7	(3)	2.8	(2)	<b>6.7</b>	<b>(1)</b>	19.3
MER	Mercer 139% hedged	240	14.7	(2)	29.9	(2)	0.5	(4)	2.7	(3)	6.5	(2)	22.2
RUS	100% hedged	59	14.6	(3)	27.7	(4)	1.6	(2)	2.3	(4)	-	-	20.0
SALT	100% hedged	35	14.0	(4)	28.9	(3)	<b>3.0</b>	<b>(1)</b>	<b>4.2</b>	<b>(1)</b>	-	-	20.2
<b>Median</b>			<b>14.6</b>		<b>28.9</b>		<b>0.7</b>		<b>2.7</b>		<b>6.6</b>		<b>20.2</b>
<b>Global Listed Infrastructure</b>													
FSI	100% hedged	384	12.1	(4)	25.2	(5)	4.9	(5)	3.8	(5)	8.3	(3)	16.3
KW	100% hedged*	128	12.9	(2)	26.3	(2)	7.2	(4)	5.4	(4)	-	-	16.9
MER	Ex-Macquarie 100% hedged*	195	12.9	(3)	25.3	(4)	9.6	(2)	<b>7.2</b>	<b>(1)</b>	8.5	(2)	17.6
MER	Mercer 114% hedged*	331	11.4	(5)	23.4	(6)	4.8	(6)	3.6	(6)	7.9	(4)	16.0
RUS	100% hedged*	127	10.4	(6)	25.7	(3)	<b>9.8</b>	<b>(1)</b>	6.9	(3)	<b>8.6</b>	<b>(1)</b>	17.2
SALT	100% hedged	89	<b>13.2</b>	<b>(1)</b>	<b>32.0</b>	<b>(1)</b>	8.8	(3)	7.1	(2)	-	-	15.7
<b>Median</b>			<b>12.5</b>		<b>25.5</b>		<b>8.0</b>		<b>6.2</b>		<b>8.4</b>		<b>16.6</b>
<b>Other</b>													
FIS	Property & Infrastructure	172	8.0		21.8		6.3		7.3		12.1		16.5
MER	Global Unlisted Infrastructure	182	2.3		10.9		12.2		13.2		13.6		7.5
<b>Indices</b>													
S&P/NZX All Real Estate (including ICs) <sub>1</sub>			8.4		5.8		-5.6		-2.3		7.1		15.6

Where possible, the subscript numbers show the correspondence between funds and their benchmark indices.

\* See notes on page 11.



Global Shares (unhedged)		Emerging markets %	NZ FUM \$m	3 months % Rk	1 year % Rk	3 years % pa Rk	5 years % pa Rk	10 years % pa Rk	5 years Vol. pa
<b>Core</b>									
BTFM	Multi-Manager	12.7	4,241	1.1 (8)	27.3 (2)	9.5 (9)	11.9 (6)	-	13.3
BTFM	Northern Trust	13.8	1,239	1.8 (4)	26.4 (3)	12.1 (4)	-	-	-
FIS	International	12.2	4,178	<b>3.3 (1)</b>	21.3 (10)	12.0 (5)	11.5 (8)	11.4 (6)	11.8
MER	Core Global	2.7	60	1.3 (6)	25.6 (4)	<b>14.9 (1)</b>	13.8 (2)	13.2 (2)	12.6
MER	Share Plus	4.6	1,776	1.6 (5)	23.2 (8)	10.4 (7)	12.1 (5)	12.8 (3)	13.5
MER	SRI	3.7	792	1.3 (7)	24.8 (7)	7.0 (10)	11.0 (9)	-	13.7
NAM	Multi-Manager	5.3	740	0.8 (9)	<b>28.7 (1)</b>	14.3 (3)	<b>16.3 (1)</b>	<b>14.7 (1)</b>	13.5
QAM	International Equities	0.0	628	0.8 (10)	25.6 (5)	14.5 (2)	13.4 (3)	12.4 (4)	12.5
RUS	Global Shares	13.0	563	2.3 (2)	21.6 (9)	10.4 (8)	11.7 (7)	12.1 (5)	12.8
RUS	Sustainable	10.4	810	2.0 (3)	24.9 (6)	11.0 (6)	12.2 (4)	-	12.7
<b>Median</b>				<b>1.5</b>	<b>25.2</b>	<b>11.5</b>	<b>12.1</b>	<b>12.6</b>	<b>12.8</b>
<b>Value</b>									
AB	Value		0	0.5 (5)	18.4 (4)	9.9 (5)	9.8 (5)	9.6 (5)	14.1
ART	Value		0	1.5 (4)	<b>23.3 (1)</b>	13.5 (2)	<b>11.8 (1)</b>	<b>11.9 (1)</b>	15.5
DFA	Value		0	2.5 (3)	18.7 (3)	<b>14.1 (1)</b>	10.8 (3)	10.1 (3)	16.8
GMO	Equity		0	2.7 (2)	20.0 (2)	9.9 (4)	10.4 (4)	10.0 (4)	13.1
PZENA	Global Value World		0	<b>3.6 (1)</b>	16.0 (5)	11.7 (3)	11.5 (2)	10.2 (2)	18.6
<b>Median</b>				<b>2.5</b>	<b>18.7</b>	<b>11.7</b>	<b>10.8</b>	<b>10.1</b>	<b>15.5</b>
<b>Growth</b>									
ART	Global Opportunities		0	-0.1 (9)	25.9 (6)	5.9 (8)	12.9 (6)	14.9 (2)	14.8
FIS	International Select Equities		3,741	-1.5 (11)	21.2 (10)	4.0 (11)	11.9 (9)	-	17.3
HAM	T Row e Price		354	1.1 (8)	24.3 (7)	4.1 (10)	12.5 (7)	-	15.0
HYP	Global Companies		73	3.6 (3)	<b>35.7 (1)</b>	7.8 (6)	<b>18.2 (1)</b>	<b>20.2 (1)</b>	27.8
IBK	Fiera Atlas		0	3.1 (4)	14.8 (11)	4.9 (9)	12.3 (8)	-	16.0
MAG	Global		0	1.1 (7)	29.0 (5)	<b>11.6 (1)</b>	9.9 (11)	13.2 (6)	13.2
MAM	Global Select		1,828	2.1 (6)	30.0 (3)	9.3 (4)	13.7 (4)	-	14.9
NAM	Global Shares		793	2.2 (5)	29.3 (4)	9.6 (3)	13.4 (5)	-	13.2
SALT	Sustainable Quality		76	<b>4.9 (1)</b>	22.8 (8)	10.7 (2)	11.4 (10)	13.9 (5)	13.3
VAM	Global Environmental Change		0	3.6 (2)	22.7 (9)	8.1 (5)	14.3 (2)	14.0 (4)	17.5
WEL	Fundamental Growth		0	-0.5 (10)	32.7 (2)	7.1 (7)	14.0 (3)	14.7 (3)	16.9
<b>Median</b>				<b>2.1</b>	<b>25.9</b>	<b>7.8</b>	<b>12.9</b>	<b>14.3</b>	<b>15.0</b>
<b>Indexed/Smart Beta</b>									
BTFM	LGIM*		808	1.0	27.9	12.4	14.7	-	13.9
KW	Global 100		217	-1.5	29.9	17.2	-	-	-
KW	Global Dividend Aristocrats		16	9.4	22.4	9.3	-	-	-
MER	MWIN		354	1.7	25.3	12.4	13.4	13.0	13.6
MER	Global Equities Index		237	1.5	25.3	12.4	13.3	-	13.7
MER	Global SR Indexed		485	1.8	26.8	12.4	-	-	-
SIM	Global Share		1,304	1.5	26.5	11.1	13.2	-	13.9
SMS	Total World		341	1.9	22.3	10.3	12.0	-	13.1

Where possible, the subscript numbers show the correspondence between funds and their benchmark indices.

