



AGENDA

Executive, Audit & Risk

Monday 2 December 2024, 10.00am

Executive Audit and Risk Committee Copy

02 December 2024 10:00 AM - 12:00 PM



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Whakataka te hau

Karakia to open and close meetings

Whakataka te hau ki te uru	Cease the winds from the west
Whakataka te hau ki te tonga	Cease the winds from the south
Kia mākinakina ki uta	Let the breeze blow over the land
Kia mātaratara ki tai	Let the breeze blow over the ocean
Kia hī ake ana te atakura	Let the red-tipped dawn come with a sharpened air
He tio, he huka, he hauhu	A touch of frost, a promise of glorious day
Tūturu o whiti whakamaua kia tina.	Let there be certainty
Tina!	Secure it!
Hui ē! Tāiki ē!	Draw together! Affirm!



Date: 2 December 2024

Subject: Executive Audit and Risk Minutes – 21 October 2024

Author: M Jones, Governance Administrator

Approved by: M J Nield, Director - Corporate Services

Document: TRCID-1492626864-99

Recommendations

That the Taranaki Regional Council:

- a) takes as read and confirms the minutes of the Executive, Audit and Risk Committee meeting of the 21 October 2024 at 10.00am
- b) notes recommendations therein were adopted by the Taranaki Regional Council on Tuesday 29 October 2024.

Appendices/Attachments

TRCID-1492626864-77: [Executive Audit and Risk Committee Minutes – 21 October 2024](#)



Date: 21 October 2024

Venue: Taranaki Regional Council Boardroom, 47 Cloten Road, Stratford

Document: TRCID-1492626864-77

Present:

M J Cloke	Chairperson
S W Hughes	
C S Williamson	
D H McIntyre	
C L Littlewood	ex officio
N W Walker	ex officio

Attending:

M J Nield	Director – Corporate Services
B Muir	Senior Health, Safety and wellness Advisor
C Woollen	Communications Advisor
B Robertson	zoom (joined meeting at 10.11am)
N Chadwick	Executive Assistant to Chief Executive and Chair
M Jones	Governance Administrator

The meeting opened with a group Karakia at 10.00am.

Apologies: were received and sustained from Councillor Jamieson

Littlewood/McIntyre

1. Confirmation of Minutes Executive Audit and Risk Committee Minutes – 9 September 2024

Resolved

That the Taranaki Regional Council:

- took as read and confirmed the minutes of Executive Audit and Risk Committee of the Taranaki Regional Council held at 10.00am on Monday 9 September 2024 at Taranaki Regional Council 47 Cloten Road Stratford
- noted the recommendations therein were adopted by the Taranaki Regional Council on Tuesday 24 September 2024.

Hughes/Williamson

2. Financial and Operational Report

2.1 M Nield provided an update on operational and financial performance.

Resolved

That the Taranaki Regional Council:

- a) received the memorandum Financial and Operational Report and the July 2024 Monthly Financial Report
- b) noted the digital media update.

Littlewood/McIntyre

3. Quarterly Operational Report

3.1 M Nield provided an update on the Quarterly Operational Report for the quarter ended 30 September 2024.

Resolved

That the Taranaki Regional Council:

- a) received the Quarterly Operational Report for the quarter ended 30 September 2024

Cloke/Walker

4. Health and Safety Report

4.1 M Nield and B Muir provided an update on health and safety performance.

Resolved

That the Taranaki Regional Council:

- a) received the August and September 2024 Health and Safety reports.

Walker/McIntyre

5. Yarrow Stadium Plus: Project Update

5.1 M Nield and B Robertson provided an update on the Yarrow Stadium Project.

Resolved

That the Taranaki Regional Council:

- a) noted the progress to date and the next steps on the Yarrow Stadium Plus Redevelopment Project.

Cloke/Hughes

6. Public Excluded

In accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987, resolved that the public is excluded from the following part of the proceedings of the Executive Audit and Risk Meeting on 21 October 2024 for the following reason/s:

The matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Item 11 – Confirmation of Public Excluded Executive Audit and Risk Minutes – 9 September 2024

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 protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; and/or enable any local authority holding the information to carry out, without prejudice, commercial activities.

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
Item 12: Yarrow Stadium Plus: Project Steering Group Report	To enable any local authority holding information to carry out, without prejudice or disadvantage, commercial activities. To enable any local authority holding information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	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 under section 7 (2) (h) and (2) (i) of the Local Government Official Information and Meetings Act 1987

Cloke/Hughes

There being no further business the Committee Chairperson, M J Cloke, declared the meeting of the Executive Audit and Risk Committee meeting closed at 10.41am.

Executive Audit and Risk

Committee Chairperson: _____

M J Cloke



Date: 2 December 2024

Subject: Speed Management Changes

Author: F Ritson, Senior Policy Analyst - Transport

Approved by: M J Nield, Director - Corporate Services

Document: TRCID-1492626864-52

Purpose

1. The purpose of this memorandum is to provide an update on changes to national speed management policies which have removed regional authority involvement and a consequential recommendation to rescind the Memorandum of Understanding previously put in place to prepare a regional speed management plan.

Executive summary

2. This item provides an update on changes to the previous requirement for Road Controlling Authorities (RCAs) to develop speed management plans (SMPs) and the Regional Transport Committee to compile and submit a Regional Speed Management Plan (Regional SMP). These requirements have recently been removed by the new Government, meaning that the administrative responsibilities of the Council are no longer required. The recommendation is therefore to rescind the Memorandum of Understanding that was initiated to coordinate preparation of the Regional SMP.

Recommendations

That Taranaki Regional Council:

- a) receives the memorandum speed management changes
- b) notes that the policy approach for speed management and road safety have shifted significantly with the change in Government
- c) notes the release of the final Land Transport Rule: Setting of Speed Limits 2024 which removes the regional authority involvement in speed management planning which was assigned by the Land Transport Rule: Setting of Speed Limits 2022
- d) agrees to formally rescind the Memorandum of Understanding put in place to develop the first Regional Speed Management Plan and to cease associated work
- e) determines that this decision be recognised not significant in terms of section 76 of the Local Government Act 2002
- f) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with section 79 of the Act, determines that it does not require further information, further assessment of options or further

analysis of costs and benefits, or advantages and disadvantages prior to making a decision on this matter.

Setting of Speed Limits 2022 (the 2022 Rule)

3. The previous Government made changes to how speeds are set and enforced. A core part of this, the Land Transport Rule: Setting of Speed Limits 2022 (the 2022 Rule), was enacted under the Land Transport Act 1998 and came into force on 19 May 2022. The Rule sets out what Road Controlling Authorities (RCAs) must do when proposing and setting speed limits on roads under their control.
4. The 2022 Rule required RCAs (territorial authorities and Waka Kotahi) to follow a new speed management planning process to set or change speed limits through speed management plans (SMPs), removing the requirement to set speed limits through bylaws. The 2022 Rule also assigned entirely new responsibilities to regional transport committees and regional councils, to compile and consult on these plans at a regional level on a three-yearly basis.
7. Much work was done throughout 2022 and 2023 to meet these new requirements, as the first Regional SMP for Taranaki needed to be submitted to the Director of Land Transport for certification before July 2024. A sub-group/work stream of the Regional Transport Advisory Group was established to progress this work and assist with ensuring regional consistency throughout the process for the RCAs. A Memorandum of Understanding (attached) was also signed between the parties to ensure clarity of roles, responsibilities and required timeframes throughout what was a new process for all parties.
8. The Council's responsibilities were in an administrative/facilitation role though compiling the information sourced from the RCAs into a combined document. The Council also provided support to the RCAs in relation to facilitating a combined region-wide public consultation on the draft Regional SMP, which took place from 18 September to 29 October 2023. The Council facilitated this through a central online platform, while each RCA undertook their own usual community engagement processes during this time. The community were able to engage on all three local draft SMPs at the same time (along with the draft Better Travel Choices for Taranaki) rather than being faced with multiple separate consultations.

Setting of Speed Limits Amendment 2023

9. While the region was on track to complete and submit the required Regional SMP by 30 June 2024, the new Government reversed the direction of speed management. On 13 December 2023, the new Minister of Transport (the Minister) Hon Simon Brown advised RCAs and the Committee of an amendment to the 2022 Rule, the Land Transport Rule: Setting of Speed Limits Amendment 2023, which immediately removed mandatory requirements for SMPs, and advised of the intent to replace the 2022 Rule in its first 100 days.
10. Accordingly, on 19 February 2024, the Committee agreed to pause work on developing a Regional SMP, given that there was no longer any mandatory deadline, and to re-evaluate the Council's position and any further involvement once the new Government's changed Rule became available. It was understood that RCAs may continue local SMPs at their own discretion, though the three district councils all decided to pause their SMP work.

Setting of Speed Limits 2024 – DRAFT

11. On the 13 June 2024, the Ministry of Transport released the draft Land Transport Rule: Setting of Speed Limits 2024 seeking feedback on the Government's new approach to setting speed limits through to 11 July 2024.
12. The timing of the consultation on the draft 2024 Rule limited the ability of councils to respond, given the multiple long-term planning and year-end processes underway during that time and the short consultation period. While it was not possible to make a regional submission, staff did contribute to one from Te Uru Kahika. An item to the Regional Transport Committee's 12 September 2024 meeting

outlined key aspects of the draft Rule and included some local and national submissions for information purposes.

13. One of the key aspects of the draft 2024 Rule relevant to the Council was that Regional SMPs remained optional, rather than mandatory as under the 2022 Rule. This change was generally well supported by the sector.
14. Though only open for four weeks during a highly pressured time for local government, the Ministry of Transport received a substantial number of submissions which are summarised on their website.

Setting of Speed Limits 2024 – FINAL (the 2024 Rule)

15. The final Land Transport Rule: Setting of Speed Limits 2024 was announced by the Minister of Transport on 28 September 2024 and came into force on 30 October 2024. The 2024 Rule sets out criteria, requirements and procedures to be followed by RCAs when reviewing and setting speed limits for roads within their respective jurisdictions. It also revokes and replaces the Land Transport Rule: Setting of Speed Limits 2022.
16. The stated objective of the Rule is “to contribute to an effective, efficient, and safe land transport system by –
 - providing for an approach to speed management that considers speed limits alongside safety infrastructure and safety camera enforcement
 - empowering or requiring road controlling authorities to set speed limits for roads under their control, generally after considering safety, economic impacts and the views of road users and the community
 - setting out requirements road controlling authorities must comply with when setting speed limits.”
17. The rule sets out how Road Controlling Authorities can propose, consult and set speed limits, including how these proposals are developed, shared and certified. The rule also sets out the process sets for reversing previous speed limits, preparing speed management plans, the roles and responsibilities for the process, and the required content of speed management plans.
18. The new 2024 Rule:
 - makes SMPs optional and removes regional SMPs
 - requires speed limit reductions on certain types of roads made since 1 January 2020 (over two years prior to the 2022 Rule coming into force) to be reversed by 1 July 2025, with certain exceptions
 - requires variable speed limits on roads outside school gates during drop-off and pick-up times by 1 July 2026 (with some exceptions) and allows schools with electronic variable speed limit signs to put them on for up to 10 minutes at other times when there’s significant activity outside the school
 - strengthens consultation requirements, with an associated requirement to include a cost-benefit disclosure statement for each proposed speed limit change
 - sets a new binding speed limit classification schedule, specifying speed limits for each road type
 - enables speed limits of 110km/h and 120km/h on expressways built and which will be maintained to safely support this speed.
19. Each RCA will need to consider the details in the new Rule and consider how it applies, with particular attention to the transitional provisions.
20. As regulator, Waka Kotahi NZ Transport Agency released guidance on 1 November 2024 to help RCAs interpret and apply the new Rule.

Issues

21. Now that the Government's final Land Transport Rule: Setting of Speed Limits 2024 has been released, which removes the regional council involvement in speed management planning that was assigned by the 2022 Rule, there is a need for the Committee to formally end the processes that the Council put in place to meet the requirements of the old Rule.

Options

22. Given the change in legislation there is only one option available to the Committee, which is to formally rescind the Memorandum of Understanding put in place to develop the first Regional SMP and to instruct staff to cease associated work. This naturally includes formally advising the Council's Regional SMP partners of this decision.

Significance

23. Under the TRC's Significance and Engagement Policy, the decision to formally cease regional speed management processes is not significant and is simply responding to changes in legislative requirements. Accordingly, it does not require further consideration under the Significance and Engagement Policy.

Financial considerations—LTP/Annual Plan

24. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

25. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the Local Government Act 2002, the Land Transport Management Act 2003, the Land Transport Act 1998, the Resource Management Act 1991 and the Local Government Official Information and Meetings Act 1987.

Iwi considerations

26. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the Local Government Act 2002) as outlined in the adopted Long-Term Plan and/or Annual Plan.
27. The RCAs in the region (being the three district councils and Waka Kotahi) will be considering the views of Māori in their communities as they work through the impacts of the new 2024 Rule on their roading networks.

Community considerations

28. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.
29. The RCAs in the region (being the three district councils and Waka Kotahi) will be considering the views of their communities as they work through the impacts of the new 2024 Rule on their roading networks.

Legal considerations

30. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Appendices/Attachments

Document TRCID-1492626864-66: [MOU for developing the RSMP2024](#)

Memorandum of Understanding

Notated 17.04.2023 with signatory details

Dated:

Parties:

Taranaki Regional Council (TRC), of 47 Cloten Road (Private Bag 713), Stratford,

New Plymouth District Council (NPDC), of 84 Liardet Street (Private Bag 2025), New Plymouth 4340,

Stratford District Council (SDC), of 61-63 Miranda Street (PO Box 320), Stratford 4352,

South Taranaki District Council (STDC), of 105-111 Albion St (Private Bag 902), Hāwera 4640,

Waka Kotahi NZ Transport Agency (NZTA), of 100 Willis Street (Private Bag 6995), Wellington 6141, and

Roadsafe Taranaki (RST), of 105-111 Albion St (Private Bag 902), Hāwera 4640.

Background

1. The Government has made major changes to how speeds are set and enforced on New Zealand's roads. A core part of this, the [Land Transport Rule: Setting of Speed Limits 2022](#) (the Rule) came into force on 19 May 2022. Amongst the suite of changes to the speed management framework are significant changes to how speed limits are set by Road Controlling Authorities (RCAs), and new responsibilities for regional transport committees (RTC) and regional councils.
2. The Rule requires RCAs (territorial authorities and Waka Kotahi) to follow a new speed management planning process to set new speed limits. Speed limits will now be set through speed management plans (SMPs) rather than the previous requirement for district councils to set speed limits through bylaws. The Rule requires the development of SMPs that set a ten-year vision and three-year implementation plan for implementing safe and appropriate speed limits throughout the district/region. Consultation on these SMPs will be undertaken every three years, aligning with the three-yearly planning/funding periods of Regional Land Transport Plans (RLTP) and the National Land Transport Programme. The SMPs will help to guide the RCAs' proposed road safety activities, for which funding is sought through the RLTP.
3. The Rule assigns entirely new responsibilities to regional councils, to prepare and consult on a regional speed management plan (RSMP).

Progressing the first Regional Speed Management Plan

4. The first RSMP for Taranaki needs to be in place by July 2024. This is a new process for all parties. A sub-group/workstream of the Regional Transport Advisory Group has been established to progress this work and assist with ensuring regional consistency throughout the process for the RCAs. The Regional Speed Management Planning Group (the RSMP Group) consists of staff from the four councils, Waka Kotahi, and Roadsafe Taranaki. Additional representatives are invited to attend as needed.
5. There is a need to ensure clarity of roles, responsibilities and required timeframes throughout the development process from January 2023 to June 2024. A full outline of the process timeline for the Taranaki RSMP is provided in Appendix One.
6. Key elements of the new process are that:

- a. The RSMP is compiled by the RTC using information sourced from the RCAs.
- b. The TRC has no decision-making authority in respect of the content of the RSMP. The TRC’s role is limited to providing support (essentially administrative) to the RTC in preparing the RSMP and to the RCAs in relation to facilitating public consultation of the RSMP (by providing a mechanism to disseminate information and receive submissions).
- c. The RTC has a limited decision-making function, focused on setting out a strategic guiding framework.
- d. The planning function of setting speed limits remains with the RCAs, including considering and responding to submissions.
- e. RCAs must provide information for the RSMP to identify the changes being proposed to speed limits and a three-year implementation programme, certain information relating to schools and specified speed limits, and (in some cases) an explanation for those that do not align with the Agency’s confirmed assessment of what is safe and appropriate for the road.
- f. The RTC is charged with driving the RSMP process, including generating the longer-term planning objectives. They are also to identify inconsistencies between RCA approaches and liaise with them to see if these can be addressed. However, the responsibility for setting speed limits and providing the underlying reasoning and explanations that flow into the overall regional approach remains with the RCAs.

Roles and responsibilities

7. The following table outlines the specific roles and responsibilities for the RSMP process

TRC / RTC	<p>The TRC has an administrative/facilitation role, largely as secretariat for the RTC. It will:</p> <ul style="list-style-type: none"> - Convene and facilitate the RSMP Group. - Prepare the guiding strategic framework and undertake community engagement on this as part of broader ‘future travel choices’ conversations. - Help to coordinate the RCAs engagement with Māori to avoid duplication. - Prepare an online consultation draft RSMP from information provided by the RCAs, checking for inconsistent approaches and advising of any concerns. - Facilitate region-wide public consultation via internet. - Support Roadsafe Taranaki to front the regional public consultation process. - Compile the final RSMP from the SMPs approved by each RCA. - Endorse the final RSMP and confirm that consultation has been carried out in accordance with the Rule. - Submit the final RSMP to the Director of Land Transport for certification.
NPDC, SDC, and STDC	<p>The role of each territorial authority RCA is to:</p> <ul style="list-style-type: none"> - Actively participate in the RSMP Group. - Prepare a draft SMP for their district roads as per the Rule requirements. - For NPDC, include the three short Department of Conservation roads within their district in their SMP. - Provide the requested draft SMP information including GIS Shapefiles to TRC by 31 August 2023 to be compiled into a consultation draft RSMP. - Publicise/promote the online consultation, and undertake their usual community engagement processes through various means such as community meetings.

	<ul style="list-style-type: none"> - Support Roadsafe Taranaki, including financially, to front the regional public consultation process. - Consider submissions received, undertaking their own council consideration and approval processes including hearings and deliberations; and make any subsequent changes to their draft SMP. - Approve the final SMP for the district, then provide a copy of this to TRC (specifying changes have been made since the draft was provided). 	<p><i>Note: NPDC crossed this point out before signing</i></p>
NZTA (as RCA)	<ul style="list-style-type: none"> - Actively participate in the RSMP Group. - As above for the district council RCAs except are encouraged rather than needed to participate in the region-wide consultation. 	
RST	<ul style="list-style-type: none"> - Actively participate in the RSMP Group. - Provide and support the use of Roadsafe Taranaki branding for regional consultation purposes. - Utilise their contacts/channels and community activities to encourage community understanding of speed management and feedback on the draft RSMP proposals. 	

8. The Memorandum of Understanding is therefore a non-binding agreement between the relevant organisations regarding the development of the *Regional Speed Management Plan for Taranaki 2024/25-2026/27*, and confirms the roles and responsibilities of all parties.
9. All parties have agreed to the timelines set out in Appendix One. The process will need to continue as scheduled regardless of any gaps in information provided.
10. All work done will be undertaken by parties within their own operative budgets.

Operative matters

11. This Memorandum is not binding on the parties, but the Rule is. The parties acknowledge that to meet their obligations under the Rule they must work together to undertake development of the *Regional Speed Management Plan for Taranaki 2024/25-2026/27*.
12. Where any dispute arises in relation to this Memorandum, the parties will act in good faith and using reasonable endeavours to resolve the dispute between themselves. If all the parties agree, a party may engage a mediator to help the parties to resolve any dispute.
13. It is intended that this Memorandum is reviewable at any time as agreed between the parties.

Signatories

This Memorandum of Understanding has been read and understood by all parties as listed below:

Signed _____

Date Signed 9.03.2023

Chief Executive – Steve Ruru
Taranaki Regional Council

Signed _____

Date Signed 21.03.2023 - with cross out through providing support to Roadsafe Taranaki

Interim Chief Executive – Miriam Taris
New Plymouth District Council

Signed _____

Date Signed 8.03.2023

Chief Executive - Sven Hanne
Stratford District Council

Signed _____

Date Signed 22.02.2023

Chief Executive – Fiona Aitken
South Taranaki District Council

Signed Waka Kotahi declined to sign 2.3.2023, citing concerns about committing to timeframes that they potentially could not meet.

Date _____

National Manager System Design – Robyn Elston
Waka Kotahi NZ Transport Agency

Signed _____

Date Signed 23.02.2023

Community Development Manager – Ella Borrows
Roadsafe Taranaki

Once signed, this Agreement, together with the Conditions of any other attachments, will replace all or any agreement previously reached between the parties. The Conditions may be varied by agreement between the parties to meet the requirements of any particular situation.

Executive Audit and Risk Committee Copy - Speed Management Changes

Appendix One: Development timeline for Regional Speed Management Plan outlining roles and responsibilities

Timeline	Steps	Stages	Summary	Responsibility
to Feb2023	Long-term guiding strategic framework	Develop	Draft RSMP guiding strategic framework (must include ten-year objectives, policies and measures).	TRC (as secretariat) prepare with the RSMP Group on behalf of RTC. TRC draft C&E Stage 1 materials for feedback from the RSMP Group.
1Mar2023		Endorse	RTC endorse the draft guiding principles for	the RSMP to guide the RCAs preparation of their SMPs.
6Mar2023 to 30Apr2023 (8 weeks) C&E Stage 1		Engage	Community engagement on 'better travel choices for Taranaki' (including speed and key aspects of the RSMP strategic framework) to guide planning on SMPs as well as the review of other regional transport plans.	TRC develops material and fronts/hosts engagement. TRC helps coordinate RCAs engagement with Maori. Roadsafe Taranaki and the RCAs support by promoting the regional engagement through their own channels. TRC summarise speed-related feedback to the RCAs through the RSMP Group.
1Jan2023 to 31Aug2023	Speed Management Plans (SMPs)	Prepare	Draft SMPs developed for each roading network.	RCAs prepare their draft SMP, including GIS files for the consultation process.
			The RSMP Group continue meeting to assist with inter- and intra-regional consistency.	TRC coordinate the RSMP Group, facilitating communication and consistent approaches to speed limits across the region. TRC help draft the central C&E Stage 2 materials for feedback from the RSMP Group.
			Provide draft SMPs for compiling into draft RSMP network map	All RCAs, preferably including NZTA for state highways, to provide GIS Shapefiles and associated draft SMP material to TRC by 31Aug2023.
1Sep2023 to 15Sep2023	Regional Speed Management Plan (RSMP)	Compile	Prepare RSMP by collating the individual draft SMPs, combining these with the guiding regional framework and associated minor content requirements.	TRC prepare draft RSMP for consultation on behalf of the RTC, checking it for consistency between the SMPs. TRC compiles the GIS files provided by the TAs, to host a regional map, which will allow the community to comment on any roads/areas of interest within the region, with the comments automatically being forwarded onto the relevant RCA(s).
early Sep2023		Endorse	RTC endorse providing the draft RSMP to the TRC to facilitate public consultation	
18Sep2023 to 10Nov2023 (8 weeks) C&E Stage 2		Consult	Region-wide consultation on RSMP	TRC facilitate the online consultation for the RTC, and specifically foster Māori engagement, though branding is strongly focused on Roadsafe Taranaki (not TRC). RCAs and Roadsafe Taranaki promote the consultation through their channels. RCAs also undertake their usual community engagement through various means e.g. community meetings, A&P shows, etc.
by 30Mar2024		Update	RCAs update their draft SMPs.	RCAs consider submissions received, undertaking their own council consideration and approval processes including hearings and deliberations; and make any subsequent changes to their draft SMP.
by 30April2024		Finalise	SMPs finalised and approved, then provided for RSMP	RCAs approve their final SMP, then provide a copy of their final SMP to TRC, and advise of changes made.
by 31May2024			Compile final RSMP	TRC collate the updated SMP documents into RSMP.
early Jun2024		Endorse	RTC endorses final RSMP for submission	TRC as secretariat for RTC
by 30Jun2024		Submit	RTC submit to the Director of Land Transport for certification	TRC as secretariat for RTC

*deadline now 29.03.2024,
so need to bring forward all
the 2024 dates*

Note: 'C&E' refers to Communications and Engagement



Date: 2 December 2024

Subject: Financial and Operational Report

Author: R Johnson, Finance Manager

Approved by: M J Nield, Director - Corporate Services

Document: TRC-1492626864-32

Purpose

1. The purpose of this memorandum is to receive information on operational and financial performance.

Recommendations

That the Taranaki Regional Council:

- a) receives the memorandum Financial and Operational Report and the August and September 2024 Monthly Financial Reports
- b) notes the digital media update.

