

**MEETING OF THE
RISK & ASSURANCE COMMITTEE**

Wednesday 5 February 2025

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 Wednesday 5 February 2025, commencing at 10.30 am.

Steve Hill
CHIEF EXECUTIVE OFFICER

David Ward (Chairperson)
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

5 FEBRUARY 2025

APOLOGIES

Mayor Bryan Cadogan, Councilor Bruce Vollweiler.

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.	Risk & Assurance Committee Minutes <i>(For the Committee's Confirmation)</i> Minutes of the Risk & Assurance Committee held 21 November 2024.
2.	19.	Risk & Assurance Chair Report <i>(For the Committee's Information)</i> This report provides an update from the chair.
3.	20.	Risk & Assurance Workplan Report <i>(For the Committee's information)</i> This report presents the workplan to the end of the 2025 year.
4.	22.	Risk Status Progress Report <i>(For the Committee's Information)</i> The purpose of this paper is to provide the Risk and Assurance Committee with risk status information for the organisation's various risk themes.
5.	26.	Protozoal and Bacterial Compliance Report <i>(For the Committee's Information)</i> This report provides an update for each Water Treatment Plant.
6.	34.	3 Waters Operations 3 Month Report <i>(For the Committee's Information)</i> <i>This report combines high level financial results for the Urban Water, Rural Water, Wastewater, Stormwater, Water Management and Water Operations business units.</i>

Item	Page #	Title
7.	40.	<p>Treasury Management Report <i>(For the Committee's Information)</i> This report includes the Treasury Services Advisory Report and the Investment Portfolio Compliance & Monitoring Report.</p>
8.	72.	<p>Financial Monitoring Report <i>(For the Committee's Information)</i> This report combines the Financial Management Accounts and the Non-Financial Key Performance Indicators (KPIs).</p>
9.	75.	<p>Non-Financial Monitoring Report <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.	87.	<p>Audit Recommendation Monitoring Report <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 2024 Annual Report Audit.</p>
11.	91.	<p>Risk & Assurance Terms of Reference Report <i>(For the Committee's Information)</i> This report provides an updated Terms of Reference for the Risk & Assurance Committee's consideration.</p>
12.	96.	<p>Reasons To Move into Public Excluded Session <i>(For the Committee's Decision)</i> 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.</p>

Risk & Assurance Committee - Delegations

Constitution	<p>Members of the Committee will be made up of an Independent Chair, Mayor, Deputy Mayor, Chair of the Corporate & Policy, Infrastructure Strategy & Operations and Regulatory and Community 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>
Meeting Frequency	<p>6 times per year, or as required.</p> <p>To oversee aspects relating to audit and risk management.</p> <p>The Risk & 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">• risk management• internal control• external accountability• internal audit• external audit and• compliance with legislation, policies, and procedures.
Objective	<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">• obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);

- 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.

Risk & Assurance Committee

Item for CONFIRMATION

Report	Confirmation of Minutes
Meeting Date	5 February 2025
Item Number	1
Prepared By	Sonia Farquharson – Finance and Policy Administrator
File Reference	922704

REPORT SUMMARY

Attached are the unconfirmed minutes of the Council's Risk & Assurance Committee meeting held 21 November 2024.

RECOMMENDATION

- 1. That the Risk & Assurance Committee confirms as a true and correct record the minutes of the Risk & Assurance Committee held 21 November 2024.**

Risk & Assurance Committee

Minutes of the meeting of the Risk & Assurance Committee held in the Council Chambers, 1 Rosebank Terrace, Balclutha, on Thursday 21 November 2024, commencing at 10.31am

Present	David Ward (Chairperson), Mayor Bryan Cadogan, Councillors John Herbert, Gaynor Finch, Michele Kennedy, Alison Ludemann, Ken Payne and Bruce Vollweiler.
In Attendance	Steve Hill (Chief Executive), Daniel Pickup (Team Leader Compliance & Reporting), Linda Till (Manager Three Waters), Trey Willis Croft (Financial Support Accountant), Oscar Melad (Financial Support Accountant), Councillors Wayne Felts, Simon McAtamney, AJ Cross (ICT Support Specialist) and Sonia Farquharson (Finance & Policy Administrator).
Apologies	Councillor Bruce Graham <i>Moved by Chair Ward / Councillor Vollweiler and Resolved: "That the apology be sustained."</i>

The Chair David Ward welcomed Councillors, staff, members of the public and those watching on livestream to the meeting then said a Karakia.

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 10 October 2024 were submitted for confirmation.

- Typo Page 12 – was recorded that the South Bruce Rural Scheme would be affected by new rules Taumata Arowai - should have been North Bruce Rural Scheme.
- At the bottom of page 13 a legal review of the contract was to be undertaken – has this been received? This is to be followed up.
- On Page 15 item 6 – “the following points were highlighted” should have been taken out.
- Flooding cost assessment – ongoing due to still compiling costs and working with insurers. We hope to provide an update at the Council Meeting on the 5 December 2024.

Moved Councillor Herbert / Finch and Resolved:

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

2. RISK & ASSURANCE CHAIR REPORT

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 28 January 2025 and topics to be included in the 2025 Audit & Risk Workplan.

- Specifically, around the workshop 28 January 2025, expect some homework and more information around this in the next 2-3 weeks.
- Review terms of reference, does it help Council achieve goals, is it complete, what about reporting lines, there are reports that are duplicated in other committees, are they useful or is there a better way we can report?
- Review agenda reports - take note on the reports, do they provide you with good information? What is helpful in the reports we are reading or what’s missing? With respect to debt management what is the additional information you need, what is important to you in respect of treasury matters?
- Purpose and analysis of borrowing, projected debt requirements and timing, cost of that borrowing, debt repayment program and the available headroom.
- What is the Strategic purpose of Risk and Assurance?
- Training needs you may have to assist you to do your job, as legislation changes so do our needs.
- It will be a 4–5-hour workshop on Tuesday 28 January 2025.
- There will then be an agenda item outlining our work program on the next agenda for the remainder of the 2025 financial year.

Moved by Chair Ward / Councillor Kennedy and Resolved:

“That the Risk & Assurance Committee receives the Risk & Assurance Chair Verbal Report dated 21 November 2024”.

3. HEALTH & SAFETY, RISK AND MAJOR PROJECTS 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)”.

Steve Hill (Chief Executive) was in attendance to speak to the report and answer any questions. The following points were highlighted:

- It was questioned if the 3 waters reticulation contract had been signed? This is the contract between Council and Isaacs. With Isaacs having now signed it will be heading to the CE imminently.
- Comment page 24 Audit and Actions (template) around the vehicle checks, these are individual checks done by the individual responsible for the vehicle, pool vehicles also get checked.
- There was discussion regarding a vehicle rollover within the Water Team, the person was okay however the vehicle was not a write off and was repaired. It happened at night after a callout to a plant. From this awful event it was highlighted that the smart track system, our safety mechanism does not pick up rollovers if they happen in less than 3 seconds. We believe it was caused by speed and a build-up of gravel on the corner of the road.
- Page 22 there was a question as to why 15 plants certification had expired and how often are these to be recertified. This is an annual process, our previous certification was not up to standard, we have now changed providers. Worksafe are fully aware and provided us an alternative person to work with who will give us provisional sign off with improvements. We are now managing this workload.
- Page 23 under the issues reported as high – How was the issue around racial hate speech resolved? We will ask Christina to report back on this to you.
- Page 20 talks about health and safety issues open past 30 days – are there many and if so what is the issue? Christina to report back at the next meeting.
- On Page 21 there is a list of policies and a review date, some of which have expired – seeking some feedback from staff as to when these will be reviewed and signed off. Christina to report back at the next meeting.

Moved Councillors Finch / Payne and Resolved:

“That the Risk & Assurance Committee receives the Health and Safety, Risk and Major Projects report dated 21 November 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:

- Staff advised reporting has changed to reporting on percentage instead of days on a recommendation from Beca as part of their audit for the year.
- There was discussion around the ongoing non-compliance for Moa Flat. Is the UV treatment right for the plant? Is it doing its job? The comments are the same each time. Staff advised that the quality of the water coming in also affects compliance. We would like more information to try and work out what we need to fix to get compliance.
- Staff advised the Moa Flat reservoir is filling slowly and we will be trialling the carbon filter process with a unit lent to us by our southern partners, arriving early December to see if that works. We met with Filtec last week, they are working on a plan to help achieve compliance at both North Bruce and Moa Flat, we have asked for the plan to be finished this week.
- The Moa Flat plant as it stands will not achieve the current water standards. All the things we have been trying to date have been to achieve this. That’s why we are now trying the carbon filter option, to try and get compliance.
- Do we have a date when we expect to lift the boil water notice for Waihola township? Staff advised results have been very good and this will be lifted in the very near future. However not everyone in Milton township is connected to the new pipeline, some are still connected to North Bruce. We are working on identifying these households and with the Communications department on how to get the message out to the community.
- Is it always going to be that when we have a wet weather event Tapanui becomes non-compliant? There are 2 issues in Tapanui the intake itself, an emerging issue, the rainfall event changed the course of the creek. There was an onsite meeting yesterday to discuss a plan, and we also need to talk to ORC about what we plan on doing. The second issue is the requirement to have UV Treatment at Tapanui, we have 3 prices in, so we need to select which supplier to go with and decide how it will be funded.

Moved Councillors Herbert / Kennedy and Resolved:

“That the Risk & Assurance Committee receives the ‘Protozoal and Bacterial Compliance Report’, dated 21 November 2024.”

5. 3 WATERS OPERATIONS 3 MONTH REPORT

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

Linda Till - Head of Three Waters was in attendance to speak to the report and answer any questions. The following points were highlighted:

- There was discussion about why the rural repairs are so high. As we are unable to inspect water pipes we need to repair as required and monitor if there are frequent breaks look at replacing.
- Staff were asked to quantify how much has been spent on consultants for Moa Flat and report back.

Moved Councillors Herbert / Kennedy and Resolved:

“That the Risk & Assurance Committee receives the 3 Waters Operations 3 Month Report’, dated 21 November 2024.”

6. RISK & ASSURANCE WORKPLAN REPORT

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 28 January 2025 workshop.

Steve Hill (Chief Executive) was in attendance to speak to the report and answer any questions.

- Councillors will need to provide some feedback for this program going forward per the Chairs verbal report earlier.

Moved Chair Ward / Councillor Vollweiler and Resolved:

“That the Risk & Assurance Committee receives the Risk & Assurance Workplan Report’, dated 21 November 2024.”

7. AUDIT RECOMMENDATION MONITORING REPORT

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.

Steve Hill (Chief Executive) was in attendance to speak to the report and answer any questions. The following points were highlighted:

- On Page 45 – Progress reporting on major projects and review of WIP accounts – we are getting better reporting now through the Infrastructure Strategy committee, over the last few months we have received more information. Will we go further than this? Yes, we will be providing reporting around Category A projects, financially and risk wise.
- Chair Ward mentioned in the next few weeks he will send out an email asking about project reports, are they being reported to the right place, right information, better control of debt management and cost of that debt on rates and time frames which are very important.

Moved Councillors Vollweiler / Ludemann and Resolved:

“That the Risk & Assurance Committee receives the ‘Audit Recommendation Monitoring Report’, dated 21 November 2024.”

8. FINANCIAL MONITORING REPORT

This report outlines the Financial Management Accounts for the period 1 July 2024 to 30 September 2024.

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

- Staff had hoped to have more detailed variances but was still unable to provide these as there has been further delays inputting the budget into Ozone (our operating system), this will be available by the next meeting in February 2025.
- There was discussion around why rates are lower than budgeted – staff to provide an explanation at the next meeting
- It was requested that staff provide a breakdown of the receivables and prepayments for the next meeting.

Moved Councillors Ludemann / Mayor Cadogan and Resolved

“That the Risk & Assurance Committee receives the ‘Financial Monitoring Report’, dated 21 November 2024.”

9. 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 to speak to the report and answer any questions. The following points were highlighted:

- High wastewater medians in October due to the flooding and Isaacs needing to take on more of these cases while also doing urban and rural.
- Appears to be an issue with the roading contact % calculation. Staff will review this, quantify the differences and will report back on any changes to the next meeting in February 2025.
- October solid waste KPIs came in since agenda print date. KGs of solid waste per resident to Mt Cooe = 43.81kg vs a target of 35.82, kg of waste diverted from Mt Cooe = 4.72kg vs goal of 4.92kg

Moved Councillors Payne / Ludemann and Resolved:

“That the Risk & Assurance Committee receives the ‘Non-Financial Monitoring Report’, dated 21 November 2024.”

10. 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.

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

Summary of a few key points from Bancorp/MJW reports:

- Reserve Bank of NZ cut the Official Cash Rate by 25 basis points to 5.25% in its August 2024 monetary policy statement, followed up with a 50-basis point cut after quarter end. The need for OCR cuts to address the weak economy was emphasised.
- Weak GDP figures are expected to help reduce inflation, RBNZ projects this to fall to 2.3% in the September 2024 year from 3.3% currently.
- Interest rate swap rates fell sharply over the quarter – more so at the shorter end of the yield curve where the presumed future OCR cuts have greater influence, than at the longer end of the curve which is largely driven by moves in US and global bond rates.
- September quarter held positive results for most investors. Positive momentum was built as more central bankers entered an interest rate easing cycle.
- There has been a spike in market volatility in the last quarter since the previous one, to levels not seen since the emergence of Covid-19. MJW notes they are cautious of market returns in the short-term, due to recent conflict in the Middle East expanding in scope, and the US election. They continue to advocate for well-diversified investment portfolios, managed under a robust governance regime.
- The definition of “headroom” on page 79 is total amount of money we can use on a few days’ notice = cash + Nikko + MOCL.

- Council have asked for a debt projection for the year, how we are getting to our projected debt levels. They would also like to know what we are using each tranche of borrowing for.
- Council asked for revised cashflow reporting on a monthly basis. Staff are intending to do this and are working on it with the business.
- It was noted that on Page 68 October percentages were the same as September and needed updated., and on page 69 closing balance of \$27,127,403 and closing balance on page 66 is \$27,111,246, can staff confirm why please
- There was discussion around interest rates on pages 70 and 71 and why they were different for our current tranche of debt. Staff explained that the interest rates on page 71 are the actual interest rates we pay on our debt, and the interest rates on page 70 are calculated by Bancorp and are the “cost of funds” which includes our interest rate swaps which we have to lower our cost of debt.

Moved Councillors Vollweiler / Herbert and Resolved:

“That the Risk & Assurance Committee receives the ‘Treasury Management Report’, dated 21 November 2024.”

11. REASONS TO MOVE INTO PUBLIC EXCLUDED

Moved Councillors Vollweiler / Herbert and Resolved:

“That the Risk & Assurance Committee receives the ‘Reasons to Move to Public Excluded Session’ report.

That the Risk & Assurance Committee approves moving Public Excluded Risk & Assurance Committee Minutes – 10 October 2024 into public, and

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.”

As this was the last meeting for the year everyone was thanked for their contributions and attendance and wished a Merry Christmas.

The meeting closed with a Karakia at 12.07pm.

Read and Confirmed

David Ward
CHAIRPERSON

Risk & Assurance Committee

Item for INFORMATION

Report	Risk & Assurance Chair Report
Meeting Date	5 February 2025
Item Number	2
Prepared By	David Ward – Risk & Assurance Chair
File Reference	922707

REPORT SUMMARY

Season's greetings, and welcome to the first meeting of 2025.

The focus of today's meeting will be the incorporation of matters discussed at the Committee workshop of 28 January 2025 into our committee work programme for the 2025 calendar year.

When I commenced the role of Independent Chair of the Risk and Assurance Committee, I took the opportunity to meet with you individually to gain an understanding of those matters that you thought the Committee was doing well, and those areas where you believe there are opportunities for enhancement. A lot of the discussion centred on the content and depth of reporting, additional information that you are seeking, more detail on financial impact of major projects, and projected operational performance.

These matters were further explored during the Committee workshop and will be discussed further as we address each of the agenda reports.

The outcome to today's discussion is twofold - firstly a recommendation to Council to effect agreed changes into the Committee Terms of Reference. This will happen at the next Council meeting. Secondly, I will engage with management and key staff to clarify requested changes to report content. These changes will be incorporated into reports presented to the Committee's March meeting.

The last item we will address at today's meeting is our Terms of reference and any recommended changes to Council.

RECOMMENDATION

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

Risk & Assurance Committee

Item for INFORMATION

Report	Risk & Assurance Workplan Report
Meeting Date	5 February 2025
Item Number	3
Prepared By	Sharon Jenkinson – Chief Financial Officer
File Reference	922712

REPORT SUMMARY

This report presents the proposed workplan for this calendar year (through to elections) following discussion at the Risk & Assurance Committee workshop on the 28th January 2025.

The workplan incorporates matters requested by the committee members and focuses on key areas that will ensure the committee adheres to its terms of reference.

RECOMMENDATIONS

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

Clutha District Council Risk and Assurance Committee Workplan 2025

	5-Feb-25	20-Mar-25	1-May-25	12-Jun-25	24-Jul-25	4-Sep-25
Health & Safety Report		★		★		★
Risk & Major Projects Report		★		★		★
Risk Status Report	✓		★		★	
Capital Project reporting		★	★	★	★	★
Treasury Management Report (Debt - borrowing and repayment)	✓	★	★	★	★	★
Treasury Management Report (Investments)	✓		★		★	
Performance Monitoring Report Financials	✓	★	★	★	★	★
Protozoal and Bacterial Monitoring Report	✓	★	★	★	★	★
Three Waters Financials Monitoring Report	✓	★	★	★	★	★
Audit Recommendation Monitoring	✓		★		★	
Annual Report Adoption to Council & Audit Management Report						
Insurance Renewal Approval				★		
Cyber security update	✓				★	
Conflicts of interest register update				★		
Major Project Reporting		★	★	★	★	★
Mandatory Documents Register update					★	
✓	Actions completed					
★	Upcoming actions					

Risk & Assurance Committee

Item for INFORMATION

Report	Risk Status Progress Report - Failure to give effect to Te Tiriti and Build Successful Iwi/Mana Whenua Partnerships
Meeting Date	5 February 2025
Item Number	4
Prepared By	Christina Johnston – Manager Risk Management
File Reference	922708

REPORT SUMMARY

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 papers focus is on the Risk: Failure to give effect to Te Tiriti and build successful Iwi/Mana Whenua partnerships.

RECOMMENDATIONS

That the Risk & Assurance Committee:

1. Receives the report

REPORT

1. Background

All Councils, as per statutory obligations, must engage with Māori and acknowledge Te Tiriti o Waitangi. Key legislative frameworks influencing council activities include the Local Government Act 2002 (LGA) and the Resource Management Act 1991 (RMA). Compliance with legislation is essential, as is a genuine commitment.

Council have staff who are committed to strengthening partnerships with iwi and Māori and providing opportunities for involvement in a genuine way.

This includes an intention to:

- Build genuine partnerships at governance, management and operational levels
- Support to participate in decision-making
- Increase Council's understanding of Te Tiriti o Waitangi, te reo Māori me ōnā tikanga (Māori language and culture)
- Support iwi aspirations
- Utilise the Clutha District needs and strengths assessment to support the initiatives.

2. 2024 progress

February 2024 report on aspirations for 2024/25

In February 2024, we outlined a list of aspirations for the 2024/25 period. By the end of 2024, all but two of these aspirations were achieved, with the remaining two to be addressed in 2025. Additionally, several initiatives were added and exceeded our documented aspirations.