\* See notes on page 11.

Global Shares (unhedged)		NZ FUM \$m	3 months % Rk	1 year % Rk	3 years % pa Rk	5 years % pa Rk	10 years % pa Rk	5 years Vol. pa
<b>Emerging markets</b>								
ART		0	3.4 (3)	18.9 (2)	3.1 (3)	6.1 (3)	8.4 (2)	15.1
MER	Ex-Macquarie	6	3.1 (4)	16.4 (4)	2.5 (4)	5.1 (4)	6.2 (4)	12.8
MER	Mercer	391	4.2 (2)	<b>21.4 (1)</b>	4.5 (2)	6.2 (2)	7.1 (3)	13.2
SMS	Indexed	154	<b>6.0 (1)</b>	18.7 (3)	<b>4.8 (1)</b>	<b>6.5 (1)</b>	-	13.3
VAM		0	2.9 (5)	16.2 (5)	1.1 (5)	3.6 (5)	<b>9.2 (1)</b>	14.4
<b>Median</b>			<b>3.4</b>	<b>18.7</b>	<b>3.1</b>	<b>6.1</b>	<b>7.7</b>	<b>13.3</b>
<b>Other</b>								
MER	Small Companies	65	1.7	21.9	14.4	17.5	14.4	19.7
MER	Low Volatility	0	3.5	18.2	10.9	7.0	10.1	10.8

Alternatives/Other		NZ FUM \$m	3 months %	1 year %	3 years % pa	5 years % pa	10 years % pa	5 years Vol. pa
<b>Commodities</b>								
WEL		0	-3.6	2.2	12.1	11.8	5.4	14.3
<b>Australasian</b>								
AAM		557	1.7	15.5	7.5	11.5	12.4	12.5
CPF	Ranger	59	5.3	5.0	-9.7	2.4	8.4	17.0
HAM	Long/Short	8	4.0	13.4	2.9	8.5	-	7.0
SALT	Long/Short	96	11.0	29.8	17.5	17.0	13.0	12.6
<b>Global</b>								
CCI	Long/Short Credit	66	2.9	14.4	8.2	7.5	-	6.3
CPF	5 Oceans	82	3.7	9.4	3.6	5.8	-	5.1
LHF	Global Equity Fund	13	-1.1	69.1	18.2	25.7	-	38.5
MAM	Active Growth	3,924	4.8	20.5	7.6	11.0	12.1	11.7
MER	GMAF	5	3.4	9.8	2.2	3.8	4.7	5.6
MER	Liquid Alternatives	62	2.7	9.2	9.1	5.6	4.4	5.5
MGH		25	2.8	12.0	6.1	5.0	8.4	10.4
MNT	Diversified Growth	44	4.9	19.6	3.4	9.4	-	13.5
NAM	Multi-Strategy	25	0.9	7.2	3.6	4.6	4.1	5.4
PIE	Growth UK & Europe	111	1.1	20.4	-0.5	10.5	-	17.0
PIE	Global Growth 2	387	2.1	25.8	4.6	8.9	-	15.0
RUS	Multi-Asset Growth (AUD)	0	4.9	13.8	4.3	5.4	5.7	8.3

New Zealand Bonds & Cash		Modified Duration	NZ FUM	3 months		1 year		3 years		5 years		10 years		5 years
		years	\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol. pa
<b>Core</b>														
BTFM	Bond Fund <sub>1</sub>	5.5	1,967	4.0	(8)	11.9	(8)	1.7	(2)	1.0	(3)	3.5	(5)	4.6
FIS	NZ Fixed Interest <sub>1</sub>	5.0	3,039	<b>4.8</b>	<b>(1)</b>	13.2	(3)	1.4	(5)	1.0	(4)	3.9	(2)	5.0
HAM	Core Fixed <sub>1</sub>	4.5	816	4.3	(4)	13.0	(4)	1.7	(3)	<b>1.4</b>	<b>(1)</b>	3.6	(3)	4.9
MER	Macquarie <sub>1</sub>	4.9	313	4.3	(5)	12.2	(7)	1.1	(7)	0.5	(7)	3.4	(6)	4.8
NAM	NZ Fixed Interest <sub>1</sub>	6.2	645	4.4	(3)	13.4	(2)	<b>1.7</b>	<b>(1)</b>	1.3	(2)	<b>4.0</b>	<b>(1)</b>	5.5
RUS	Harbour/WAMCO <sub>1</sub>	4.6	135	4.1	(7)	12.2	(6)	1.3	(6)	0.8	(6)	3.5	(4)	4.7
TRU	ESG NZ Bond <sub>1</sub>	6.0	114	4.6	(2)	<b>13.6</b>	<b>(1)</b>	1.6	(4)	0.9	(5)	3.4	(7)	5.3
WAMCO	NZ Core	5.6	0	4.2	(6)	12.4	(5)	0.6	(8)	0.3	(8)	3.3	(8)	5.2
<b>Median</b>				<b>4.3</b>		<b>12.7</b>		<b>1.5</b>		<b>1.0</b>		<b>3.5</b>		<b>5.0</b>
<b>Government</b>														
MER	Sovereign <sub>2</sub>	6.9	739	4.4		13.1		-0.1		-0.1		3.0		6.0
<b>Corporate</b>														
BTFM	Corporate Bonds	2.9	895	3.9	(5)	10.9	(5)	<b>3.1</b>	<b>(1)</b>	2.3	(3)	3.8	(3)	3.1
HAM	Corporate Bonds <sub>3</sub>	3.1	497	4.0	(4)	11.7	(3)	2.4	(4)	1.9	(4)	3.8	(4)	3.8
MAM	Trans-Tasman Corporate	2.8	1,330	<b>4.4</b>	<b>(1)</b>	11.6	(4)	2.9	(3)	<b>2.8</b>	<b>(1)</b>	4.6	(2)	3.9
NAM	Inv. Grade Corporate <sub>3</sub>	4.4	433	4.3	(2)	<b>12.6</b>	<b>(1)</b>	3.0	(2)	2.5	(2)	<b>4.7</b>	<b>(1)</b>	4.2
OAM	NZ Fixed Interest	4.8	183	4.1	(3)	12.1	(2)	2.3	(5)	1.8	(5)	-		4.4
<b>Median</b>				<b>4.1</b>		<b>11.7</b>		<b>2.9</b>		<b>2.3</b>		<b>4.2</b>		<b>3.9</b>
<b>Short Duration</b>														
HAM	Enhanced Cash	0.1	241	1.8	(2)	7.1	(2)	<b>4.3</b>	<b>(1)</b>	<b>3.2</b>	<b>(1)</b>	3.2	(2)	0.9
MER	Macquarie	2.0	63	<b>3.7</b>	<b>(1)</b>	<b>9.6</b>	<b>(1)</b>	3.4	(2)	2.5	(2)	<b>3.6</b>	<b>(1)</b>	2.0
<b>Median</b>				<b>2.8</b>		<b>8.4</b>		<b>3.8</b>		<b>2.9</b>		<b>3.4</b>		<b>1.5</b>
<b>Cash</b>														
BTFM		0.3	1,417	1.6	(3)	6.3	(3)	4.4	(2)	3.1	(2)	3.0	(3)	0.7
FIS		0.5	2,182	<b>1.9</b>	<b>(1)</b>	<b>6.7</b>	<b>(1)</b>	4.2	(6)	3.0	(4)	3.1	(2)	0.8
HAM	BNZ	0.3	1,339	1.6	(4)	6.2	(4)	4.3	(4)	3.0	(3)	-		0.7
MAM		0.1	743	1.5	(5)	6.1	(6)	4.3	(5)	2.9	(6)	-		0.7
MER	Macquarie	0.1	286	1.5	(6)	6.1	(5)	4.3	(3)	2.9	(5)	2.9	(4)	0.7
NAM		0.2	1,202	1.6	(2)	6.5	(2)	<b>4.6</b>	<b>(1)</b>	<b>3.3</b>	<b>(1)</b>	<b>3.3</b>	<b>(1)</b>	0.7
<b>Median</b>				<b>1.6</b>		<b>6.3</b>		<b>4.3</b>		<b>3.0</b>		<b>3.1</b>		<b>0.7</b>
<b>Indices</b>														
Bloomberg NZB Composite 0+ Yr <sub>1</sub>		4.8		3.9		11.3		0.6		0.1		2.9		4.7
S&P/NZX NZ Government Bond <sub>2</sub>		6.3		3.9		11.9		-0.6		-0.8		2.5		5.7
S&P/NZX Corporate A Grade <sub>3</sub>		3.3		3.8		10.9		2.0		1.4		3.6		3.8
S&P/NZX Bank Bills 90-Day <sub>4</sub>		0.1		1.4		5.8		4.0		2.6		2.5		0.7