Background

2. We produce a Monthly Financial Report outlining the financial performance for the month and year to date. This memorandum supports the Monthly Financial Report by providing additional supporting operational and financial information. The Common Seal is operated under delegated authority. Part of that delegated authority is the reporting back of seal transactions.

Discussion

3. Attached are the Monthly Financial Reports for August and September 2024.
4. In the "Financial Indicators Section", for revenue, expenditure and operating surplus/deficit, for the whole of the Council the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates an improving trend and a red down arrow indicates a deteriorating trend.
5. The financial performance pie graphs for operating expenditure and income show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of activities where the variance is within plus or minus 5% and less than \$50,000. The yellow slice indicates the number of activities where the variance is

greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. The red slice indicates the number of activities where the variance is more than plus or minus 10% and more than \$100,000.

6. For each Group of Activities (Resource management, Catchment management, Transport, Flood protection and hazard management, Regional facilities, and Regional leadership and governance), in the "Financial Indicators Section", for revenue and expenditure, for that group of activities, the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates an improving trend and a red down arrow indicates a deteriorating trend.
7. In the "Operating Expenditure by Activity" section, there is a dial for each activity comparing YTD expenditure against budget and a forecast for the rest of the year. The colours are green – variance of less than plus or minus 5%, yellow – plus or minus variance of more than 5% but less than 10% and red – plus or minus variance of more than 10%. The key components of each dial are:
 - The outer ring is the forecast for the rest of the year - green OK, yellow performance at risk, red target will not be achieved
 - The pointer indicates whether the variance is over or under budget and the colour indicates the scale of the variance - the actual variance figure sits at the bottom of the pointer
 - The YTD and full year (FY) budgets are included in the grey section.
8. Financially, the overall financial result is behind budget to the estimates established for 2024/2025 in the *2024/2034 Long-Term Plan*. This is due to the Port Taranaki Limited dividend not being received until October 2024 (a month later than planned). As at the end of September 2024 significant income and expenditure variances by activity (plus or minus \$100,000) are:
 - *Resource Management planning* - \$149,628 under budget due to delayed expenditure on project costs.
 - *Resource Management direct charges revenue* - \$169,415 under budget mainly due to timing of compliance monitoring revenues, due to it being so early in the financial year.
 - *Sustainable land management* - \$115,692 under budget due to less riparian plant purchases than planned.
 - *Catchment enhancement* - \$444,396 under budget due to lower year to date expenditure on STRESS projects. This is expected to be fully spent by year end.
 - *Catchment management direct charges revenue* - \$280,843 over budget due to higher and earlier Waitara river catchment investment returns than planned.
 - *Transport planning and services* - \$359,784 under budget due to higher bus service contract costs expected later in the financial year.
 - *Regional leadership and governance direct charges revenue* - \$103,220 under budget due to the community engagement external funding which will be received later in the financial year.

Communications and Engagement

9. Communications and engagement activities are delivered across publications, media releases, advertising, digital media, events, through stakeholders and through education. Recent points of note are:
 - Environmental Awards evening to be held on 20 November at the Devon Hotel. A communications plan is in place, to share the stories of the winners and highly commended recipients.

- A range of public transport marketing campaigns include free buses to the New Plymouth Christmas Parade on 30 November, free buses on Friday throughout December and changes to services.
- The Can I Swim Here? summer campaign has kicked off, with a particular emphasis on cyanobacteria in rivers, which is present earlier than usual this season. A Check Clean Dry campaign will also run over summer, complementing a nationwide MPI campaign.
- The Council will again have a site at the Stratford A&P Show on 30 November/1 December to engage with the community and share information.
- A campaign will soon be underway for a range of summer events at our gardens, following a successful Centuria Taranaki Garden Festival.
- Educators worked with 907 students in October including preschool, primary, intermediate and high school aged children (2,493 students for the year to date).

Social media (Facebook & Instagram)

	October 2024	Financial YTD
Total users reached (organic and paid)	231,387 ↑19% on previous month	595,977
Total interactions or engagement (likes, comments, shares, saves)	5,502 ↑21% on previous month	17,412

Note: This includes all TRC-run Facebook and Instagram accounts. As such there may be duplication – i.e. one person may have been reached by two different pages so will be counted twice.

Website (www.trc.govt.nz and www.haveyoursay.trc.govt.nz)

	October 2024	Financial YTD
Total users	21,263 ↓1% on previous month	87,498

Note: Unique users i.e. individuals who visited the site four times in October will only be counted once. A user that visited in September and then again in October will only be counted once in the YTD figure.

Common Seal

10. There were no Common Seal transactions.

Appendices/Attachments

Document TRCID-34743511-17: [August 2024](#)

Document TRCID-34743511-27: [September 2024](#)



PŪRONGO PŪTEA O TE MARAMA MONTHLY FINANCIAL REPORT

Here-turi-koka | August 2024/2025






Ngā rārangi take





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Executive Summary

Financial performance

Financial indicators					
Financial threshold key (for adverse variances): ● ≥5% and <10% ● ≥10%					
Total revenue		Operating expenditure		Operating surplus/deficit	
What we earn – rates, charges, grants and investment income		The costs to operate our activities		Total revenue less operating expenditure	
Actual YTD	Trend	Actual YTD	Trend	Actual YTD	Trend
\$7.9M	\$37.6K under budget 	\$7.8M	\$739.7K under budget 	\$0.1M	\$702.1K ahead of budget 
Against a YTD budget of \$8.0M and a full year budget of \$50.3M		Against a YTD budget of \$8.5M and a full year budget of \$54.4M		Against a YTD budget of \$-0.6M and a full year budget of \$-4.2M	

Financial performance			
Operating Expenditure		Income	
Actual	Forecast	Actual	Forecast
Financial Performance	Future Performance	Financial Performance	Future Performance
			

Commentary and variances

As at 31 August 2024, the overall financial result is ahead of budget.

Key

This section defines the symbols and colours used in the Executive Summary and the Groups of Activities.

Introduction

In the “Financial Indicators Section”, for revenue, expenditure and operating surplus/deficit, for the whole of the Council the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.

The financial performance pie graphs for operating expenditure and income show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of activities where the variance is within plus or minus 5% and less than \$50,000. The yellow slice indicates the number of activities where the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. The red slice indicates the number of activities where the variance is more than plus or minus 10% and more than \$100,000.

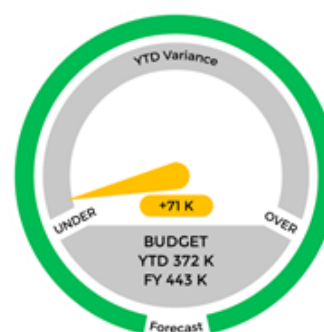
The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

For each Group of Activities:

In the “Financial Indicators Section”, for revenue and expenditure, for that group of activities, the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates and improving trend and a red down arrow indicates a deteriorating trend.

In the “Operating expenditure by activity” section, there is a dial for each activity comparing YTD expenditure against budget and a forecast for the rest of the year. The colours are green – variance of less than plus or minus 5% and less than \$50,000, yellow – plus or minus variance of more than 5% and between \$50,000 and \$100,000 but less than 10% and red – plus or minus variance of more than 10% and \$100,000. The key components of each dial are:

- The outer ring is the forecast for the rest of the year – green OK, yellow performance at risk, red target will not be achieved
- The pointer indicates whether the variance is over or under budget and the colour indicates the scale of the variance – the actual variance figure sits at the bottom of the pointer
- The YTD and Full Year (FY) budgets are included in the grey section.



The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities within that group of activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

Statement of comprehensive revenue and expense

This statement summarises performance against budget for the month and for the year to date.

	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Cost of services							
Resource management	1,371,676	1,438,055	66,379	2,620,135	2,894,214	274,079	18,477,101
Catchment management	966,823	1,095,964	129,141	1,946,756	2,154,103	207,347	15,027,004
Transport	602,276	703,701	101,425	1,135,739	1,408,844	273,105	8,577,005
Flood Protection and Hazard management	111,373	100,949	-10,424	190,871	203,314	12,443	1,278,558
Regional Facilities	849,742	860,037	10,295	1,137,856	1,178,465	40,609	6,151,252
Regional Leadership and Governance	203,122	223,611	20,489	414,880	449,577	34,697	2,999,183
Total operating expenditure	4,105,011	4,422,317	317,306	7,446,237	8,288,517	842,280	52,510,103
Revenue from exchange transactions							
Direct charges revenue	467,288	490,446	-23,158	747,802	930,892	-183,090	6,572,764
Rent revenue	129,339	137,467	-8,128	238,852	274,934	-36,082	1,649,600
Dividends	-	-	-	-	-	-	8,000,000
Revenue from non-exchange transactions							
General rates revenue	4,071,461	4,071,461	-	4,071,461	4,071,461	-	16,285,842
Targeted rates revenue	1,418,239	1,418,239	-	1,418,239	1,418,239	-	5,672,956
Direct charges revenue	177,924	194,410	-16,486	343,441	345,820	-2,379	4,079,421
Government grants	370,365	315,355	55,010	624,320	630,710	-6,390	4,864,586
Vested assets	-	-	-	-	-	-	-
Total income	6,634,614	6,627,378	7,236	7,444,114	7,672,056	-227,942	47,125,169
Operating surplus/(deficit) before finance income/expenses & taxation	2,529,604	2,205,061	324,543	-2,123	-616,461	614,338	-5,384,934
Finance income	247,042	150,833	96,209	490,719	300,416	190,303	2,267,500
Finance expense	-169,419	-120,000	49,419	-338,838	-236,250	102,588	-1,935,000
Net finance expense	77,623	30,833	46,790	151,881	64,166	87,715	332,500
Operating surplus before taxation	2,607,227	2,235,894	371,333	149,758	-552,295	702,053	-5,052,434
Other gains/losses							
Gains/(losses) on revaluation of properties	-	-	-	-	-	-	874,360
Operating surplus before taxation	2,607,227	2,235,894	371,333	149,758	-552,295	702,053	-4,178,074
Income tax expense	-	-	-	-	-	-	10,000
Surplus/(deficit) for the period	2,607,227	2,235,894	371,333	149,758	-552,295	702,053	-4,188,074
Other comprehensive income							
Revaluation of property, plant and equipment	-	-	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Operating surplus/(deficit)	2,607,227	2,235,894	371,333	149,758	-552,295	702,053	-4,188,074

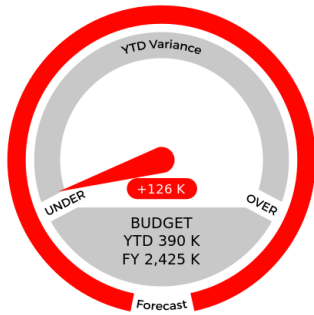
Ko ngā ture whakahaere rawa

Resource management

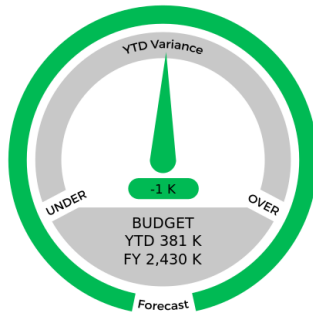
Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ● ≥ 5% and < 10% ● ≥ 10%			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
\$0.8M	\$155.4K under budget ↓	\$2.6M	\$274.1K under budget ↑
Against a YTD budget of \$1.0M and a full year budget of \$6.9M		Against a YTD budget of \$2.9M and a full year budget of \$18.5M	

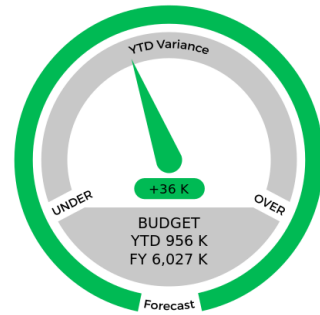
Operating expenditure by activity



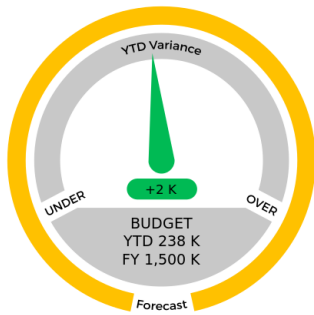
Resource management planning



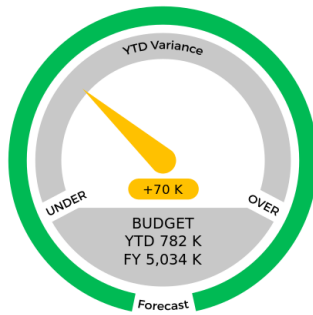
Resource consent processing



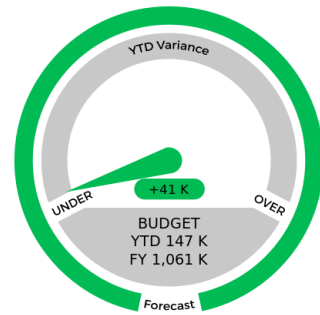
Compliance monitoring



Pollution incidence and response



State of the environment monitoring



Environmental science investigations

Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall resource management expenditure is under budget.

Material activity variances (> or < than \$100,000) are:

Resource Management planning - \$125,618 under budget due to delayed expenditure on project costs.

Direct charges revenue - \$155,408 under budget due to timing of compliance monitoring revenues, mainly due to it being so early in the financial year.

Cost of services statement

Resource Management							
	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Resource management planning	135,118	192,850	57,732	263,942	389,560	125,618	2,424,884
Resource consent processing	200,823	188,983	-11,840	382,226	381,035	-1,191	2,430,374
Compliance monitoring	481,225	475,442	-5,783	919,956	956,356	36,400	6,026,810
Pollution incidents and response	122,532	118,135	-4,397	236,033	238,205	2,172	1,500,028
State of the environment monitoring	375,723	389,432	13,709	711,531	781,992	70,461	5,034,088
Environmental science investigations	56,255	73,213	16,958	106,447	147,066	40,619	1,060,917
Total expenditure	1,371,676	1,438,055	66,379	2,620,135	2,894,214	274,079	18,477,101
Income							
General rates	495,866	495,866	-	1,001,063	1,001,063	-	5,969,459
Direct charges	475,945	475,978	-33	796,548	951,956	-155,408	6,895,161
Government grants	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-
Investment funds	399,864	466,211	-66,347	822,524	941,195	-118,671	5,612,481
Total income	1,371,676	1,438,055	-66,379	2,620,135	2,894,214	-274,079	18,477,101
Operating surplus/(deficit)	-	-	-	-	-	-	-

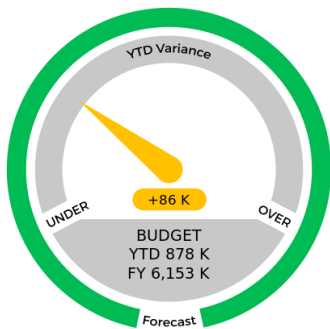
Ko te mana whakahaere riu hopuwai

Catchment management

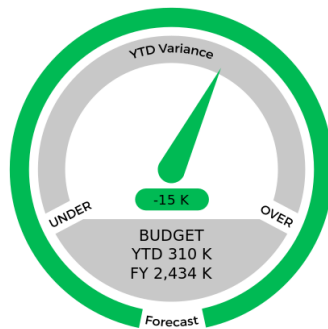
Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ● ≥ 5% and < 10% ● ≥ 10%			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
\$0.3M	\$195.6K over budget ↑	\$1.9M	\$207.3K under budget ↑
Against a YTD budget of \$0.1M and a full year budget of \$2.4M		Against a YTD budget of \$2.2M and a full year budget of \$15.0M	

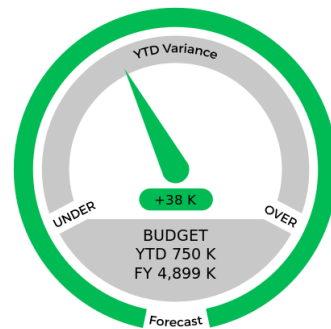
Operating expenditure by activity



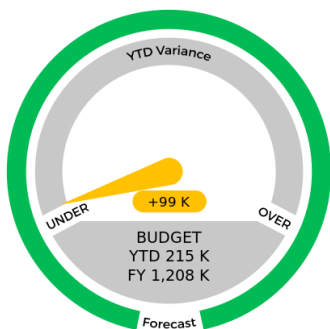
Biosecurity



Biodiversity



Sustainable land management



Catchment enhancement

Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall catchment management expenditure is under budget.

Material activity variances (> or < than \$100,000) are:

Direct charges revenue - \$195,642 over budget due to earlier Waitara river catchment investment returns than planned.

Cost of services statement

Catchment management							
	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Biosecurity	407,497	437,680	30,183	792,176	878,342	86,166	6,153,071
Biodiversity	160,974	155,551	-5,423	325,356	310,291	-15,065	2,433,661
Sustainable land management	330,383	394,218	63,835	712,596	750,280	37,684	4,898,534
Catchment Enhancement	67,969	108,515	40,546	116,604	215,190	98,586	1,208,218
Total expenditure	966,823	1,095,964	129,141	1,946,756	2,154,103	207,347	15,027,004
Income							
General rates	536,395	536,395	-	1,075,458	1,075,458	-	6,250,896
Direct charges	132,927	55,251	77,676	263,144	67,502	195,642	2,404,273
Government Grants	-	-	-	-	-	-	909,500
Transfer from reserves	-	-	-	-	-	-	450,000
Transfer to reserves	-114,132	-	-114,132	-227,526	-	-227,526	-600,000
Investment funds	411,633	504,318	-92,685	835,680	1,011,143	-175,463	5,612,335
Total income	966,823	1,095,964	-129,141	1,946,756	2,154,103	-207,347	15,027,004
Operating surplus/(deficit)	-	-	-	-	-	-	-

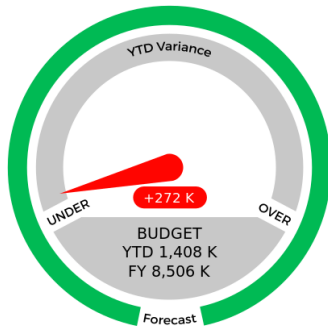
Ko ngā kawenga waka

Transport

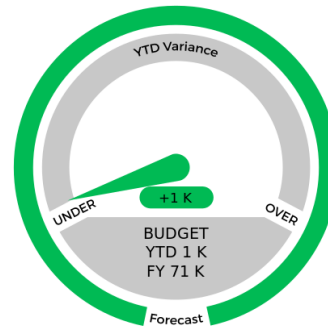
Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ● ≥ 5% and < 10% ● ≥ 10%			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
\$0.9M	\$54.7K over budget ↑	\$1.1M	\$273.1K under budget ↑
Against a YTD budget of \$0.8M and a full year budget of \$5.1M		Against a YTD budget of \$1.4M and a full year budget of \$8.6M	

Operating expenditure by activity



Transport Planning and Services



Navigation and Safety

Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall transport expenditure is under budget.

Material activity variances (> or < than \$100,000) are:

Transport planning and services - \$272,105 under budget due to higher bus service contract costs expected later in the financial year.

Cost of services statement

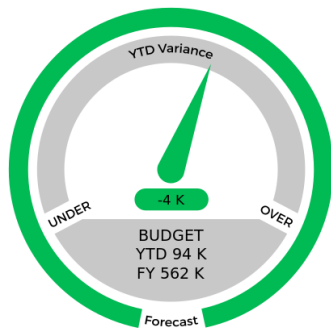
Transport							
	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Transport Planning and Services	602,276	703,201	100,925	1,135,739	1,407,844	272,105	8,506,005
Navigation and Safety	-	500	500	-	1,000	1,000	71,000
Total expenditure	602,276	703,701	101,425	1,135,739	1,408,844	273,105	8,577,005
Income							
General rates	-194,053	-194,053	-	-41,007	-41,007	-	422,508
Targeted rates	671,999	671,999	-	671,999	671,999	-	2,687,997
Direct charges	141,873	92,850	49,023	246,791	185,700	61,091	1,114,173
Government grants	370,365	315,355	55,010	624,320	630,710	-6,390	3,955,086
Government grants for capital	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-
Investment funds	-387,909	-182,450	-205,459	-366,364	-38,558	-327,806	397,241
Total income	602,276	703,701	-101,425	1,135,739	1,408,844	-273,105	8,577,005
Operating surplus/(deficit)	-	-	-	-	-	-	-

Ko te mana tiaki i te waipuke, i ngā pūmate

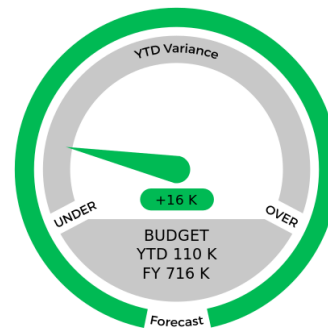
Flood protection and hazard management

Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ● ≥ 5% and < 10% ● ≥ 10%			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
\$0.0M	\$0.1K over budget ↑	\$0.2M	\$12.4K under budget ↓
Against a YTD budget of \$0.0M and a full year budget of \$0.0M		Against a YTD budget of \$0.2M and a full year budget of \$1.3M	
Operating expenditure by activity			



Emergency management



River and Flood Risk Management

Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall flood protection and hazard management expenditure is on budget.

There are no material activity variances (> or < than \$100,000).

Cost of services statement

Flood protection and hazard management							
	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Emergency management	54,125	46,866	-7,259	97,362	93,732	-3,630	562,392
River and Flood Risk Management	57,248	54,083	-3,165	93,509	109,582	16,073	716,166
Total expenditure	111,373	100,949	-10,424	190,871	203,314	12,443	1,278,558
Income							
General rates	-41,776	-41,776	-	10,984	10,984	-	309,079
Targeted rates	201,572	201,573	-	201,572	201,573	-	806,290
Direct charges	26	-	26	78	-	78	-
Government grants	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-
Transfer to reserves	-144,351	-	-144,351	-108,142	-	-108,142	-49,132
Investment funds	115,470	-39,279	154,749	105,946	10,326	95,620	290,593
Total income	130,942	120,518	10,424	210,440	222,883	-12,443	1,356,830
Operating surplus/(deficit)	19,569	19,569	-	19,569	19,569	-	78,272

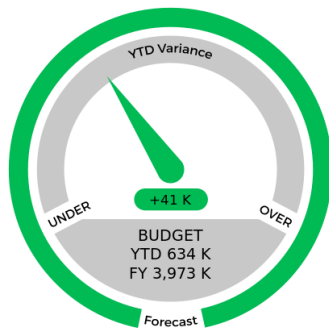
Ko ngā noninga ā-rohe

Regional facilities

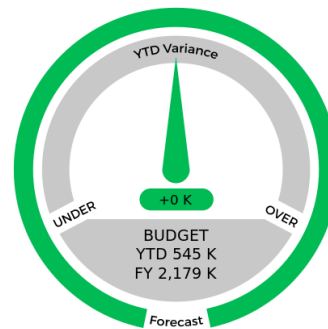
Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ● ≥ 5% and < 10% ● ≥ 10%			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities:	
Actual YTD	Trend	Actual YTD	Trend
\$0.0M	\$4.9K under budget ↑	\$1.1M	\$40.6K under budget ↑
Against a YTD budget of \$0.0M and a full year budget of \$0.1M		Against a YTD budget of \$1.2M and a full year budget of \$6.2M	

Operating expenditure by activity



Regional gardens



Yarrow Stadium

Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall regional facilities expenditure is on budget.