Completed Aspirations:

- Developed an introduction to Te Tiriti o Waitangi and basic iwi engagement protocols for CDC to include in the induction process.
- Secured funding in the Long-Term Plan (LTP).
- Completed foundation Te Tiriti training by July 2024 (Organisational Treaty Responsiveness and Policy Practice).
- Sent an intentions letter to Te Ao Mārama (TAMI) and Aukaha.
- Established a relationship with Hokonui and developed bilingual signage for Community Libraries.
- Created an intranet page containing procedures, meanings of words/room names, links to Pepeha support (Pepeha is a way of introducing yourself in Māori), inaugural meeting procedures, and guidance on engaging with iwi.
- Incorporated more tikanga Māori into citizenship ceremonies.
- Scheduled and fulfilled meeting commitments at Te Roopu Taio, and agreed hui with TAMI, Aukaha, and Hokonui.

Key Developments:

- The "Iwi Tours" led by Ruth Baldwin were a success. Ruth guided staff through various sites of Māori significance within the District. Two additional tours are scheduled for early 2025.
- In November, CDC instructed the Infrastructure Strategy and Delivery Teams consultants not to engage directly with Iwi/ORC, assigning this role to internal staff. This decision aims to enhance ownership and accountability of discussions and relationships, closing knowledge gaps and improving understanding among staff.
- CDC signed a Service Level Agreement with Aukaha in mid-2024, marking positive steps toward a desired Partnership Agreement. The Aukaha 2024 Annual Report mentioned CDC several times:
 - As a funder/partner (not included in their previous 2022–2023 annual plan, and not all councils are on this list).
 - Under 'strengthening relationships,' Aukaha noted, "We have maintained strong ties with our existing council partnerships and built upon our new relationship with Clutha District Council."
 - Under 'Three Waters Network,' Aukaha mentioned, "Our partnerships with Three Waters teams within Dunedin City Council, Central Otago District Council, and Clutha District Council have been increasingly positive and rewarding."

Leadership Group Initiatives:

In 2024, the Leadership Group identified six priority areas for the organisation and assigned Leadership Team members to develop goals and drive progress. “Iwi relationships” was one of the six priority areas.

- The “Tautukunga (Compliance) Working Group,” led by Manager Planning Olivia Restieaux, set the following goals:
 - **Objective 1:** Provide improved cross-organisational environment compliance, including iwi engagement.
 - **KPI1:** Review current compliance procedures by end of November 2024 – Complete.
 - **KPI2:** Produce a Resource Consent iwi engagement procedure by end of March 2025 – Underway.
 - **KPI3:** Improve education training on legislative requirements in roles for compliance by June 2025 – Underway.
- A significant addition to the 2024/25 aspirations involves Olivia Restieaux leading fortnightly hui with key Senior Leaders to meet conditions within our existing Resource Consents. This work is crucial as these conditions represent “promises” made to obtain Resource Consents, and past failures to meet these conditions have affected trust-building efforts.
- A People Working Group has been established, with one of their responsibilities being to consider objectives and KPIs for organisation-wide cultural competency.

3. Risk movement

Leadership assessed that the following items may support the organisation to move out of a high-risk rating, with the majority underway and assigned to staff or included in work programs to ensure completion:

1. Further work to be completed with Aukaha and TAMI to start a program of work - *Underway*
2. Further work to implement internal development requirements of staff - *Underway*
3. Money put into the LTP for budget to achieve initiatives and Service Level Agreements to be implemented with Aukaha and TAMI - *Underway*
4. Process to know when Consents or Conditions are due or requiring iwi consultation - *Underway*
5. Mana to Mana hui with Aukaha and TAMI – *No progress*

4. References – Tabled/Agenda Attachments

Attachment 1 – Risk description - Failure to give effect to Te Tiriti and build successful Iwi/Mana Whenua partnerships.

Risk theme:

Failure to give effect to Te Tiriti and build successful Iwi/Mana Whenua partnerships

Risk Status Progress Report February 2025



Risk number	12 of 13 on Clutha District Councils Critical-High risk register		
Description	If Council fails to give effect to Te Tiriti and build and sustain partnerships with Iwi/Mana Whenua, including support of developing capability and capacity internally and within Mana Whenua, then Council will fail to meet its governance obligations, and the ability to operate and deliver key projects could be significantly impacted.		
Possible impacts	Non delivery or delayed delivery of projects Reputation damage Judicial challenge		
Category	Strategic relationships	Risk owner	Steve Hill
Possible causes	<ol style="list-style-type: none"> 1. Capacity and capability of staff to engage 2. Limited understanding by staff of Te Tiriti o Waitangi, Tikanga and Tangata Whenua 3. Resourcing and affordability to engage 4. Capacity and capability of Mana Whenua and Iwi 5. Time taken to build relationships 6. Inclusion/Omission of Iwi/Mana Whenua in planning of projects 7. Resource consent requirements 		
Inherent Risk Rating	Almost certain x major = Critical		
Existing Controls			
<ol style="list-style-type: none"> 1. Council has ongoing commitment attending Te Roopu Taiao hui 2. Relationship formed with local Tanagata whenua 3. Te Tiriti Induction training in place 4. Key staff assigned to build relationships, staff competency and introduce procedures for engagement 5. Regular hui occurring with Aukaha and Te Ao Marama Inc. (TAMI) 6. Automated process in place to inform Aukaha and Te Ao Marama of non-compliances 7. Places of cultural significance layer on GIS 			
Residual Risk Rating	Possible x Moderate = High		
What we would need to do to move out of High			
<ol style="list-style-type: none"> 1. Further work to be completed with Aukaha and TAMI to start a program of work 2. Further work to implement internal development requirements of staff 3. Money put into the LTP for budget to achieve initiatives and Service Level Agreements to be implemented with Aukaha and TAMI 4. Process to know when Consents or Conditions are due requiring iwi consultation 5. Mana to Mana hui with Aukaha and TAMI 			

Risk & Assurance Committee

Item for INFORMATION

Report	Protozoal and Bacterial Compliance Report
Meeting Date	5 February 2025
Item Number	5
Prepared By	Keiran Medel – Senior Compliance Engineer Daniel Pickup – Team Leader Compliance and Reporting
File Reference	922709

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 November and December 2024 saw consistently high levels in Urban Water Bacterial and Protozoal compliance.

The reporting period for November and December 2024 saw similar levels in compliance for Rural Water Bacterial and Protozoal compliance compared with the September and October 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 Balmoral/Tuapeka Rural Water Scheme & Lawrence New Supply.

URBAN WATER COMPLIANCE WITH DWQARs FOR BACTERIOLOGICAL AND PROTOZOAL COMPLIANCE

For the period 1 November to 31 December 2024 an assessment has been completed against the DWQARs. Clutha District Council 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 November to 31 December 2024

Name	Treatment Plant	Population	Bacto Compliant? 1 Nov - 30 Nov 2024	Bacto Compliant? 1 Dec - 31 Dec 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	No T3 99% Compliant. D3 76% Compliant. Refer to comment d).	No T3 94% Compliant. D3 100% Compliant. Refer to comments a), b), and c).	Non-compliant FAC levels were analysed in the distribution. Total coliforms result >80 CFU/100 ml was analysed in the distribution.
Lawrence	Lawrence	430	Yes T2 95% Compliant. D2 100% Compliant.	Yes T2 95% Compliant. D2 100% Compliant.	Minor UV non-compliances.
Milton	Milton	1929	Yes T3 97% Compliant. D3 100% Compliant	Yes T3 96% Compliant. D3 100% Compliant	Minor FAC non-compliances.
OCF	Milton	600	Yes T3 97% Compliant. D3 100% Compliant	Yes T3 96% Compliant. D3 100% Compliant	Minor FAC non-compliances.
Owaka	Owaka	315	Yes T3 100% Compliant. D3 100% Compliant	Yes T3 100% Compliant. D3 100% Compliant.	N/A
Stirling Township	Stirling	309	Yes T3 100% Compliant. D3 100% Compliant.	No T3 94% Compliant. D3 100% Compliant. Refer to comment a).	UV non-compliances at the treatment plant.

Tapanui	Tapanui	760	Yes T3 98% Compliant. D3 100% Compliant.	Yes T3 99% Compliant. D3 100% Compliant.	Minor FAC non-compliances.
Waihola Township	Milton	430	Yes T3 97% Compliant. D3 100% Compliant.	Yes T3 96% Compliant. D3 100% Compliant	Minor FAC non-compliances.
	Total	10090	98%	95%	

- 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.

2 - Protozoal Compliance 1 November to 31 December 2024

Name	Serviced Zones	Population	Protozoal Compliant? 1 Nov - 30 Nov 2024	Protozoal Compliant? 1 Dec - 31 Dec 2024	Improvement Work/Comments
Balclutha	Balclutha	4002	Yes T3 99% Compliant.	Yes T3 100% Compliant.	N/A
Lawrence	Lawrence	430	Yes T3 100% Compliant.	Yes T3 100% Compliant.	N/A
Milton	Milton + OCF + Waiholā	2529	Yes T3 98% Compliant	Yes T3 98% Compliant.	Minor membrane non-compliances.
Owaka	Owaka	315	Yes T3 98% Compliant	Yes T3 100% Compliant.	Improvements must be made to the Owaka bore head to ensure it complies with the DWQAR Sanitary Requirements.
Tapanui	Tapanui	760	No T3 88% Compliant. Refer to comments a), and b).	No T3 90% Compliant. Refer to comments a), and b).	Ongoing filter non-compliances were caused by the wet weather event.
	Total	8466	91%	91%	

- a. 4-log Protozoal Compliance must be met by all treatment plants that abstract water from surface water sources i.e. 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 November to 31 December 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 November to 31 December 2024

Name	Treatment Plant	Population	Bacto Compliant? 1 Nov - 30 Nov 2024	Bacto Compliant? 1 Dec - 31 Dec 2024	Improvement Work/Comments
Balmoral 1	Waitahuna	247	No T3 18% Compliant. D3 46% Compliant. Refer to comments b), c), e), f), and h).	No T3 12% Compliant. D3 60% Compliant. Refer to comments b), c), e), f), and h).	The Waitahuna WTP is to be replaced by the Balmoral/Tuapeka Rural Water Scheme & Lawrence New Supply. Significant upgrades are required to achieve compliance.
Balmoral 2	Waitahuna	399	No T3 18% Compliant. D3 62% Compliant. Refer to comments b), c), e), f), and h).	No T3 12% Compliant. D3 68% 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 99% Compliant. D3 100% Compliant.	Yes T3 97% Compliant. D3 100% Compliant.	Minor FAC non-compliances.
Moa Flat	Moa Flat	534	No T3 83% Compliant. D3 100% Compliant. Refer to comments a), f), and g).	No T3 94% Compliant. D3 100% Compliant. Refer to comments a), f), and g).	A carbon filtration trial to improve incoming raw water quality for UV treatment started in December 2024.
North Bruce	North Bruce	658	No T3 50% Compliant. D3 54% Compliant. Refer to comments a), f), and g).	No T3 50% Compliant. D3 62% Compliant. Refer to comments a), b), e), f), and g).	A plan is in place to remove the centre column within the clarifier to change how water passes through the clarifier.
Richardson North	Whitelea Road	312	No T3 76% Compliant. D3 100% Compliant. Refer to comment b).	No T3 94% Compliant. D3 100% Compliant. Refer to comment b).	FAC non-compliances caused at the treatment plant.

Richardson South	Puerua	469	No T3 99% Compliant. D3 95% Compliant. Refer to comment e).	No T3 94% Compliant. D3 100% Compliant. Refer to comment a).	UV non-compliances at the treatment plant.
South Bruce	Stirling	434	Yes T3 100% Compliant. D3 100% Compliant.	No T3 94% Compliant. D3 100% Compliant. Refer to comments a).	UV non-compliances at the treatment plant.
Tuapeka East	Waitahuna	276	No T3 18% Compliant. D3 15% Compliant. Refer to comments b), c), e), f), and h).	No T3 12% Compliant. D3 11% Compliant. Refer to comments b), c), e), f), h), and i).	As above for Balmoral 1 and 2.
Tuapeka West	Evans Flat	283	No T2 57% Compliant. D2 67% Compliant. Refer to comments b), d), e), f), and h).	No T2 47% Compliant. D2 88% Compliant. Refer to comments b), d), f), and h).	The Tuapeka West WTP is to be replaced by the Balmoral/Tuapeka Rural Water Scheme & Lawrence New Supply. Significant upgrades are required to maintain compliance.
Wangaloa	Kaitangata	50	Yes T3 100% Compliant. D3 100% Compliant.	Yes T3 100% Compliant. D3 100% Compliant.	N/A
	Total	4917	35%	27%	

- 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 bacterial 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 November to 31 December 2024

Name	Serviced Zones	Population	Protozoal Compliant? 1 Nov - 30 Nov 2024	Protozoal Compliant? 1 Dec - 31 Dec 2024	Improvement Work/Comments
Clydevale-Pomahaka	Clydevale-Pomahaka + Clinton	850	Yes T3 99% Compliant.	Yes T3 99% 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 Balmoral/Tuapeka Rural Water Scheme & Lawrence New Supply in 2025.
Glenkenich	Glenkenich	705	Yes T3 99% Compliant.	Yes T3 100% Compliant.	N/A
Kaitangata	Kaitangata + Wangaloa	830	Yes T3 99% Compliant.	Yes T3 100% Compliant.	N/A
Moa Flat	Moa Flat	534	No T3 79% Compliant. Refer to comments a), c), d), and f).	No T3 86% Compliant. Refer to comments a), c), d), and f).	Ongoing UV non-compliances. A carbon filtration trial to improve incoming raw water quality for UV treatment started in December 2024.
North Bruce	North Bruce	658	No T3 50% Compliant. Refer to comments a), c), d), and f).	No T3 50% Compliant. Refer to comments a), c), d), and f).	Ongoing UV non-compliances. A plan is in place to remove the centre column within the clarifier to change how water passes through the clarifier.
Puerua	Richardson South + Kaka Point	704	Yes T3 99% Compliant.	No T3 94% Compliant. Refer to comments a), and f).	UV non-compliances at the treatment plant.
Stirling	Stirling + South Bruce + Benhar	743	Yes T3 100% Compliant.	Yes T3 100% Compliant.	N/A
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 Balmoral/Tuapeka Rural Water Scheme & Lawrence New Supply in 2025.
Whitelea Road	Richardson North	312	Yes T3 100% Compliant.	Yes T3 100% Compliant.	N/A
	Total	6541	63%	53%	

- a. 4-log Protozoal Compliance must be met by all treatment plants that supply a population greater than 500 and all that abstract water from surface water sources i.e. 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 Balmoral/Tuapeka Rural Water Scheme & Lawrence New Supply 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 November to 31 December 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 latest non-compliant result was collected from Circle Hill Road on 30 December 2024. The Waihola Reservoir Inlet sample point was decommissioned and replaced with a new sample point at Beacon Street.

Aluminium levels that exceed the MAV of 1 mg/l continue to be detected at the Moa Flat WTP and in the distribution network. The most recent exceedance was collected from Kempthorne Road on 3 December 2024. A carbon-based media is being 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 advisory notice will remain in place. The latest non-compliant result was collected the Balmoral 2 distribution on 12 December 2024.

The Waihola township is now supplied by the Milton WTP and has demonstrated consistent compliance with the aluminium MAV since 3 October 2024. The Aluminium Advisory notice for Waihola was lifted on 29 November 2024.

The Tapanui WTP aluminium issues are now resolved with no detection of aluminium exceedances in the water supply since October 2024.

Non-compliant aluminium sample results were analysed from the Puerua WTP on 11 November 2024 and in the Richardson South and Kaka Point distribution on 30 December 2024. An Aluminium Advisory notice was not issued for the supply. Further samples collected by the operator at the treatment plant and throughout the distribution returned results that were all below the MAV.

Risk & Assurance Committee

Item for INFORMATION

Report	3 Waters Operations 6 Month Report
Meeting Date	5 February 2025
Item Number	6
Prepared By	Linda Till – Head of Three Waters Greg Bowie – Financial Accounting Team Leader
File Reference	920116

REPORT SUMMARY

This report displays the financial results for the 3 Waters activity for the first six 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 6 Month Report.**

REPORT

A summary of the 6 months is provided below with further detail included in Appendix A.

	Actual	6 Month Budget	Variance		Full Yr Budget	Variance
Income	-8,867,184	-9,091,999	-224,814		-18,183,997	-9,316,813
Expenditure	11,116,092	10,858,220	-257,872		21,716,440	10,600,348
Capital Funding	0	-17,056,405	-17,056,405		-34,112,811	-34,112,811
Capital Expenditure	9,314,607	15,290,184	5,975,576		30,580,367	21,265,760
Net	11,563,515	-0	-11,563,515		-0	-11,563,515

July to December 2024 for Three Waters

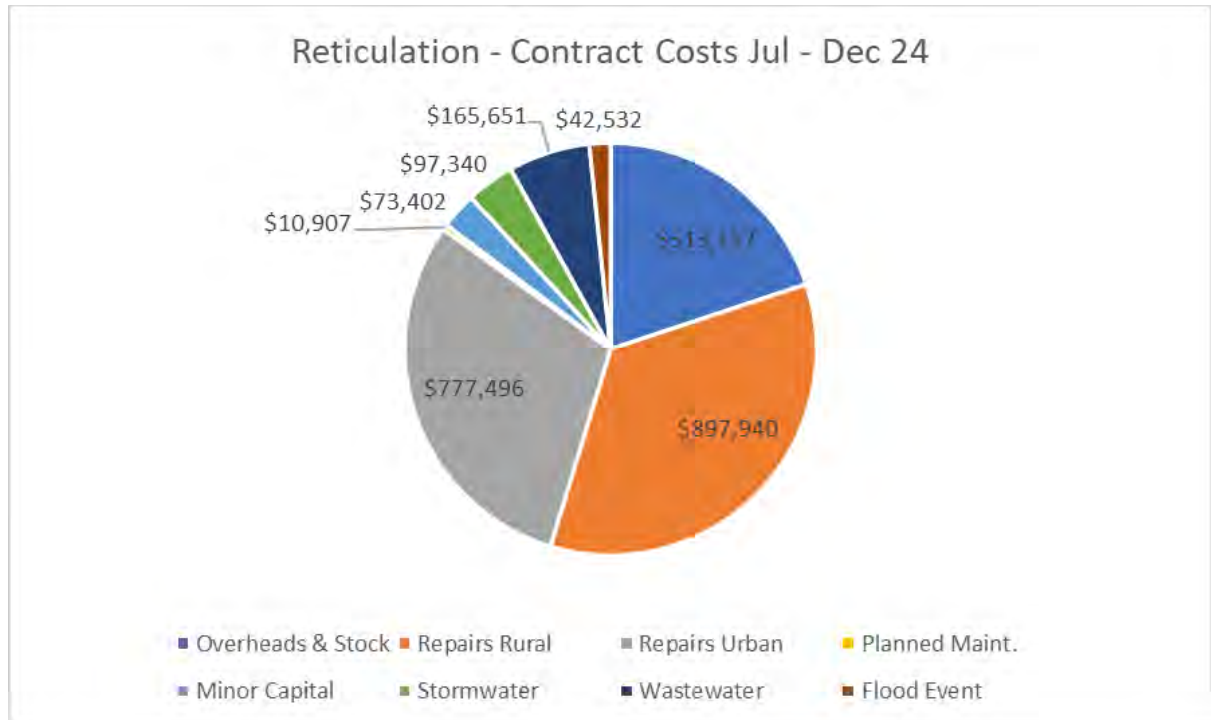
- Total 3 Waters opex expenditure for the 6 months of 2024/25 is \$11.1m, compared to YTD budget of \$10.8m, meaning an overspend of \$0.3m, or 2.4%.
- Consultancy charges total \$499k to date. The bulk is made up of payments to Beca Infrastructure Limited (\$337k), Iain Rabbitts (\$71k) and JK Process (\$55k). Much of this relates to support and assistance with 3 Waters work, which will reduce going forward.
- Year to date costs for the reticulation contractor Isaac Construction Limited (\$390k), Contract Excavation Limited (\$12k) and Andrew Haulage 2011 Limited (\$26k) are now being coded to 7930 (under capital expenditure) and will be journalled proportionately against non-routine maintenance at year-end.
- Salaries & KiwiSaver are \$159k under YTD budget.
- Education costs of \$22k 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 \$85k. This is a product of our advisory notices. Non-routine expenditure over budget by \$425k and includes costs for the reticulation contractors. The cost overrun is offset by the \$548k YTD underspend on Planned Maintenance.
- Chemical costs are under budget by \$102k, 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 31 December is \$2.2m (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 will reduce in the new year, with two staff seconded from Beca long-term ending their secondments prior to Christmas. 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. An independent contractor (JK Process) is

reviewing and rewriting our Drinking Water Safety Plans, to ensure we meet the regulator's 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 \$2,578,424