Where possible, the subscript numbers show the correspondence between funds and their benchmark indices.

Global Bonds		Modified Duration	NZ FUM	3 months		1 year		3 years		5 years		10 years		5 years
		years	\$m	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol. pa
<b>Core</b>														
BTFM	Multi-Manager	5.7	3,067	4.1	(8)	10.7	(9)	<b>1.3</b>	<b>(1)</b>	<b>1.8</b>	<b>(1)</b>	-		4.5
DFA	Core	7.0	0	4.5	(2)	11.9	(2)	-0.7	(8)	0.4	(8)	3.3	(4)	6.8
DFA	Sustainability <sub>1</sub>	7.0	0	4.5	(3)	11.8	(3)	-0.9	(11)	0.4	(9)	-		6.7
FIS	Global Fixed Income <sub>1</sub>	6.4	2,548	4.3	(4)	11.0	(6)	0.4	(2)	1.4	(3)	-		5.2
FIS	PIMCO <sub>1</sub>	5.9	167	3.4	(13)	10.9	(8)	-0.2	(6)	1.0	(6)	3.4	(3)	5.7
FIS	Wellington <sub>1</sub>	6.4	78	4.0	(10)	9.7	(13)	-0.7	(7)	0.0	(10)	2.8	(6)	4.6
HAM	Hunter PIMCO	5.8	1,996	3.5	(12)	11.3	(5)	0.0	(4)	1.3	(5)	-		5.6
MER	Ethical Leaders Indexed	6.7	515	4.2	(6)	9.9	(11)	-1.1	(12)	-0.1	(12)	-		5.2
NAM	GSAM <sub>1</sub>	6.2	693	<b>4.7</b>	<b>(1)</b>	<b>12.1</b>	<b>(1)</b>	-0.2	(5)	1.3	(4)	3.5	(2)	6.3
PIMCO	GIS <sub>1</sub>	5.9	0	3.7	(11)	11.4	(4)	0.2	(3)	1.5	(2)	<b>3.9</b>	<b>(1)</b>	5.3
RUS	Global Bond <sub>1</sub>	6.3	533	4.2	(5)	10.9	(7)	-0.9	(10)	0.8	(7)	3.3	(5)	5.5
SIM	Global Bond	6.5	951	4.1	(9)	10.0	(10)	-1.4	(13)	-0.2	(13)	-		5.4
TRU	ESG International Bond <sub>1</sub>	6.6	26	4.2	(7)	9.9	(12)	-0.8	(9)	-0.1	(11)	2.6	(7)	4.9
<b>Median</b>				<b>4.2</b>		<b>10.9</b>		<b>-0.7</b>		<b>0.8</b>		<b>3.3</b>		<b>5.4</b>
<b>Government</b>														
CGI	Global Government	5.9	97	<b>4.6</b>	<b>(1)</b>	<b>10.1</b>	<b>(1)</b>	<b>0.0</b>	<b>(1)</b>	-		-		-
MER	Global Sovereign	5.7	840	3.8	(2)	7.4	(2)	-0.7	(2)	<b>0.0</b>	<b>(1)</b>	<b>3.3</b>	<b>(1)</b>	3.7
<b>Median</b>				<b>4.2</b>		<b>8.8</b>		<b>-0.3</b>		<b>0.0</b>		<b>3.3</b>		<b>3.7</b>
<b>Credit</b>														
MER	Global Credit	5.9	577	4.7	(2)	13.1	(2)	-0.9	(2)	<b>0.8</b>	<b>(1)</b>	<b>3.2</b>	<b>(1)</b>	7.2
MER	SR Global Credit	5.9	200	<b>4.7</b>	<b>(1)</b>	<b>14.2</b>	<b>(1)</b>	<b>-0.6</b>	<b>(1)</b>	-		-		-
<b>Median</b>				<b>4.7</b>		<b>13.6</b>		<b>-0.8</b>		<b>0.8</b>		<b>3.2</b>		<b>7.2</b>
<b>Short duration and other</b>														
BAM	Global Income	6.6	35	4.5		14.0		6.2		6.3		5.8		6.9
BAM	Syndicated Loan	0.3	45	1.3		9.1		6.2		5.5		5.8		7.4
CCI	Short Term Income	0.1	76	1.8		8.2		5.2		4.4		4.5		1.6
CCI	Active Composite	5.1	18	4.5		13.0		2.3		2.8		-		6.2
DFA	5 year	0.1	0	1.5		6.0		0.8		0.9		2.5		2.5
FIS	Absolute Return	1.9	45	4.4		11.9		4.0		3.6		4.7		3.4
FRK	Brandywine GOFI	7.4	0	5.2		10.4		-0.9		1.0		3.2		9.5
MAM	Global Corporate Bond	5.7	328	5.4		13.7		2.5		3.2		-		5.3
MER	Income Opportunity	3.0	9	3.2		9.6		2.6		2.3		2.9		3.1
MER	Global Absolute Return	2.0	22	1.5		5.9		2.2		2.4		-		3.1
<b>Indices</b>														
Bloomberg Global Aggregate <sub>1</sub>		6.7		4.2		10.2		-0.6		0.3		2.9		5.0

Where possible, the subscript numbers show the correspondence between funds and their benchmark indices.