There are no material activity variances (> or < than \$100,000).



Cost of services statement

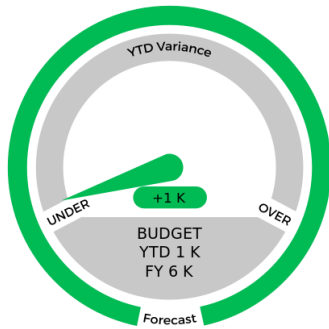
Regional Facilities							
	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Regional gardens	305,075	315,370	10,295	593,189	633,798	40,609	3,972,583
Yarrow Stadium	544,667	544,667	-	544,667	544,667	-	2,178,669
Total expenditure	849,742	860,037	10,295	1,137,856	1,178,465	40,609	6,151,252
Income							
General rates	158,236	158,236	-	318,048	318,048	-	1,995,803
Targeted rates	544,667	544,667	-	544,667	544,667	-	2,178,669
Direct charges	8,412	8,361	51	11,824	16,722	-4,898	100,331
Investment funds	138,426	148,773	-10,347	263,317	299,028	-35,711	1,876,449
Total income	849,742	860,037	-10,295	1,137,856	1,178,465	-40,609	6,151,252
Operating surplus/(deficit)	-	-	-	-	-	-	-

Ko te mana whakahaere rohe

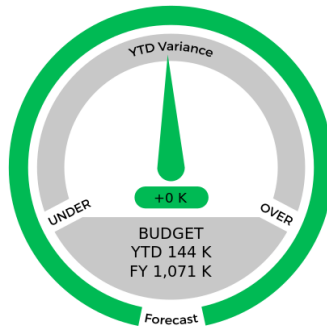
Regional leadership and governance

Financial performance

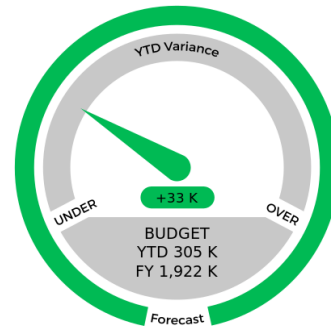
Financial indicators			
Financial threshold key (for adverse variances): ● ≥ 5% and < 10% ● ≥ 10%			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
\$0.0M	\$50.1K under budget 	\$0.4M	\$34.7K under budget 
Against a YTD budget of \$0.1M and a full year budget of \$0.4M		Against a YTD budget of \$0.4M and a full year budget of \$3.0M	
Operating expenditure by activity			



Investment management



Community engagement



Governance

Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall regional leadership and governance expenditure is under budget.

There are no material activity variances (> or < than \$100,000).

Cost of services statement

Regional leadership and governance							
	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Investment management	-	500	500	-	1,000	1,000	6,000
Community engagement	64,523	71,646	7,123	143,450	143,895	445	1,070,748
Governance	138,599	151,465	12,866	271,430	304,682	33,252	1,922,435
Total expenditure	203,122	223,611	20,489	414,880	449,577	34,697	2,999,183
Income							
General rates	89,353	89,353	-	205,690	205,690	-	1,338,100
Direct charges	118	50,250	-50,132	353	50,500	-50,147	403,000
Investment funds	113,651	84,008	29,643	208,836	193,387	15,449	1,258,083
Total income	203,122	223,611	-20,489	414,880	449,577	-34,697	2,999,183
Operating surplus/(deficit)	-	-	-	-	-	-	-

Ko te whāriki i te āhuatanga pūtea

Statement of financial position

This statement summarises our assets, liabilities and residual equity. The statement is split between current items (those expected to be realised within 12 months) and non-current items (expected to last longer than 12 months).

	Month End Actual \$	2024/2025 Estimates \$	2023/2024 Annual Report \$
Current Assets			
Cash and cash equivalents	1,108,322	602,359	1,425,807
Current portion of investments	24,638,099	-	24,276,666
Trade and other receivables	8,810,724	4,160,000	8,527,049
Inventories	-	208,000	-
Treasury investments	112,500	-	112,500
Loan to Taranaki Stadium Trust	4,500,000	-	4,500,000
Prepayments	690,292	416,000	368,194
Work in progress	1,293,997	312,000	733,324
Total current assets	41,153,933	5,698,359	39,943,540
Non-current assets			
Treasury investments	925,000	27,083,000	675,000
Port Taranaki Ltd	26,000,000	26,000,000	26,000,000
Civic Assurance Ltd	1,000	1,000	1,000
Regional Software Holdings Ltd	798,118	798,118	798,118
Loan to Taranaki Stadium Trust	22,000,000	45,000,000	22,000,000
Investment properties	21,859,000	22,733,360	21,859,000
Intangible assets	1,209,558	1,550,000	1,268,232
Property plant and equipment	40,807,171	42,153,408	40,676,815
Deferred tax asset	166,401	160,000	166,401
Total non-current assets	113,766,248	165,478,886	113,144,566
Total assets	154,920,182	171,177,245	153,388,106
Current liabilities			
Trade and other payables	7,122,997	6,011,215	10,761,529
Work-in-progress	741,761	1,040,000	842,043
Employee entitlements current	1,495,316	1,664,000	1,374,184
Borrowings	4,500,000	2,000,000	4,500,000
Total current liabilities	13,860,074	10,715,215	17,477,756
Non-current liabilities			
Employee entitlements term	408,692	312,000	408,692
Borrowings	32,000,000	58,000,000	27,000,000
Total non-current liabilities	32,408,692	58,312,000	27,408,692
Total liabilities	46,268,766	69,027,215	44,886,448
Public equity			
Retained earnings	66,218,801	63,598,390	66,404,712
Reserves	32,429,841	31,395,885	32,094,173
Asset revaluation reserves	10,002,773	7,155,755	10,002,773
Total public equity	108,651,416	102,150,030	108,501,658
Total liabilities and equity	154,920,182	171,177,245	153,388,106

Capital expenditure and disposals

Capital expenditure in excess of \$10,000 for the month was:

Description	Amount \$
HVAC Upgrade Admin Building - Capital WIP	121,629
New Build & extra site works - Capital WIP	93,151
Fire Alarms ADM Building - Capital WIP	35,834
BBQ upgrade - Family Corner at Hollard Gardens - Capital WIP	11,039
Pukeiti Walkway Upgrade - Capital WIP	55,189

Fixed asset disposals in excess of \$10,000 for the month were:

Description	Amount \$
Skoda Superb	23,200

Local Authorities (Members' Interests) Act 1968

Additions to the Creditors Detail List for the month were:

Code	Creditor name	Address	Date established
12586	Ian Wilson	188 Tahaia Road, RD 5, Otorohanga 3975	Aug-24
12587	B H & C A Taylor Family Trust	644 Kent Road, RD 1, New Plymouth 4371	Aug-24
12588	JC & SD Muggeridge	2 Edna Wills Place, Hawera 4610	Aug-24
12589	Ample Group Ltd	PO Box 193, Stratford 4352	Aug-24
12590	RS Pinn Consultants Ltd	3 Eighteenth Avenue, Tauranga 3112	Aug-24
12591	Invisi Ltd	50E Trentham Road, RD 4, Hamilton 3284	Aug-24
12593	Water Technology (Nz) Ltd	6 Churchill Place, Cambridge 3434	Aug-24
12594	T Edgecombe Horticulture Ltd	15 Mccaughan Road, RD 1, Kerikeri 0294	Aug-24
12595	SM Bainbridge	107 Seaview Road, New Plymouth 4310	Aug-24
12596	Move Freight Ltd	24 Paraite Road, New Plymouth 4312	Aug-24
12597	GJ Meredith Ltd	312 Corbett Road, New Plymouth 4373	Aug-24
12598	New Zealand Plant Producers Inc	23 Waring Taylor Street, Wellington 6011	Aug-24
12599	Mr Seamus Boyer	34 Reading Street, Greytown 5712	Aug-24
12602	CMS Auto & Marine Upholstery Ltd	19 Wallscourt Place, Normanby 4614	Aug-24
12603	Haus of Flash Ltd	8 Hood Place, New Plymouth 4310	Aug-24
12604	22 Degrees	22 Crummer Road, Auckland 1021	Aug-24
12605	Snow Badger Ltd - T/A New World Stratford	PO Box 344, Stratford 4352	Aug-24
12606	The Silo Ltd	109 Kelly Street, Inglewood 4330	Aug-24
12607	Ngamotu Hospitality Ltd - T/A The Good Home NP	21 Ariki Street, New Plymouth 4310	Aug-24
12608	Gaustad Ltd	15 Moki Road, RD 48, Urenui 4378	Aug-24
12609	Rathlin Farms Trust	415 Kirihau Road, New Plymouth 4374	Aug-24
12610	J Swap Contractors Ltd	PO Box 153, Matamata 3440	Aug-24
12611	Arup NZ Ltd	PO Box 105958, Auckland 1143	Aug-24
12612	Pukengahu Hall Society Inc	252 Wingrove Road, Stratford 4393	Aug-24
12613	Te Aroha Connections	128 Tasman Street, Ōpunake 4616	Aug-24

Notes:

The schedule of all previously listed creditors for the purpose of the Local Authorities (Members' Interests) Act 1968 is available for Members' perusal.

The schedule excludes any staff who may have become a creditor.

Under the terms of Section 6 and Section (1) of the Local Authorities (Members' Interests) Act 1968, members are required to declare if they hold directly or indirectly, a pecuniary interest other than an interest in common with the public.

Financial delegations

The following payments were made during the period to 31 August 2024 that exceeded the budgeted approved delegated authority levels:

Description	Amount \$
Nil	-

Aged debtors analysis

The total debtors outstanding at 31 August 2024 were aged as follows:

Description	Amount \$	Percent %
Current balance	5,842,310	83
30 days balance	31,959	1
60 days balance	817,601	11
90 days and over balance	365,396	5
Total debtors	7,057,266	100

Reserves

As at 31 August 2024 the following reserve balances were held:

Description	Amount \$
Contingency/Disaster Reserve	1,086,000
North Taranaki/Waitara River Control Scheme Reserve	1,343,881
South Taranaki Rivers Control Scheme Reserve	463,000
Dividend Equalisation Reserve	3,331,829
Egmont National Park Control Reserve	(2,942)
Endowment Land Sales Reserve	2,935,000
Waitara Lands Act 2018 Reserve	23,273,074
Total reserves	32,429,841

Borrowing

The total LGFA borrowing at 31 August 2024 was as follows:

Maturity date	Amount \$	Interest rate %
15/04/2025	1,000,000	4.02
15/04/2025	1,500,000	5.84
15/04/2025	2,000,000	5.76
15/04/2026	1,000,000	2.49
15/04/2026	1,000,000	3.34
15/04/2026	2,000,000	3.74
15/04/2027	1,500,000	2.63
15/04/2027	1,000,000	3.78
15/04/2027	1,500,000	5.95
15/04/2027	2,000,000	5.97
15/04/2027	1,000,000	5.97
15/05/2028	2,000,000	5.89
15/05/2028	3,000,000	5.78
15/05/2028	2,000,000	5.77
15/05/2028	1,000,000	5.41
20/04/2029	1,000,000	6.05
20/04/2029	2,000,000	4.27
20/04/2029	2,000,000	5.52
20/04/2029	1,000,000	6.14
20/04/2029	1,000,000	6.14
20/04/2029	2,000,000	6.02
20/04/2029	1,000,000	6.02
20/04/2029	3,000,000	6.09
Total borrowings	36,500,000	5.3*

All borrowings are in accordance with the Liability Management Policy. *Weighted average interest rate

Borrowing limits

Council borrowing against policy limits at 31 August 2024 was as follows:

Item	Required performance	Actual performance
Net Debt/Total Revenue	≤225%	19.7%
Net Interest/Total Revenue	≤15%	-0.7%
Net Interest/Annual Rates Income	<20%	-1.5%
Liquidity	>110%	173.4%
Debt Cap	\$100 million	\$36.5 million

Bank and investment balances

As at 31 August 2024 the following cash, bank and investment balances were held:

	% of Total	Council policy % limits	Invested \$	Council policy \$ limits	S&P Credit rating	Yield %	Maturity date
BNZ							
Call Account	1		326,602			0.3	On Call
Current Account	3		755,367			0.1	On Call
Waitara Lands Account	-		119			0.1	On Call
Waitara Lands Term Investment	2		592,970			6.3	20/11/2024
Waitara Lands Term Investment	6		1,526,739			6.1	5/05/2025
Waitara Lands Term Investment	2		559,208			6.1	26/05/2025
Waitara Lands Term Investment	2		477,745			6.1	21/04/2025
Total BNZ	16	50	4,238,750	30,000,000	AA-		
ASB							
Cheque Account	-		10			0.0	On Call
Waitara Lands Term Investment	2		598,141			6.1	30/09/2024
Waitara Lands Term Investment	9		2,419,115			6.4	02/11/2024
Waitara Lands Term Investment	5		1,316,942			6.4	04/11/2024
Waitara Lands Term Investment	19		4,927,938			5.8	30/01/2025
Total ASB	35	50	9,262,146	30,000,000	AA-		
Westpac							
Waitara Lands Account	-		3,686			0.1	On Call
Term Investment	12		2,984,634			6.0	06/10/2024
Waitara Lands Term Investment	9		2,530,835			5.8	20/01/2025
Waitara Lands Term Investment	9		2,534,712			5.9	22/06/2025
Waitara Lands Term Investment	6		1,680,461			6.4	11/10/2024
Total Westpac	36	50	9,734,328	30,000,000	AA-		
TSB							
Cheque Accounts	-		17,148			0.0	On Call
Call Account	-		5,389			0.5	On Call
Waitara Lands Term Investment	9		2,488,660			5.8	31/01/2025
Total TSB	9	25	2,511,197	15,000,000	A-		
LGFA							
Borrower Notes x 23	4	Unlimited	1,037,500	Unlimited	N/A	4.8	Various
Total	100		26,783,921			5.9*	

All investments are in accordance with the Investment Policy. * Weighted average interest rate.



PŪRONGO PŪTEA O TE MARAMA MONTHLY FINANCIAL REPORT

Mahuru | September 2024/2025






Ngā rārangi take


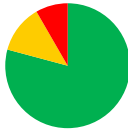


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Executive Summary

Financial performance

Financial indicators					
Financial threshold key (for adverse variances): ● ≥5% and <10% ● ≥10%					
Total revenue		Operating expenditure		Operating surplus/deficit	
What we earn – rates, charges, grants and investment income		The costs to operate our activities		Total revenue less operating expenditure	
Actual YTD	Trend	Actual YTD	Trend	Actual YTD	Trend
\$9.4M	\$4096.7K under budget 	\$13.1M	\$1237.1K under budget 	\$-3.7M	\$3147.8K behind budget 
Against a YTD budget of \$13.5M and a full year budget of \$50.3M		Against a YTD budget of \$14.1M and a full year budget of \$54.4M		Against a YTD budget of \$-0.6M and a full year budget of \$-4.2M	

Financial performance			
Operating Expenditure		Income	
Actual	Forecast	Actual	Forecast
Financial Performance 	Future Performance 	Financial Performance 	Future Performance 

Commentary and variances

As at 30 September 2024, the overall financial result is behind budget. This is due to the Port Taranaki Limited dividend not being received until October, a month later than planned.

Key

This section defines the symbols and colours used in the Executive Summary and the Groups of Activities.

Introduction

In the “Financial Indicators Section”, for revenue, expenditure and operating surplus/deficit, for the whole of the Council the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates an improving trend and a red down arrow indicates a deteriorating trend.

The financial performance pie graphs for operating expenditure and income show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of activities where the variance is within plus or minus 5% and less than \$50,000. The yellow slice indicates the number of activities where the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. The red slice indicates the number of activities where the variance is more than plus or minus 10% and more than \$100,000.

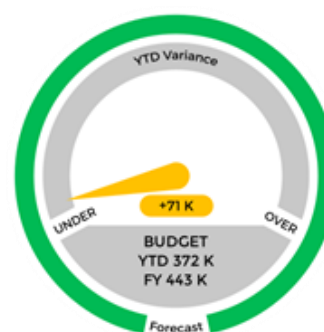
The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

For each Group of Activities:

In the “Financial Indicators Section”, for revenue and expenditure, for that group of activities, the actual year to date (YTD) performance is compared against the YTD budget. A green variance indicates that the variance is within plus or minus 5% and less than \$50,000. A yellow variance indicates that the variance is greater than plus or minus 5% and between \$50,000 and \$100,000 but less than plus or minus 10% and more than \$100,000. A red variance indicates that the variance is more than plus or minus 10% and more than \$100,000. The arrow indicates the trend over time. A green up arrow indicates an improving trend and a red down arrow indicates a deteriorating trend.

In the “Operating expenditure by activity” section, there is a dial for each activity comparing YTD expenditure against budget and a forecast for the rest of the year. The colours are green – variance of less than plus or minus 5% and less than \$50,000, yellow – plus or minus variance of more than 5% and between \$50,000 and \$100,000 but less than 10% and red – plus or minus variance of more than 10% and \$100,000. The key components of each dial are:

- The outer ring is the forecast for the rest of the year – green OK, yellow performance at risk, red target will not be achieved
- The pointer indicates whether the variance is over or under budget and the colour indicates the scale of the variance – the actual variance figure sits at the bottom of the pointer
- The YTD and Full Year (FY) budgets are included in the grey section.



The operational performance pie graphs for levels of service and individual activities show the actual performance against budget and the forecast performance against budget, accumulated for all activities within that group of activities. The green slice indicates the number of levels of service/activities where the actual performance is on target. The yellow slice indicates the number of levels of service/activities where the actual performance is at risk of not being achieved. The red slice indicates the number of levels of service/activities where the actual performance is not meeting the target.

Statement of comprehensive revenue and expense

This statement summarises performance against budget for the month and for the year to date.

	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Cost of services							
Resource management	2,012,249	1,897,302	-114,947	4,632,384	4,791,516	159,132	18,477,101
Catchment management	1,592,410	1,946,498	354,088	3,539,167	4,100,601	561,434	15,027,004
Transport	663,756	751,061	87,305	1,799,496	2,159,905	360,409	8,577,005
Flood Protection and Hazard management	100,567	111,160	10,593	291,438	314,474	23,036	1,278,558
Regional Facilities	422,257	397,951	-24,306	1,560,113	1,576,416	16,303	6,151,252
Regional Leadership and Governance	360,020	298,013	-62,008	774,900	747,590	-27,310	2,999,183
Total operating expenditure	5,151,260	5,401,985	250,725	12,597,497	13,690,502	1,093,005	52,510,103
Revenue from exchange transactions							
Direct charges revenue	409,315	440,446	-31,131	1,157,117	1,371,338	-214,221	6,572,764
Rent revenue	106,408	137,467	-31,059	345,260	412,401	-67,141	1,649,600
Dividends	-	4,000,000	-4,000,000	-	4,000,000	-4,000,000	8,000,000
Revenue from non-exchange transactions							
General rates revenue	-	-	-	4,071,461	4,071,461	-	16,285,842
Targeted rates revenue	-	-	-	1,418,239	1,418,239	-	5,672,956
Direct charges revenue	429,752	459,410	-29,658	773,192	805,230	-32,038	4,079,421
Government grants	256,385	315,355	-58,970	880,705	946,065	-65,360	4,864,586
Vested assets	-	-	-	-	-	-	-
Total income	1,201,860	5,352,678	-4,150,818	8,645,974	13,024,734	-4,378,760	47,125,169
Operating surplus/(deficit) before finance income/expenses & taxation	-3,949,400	-49,307	-3,900,093	-3,951,523	-665,768	-3,285,755	-5,384,934
Finance income	251,375	159,583	91,792	742,094	459,999	282,095	2,267,500
Finance expense	-172,762	-131,250	41,512	-511,601	-367,500	144,101	-1,935,000
Net finance expense	78,612	28,333	50,279	230,493	92,499	137,994	332,500
Operating surplus before taxation	-3,870,788	-20,974	-3,849,814	-3,721,030	-573,269	-3,147,761	-5,052,434
Other gains/losses							
Gains/(losses) on revaluation of properties	-	-	-	-	-	-	874,360
Operating surplus before taxation	-3,870,788	-20,974	-3,849,814	-3,721,030	-573,269	-3,147,761	-4,178,074
Income tax expense	-	-	-	-	-	-	10,000
Surplus/(deficit) for the period	-3,870,788	-20,974	-3,849,814	-3,721,030	-573,269	-3,147,761	-4,188,074
Other comprehensive income							
Revaluation of property, plant and equipment	-	-	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	-	-
Operating surplus/(deficit)	-3,870,788	-20,974	-3,849,814	-3,721,030	-573,269	-3,147,761	-4,188,074

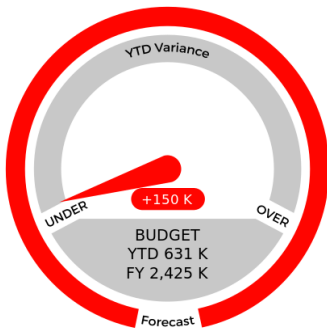
Ko ngā ture whakahaere rawa

Resource management

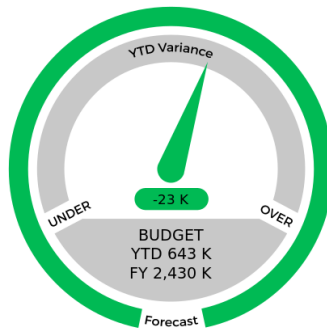
Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ● ≥5% and <10% ● ≥10%			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
\$1.3M	\$169.4K under budget ↓	\$4.6M	\$159.1K under budget ↓
Against a YTD budget of \$1.4M and a full year budget of \$6.9M		Against a YTD budget of \$4.8M and a full year budget of \$18.5M	

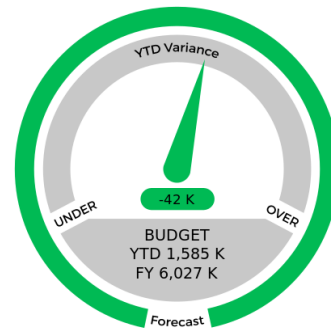
Operating expenditure by activity



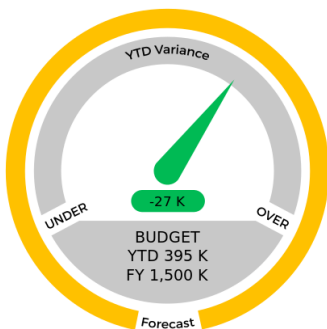
Resource management planning



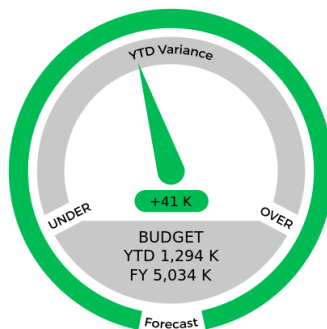
Resource consent processing



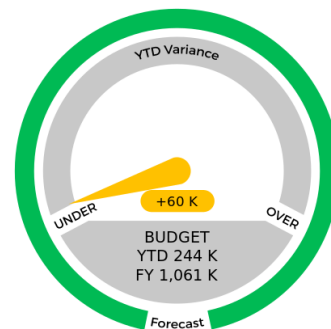
Compliance monitoring



Pollution incidence and response



State of the environment monitoring



Environmental science investigations

Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall resource management expenditure is under budget.

Material activity variances (> or < than \$100,000) are:

Resource Management planning - \$149,628 under budget due to delayed expenditure on project costs.