APPENDIX A

	Actual	6 Month Budget	Variance		Full Yr Budget	Variance
Income						
1115 Rates - Water	-5,003,746	-5,467,237	-463,491		-10,934,473	-5,930,728
1116 Rates - Water - Projects	0	0	0		0	0
1118 Rates - Stormwater	-543,057	-528,841	14,216		-1,057,681	-514,624
1121 Rates - Wastewater	-1,280,065	-1,277,851	2,214		-2,555,702	-1,275,637
1123 Rates - Loan Rates	-17,536	0	17,536		0	17,536
1138 Out of District Water	-240,509	0	240,509		0	240,509
1148 Lease - Other	1,435	0	-1,435		0	-1,435
1176 Stimulus Support	0	-65,893	-65,893		-131,786	-131,786
1211 Sales - Sundry	-10,060	-19,398	-9,337		-38,795	-28,735
1215 Water Meter Income	4,953	-59,733	-64,685		-119,465	-124,418
1216 Operational Income from OCF	-192,928	-199,275	-6,347		-398,550	-205,622
1219 Fees - Water Application Admin	-22,129	0	22,129		0	22,129
1233 Income - Miscellaneous	-59,700	-35,484	24,216		-70,968	-11,268
1269 Fees - Sewerage Connect	0	-2,093	-2,093		-4,186	-4,186
1273 Fees - Water Connection	-1,370	-25,175	-23,805		-50,350	-48,980
1280 Fees - Contributions	-228,136	-110,146	117,990		-220,292	7,844
1281 Loans repaid Benhar/Toko	-9,371	0	9,371		0	9,371
1285 Fees - Trade Waste	-5,126	0	5,126		0	5,126
1286 I & I Reinspection Fee	0	-8,736	-8,736		-17,471	-17,471
1555 Interest - Reserves	0	-38,650	-38,650		-77,299	-77,299
1810 Internal - Recoveries	-80,863	-80,863	0		-161,727	-80,863
1811 Internal Telemetry	-6,349	0	6,349		0	6,349
1815 Internal Transfer	-1,172,626	-1,172,626	0		-2,345,251	-1,172,626
	-8,867,184	-9,091,999	-224,814		-18,183,997	-9,316,813

Expenditure	Actual	6 Month Budget	Variance	Full Yr Budget	Variance
3111 Salaries	1,518,602	1,664,064	145,462	3,328,129	1,809,527
3162 Kiwisaver	37,742	51,066	13,324	102,132	64,390
3193 Staff Training	25,389	25,533	144	51,066	25,677
3194 Education	22,190	1,290	-20,900	2,579	-19,611
3229 Staff Uniform	3,741	0	-3,741	0	-3,741
3239 Cafeteria Expenses	2,548	0	-2,548	0	-2,548
3243 Protective Clothing	3,209	0	-3,209	0	-3,209
3245 Employee Membership Fee	4,177	2,624	-1,553	5,248	1,071
3448/3451 Consultancy	498,849	12,891	-485,958	25,781	-473,068
3457 General Expenses	301	0	-301	0	-301
3459 Rates	158,197	58,868	-99,329	117,736	-40,461
3461/3462 Insurance Expenses	0	57,938	57,938	115,875	115,875
3465 Legal Expenses	3,439	0	-3,439	0	-3,439
3473 Fringe Benefit Tax	3,437	0	-3,437	0	-3,437
3491 Interest Charge	1,851,519	1,718,791	-132,728	3,437,583	1,586,063
3495 Stimulus Repayment	0	65,894	65,894	131,787	131,787
3531 Meeting Expenses	190	0	-190	0	-190
3571 Advertising - Newspaper	506	0	-506	0	-506
3593 Freight & Courier	1,104	0	-1,104	0	-1,104
3611 Printing & Stationery	2,417	0	-2,417	0	-2,417
3613 Office Consumables	741	0	-741	0	-741
3615 Photocopying	2,458	0	-2,458	0	-2,458
3619 Newspaper, Periodical	476	0	-476	0	-476
3851 Electricity	10,425	9,689	-737	19,377	8,952
4023 Consent Mgmt Syst software mtc	29,628	0	-29,628	0	-29,628
4061/4062 Chemicals	418,178	520,600	102,422	1,041,200	623,022
4121 Minor - Plant & Equipme	5,367	0	-5,367	0	-5,367
4127 Cleaning & Security	24,483	0	-24,483	0	-24,483
4165 Vehicle Expenses	35	0	-35	0	-35
4170 Vehicle Internal Lease	204,320	204,320	0	408,640	204,320
4175 Vehicle Reimbursement	1,003	0	-1,003	0	-1,003
4215/4218 Routine Maintenance	162	0	-162	0	-162
4219/4220 Non Routine Maintenance	47,815	0	-47,815	0	-47,815
4835 Telemetry Internal Purch	6,349	6,349	-0	12,698	6,349
4836 Telemetry Ops Costs	22,189	25,000	2,811	50,000	27,811
4837 Repairs and Servicing	17,696	0	-17,696	0	-17,696
4838 Rural Retic Materials	15,485	0	-15,485	0	-15,485
4839 Planned Maintenance	8,843	556,850	548,007	1,113,700	1,104,857
4840/4842 Operation & Maintenance	177,593	117,232	-60,361	234,463	56,870
4841 Opex Projects	0	297,806	297,806	595,611	595,611
4843/4849 O&M Routine Sampling	450,775	285,000	-165,776	569,999	119,224
4845 Monitoring Expenses	14,637	3,233	-11,404	6,465	-8,172
4848 Consumables	26,551	0	-26,551	0	-26,551
4851 Special Waste	953	0	-953	0	-953
4852 Sampling Pick Ups	9,690	0	-9,690	0	-9,690
4855 Resource Management	35,603	47,774	12,170	95,547	59,944
4860 Sundry Expenditure	992	21,613	20,621	43,226	42,234
4863/4864 Non Routine Sampling	20,056	104,855	84,799	209,710	189,654
4865/4866 Non Routine Expenditure	2,034,721	1,609,004	-425,718	3,218,007	1,183,286
4870/4871 Electricity Water Services	617,278	610,919	-6,359	1,221,838	604,560
4880 Booster - Electricity	103,530	108,522	4,992	217,044	113,514
5520 Internal - Others	1,497,875	1,497,875	-0	2,995,749	1,497,875
5525 Internal Water Purchase	1,172,626	1,172,626	-0	2,345,251	1,172,626
	11,116,092	10,858,220	-257,872	21,716,440	10,600,348

Capital Funding	Actual	6 Month Budget	Variance	Full Yr Budget	Variance
6910 Transfer from Special Funds	0	0	0	0	0
6914 Transfer from Depreciation	0	-604,242	-604,242	-1,208,484	-1,208,484
6915 Transfer from Depr - projects	0	0	0	0	0
9715 Loan Principal - Receive	0	-16,452,163	-16,452,163	-32,904,327	-32,904,327
	0	-17,056,405	-17,056,405	-34,112,811	-34,112,811
Capital Expenditure					
6965 Transfer to Depreciation	637,927	0	-637,927	0	-637,927
7810 Professional Services	647,064	3,727	-643,337	7,454	-639,610
7820/7821 Minor Purchases	156,119	393,029	236,910	786,057	629,938
7830/7832 Physical Works	6,146,570	14,029,916	7,883,346	28,059,832	21,913,262
7930 Contract Payments (Ass	795,448	0	-795,448	0	-795,448
8204 Motor Vehicles Additions	14,852	0	-14,852	0	-14,852
9717 Loan Principal - Paid	916,627	863,512	-53,115	1,727,025	810,397
	9,314,607	15,290,184	5,975,576	30,580,367	21,265,760

Risk & Assurance Committee

Item for INFORMATION

Report	Treasury Management Report
Meeting Date	5 February 2025
Item Number	7
Prepared By	Greg Bowie – Financial Accounting Team Leader
File Reference	922717

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 31 December 2024 at the conclusion of this report.

RECOMMENDATION

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

REPORT

1. Dashboard

TREASURY DASHBOARD																																						
Period to 31/12/2024																																						
Investment Balance		\$000																																				
Nikko Current Balance	27,516	↓																																				
Nikko Year-End Budgeted Balance	33,350																																					
Movements		\$000																																				
Opening Balance (01/07/2024)	25,982																																					
Growth (Interest + Gains/Losses)	1,604																																					
Additions	-																																					
Withdrawals (Rates Subsidy + Inv Surplus)	-																																					
Management Fees	- 70																																					
Closing Balance (31/12/2024)	<u>\$ 27,516</u>																																					
Debt Balance		\$000																																				
LGFA Borrowing Current Balance	133,800	↓																																				
LGFA Year-End Budgeted Balance	165,334																																					
Movements		\$000																																				
Opening Balance (01/07/2024)	118,800																																					
New Debt	15,000																																					
Rollover Debt	25,000																																					
Repaid Debt	- 25,000																																					
Reversal of Accrued Interest - 2023/24	-																																					
Closing Balance (31/12/2024)	<u>\$ 133,800</u>																																					
Westpac Borrowing - Multi Option Credit Line	\$ -																																					
Link Management Fees (paid from bank a/c)	19																																					
YTD Return on Investment (December)																																						
Debt Maturity Profile																																						
Benchmarks - Performance (NZD Gross Returns)		Benchmarks - Liability Management Policy																																				
<table border="1"> <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>1.38%</td> <td>1.21%</td> </tr> <tr> <td>New Zealand bonds</td> <td>0.65%</td> <td>0.67%</td> </tr> <tr> <td>Global bonds</td> <td>-1.33%</td> <td>-1.20%</td> </tr> <tr> <td>Core Equity</td> <td>6.07%</td> <td>5.62%</td> </tr> <tr> <td>Property</td> <td>-2.08%</td> <td>-1.77%</td> </tr> <tr> <td>Global equities UnH</td> <td>14.09%</td> <td>12.44%</td> </tr> <tr> <td>Global equities H</td> <td>1.94%</td> <td>1.23%</td> </tr> <tr> <td>Multi-strategy</td> <td>0.63%</td> <td>1.96%</td> </tr> <tr> <td>Multi-strategy SPV</td> <td>1.35%</td> <td>1.96%</td> </tr> <tr> <td>Total gross return</td> <td>2.44%</td> <td>2.21%</td> </tr> </tbody> </table>			3 months		Fund	B'mark	New Zealand cash	1.38%	1.21%	New Zealand bonds	0.65%	0.67%	Global bonds	-1.33%	-1.20%	Core Equity	6.07%	5.62%	Property	-2.08%	-1.77%	Global equities UnH	14.09%	12.44%	Global equities H	1.94%	1.23%	Multi-strategy	0.63%	1.96%	Multi-strategy SPV	1.35%	1.96%	Total gross return	2.44%	2.21%		
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Policy Compliance		Policy Compliance																																				
✓		✓																																				
Emerging Issues		Emerging Issues																																				
Nothing to note at present.		Cash flow and monitoring debt limits is an emerging issue.																																				

2. Nikko Investment Portfolio

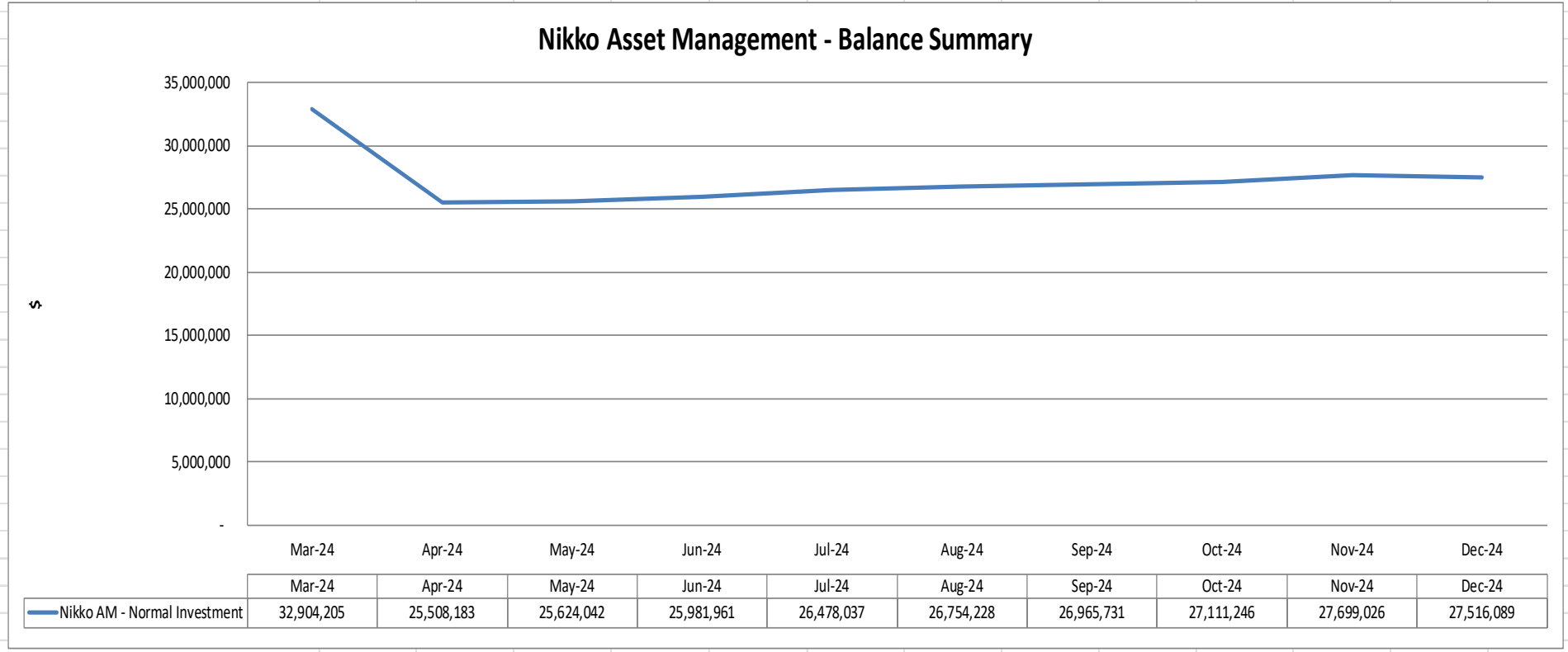
The Nikko Investment Portfolio report shows the monthly returns and compliance with agreed portfolio allocations for the months of April to December 2024.

We had a \$588k unrealised gain in November and \$356k unrealised loss in December, with \$173k distributions reinvested in December, resulting in a year-to-date cumulative return on investment of 4.22% including the gains/losses from prior months.

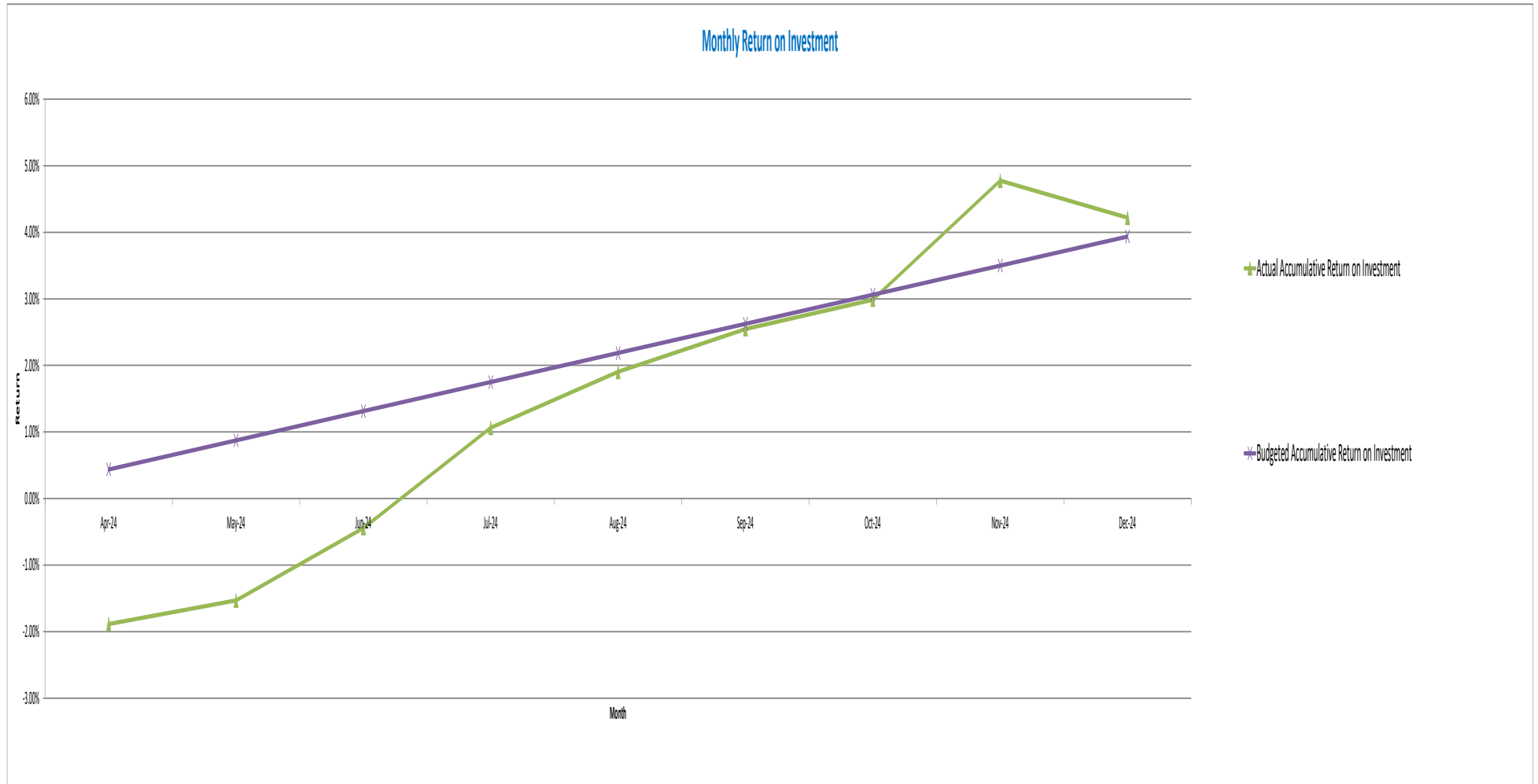
NIKKO INVESTMENT PORTFOLIO REPORT

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	27,699,026	27,516,089			
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	27,699,026	27,516,089	-	-	-
Change each month	842,736	- 7,396,021	115,859	357,918	496,077	276,191	211,503	145,515	587,779	- 182,937			
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	- 5,205,179	- 5,388,116			