Diversified		Growth	3 months		1 year		3 years		5 years		10 years		5 years
		AA %	%	Rk	%	Rk	% pa	Rk	% pa	Rk	% pa	Rk	Vol. pa
<b>Balanced</b>													
ASB		61.9	4.2	(3)	17.6	(3)	3.7	(6)	5.2	(5)	7.3	(6)	9.0
FIS		56.6	<b>4.9</b>	<b>(1)</b>	17.5	(4)	4.7	(2)	6.5	(2)	7.9	(2)	8.3
FS		58.4	3.8	(5)	<b>18.1</b>	<b>(1)</b>	4.5	(3)	-		-		-
MAM		53.5	3.5	(6)	15.0	(7)	<b>5.9</b>	<b>(1)</b>	<b>8.4</b>	<b>(1)</b>	<b>9.8</b>	<b>(1)</b>	8.5
MER	Mercer	62.0	4.3	(2)	16.7	(6)	4.2	(4)	6.0	(4)	7.3	(5)	8.4
MER	Ex-Macquarie	62.4	3.1	(7)	17.1	(5)	4.0	(5)	6.1	(3)	7.0	(7)	10.4
NAM		61.4	4.1	(4)	17.7	(2)	1.9	(7)	4.9	(7)	7.6	(3)	9.9
TRU		70.0	3.1	(8)	12.0	(8)	1.8	(8)	5.0	(6)	7.4	(4)	6.6
<b>Median</b>		<b>61.6</b>	<b>4.0</b>		<b>17.3</b>		<b>4.1</b>		<b>6.0</b>		<b>7.4</b>		<b>8.5</b>
<b>Income</b>													
HAM		38.7	4.9	(2)	<b>14.6</b>	<b>(1)</b>	4.7	(3)	<b>5.8</b>	<b>(1)</b>	-		6.2
MAM		38.9	4.5	(4)	14.4	(2)	4.7	(2)	5.4	(2)	<b>8.7</b>	<b>(1)</b>	7.0
MER		45.8	4.0	(6)	12.5	(4)	3.6	(4)	4.4	(3)	6.8	(2)	8.8
MNT		29.5	<b>5.1</b>	<b>(1)</b>	13.4	(3)	2.4	(5)	3.5	(5)	5.5	(4)	6.1
NAM		36.8	4.6	(3)	9.7	(6)	1.6	(6)	2.6	(6)	4.3	(5)	6.0
QAM		6.6	4.4	(5)	10.2	(5)	<b>4.8</b>	<b>(1)</b>	4.2	(4)	5.7	(3)	3.8
<b>Median</b>		<b>37.7</b>	<b>4.5</b>		<b>12.9</b>		<b>4.1</b>		<b>4.3</b>		<b>5.7</b>		<b>6.1</b>

**Notes:**

- Relative outperformance may be due to the different nature of the fund rather than to superior skill. Past performance is no guarantee of future performance.
- Where we consider the funds have reasonably similar mandates, we group the funds and rank the performance. Differences in style and mandates will have an impact on returns.
- We show a selection of wholesale and KiwiSaver funds. We do not necessarily show all funds from all providers.
- KiwiSaver fund returns are shown gross of tax and net of fees. All other fund returns are shown gross of tax and fees.
- KiwiSaver funds are grouped based on benchmark growth asset allocation. Actual asset allocation may differ from this.
- FUM (funds under management) relates to the size of the locally-domiciled collective investment vehicle. It does not include any overseas funds managed in the same strategy. Where single-manager strategies form part of a multi-manager fund, we show FUM for both separately even if there is inter-funding.
- The numbers shown are in some cases gross equivalents of the net returns achieved by the manager. Consequently, for a tax-exempt investor, returns realised may be different from those shown above. In particular, funds having a New Zealand equity or property component are shown inclusive of imputation credits, which are not available to all investors.
- Global share results are on an unhedged basis. In some instances, currency hedging is integral to the management of the fund and the client will not experience the results shown.
- The Kernel Global Infrastructure Fund shows the index performance prior to August 2022.
- The Mercer ex-Macquarie Global Listed Infrastructure Fund was 139% hedged prior to June 2015.
- The Mercer Global Listed Infrastructure Fund was 139% hedged prior to June 2022.
- The Russell Global Infrastructure Fund is a blend of the AUD hedged fund prior to 1 December 2017 and NZD hedged fund post 1 December 2017.
- The BTFM LGIM fund passively tracks a custom index. Data before the trust's inception in December 2021 reflects index performance.