Direct charges revenue - \$169,415 under budget mainly due to timing of compliance monitoring revenues, due to it being so early in the financial year.

Cost of services statement

Resource Management							
	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Resource management planning	217,414	241,424	24,010	481,356	630,984	149,628	2,424,884
Resource consent processing	283,323	261,751	-21,572	665,549	642,786	-22,763	2,430,374
Compliance monitoring	707,661	628,993	-78,668	1,627,617	1,585,349	-42,268	6,026,810
Pollution incidents and response	185,308	156,400	-28,908	421,341	394,605	-26,736	1,500,028
State of the environment monitoring	541,507	511,908	-29,599	1,253,038	1,293,900	40,862	5,034,088
Environmental science investigations	77,035	96,826	19,791	183,483	243,892	60,409	1,060,917
Total expenditure	2,012,249	1,897,302	-114,947	4,632,384	4,791,516	159,132	18,477,101
Income							
General rates	732,567	732,567	-	1,733,630	1,733,630	-	5,969,459
Direct charges	461,971	475,978	-14,007	1,258,519	1,427,934	-169,415	6,895,161
Government grants	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-
Investment funds	817,711	688,757	128,954	1,640,235	1,629,952	10,283	5,612,481
Total income	2,012,249	1,897,302	114,947	4,632,384	4,791,516	-159,132	18,477,101
Operating surplus/(deficit)	-	-	-	-	-	-	-

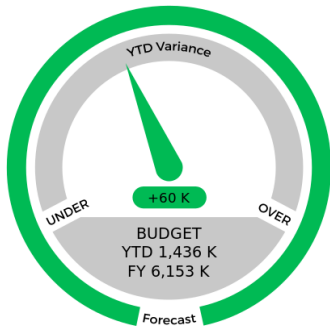
Ko te mana whakahaere riu hopuwai

Catchment management

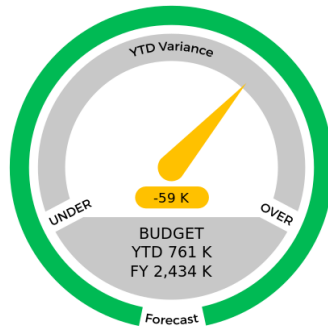
Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ● $\geq 5\%$ and $< 10\%$ ● $\geq 10\%$			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
\$0.4M	\$280.8K over budget ↑	\$3.5M	\$561.4K under budget ↑
Against a YTD budget of \$0.1M and a full year budget of \$2.4M		Against a YTD budget of \$4.1M and a full year budget of \$15.0M	

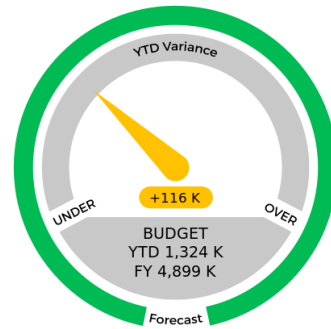
Operating expenditure by activity



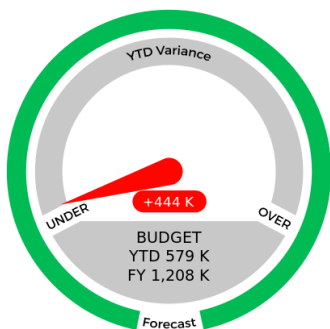
Biosecurity



Biodiversity



Sustainable land management



Catchment enhancement

Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall catchment management expenditure is under budget.

Material activity variances (> or < than \$100,000) are:

Catchment enhancement - \$444,396 under budget due to lower year to date expenditure on STRESS projects. This is expected to be fully spent by year end.

Sustainable land management - \$115,692 under budget due to less riparian plant purchases than planned.

Direct charges revenue - \$280,843 over budget due to higher and earlier Waitara river catchment investment returns than planned.

Cost of services statement

Catchment management							
	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Biosecurity	583,532	557,827	-25,705	1,375,707	1,436,169	60,462	6,153,071
Biodiversity	494,513	450,487	-44,026	819,869	760,778	-59,091	2,433,661
Sustainable land management	496,046	574,054	78,008	1,208,642	1,324,334	115,692	4,898,534
Catchment enhancement	18,320	364,130	345,810	134,924	579,320	444,396	1,208,218
Total expenditure	1,592,410	1,946,498	354,088	3,539,167	4,100,601	561,434	15,027,004
Income							
General rates	992,809	992,809	-	2,068,267	2,068,267	-	6,250,896
Direct charges	105,452	20,251	85,201	368,596	87,753	280,843	2,404,273
Government grants	-	-	-	-	-	-	909,500
Transfer from reserves	-	-	-	-	-	-	450,000
Transfer to reserves	-110,438	-	-110,438	-337,965	-	-337,965	-600,000
Investment funds	604,588	933,438	-328,850	1,440,268	1,944,581	-504,313	5,612,335
Total income	1,592,410	1,946,498	-354,088	3,539,167	4,100,601	-561,434	15,027,004
Operating surplus/(deficit)	-	-	-	-	-	-	-

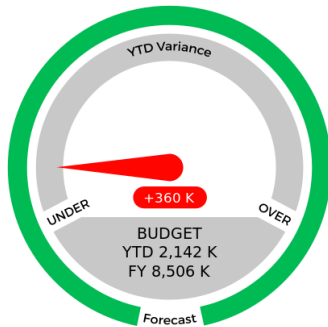
Ko ngā kawenga waka

Transport

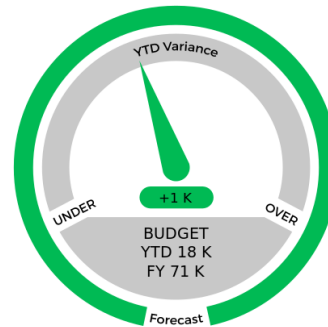
Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ● ≥5% and <10% ● ≥10%			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
\$1.3M	\$28.8K over budget ↓	\$1.8M	\$360.4K under budget ↑
Against a YTD budget of \$1.2M and a full year budget of \$5.1M		Against a YTD budget of \$2.2M and a full year budget of \$8.6M	

Operating expenditure by activity



Transport Planning and Services



Navigation and Safety

Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall transport expenditure is under budget.

Material activity variances (> or < than \$100,000) are:

Transport planning and services - \$359,784 under budget due to higher bus service contract costs expected later in the financial year.

Cost of services statement

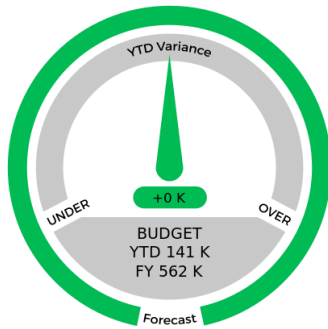
Transport							
	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Transport Planning and Services	646,631	734,311	87,680	1,782,371	2,142,155	359,784	8,506,005
Navigation and Safety	17,125	16,750	-375	17,125	17,750	625	71,000
Total expenditure	663,756	751,061	87,305	1,799,496	2,159,905	360,409	8,577,005
Income							
General rates	176,711	176,711	-	135,704	135,704	-	422,508
Targeted rates	-	-	-	671,999	671,999	-	2,687,997
Direct charges	125,941	92,850	33,091	372,732	278,550	94,182	1,114,173
Government grants	256,385	315,355	-58,970	880,705	946,065	-65,360	3,955,086
Government grants for capital	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-
Transfer to reserves	-	-	-	-	-	-	-
Investment funds	104,720	166,145	-61,425	-261,645	127,587	-389,232	397,241
Total income	663,756	751,061	-87,305	1,799,496	2,159,905	-360,409	8,577,005
Operating surplus/(deficit)	-	-	-	-	-	-	-

Ko te mana tiaki i te waipuke, i ngā pūmate

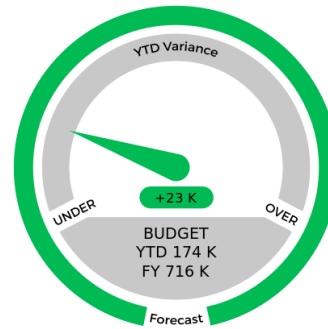
Flood protection and hazard management

Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ● ≥5% and <10% ● ≥10%			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
\$0.0M	\$0.1K over budget ↑	\$0.3M	\$23.0K under budget ↑
Against a YTD budget of \$0.0M and a full year budget of \$0.0M		Against a YTD budget of \$0.3M and a full year budget of \$1.3M	
Operating expenditure by activity			



Emergency management



River and Flood Risk Management

Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall flood protection and hazard management expenditure is under budget.

There are no material activity variances (> or < than \$100,000).

Cost of services statement

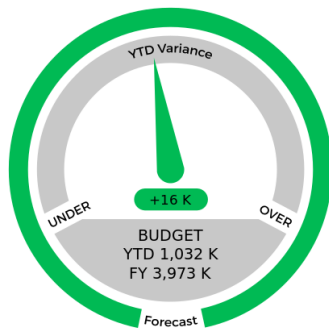
Flood protection and hazard management							
	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Emergency management	43,236	46,866	3,630	140,598	140,598	-	562,392
River and Flood Risk Management	57,331	64,294	6,963	150,840	173,876	23,036	716,166
Total expenditure	100,567	111,160	10,593	291,438	314,474	23,036	1,278,558
Income							
General rates	57,293	57,293	-	68,277	68,277	-	309,079
Targeted rates	-	-	-	201,572	201,573	-	806,290
Direct charges	-	-	-	78	-	78	-
Government grants	-	-	-	-	-	-	-
Transfer from reserves	-	-	-	-	-	-	-
Transfer to reserves	57,331	-	57,331	-50,811	-	-50,811	-49,132
Investment funds	-14,056	53,867	-67,924	91,890	64,193	27,697	290,593
Total income	100,567	111,160	-10,593	311,007	334,043	-23,036	1,356,830
Operating surplus/(deficit)	-	-	-	19,569	19,569	-	78,272

Ko ngā noninga ā-rohe

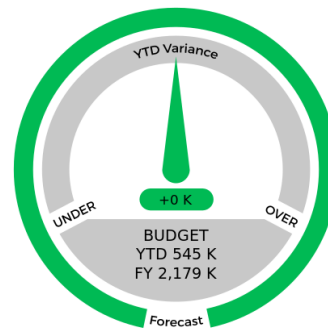
Regional facilities

Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ● ≥5% and <10% ● ≥10%			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
\$0.0M	\$4.4K under budget ↑	\$1.6M	\$16.3K under budget ↓
Against a YTD budget of \$0.0M and a full year budget of \$0.1M.		Against a YTD budget of \$1.6M and a full year budget of \$6.2M.	
Operating expenditure by activity			



Regional gardens



Yarrow Stadium

Key	YTD Variance
■	< 5% and less than \$50,000
■	≥ 5% < 10% and between \$50,000 and \$100,000
■	≥ 10% and greater than \$100,000

Commentary and variances

Overall regional facilities expenditure is on budget.

There are no material activity variances (> or < than \$100,000).

Cost of services statement

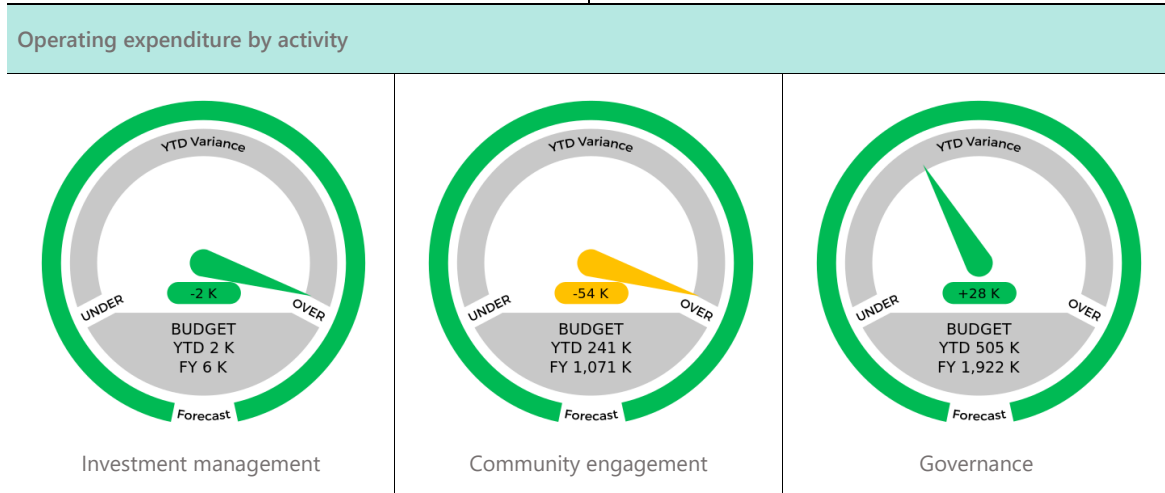
Regional Facilities							
	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Regional gardens	422,257	397,951	-24,306	1,015,446	1,031,749	16,303	3,972,583
Yarrow Stadium	-	-	-	544,667	544,667	-	2,178,669
Total expenditure	422,257	397,951	-24,306	1,560,113	1,576,416	16,303	6,151,252
Income							
General rates	200,799	200,799	-	518,847	518,847	-	1,995,803
Targeted rates	-	-	-	544,667	544,667	-	2,178,669
Direct charges	8,887	8,361	526	20,712	25,083	-4,371	100,331
Investment funds	212,570	188,791	23,779	475,887	487,819	-11,932	1,876,449
Total income	422,257	397,951	24,306	1,560,113	1,576,416	-16,303	6,151,252
Operating surplus/(deficit)	-	-	-	-	-	-	-

Ko te mana whakahaere rohe

Regional leadership and governance

Financial performance

Financial indicators			
Financial threshold key (for adverse variances): ● $\geq 5\%$ and $< 10\%$ ● $\geq 10\%$			
Total revenue		Operating expenditure	
What we earn – rates, charges, grants and investment income		The costs to operate our activities	
Actual YTD	Trend	Actual YTD	Trend
\$0.2M	\$103.2K under budget ↓	\$0.8M	\$27.3K over budget ↓
Against a YTD budget of \$0.4M and a full year budget of \$0.4M.		Against a YTD budget of \$0.7M and a full year budget of \$3.0M.	



Key	YTD Variance
■	$< 5\%$ and less than \$50,000
■	$\geq 5\%$ $< 10\%$ and between \$50,000 and \$100,000
■	$\geq 10\%$ and greater than \$100,000

Commentary and variances

Overall regional leadership and governance expenditure is on budget.

Material activity variances (> or < than \$100,000) are:

Regional leadership and governance direct charges revenue - \$103,220 under budget due to the community engagement external funding which will be received later in the financial year.

Cost of services statement

Regional leadership and governance							
	Month			Year to date			2024/2025
	Actual \$	Budget \$	Variance \$	Actual \$	Budget \$	Variance \$	Budget \$
Expenditure							
Investment management	3,025	500	-2,525	3,025	1,500	-1,525	6,000
Community engagement	150,970	96,774	-54,196	294,420	240,669	-53,751	1,070,748
Governance	206,026	200,739	-5,287	477,455	505,421	27,966	1,922,435
Total expenditure	360,020	298,013	-62,008	774,900	747,590	-27,310	2,999,183
Income							
General rates	-1,152	-1,152	-	204,538	204,538	-	1,338,100
Direct charges	247,177	300,250	-53,073	247,530	350,750	-103,220	403,000
Investment funds	113,996	-1085	115,080	322,832	192,302	130,530	1,258,083
Total income	360,020	298,013	-62,008	774,900	747,590	-27,310	2,999,183
Operating surplus/(deficit)	-	-	-	-	-	-	-

Ko te whāriki i te āhuatanga pūtea

Statement of financial position

This statement summarises our assets, liabilities and residual equity. The statement is split between current items (those expected to be realised within 12 months) and non-current items (expected to last longer than 12 months).

	Month End Actual \$	2024/2025 Estimates \$	2023/2024 Annual Report \$
Current Assets			
Cash and cash equivalents	2,895,196	602,359	1,425,807
Current portion of investments	24,756,855	-	24,276,666
Trade and other receivables	2,727,040	4,160,000	8,527,049
Inventories	-	208,000	-
Treasury investments	112,500	-	112,500
Loan to Taranaki Stadium Trust	4,500,000	-	4,500,000
Prepayments	610,465	416,000	368,194
Work in progress	1,597,496	312,000	733,324
Total current assets	37,199,552	5,698,359	39,943,540
Non-current assets			
Treasury investments	1,125,000	27,083,000	675,000
Port Taranaki Ltd	26,000,000	26,000,000	26,000,000
Civic Assurance Ltd	1,000	1,000	1,000
Regional Software Holdings Ltd	798,118	798,118	798,118
Loan to Taranaki Stadium Trust	26,000,000	45,000,000	22,000,000
Investment properties	21,859,000	22,733,360	21,859,000
Intangible assets	1,181,171	1,550,000	1,268,232
Property plant and equipment	40,904,972	42,153,408	40,676,815
Deferred tax asset	166,401	160,000	166,401
Total non-current assets	118,035,663	165,478,886	113,144,566
Total assets	155,235,215	171,177,245	153,388,106
Current liabilities			
Trade and other payables	7,197,682	6,011,215	10,761,529
Work-in-progress	708,767	1,040,000	842,043
Employee entitlements current	1,639,448	1,664,000	1,374,184
Borrowings	4,500,000	2,000,000	4,500,000
Total current liabilities	14,045,896	10,715,215	17,477,756
Non-current liabilities			
Employee entitlements term	408,692	312,000	408,692
Borrowings	36,000,000	58,000,000	27,000,000
Total non-current liabilities	36,408,692	58,312,000	27,408,692
Total liabilities	50,454,588	69,027,215	44,886,448
Public equity			
Retained earnings	62,294,906	63,598,390	66,404,712
Reserves	32,482,949	31,395,885	32,094,173
Asset revaluation reserves	10,002,773	7,155,755	10,002,773
Total public equity	104,780,627	102,150,030	108,501,658
Total liabilities and equity	155,235,215	171,177,245	153,388,106

Capital expenditure and disposals

Capital expenditure in excess of \$10,000 for the month was:

Description	Amount \$
Honda Pioneer SXS520M2	20,995
HP Zbook x6	18,988
HP Probook x10	15,400
Regional Garden Security - Capital WIP	19,517
New Build and Extra Site Works - Capital WIP	108,680
Fire Alarms ADM Building - Capital WIP	29,300
BBQ upgrade - Family Corner at Hollard Gardens - Capital WIP	10,190
Pukeiti Walkway Upgrade - Capital WIP	17,189

Fixed asset disposals in excess of \$10,000 for the month were:

Description	Amount \$
Nil	-

Local Authorities (Members' Interests) Act 1968

Additions to the Creditors Detail List for the month were:

Code	Creditor name	Address	Date established
12616	Eco Property Wash Limited	18B Karamea Street, New Plymouth 4310	Sep-24
12617	Subterrain Drilling Limited	37 Kingsford Street, New Plymouth 4312	Sep-24
12618	Rural Assist Ltd	247 Watershed Road, Palmerston North 4470	Sep-24
12619	Hann Holdings Ltd	1628 Otaraoa Road, Waitara 4383	Sep-24
12623	Traverse Environmental Ltd	PO Box 245, Taupo 3351	Sep-24
12624	Diane Owenga & Associates Ltd	130 Onepu Road, Wellington 6022	Sep-24
12627	W & P Rumball	398A Devon Street East, New Plymouth 4312	Sep-24
12628	PFS Engineering Ltd	PO Box 350, Hamilton 3216	Sep-24
12630	SMH Services Ltd - T/A Quest Newmarket	31-39 Davis Crescent, Auckland	Sep-24
12631	Kelvin Hotel	20 Kelvin Street, Invercargill 9810	Sep-24
12634	Rainbow And Brown Ltd	PO Box 10049, Rotorua 3046	Sep-24

Notes:

The schedule of all previously listed creditors for the purpose of the Local Authorities (Members' Interests) Act 1968 is available for Members' perusal.

The schedule excludes any staff who may have become a creditor.

Under the terms of Section 6 and Section (1) of the Local Authorities (Members' Interests) Act 1968, members are required to declare if they hold directly or indirectly, a pecuniary interest other than an interest in common with the public.

Financial delegations

The following payments were made during the period to 30 September 2024 that exceeded the budgeted approved delegated authority levels:

Description	Amount \$
Nil	-

Aged debtors analysis

The total debtors outstanding at 30 September 2024 were aged as follows:

Description	Amount \$	Percent %
Current balance	736,188	59
30 days balance	82,315	6
60 days balance	9,415	3
90 days and over balance	402,102	32
Total debtors	1,230,020	100

Reserves

As at 30 September 2024 the following reserve balances were held:

Description	Amount \$
Contingency/Disaster Reserve	1,086,000
North Taranaki/Waitara River Control Scheme Reserve	1,299,750
South Taranaki Rivers Control Scheme Reserve	(16,142)
Dividend Equalisation Reserve	3,331,829
Egmont National Park Control Reserve	463,000
Endowment Land Sales Reserve	2,935,000
Waitara Lands Act 2018 Reserve	23,383,512
Total reserves	32,482,949

Borrowing

The total LGFA borrowing at 30 September 2024 was as follows:

Maturity date	Amount \$	Interest rate %
15/04/2025	1,000,000	4.02
15/04/2025	1,500,000	5.84
15/04/2025	2,000,000	5.42
15/04/2026	1,000,000	2.49
15/04/2026	1,000,000	3.34
15/04/2026	2,000,000	3.74
15/04/2026	4,000,000	5.48
15/04/2027	1,500,000	2.63
15/04/2027	1,000,000	3.78
15/04/2027	1,500,000	5.61
15/04/2027	2,000,000	5.63
15/04/2027	1,000,000	5.63
15/04/2027	2,000,000	5.55
15/05/2028	3,000,000	5.44
15/05/2028	2,000,000	5.77
15/05/2028	1,000,000	5.41
15/05/2028	1,000,000	5.71
20/04/2029	2,000,000	4.27
20/04/2029	2,000,000	5.52
20/04/2029	1,000,000	5.80
20/04/2029	1,000,000	5.80
20/04/2029	2,000,000	5.68
20/04/2029	1,000,000	5.68
20/04/2029	3,000,000	5.75
Total borrowings	40,500,000	5.1*

All borrowings are in accordance with the Liability Management Policy. *Weighted average interest rate

Borrowing limits

Council borrowing against policy limits at 30 September 2024 was as follows:

Item	Required performance	Actual performance
Net Debt/Total Revenue	≤225%	23.5%
Net Interest/Total Revenue	≤15%	-0.7%
Net Interest/Annual Rates Income	<20%	-1.5%
Liquidity	>110%	171.3%
Debt Cap	\$100 million	\$40.5 million

Bank and investment balances

As at 30 September 2024 the following cash, bank and investment balances were held:

	% of Total	Council policy % limits	Invested \$	Council policy \$ limits	S&P Credit rating	Yield %	Maturity date
BNZ							
Call Account	5		1,531,190			0.3	On Call
Current Account	5		1,337,629			0.1	On Call
Waitara Lands Account	-		119			0.1	On Call
Waitara Lands Term Investment	2		595,874			6.3	20/11/2024
Waitara Lands Term Investment	6		1,534,246			6.1	5/05/2025
Waitara Lands Term Investment	2		561,967			6.1	26/05/2025
Waitara Lands Term Investment	1		480,089			6.1	21/04/2025
Total BNZ	21	50	6,041,112	30,000,000	AA-		
ASB							
Cheque Account	-		10			0.0	On Call
Waitara Lands Term Investment	2		601,029			5.1	30/03/2025
Waitara Lands Term Investment	8		2,431,198			6.4	02/11/2024
Waitara Lands Term Investment	5		1,323,522			6.4	04/11/2024
Waitara Lands Term Investment	17		4,951,111			5.8	30/01/2025
Total ASB	32	50	9,306,870	30,000,000	AA-		
Westpac							
Waitara Lands Account	-		3,693			0.1	On Call
Term Investment	12		2,998,886			6.0	06/10/2024
Waitara Lands Term Investment	9		2,542,820			5.8	20/01/2025
Waitara Lands Term Investment	9		2,546,864			5.9	22/06/2025
Waitara Lands Term Investment	6		1,688,786			6.4	11/10/2024
Total Westpac	34	50	9,781,049	30,000,000	AA-		
TSB							
Cheque Accounts	-		17,148			0.0	On Call
Call Account	-		5,407			0.5	On Call
Waitara Lands Term Investment	9		2,500,464			5.8	31/01/2025
Total TSB	9	25	2,523,020	15,000,000	A-		
LGFA							
Borrower Notes x 24	4	Unlimited	1,237,500	Unlimited	N/A	5.0	Various
Total	100		28,889,551			6.0*	

All investments are in accordance with the Investment Policy. * Weighted average interest rate.