Normal Nikko Investment Portfolio Return on Investment



Monitoring of Nikko Asset Management's Investment Portfolio

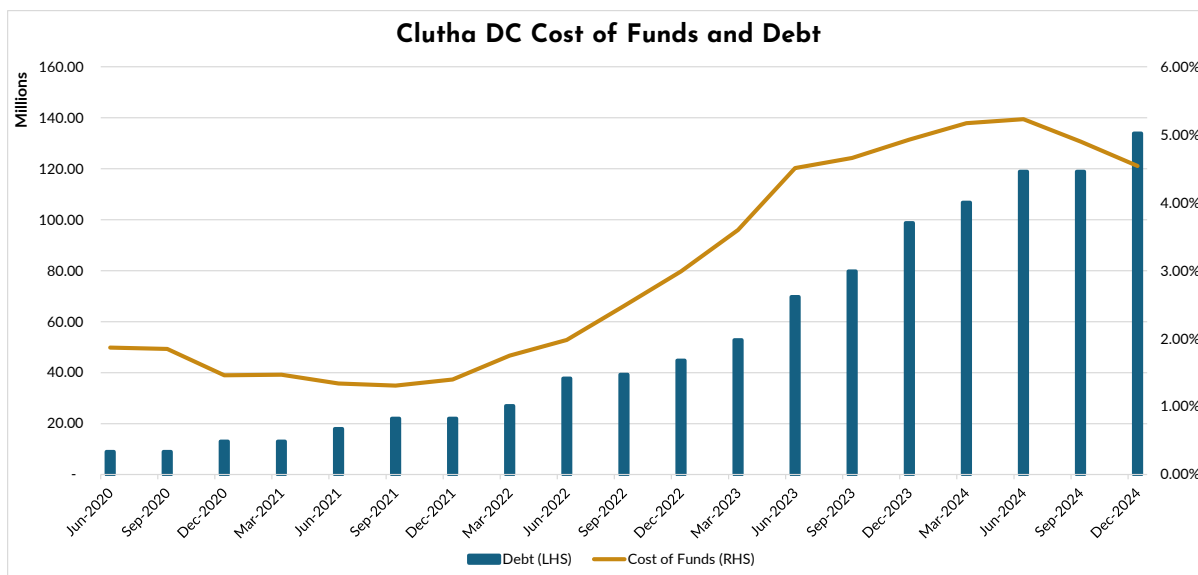
Clutha District Council - Monitoring of Nikko Asset Management's Investment Portfolio																				
Actual Balances	Apr-24		May-24		Jun-24		Jul-24		Aug-24		Sep-24		Oct-24		Nov-24		Dec-24			
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%		
TW0605 - Nikko AM Wholesale NZ Bond Fund	3,322,909	13.03%	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	12.99%	3,550,583	12.82%	3,579,206	13.01%		
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	4.15%	1,130,505	4.08%	1,135,631	4.13%		
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	10.12%	2,823,048	10.19%	2,847,194	10.35%		
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	31.78%	8,710,676	31.45%	8,642,137	31.41%		
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	7.29%	2,011,990	7.26%	1,989,350	7.23%		
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%	6,912	0.02%	6,940	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	14.23%	4,060,073	14.66%	4,087,861	14.86%		
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	14.44%	4,071,738	14.70%	3,931,438	14.29%		
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	4.97%	1,333,500	4.81%	1,296,332	4.71%		
Total	25,508,183	100%	25,624,042	100%	25,981,961	100%	26,478,037	100%	26,754,228	100%	26,965,731	100%	27,111,246	100%	27,699,026	100%	27,516,089	100%		
Standard Investment Allocation	Apr-24		May-24		Jun-24		Jul-24		Aug-24		Sep-24		Oct-24		Nov-24		Dec-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%	3,600,873	13.00%	3,577,092	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%	1,384,951	5.00%	1,375,804	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%	2,769,903	10.00%	2,751,609	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%	8,863,688	32.00%	8,805,148	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%	2,077,427	7.50%	2,063,707	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%	-	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%	3,808,616	13.75%	3,783,462	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%	3,808,616	13.75%	3,783,462	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%	1,384,951	5.00%	1,375,804	5.00%	4.00%	-4.00%
Total	25,508,183	100%	25,624,042	100%	25,981,961	100%	26,478,037	100%	26,754,228	100%	26,965,731	100%	27,111,246	100%	27,699,026	100%	27,516,089	100%		
Variance	Apr-24		May-24		Jun-24		Jul-24		Aug-24		Sep-24		Oct-24		Nov-24		Dec-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	-0.01%	50,290	-0.18%	2,114	0.01%	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	-0.85%	- 254,447	-0.92%	- 240,173	-0.87%		
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	0.12%	53,146	0.19%	95,585	0.35%		
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	-0.22%	153,013	-0.55%	163,011	-0.59%		
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	-0.21%	65,437	-0.24%	74,357	-0.27%		
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%	6,912	0.02%	6,940	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	0.48%	251,457	0.91%	304,398	1.11%		
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	0.69%	263,122	0.95%	147,976	0.54%		
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	-0.03%	51,451	-0.19%	79,472	-0.29%		

Nikko Investments – Combined Summary of Transactions since Inception to December 2024

Nikko Investments - Combined Summary of transactions since inception	No. of months									
	3	12	12	12	12	12	12	12	6	93
	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
Opening Balance	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	1,605,173	14,769,177
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
Closing Balance - per audited financial statements (fair price)	22,971,320	25,519,659	27,210,811	28,984,496	31,702,036	27,750,397	29,850,316	25,996,948	27,532,581	27,532,581
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%	5.91%	57.62%
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%	5.91%	78.46%

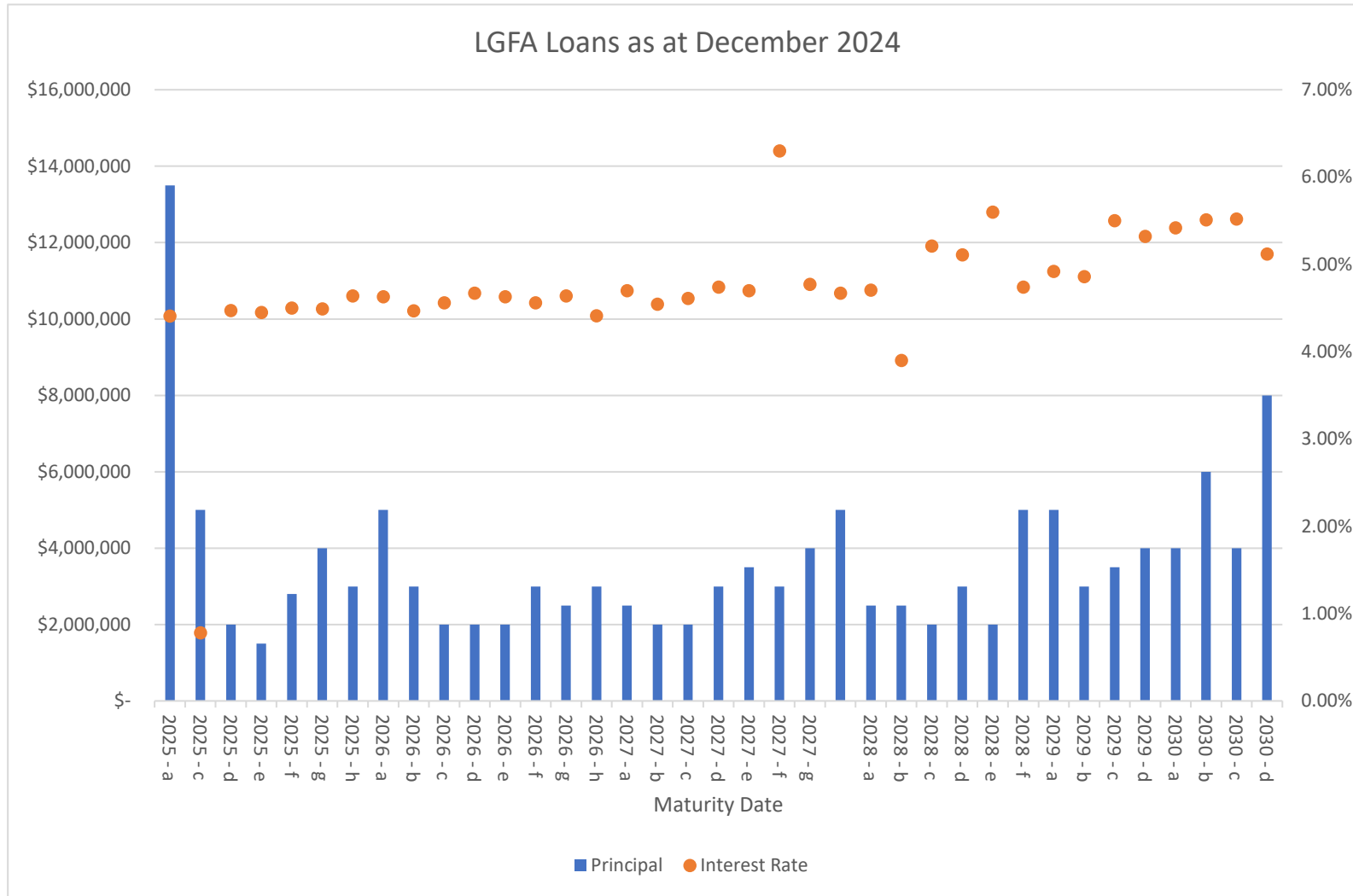
3. LGFA Borrowing Portfolio

The following table shows Council's LGFA borrowing at the end of December 2024. It shows each tranche of borrowing, the relative interest rate and the maturity date. We have also shown this graphically.



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%
Dec-2024	133,900,000.00	4.54%

LGFA Borrowing December 2024			
Loan Type	Maturity Date	Interest Rate	Principal
LGFA CP	17-Mar-25	4.41%	\$13,500,000
LGFA FRN	15-Apr-25	0.78%	\$5,000,000
LGFA FRB	17-Apr-25	4.47%	\$2,000,000
LGFA FRN	17-Apr-25	4.45%	\$1,500,000
LGFA FRN	17-Apr-25	4.50%	\$2,800,000
LGFA FRN	17-Apr-25	4.49%	\$4,000,000
LGFA FRN	17-Apr-25	4.64%	\$3,000,000
LGFA FRN	17-Apr-26	4.63%	\$5,000,000
LGFA FRN	15-Apr-26	4.47%	\$3,000,000
LGFA FRN	17-Apr-26	4.56%	\$2,000,000
LGFA FRN	17-Apr-26	4.67%	\$2,000,000
LGFA FRN	17-Apr-26	4.63%	\$2,000,000
LGFA FRN	17-Apr-26	4.56%	\$3,000,000
LGFA FRN	17-Apr-26	4.64%	\$2,500,000
LGFA FRN	17-Apr-26	4.41%	\$3,000,000
LGFA FRN	15-Apr-27	4.70%	\$2,500,000
LGFA FRN	15-Apr-27	4.55%	\$2,000,000
LGFA FRN	15-Apr-27	4.61%	\$2,000,000
LGFA FRN	15-Apr-27	4.74%	\$3,000,000
LGFA FRN	15-Apr-27	4.70%	\$3,500,000
LGFA FRB	15-Apr-27	6.30%	\$3,000,000
LGFA FRN	15-Apr-27	4.77%	\$4,000,000
LGFA FRN	15-Apr-27	4.67%	\$5,000,000
LGFA FRN	15-May-28	4.71%	\$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	4.74%	\$5,000,000
LGFA FRN	20-Apr-29	4.92%	\$5,000,000
LGFA FRN	20-Apr-29	4.86%	\$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%	\$133,800,000





MJW Investment Survey

December 2024

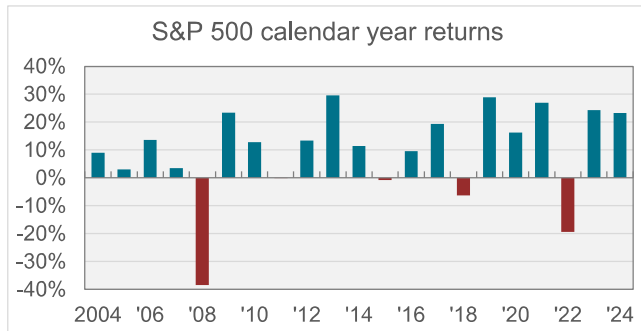
Market commentary

Investment markets

Markets rallied into year end, providing investors with a warm feeling for 2024.

Global share markets – which are dominated by the US these days – returned some 2% (in local currency terms) in the last three months of 2024, capping off a strong calendar year. For the full twelve months, the S&P 500 Index rose 23%, its second consecutive gain above 20%.

In fact, with the exception of 2022, each of the last six years has seen the US share market rise between 15% and 30%.

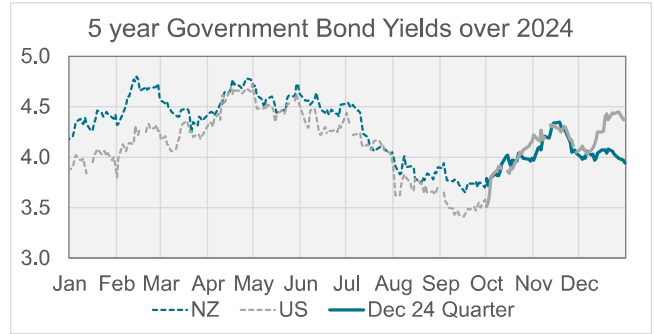


Donald Trump’s election win saw the US dollar strengthen, meaning that this quarter’s gains were amplified for unhedged New Zealand investors. The “kiwi” fell 12% against the “greenback” over the quarter meaning that the returns for equity managers in our investment survey (which are shown unhedged for comparison purposes) are around 10% to 15% for the quarter and 30% to 35% for the year.

The local share market was also strong this quarter, outperforming global markets (in local currency terms) by rising around 6%. This was also much better than our cousins across the ditch. The Australian share market was down slightly (again, in local currency terms).

Bonds gave a small positive return locally, but saw losses globally. This was principally due to interest rates moving upwards in the US, where the incoming administration’s policies in areas such as immigration and tax were judged to be more inflationary by market participants. Accordingly, market pricing now only sees 25 to 50 basis points worth of cuts to the Fed Funds Rate over 2025.

Unsurprisingly then, the US five year Treasury yield rose from 3.5% to 4.4% over the December quarter. This put it at about the same level as it was through the first half of the year.



By contrast, the New Zealand five year Government bond yield, while volatile, ended the quarter not too far off where it began. As at 31 December, it was some 50 basis points below the US equivalent, however this gap has since narrowed.

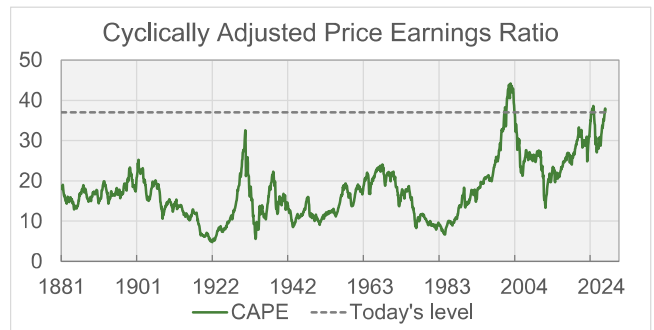
Notable casualties this quarter were real asset funds. Global listed property funds were down in the order of 7% on the back of rising interest rates. Infrastructure funds were also down, and those with a sustainability bent took a bigger beating given the “drill, baby, drill” sentiment from President Trump.

Overall, almost all diversified KiwiSaver funds in our survey saw positive results this quarter. This ranged from about 4% on average for growth funds to about 1% on average for conservative funds (after fees, before tax).

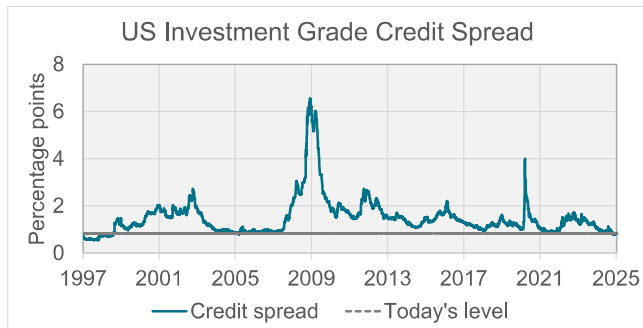
Valuations

While we can cheer the view in the rearview mirror, caution is warranted as we look ahead. The following selection of charts highlights some areas which we are monitoring closely.

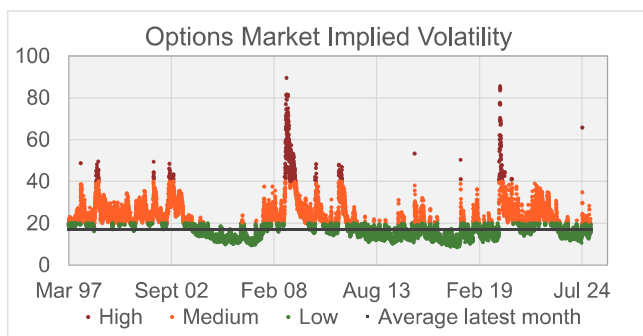
Firstly, equity markets are looking richly valued relative to history. Consider, for instance, the Shiller “CAPE” Ratio, which is a measure of the price-earnings ratio of US stocks. It is sitting around 37x, which puts it on par with the 2020 peak before Covid-19 smashed markets – albeit still below the heights reached before the dotcom crash in the early 2000s.



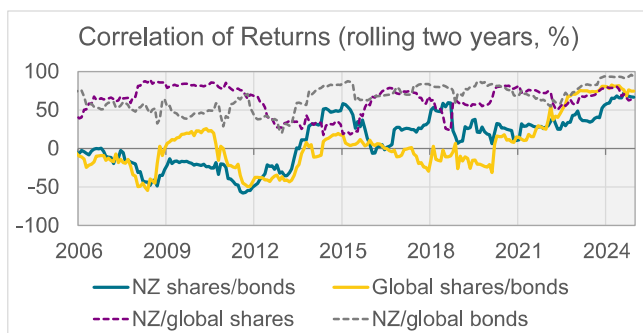
Similarly, in fixed interest markets, credit spreads are historically tight. Credit spreads are the difference in yield between “risk-free” Government debt and “risky” corporate debt. The US investment grade spread is currently about 0.8 percentage points, putting it near rock-bottom levels. Investors are only requiring 0.8% per annum more to take on investment grade credit risk.



Despite these high valuations, anticipated market volatility is relatively low. The VIX Index is registering around 17, which puts it firmly at “relaxed” levels compared to history.



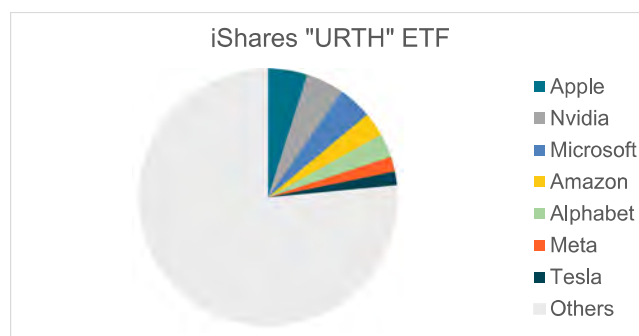
And while volatility is low, correlation is high. In the following chart, we plot four pairs of correlations for local and global shares and bonds. Note that the share/bond correlations (the solid lines) have been consistently positive recently. The traditional “free lunch” from diversification has not been a feature for some time.



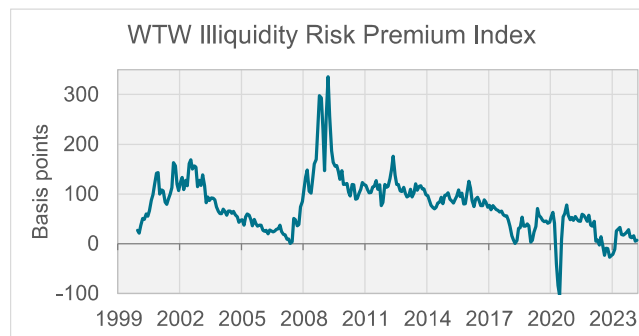
Worryingly, this comes at a time when share market concentration has increased dramatically. Driven by strong performance, mega cap US tech stocks now dominate global indices.