## KiwiSaver Results – Return and Risk (after fees, before tax)

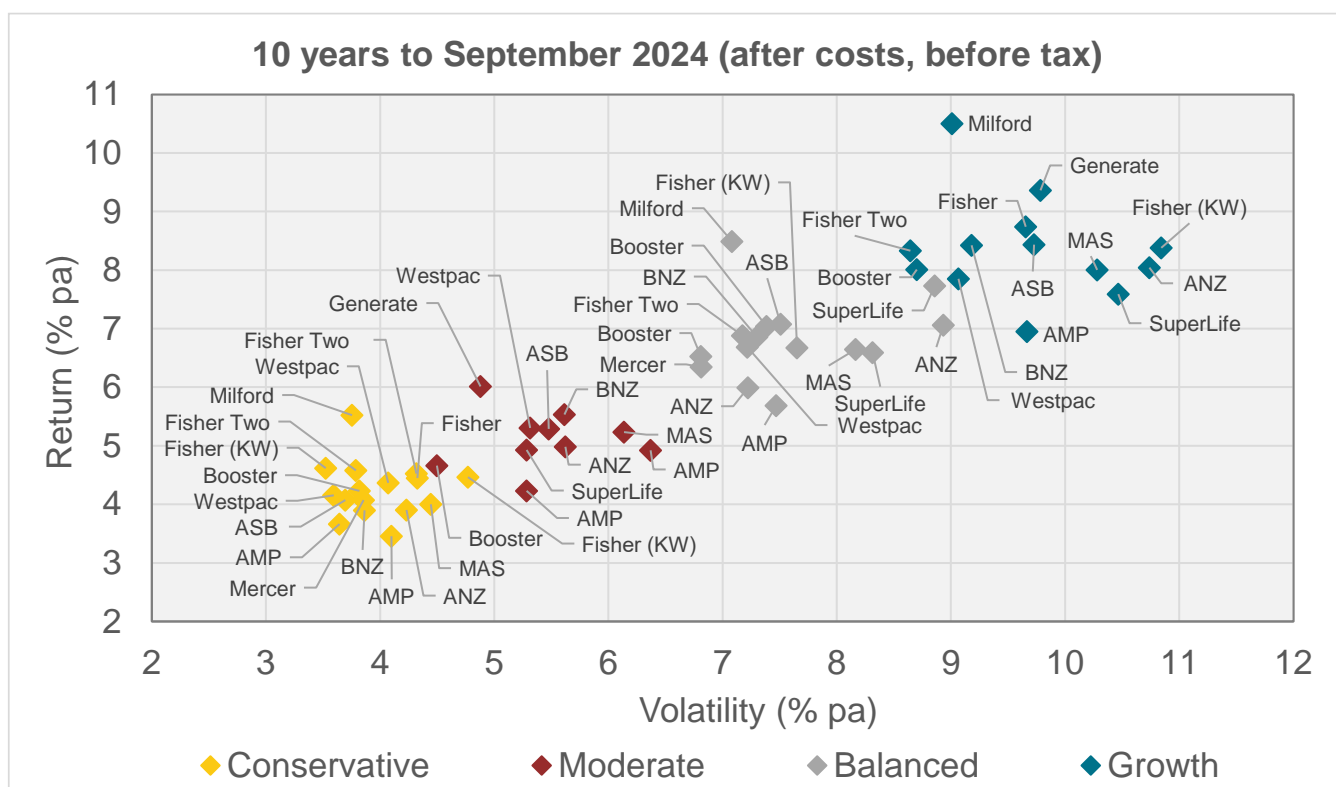
Returns and Risk		FUM	Growth BM	3 months		1 year		3 years		5 years		10 years		Risk pa	
Manager	Fund	\$m	%	%	Rank	%	Rank	% pa	Rank	% pa	Rank	% pa	Rank	5 yr	10 yr
<b>Growth (66%-85% growth assets)</b>															
AMP	Growth	1,108	80.5	3.7	(13)	20.2	(6)	4.5	(8)	6.2	(15)	7.0	(13)	11.2	9.7
ANZ	Growth	5,167	80.0	<b>5.0</b>	<b>(1)</b>	16.2	(15)	2.8	(15)	6.3	(14)	8.0	(8)	12.9	10.7
ASB	Growth	6,158	78.0	4.6	(4)	20.3	(5)	5.2	(4)	6.7	(10)	8.4	(4)	11.5	9.7
BNZ	Growth	1,897	80.0	4.7	(3)	21.0	(3)	4.8	(7)	7.2	(8)	8.4	(5)	10.7	9.2
Booster	Growth	702	80.0	3.4	(15)	17.7	(14)	4.4	(9)	7.2	(9)	8.0	(9)	10.3	8.7
Fisher	Growth	3,998	81.0	4.2	(9)	19.3	(8)	3.7	(14)	7.3	(7)	8.7	(3)	11.7	9.7
Fisher (KW)	Growth	2,926	81.0	3.6	(14)	18.4	(11)	5.0	(6)	8.4	(2)	8.4	(6)	12.0	10.8
Fisher Tw o	Growth	1,408	81.0	4.6	(6)	18.1	(13)	5.2	(5)	7.6	(4)	8.3	(7)	10.5	8.6
Generate	Growth	1,748	80.0	4.1	(10)	21.1	(2)	5.6	(2)	7.5	(5)	9.4	(2)	11.3	9.8
MAS	Growth	469	80.0	4.6	(5)	19.4	(7)	4.1	(11)	7.3	(6)	8.0	(10)	12.0	10.3
Mercer	Growth	266	80.0	3.8	(11)	18.8	(9)	3.8	(13)	6.5	(12)	-	-	10.8	-
Milford	Active Growth	5,919	78.0	4.2	(8)	18.4	(12)	<b>6.2</b>	<b>(1)</b>	<b>9.4</b>	<b>(1)</b>	<b>10.5</b>	<b>(1)</b>	11.2	9.0
Simplicity	Growth	2,410	80.0	3.8	(12)	20.9	(4)	5.3	(3)	7.9	(3)	-	-	11.8	-
SuperLife	Growth	65	80.0	4.3	(7)	18.6	(10)	4.4	(10)	6.6	(11)	7.6	(12)	12.3	10.5
Westpac	Growth	3,508	80.0	5.0	(2)	<b>21.3</b>	<b>(1)</b>	3.8	(12)	6.5	(13)	7.9	(11)	11.1	9.1
<b>Median</b>		<b>1,897</b>	<b>80.0</b>	<b>4.2</b>		<b>19.3</b>		<b>4.5</b>		<b>7.2</b>		<b>8.3</b>		<b>11.3</b>	<b>9.7</b>
<b>Balanced (50%-65% growth assets)</b>															
AMP	Balanced	1,250	59.5	3.4	(16)	17.4	(6)	3.4	(10)	4.6	(15)	5.7	(15)	8.8	7.5
ANZ	Balanced	3,653	50.0	4.6	(4)	13.9	(16)	1.8	(16)	4.3	(16)	6.0	(14)	8.9	7.2
ANZ	Balanced Growth	3,661	65.0	4.8	(2)	15.1	(15)	2.3	(15)	5.3	(13)	7.1	(4)	10.9	8.9
ASB	Balanced	3,808	58.0	4.3	(7)	18.0	(3)	4.2	(2)	5.4	(10)	7.1	(3)	9.0	7.5
ASB	Positive Impact	116	58.0	3.9	(9)	15.6	(12)	-1.3	(17)	3.3	(17)	-	-	10.9	-
BNZ	Balanced	922	60.0	4.4	(5)	18.4	(2)	3.7	(5)	5.5	(8)	6.9	(7)	8.8	7.3
Booster	Balanced	853	60.0	3.5	(15)	15.4	(14)	3.4	(8)	5.5	(9)	6.5	(12)	8.2	6.8
Booster	SRI Balanced	370	60.0	3.9	(10)	17.3	(7)	3.4	(7)	5.9	(4)	7.0	(5)	8.9	7.4
Fisher (KW)	Balanced	2,422	60.0	3.7	(13)	16.9	(9)	4.1	(3)	6.3	(3)	6.7	(9)	9.2	7.7
Fisher Tw o	Balanced	1,774	60.0	4.0	(8)	16.7	(10)	3.0	(13)	5.6	(7)	6.9	(6)	9.0	7.2
MAS	Balanced	387	60.0	4.3	(6)	17.0	(8)	3.2	(12)	5.7	(6)	6.6	(10)	9.7	8.2
Mercer	Balanced	642	60.0	3.8	(12)	16.2	(11)	2.9	(14)	5.0	(14)	6.3	(13)	8.5	6.8
Milford	Balanced	1,596	61.0	3.1	(17)	13.8	(17)	<b>4.6</b>	<b>(1)</b>	<b>7.1</b>	<b>(1)</b>	<b>8.5</b>	<b>(1)</b>	8.4	7.1
Simplicity	Balanced	666	59.0	3.8	(11)	18.0	(4)	3.7	(6)	5.7	(5)	-	-	9.3	-
SuperLife	Balanced	71	60.0	3.7	(14)	15.6	(13)	3.4	(9)	5.4	(12)	6.6	(11)	9.9	8.3
SuperLife	Ethica	68	60.0	<b>4.9</b>	<b>(1)</b>	17.5	(5)	3.8	(4)	6.5	(2)	7.7	(2)	10.6	8.9