Date: 2 December 2024
Subject: Health and Safety Report
Author: B Muir, Senior Health, Safety and Wellness Adviser
Approved by: M J Nield, Director - Corporate Services
Document: TRCID-1492626864-64

Purpose

1. The purpose of this memorandum is to receive and consider reports on health and safety performance.

Recommendations

That the Taranaki Regional Council:

- a) receives the October 2024 Health and Safety Report.

Discussion

2. The Health and Safety Report for October 2024 is attached. There are no specific areas of concern that need to be addressed by the Committee.

Appendices/Attachments

Document TRCID-1492626864-72: [Health and Safety Report – October 2024](#)

Health, Safety & Wellness Report

Reporting Period: 1 October – 31 October

Source: TRC Safety Management System (Vault)

Incidents (FY to Date: 1 July 2024 – 30 June 2025, Second Quarter)

Illness 0 (0)	Incidents 15 (2)	Injury 17 (4)
ACC Claims 3 (2)	Near Miss 15 (3)	Notifiable Events 0 (0)
<i>Bracketed numbers – number of events since last report</i>		

Types of Reported Events

Vision Impairment	0	No Treatment	0
Public Interactions	1	First Aid	4
Cuts/Abrasions	0	Medical Centre	0
Bruising	1	Physiotherapy/Osteopath	0
Traffic	1	Hospitalisation	0
Vehicle Damage	1	Safety Observation- Risk ID	1
Vehicle Recovery	0	Formal Investigation	1
Contractor Activity	0	WorkSafe Investigation	0
Staff Safety/Psychological	1	Stakeholder Incident	1
Electric Shock	1	Feedback	0
Stings/bites	0	Police Reports Submitted	1
Burns	2	Other: Asbestos Identified	1
Equipment	1		
Fire	1		

Aggressive and abusive behaviour from public and stakeholders

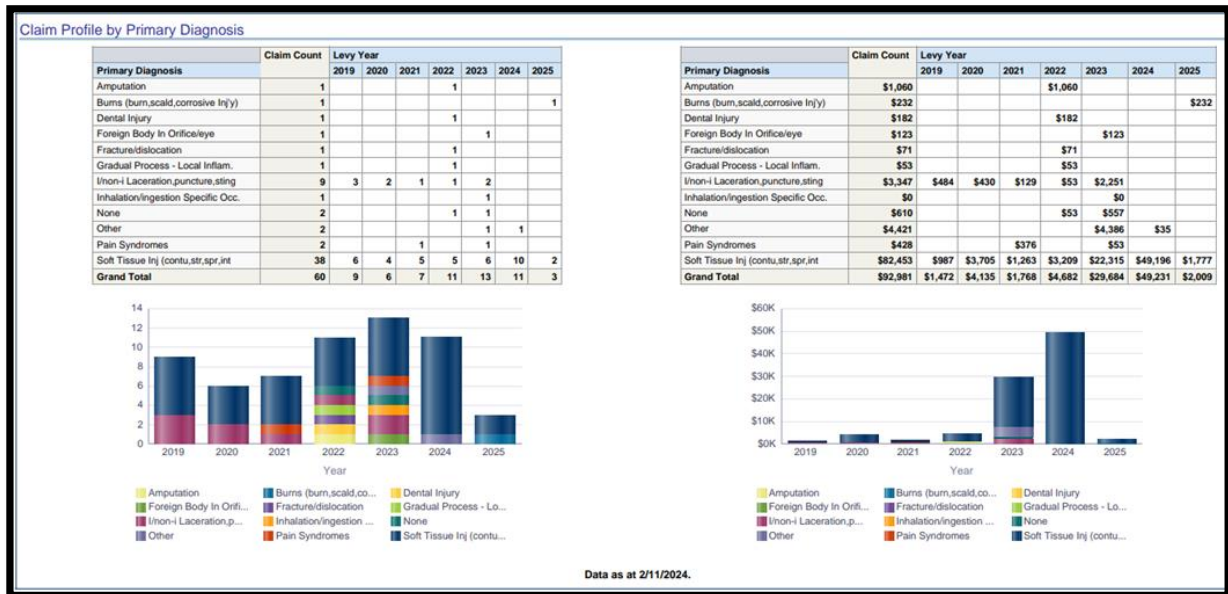
Following the last Executive, Audit and Risk Committee meeting, where concerns were raised about whether the Council is adhering to industry standards regarding our response to aggressive and abusive behaviour from the public and stakeholders, a review was conducted. In terms of other regional and district councils, we have reached out to the Health and Safety Special Interest Group (H&S SIG) at a regional level and participated in local council forums. The feedback indicates that councils across the region are adjusting their response protocols in response to heightened incidents and risks, much like the Council. Additionally, there is growing collaboration between councils, with resources being shared to support the development of more effective procedural responses in this area.

Feedback was also sought from the police regarding three recent incidents reported by the Council. We spoke to three different officers, all of whom affirmed that we are taking the right approach by reporting any unacceptable behaviour and encouraged us to continue following the same procedure if aggression or abuse poses a risk to our team. We would like to note that all interactions with the police have been handled promptly and professionally, with each report being treated seriously and followed up in a timely manner. As part of our review, we are also revisiting the Council's internal procedures, including our written policy, training (both initial and refresher), educational resources, and overall team awareness, while cross-referencing these with broader industry standards.

In summary, our current practices are consistent with best practice, but they will continue to evolve as risks and responses are refined.

ACC Report

The following ACC Report as at 2/11/2024, highlights claims made by primary diagnosis. All claims have been supported by an incident report (made immediately post event). The HSW team have followed up with affected employees. No major concerns have been identified but continued monitoring is in place.



Current Event Management Emphasis

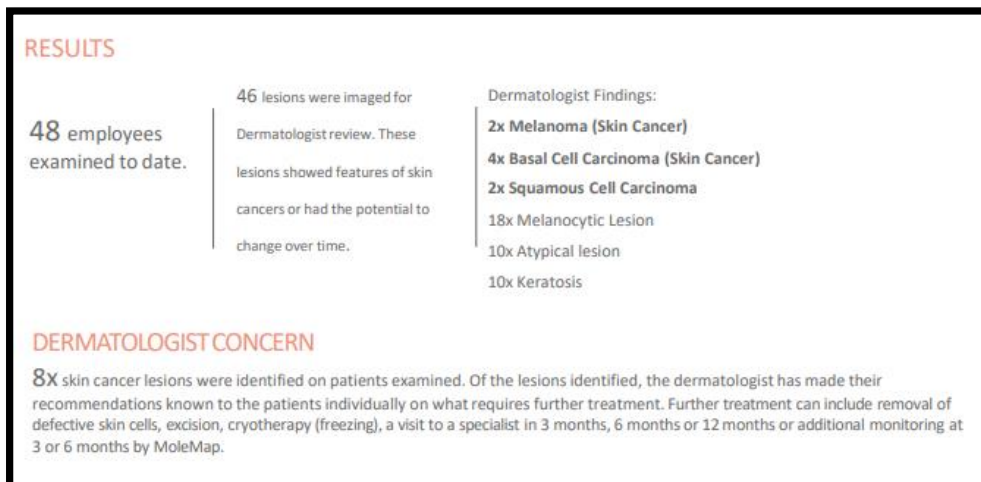
- Encouraging reporting, especially for near misses.
- Analysing incidents and promptly following up with involved parties.
- Identifying trends and opportunities for improvement.
- Reviewing induction, training, and competency processes.
- Evaluating standard safety procedures.
- Strengthening safety management for staff, public interactions, and unacceptable behaviour.

TRC Incident Investigation Team

- Initial Incident Investigation Team meeting held, Terms of Reference finalised, and Incident Causal Analysis (ICAM) Investigation training completed (3 attendees).
- Focus of Incident Investigation Team: TRC Incident Investigation Process review, severity definition and analysis in line with TRC Risk Management framework, incident mechanism review, team and task specific critical risks.
- Next Meeting end of January 2025 to review second quarter trending incidents and causal analysis.

Health and Wellness

- Skin Checks – Mole Map provider was onsite for three days, the following report was produced.
- The report highlights the value of providing this at work assessment as eight employees would testify.



Recovery to Work Plans

- Two Return to Work Plans are currently in place following planned surgeries.

Employee Assistance Programme (EAP) Statistics

As we refine our wellness at work strategy and explore effective ways to offer meaningful resources and support, the following reports are provided for your review. TELUS EAP serves has a comprehensive support platform and counselling service, offered to employees and their families as part of a proactive approach to mental health care.

To further support development of TRC's Wellbeing Strategy, the Health, Safety, and Wellness team attended a Psychosocial Risk Workshop in October, which provided valuable insights to inform strategic planning and potential focus areas for 2025.

Customer
 Taranaki Regional Council

1/07/2023 30/09/2024



PERSONAL PRESENTING ISSUES

Year	2023		2024		
	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3
Relationships	6	5	1	1	4
Depression/Anxiety/Emotional	5	3	3	2	2
Stress	3	4	1		1
Life Changes	3	1			
Physical Ill-Health	1	2		1	
Grief			1	1	1
Alcohol	2				
Critical or traumatic event	1	1			
Social Skills		1	1		
Communication	1				
Eating	1				

WORK PRESENTING ISSUES

Year	2023		2024	
	Qtr 3	Qtr 4	Qtr 2	Qtr 3
Work stress	3	1		3
Impact of mental health/anxiety at work	1	2		1
Role and/or work overload	3			
Conflict Peers/Employees				1
Conflict with Management				1
Health & Safety issues				1
Lack of direction	1			
Lack of leadership	1			
Managing staff			1	
Role ambiguity				1

TOP PRIME PRESENTING ISSUES

Year	2023		2024			
	Qtr 2	Qtr 3	Qtr 4	Qtr 1	Qtr 2	Qtr 3
Caring for family member			1			
Critical or traumatic event		1				
Depression/anxiety/emotional issues	2	4	1	2	2	2
Did not attend						1
Grief and loss				1		
Life changes	1	2				
Manager Assist					1	
Mental ill health			1			
Personal relationships in personal life		4	4	2	1	3
Physical ill health			1		1	
Stress in personal life		1	2		1	
Wellness Check			1			
Work stress	1	2	1			1
Workplace H&S issues						1
Workplace relationships/conflict						2

Annual Leave Statistics

Council Annual Leave Balances	Oct-24	Sep-24	Aug-24	Jul-24
Average Annual Leave Balance per employee	3 weeks	3 weeks	3 weeks	3 weeks
Annual Leave Balances	Number of Employees	Number of Employees	Number of Employees	Number of Employees
0 > 2 weeks	96	94	98	102
2 > 4 weeks	84	83	77	75
4 > 6 weeks	35	36	35	31
6 > 8 weeks	18	17	17	14
8 > 10 weeks	6	8	9	9
10 > 12 weeks	5	4	2	2
12 > 14 weeks	0	1	0	0
14 > 16 weeks	1	1	1	1
Total Employees	245	244	239	234

TRC Health & Safety Training, Learning and Development, Onboarding

- The Health, Safety and Wellness Team have supported with the onboarding of five new employee starts in October (permanent and fixed term).
- Student Inductions for 14 students have been completed as they are prepared for summer working alongside TRC employees – in the office and field operations.
- The TRC Learning, Development & Onboarding framework is being developed and consultation is underway with a presentation to the Executive Leadership Team complete and dates in place to present and consult with managers and team leads before the end of 2024.
- Developing a TRC Training Matrix.
- Reviewing the timeliness of application processes and the breakdown of investment in roles and training.
- Developing competency content, assessments, and implementation for TRC Subject Specialists.
- Enhancing future Health and Safety training and onboarding with increased use of Moodle Online, providing consistent messaging, additional learning resources, and competency tracking for individual profiles.
- Reviewing training programs to ensure they are fit for purpose, such as field-based First Aid Training.
- Providing management training on officer duties in accordance with HSWA 2015 requirements.

TRC Emergency Management

- The Councils Emergency Management Plan is currently under review.
- Two evacuation drills have been conducted at the main TRC buildings at 47 Cloten Road throughout 2024, in line with FENZ requirements.
- Internal warden training has been completed, and a review of the warden team, training, and available resources have been implemented to ensure backup solutions are in place in the event of absent wardens (e.g. due to leave or working from home).

Health, Safety, Wellness Work in Progress

- **HSW SoaP** – 1st Quarter review – end of year goals on track.
- **HSW Campaign** – Early 2025.
- **Driver Safety Campaign** – underway until end of year.
- **HSW Reporting** – near miss, risk, observation and feedback reporting tracking well. Continued focus.
- **Damstra / Vault** – System review to ensure safety management system is fit for purpose.
- **TRC Policies & Safety Procedures under review**
 - Health, Safety and Wellbeing Policy – out for consultation.
 - Safety guidelines and Operating Manual for Field Staff review underway with Team Leaders.
 - TRC Emergency Management Plan – under review.
 - TRC Vehicle and Driving Policy review – drafted.
 - PPE Policy and procedures review – drafted.
 - Incident Investigation Procedures under review.
- **TRC UAV/Drone Strategy** Business Case and UAV Strategy and Compliance – being drafted.
- **TRC Third Party/ Contractor Management** – Initial findings report will be delivered this week.
- **HSE E Learning** Creation and implementation of relevant H&S E-learning training modules to support ongoing onboarding internal competency, knowledge and awareness has commenced. – First Moodle training out for feedback.

- **Stakeholder Management** – Being reviewed alongside contractor and procurement policies.

General Summary

The Health, Safety, and Wellness team is strong, with clearly defined roles and a focused approach, providing a solid foundation for advancing strategic objectives. Significant progress has been made through the collaboration of the People and Wellness team in areas such as Learning and Development, Onboarding, and the review and development of policies and procedures. Additionally, the revision of the *Working for TRC Handbook* is underway to ensure it aligns with current systems and the work environment. This work supports the HSW team's strategy, and goals are on track to be achieved by the end of the year.

The next TRC Health and Safety Workers Meeting and the TRC Health and Safety Committee Meeting are scheduled for December. These meetings will focus on being worker and representative led.



Date: 21 October 2024

Subject: **Regional Software Holdings Ltd Annual Report for the year ending 30 June 2024**

Author: L Davidson, Executive Assistant

Approved by: M J Nield, Director - Corporate Services

Document: TRCID-1492626864-61

Purpose

1. The purpose of this memorandum is to receive and consider Regional Software Holdings Ltd's Annual Report for the period ending 30 June 2024.

Recommendations

That Taranaki Regional Council:

- a) receives Regional Software Holdings Ltd's Annual Report for the period ending 30 June 2024.

Background

2. Regional Software Holdings Ltd is a council-controlled organisation of ten regional councils (Northland, Bay of Plenty, Hawke's Bay, Gisborne District Council, Waikato, Taranaki, Horizons, West Coast, Otago and Southland).
3. Regional Software Holdings Limited is a not-for-profit council controlled organisation (CCO) that exists to help the regional sector achieve outcomes through collaboration and shared services. Regional Software Holdings Limited's strategic focus is to deliver a broad scope of shared services to the regional sector. Regional Software Holdings Limited provides services to all organisations in the regional sector.
4. Attached is the 2023/2024 Annual Report for Regional Software Holdings Ltd (RSHL).

Discussion

5. RSHL is the shared services organisation of Te Uru Kahika. All 16 regional and unitary councils in Aotearoa New Zealand are customers of RSHL. RSHL is the shared services collaborative delivery agent for regional and unitary council in New Zealand. It delivers a wide range of digital, operational and financial programmes, on behalf of Te Uru Kahika and participating councils.
6. In the 12 months to 30 June 2024, RSHL made excellent progress in a challenging environment for the sector. In the current economic and political climate, shared services, collaborative undertakings and new ways of working are more important and valuable than ever.

7. The major technology programmes, such as IRIS NextGen and Environmental Data Management System (EDMS), will provide long-term operational efficiencies and cost savings to councils as well as the wider Aotearoa New Zealand well-beings.
8. The IRIS NextGen Programme is preparing to start testing of the solution from October onwards in preparation for the pilot in 2025. Demonstrations of the product have been well received. Council staff have participated in more than 30 good practice workshops. It is pleasing to note the strong alignment across councils on good practice. Financially, the IRIS NextGen Programme is on budget.
9. In November 2023 RSHL welcomed the appointment of the Executive Director – Te Uru Kahika. This role is intended to provide strategic leadership of Te Uru Kahika under the direction of the RCEOs Forum and Regional Sector Group. The focus of the regional sector office has been on supporting the regional sector to respond to the changes in policy driven by the incoming government.
10. RSHL has worked with Te Uru Kahika to develop a new Memorandum of Agreement which clearly defines the services that RSHL provides to Te Uru Kahika.
11. During the year RSHL continued the rollout of the WellsNZ solution, with three councils now live, and we are preparing to onboard more councils into this shared programme in 2024/2025. Alongside established programmes RSHL is working with councils on business cases for the addition of collaborative programmes to RSHL in the public transport and data emissions modelling space.
12. Annual revenue is ahead of budget. Council contributions to programmes are as budgeted, however additional funding has been received from central government in support of Te Uru Kahika programmes and new initiatives in line with national policy direction.
13. Expenditure before depreciation is more than budgeted. Expenditure for the IRIS and IRIS NextGen programmes was less than budget due to a contractual retention in the IRIS NextGen Programme. However, there was significant additional expenditure on behalf of Te Uru Kahika. The most significant additional expense was \$1.9M for a LIDAR survey of some areas of the North Island affected by Cyclone Gabrielle. This work was entirely funded by central government.
14. The expenditure for LIDAR surveys is the reason that the company operated at a loss this year, as the funding for this work was collected in the previous financial year.
15. The value of the non-current assets is steadily reducing. This reflects the depreciating value of the investment in the original IRIS product. As noted in previous reports, expenditure on the original IRIS solution is no longer being treated as a capital investment. As a result, the book value of the asset is depreciating rapidly. This is appropriate as the product nears the end of its life and we look to reinvest in IRIS NextGen.

Financial considerations—LTP/Annual Plan

16. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

17. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the Local Government Act 2002, the Resource Management Act 1991 and the Local Government Official Information and Meetings Act 1987.

Iwi considerations

18. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the Local Government Act 2002) as outlined in the adopted Long-Term Plan and/or Annual Plan.

Community considerations

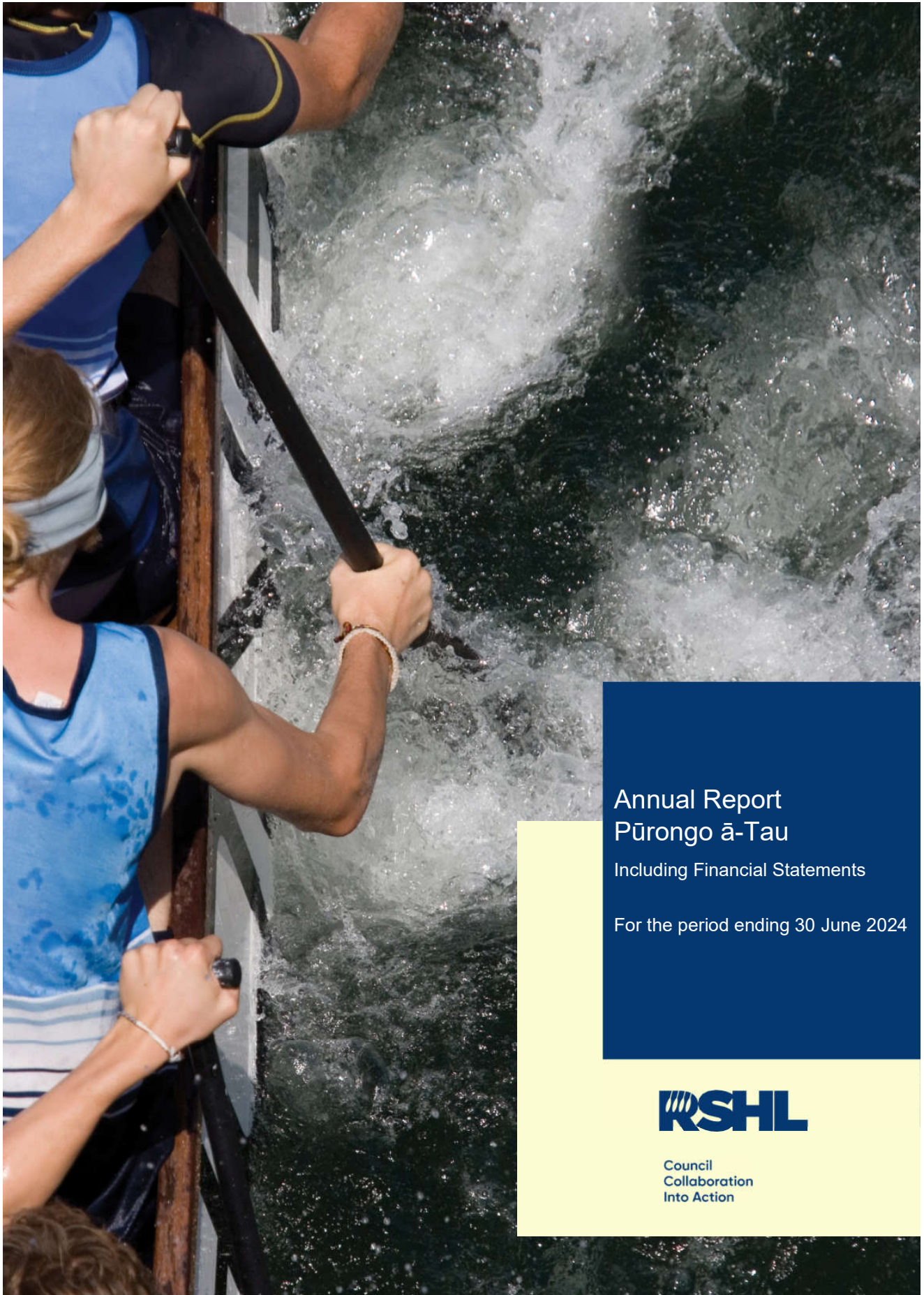
19. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.

Legal considerations

20. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Appendices/Attachments

Document TRCID-2056378705-16: [RSHL Annual Report 2023/2024](#)



Annual Report
Pūrongo ā-Tau

Including Financial Statements

For the period ending 30 June 2024



Council
Collaboration
Into Action

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26	Statement of Cash Flows Te Tauākī mō ngā Kapewhiti
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Directors Report | Te Pūrongo a ngā Kaiwhakahaere Matua

Regional Software Holdings Limited For the year ended 30 June 2024

On behalf of Regional Software Holdings Ltd (RSHL), and the ten regional sector shareholders, it is our pleasure to present our 2023/2024 Annual Report.

RSHL is the shared services organisation of Te Uru Kahika. All 16 regional and unitary councils in Aotearoa New Zealand are customers of RSHL.

RSHL is the shared services collaborative delivery agent for regional and unitary council in New Zealand. It delivers a wide range of digital, operational and financial programmes, on behalf of Te Uru Kahika and participating councils.

The structure of RSHL makes it simple, low risk and low cost for additional councils to join as shareholders and we look forward to more Te Uru Kahika councils completing this simple step.