For instance, the following chart shows the current make-up of a commonly followed global ETF. The “Magnificent Seven” account for 23% fund with the largest, Apple, weighing in a shade under 5%. To put this into context, consider that if one were instead to equally weight each share in the market, each company would be allocated just 0.07% of the ETF.

This suggests that the fortunes of just a handful of companies may have a disproportionate sway on one’s overall portfolio performance.



Finally, the hunt for investment opportunities has seen even illiquid asset classes be bid up in price. WTW (formerly Willis Towers Watson) calculates an Illiquidity Premium Index which estimates the premium one earns across a range of asset classes for investing in illiquid assets compared to their publicly traded equivalents.



With the index near zero, essentially WTW is saying that investors are requiring very little compensation to take on illiquidity risk at the current time.

On the other hand

Of course, there is no great secret surrounding all of this. Anyone following financial markets will be aware of these dynamics. We can readily construct an explanation for each of these concerns:

Yes, price-earnings ratios are high relative to history and credit spreads are tight, but the global economy is in pretty good shape. Inflation is coming under control and economic growth – particularly in the US – has held up well. The incoming US administration is likely to be more business friendly and borrowing costs will potentially continue to recede.

Correlation across asset classes has been high during this largely benign period, but it is only when things are going badly that we want negative correlation. And, unlike when interest rates were very low, there is more scope for bond yields to fall and provide a cushion to falling asset prices in other sectors.

Global share markets are indeed concentrated but the companies in question are global titans with diversified and defensible revenue bases, and strong balance sheets. The likelihood of an Apple or Microsoft going bankrupt overnight is surely very low.

Illiquid assets have been bid up in price, but this reflects private markets maturing and investors becoming more sophisticated and diversifying their portfolios. Astute investors can seek out the areas where assets are undervalued.

What to do?

Given these competing narratives, whether one should take action is not clearcut. Even if markets are overvalued, they can remain expensive for longer than one thinks is rational. It is possible that the dynamics we are seeing today will persist, or indeed intensify. While it seems that investors today are being paid less for taking risk in certain areas, this is arguably justified given the healthy state of the global economy.

Thus, while we are cautious as we enter 2025, being prepared for potential volatility and drawdowns, we do not advocate for tactical, short-term moves unless one is adequately set up to do this well (see box). For most investors, focus should be instead directed to the long-term mission and the temptation to react to short-term market ructions should be avoided.

– Ben Trollip, written 23 January 2025

A side note on Tactical Asset Allocation

Timing markets is notoriously difficult. Not only do you have to get your “exit point” correct, you need to be ready to re-enter markets ahead of sentiment turning. Essentially, you have to be smarter and more nimble than others.

With that said, there are plenty of practitioners of tactical asset allocation (TAA). They will increase their exposure to risky asset classes when they feel the outlook is positive, and de-risk when they are more cautious. Done well, TAA can increase long-term returns and lower volatility.

However, TAA is hard to do. It is a decision which is **symmetric** (can be wrong as much as right), **low breadth** (requires high success rate and big positions), and **distortive** (changes nature of portfolio).

Empirical analysis has shown that little persistent skill exists in this area. And, even amongst those with a good track record, the amount of value added is relatively small – it is rarely “worth it”.

Where TAA is used, one should have an objective framework for implementation (to avoid emotional decision-making) and it should be measured ex-post for success (or lack thereof).

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	
New Zealand										
CPF	Trans-Tasman ₁	12/95	15	4.1 (18)	11.1 (18)	-0.5 (17)	4.9 (15)	12.5 (3)	15.6	
DEV	Core ₁	4/67	0	5.7 (11)	12.1 (16)	2.5 (8)	5.3 (13)	9.9 (15)	12.7	
DEV	NZ Equity ₁	0/0	36	6.2 (5)	12.3 (14)	2.5 (7)	4.7 (17)	-	12.5	
FIS	NZ Growth ₁	0/0	232	8.6 (1)	27.1 (1)	2.8 (4)	8.2 (1)	13.6 (2)	17.4	
HAM	Australasian Eq ₁	19/30	408	5.4 (14)	18.4 (4)	1.1 (16)	6.0 (6)	11.4 (6)	16.1	
MAM	NZ Equities ₁	7/83	952	6.5 (3)	18.8 (2)	4.1 (2)	7.9 (2)	14.0 (1)	13.2	
MER	Ethical Leaders ₁	0/1	38	6.1 (6)	18.7 (3)	1.3 (14)	6.5 (4)	11.4 (8)	15.3	
MER	Trans-Tasman ₁	8/79	982	5.6 (13)	14.0 (9)	1.8 (13)	5.2 (14)	10.4 (13)	13.6	
MNT	Australasian Equity ₂	12/100	224	6.5 (4)	16.9 (6)	3.6 (3)	5.6 (11)	11.2 (10)	12.8	
MNT	NZ SRI ₁	0/0	95	7.2 (2)	13.9 (10)	2.3 (10)	5.4 (12)	-	13.2	
NAM	Core ₁	6/0	286	6.1 (7)	13.5 (12)	2.3 (9)	4.9 (16)	11.0 (11)	13.6	
NAM	SRI ₁	6/0	97	5.9 (9)	13.6 (11)	2.6 (5)	6.0 (5)	11.9 (4)	13.2	
OAM	NZ Equities ₁	0/0	121	5.6 (12)	11.4 (17)	2.1 (12)	5.7 (9)	-	13.0	
QAM	NZ Equity ₂	2/100	175	4.9 (15)	12.2 (15)	2.6 (6)	6.0 (7)	11.2 (9)	11.2	
RUS	NZ Shares ₁	0/0	198	5.8 (10)	12.3 (13)	1.1 (15)	4.4 (18)	10.4 (12)	13.1	
SALT	Dividend Appreciation ₂	0/0	103	6.0 (8)	18.0 (5)	5.1 (1)	7.0 (3)	11.5 (5)	12.9	
SALT	NZ Share Plus ₂	11/100	767	4.4 (17)	14.4 (7)	2.1 (11)	5.9 (8)	10.3 (14)	13.4	
TRU	ESG Australasian Shares ₃	20/100	115	4.5 (16)	14.2 (8)	-0.9 (18)	5.6 (10)	11.4 (7)	17.0	
Median				5.9	13.9	2.3	5.7	11.4	13.2	
Australasian*										
DEV	Dividend Yield ₂₊₄		16	1.6 (7)	5.6 (9)	5.5 (2)	6.2 (9)	9.6 (5)	15.7	
DEV	Trans-Tasman ₂₊₄		117	0.9 (9)	12.4 (5)	8.0 (1)	8.6 (5)	11.1 (4)	14.8	
DEV	Sustainability ₂₊₄		51	2.9 (4)	12.4 (6)	5.0 (5)	6.6 (8)	-	14.3	
FIS	Trans-Tasman		438	4.6 (2)	20.1 (2)	5.1 (4)	10.1 (2)	13.4 (1)	19.0	
HAM	Equity Income		70	1.3 (8)	9.1 (8)	2.4 (8)	6.9 (7)	9.3 (6)	14.4	
HAM	Focus ₂₊₄		92	5.2 (1)	18.9 (3)	1.1 (9)	8.7 (4)	12.9 (2)	20.3	
MAM	Trans-Tasman ₂₊₄		776	2.5 (5)	13.6 (4)	5.2 (3)	9.5 (3)	12.8 (3)	14.8	
PFAM	Ethical Trans-Tasman ₂₊₄		144	3.1 (3)	21.3 (1)	3.8 (6)	10.2 (1)	-	13.6	
TAH	Te Tai o Rehua ₂₊₄		27	2.1 (6)	9.8 (7)	3.8 (7)	7.7 (6)	-	16.1	
Median				2.5	12.4	5.0	8.6	11.9	14.8	
Other										
DEV	Absolute ₂₊₄		9	0.8 (7)	12.1 (7)	8.5 (1)	10.9 (4)	9.9 (6)	14.6	
MAM	Dynamic (small cap)		765	1.0 (6)	13.9 (6)	6.6 (3)	13.0 (3)	13.9 (3)	19.2	
NAM	Concentrated		52	4.7 (2)	13.9 (5)	2.2 (8)	6.4 (8)	11.1 (4)	14.4	
PIE	Australasian Dividend		357	-0.3 (8)	17.3 (4)	4.6 (4)	13.9 (1)	17.7 (2)	21.5	
PIE	Australasian Growth		109	5.7 (1)	22.9 (3)	2.5 (7)	8.0 (7)	11.0 (5)	18.5	
PIE	Australasian Growth 2		393	2.2 (4)	29.2 (1)	2.6 (6)	10.7 (5)	-	30.2	
PIE	Emerging Companies		133	1.7 (5)	23.0 (2)	8.5 (2)	13.4 (2)	17.8 (1)	21.2	
QAM	Altum Fund		115	2.4 (3)	10.6 (8)	4.6 (5)	9.0 (6)	9.7 (7)	11.3	
Median				1.9	15.6	4.6	10.8	11.1	18.8	
Indexed/Smart Beta										
HAM	NZ Index Shares		565	4.1	8.9	-0.2	2.9	9.3	14.5	
KW	NZ 20		116	5.1	12.3	2.5	4.6	-	12.9	
KW	NZ Small & Mid Cap		32	6.6	11.1	-8.4	-1.2	-	20.9	
KW	NZ 50 ESG Tilted		41	4.5	8.4	2.2	-	-	-	
MER	Passive ₁		385	5.6	12.3	1.1	3.5	10.0	13.4	
SMS	NZ Top 10		127	7.4	13.1	3.3	4.6	10.1	13.7	
SMS	NZ Top 50 ₃		587	4.0	8.8	-0.3	3.3	10.0	14.7	
SMS	Dividend		80	4.1	3.3	0.8	2.7	-	16.4	
Indices										
S&P/NZX 50 (including ICs) ₁				5.6	12.2	1.0	3.4	10.0	13.4	
S&P/NZX 50 (excluding ICs) ₂				5.5	11.4	0.2	2.7	8.9	13.3	
S&P/NZX 50 Portfolio (including ICs) ₃				4.0	8.6	-0.3	3.2	9.9	14.8	
S&P/ASX 200 (NZD) ₄				0.6	14.3	8.9	9.3	9.1	18.7	
S&P/ASX 200 (AUD) ₄				-0.8	11.4	7.4	8.1	8.5	18.1	

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	117	0.6	(2)	12.8	(3)	7.1	(5)	12.8	(1)	13.2	(1)	22.5
MAM	Australian	506	-1.7	(4)	10.6	(5)	7.4	(4)	9.5	(4)	-	-	17.6
MER	Australian ₁	362	1.1	(1)	15.3	(1)	9.3	(2)	9.5	(3)	8.6	(2)	18.5
OAM	Australian	99	-0.9	(3)	13.3	(2)	9.7	(1)	10.4	(2)	-	-	17.5
QAM	Australian ₁	115	-1.7	(5)	12.0	(4)	8.2	(3)	8.9	(5)	8.2	(3)	16.1
Median			-0.9		12.8		8.2		9.5		8.6		17.6
Indices													
S&P/ASX 200 (NZD) ₁			0.6		14.3		8.9		9.3		9.1		18.7
S&P/ASX 200 (AUD)			-0.8		11.4		7.4		8.1		8.5		18.1

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
Australasian Listed Property													
HAM	Real Estate	126	-0.9	(1)	1.8	(1)	-4.7	(1)	1.6	(1)	-	-	17.7
KW	NZ Commercial Property	101	-1.9	(5)	-2.2	(7)	-6.6	(7)	-2.0	(7)	-	-	15.8
MNT	Australasian Property	18	-2.3	(7)	0.0	(2)	-5.2	(3)	-0.8	(3)	6.5	(3)	16.0
NAM	NZ Property	27	-2.1	(6)	-1.1	(3)	-6.3	(6)	-1.5	(6)	6.5	(4)	16.6
OAM	NZ Property	58	-1.6	(3)	-1.6	(5)	-5.7	(4)	-1.0	(4)	-	-	15.8
SALT	Wholesale Property	326	-1.9	(4)	-2.0	(6)	-5.8	(5)	-1.4	(5)	6.8	(2)	15.2
SALT	Enhanced Property	20	-1.3	(2)	-1.3	(4)	-4.9	(2)	-0.5	(2)	7.9	(1)	15.4
Median			-1.9		-1.3		-5.7		-1.0		6.7		15.8
Australasian Direct Property													
FIS	NZ Property	406	2.5	(1)	7.2	(1)	3.7	(2)	5.3	(2)	7.2	(3)	5.2
MER	Trans-Tasman	163	0.5	(3)	-1.0	(3)	5.4	(1)	6.1	(1)	8.6	(1)	6.1
TRU	NZ Property	314	1.6	(2)	1.9	(2)	-0.4	(3)	4.1	(3)	7.5	(2)	4.2
Median			1.6		1.9		3.7		5.3		7.5		5.2
Global Listed Property													
BTFM	139% hedged	312	-11.0	(4)	0.2	(5)	-6.7	(5)	-1.3	(5)	-	-	22.2
MER	Ex-Macquarie 100% hedged	178	-6.1	(1)	5.3	(2)	-4.9	(3)	1.1	(2)	4.7	(1)	19.3
MER	Mercer 139% hedged	180	-11.0	(5)	0.8	(4)	-6.6	(4)	-0.5	(4)	4.1	(2)	22.1
RUS	100% hedged	55	-7.6	(3)	5.0	(3)	-4.5	(2)	0.5	(3)	4.1	(3)	20.0
SALT	100% hedged	42	-7.5	(2)	5.6	(1)	-2.9	(1)	2.2	(1)	-	-	20.2
Median			-7.6		5.0		-4.9		0.5		4.1		20.2
Global Listed Infrastructure													
FSI	100% hedged	364	-8.2	(5)	1.5	(5)	-0.3	(5)	1.7	(5)	6.7	(3)	16.5
KW	100% hedged*	142	0.1	(1)	14.5	(3)	4.6	(3)	4.9	(4)	-	-	17.1
MER	Ex-Macquarie 100% hedged*	187	-2.3	(3)	10.7	(4)	6.9	(2)	5.6	(3)	7.6	(2)	17.6
MER	Mercer 114% hedged*	308	-8.9	(6)	0.2	(6)	-0.8	(6)	1.2	(6)	5.8	(4)	16.2
RUS	100% hedged*	130	-0.4	(2)	14.9	(2)	7.6	(1)	6.3	(1)	8.0	(1)	17.3
SALT	100% hedged	89	-2.9	(4)	16.5	(1)	4.5	(4)	5.7	(2)	-	-	15.7
Median			-2.6		12.6		4.6		5.3		7.2		16.8
Other													
FIS	Property & Infrastructure	169	0.6		10.9		3.7		7.0		11.3		16.5
MER	Global Unlisted Infrastructure	190	4.7		13.8		13.0		13.7		13.9		7.6
Indices													
S&P/NZX All Real Estate (including ICs) ₁			-1.8		-2.7		-6.8		-2.5		5.9		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
Core														
BTFM	Multi-Manager	10.6	4,556	12.1	(6)	34.4	(4)	11.7	(10)	14.0	(7)	-	-	13.7
BTFM	Northern Trust	10.7	1,458	12.3	(4)	34.3	(5)	13.4	(4)	-	-	-	-	-
FIS	International	11.8	4,513	10.9	(9)	28.8	(10)	12.7	(6)	13.6	(8)	12.4	(6)	12.1
IBK	Brown Global Leaders*	n.a.	0	12.1	(7)	30.0	(8)	13.0	(5)	15.2	(4)	-	-	14.3
MER	Core Global	1.9	58	11.7	(8)	35.4	(3)	17.2	(1)	16.0	(3)	14.4	(2)	13.0
MER	Share Plus	4.6	1,975	12.2	(5)	31.8	(7)	12.3	(8)	14.4	(6)	14.0	(3)	13.9
MER	SRI	3.2	838	10.3	(11)	28.0	(11)	8.2	(11)	13.1	(10)	-	-	14.0
NAM	Multi-Manager	5.7	827	14.1	(2)	39.6	(1)	16.5	(2)	19.0	(1)	16.1	(1)	14.1
QAM	International Equities	0.0	716	14.2	(1)	36.2	(2)	15.5	(3)	16.3	(2)	13.9	(4)	13.1
RUS	Global Shares	12.3	595	10.8	(10)	29.2	(9)	11.8	(9)	13.6	(9)	13.0	(5)	13.1
RUS	Sustainable	9.7	879	12.4	(3)	33.0	(6)	12.6	(7)	14.5	(5)	-	-	13.1
Median				12.1		33.0		12.7		14.5		13.9		13.4
Value														
AB	Value		0	12.4	(1)	27.5	(1)	12.2	(4)	12.3	(4)	10.7	(5)	14.7
ART	Value		0	9.5	(3)	26.5	(3)	15.2	(2)	13.7	(1)	12.6	(1)	15.8
DFA	Value		0	10.2	(2)	27.2	(2)	15.3	(1)	12.6	(2)	11.4	(2)	17.3
GMO	Equity		0	9.1	(4)	24.5	(4)	11.4	(5)	11.6	(5)	11.2	(4)	13.3
PZENA	Global Value World		0	8.8	(5)	20.6	(5)	13.2	(3)	12.5	(3)	11.3	(3)	18.7
Median				9.5		26.5		13.2		12.5		11.3		15.8
Growth														
ART	Global Opportunities		0	12.0	(5)	31.2	(6)	7.9	(8)	15.1	(6)	16.3	(4)	15.2
FIS	International Select Equities		3,971	6.5	(11)	20.9	(10)	4.4	(12)	13.2	(11)	14.2	(7)	17.5
HAM	T Rowe Price		675	11.4	(7)	33.7	(5)	7.7	(9)	14.6	(8)	14.9	(6)	15.4
HAM	Epoch*		211	11.9	(6)	27.8	(9)	13.7	(2)	19.0	(2)	16.4	(3)	14.9
HYP	Global Companies		96	33.7	(1)	59.8	(1)	17.3	(1)	25.1	(1)	23.4	(1)	30.7
IBK	Fiera Atlas		0	8.9	(10)	14.9	(12)	4.7	(11)	14.4	(9)	-	-	16.2
MAG	Global		0	12.7	(4)	34.9	(4)	13.1	(3)	12.6	(12)	14.0	(8)	13.7
MAM	Global Select		2,339	9.3	(9)	31.2	(7)	9.1	(7)	15.6	(5)	-	-	15.1
NAM	Global Shares		909	14.2	(3)	42.3	(3)	12.0	(4)	16.2	(4)	-	-	13.7
SALT	Sustainable Quality		87	10.5	(8)	28.6	(8)	10.8	(6)	13.6	(10)	15.1	(5)	13.5
VAM	Global Environmental Change		0	4.0	(12)	20.4	(11)	6.1	(10)	14.7	(7)	13.8	(9)	17.5
WEL	Fundamental Growth		0	18.6	(2)	44.6	(2)	11.9	(5)	17.4	(3)	16.6	(2)	17.7
Median				11.6		31.2		10.0		14.9		15.1		15.3
Indexed/Smart Beta														
BTFM	LGIM*		912	12.9		35.2		13.5		16.9		-		14.2
KW	Global 100		347	16.1		43.8		18.8		-		-		-
KW	Global Dividend Aristocrats		19	7.1		23.2		10.0		-		-		-
MER	MWIN		394	13.3		34.2		14.0		16.0		14.3		14.1
MER	Global Equities Index		263	13.4		34.3		14.0		15.9		14.2		14.2
MER	Global SR Indexed		1,413	13.6		35.2		14.1		-		-		-
SIM	Global Share		1,557	14.3		35.5		12.9		15.9		-		14.5
SMS	Total World		179	12.0		31.4		12.2		14.0		-		13.4

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

* See notes on page 11.