Westpac	Balanced	2,250	60.0	4.7	(3)	<b>18.6</b>	<b>(1)</b>	3.3	(11)	5.4	(11)	6.7	(8)	8.9	7.2
<b>Median</b>		<b>922</b>	<b>60.0</b>	<b>3.9</b>		<b>16.9</b>		<b>3.4</b>		<b>5.5</b>		<b>6.7</b>		<b>9.0</b>	<b>7.4</b>
<b>Moderate (30%-49% growth assets)</b>															
AMP	Moderate	736	39.5	3.2	(11)	13.5	(7)	2.1	(11)	2.9	(11)	4.2	(10)	6.4	5.3
AMP	Mod. Balanced	941	49.5	3.3	(10)	15.4	(2)	2.7	(6)	3.7	(6)	4.9	(8)	7.6	6.4
ANZ	Cons. Bal.	1,694	35.0	4.3	(2)	12.7	(9)	1.5	(12)	3.4	(7)	5.0	(6)	7.1	5.6
ASB	Moderate	2,809	36.0	3.9	(6)	14.9	(4)	2.9	(4)	3.3	(8)	5.3	(4)	6.7	5.5
BNZ	Moderate	820	40.0	4.0	(4)	15.3	(3)	2.9	(3)	4.0	(4)	5.5	(2)	6.8	5.6
Booster	Moderate	247	40.0	3.5	(8)	12.2	(11)	2.2	(10)	3.3	(10)	4.7	(9)	5.6	4.5
Generate	Moderate	638	40.0	4.2	(3)	14.5	(6)	<b>4.1</b>	<b>(1)</b>	<b>4.5</b>	<b>(1)</b>	<b>6.0</b>	<b>(1)</b>	6.0	4.9
MAS	Moderate	84	40.0	4.0	(5)	14.7	(5)	2.3	(8)	4.1	(2)	5.2	(5)	7.6	6.1
Mercer	Moderate	234	40.0	3.5	(7)	13.5	(8)	2.4	(7)	3.7	(5)	-	-	6.1	-
Milford	Moderate	189	40.0	3.4	(9)	12.6	(10)	3.8	(2)	-	-	-	-	-	-
SuperLife	Conservative	25	30.0	3.1	(12)	11.9	(12)	2.2	(9)	3.3	(9)	4.9	(7)	6.5	5.3
Westpac	Moderate	878	40.0	<b>4.3</b>	<b>(1)</b>	<b>15.7</b>	<b>(1)</b>	2.9	(5)	4.0	(3)	5.3	(3)	6.7	5.3
<b>Median</b>		<b>687</b>	<b>40.0</b>	<b>3.7</b>		<b>14.0</b>		<b>2.6</b>		<b>3.7</b>		<b>5.1</b>		<b>6.7</b>	<b>5.4</b>
<b>Conservative (15%-29% growth assets)</b>															
AMP	Conservative	474	25.5	3.1	(17)	12.2	(12)	1.7	(14)	2.1	(18)	3.5	(16)	5.1	4.1
AMP	Defensive Cons.	435	19.0	3.2	(16)	11.6	(16)	1.7	(15)	2.3	(16)	3.7	(15)	4.6	3.6
ANZ	Conservative	1,474	20.0	3.9	(3)	11.4	(17)	1.2	(17)	2.4	(13)	3.9	(13)	5.4	4.2
ASB	Conservative	3,524	20.0	3.5	(14)	12.5	(7)	2.0	(9)	2.3	(14)	4.1	(10)	4.7	3.7
BNZ	Conservative	905	20.0	3.6	(12)	12.3	(10)	1.9	(10)	2.3	(15)	3.9	(14)	4.9	3.9
BNZ	First Home Buyer	366	15.0	2.6	(18)	9.6	(18)	3.3	(2)	2.9	(8)	-	-	2.9	-
Booster	Conservative	51	20.0	3.9	(7)	11.8	(15)	2.2	(8)	2.8	(10)	4.2	(8)	4.8	3.8
Fisher	Conservative	1,298	27.5	3.9	(5)	12.6	(6)	1.9	(12)	2.9	(9)	4.4	(6)	5.5	4.3
Fisher (KW)	Conservative	1,083	27.5	3.8	(8)	13.2	(2)	2.5	(6)	3.6	(3)	4.5	(5)	6.3	4.8
Fisher (KW)	Default Cons.	362	22.5	3.6	(13)	12.3	(8)	<b>3.9</b>	<b>(1)</b>	<b>3.8</b>	<b>(1)</b>	4.6	(2)	4.5	3.5
Fisher Tw o	Cash Enhanced	316	22.5	3.7	(10)	12.2	(11)	2.6	(4)	3.3	(4)	4.6	(3)	4.9	3.8
Fisher Tw o	Conservative	1,774	27.5	3.9	(4)	12.6	(5)	1.9	(11)	2.9	(7)	4.5	(4)	5.6	4.3
MAS	Conservative	77	20.0	3.7	(11)	12.3	(9)	1.5	(16)	2.6	(11)	4.0	(12)	5.6	4.4
Mercer	Conservative	778	20.0	3.3	(15)	12.0	(13)	1.8	(13)	2.4	(12)	4.1	(11)	5.0	3.9
Milford	Conservative	271	18.0	4.1	(2)	11.9	(14)	3.1	(3)	3.6	(2)	<b>5.5</b>	<b>(1)</b>	4.6	3.8
Simplicity	Conservative	139	23.0	3.8	(9)	13.0	(3)	1.1	(18)	2.1	(17)	-	-	6.0	-
Westpac	Conservative	3,212	25.0	<b>4.1</b>	<b>(1)</b>	<b>13.3</b>	<b>(1)</b>	2.4	(7)	3.0	(5)	4.4	(7)	5.2	4.1
Westpac	Defensive Cons.	241	20.0	3.9	(6)	12.6	(4)	2.5	(5)	2.9	(6)	4.2	(9)	4.6	3.6
<b>Median</b>		<b>454</b>	<b>20.0</b>	<b>3.7</b>		<b>12.3</b>		<b>2.0</b>		<b>2.8</b>		<b>4.2</b>		<b>4.9</b>	<b>3.9</b>