In the 12 months to 30 June 2024, RSHL made excellent progress in a challenging environment for the sector. In the current economic and political climate, shared services, collaborative undertakings and new ways of working are more important and valuable than ever.

Our major technology programmes, such as IRIS NextGen and Environmental Data Management System (EDMS), will provide long-term operational efficiencies and cost savings to councils as well as the wider Aotearoa New Zealand well-beings.

IRIS NextGen

The IRIS NextGen Programme is preparing to start testing of the solution from October onwards in preparation for the pilot in 2025. Demonstrations of the product have been well received. Council staff have participated in more than 30 good practice workshops. It is pleasing to note the strong alignment across councils on good practice. Financially, the IRIS NextGen Programme is on-budget.

Support for Te Uru Kahika

In November 2023 we welcomed the appointment of the Executive Director – Te Uru Kahika. This role is intended to provide strategic leadership of Te Uru Kahika under the direction of the RCEOs Forum and Regional Sector Group. The focus of the regional sector office has been on supporting the regional sector to respond to the changes in policy driven by the incoming government.

RSHL has worked with Te Uru Kahika to develop a new Memorandum of Agreement which clearly defines the services that RSHL provides to Te Uru Kahika.

Other Collaborative Initiatives

During the year we continued the rollout of the WellsNZ solution, with three councils now live, and we are preparing to onboard more councils into this shared programme in FY25. Alongside established programmes we are working with councils on business cases for the addition of collaborative programmes to RSHL in the public transport and data emissions modelling space.

Financial Position

Annual revenue is ahead of budget. Council contributions to programmes are as budgeted, however additional funding has been received from central government in support of Te Uru Kahika programmes and new initiatives in line with national policy direction.

Expenditure before depreciation is more than budgeted. Expenditure for the IRIS and IRIS NextGen programmes was less than budget due to a contractual retention in the IRIS NextGen Programme. However, there was significant additional expenditure on behalf of Te Uru Kahika. The most significant additional expense was \$1.9M for a LIDAR survey of some areas of the North Island affected by Cyclone Gabrielle. This work was entirely funded by central government.

The expenditure for LIDAR surveys is the reason that the company operated at a loss this year, as the funding for this work was collected in the previous financial year.

The value of the non-current assets is steadily reducing. This reflects the depreciating value of the investment in the original IRIS product. As noted in previous reports, expenditure on the original IRIS solution is no longer being treated as a capital investment. As a result, the book value of the asset is depreciating rapidly. This is appropriate as the product nears the end of its life and we look to reinvest in IRIS NextGen.

Looking Forward

We are excited about continuing to provide excellence in shared services to the regional sector. The focus for the next year will be the commencement of the IRIS NextGen pilot at Otago Regional Council, and supporting the continued growth of Te Uru Kahika.

Signed on behalf of the Board of Directors:



M Nield - Chairperson

Date: 26 September 2024



A Aakjaer - Director

Date: 26 September 2024

Statement of Responsibility | Tauākī o te Kawenga

Regional Software Holdings Limited For the year ended 30 June 2024

In terms of the Local Government Act 2002, the Board of Directors is responsible for the preparation of RSHL financial statements and to assist the company to meet its objectives and any other requirements in its Statement of Intent (SOI).

The Board of Directors of RSHL has the responsibility for establishing, and has established, a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board of Director's opinion, these financial statements fairly reflect the financial position and operations of RSHL for the twelve months ended 30 June 2024 and confirm that all the statutory requirements in relation to the Performance Report were complied with, as outlined in the Local Government Act 2002 and the Companies Act 1993.

Signed on behalf of the Board of Directors:



M Nield - Chairperson

Date: 26 September 2024



A Aakjaer - Director

Date: 26 September 2024

Statement of Service Performance | Hei Ine i te Mahi

Regional Software Holdings Limited For the year ended 30 June 2024

Who are we and why do we exist?

Vision

To provide high-quality shared services for Te Uru Kahika (and associated agencies) that delivers value to customers, shareholders and the sector.

Principles ^[1]

The Principles of the Company that should be considered when making any decisions relating to the Company are as follows:

- Work for the good of Te Uru Kahika
- Act in accordance with the principles of Te Tiriti o Waitangi
- Be transparent and accountable
- Create value
- Work smarter, not harder
- Gain consistency
- Reduce duplication
- Be customer centric
- Recognise and manage shareholder risk
- Support our people.

Objectives

In addition to operating the Company with regard to the principles, the primary objectives of the Company are:

- The local government sector is better prepared to respond to future challenges
- Achieve a better return on investment with a focus on quality of outcome and realising the value proposition for the sector
- Increase credibility of the sector as a trusted deliverer with a unified and consistent sector profile
- Improve key staff attraction and retention
- Achieve consistent good practise process across the sector and within councils.

The secondary objectives of RSHL are:

- Achieve the objectives of its Shareholders, both commercial and non-commercial as specified in the Statement of Intent;
- Be a good employer.

What did we do?

Activities

RSHL provides a framework for collaboration across Te Uru Kahika. It supports the procurement or development of shared solutions in a manner that provides greater consistency in how we operate. RSHL provides a more cost-effective alternative than individual councils can achieve on their own.

The company operates by facilitating collaborative initiatives between councils and through managed contractual arrangements.

RSHL activities are grouped as follows:

[1] Principles are from section 2 of the RSHL constitution.



<p>IRIS</p>	<p>The IRIS Programme delivers the IRIS software platform to shareholder and customer councils. The IRIS software has been in use for 9 years and is currently in use at 7 councils.</p> <p>The 7 councils actively collaborate on the use of IRIS and the future development roadmap.</p> <p>RSHL and the member councils will replace the IRIS software platform via IRIS NextGen within the next 4 years.</p> <p>The IRIS Programme is overseen by the IRIS Advisory Group. This group agrees the roadmap and sets the budgets for the programme.</p>
<p>IRIS Next Generation</p>	<p>RSHL and the member councils will replace the IRIS software platform via IRIS NextGen within the next 4 years.</p> <p>9 councils are working with RSHL and Datacom on the delivery of the IRIS NextGen Programme, under a formal partnership agreement.</p> <p>The IRIS NextGen Programme is governed by the IRIS NextGen Steering Group.</p> <p>IRIS Next Generation (IRIS NextGen) will be a cloud-based Software as a Service solution (SaaS) based on the Datacom Datascape platform.</p> <p>Over the next two years the IRIS NextGen Programme will:</p> <ul style="list-style-type: none"> • Build the IRIS NextGen software solution • Define and agree a good practice operating model • Commence implementation at councils. <p>IRIS NextGen will deliver a modern software platform to councils, including an online customer portal and a mobile field application. Along with the software solution, the programme will implement consistent “good practice” processes for the sector, alongside integrated change management. The IRIS NextGen Solution will:</p> <ul style="list-style-type: none"> • Make council staff work easier • Promote operational excellence and efficiency • Demonstrate collaboration at a sector level • Ensure the development of the technical solution is fit for purpose.
<p>Environmental Monitoring and Reporting (EMAR)</p>	<p>The objective of EMAR is to improve the collection, accessibility and presentation of environmental data in New Zealand.</p> <p>The EMAR Programme has three projects.</p> <ul style="list-style-type: none"> • National Environmental Monitoring Standards (NEMS) – Aims to ensure consistency in the way environmental monitoring data is collected and handled throughout New Zealand. • Environmental Data Management System (EDMS) – Aims to provide a single access point to environmental data from multiple sources in a consistent format. • Land, Air Water Aotearoa (LAWA) – Shares data and information to tell the story of our environment. <p>EMAR is an all-of-sector programme, and includes partner agencies from central government: MfE, Stats NZ and DoC (and others).</p>



<p>Environmental Monitoring and Reporting (EMAR) continued</p>	<p>The EMAR programme is managed by RSHL and governed by the EMAR Steering Group. Each project has its own Steering Group who oversee operational activities.</p> <p>The EMAR/LAWA Programme Manager is employed by RSHL and the LAWA project administration (financial and contractual) is managed by RSHL.</p>
<p>Regional Sector Office</p>	<p>The Regional Sector Office supports the activities of Te Uru Kahika and the Regional Sector Special Interest Groups (SIG) network. The Sector Office is made up of several roles:</p> <ul style="list-style-type: none"> • Executive Director – Te Uru Kahika • Executive Policy Adviser to the Regional CEOs • Chief Science Advisor • Regional Sector SIG Network Administrator • Climate & Adaptation and RM Reform Director • Climate Adaptation - Infrastructure Strategic Adviser
<p>Sector Financial Management System</p>	<p>Under the Sector Financial Management System (SFMS) RSHL is responsible for the management of the funding for regional sector collaborative programmes.</p> <ul style="list-style-type: none"> • Sector Business Plan • River Managers Business Plan • River Managers Climate Resilience • EMaR • Bio Managers • Bio Control • Science Programme • Sector Office Special Projects • Regional Sector Office <p>RSHL administers the programme:</p> <ul style="list-style-type: none"> • Collects this funding from councils and central government • Engages staff and suppliers to deliver services to achieve the outcomes from each of the programmes • Reports to Te Uru Kahika on income and expenditure.



Ngā Mahi e Rapua Nei Te Utu Paremata | Activities for Which Compensation Is Sought

Funds for the operation of IRIS, IRIS Next Generation, Environmental Monitoring and Reporting (EMAR), Regional Sector Office, and the Sector Financial Management System are received by way of levies from the councils participating in each programme.

Each programme pays a share of the overhead costs of the company proportional to the size of the programme.

These levies are set annually in the Statement of Intent.

For some projects additional funding is collected from central government entities.

Payment of annual fees will be sought for the following activities:

Activity	Description																								
Sector Financial Management System	<p>Payment of annual contributions will be sought from all Te Uru Kahika councils for the operation of the Programmes in the Sector Financial Management System.</p> <p>For some programmes, additional contributions may be sought from other local government organisations and government ministries.</p> <p>Contributions will be according to the agreed models. This activity includes:</p> <ul style="list-style-type: none"> • Sector Business Plan • River Managers Business Plan • River Managers Climate Resilience • ReCoCo Technology Projects • EMaR • Bio Managers • Bio Control • Science Programme • Sector Office Special Projects • Regional Sector Office <p>The funding contributions for the Sector Office, EMAR and most of the SFMS programmes are based on the size of the Council. The total amounts to be collected vary year to year based on the work programmes.</p> <p>BioControl, Climate Change Resilience and the Science Programme have custom funding models based on the value of the programmes to the region.</p> <p>The budget and funding arrangements for the SFMS are documented in the SFMS Briefing Paper which is approved with the Te Uru Kahika Business Plan before the start of each financial year.</p> <p>In FY24 RSHL collected \$6,867,364 in support of Te Uru Kahika, of which \$2,523,820 came from central government.</p> <p>Council contributions are typically collected using the following tiers:</p> <table border="1" data-bbox="512 1637 1318 1906"> <thead> <tr> <th data-bbox="520 1648 804 1677">Tier 1 – 9.4% each</th> <th data-bbox="804 1648 1082 1677">Tier 2 – 6.2% each</th> <th data-bbox="1082 1648 1310 1677">Tier 3 – 3.2% each</th> </tr> </thead> <tbody> <tr> <td data-bbox="520 1677 804 1706">Auckland Council</td> <td data-bbox="804 1677 1082 1706">Horizons RC</td> <td data-bbox="1082 1677 1310 1706">Tasman DC</td> </tr> <tr> <td data-bbox="520 1706 804 1736">Environment Canterbury</td> <td data-bbox="804 1706 1082 1736">Otago RC</td> <td data-bbox="1082 1706 1310 1736">Nelson City Council</td> </tr> <tr> <td data-bbox="520 1736 804 1765">Greater Wellington RC</td> <td data-bbox="804 1736 1082 1765">Hawkes Bay RC</td> <td data-bbox="1082 1736 1310 1765">Gisborne DC</td> </tr> <tr> <td data-bbox="520 1765 804 1794">Waikato RC</td> <td data-bbox="804 1765 1082 1794">Northland RC</td> <td data-bbox="1082 1765 1310 1794">Marlborough DC</td> </tr> <tr> <td data-bbox="520 1794 804 1823">Bay of Plenty RC</td> <td data-bbox="804 1794 1082 1823">Taranaki RC</td> <td data-bbox="1082 1794 1310 1823">West Coast RC</td> </tr> <tr> <td data-bbox="520 1823 804 1852"></td> <td data-bbox="804 1823 1082 1852">Southland RC</td> <td data-bbox="1082 1823 1310 1852"></td> </tr> <tr> <td data-bbox="520 1852 804 1881">Total 47%</td> <td data-bbox="804 1852 1082 1881">Total 37%</td> <td data-bbox="1082 1852 1310 1881">Total 16%</td> </tr> </tbody> </table>	Tier 1 – 9.4% each	Tier 2 – 6.2% each	Tier 3 – 3.2% each	Auckland Council	Horizons RC	Tasman DC	Environment Canterbury	Otago RC	Nelson City Council	Greater Wellington RC	Hawkes Bay RC	Gisborne DC	Waikato RC	Northland RC	Marlborough DC	Bay of Plenty RC	Taranaki RC	West Coast RC		Southland RC		Total 47%	Total 37%	Total 16%
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	Southland RC																								
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Activity	Description																		
IRIS	<p>Payment of an Annual Fee for IRIS will be sought from all councils that use the Software for annual support and development fees, as set out in the License Agreement.</p> <p>Proportion of Contributions to the IRIS Programme</p> <p>Contributions for IRIS will be collected in the following proportions:</p> <table border="1" data-bbox="555 680 1158 1010"> <thead> <tr> <th>Shareholder</th> <th>Percentage</th> </tr> </thead> <tbody> <tr> <td>Waikato Regional Council</td> <td>32.39%</td> </tr> <tr> <td>Northland Regional Council</td> <td>11.93%</td> </tr> <tr> <td>Horizons Regional Council</td> <td>16.00%</td> </tr> <tr> <td>Taranaki Regional Council</td> <td>11.93%</td> </tr> <tr> <td>Southland Regional Council</td> <td>11.93%</td> </tr> <tr> <td>West Coast Regional Council</td> <td>3.87%</td> </tr> <tr> <td>Hawkes Bay Regional Council (IRIS Licence Fee)</td> <td>11.93%</td> </tr> <tr> <td>Total</td> <td>100%</td> </tr> </tbody> </table> <p>In FY24 RSHL collected \$937,305 of funding from participating councils.</p>	Shareholder	Percentage	Waikato Regional Council	32.39%	Northland Regional Council	11.93%	Horizons Regional Council	16.00%	Taranaki Regional Council	11.93%	Southland Regional Council	11.93%	West Coast Regional Council	3.87%	Hawkes Bay Regional Council (IRIS Licence Fee)	11.93%	Total	100%
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Total	100%																		
IRIS Next Generation	<p>The IRIS NextGen Partnership agreement sets out the funding to be collected from each participating council and the activities that the funds will be used for. The 9 Participating Councils share the programme costs of the IRIS NextGen programme according to the following contribution model:</p> <table border="1" data-bbox="418 1205 1375 1648"> <thead> <tr> <th>Large Councils</th> <th>Medium Councils</th> <th>Small Councils</th> </tr> </thead> <tbody> <tr> <td>17.93% per council (Total 35.87%)</td> <td>10.87% per council (Total 43.48%)</td> <td>4.35% per council (Total 4.35%)</td> </tr> <tr> <td>Waikato Regional Council Bay of Plenty Regional Council</td> <td>Horizons Regional Council Otago Regional Council Northland Regional Council Hawke’s Bay Regional Council</td> <td>Nelson City Council</td> </tr> <tr> <td></td> <td>8.15% per council (Total 16.30%)</td> <td></td> </tr> <tr> <td></td> <td>Taranaki Regional Council Southland Regional Council</td> <td></td> </tr> </tbody> </table> <p>Over the 10-year term of the Partnership Agreement, the programme costs are expected to total ~\$31 million.</p> <p>Programme costs are budgeted and approved by the IRIS NextGen Steering Group annually.</p> <p>In FY24 RSHL collected \$5,043,554 from participating councils for IRIS NextGen.</p>	Large Councils	Medium Councils	Small Councils	17.93% per council (Total 35.87%)	10.87% per council (Total 43.48%)	4.35% per council (Total 4.35%)	Waikato Regional Council Bay of Plenty Regional Council	Horizons Regional Council Otago Regional Council Northland Regional Council Hawke’s Bay Regional Council	Nelson City Council		8.15% per council (Total 16.30%)			Taranaki Regional Council Southland Regional Council				
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RSHL Overhead Costs	Overhead costs are costs that cannot be allocated to a specific work programme.	
	All work programmes contribute to overhead costs of RSHL, with the proportion of the contribution based on actual revenue in that financial year.	
	In the 2024 Financial year the proportion of overheads to each programme is as follows:	
		2024
	IRIS	8%
IRIS NextGen	39%	
SFMS	53%	



How did we perform?

<p>IRIS</p>	<p>We have previously reported that we have reduced the frequency of IRIS releases, to allow RSHL and councils to focus on IRIS NextGen as well as to minimise cost.</p> <p>The 4.06 release was provided to councils in November 2022 and the 4.07 release was provided in January 2024.</p> <p>The 4.07 release included a change to comply with changes to the Dam Register Safety Scheme Regulations.</p> <p>Future development efforts will focus on data cleansing and data migration tools. Functional enhancements will only be developed if there is an approved business case or to support legislative changes.</p> <p>In this period we progressed the shared data migration platform that councils will use to export data from IRIS when they migrate to IRIS NextGen.</p> <p>All seven IRIS councils will use the same platform, creating a significant cost and time saving.</p> <p>The work to date has focussed on getting the data from councils into a common format and providing tools for the councils to identify and resolve data anomalies. This phase of data migration tools development is expected to be completed in October 2024, at which point the focus will move on to transforming the data so it can be uploaded into Datascope RSS (IRIS NextGen).</p>
<p>IRIS Next Generation</p>	<p>The IRIS NextGen Programme is progressing steadily towards the start of the Pilot implementation in 2025, despite a delay to the completion of the build of the Datascope Regional Sector Template.</p> <p>In October, an online solution demonstration to over 250 council staff showcased the features that had been developed to date. This was well received by staff.</p> <p>Delivery by Datacom of the IRIS NextGen solution has been delayed until Q1 2025. The cost of the build is fixed, so cost impacts to councils are contained.</p> <p>More than 30 good practice workshops were held. It was pleasing to note the strong alignment across councils on good practice. The programme also has a decision-making model to resolve issues when they do occur.</p> <p>Organisational change management activities in this period included sponsor management coaching, and organisational change vision workshop. The three councils scheduled to implement IRIS NextGen first have started change management programmes in support of IRIS NextGen.</p> <p>The programme has placed a major emphasis on planning for testing the solution and processes once the solution is delivered by Datacom.</p> <p>The testing programme for IRIS NextGen will be comprehensive, ensuring that the solution is of high quality, before the start of the Pilot Implementation.</p> <p>Detailed planning is underway with the Pilot council for their implementation. Financially, the IRIS NextGen Programme is on-budget.</p>
<p>Regional Sector Office</p>	<p>The Sector Office is made up of several roles:</p> <ul style="list-style-type: none"> • Executive Director – Te Uru Kahika • Executive Policy Adviser to the Regional CEOs • Chief Science Advisor • Regional Sector SIG Network Administrator • Climate & Adaptation and RM Reform Director • Climate Adaptation - Infrastructure Strategic Adviser



	<p>In November 2023 we welcomed the appointment of the Executive Director – Te Uru Kahika. This role is intended to provide strategic leadership of Te Uru Kahika under the direction of the RCEOs Forum and Regional Sector Group.</p> <p>The focus of the regional sector office has been on supporting the regional sector to respond to the changes in policy driven by the incoming government.</p> <p>The sector office provided a Briefing to Incoming Ministers about Te Uru Kahika, including current priorities, capabilities, and ways in which Te Uru Kahika could help the new government deliver on its policies.</p> <p>The sector office has also coordinated the development of Te Uru Kahika’s 2024/25 Business Plan with a focus on the five strategic priorities, being Climate Adaptation, Kaupapa Māori, Freshwater, Transport and Resource Management System.</p> <p>Since December 2023 the office has overseen the preparation of a number of submissions on behalf of the regional sector, including submissions on</p> <ul style="list-style-type: none"> • The Fast Track Approvals Bill • Resource Management Reform Bill 1 • Extending Duration of Marine Consents Bill • Climate Adaptation Inquiry • Water Services Bill <p>This work has been completed alongside a range of feedback on and input to government work on matters such as civil defence and emergency arrangements and transport emergency works policy changes.</p>
<p>Environmental Monitoring and Reporting (EMAR)</p>	<p>EMaR Strategic directions update</p> <p>EMaR Vision: Kaitiaki of a trusted environmental data and information system that enables New Zealanders to make informed decisions.</p> <p>Progress on longer-term strategies for both the broader EMaR programme (NEMS, EDMS, LAWA) and the LAWA project progress was limited last year. The new Government’s priorities, the resulting re-alignment underway in our central government agency project partners, and future resourcing will be clearer towards the end of 2024, to enable more certainty in setting the strategic direction for the project in 2024/25.</p> <p>LAWA project update</p> <p>Key Outcome: Trusted, accessible, high quality, up-to-date environmental data and information.</p> <p>1. Maintaining and updating LAWA content:</p> <p>The annual update of data and information on LAWA for the different topics covering air, water and land were successfully completed within budget last year.</p> <p>Acknowledgements to the project teams and council staff across Te Uru Kahika (managers, scientists, data managers, GIS specialists and comms) who provide their time and expertise in keeping their regional data and information on LAWA updated – it truly is a huge collective effort to ensure LAWA continues to be a source of trusted up-to-date data and information.</p> <p>2. Increasing the LAWA reach:</p> <p>Visitors to the LAWA website continue to grow, demonstrating the effectiveness of our collaboration. Over the 12-month period (1 July 2023 – 30 June 2024) we have had around 342,400 users and 1.3 million views.</p> <p>This uptick in users means we’re continuing to further the reach and value of the data and information from the regional sector/Te Uru Kahika (and others) and securing LAWA as a go to</p>

<p>Environmental Monitoring and Reporting (EMAR) continued</p>	<p>place for authoritative, up-to-date environmental data and information.</p> <p>Data and information from LAWA are being used by many (central and local government, research and education sector, industry, iwi and public) in a wide range of applications to inform decision making.</p> <p>3. New Projects.</p> <p>The LAWA Operating System Upgrade was completed. This critical piece of work was required to continue to be able to maintain and develop LAWA. The existing content management system (Umbraco, v7) and data management systems were approaching end of life.</p> <p>The completed upgrade to Umbraco v10 provides more functionality and makes it easier for LAWA admins to update and manage copy (text and images).</p> <p>The update included separating out and/or retiring some of the data management aspects (data hosting, management and processing environment), in line with best practise. This was required to simplify the work involved for the Umbraco upgrade, while also enabling future efficiencies in the data management side.</p> <p>The LAWA Actions for Healthy Waterways topic development was re-scheduled to start once the Operating System Upgrade was completed. The initial website development phase work was scoped, with the build of this topic underway, and the topic launch date planned for late September 2024.</p>
<p>Sector Financial Management System</p>	<p>Under the Sector Financial Management System (SFMS) RSHL is responsible for the management of the funding for regional sector collaborative programmes.</p> <ul style="list-style-type: none"> • Sector Business Plan • River Managers Business Plan • River Managers Climate Resilience • EMaR • Bio Managers • Bio Control • Science Programme • Sector Office Special Projects • Regional Sector Office <p>RSHL administers the programme:</p> <ul style="list-style-type: none"> • Collects funding from councils and central government • Engages staff and suppliers to deliver services to achieve the outcomes from each of the programmes • Reports to Te Uru Kahika on income and expenditure. <p>RSHL efficiently collected \$4.3M in funding from councils to support Te Uru Kahika programmes. An additional \$2.5M was obtained from central government in support of Te Uru Kahika work programmes.</p> <p>At the time of writing RSHL has more than 50 service contracts of varying sizes under management on behalf of Te Uru Kahika.</p> <p>Of particular note are the contracts for LIDAR Imagery in support of Cyclone Gabrielle recovery work in sections of Northland, Waikato, Auckland, Bay of Plenty and Horizons Regions. This work was supported by funding from Ministry for the Environment — Manatū Mō Te Taiao, with specialist procurement and technical advice provided by Land Information New Zealand - Toitū Te Whenua.</p> <p>With the support of RSHL via the SFMS, Te Uru Kahika continues to expand the scope and benefits to member councils.</p>



Key Judgements

<p>IRIS</p>	<p>When assessing the performance of the IRIS Programme we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.</p> <p>We place an emphasis on predictability, delivery and consistency.</p> <p>Performance against budget, delivery of releases, customer and user feedback are used.</p>
<p>IRIS Next Generation</p>	<p>When assessing the performance of the IRIS NextGen Programme we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.</p> <p>We place an emphasis on predictability, delivery and consistency.</p> <p>Performance against budget, delivery against milestones, and customer feedback are used.</p>
<p>Regional Sector Office</p>	<p>When assessing the performance of the Regional Sector Office we consider the extent to which the Sector Office has effectively supported the smooth operation of Te Uru Kahika and enabled the sector to respond to issues and opportunities as they arise.</p> <p>Feedback from stakeholders and achievement of targeted outcomes is used to form an assessment.</p> <p>We place an emphasis on enabling the work of council staff undertaking work within the Te Uru Kahika framework.</p>
<p>EMAR</p>	<p>When assessing the performance of EMAR we consider whether RSHL has appropriately managed the programme. This includes budget, vendor management, product roadmap and communications with councils.</p> <p>An emphasis is placed on predictability, delivery and consistency.</p> <p>Performance against budget, delivery of releases, customer and user feedback are used to form an assessment.</p>
<p>Sector Financial Management System</p>	<p>When assessing the performance of the Sector Financial Management System we assess whether the SFMS is meeting its objectives:</p> <ul style="list-style-type: none"> • Removal and minimising duplication of effort across councils • Greater innovation through a collaborative partnership model • More efficient management of existing sector shared services • Better communication and stakeholder engagement • Better control/consistency of information being provided • Demonstrate new “ways of working” to drive better outputs • Demonstrate to central government that councils are collaborating on areas of national importance for which they have responsibility for and for which a national picture is required • More efficient management of sector shared funding: <ul style="list-style-type: none"> • Efficient collection of funds from councils • Timely payment of providers, following a clear and appropriate approval pathway. • Clear and transparent reporting on funds applied to programmes, linking to outcomes achieved <p>Feedback from stakeholders and achievement of targeted outcomes is used to form an assessment.</p>



Performance Measures | Hei Ine i te Mahi

Regional Software Holdings Limited
For the year ended 30 June 2024

The following performance measures were incorporated into the Statement of Intent for the 2023-24 financial year.