Global Shares (unhedged)		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
Emerging markets													
ART		0	5.8	(2)	22.3	(4)	4.4	(3)	6.6	(2)	9.4	(1)	15.4
MER	Ex-Macquarie	6	3.4	(5)	20.5	(5)	3.5	(4)	5.0	(4)	7.0	(4)	13.0
MER	Mercer	343	4.0	(4)	22.9	(3)	5.9	(2)	6.2	(3)	8.1	(3)	13.4
SMS	Indexed	163	5.7	(3)	25.2	(1)	6.3	(1)	6.7	(1)	-		13.4
VAM		0	6.8	(1)	23.6	(2)	2.5	(5)	4.2	(5)	9.2	(2)	14.9
Median			5.7		22.9		4.4		6.2		8.6		13.4
Other													
MER	Low Volatility	0	4.3		21.1		8.8		8.5		10.4		10.8

Alternatives/Other		NZ FUM	3 months		1 year		3 years		5 years		10 years		5 years
		\$m	%		%		% pa		% pa		% pa		Vol. pa
Commodities													
WEL		0	11.9		21.7		14.8		14.9		8.1		15.1
Australasian													
AAM		576	4.6		14.8		7.7		11.2		12.4		12.4
CPF	Ranger	45	-0.4		-2.5		-10.4		2.1		8.5		16.9
HAM	Long/Short	8	2.1		11.7		2.8		8.2		-		6.9
SALT	Long/Short	102	0.7		30.8		16.0		15.9		12.8		12.5
Global													
CCI	Long/Short Credit	91	3.1		13.0		9.0		7.8		-		6.3
CPF	5 Oceans	85	1.9		8.0		3.4		5.9		6.7		5.1
FAM	Div. Absolute Return (AUD)	0	1.9		8.6		4.1		5.2		4.3		5.6
LHF	Global Equity Fund	19	34.3		98.7		24.5		29.3		-		40.7
MAM	Active Growth	4,220	2.8		15.7		7.3		10.9		11.9		11.8
MER	GMAF	5	0.3		5.4		1.9		3.5		4.5		5.7
MER	Liquid Alternatives	35	3.1		11.4		9.8		6.2		4.4		5.6
MGH		27	8.9		20.7		8.4		7.3		9.3		10.8
MNT	Diversified Growth	52	1.9		12.7		2.2		8.8		-		13.6
NAM	Multi-Strategy	25	0.6		5.5		3.4		4.2		4.1		5.5
PIE	Growth UK & Europe	186	3.8		11.8		-0.5		10.3		-		16.8
PIE	Global Growth 2	388	0.5		15.1		2.5		7.9		-		15.0
RUS	Multi-Asset Growth (AUD)	0	1.2		10.5		4.1		5.3		5.4		8.4
SCH	Real Return	35	3.8		14.6		6.5		6.7		5.8		6.3

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
Core														
BTFM	Bond Fund ₁	5.5	1,987	0.6	(8)	6.1	(8)	2.3	(5)	1.5	(5)	3.3	(5)	4.6
FIS	NZ Fixed Interest ₁	4.8	3,074	0.9	(2)	7.0	(2)	2.2	(6)	1.5	(4)	3.7	(2)	5.0
HAM	Core Fixed ₁	5.0	862	1.0	(1)	7.1	(1)	2.4	(4)	1.9	(2)	3.5	(3)	4.9
MER	Macquarie ₁	5.0	259	0.8	(4)	6.2	(7)	1.9	(8)	1.1	(8)	3.1	(7)	4.8
NAM	NZ Fixed Interest ₁	5.7	854	0.6	(7)	6.6	(4)	2.5	(3)	1.8	(3)	3.7	(1)	5.5
OAM	NZ Fixed Interest	4.9	205	0.9	(3)	6.4	(6)	3.0	(1)	2.2	(1)	-		4.4
RUS	Harbour/WAMCO ₁	4.4	149	0.7	(5)	6.4	(5)	2.0	(7)	1.4	(7)	3.3	(4)	4.7
TRU	ESG NZ Bond ₁	5.8	113	0.7	(6)	6.8	(3)	2.5	(2)	1.5	(6)	3.2	(6)	5.3
WAMCO	NZ Core	5.4	0	0.6	(9)	5.9	(9)	1.4	(9)	0.9	(9)	3.0	(8)	5.2
Median				0.7		6.4		2.3		1.5		3.3		4.9
Government														
MER	Sovereign ₂	5.9	869	0.5		5.7		0.6		0.6		2.7		6.0
Corporate														
BTFM	Corporate Bonds	2.9	908	1.4	(2)	7.6	(3)	4.0	(1)	2.7	(3)	3.8	(3)	3.1
HAM	Corporate Bonds ₃	3.3	510	1.4	(1)	7.7	(2)	3.4	(4)	2.4	(4)	3.7	(4)	3.9
MAM	Trans-Tasman Corporate	3.0	1,417	0.8	(4)	7.4	(4)	3.6	(3)	3.1	(1)	4.4	(2)	3.9
NAM	Inv. Grade Corporate ₃	4.1	461	1.1	(3)	7.7	(1)	3.9	(2)	2.9	(2)	4.5	(1)	4.3
Median				1.2		7.6		3.8		2.8		4.1		3.9
Short Duration														
HAM	Enhanced Cash	0.3	216	1.4	(2)	6.4	(2)	4.7	(1)	3.4	(1)	3.3	(2)	0.9
MER	Macquarie	2.1	61	1.4	(1)	7.4	(1)	4.1	(2)	2.9	(2)	3.6	(1)	2.1
Median				1.4		6.9		4.4		3.2		3.4		1.5
Cash														
BTFM		0.2	1,438	1.4	(1)	6.2	(3)	4.8	(2)	3.3	(2)	3.1	(3)	0.7
FIS		0.5	2,105	1.3	(3)	6.3	(1)	4.7	(5)	3.2	(4)	3.2	(2)	0.8
HAM	BNZ	0.2	1,385	1.3	(4)	5.9	(4)	4.7	(3)	3.2	(3)	-		0.7
MAM		0.1	693	1.3	(5)	5.9	(5)	4.7	(6)	3.1	(6)	-		0.7
MER	Macquarie	0.2	297	1.3	(6)	5.8	(6)	4.7	(4)	3.1	(5)	2.9	(4)	0.7
NAM		0.2	1,311	1.4	(2)	6.2	(2)	5.0	(1)	3.5	(1)	3.3	(1)	0.7
Median				1.3		6.1		4.7		3.2		3.1		0.7
Indices														
	Bloomberg NZB Composite 0+ Yr ₁	4.7		0.7		5.7		1.4		0.6		2.7		4.7
	S&P/NZX NZ Government Bond ₂	6.0		0.3		4.7		0.1		-0.2		2.3		5.7
	S&P/NZX Corporate A Grade ₃	3.2		1.1		6.8		2.9		1.9		3.5		3.9
	S&P/NZX Bank Bills 90-Day ₄	0.1		1.2		5.6		4.4		2.8		2.6		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
Core														
BTFM	Multi-Manager	5.3	3,045	-1.7	(11)	2.3	(10)	0.9	(1)	1.4	(1)	-		4.6
DFA	Core	7.1	0	-1.4	(8)	3.1	(6)	-1.2	(8)	0.3	(9)	2.9	(4)	6.8
DFA	Sustainability ₁	7.1	0	-1.4	(9)	3.1	(7)	-1.4	(10)	0.3	(8)	-		6.8
FIS	Global Fixed Income ₁	6.7	2,504	-1.0	(4)	3.7	(5)	0.0	(3)	1.4	(2)	-		5.3
FIS	PIMCO ₁	6.6	156	-0.6	(2)	3.9	(3)	-0.7	(6)	0.9	(6)	3.0	(3)	5.8
FIS	Wellington ₁	5.4	66	-1.3	(7)	2.7	(8)	-1.2	(7)	-0.1	(11)	2.4	(6)	4.7
HAM	Hunter PIMCO	6.5	2,153	-0.7	(3)	4.0	(2)	-0.3	(4)	1.1	(4)	-		5.7
MER	Ethical Leaders Indexed	6.7	537	-1.5	(10)	2.2	(11)	-1.7	(12)	-0.3	(12)	-		5.2
NAM	GSAM ₁	6.1	793	-1.3	(5)	3.8	(4)	-0.7	(5)	1.1	(5)	3.2	(2)	6.5
PIMCO	GIS ₁	6.5	0	-0.6	(1)	4.3	(1)	0.0	(2)	1.3	(3)	3.5	(1)	5.4
RUS	Global Bond ₁	6.0	534	-2.3	(13)	2.0	(13)	-1.6	(11)	0.4	(7)	2.7	(5)	5.7
SIM	Global Bond	6.6	995	-1.7	(12)	2.0	(12)	-2.0	(13)	-0.4	(13)	-		5.5
TRU	ESG International Bond ₁	6.6	54	-1.3	(6)	2.6	(9)	-1.3	(9)	0.0	(10)	2.1	(7)	5.0
Median				-1.3		3.1		-1.2		0.4		2.9		5.5
Government														
CGI	Global Government	6.2	104	-3.4	(2)	-0.4	(2)	-1.1	(1)	-		-		-
MER	Global Sovereign	5.8	863	-2.3	(1)	1.1	(1)	-1.5	(2)	-0.2	(1)	2.7	(1)	3.8
Median				-2.8		0.3		-1.3		-0.2		2.7		3.8
Credit														
MER	Global Credit	6.0	561	-1.8	(2)	3.7	(2)	-1.5	(2)	0.3	(1)	2.8	(1)	7.2
MER	SR Global Credit	5.9	194	-1.7	(1)	4.7	(1)	-1.2	(1)	-		-		-
Median				-1.7		4.2		-1.4		0.3		2.8		7.2
Short duration and other														
BAM	Global Income	6.2	35	-0.1		6.6		5.8		6.0		5.8		7.0
BAM	Syndicated Loan	0.4	44	3.4		9.9		7.0		5.8		6.1		7.4
CCI	Short Term Income	0.1	83	1.7		7.7		5.6		4.6		4.6		1.7
CCI	Active Composite	5.1	34	0.6		7.6		2.9		3.0		-		6.2
DFA	5 year	0.1	0	1.2		5.6		1.6		1.1		2.4		2.5
FIS	Absolute Return	2.0	45	1.5		9.0		4.6		3.8		4.7		3.5
FRK	Brandywine GOFI	6.9	0	-5.8		-5.1		-3.0		-0.8		2.1		9.5
MAM	Global Corporate Bond	6.0	369	-1.8		5.8		2.1		2.7		-		5.5
MER	Income Opportunity	3.0	9	0.5		5.9		2.8		2.4		2.9		3.1
MER	Global Absolute Return	3.1	23	1.1		4.6		2.7		2.5		-		3.1
Indices														
Bloomberg Global Aggregate ₁		6.5		-1.2		3.0		-1.0		0.2		2.4		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
Balanced													
ASB		61.0	3.2	(3)	14.4	(3)	4.1	(4)	5.3	(5)	7.3	(5)	9.0
FIS		56.6	2.8	(5)	13.6	(4)	4.9	(2)	6.6	(2)	7.8	(2)	8.3
FS		59.7	3.8	(2)	15.3	(2)	4.9	(3)	-	-	-	-	-
MAM		54.9	2.6	(6)	12.3	(5)	5.6	(1)	8.3	(1)	9.6	(1)	8.6
MER	Mercer	59.8	2.2	(7)	12.3	(6)	4.0	(5)	5.9	(4)	7.3	(6)	8.4
MER	Ex-Macquarie	59.1	2.0	(8)	12.1	(7)	3.3	(6)	6.1	(3)	6.9	(7)	10.4
NAM		62.6	3.9	(1)	15.4	(1)	2.8	(7)	5.1	(7)	7.7	(3)	9.9
TRU		70.0	2.8	(4)	9.9	(8)	2.2	(8)	5.2	(6)	7.4	(4)	6.6
Median		59.8	2.8		12.9		4.0		5.9		7.4		8.6
Income													
HAM		37.2	2.8	(1)	11.2	(1)	5.3	(1)	6.1	(1)	-	-	6.2
MAM		28.7	0.9	(6)	10.2	(2)	4.7	(3)	5.4	(2)	8.2	(1)	7.0
MER		42.0	1.6	(4)	7.9	(4)	3.6	(4)	4.4	(3)	6.5	(2)	8.8
MNT		35.8	1.9	(3)	8.6	(3)	2.9	(5)	3.8	(5)	5.4	(4)	6.1
NAM		28.9	2.0	(2)	7.2	(6)	2.3	(6)	2.9	(6)	4.4	(5)	6.0
QAM		6.9	1.2	(5)	7.4	(5)	5.0	(2)	4.3	(4)	5.5	(3)	3.8
Median		32.4	1.8		8.3		4.1		4.3		5.5		6.2

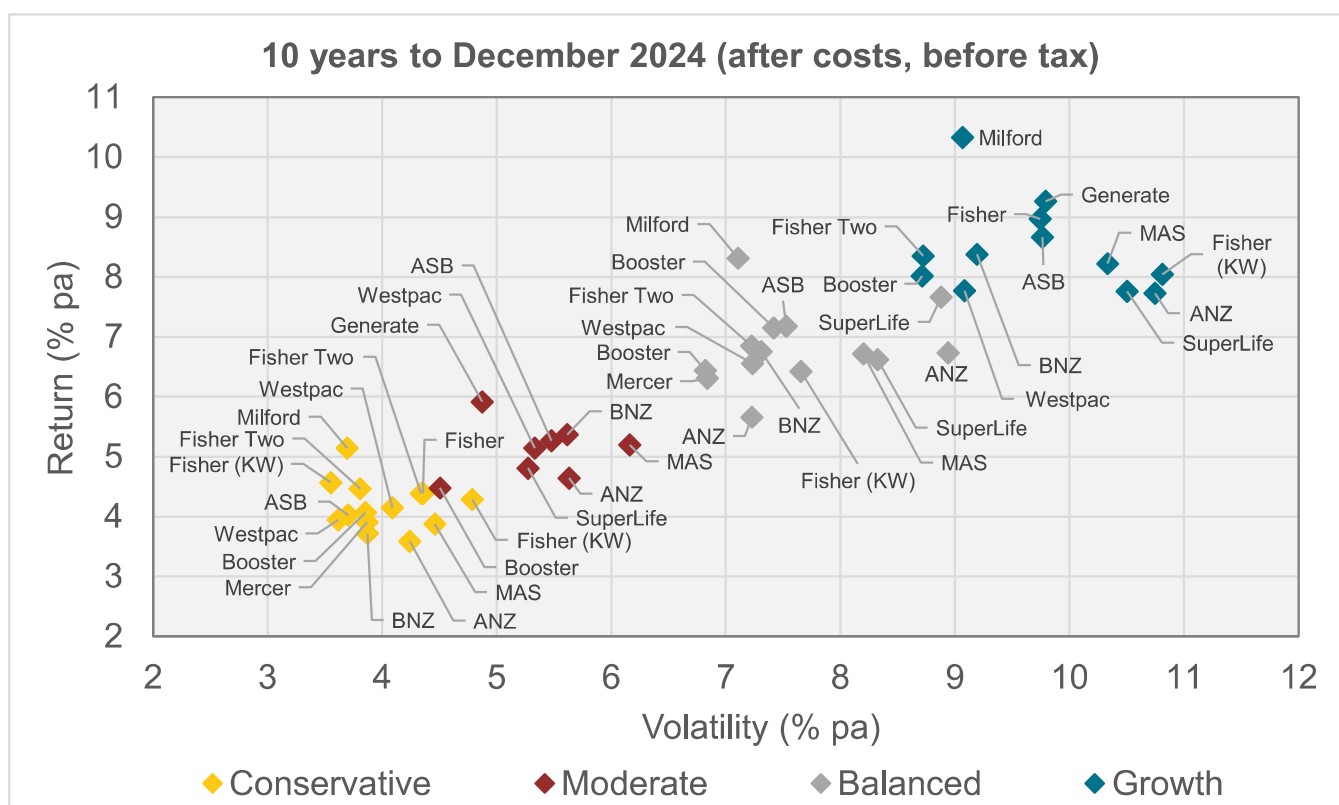
Notes:

- 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.
- Prior to September 2024, the Brown Global Leaders data relates to the global strategy, rather than the Ironbark vehicle.
- Prior to August 2024, the Harbour Epoch Global Quality Select Fund data relates to the global strategy, rather than the Harbour PIE.
- The BTFM LGIM fund passively tracks a custom index. Data before the trust's inception in December 2021 reflects index performance.