Our KiwiSaver survey covers selected funds from the largest 17 KiwiSaver schemes by assets under management as at 31 March 2024. These schemes accounted for approximately 95% of the total KiwiSaver assets under management as at 31 March 2024 ([source](#)).

## KiwiSaver Results – Asset Allocation

Asset Allocation		NZ/Aus Shares	Global Shares	Property/ Infra	Alt. Assets	Growth Assets	NZ Bonds	Global Bonds	Cash	Income Assets
Manager	Fund	%	%	%	%	%	%	%	%	%
<b>Growth</b>										
AMP	Growth	22.1	53.0	6.6		81.7	8.0	7.8	2.5	18.3
ANZ	Growth	15.7	52.5	12.7		80.8	8.1	10.3	0.8	19.2
ASB	Growth	19.9	55.8	2.4	2.1	80.1	9.9	6.5	3.5	19.9
BNZ	Growth	26.5	53.8			80.3	4.9	13.9	0.8	19.7
Booster	Growth	23.3	49.6	5.2		78.1	9.4	9.9	2.6	21.9
Fisher	Growth	24.7	43.5	8.8		77.0	11.2	5.7	6.2	23.0
Fisher (KW)	Growth	24.5	47.7		4.9	77.1	11.5	5.7	5.7	22.9
Fisher Tw o	Growth	24.4	43.7	3.5	5.3	76.9	11.2	5.6	6.2	23.1
Generate	Growth	22.4	47.1	7.9		77.4	13.2	1.9	7.5	22.6
MAS	Growth	24.7	52.0		0.1	76.7	7.0	11.2	5.1	23.3
Mercer	Growth	17.3	52.5	4.3	6.3	80.5	5.2	12.1	2.2	19.5
Miford	Active Growth	19.0	53.8	4.3		77.0	1.2	15.1	6.7	23.0
Simplicity	Growth	17.7	58.9	3.5		80.1	7.5	10.4	2.0	19.9
SuperLife	Growth	19.4	50.9	4.3	4.0	78.7	5.8	10.1	5.4	21.3
Westpac	Growth	24.0	50.0	7.6		81.6	7.0	10.5	0.9	18.4
<b>Average</b>		<b>21.7</b>	<b>51.0</b>	<b>4.7</b>	<b>1.5</b>	<b>78.9</b>	<b>8.1</b>	<b>9.1</b>	<b>3.9</b>	<b>21.1</b>
<b>Balanced</b>										
AMP	Balanced	15.2	39.2	7.2		61.7	16.4	17.0	5.0	38.4
ANZ	Balanced	10.0	32.4	8.6		51.0	13.7	29.5	5.8	49.0
ANZ	Balanced Growth	12.7	42.8	10.6		66.1	11.6	21.4	0.9	33.9
ASB	Balanced	15.2	41.3	3.4	2.0	61.9	21.3	12.8	3.9	38.1
ASB	Positive Impact		53.8			53.8		40.2	6.0	46.2
BNZ	Balanced	19.8	41.0			60.8	8.9	25.6	4.7	39.2
Booster	Balanced	17.1	37.5	4.4		59.1	17.2	18.9	4.8	40.9
Booster	SRI Balanced	15.6	36.4	4.6		56.6	14.6	19.8	9.0	43.4
Fisher (KW)	Balanced	13.1	36.8		6.4	56.3	19.1	17.7	6.9	43.7
Fisher Tw o	Balanced	13.9	31.5	5.0	6.9	57.2	17.9	17.8	7.1	42.8
MAS	Balanced	18.7	38.9			57.6	15.1	21.4	5.9	42.4
Mercer	Balanced	13.8	39.5	3.9	4.9	62.1	10.7	24.2	3.0	37.9
Miford	Balanced	18.3	30.1	4.8		53.1	7.9	24.5	14.5	46.9
Simplicity	Balanced	12.7	43.8	2.6		59.1	16.5	22.5	1.9	40.9
SuperLife	Balanced	13.7	40.3	3.2	3.0	60.2	11.9	19.9	8.1	39.8
SuperLife	Ethica	13.9	40.7	6.3		60.9	11.8	19.6	7.7	39.1
Westpac	Balanced	16.8	38.5	6.2		61.4	13.9	21.9	2.8	38.6
<b>Average</b>		<b>14.2</b>	<b>39.1</b>	<b>4.2</b>	<b>1.4</b>	<b>58.8</b>	<b>13.4</b>	<b>22.0</b>	<b>5.8</b>	<b>41.2</b>
<b>Moderate</b>										
AMP	Moderate	11.5	22.3	6.0		39.7	30.0	17.0	13.3	60.3
AMP	Mod. Balanced	13.0	30.2	6.5		49.7	24.9	16.2	9.2	50.3
ANZ	Cons. Bal.	7.0	22.4	6.5		35.9	15.5	37.6	11.0	64.1
ASB	Moderate	8.1	27.4	3.4	2.1	41.0	30.8	20.0	8.2	59.0
BNZ	Moderate	12.8	27.5			40.3	11.0	34.0	14.8	59.7
Booster	Moderate	10.9	20.6	3.8		35.3	27.3	26.7	10.7	64.7
Generate	Moderate	16.6	16.5	6.0		39.2	48.4	7.1	5.3	60.8
MAS	Moderate	12.6	25.8			38.4	21.0	33.8	6.8	61.6
Mercer	Moderate	9.7	25.6	2.7	3.5	41.5	14.3	28.9	15.4	58.5
Miford	Moderate	13.2	19.8	3.7		36.7	14.9	30.8	17.7	63.3
SuperLife	Conservative	5.5	21.2	1.7	1.7	30.0	21.2	34.6	14.2	70.0
Westpac	Moderate	11.6	25.5	4.0		41.1	20.9	30.9	7.0	58.9
<b>Average</b>		<b>11.0</b>	<b>23.7</b>	<b>3.7</b>	<b>0.6</b>	<b>39.1</b>	<b>23.3</b>	<b>26.5</b>	<b>11.1</b>	<b>60.9</b>
<b>Conservative</b>										
AMP	Conservative	5.5	16.1	4.0		25.5	33.8	21.5	19.2	74.5
AMP	Defensive Cons.	3.5	12.7	3.0		19.1	37.9	22.1	20.9	80.9
ANZ	Conservative	4.0	13.5	3.4		20.8	18.0	45.0	16.2	79.2
ASB	Conservative	5.1	15.5	3.1	2.1	25.8	31.3	26.1	16.8	74.2
BNZ	Conservative	7.0	13.2			20.2	14.0	41.2	24.7	79.8
BNZ	First Home Buyer	5.0	10.2			15.2	6.0	19.1	59.8	84.8
Booster	Conservative	5.5	13.3	1.2		19.9	29.1	33.0	18.0	80.1
Fisher	Conservative	5.5	11.3	9.8		26.5	35.0	27.4	11.0	73.5
Fisher (KW)	Conservative	4.6	15.5		5.2	25.3	36.8	27.3	10.6	74.7
Fisher (KW)	Default Cons.	6.5	13.2		2.1	21.7	41.0	22.8	14.6	78.3
Fisher Tw o	Cash Enhanced	6.3	11.1	1.6	2.4	21.4	39.8	23.5	15.3	78.6
Fisher Tw o	Conservative	5.3	11.4	4.2	5.7	26.7	35.0	27.5	10.8	73.4
MAS	Conservative	6.1	13.1			19.2	26.9	43.7	10.2	80.8
Mercer	Conservative	5.0	15.3			20.3	18.6	35.0	26.2	79.7
Miford	Conservative	8.6	10.2	2.7		21.5	22.6	38.3	17.6	78.5
Simplicity	Conservative	4.0	17.1	1.9		23.0	33.0	42.0	2.0	77.0
Westpac	Conservative	6.4	15.7	4.0		26.0	24.8	38.0	11.1	74.0
Westpac	Defensive Cons.	5.3	13.1	2.2		20.6	27.0	40.2	12.2	79.4
<b>Average</b>		<b>5.5</b>	<b>13.4</b>	<b>2.3</b>	<b>1.0</b>	<b>22.2</b>	<b>28.4</b>	<b>31.9</b>	<b>17.6</b>	<b>77.8</b>

Our KiwiSaver survey covers selected funds from the largest 17 KiwiSaver schemes by assets under management as at 31 March 2024. These schemes accounted for approximately 95% of the total KiwiSaver assets under management as at 31 March 2024 ([source](#)).



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### Default KiwiSaver Funds

The six default providers launched new balanced default funds following the Government’s review in 2021. Default KiwiSaver members were moved from their conservative investment strategies to a balanced approach, with these funds targeting 50-60% in growth assets. In total, there was \$4.2 billion invested in the default funds as at 30 September 2024.

### Results (after fees, before tax)

Returns and Risk		FUM	Growth BM	3 months		1 year		2 years	
Manager	Fund	\$m	%	%	Rank	%	Rank	% pa	Rank
<b>Default</b>									
BNZ	Default	731	60.0	4.5	(2)	18.1	(3)	<b>13.3</b>	<b>(1)</b>
Booster	Default Saver	619	55.0	4.4	(4)	<b>18.3</b>	<b>(1)</b>	13.3	(3)
Fisher (KW)	Default	785	60.0	<b>4.7</b>	<b>(1)</b>	15.9	(5)	12.6	(4)
Simplicity	Default	576	59.0	3.9	(5)	18.2	(2)	13.3	(2)
SuperLife	Default	610	54.0	3.5	(6)	15.6	(6)	11.6	(6)
Westpac	Default Balanced	864	50.0	4.4	(3)	17.3	(4)	11.6	(5)
<b>Median</b>		<b>675</b>	<b>57.0</b>	<b>4.4</b>		<b>17.7</b>		<b>13.0</b>	