Non-Financial

1 July 2023 – 30 June 2024																																					
<p>Undertake an annual survey of IRIS NextGen users in Participating Councils in relation to product performance, Datacom support and RSHL Programme Management. Provide a summary of the survey results in the annual report, including performance against the baseline. Survey results to be the same or better than the previous year.</p>	<p>Achieved</p> <p>The baseline survey for IRIS NextGen was completed in June 2024, with results presented to the Steering Group in July.</p> <p>For each survey topic the council was asked to rate the performance of RSHL on this scale:</p> <ul style="list-style-type: none"> • Outstanding • Good • Neutral • Poor • Very Poor • N/A <p>Responses were received from 8 out of 9 councils, and results were generally good or better. Comments were also collected on each survey point.</p> <p>Please rate the performance of RSHL with respect to Programme Management.</p> <table border="0"> <tr> <td>● Outstanding</td> <td>0</td> </tr> <tr> <td>● Good</td> <td>4</td> </tr> <tr> <td>● Neutral</td> <td>3</td> </tr> <tr> <td>● Poor</td> <td>1</td> </tr> <tr> <td>● Very Poor</td> <td>0</td> </tr> <tr> <td>● N/A</td> <td>0</td> </tr> </table> <p>Please rate the performance of RSHL with respect to Communication.</p> <table border="0"> <tr> <td>● Outstanding</td> <td>0</td> </tr> <tr> <td>● Good</td> <td>4</td> </tr> <tr> <td>● Neutral</td> <td>4</td> </tr> <tr> <td>● Poor</td> <td>0</td> </tr> <tr> <td>● Very Poor</td> <td>0</td> </tr> <tr> <td>● N/A</td> <td>0</td> </tr> </table> <p>Please rate the performance of RSHL with respect to facilitating collaboration between councils.</p> <table border="0"> <tr> <td>● Outstanding</td> <td>1</td> </tr> <tr> <td>● Good</td> <td>5</td> </tr> <tr> <td>● Neutral</td> <td>1</td> </tr> <tr> <td>● Poor</td> <td>1</td> </tr> <tr> <td>● Very Poor</td> <td>0</td> </tr> <tr> <td>● N/A</td> <td>0</td> </tr> </table>	● Outstanding	0	● Good	4	● Neutral	3	● Poor	1	● Very Poor	0	● N/A	0	● Outstanding	0	● Good	4	● Neutral	4	● Poor	0	● Very Poor	0	● N/A	0	● Outstanding	1	● Good	5	● Neutral	1	● Poor	1	● Very Poor	0	● N/A	0
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Statement of Service Performance | Hei Ine i te Mahi
Performance Measures continued

1 July 2023 – 30 June 2024													
	<p>Please rate the performance of RSHL with respect to development and promotion of the Good Practice Operating Model.</p> <table border="1"> <tr><td>Outstanding</td><td>1</td></tr> <tr><td>Good</td><td>3</td></tr> <tr><td>Neutral</td><td>2</td></tr> <tr><td>Poor</td><td>1</td></tr> <tr><td>Very Poor</td><td>0</td></tr> <tr><td>N/A</td><td>1</td></tr> </table>	Outstanding	1	Good	3	Neutral	2	Poor	1	Very Poor	0	N/A	1
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	<p>Please rate the performance of RSHL with respect to vendor management of Datacom.</p> <table border="1"> <tr><td>Outstanding</td><td>0</td></tr> <tr><td>Good</td><td>3</td></tr> <tr><td>Neutral</td><td>3</td></tr> <tr><td>Poor</td><td>2</td></tr> <tr><td>Very Poor</td><td>0</td></tr> <tr><td>N/A</td><td>0</td></tr> </table>	Outstanding	0	Good	3	Neutral	3	Poor	2	Very Poor	0	N/A	0
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Very Poor	0												
N/A	0												
	<p>Please rate the performance of RSHL with respect to management of the process to develop the Datascope Regional Sector Template.</p> <table border="1"> <tr><td>Outstanding</td><td>1</td></tr> <tr><td>Good</td><td>1</td></tr> <tr><td>Neutral</td><td>5</td></tr> <tr><td>Poor</td><td>1</td></tr> <tr><td>Very Poor</td><td>0</td></tr> <tr><td>N/A</td><td>0</td></tr> </table>	Outstanding	1	Good	1	Neutral	5	Poor	1	Very Poor	0	N/A	0
Outstanding	1												
Good	1												
Neutral	5												
Poor	1												
Very Poor	0												
N/A	0												
	<p>Please rate the performance of RSHL with respect to management of the logistics of the IRIS NextGen Programme</p> <table border="1"> <tr><td>Outstanding</td><td>3</td></tr> <tr><td>Good</td><td>5</td></tr> <tr><td>Neutral</td><td>0</td></tr> <tr><td>Poor</td><td>0</td></tr> <tr><td>Very Poor</td><td>0</td></tr> <tr><td>N/A</td><td>0</td></tr> </table>	Outstanding	3	Good	5	Neutral	0	Poor	0	Very Poor	0	N/A	0
Outstanding	3												
Good	5												
Neutral	0												
Poor	0												
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N/A	0												
	<p>Please rate the performance of RSHL with respect to management of the financials of the IRIS NextGen Programme</p> <table border="1"> <tr><td>Outstanding</td><td>0</td></tr> <tr><td>Good</td><td>4</td></tr> <tr><td>Neutral</td><td>3</td></tr> <tr><td>Poor</td><td>1</td></tr> <tr><td>Very Poor</td><td>0</td></tr> <tr><td>N/A</td><td>0</td></tr> </table>	Outstanding	0	Good	4	Neutral	3	Poor	1	Very Poor	0	N/A	0
Outstanding	0												
Good	4												
Neutral	3												
Poor	1												
Very Poor	0												
N/A	0												



Statement of Service Performance | Hei Ine i te Mahi
Performance Measures continued

1 July 2023 – 30 June 2024	
	<p>Please rate the performance of Datacom with respect to their approach to Partnering with councils and RSHL.</p> <p>Please rate the performance of Datacom with respect to collaboration with the councils.</p> <p>Please rate the performance of Datacom with respect to delivery to the IRIS NextGen Programme.</p>
<p>Budgets for IRIS support and development are approved by the IRIS Advisory Group and Board by 30 June each year. Delivery within these budgets is effectively managed by the Advisory Group and the Chief Executive.</p>	<p>Achieved.</p> <p>The DRAFT IRIS budget was approved as planned in February 2024 and the final budget was approved as part of the SOI Process in June 2024.</p> <p>IRIS – The IRIS Programme Budget included a loss of \$468k for the year because the programme intended to expend funds carried over from previous years. In fact, the programme made a loss of \$174k including depreciation. The favourable result was because operating expenditure was \$358k less than budgeted.</p>
<p>Be an effective service delivery vehicle for regional council sector shared programmes under the Sector Financial Management System.</p> <p>Revenue and Expenditure for SFMS Programmes are within budget, with any variations approved by the RCEOs.</p> <p>Annual Survey of Programme Leads in relation to SFMS Management presented to RCEOs in June. Survey results to be the same or better than the previous year.</p>	<p>Achieved.</p> <p>SFMS Funds collected were as agreed with the RCEOs and reporting on financial position was provided to RCEOs on a quarterly basis.</p> <p>Total funding collected in the period was \$6.9M of which \$2.5M was from central government. Total expenses for the year were \$7.8M. The net loss of \$1.9M is due to expenses for the Cyclone Gabrielle response LIDAR Surveys. The funding for this work was collected in the previous financial year but spent in FY24.</p> <p>Ten Te Uru Kahika Programme Leads were surveyed on the performance of RSHL with respect to delivery of the SFMS. 5 responses were provided.</p> <p>All responses rated RSHL Good or Outstanding on the following survey questions:</p> <p>Please rate the performance of RSHL with respect to:</p> <ul style="list-style-type: none"> • Sourcing and Procurement • Contract Management. • Financial/Operations Management. • Employment of Staff/Contractors <p>This is a pleasing result, which we will seek to build on in the following years.</p>



Statement of Service Performance | Hei Ine i te Mahi
Performance Measures continued

1 July 2023 – 30 June 2024	
Effectively support the activities of the Te Uru Kahika through the Regional Sector Office. Annual survey of RCEOs in relation to performance of the sector office presented to RCEOs in June. Survey results to be the same or better than the previous year.	<p>Not Achieved.</p> <p>Over the course of FY2024, RSHL went through a process to better define the role of RSHL in support of Te Uru Kahika.</p> <p>As a result of that work, a new Memorandum of Agreement (MoA) has been created which clearly defines the roles of RSHL and Te Uru Kahika. That MoA includes service definitions and measures. This is the most effective way of measuring the performance of RSHL in support of Te Uru Kahika.</p> <p>The Te Uru Kahika Virtual Team, led by the Te Uru Kahika Executive Director is accountable to the RCEOs Forum for the performance of the Regional Sector Office.</p>
Budgets for EMAR are approved by the EMAR Steering Group by 30 June each year, and delivery within these budgets is effectively managed by the EMAR Project Manager	<p>Partially Achieved.</p> <p>The EMAR budget and workplan for FY24 was approved by the EMAR Steering Group on the 25th August 2024. Approval was delayed pending confirmation of central government funding.</p> <p>The work programme for LAWA, including additional topics and upgrades was completed on time and to budget.</p>
Be a service delivery vehicle for wider regional council sector and related bodies information management programmes and related shared services. Projects to be delivered on time and on budget as agreed in each of the Statements of Work between RSHL and the relevant regional sector group.	<p>Partially Achieved.</p> <p>RSHL has effectively managed the SFMS. Revenue and expenditure are consistent with the amounts documented in the SFMS Briefing Paper.</p> <p>RSHL has more than 50 contracts in place with service providers for support of Te Uru Kahika work programmes.</p> <p>RSHL has effectively managed the Integrated National Farm Data Platform (INFDP) Programme under the guidance of the Steering Group. The programme has remained within budget and timetable and been well managed despite significant changes in policy direction.</p> <p>Environmental Data Management Platform (EDMS) is a long-running and complex programme. RSHL has been working with the Te Uru Kahika Environmental Data and Digital Solutions Groups to complete the procurement process for this programme. This has taken longer than planned.</p> <p>In FY2024 we started development with a consortium of councils on a Data Emissions Platform Programme, we expect to progress to a formal partnership agreement before the end of the year.</p> <p>RSHL is also working with the Regional Integrated Ticketing Systems Programme to transition that team from Otago Regional Council to RSHL.</p>

Financial

1 July 2023 – 30 June 2024	
<p>RSHL will operate within approved budget, with any material variations approved by the relevant governance group.</p> <ul style="list-style-type: none"> • RSHL Overheads – RSHL Board. • IRIS NextGen Programme – IRIS NextGen Steering Group • IRIS Programme – IRIS Advisory Group • Sector Financial Management System – RCEOs Group 	<p>Achieved – RSHL operated within approved budgets for all programmes with some variations approved by the board.</p> <p>The board receives quarterly financial reports with revenue and expenditure for each activity:</p> <ul style="list-style-type: none"> • RSHL Overheads – RSHL Board • IRIS NextGen Programme – IRIS NextGen Steering Group • IRIS Programme – IRIS Advisory Group • Sector Financial Management System – RCEOs Group <p>The board received and accepted the financial reports at each meeting, with variances discussed and agreed.</p> <p>Overheads – Overhead costs are allocated to each programme based on revenue. The SOI budget showed total overheads to be recovered from programmes as \$342K. Actual overheads recovered were \$370K.</p> <p>IRIS NextGen Programme – The SOI budget for IRIS NextGen indicated a loss of \$286K, because the programme intended to expend funds carried over from previous years. In fact, the programme made a loss of \$68K.</p>

Statement of Service Performance | Hei Ine i te Mahi
Performance Measures continued

1 July 2023 – 30 June 2024	
	<p>IRIS – The IRIS Programme Budget included a loss of \$468K for the year because the programme intended to expend funds carried over from previous years.</p> <p>In fact, the programme made a loss of \$174K including depreciation. The favourable result was because operating expenditure was \$358K less than budgeted.</p> <p>Sector Financial Management System – Te Uru Kahika confirmed its budget for FY2024 in August after RSHL had published its SOI budget. As such, a comparison between the SOI budget and the FY24 actual expenditure for the SFMS is not meaningful. The RCEOs Group received quarterly updates on income and expenditure against their budget. The Te Uru Kahika Executive Advisor received regular updates.</p> <p>Further variability was created because Te Uru Kahika successfully negotiated a new funding agreement with MFE in June 2024. This has had a favourable impact on the year-end result.</p>
<p>Annual charges for shareholders and customers to be at the level approved by the relevant governance group. Based upon the approved operating budget and budgets.</p> <ul style="list-style-type: none"> • RSHL Overheads – RSHL Board. • IRIS NextGen Programme – IRIS NextGen Steering Group • IRIS Programme – IRIS Advisory Group • Sector Financial Management System – RCEOs Group 	<p>Achieved</p> <p>Overheads are not charged directly to shareholders or customers.</p> <p>IRIS NextGen Programme – Budgeted contributions to the programme from councils in FY2024 were set at \$5M and actual contributions were \$5M. The budget also included contingency of \$0.4M which was not collected or expended. \$44K of funding was collected and expended for small, council-specific pieces of work related to the programme.</p> <p>IRIS – Collected contributions matched budget exactly, at \$937K.</p> <p>SFMS - Te Uru Kahika confirmed its budget for FY2024 in August after RSHL had published its SOI budget. As such, a comparison between the SOI budget and the FY24 actual contributions for the SFMS is not meaningful. Funding collected from councils was in line with the budget set by the RCEOs in August. The agreed contribution from councils was \$3.4M. The total collected was \$3.5M.</p> <p>This figure included additional funding collected at the request of the BioManagers Group (\$50K), and additional (unbudgeted) contributions from Auckland Council.</p>

Growth

1 July 2023 – 30 June 2024	
<p>Monitor the regional sector and explore/respond to opportunities to expand the customer and/or shareholder base of RSHL.</p>	<p>Achieved.</p> <p>All 16 regional government organisations are customers of RSHL, while 10 councils are shareholders.</p> <p>In the FY2024 year RSHL worked with consortiums of councils on the following new significant initiatives.</p> <p>Data Emissions Platform - 19 Councils, including 10 Territorial Authorities are working together, to roll out a shared solution for the recording, modelling and reporting of emissions at a local scale. The solution is expected to go live in 2024.</p> <p>Regional Integrated Ticketing System – RSHL is working with a consortium of 10 councils on the transition of the RITS Programme Team from Otago Regional Council to RSHL.</p>
<p>Work with the Te Uru Kahika Network to develop shared service opportunities.</p>	<p>Achieved.</p> <p>In the FY2024 year RSHL worked with consortiums of councils on the following new significant initiatives.</p> <p>Data Emissions Platform - 19 Councils, including 10 Territorial Authorities are working together, to roll out a shared solution for the recording, modelling and reporting of emissions at a local scale. The solution is expected to go live in 2025.</p> <p>Regional Integrated Ticketing System – RSHL is working with a consortium of 10 councils on the transition of the RITS Programme Team from Otago Regional Council to RSHL.</p>
<p>Engage with councils in the regional sector to increase the scope of the usage of shared solutions.</p>	<p>Achieved.</p> <p>RSHL is no longer promoting the IRIS product to new councils.</p> <p>RSHL promotes the IRIS NextGen Programme to the 7 councils not currently participating. We expect West Coast Regional Council to join the programme in FY25. We continue to be in regular contact with two other large councils.</p> <p>The WellsNZ Programme provides a platform for the management and display of well and bore data. The programme was founded by Waikato, Canterbury, Auckland and Otago regional councils. We expect up to 4 more councils to join the programme in FY25.</p>

Financial Statements | Ngā Tauākī Pūtea

Regional Software Holdings Limited For the year ended 30 June 2024

The financial statements required by section 67 of the Local Government Act 2002 are attached.

Registered Office

C/- O'Fee Next Level Accounting

PO Box 1007, Palmerston North

Auditors

Audit New Zealand on behalf of the Controller and Auditor-General.

Directors

The directors appointed for the period that this Performance Report covers were:

Mike Nield (Chairperson)	Taranaki Regional Council
Janine Becker	Waikato Regional Council
Bruce Howse	Northland Regional Council
Ged Shirley	Horizons Regional Council
Wilma Falconer	Southland Regional Council
Fiona McTavish	Bay of Plenty Regional Council
Asbjorn Aakjaer	Independent Director
Bruce Robertson	Independent Director

Interest Register

All directors listed their interests in the register on being appointed to the company and interests are reviewed at each board meeting. The following interests are registered:

Director	Organisation	Interest
Bruce Howse	Northland Regional Council	Group Manager, Corporate Services of RSHL Shareholding Council
Fiona McTavish	Bay of Plenty Regional Council BOPLASS Limited McTavish-Huriwai Investments Limited Quayside Holdings Limited Quayside Securities Limited Quayside Properties Limited	Chief Executive of RSHL Shareholding Council Director Director & Shareholder Director Director Director
Janine Becker	Waikato Regional Council	Director, Finance & Business Services of RSHL Shareholding Council
Mike Nield	Taranaki Regional Council Taranaki Stadium Trust	Director, Corporate Services of RSHL Shareholding Council Trustee



Ged Shirley	Horizons Regional Council	General Manager, Regional Services & Information of RSHL Shareholding Council
Wilma Falconer	Southland Regional Council	Chief Executive of RSHL Shareholding Council
	Project Partners Limited	Director & Shareholder
Asbjorn Aakjaer	Negotiate Limited	Director & Shareholder
	Aakjaer Trustee Company	Director & Shareholder
	Ice Bear Holdings Limited	Director & Shareholder
	One Sheep at a Time Limited	Director & Shareholder
	EMD Advantage Limited (Infor)	EMDA Board Chair
	Waikato Regional Council (Infor – Public Sector), KPMG	Providing implementation consulting services to the WRC Finance Team – Infor (solution provider/implementation delivery partner). Engagement post implementation support only.
	Deloitte, EY, KPMG, SAP, Oracle, Infor, Microsoft, Workday, Salesforce, Mulesoft, Datacom	Active & long-term relationships with these organisations including tendering for new consulting opportunities from time to time.
Bruce Robertson	R Bruce Robertson Limited	Director and Shareholder (governance and advisory services).
	<i>Local Authorities:</i>	
	Hamilton City Council	Audit & Risk Committee Chair
	Thames-Coromandel District Council	Audit & Risk Committee Chair
	Waipa District Council	Audit & Risk Committee Chair
	Taupo District Council	Audit & Risk Committee Chair
	Bay of Plenty Regional Council	Audit & Risk Committee Deputy Chair
	Gisborne District Council	Audit & Risk Committee Chair
	Napier City Council	Audit & Risk Committee Chair
	South Wairarapa District Council	Audit & Risk Committee Chair
	Wellington City Council	Audit & Risk Committee Chair
	Timaru District Council	Audit & Risk Committee Chair
	Central Otago District Council	Audit & Risk Committee Chair
	Southland District Council	Audit & Risk Committee Chair
	Christchurch City Council	Audit & Risk Committee Chair (from 1 July 2024)
Ministry of Primary Industries (MPI)	Audit & Risk Committee Chair	

The following directors received the following payments throughout the year:

A Aakjaer - \$36,158 (Last Year: \$33,000) for independent director services.

B Robertson - \$37,306 (Last Year: \$9,208) for independent director services.

The other directors are paid through their respective Councils.

Statement of Comprehensive Revenue and Expense | Te Tauākī Matawhānui mō te Moniwhiwhi me ngā Whakapaunga

Regional Software Holdings Limited For the year ended 30 June 2024

	NOTES	2023-24	2023-24 SOI	2022-23
Revenue				
Regional Sector Shared Services	2	6,867,364	5,715,783	8,904,518
Member Contributions	2	5,980,859	6,343,866	4,902,541
Other revenue	2	242,157	128,173	298,331
Interest		134,376	25,000	38,626
Total Revenue		13,224,756	12,212,822	14,144,016
Expenses				
Administration Costs	3	130,147	74,800	105,248
Audit and Legal Fees	1	95,560	105,000	93,683
Datacom Support Services		206,978	247,000	193,129
Environmental Charges		145,527	154,000	23,316
External Contractors		4,347,344	4,832,539	3,039,453
External Directors Fees		75,200	72,000	42,728
Other Direct Software Expenses		456,382	733,333	424,203
Personnel costs	4	1,359,892	1,745,000	843,340
Promotional costs		129,901	91,000	3,933
Regional Sector Shared Services		7,850,616	4,260,250	4,953,973
Travel and Meeting Costs		198,862	184,000	120,022
Depreciation Expense	7	6,293	-	1,132
Amortisation Expense	8	500,557	468,705	989,043
Total Expenses		15,503,260	12,967,627	10,833,202
Surplus/(Deficit) before Tax		(2,278,504)	(754,805)	3,310,814
Income Tax				
Tax Expense	11	(637,797)	-	725,888
Total Income Tax		(637,797)	-	725,888
Total Comprehensive Revenue and Expense		(1,640,706)	(754,805)	2,584,926

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

Explanations of major variances against budget are provided in the notes.