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	%	%	%	%	%	%	%	%	%
Growth										
ANZ	Grow th	15.9	56.1	9.5		81.6	4.4	12.9	1.1	18.4
ASB	Grow th	19.2	54.7	3.8	2.1	79.8	9.9	6.0	4.3	20.2
BNZ	Grow th	27.8	51.6			79.4	6.3	13.5	0.8	20.6
Booster	Grow th	22.9	50.6	5.2		78.7	9.3	9.8	2.2	21.3
Fisher	Grow th	23.4	47.8	7.1		78.2	11.1	5.1	5.6	21.8
Fisher (KW)	Grow th	22.9	46.5	2.2	8.3	79.9	11.0	5.2	3.9	20.1
Fisher Tw o	Grow th	23.3	48.1	2.2	5.0	78.5	11.0	5.1	5.4	21.5
Generate	Grow th	23.9	49.3	6.7		79.9	13.0	1.9	5.3	20.1
MAS	Grow th	25.0	55.6		0.0	80.6	7.0	11.2	1.2	19.4
Mercer	Grow th	18.5	51.0	3.6	6.1	79.1	5.4	13.0	2.5	20.9
Milford	Active Grow th	20.5	55.2	5.1		80.8	1.1	15.1	3.1	19.2
Simplicity	Grow th	17.8	58.8	3.4		80.1	7.5	10.3	2.2	19.9
SuperLife	Grow th	19.2	52.6	3.7	3.6	79.2	5.9	10.1	4.8	20.8
Westpac	Grow th	22.8	52.2	6.7		81.8	7.1	10.5	0.6	18.2
Average		21.7	52.1	4.2	1.8	79.8	7.9	9.3	3.1	20.2
Balanced										
ANZ	Balanced	10.0	35.0	6.2		51.2	10.9	31.4	6.5	48.8
ANZ	Balanced Grow th	12.8	45.6	7.8		66.2	8.0	22.8	3.0	33.8
ASB	Balanced	14.3	40.5	4.3	2.1	61.1	21.5	12.2	5.2	38.9
ASB	Positive Impact		56.1			56.1		34.4	9.5	43.9
BNZ	Balanced	20.7	39.0			59.7	10.5	25.1	4.7	40.3
Booster	Balanced	17.4	37.9	4.5		59.8	17.5	18.7	4.0	40.2
Booster	SRI Balanced	16.6	37.5	4.3		58.4	14.2	18.9	8.6	41.7
Fisher (KW)	Balanced	12.9	35.4	3.0	9.2	60.5	17.9	17.2	4.4	39.5
Fisher Tw o	Balanced	13.3	35.6	2.9	6.4	58.2	16.8	17.1	7.8	41.8
MAS	Balanced	18.8	41.6			60.4	15.2	21.3	3.2	39.6
Mercer	Balanced	13.2	37.9	3.2	4.7	59.0	11.1	26.2	3.7	41.0
Milford	Balanced	18.7	33.3	4.7		56.7	7.3	23.9	12.0	43.3
Simplicity	Balanced	13.1	43.1	2.6		58.7	16.5	22.4	2.3	41.3
SuperLife	Balanced	13.6	41.8	2.9	2.8	61.1	11.5	19.9	7.5	38.9
SuperLife	Ethica	14.2	40.1	5.6		59.9	12.2	19.9	8.0	40.1
Westpac	Balanced	15.6	40.1	5.6		61.3	14.2	21.7	2.8	38.7
Average		14.1	40.0	3.6	1.6	59.3	12.8	22.1	5.8	40.7
Moderate										
ANZ	Cons. Bal.	6.9	23.3	5.7		35.9	13.2	40.1	10.8	64.1
ASB	Moderate	6.5	26.9	4.7	2.1	40.2	30.9	18.9	10.1	59.8
BNZ	Moderate	13.3	26.1			39.4	12.3	33.5	14.8	60.6
Booster	Moderate	11.0	21.2	3.8		36.0	27.1	26.8	10.2	64.1
Generate	Moderate	16.9	18.3	4.9		40.1	47.4	6.9	5.6	59.9
MAS	Moderate	12.7	27.6			40.3	21.2	33.4	5.1	59.7
Mercer	Moderate	10.2	24.0	2.2	3.4	39.7	19.4	29.2	11.6	60.3
Milford	Moderate	12.6	19.3	3.6		35.5	13.7	30.8	20.0	64.5
SuperLife	Conservative	5.2	20.5	1.4	1.5	28.6	21.2	35.8	14.3	71.4
Westpac	Moderate	11.4	26.1	3.5		40.9	21.2	30.8	7.1	59.1
Average		10.7	23.3	3.0	0.7	37.7	22.8	28.6	11.0	62.3
Conservative										
ANZ	Conservative	3.8	13.3	2.8		20.0	15.9	49.0	15.1	80.0
ASB	Conservative	3.5	15.0	4.2	2.1	24.8	31.6	24.7	19.0	75.2
BNZ	Conservative	7.1	11.9			19.0	15.2	40.9	24.9	81.0
BNZ	First Home Buyer	5.1	8.9			13.9	7.1	18.9	60.1	86.1
Booster	Conservative	5.5	14.0	1.2		20.7	26.7	32.1	20.4	79.2
Fisher	Conservative	5.3	13.7	7.9		27.0	35.8	27.1	10.2	73.0
Fisher (KW)	Conservative	4.2	13.2	2.5	7.3	27.1	37.2	26.9	8.8	72.9
Fisher (KW)	Default Cons.	6.4	12.8		3.0	22.2	42.2	22.4	13.3	77.9
Fisher Tw o	Cash Enhanced	6.3	12.7		3.0	21.9	41.8	22.3	14.0	78.1
Fisher Tw o	Conservative	5.2	13.4	2.5	5.4	26.5	35.9	27.2	10.4	73.5
MAS	Conservative	6.1	14.1			20.3	27.4	43.3	9.1	79.7
Mercer	Conservative	5.3	15.2			20.5	26.6	34.4	18.6	79.5
Milford	Conservative	6.7	5.6	2.7		15.0	20.6	38.5	25.9	85.0
Simplicity	Conservative	4.1	17.1	2.0		23.2	33.4	42.1	1.4	76.8
Westpac	Conservative	6.3	16.1	3.5		25.8	25.1	38.0	11.1	74.2
Westpac	Defensive Cons.	5.2	13.0	2.3		20.6	27.1	40.1	12.2	79.4
Average		5.4	13.1	2.0	1.3	21.8	28.1	33.0	17.2	78.2

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](#)).



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](#)).

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 \$4.4 billion invested in the default funds as at 31 December 2024.

Results (after fees, before tax)

Returns and Risk		FUM	Growth BM	3 months		1 year		3 years	
Manager	Fund	\$m	%	%	Rank	%	Rank	% pa	Rank
Default									
BNZ	Default	760	60.0	2.8	(4)	14.0	(3)	3.9	(4)
Booster	Default Saver	642	55.0	2.8	(5)	14.0	(2)	4.4	(1)
Fisher (KW)	Default	825	60.0	3.3	(2)	13.3	(4)	3.5	(5)
Simplicity	Default	604	59.0	3.4	(1)	14.4	(1)	3.9	(3)
SuperLife	Default	643	54.0	3.0	(3)	12.9	(5)	4.2	(2)
Westpac	Default Balanced	892	50.0	1.5	(6)	11.7	(6)	3.4	(6)
Median		701	57.0	2.9		13.6		3.9	

Asset Allocation

Asset Allocation		NZ/Aus Shares	Global Shares	Property/Infra	Alt. Assets	Growth Assets	NZ Bonds	Global Bonds	Cash	Income Assets
Manager	Fund	%	%	%	%	%	%	%	%	%
Default										
BNZ	Default	20.7	39.0			59.7	10.5	25.1	4.7	40.3
Booster	Default Saver	16.0	35.6	3.2		54.8	15.2	20.3	9.7	45.2
Fisher (KW)	Default	20.2	38.1			58.2	21.1	13.5	7.2	41.8
Simplicity	Default	15.6	43.4			58.9	16.6	22.2	2.3	41.1
SuperLife	Default	17.4	30.9	5.5		53.8	13.9	23.3	9.0	46.2
Westpac	Default Balanced	13.4	34.1	3.6		51.1	17.1	27.8	4.0	48.9
Average		17.2	36.8	2.0		56.1	15.7	22.0	6.1	43.9

Fund manager abbreviations

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

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- Setting investment objectives and determining long-term investment strategies.
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- Performance monitoring against investment objectives and competitors.
- Investment manager research and selection.

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Quarterly Treasury Report

31 December 2024

STRICTLY PRIVATE AND CONFIDENTIAL



BANCORP

BANCORP TREASURY SERVICES LIMITED



Economic Commentary (for the December 2024 quarter) ⁶⁶

Global

2

10 Year Government Bond Rates						
	US	NZ	Australia	UK	Germany	China
30-Sep-24	3.85%	4.24%	4.00%	4.00%	2.12%	2.17%
31-Dec-24	4.60%	4.41%	4.36%	4.57%	2.36%	1.67%
Change	+0.75%	-0.17%	+0.36%	+0.57%	+0.24%	-0.50%

As the above table shows, US long-term rates have moved significantly higher in the December quarter. Behind this move is a view that Trump's pro-growth policies will make the US Fed more cautious in delivering further rate cuts. Trump's inauguration on the 20th of January will be closely watched as he rolls out his policies, focusing on tariffs, geopolitics, immigration settings and future US government debt levels. Market expectations of further Fed rate cuts have been paired back with no rate cut expected at the next meeting on 29 January. However, there remain expectations of at least two rate cuts in 2025.

The US remains the global economy's bright spot, with China and Europe remaining weak. China is particularly vulnerable, given the threat of significant US tariffs. Europe is emerging from a period of stagnation, a Ukrainian/Russian-induced energy crisis and is exposed to protectionist US trade policies.

In Australia, the Reserve Bank of Australia ("RBA") has continued with a cautious approach to monetary policy, saying that inflation remains too high. This has resulted in continued restrictive policy settings. However, the market is pricing in 50 basis points of cuts by August 2025

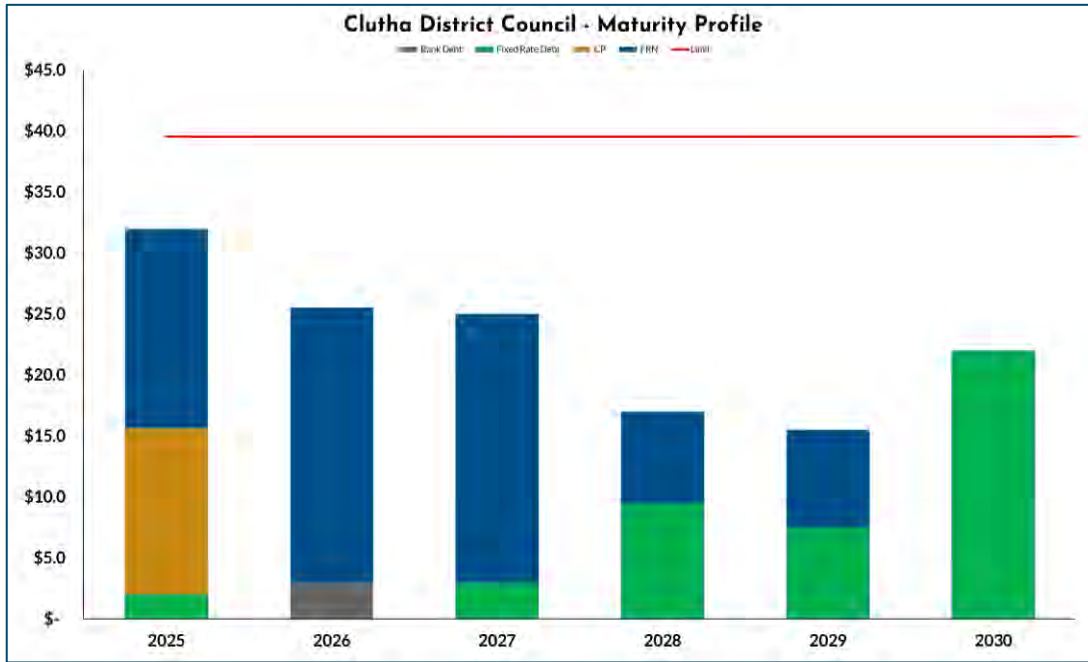
New Zealand

	OCR	90 day	2 year swap	3 year swap	5 year swap	7 year swap	10 year swap
30-Sep-24	5.25%	4.87%	3.58%	3.47%	3.55%	3.70%	3.89%
31-Dec-24	4.25%	4.17%	3.38%	3.38%	3.52%	3.72%	3.93%
Change	-1.00%	-0.70%	-0.20%	-0.09%	-0.03%	+0.02%	+0.04%

Over the December quarter, the Reserve Bank of New Zealand ("RBNZ") cut the Official Cash Rate ("OCR") by 50 basis points in October and a further 50 basis points in November to take it to 4.25%. In delivering the *Monetary Policy Statement* ("MPS") on 27 November, the RBNZ expressed confidence that inflation was near the midpoint of the 1.0-3.0% inflation target, while indicating that economic activity is subdued and that the economy has excess productive capacity. The shock September quarter Gross Domestic Product ("GDP") released in mid-December reinforced that the RBNZ has more work to do with the market now expecting a 50 basis point cut in February. The GDP result revealed a 1.0% decline in the September quarter (compared to market expectations of -0.4%) while the annual measure fell 1.5%, and included a downward revision to the June quarter fall to -1.2%, representing the weakest 6-month period since 1991 (excluding Covid periods).

Over the quarter, the upward movement in US long-term rates saw significant changes in the shape of the NZ yield curve, resulting in substantial changes in forward-start swap pricing. However, the typical correlation between NZ and US longer-term rates has temporarily broken down following the GDP numbers, which has helped deliver more attractive swap rates. Current market expectations are for 1.0% of cuts by August 2025 and an OCR low of 3.00% by October 2025.





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

Debt
\$133.9m
 External Council Drawn Debt

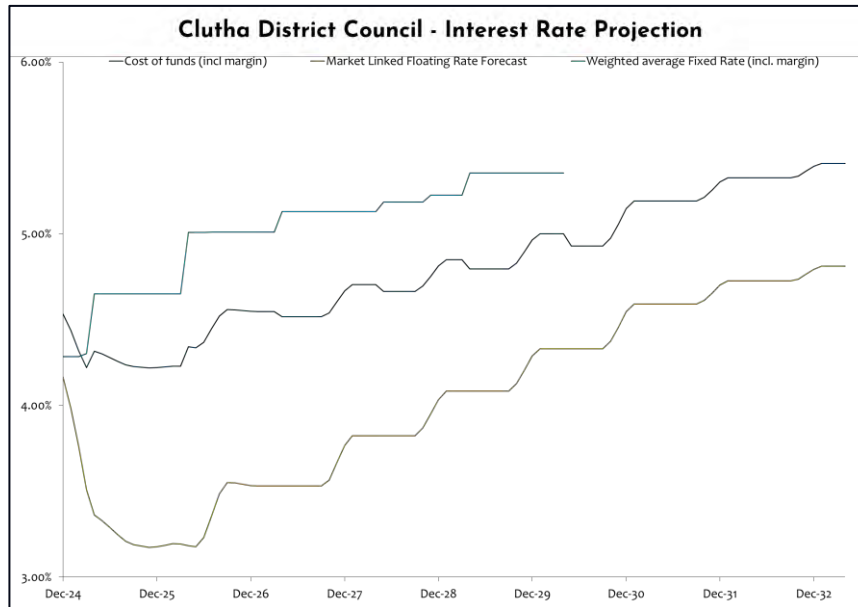
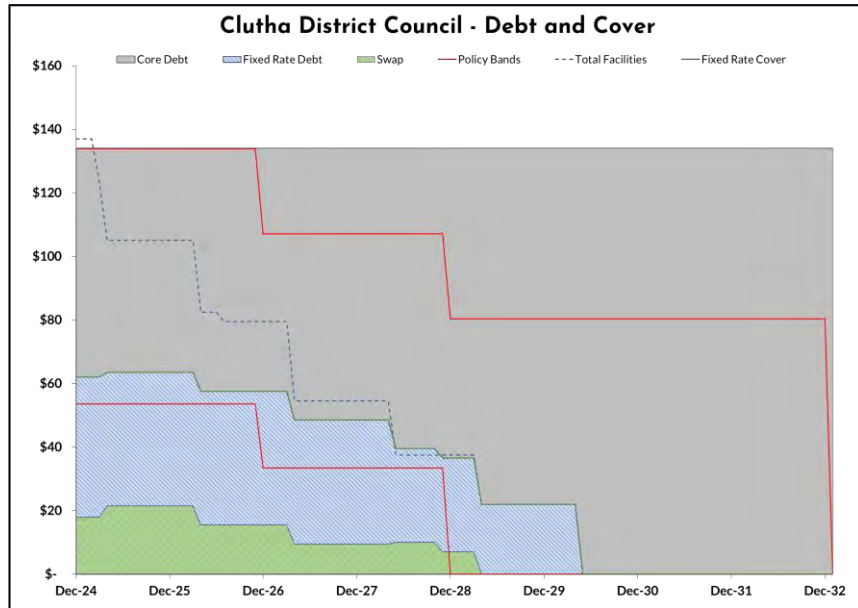
LGFA Debt
\$133.9m
 Funds Drawn from LGFA

Headroom = undrawn bank facility, cash in bank and the Managed Fund (the LGFA accepts that this can be used in the liquidity calculation)
\$33.97m

Liquidity Ratio (must be >110%)
125.37%

Cost of Funds as at 31 December 2024
4.55%

Interest Rate Risk Management



Current % of Debt Fixed	46.3%
Current % of Debt Floating	53.7%
Value of Fixed Rate (m)	\$62.0
Weighted Average Cost of Fixed Rate Instruments	4.12%
Value of Forward Starting Cover	\$10.5
Weighted Average Cost of Forward Starting Cover	3.94%
Value of Floating Rate (m)	\$71.9
Current Floating Rate	4.17%
Current Floating Rate (incl margin)	4.75%
All Up Weighted Average Cost of Funds Including Margin	4.53%
Total Facilities In Place	\$136.9

Fixed Rate Hedging Bands			
	Minimum	Maximum	Policy
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 31 December 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%	4.32%	N/A
6 month CP	0.15%	4.02%	N/A
April 2025	0.46%	4.63%	4.39%
April 2026	0.46%	4.63%	4.39%
April 2027	0.63%	4.80%	3.87%
May 2028	0.77%	4.94%	3.92%
April 2029	0.90%	5.07%	4.09%
May 2030	1.00%	5.17%	4.21%
May 2031	1.07%	5.24%	4.38%
May-2032	1.10%	5.27%	4.53%
April 2033	1.14%	5.31%	4.64%
May 2035	1.17%	5.34%	4.81%
April 2037	1.23%	5.40%	4.98%



As at 31 December 2024, CDC had \$133.9 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	17-Mar-25	4.44%	N/A	\$13,600,000
LGFA FRB	15-Apr-25	0.78%	N/A	\$2,000,000
LGFA FRN	15-Apr-25	5.14%	0.49%	\$1,500,000
LGFA FRN	15-Apr-25	5.12%	0.47%	\$2,800,000
LGFA FRN	15-Apr-25	5.17%	0.52%	\$4,000,000
LGFA FRN	15-Apr-25	5.16%	0.51%	\$5,000,000
LGFA FRN	15-Apr-25	5.25%	0.60%	\$3,000,000
LGFA FRN	15-Apr-26	5.30%	0.65%	\$2,000,000
LGFA FRN	15-Apr-26	5.14%	0.49%	\$2,000,000
LGFA FRN	15-Apr-26	5.23%	0.58%	\$2,000,000
LGFA FRN	15-Apr-26	5.34%	0.69%	\$3,000,000
LGFA FRN	15-Apr-26	5.30%	0.65%	\$2,500,000
LGFA FRN	15-Apr-26	5.23%	0.58%	\$3,000,000
LGFA FRN	15-Apr-26	5.31%	0.66%	\$5,000,000
LGFA FRN	15-Apr-26	5.04%	0.43%	\$3,000,000
LGFA FRN	15-Apr-27	5.37%	0.72%	\$2,500,000
LGFA FRN	15-Apr-27	5.22%	0.57%	\$2,000,000
LGFA FRN	15-Apr-27	5.28%	0.63%	\$2,000,000
LGFA FRN	15-Apr-27	5.41%	0.76%	\$3,000,000
LGFA FRN	15-Apr-27	5.37%	0.72%	\$3,500,000
LGFA FRB	15-Apr-27	6.30%	N/A	\$3,000,000
LGFA FRN	15-Apr-27	5.44%	0.79%	\$4,000,000
LGFA FRN	15-Apr-27	5.04%	0.69%	\$5,000,000
LGFA FRN	15-May-28	5.18%	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	15-May-28	5.21%	0.76%	\$5,000,000
LGFA FRN	20-Apr-29	5.53%	0.94%	\$5,000,000
LGFA FRN	20-Apr-29	5.47%	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

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Risk & Assurance Committee

Item for INFORMATION

Report	Financial Monitoring Report
Meeting Date	5 February 2025
Item Number	8
Prepared By	Trey Willis-Croft – Financial Support Accountant
File Reference	922715

REPORT SUMMARY

Financial Monitoring:

- This report presents Management Accounts for the period 1 July 2024 to 31 December 2024 are reflected below.