### Asset Allocation

Asset Allocation		NZ/Aus Shares	Global Shares	Property/Infra	Alt. Assets	Growth Assets	NZ Bonds	Global Bonds	Cash	Income Assets
Manager	Fund	%	%	%	%	%	%	%	%	%
<b>Default</b>										
BNZ	Default	19.8	41.0			<b>60.8</b>	8.9	25.6	4.7	<b>39.2</b>
Booster	Default Saver	15.2	35.2	3.8		<b>54.2</b>	15.5	20.6	9.7	<b>45.8</b>
Fisher (KW)	Default	19.9	36.2			<b>56.1</b>	20.8	13.7	9.4	<b>43.9</b>
Simplicity	Default	15.4	43.7			<b>59.0</b>	16.4	22.4	2.1	<b>41.0</b>
SuperLife	Default	17.2	30.4	6.2		<b>53.8</b>	13.5	23.2	9.5	<b>46.2</b>
Westpac	Default Balanced	13.8	33.4	4.1		<b>51.3</b>	16.9	27.8	4.0	<b>48.7</b>
<b>Average</b>		<b>16.9</b>	<b>36.6</b>	<b>2.4</b>		<b>55.9</b>	<b>15.3</b>	<b>22.2</b>	<b>6.6</b>	<b>44.1</b>



## Fund manager abbreviations

<b>AAM</b>	Aspiring Asset Management	<b>FSI</b>	First Sentier Investors	<b>PIMCO</b>	PIMCO
<b>AB</b>	AllianceBernstein	<b>GMO</b>	GMO	<b>PZENA</b>	PZENA Investment Management
<b>ART</b>	Artisan Partners	<b>HAM</b>	Harbour Asset Management	<b>QAM</b>	QuayStreet Asset Management
<b>ASB</b>	ASB Group Investments	<b>HYP</b>	Hyperion Asset Management	<b>RUS</b>	Russell Investment Group
<b>BAM</b>	Bentham Asset Management	<b>KIWI</b>	Kiw i Investment Management	<b>SALT</b>	Salt Funds Management
<b>BTFM</b>	BT Funds Management	<b>KW</b>	Kernel Wealth	<b>SCH</b>	Schroders
<b>CCI</b>	Coolabah Capital Investments	<b>LHF</b>	Lighthouse Funds	<b>SCM</b>	Somerset Capital Management
<b>CGI</b>	Colchester Global Investors	<b>MAG</b>	Magellan Asset Management	<b>SIM</b>	Simplicity
<b>CPF</b>	Castle Point Funds	<b>MAM</b>	Milford Asset Management	<b>SMS</b>	Smartshares
<b>DEV</b>	Devon Funds Management	<b>MER</b>	Mercer	<b>TAH</b>	Tahito
<b>DFA</b>	Dimensional Fund Advisors	<b>MGH</b>	MGH	<b>TRU</b>	Trust Management
<b>ELE</b>	Elevation Capital	<b>MNT</b>	Mint Asset Management	<b>VAM</b>	Vontobel Asset Management
<b>FAM</b>	Fulcrum Asset Management	<b>NAM</b>	Nikko Asset Management	<b>WAMCO</b>	Western Asset Management
<b>FIS</b>	Fisher Funds Management	<b>OAM</b>	Octagon Asset Management	<b>WEL</b>	Wellington Management Company
<b>FRK</b>	Franklin Templeton Investments	<b>PFAM</b>	Pathfinder Asset Management		
<b>FS</b>	Foundation Series	<b>PIE</b>	PIE Funds		

### About Melville Jessup Weaver

Melville Jessup Weaver is a New Zealand firm of consulting actuaries. The areas in which we provide advice include superannuation, employee benefits, life insurance, general insurance, health insurance, investment consulting, and accident insurance. The firm, established in 1992, has offices in Auckland and Wellington. The firm is an alliance partner of WTW, a leading global professional services company that helps organisations improve performance through effective people, risk, and financial management. The company offers solutions in the areas of employee benefits, talent management, rewards, and risk and capital management. WTW has 39,000 associates in 120 countries around the world and is located on the web at [www.wtwco.com](http://www.wtwco.com).

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## **Risk & Assurance Committee**

### **Item for DECISION**

<b>Report</b>	Reasons to Move to Public Excluded Session
<b>Meeting Date</b>	21 November 2024
<b>Item Number</b>	11
<b>Prepared By</b>	Sonia Farquharson – Finance and Policy Administrator
<b>File Reference</b>	920154

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### **REPORT SUMMARY**

The Risk & Assurance Committee may by resolution or upon motion being made, exclude the public from the whole or any part of the proceedings of any meeting.

Grounds to exclude the public under the Local Government Official Information and Meetings Act 1987 are contained in Appendix 1 of the Clutha District Council's Standing Orders as attached.

### **RECOMMENDATION**

- 1. That the Risk & Assurance Committee receives the 'Reasons to Move to Public Excluded Session' report.**
- 2. That the Risk & Assurance Committee approves moving Public Excluded Risk & Assurance Committee Minutes held on 10 October 2024 into public, and**
- 3. That the minutes of the public excluded section of the meeting of the Risk & Assurance Committee held on 10 October 2024 be approved as a true and correct record.**
- 4. That if required, the Risk & Assurance Committee excludes the public from the following part of the proceedings of this meeting pursuant to the provisions of the Local Government Official Information and Meetings Act 1987 namely:**

## REPORT

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
Public Excluded Risk & Assurance Minutes	<p>Section A2(h) Enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities.</p> <p>Section A2(i) Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).</p>	<p>S48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.</p>

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 or Section 6 or Section 7 or Section 9 of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as shown after each item.

## Appendix 1: Grounds to exclude the public

A local authority may, by resolution, exclude the public from the whole or any part of the proceedings of any meeting only on one or more of the following grounds:

- A1** That good reason exists for excluding the public from the whole or any part of the proceedings of any meeting as the public disclosure of information would be likely:
- (a) To prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial; or
  - (b) To endanger the safety of any person.
- A2** That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:
- (a) Protect the privacy of natural persons, including that of deceased natural persons; or
  - (b) Protect information where the making available of the information would:
    - i. Disclose a trade secret; or

- ii. Be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information.
- (ba) In the case only of an application for a resource consent, or water conservation order, or a requirement for a designation or heritage order, under the Resource Management Act 1991, to avoid serious offence to tikanga Māori, or to avoid the disclosure of the location of waahi tapu; or
- (c) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would:
  - i. Be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or
  - ii. Be likely otherwise to damage the public interest.
- (d) Avoid prejudice to measures protecting the health or safety of members of the public; or
- (e) Avoid prejudice to measures that prevent or mitigate material loss to members of the public; or
- (f) Maintain the effective conduct of public affairs through –the protection of such members, officers, employees, and persons from improper pressure or harassment; or
- (g) Maintain legal professional privilege; or
- (h) Enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities; or
- (i) Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or
- (j) Prevent the disclosure or use of official information for improper gain or improper advantage.

*See s.7 LGOIMA 1987.*

*Where A2 of this Appendix applies the public may be excluded unless, in the circumstances of a particular case, the exclusion of the public is outweighed by other considerations which render it desirable and in the public interest, that the public is not excluded.*

- A3** That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information, the public disclosure of which would:
  - (a) Be contrary to the provisions of a specified enactment; or
  - (b) Constitute contempt of Court or of the House of Representatives.
- A4** That the purpose of the whole or the relevant part of the proceedings of the meeting is to consider a recommendation made to that Council by an Ombudsman under section 30(1) or section 38(3) of this Act (in the case of a Council named or specified in Schedule 1 to this Act).

**A5** That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the Council to deliberate in private on its decision or recommendation in:

- (a) Any proceedings before a Council where:
- i. A right of appeal lies to any Court or tribunal against the final decision of the Council in those proceedings.
  - ii. The Council is required, by any enactment, to make a recommendation in respect of the matter that is the subject of those proceedings; and
  - iii. Proceedings of a local authority exist in relation to any application or objection under the Marine Farming Act 1971.

*See s. 48 LGOIMA.*