RECOMMENDATIONS

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

STATEMENT OF COMPREHENSIVE REVENUE AND EXPENDITURE							
For the Period ended 31st December 2024							
			2025	2025	2025	2024	
			\$000	\$000	\$000	\$000	Full Year
			YTD	YTD		Full Year	
REVENUE			Actual	Budget	Variance	Actual	Budget
Rates			17,682	17,918	(236)	30,706	35,836
Grants, Subsidies and Donations	A		6,675	7,844	(1,169)	17,836	15,688
Fees & User Charges	B		953	1,539	(586)	1,099	2,656
Permits & Licences			607	494	113	826	987
Other Fees	C		1,040	1,707	(667)	1,838	3,414
Rental Revenue			667	655	11	1,350	1,311
Interest Revenue	D		2,072	801	1,272	2,206	1,601
Other Revenue			372	265	107	1,276	530
Other Gains			1	0	1	2,645	0
Sales of corporate and development property	E		1,150	0	1,150	1,393	0
Total Revenue			31,219	31,223	(4)	61,175	62,023
EXPENDITURE							
Grants, Contributions & Sponsorship	F		745	1,340	(595)	796	2,681
Other Operating Expenditure	G		13,086	11,643	1,443	26,937	23,286
Roading Repairs & Maintenance	H		4,661	5,264	(603)	9,480	10,527
Employee Benefits			7,165	7,270	(105)	13,209	14,540
Depreciation & Amortisation	I		13,927	8,497	5,430	17,364	16,993
Finance Costs			3,481	3,120	361	5,838	6,240
Operating lease payments			30	27	3	39	54
Cost of sales of corporate and development property			1	0	1	1,364	0
Total Expenditure			43,095	37,161	5,933	75,027	74,322
SURPLUS FOR THE YEAR			(11,876)	(5,938)	(5,937)	(13,852)	(12,299)
Other Comprehensive Revenue and Expenditure							
Items that may be reclassified to surplus or deficit:							
Fair value on unlisted shares			0	0	0	1	0
Items that will not be reclassified to surplus or deficit:							
Gain on property, plant and equipment revaluation			0	0	0	464,948	0
Total Other Comprehensive Revenue and Expenditure			0	0	0	464,949	0
Total Comprehensive Revenue and Expenditure for the year			(11,876)	(5,938)	(5,937)	451,097	(12,299)

STATEMENT OF FINANCIAL POSITION						
As at 31st Decemeber 2024						
				2024	2024	2025
				\$000	\$000	Full Year
				Dec	Full Year	Budget
Assets						
CURRENT ASSETS						
Cash and Cash Equivalents				6,501	11,927	485
Receivables and prepayments				5,344	7,436	5,379
Other financial assets				27,530	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
Total Current assets				43,109	50,545	41,691
NON-CURRENT ASSETS						
Property, Plant and equipment				1,889,385	1,867,998	1,350,073
Intangible assets				95	1,385	683
Other financial assets				4,686	3,165	77,785
Total non-current assets				1,894,166	1,872,548	1,428,541
TOTAL ASSETS				1,937,275	1,923,093	1,470,232
Liabilities						
CURRENT LIABILITIES						
Payables and accruals				7,163	12,359	12,127
Employee entitlements				1,133	1,502	1,096
Derivative financial instruments				0	-	-
Borrowings			J	31,800	34,067	26,452
Total current liabilities				40,096	47,928	39,675
NON-CURRENT LIABILITIES						
Provisions				1,534	1,534	1,232
Other liabilities - Mercer Trust				13	13	13
Borrowings			K	101,998	89,000	138,882
Total non-current liabilities				103,545	90,547	140,127
TOTAL LIABILITIES				143,642	138,475	179,802
NET ASSETS				1,793,633	1,784,618	1,290,430
EQUITY						
Reserves				1,604,556	1,581,578	1,111,528
Accumulated Funds				189,077	203,040	178,902
TOTAL EQUITY				1,793,633	1,784,618	1,290,430

NOTES	
A	Mostly NZTA subsidy. The roading program has seasonal timing which means costs and budget are not always aligned.
B	65k Water Meter charges not yet invoiced, 298k of investment fund surplus not yet withdrawn
C	Mt Cooe sales 268k behind
D	Interest on cash in bank is 112k over. Nikko has increased by 1.2m
E	2 properties sold in Kai in December, 4 cabins sold 1 in August and 3 in Spetember
F	155k of KP Life Saving grant not yet paid
G	Consulting 683k over, Insurance 278k over, audit fees 126k over, valuation expenses 100k over, IT costs 162k over, Motor vehicle costs 222k over
H	Seasonal nature of roading program
I	Roads and Bridges over by \$5.5m due to last years roading revaluation increasing the annual depreciation by 91.5%
J	11.5m of debt was rolled over from December 2024 to March 2025
K	5m of debt was taken out in December with maturity in April 2027

Risk & Assurance Committee

Item for INFORMATION

Report	Non-Financial Monitoring Report
Meeting Date	5 February 2025
Item Number	9
Prepared By	Trey Willis-Croft – Financial Support Accountant
File Reference	922716

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.
- Some of the KPI data is only relevant once a year.
- Anomalies for November are as follows
 - Median resolution time for wastewater faults was 453 hours (19 days)
- Anomalies for December are as follows
 - Median resolution time for wastewater faults was 433.57 hours (18 days)
- Explanation for these anomalies will be provided at the meeting

RECOMMENDATIONS

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

YTD July-December

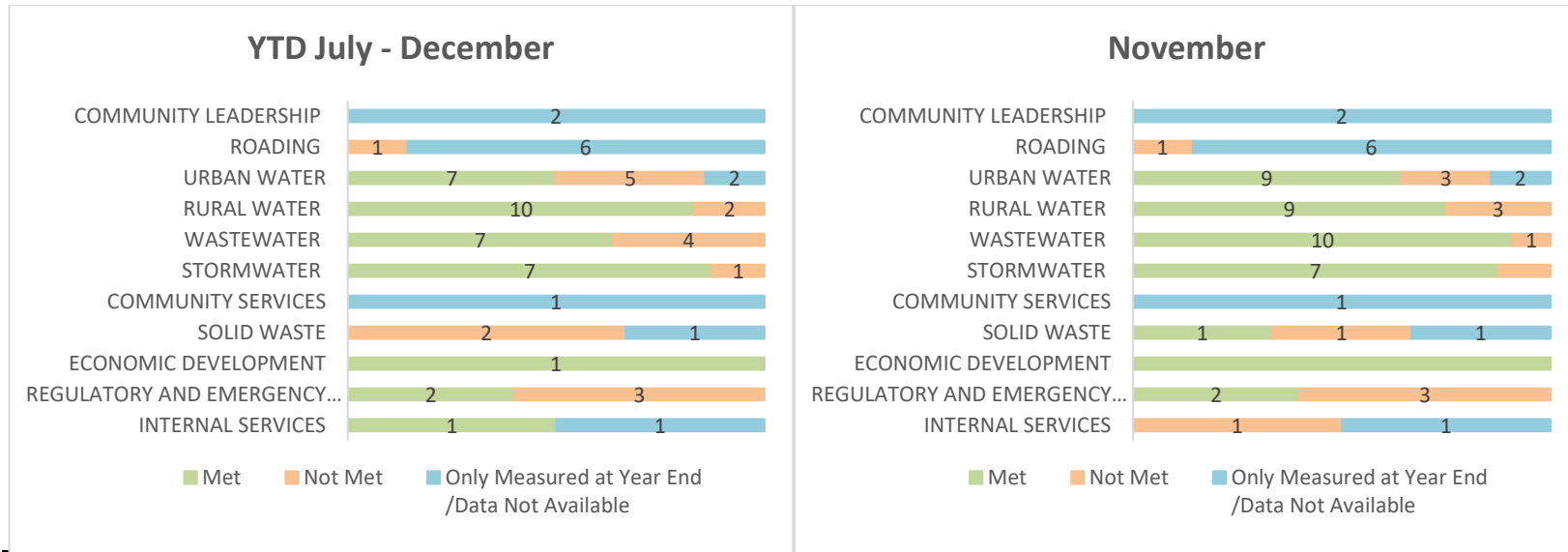


November



December





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	Oct	Nov	Dec	Spark Trendline
COMMUNITY LEADERSHIP										
Level of Service 1: Provide a effective leadership, representation and service to residents and ratepayers.										
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	
Level of Service 2: Monitor rates affordability and provide prudent, effective and efficient financial management										
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	
ROADING										
ROADS										
Level of Service 1: Provide an effective and sustainable local roading network										
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%	93.2%	95%	95%	94.4%	85.6%	79.2%	
Level of Service 2: Monitor safety and invest in improving the roading network										
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	
FOOTPATHS										
Level of Service 3: Provide an effective and sustainable network of footpaths throughout the district										
% 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	
BRIDGES										
Level of Service 4: Provide a safe and economic network of bridges throughout the district										
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	Jul	Aug	Sep	Oct	Nov	Dec	Spark Trendline
URBAN WATER													
Level of Service 1: Water from Council urban supplies is safe to drink.													
Compliance with the NZDW Standards for bacteriological compliance*	Greater than or equal to	0%	86%	56%	100%	100%	56%	71%	90%	87%	98%	95%	
Compliance with the NZDW Standards for protozoal compliance*	Greater than or equal to	0%	81%	41%	100%	100%	41%	41%	91%	91%	91%	91%	
Level of Service 2: Urban supplies provide a continuous and reliable source of water to consumers													
Number of drinking water complaints (Requests for Service) per 1000 connections about:													
Clarity	Less than or equal to	8.7	7.9	12.2	17	1.4	1.7	1.3	1.1	4.1	1.3	2.6	
Taste	Less than or equal to	0.4	0.8	0.4	3	0.3	0.0	0.2	0.0	0.0	0.0	0.0	
Odour	Less than or equal to	0.0	0.6	0.2	2	0.2	0.0	0.0	0.0	0.0	0.2	0.0	
Pressure	Less than or equal to	4.5	6.2	2.8	5	0.4	0.4	0.6	0.8	0.6	0.2	0.4	
Continuity	Less than or equal to	28.0	15.4	10.7	30	2.5	2.1	0.9	1.5	2.3	2.6	1.3	
Council's response to any of these issues	Less than or equal to	0.0	0.9	0.2	14	1.2	0.2	0.0	0.0	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	N/A	N/A	N/A	
Level of Service 3: Urban water schemes are managed effectively and efficiently													
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	4.0	1.2	0.9	1.8	1.0	0.5	2.5	
Non-urgent	Less than or equal to	18.8	19.6	12.4	24.0	24.0	18.3	4.9	17.1	3.1	6.3	17.3	
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	1.8	3.3	25.0	14.3	11.3	44.3	
Non-urgent	Less than or equal to	76.6	105.8	45.4	48.0	48.0	68.6	25.0	46.1	52.8	24.1	84.5	
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	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	Oct	Nov	Dec	Spark Trendline
RURAL WATER										
Level of Service 1: Water from council rural schemes is safe to drink										
Compliance with the NZDW Standards for bacteriological compliance	Greater than or equal to	0%	62%	27%	100%	100%	27%	35%	27%	
Compliance with the NZDW Standards for protozoal compliance	Greater than or equal to	0%	63%	15%	100%	100%	53%	63%	53%	
Level of Service 2: Rural schemes provide a continuous and reliable source of water to consumers										
Number of drinking water complaints (requests for service) per 1000 connections about:										
Clarity	Less than or equal to	6.5	12.9	2.9	12	1.0	0.6	1.2	0.0	
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	61.7	200	16.7	15.3	14.1	16.4	
Continuity	Less than or equal to	237.6	223.7	78.1	250	20.8	16.4	10.6	22.3	
Council's response to any of these issues	Less than or equal to	0.0	7.1	4.1	14	1.2	0.6	0.0	0.0	
Level of Service 3: Rural water schemes are managed effectively and efficiently										
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	2.7	4	4	2.3	1.5	4.6	
Non-urgent	Less than	23.1	20.5	18.4	24	24	19.6	17.6	17.7	
Median response time (in hours) from notification of fault or unplanned interruption to when personnel confirm resolution:										
Urgent	Less than	45.3	22.1	23.4	24	24	21.6	17.4	22.5	
Non-urgent	Less than	55.3	33.0	24.2	48	48	25.5	25.3	26.2	

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	Jul	Aug	Sep	Oct	Nov	Dec	Spark Trendline
Wastewater													
Level of Service 1: Provide Wastewater services that effectively collect and dispose of sewage													
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	0.8	6	0.5	0.00	0.2	0.2	0.2	0.2	0.0	
Level of Service 2: Wastewater schemes are managed efficiently and effectively													
Median response time (in hours) from notification of fault to when personnel:													
Reach the site (response)	Less than	1.6	2.4	16.8	2	2	9.3	0.9	9.1	45.8	1.4	10.1	
Confirm resolution of blockage or other fault	Less than	12.8	22.4	92.9	12	12	22.3	46.6	6.2	94.6	453.0	433.6	
Number of complaints per 1,000 connections about any of the following:													
Wastewater odour	Less than	2.5	1.1	0.2	3	0.3	0.0	0.0	0.0	0.0	0.2	0.0	
Wastewater system faults	Less than	2.1	1.5	1.0	10	0.8	0.0	0.6	0.0	0.0	0.4	0.0	
Wastewater system blockages	Less than	7.8	6.3	2.3	8	0.7	0.4	0.2	0.2	0.8	0.2	0.6	
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	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	3	0	0	1	1	0	0	0	1	
Infringement notices	Equal to	5	4	6	0	0	1	5	0	0	0	0	
Enforcement orders	Equal to	0	0	0	0	0	0	0	0	0	0	0	
Convictions	Equal to	0	0	0	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	Oct	Nov	Dec	Spark Trendline
STORMWATER										
Level of Service 1: To provide stormwater drainage that protects against the effects of flooding										
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	9	23	1.9	6	1	0	
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	58.4	12	12	125.4	36.0	0.0	
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	Oct	Nov	Dec	Spark Trendline
COMMUNITY SERVICES										
Operate a network of community facilities throughout the district including library / service / information centres, pools, halls, playgrounds, sportsgrounds, parks and reserves.										
Resident satisfaction with community facilities	Greater than or equal to	87%	90%	N/A	90%	90%	N/A	N/A	N/A	
SOLID WASTE										
Level of Service 1: Provide a facility in the district for the disposal of solid waste										
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	236.74	462	38.50	43.81	38.76	36.03	
Level of Service 2: Provide waste minimisation services and education										
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	29.17	59	4.92	4.72	5.80	6.75	
ECONOMIC AND COMMUNITY DEVELOPMENT										
Level of Service 1: Support the District's communities and economy through community planning, facilitation and support.										
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%	8.54%	4% Increase	0.33%	0.53%	1.28%	1.01%	

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	Oct	Nov	Dec	Spark Trendline
REGULATORY AND EMERGENCY SERVICES										
Level of Service 1: To provide an application processing service where consents are processed within statutory timeframes in an efficient manner										
Building and Regulatory Services Department applications lodged and processed within statutory timeframes	Equal to	N/A	N/A	92.0%	100%	100%	91%	85%	89%	
Planning Team applications lodged and processed within statutory timeframes	Equal to	N/A	N/A	98.0%	100%	100%	100%	89%	100%	
Level of Service 2: To retain registration as a Building Consent Authority										
Registration is current	Equal to	N/A	N/A	100.0%	100%	100%	100%	100%	100%	
Level of Service 2: Complaints are prioritised and responded to in an efficient manner										
Building and Regulatory Services Department customer service requests are called back within targeted time frames	Greater than or equal to	N/A	N/A	91.0%	95%	95%	90%	93%	97%	
Planning Team customer service requests are called back within targeted time frames	Greater than or equal to	N/A	N/A	98.7%	95%	95%	98%	96%	100%	
INTERNAL SERVICES										
Level of Service 1: We handle customer requests for service efficiently and effectively										
Percentage of service requests called back within targeted timeframes	Greater than or equal to	90%	77%	96.0%	95%	95%	94.7%	93.8%	96.9%	
Level of Service 2: We deliver on our work programmes										
Percentage of capital projects completed.	Greater than	73.34%	73.12%	N/A	85%	7.08%	N/A	N/A	N/A	

Risk & Assurance Committee

Item for INFORMATION

Report	Audit Recommendation Monitoring Report
Meeting Date	5 February 2025
Item Number	10
Prepared By	Sharon Jenkinson – Chief Financial Officer
File Reference	922713

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.

There have been no changes since the last meeting held 21 November 2024.

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 30th June 2024 Annual Report Audit.

Finding/observation	Business implication	Deloitte recommendation	Management response
<p>Review of Journal Entries</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>Quality of accounting records</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"> • 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) 	<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>Progress reporting on major projects and review of WIP accounts</p> <p>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.</p> <p>[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 its major projects reporting. This should also include a more in-depth assessment of budgeted costs versus actual spend.</p> <p>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>Statement of Service Performance – lack of review of calculation measures</p> <p>We note there is no formal review of the calculation of performance measures being reported to Council.</p> <p>[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>Segregation of duties 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 the 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>Quantum of online banking signatories 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>

Risk & Assurance Committee

Item for INFORMATION

Report	Terms of Reference Report
Meeting Date	5 February 2025
Item Number	11
Prepared By	David Ward – Risk & Assurance Chair
File Reference	928528

REPORT SUMMARY

This report provides an updated Terms of Reference for the Risk & Assurance Committee's consideration.

During the workshop we agreed on the following changes

- A change of meeting frequency from 6 times per year to 6 weekly
- Combining areas of responsibility for internal and external audit
- The power to receive capital projects reports that have until recently been received by the PCG (Project Control Group)

I have attached an amended copy of the terms of reference to this report albeit acknowledging there may be some further changes following discussion during today's meeting.

RECOMMENDATION

- 1. That the Risk & Assurance Committee receives the Risk & Assurance Terms of Reference Report.**
- 2. That the Risk & Assurance Committee recommends that Council adopts the amended Terms of Reference for the 2025 Calendar year.**

Risk & Assurance Committee - Delegations

Constitution	<p>Members of the Committee will be made up of an Independent Chair, Mayor, Deputy Mayor, Chair of the Corporate & Policy, Infrastructure Strategy & Operations and Regulatory and Community 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>
Meeting Frequency	<p>6 weekly, or as required.</p> <p>To oversee aspects relating to audit and risk management.</p> <p>The Risk & 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"> • risk management • internal control • external accountability • audit • compliance with legislation, policies, and procedures.
Objective	<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"> • obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);

- 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**

- a. 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.
- b. Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings.
- c. Review the effect of the Council's risk management framework on its control environment and insurance arrangements.
- d. Review annually 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
- e. 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 any 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. Audit

The Committee's responsibilities are to:

Act as a forum for communication between the Chief Executive, senior management, 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 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.

5. 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

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

Power to resolve

7. 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

8. 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).

9. 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

10. 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.

11. Risk

Risk management framework.

Receive major project reports.

Debt risk management.

Audit.

Internal control framework

i. sensitive expenditure

ii. conflicts of interest.

Legal compliance.

Health and Safety culture and compliance.

Risk & Assurance Committee

Item for DECISION

Report	Reasons to Move to Public Excluded Session
Meeting Date	05 February 2025
Item Number	12
Prepared By	Steve Hill – Chief Executive
File Reference	920150

REPORT SUMMARY

The Risk & Assurance Committee may upon 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.

RECOMMENDATIONS

1. That the Risk & Assurance Committee receives the 'Reasons to Move to Public Excluded Session' report.
2. That the Risk & Assurance Committee agrees to allow '*specified*' persons to remain as they possess the following knowledge relating to *Item X*: **(IF REQUIRED)**.
3. 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
Cyber Security Update Report	To allow staff and councillors to have a discussion with the elected members	A2 (j) Prevent the disclosure or use of official information for improper gain or improper advantage.

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.

48 Right of local authorities to exclude public

- (1) Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:
- (a) 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 for which good reason for withholding would exist,—
 - (i) where the local authority is named or specified in [Schedule 1](#), under [section 6](#) or [section 7](#) (except section 7(2)(f)(i));
 - (ii) where the local authority is named or specified in [Schedule 2](#) of this Act, under [section 6](#) or [section 7](#) or [section 9](#) (except section 9(2)(g)(i)) of the Official Information Act 1982:

- (b) 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—
- (i) be contrary to the provisions of a specified enactment; or
 - (ii) constitute contempt of court or of the House of Representatives:
- (c) that the purpose of the whole or the relevant part of the proceedings of the meeting is to consider a recommendation made to that local authority by an Ombudsman under [section 30\(1\)](#) or [section 38\(3\)](#) of this Act (in the case of a local authority named or specified in [Schedule 1](#)) or under [section 30\(1\)](#) or [section 35\(2\)](#) of the Official Information Act 1982 (in the case of a local authority named or specified in [Schedule 2](#) of this Act):
- (c) that the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the local authority to deliberate in private on its decision or recommendation in any proceedings to which this paragraph applies.

See s. 48 LGOIMA.