Statement of Financial Position | Te Tauākī mō te Āhua o te Pūtea

Regional Software Holdings Limited As at 30 June 2024

	NOTES	2023-24	2023-24 SOI	2022-23
Assets				
Current Assets				
Cash and Cash Equivalents	5	4,382,962	613,699	5,851,788
Receivables and Prepayments	6	2,072,414	-	2,180,386
Income Tax Receivable	11	43,212	-	11,971
Total Current Assets		6,498,587	613,699	8,044,146
Non-Current Assets				
Property, Plant & Equipment	7	5,881	-	7,826
Intangible Assets	8	1,100,902	1,642,725	1,601,459
Total Non-Current Assets		1,106,783	1,642,725	1,609,285
Total Assets		7,605,371	2,256,424	9,653,431
Liabilities				
Current Liabilities				
Payables and Deferred Revenue	9	2,270,313	-	1,838,018
Employee Entitlements	10	83,585	-	51,977
Goods and Services Tax		49,363	-	282,823
Total Current Liabilities		2,403,261	-	2,172,818
Non-Current Liabilities				
Deferred Tax Liability	11	88,091	-	725,888
Total Non-Current Liabilities		88,091	-	725,888
Total Liabilities		2,491,352	-	2,898,706
Net Assets		5,114,019	2,256,424	6,754,725
Equity				
Contributed Capital	12	5,149,150	5,149,150	5,149,150
Accumulated Funds	12	(35,131)	(2,892,727)	1,605,575
Total Equity		5,114,019	2,256,424	6,754,725

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

Statement of Changes in Equity/Net Assets | Te Tauākī mō ngā Panonitanga o te Whai Tūtanga/ngā Huarawa More

Regional Software Holdings Limited For the year ended 30 June 2024

	2023-24	2023-24 SOI	2022-23
Equity			
Opening Balance	6,754,725	3,011,228	4,169,800
Total Comprehensive Revenue and Expense for the year	(1,640,706)	(754,805)	2,584,926
Balance at 30 June	5,114,019	2,256,424	6,754,725
Total Comprehensive Revenue and Expense Attributable to			
Regional Software Holdings Ltd	(1,640,706)	(754,805)	2,584,926

Statement of Cash Flows | Te Tauākī mō ngā Kapewhiti

Regional Software Holdings Limited For the year ended 30 June 2024

	2023-24	2023-24 SOI	2022-23
Cash Flows from Operating Activities			
Receipts from Members and Non-Members	6,055,502	12,187,822	5,015,316
Interest Received	134,376	25,000	38,626
ReCoCo Income	6,813,738	-	8,290,390
Other Income	168,578	-	173,962
Income tax received/(paid)	(31,241)	-	(10,815)
Payments to suppliers and employees	(14,374,237)	(12,498,922)	(9,508,806)
GST	(229,826)	-	309,251
Total Cash Flows from Operating Activities	(1,463,109)	(286,100)	4,307,923
Cash Flows from Investing and Financing Activities			
Payments to acquire property, plant and equipment	(5,717)	-	(7,589)
Payments to purchase intangibles	-	-	(8,905)
Repayments of loans borrowed from other parties	-	-	-
Total Cash Flows from Investing and Financing Activities	(5,717)	-	(16,494)
Net Increase/ (Decrease) in Cash	(1,468,826)	(286,100)	4,291,430
Cash Balances			
Cash and cash equivalents at beginning of period	5,851,788	899,799	1,560,358
Cash and cash equivalents at end of period	4,382,962	613,699	5,851,788
Net change in cash for period	(1,468,826)	(286,100)	4,291,430

The accompanying notes form part of these financial statements; all figures are exclusive of GST unless otherwise stated

Notes to the Financial Statements | Tuhinga Āpiti ki Te Ngā Tauākī Pūtea

Regional Software Holdings Limited For the year ended 30 June 2024

1. Statement of Accounting Policies | Te Tauākī mō ngā Kaupapa Here Mahi Kaute

Reporting Entity

Regional Software Holdings Limited (RSHL) was incorporated 17 October 2012. RSHL was primarily incorporated for the purposes of managing the investment and development of IRIS software, and has designated itself a Public Benefit Entity (PBE), in keeping with the designation of the shareholders.

RSHL is a Public Limited Liability Company incorporated and registered under the Companies Act 1993 and is a council-controlled organisation as defined in Section 6 of Local Government Act 2002.

RSHL has no subsidiaries or joint ventures.

Entity Structure

Following the restructure of RSHL into the Te Uru Kahika Shared Services organisation in November 2022, the company has a Board of 8 directors, comprised of 6 council representatives and two independent directors. The Board oversees the governance of RSHL. The Board is accountable to its shareholders for the financial and non-financial performance of the company. RSHL directors are elected and retire by rotation. In addition, there is a Chief Executive who is responsible for the day-to-day operations of RSHL and reports to the Board.

The Company has:

- 10 Class A (Control) Shares - issued for \$1 par value per share, and fully paid up, and
- 10,000 Class B (IRIS) Shares - issued for \$1 par value per share, and fully paid up - which represent the ownership rights over IRIS classic asset and enable the founding shareholders to retain their rights and ownership of the IRIS asset following the restructure of RSHL in November 2022.

The total number of shares at 30 June 2024 is 10,010 (2023: 10,009). The Company issued a single Class A share to Otago Regional Council in August 2023 on completion of the necessary processes and documents.

The shareholding of the Company as at 30 June 2024 is as follows:

Organisation	Class A (Control) Shares	Class B (IRIS) Shares
Waikato Regional Council	1	3,275
Northland Regional Council	1	1,675
Horizons Regional Council	1	1,550
Taranaki Regional Council	1	1,550
Southland Regional Council	1	1,550
West Coast Regional Council	1	400
Bay of Plenty Regional Council	1	-
Gisborne District Council	1	-
Hawke's Bay Regional Council	1	-
Otago Regional Council	1	-

The financial statements are those of RSHL, for the twelve months ended 30 June 2024, and were authorised for issue by the Board of Directors on 26 September 2024.

Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of Compliance

The financial statements of RSHL have been prepared in accordance with the requirements of the Local Government Act 2002, and the Companies Act 1993, which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

These financial statements and service performance information have been prepared in accordance with and comply with PBE Standards RDR. RSHL is eligible and has elected to apply the PBE Standards RDR because its expenses are less than \$30 million and it does not have public accountability as defined by XRB A1 Application of the Accounting Standards Framework.

Presentation Currency and Rounding

The financial statements are presented in New Zealand dollars (NZ dollars) and all values are rounded to the nearest dollar.

Changes in Accounting Policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Summary of Significant Accounting Policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

Foreign Currency Transactions

Foreign currency transactions (including those for which forward foreign exchange contracts are held) are translated into NZ\$ (the functional currency) using the spot exchange rate at the date of the transaction. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in surplus or deficit.

Goods and Services Tax

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows. Commitments and contingencies are disclosed exclusive of GST.

Critical Accounting Estimates and Assumptions

In preparing these financial statements, estimates and assumption have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

Additional Disclosure

The Companies Act 1993 requires disclosure of the amount of the donations, audit fees, fees for other services from the auditor, and the number of employees of the company who received remuneration and other benefits above \$100,000 per annum, in brackets of \$10,000.

During this financial year eleven staff members were employed by RSHL (last year there were eight). There are ten employees as at 30 June 2024.

Remuneration Bracket	2023-24	2022-23
Up to 100,000	5	5
100,000 - 110,000	0	0
110,000 - 120,000	0	0
120,000 - 130,000	0	1
130,000 - 140,000	1	0
140,000 - 150,000	1	1
150,000 - 160,000	1	0
160,000 - 170,000	1	0
170,000 - 180,000	0	0
180,000 - 190,000	0	1
190,000 - 200,000	1	0
200,000 - 210,000	1	0

2023-24 2022-23

Fees to Auditors

Fees to Audit NZ for audit of the financial statements and performance information	56,112	44,267
Fees to Audit NZ for other services	23,484	-
Total Fees to Auditors	79,596	44,267

Donations made in the period: none (last year: none).

2. Revenue

Accounting Policy

The specific accounting policies for significant revenue items are explained below:

Revenue is recognised depending on whether the revenue is from exchange or non-exchange transactions.

Exchange Revenue

Exchange revenue from the rendering of services is recognised by reference to the stage of completion of the services.

Other Revenue

Other Revenue includes Consulting Services, and Council Specific Funding (for software and subscriptions). RSHL recognises revenue from these services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on the work performed or the stage of completion of the subscription period.

Investment Revenue

Interest revenue is recorded as it is earned.

Non-Exchange Revenue

Non-exchange revenue is recognised when it becomes receivable, unless there is a substantive use or return condition attached to the funding for non-performance. If there is a substantive use or return condition, revenue is deferred and recognised as revenue only upon satisfying the condition of the funding.

Non-exchange transactions are those where RSHL receives value from another entity (e.g. cash or other assets) without giving approximately equal value in exchange. Inflows of resources from non-exchange transactions, other than services in-kind, that meet the definition of an asset are recognised as an asset only when:

- It is probable that RSHL will receive an inflow of economic benefits or service potential; and
- The fair value of can be measured reliably.

Inflows of resources from non-exchange transactions that are recognised as assets are recognised as non-exchange revenue, to the extent that a liability is not recognised in respect to the same inflow.

Liabilities are recognised in relation to inflows of resources from non-exchange transactions when there is a resulting present obligation as a result of the non-exchange transactions, where both:

- It is probable that an outflow of resources embodying future economic benefit or service potential will be required to settle the obligation, and
- The amount of the obligation can be estimated reliably.

Members Contributions and Regional Sector Shared Services

The revenue from Members Contributions and Regional Sector Shared Services is all regarded as non-exchange revenue and recognised when it becomes receivable as there is no economic consequences of delivery outlined in the agreements.

Refer Statement of Service Performance (page 5) for further details of all revenue-generating Activities.

	2023-24	2022-23
Members Contributions		
Members Contributions as per SOI	5,980,859	4,902,541
Total Members Contributions	5,980,859	4,902,541

Members contributions include \$5,763,183 (2023: \$4,332,237) income from the shareholder councils as described in note 14. Members contributions from non-shareholder councils total \$217,676 (2023: \$570,304).

	2023-24	2022-23
Other Income		
Consulting Services	146,003	188,293
Recovery of Other Direct Software Expenses	96,153	110,038
Total Other Income	242,157	298,331

3. Expenses

Accounting Policy

Expenditure is recognised on an accrual basis when the service was provided, or the goods received. Costs associated with maintaining the IRIS software suite are recognised as an expense when incurred.

	2023-24	2022-23
Administration Expenses		
Accounting & Technical Support	112,886	90,542
Administration Costs	13,539	11,455
Bank Fees	452	383
Insurance	3,270	2,868
Total Administration Expenses	130,147	105,248

4. Personnel Costs

Accounting Policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes - defined contribution schemes

Employer contributions to Kiwisaver are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

	2023-24	2022-23
Personnel costs		
Salaries and wages	1,247,939	658,375
Council staff seconded to RSHL	30,116	145,291
Defined contribution plan employer contributions	35,898	18,782
Increase/(decrease) in employee entitlements	31,608	18,615
ACC Levies	569	243
Staff Costs	3,605	2,034
Staff Training	10,157	-
Total Personnel costs	1,359,892	843,340

5. Cash and Cash Equivalents

Accounting Policy

Cash and cash equivalents include cash on hand, on demand or call deposits, and other short-term investments with original maturities of three months or less, and bank overdrafts.

	2023-24	2022-23
Cash and cash equivalents		
Business Online Saver	2,532,644	283,807
Credit Card - Mark Donnelly	(1,728)	(1,191)
Current Account	1,852,047	5,569,171
Total Cash and cash equivalents	4,382,962	5,851,788

6. Receivables

Accounting Policy

Short-term receivables are recorded at the amount owed, less an allowance for credit losses. RSHL applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectations of recovery. Indicators that there is no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

	2023-24	2022-23
Receivables and Prepayments		
Accounts Receivable	2,072,414	2,103,265
Prepayments	-	77,121
Total Receivables and Prepayments	2,072,414	2,180,386

7. Property, Plant and Equipment

Accounting Policy

Property, plant, and equipment consists of the following asset classes: Computer Hardware.

All asset classes are measured at cost, less accumulated depreciation, and impairment losses.

Individual assets, or group of assets, are capitalised if their cost is greater than \$5,000.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment, other than land, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

The useful life and associated depreciation rate for computer hardware is between 50% and 67%.

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each balance date.

Impairment and Impairment Reversals (Cash-Generating Assets)

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to its recoverable amount. For revalued assets, the impairment loss is recognised in other comprehensive revenue and expense and decreases the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

For assets not carried at a revalued amount, the total impairment loss is recognised in depreciation and amortisation expense in the statement of comprehensive revenue and expense.

The reversal of an impairment loss on a revalued asset is recognised in other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was previously recognised in surplus or deficit, a reversal of an impairment loss is also recognised in surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in depreciation and amortisation expense in the statement of comprehensive revenue and expense.

	Cost 1 Jul 2023	Accumulated Depreciation 1 Jul 2023	Carrying Amount 1 Jul 2023	Additions	Depreciation	Cost 30 Jun 2024	Accumulated Depreciation 30 Jun 2024	Carrying Amount 30 Jun 2024
Computer Hardware	11,257	3,431	7,826	4,347	6,292	15,604	9,723	5,881
Total	11,257	3,431	7,826	4,347	6,292	15,604	9,723	5,881

	Cost 1 Jul 2022	Accumulated Depreciation 1 Jul 2022	Carrying Amount 1 Jul 2022	Additions	Depreciation	Cost 30 Jun 2023	Accumulated Depreciation 30 Jun 2023	Carrying Amount 30 Jun 2023
Computer Hardware	2,299	2,299	-	8,958	1,132	11,257	3,431	7,826
Total	2,299	2,299	-	8,958	1,132	11,257	3,431	7,826

8. Intangible Assets

Accounting Policy

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the costs of services, software development employee costs, and an appropriate portion of relevant overheads.

From the 2020-21 year all IRIS development is now treated as operating expenses (previously recognised as property, plant and equipment). All determined IRIS development that will not enhance the asset that was previously recognised as property, plant and equipment has now been expensed in the year.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs of software updates or upgrades are capitalised only when they increase the usefulness or value of the software. Costs associated with development and maintenance of the RSHL website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Acquired computer software 10 years 10%

Internally developed computer software 10 years 10%

Where software in this category is replaced, upgraded or determined by RSHL to be of no further operational benefit, a change in value will be recognised through the Statement of Comprehensive Revenue and Expense. This change in value will be the difference between the carrying value of the original item and its fair value.

Cash-generating assets and non-cash generating assets are distinguished by whether or not the primary objective of holding the assets is to generate a commercial return. RSHL has assessed that it has no non-cash-generating assets.

Impairment and Impairment Reversals (Cash-Generating Assets)

Intangible assets subsequently measured at cost that have an indefinite useful life, or are not yet available for use, are tested annually for impairment, irrespective of whether there is any indicator of impairment.

For further details, refer to the policy for impairment of property, plant, and equipment in Note 6. The same approach applies to the impairment of intangible assets.

Under International Public Sector Accounting Standards (IPSAS) 31 and 26 the management of RSHL is required to consider whether there is an impairment to the suite of intangible assets.

RSHL has considered the external and internal sources of information under IPSAS 26 and considers it likely that on or about 30 June 2027 the current IRIS software platform and attendant e-learning software will be discontinued with no residual value. On this consideration the current IRIS asset and attendant e-learning software has been impaired in 2021 and then further impaired in 2022, but with no further impairment identified in 2023 or 2024.

Therefore all impaired software assets will be amortised on a straight-line basis at variable rates so as to have a nil residual value on 30 June 2027 (no change since last year).

All assets that will not be impacted by impairment will continue to be amortised on a straight-line basis at 10% and have no residual value on 30 June 2027.

The impairment adjustment from the 2021 and the 2022 years will form part of the amortisation expense until 30 June 2027 in the statement of comprehensive revenue and expense.

At 30 June 2024 the work in progress value of the IRIS Asset is \$Nil. The work in progress written off has been included in other direct software expenses (30 June 2023: \$Nil).

The impairment adjustment of E-Learning Software and IRIS Software Intellectual Property from the 2021 and 2022 years will form part of the accelerated amortisation expense until 30 June 2027.

	Cost	Accumulated Amortisation	Carrying Amount	Amortisation	Cost	Accumulated Amortisation	Carrying Amount
	1 Jul 2023	1 Jul 2023	1 Jul 2023		30 Jun 2024	30 Jun 2024	30 Jun 2024
Brand Design & Development	8,905	-	8,905	-	8,905	-	8,905
E-Learning Software	42,525	24,574	17,951	4,491	42,525	29,065	13,460
IRIS Software Intellectual Property	9,255,722	7,681,119	1,574,603	496,066	9,255,722	8,177,185	1,078,537
Total	9,307,152	7,705,693	1,601,459	500,557	9,307,152	8,206,250	1,100,902

	Cost	Accumulated Amortisation	Carrying Amount	Amortisation	Cost	Accumulated Amortisation	Carrying Amount
	1 Jul 2022	1 Jul 2022	1 Jul 2022		30 Jun 2023	30 Jun 2023	30 Jun 2023
Brand Design & Development	-	-	-	-	8,905	-	8,905
E-Learning Software	42,525	20,083	22,442	4,491	42,525	24,574	17,951
IRIS Software Intellectual Property	9,255,722	6,696,567	2,559,155	984,552	9,255,722	7,681,119	1,574,603
Total	9,298,247	6,716,650	2,581,597	989,043	9,307,152	7,705,693	1,601,459

9. Payables and Deferred Revenue

Short term payables are measured at the amount payable.

	2023-24	2022-23
Payables and Deferred Revenue		
Accounts Payable	1,774,612	1,712,558
Accrued Expenses	495,701	40,410
Income Received in Advance	-	85,050
Total Payables and Deferred Revenue	2,270,313	1,838,018

10. Employee Entitlements

Accounting Policy

Employee entitlements that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees provide the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned but not yet taken at balance date.

Annual leave expected to be settled within 12 months of balance date are classified as a current liability.

	2023-24	2022-23
Employee Entitlements		
Wages Payable	26,054	19,319
Leave Liability	57,531	32,657
Total Employee Entitlements	83,585	51,977

11. Income Tax

Accounting Policy

Income tax expense includes components relating to current tax and deferred tax, and is calculated using tax rates and tax laws that have been enacted or substantively enacted at balance date.

Current tax is the income tax payable based on the taxable profit for the current year, plus any adjustments to income tax payable in respect of prior years.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that affects neither accounting profit nor taxable profit.

Current and deferred tax is recognised against the profit or loss for the period, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

	2023-24	2022-23
Income Tax		
Components of Tax Expense		
Current Tax	-	-
Deferred Tax	(637,797)	725,888
Tax Expense	(637,797)	725,888
Net surplus/ (deficit) before tax	(2,278,510)	3,310,814
Tax at 28%	(637,983)	927,028
Plus / (less) tax effect of:		
Non-Deductible Expenditure	186	9,874
Effect of changes in recognised tax losses	-	(211,014)
Tax Expense	(637,797)	725,888

Deferred tax assets/(liabilities)	Tax losses	Intangible assets	Deferred revenue	Other temporary differences	Total
Balance at 30 June 2022	1,103,516	(670,095)	(440,539)	7,118	-
Charged to surplus or deficit	56,528	240,829	(1,035,640)	12,395	(725,888)
Charged to other comprehensive revenue and expense	-	-	-	-	-
Balance at 30 June 2023	1,160,044	(429,266)	(1,476,179)	19,513	(725,888)
Charged to surplus or deficit	(105,091)	142,907	587,674	12,307	637,797
Charged to other comprehensive revenue and expense	-	-	-	-	-
Balance at 30 June 2024	1,054,953	(286,359)	(888,505)	31,820	(88,091)

12. Equity

Accounting Policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as contributed capital and accumulated surplus.

	2023-24	2022-23
Equity		
Contributed Capital		
Balance at 1 July	5,149,150	5,149,150
Capital Contribution	-	-
Balance at end of period	5,149,150	5,149,150
Accumulated Surplus		
Balance at 1 July	1,605,575	(979,350)
Surplus/(deficit) for the year	(1,640,706)	2,584,925
Balance at end of period	(35,131)	1,605,575
Total Equity	5,114,019	6,754,725

13. Contingent Liabilities and Guarantees

There are no contingent liabilities or guarantees as at 30 June 2024 (Last year - nil).

14. Related Party Transactions

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect RSHL would have adopted in dealing with the party at arm's length in the same circumstances.

Related Party Transactions Significant to RSHL Requiring Disclosure (excluding GST):

Shareholder	2023/24	2022/23	Description of Services
Waikato Regional Council	-	93,765	Management Services - IRIS PMO Manager
Waikato Regional Council	-	33,006	Reimbursement for travel booked by WRC on behalf of RSHL
Waikato Regional Council	-	1,464	Purchase of laptop for staff member
Horizons Regional Council	8,236	-	Reimbursement for staff member seconded to IRIS NextGen
Horizons Regional Council	-	51,001	Reimbursement of Regional Sector Office Costs, funded from the SFMS.
Horizons Regional Council	-	4,177	Reimbursement for travel booked by HRC on behalf of RSHL
Taranaki Regional Council	19,980	-	Reimbursement for 2 staff members seconded to the IRIS NextGen project
Taranaki Regional Council	-	290	Reimbursement for Te Uru Kahika Mayors/Chairs induction dinner cost, funded from the SFMS
Taranaki Regional Council	-	5,270	Admin costs for Biosecurity Working Group
Bay of Plenty Regional Council	512,982	507,892	Reimbursement for BioControl Programme

Bay of Plenty Regional Council	-	37,240	Reimbursement of costs Practices, Methodologies and Standards NZ River Managers SIG
Bay of Plenty Regional Council	3,749	-	Reimbursement of costs Product Acceptance Testing for IRIS NextGen
Hawkes Bay Regional Council	24,951	78,254	River Managers SIG Professional Development Programme expenditure
Northland Regional Council	6,563	-	Reimburse for staff member seconded to the IRIS NextGen project and travel costs
Otago Regional Council	59,303	-	Reimburse for 2 staff members seconded to the IRIS NextGen project

Revenue of \$5,763,183 was received from the shareholder councils as member contribution in the year ended 30 June 2024 as outlined in note 2 (2023: \$4,332,237)

Member contributions were received as follows:

Shareholder	2023/24	2022/23
Waikato Regional Council	1,215,644	1,054,691
Bay of Plenty Regional Council	919,430	655,945
Horizons Regional Council	693,485	594,653
Hawkes Bay Regional Council	655,349	544,566
Northland Regional Council	655,349	544,566
Taranaki Regional Council	519,349	445,059
Southland Regional Council	519,349	445,057
West Coast Regional Council	36,320	47,702
Otago Regional Council	548,906	-

As at 30 June 2024 \$665,670 (2023: \$368,074) was owed to RSHL by Member Councils and \$610,790 (2023: \$425,474) was owed by RSHL to Member Councils.

2023-24 2022-23

Key Management Personnel Compensation

Senior Management Team, including the Chief Executive

Total full-time equivalent personnel	7	5
Remuneration	1,022,670	570,141

15. Events After Balance Date

There are no significant events after balance date (2023: Nil).

16. Financial Instruments

The carrying amounts of financial assets and liabilities in each of the PBE IPSAS 41 financial instrument categories are as follows:

	2023-24	2022-23
Financial assets measured at amortised cost		
Cash and cash equivalents	4,382,962	5,851,788
Receivables (excluding taxes receivable)	2,072,414	2,138,546
Total Financial assets measured at amortised cost	6,455,375	7,990,334
	2023-24	2022-23
Financial liabilities measured at amortised cost		
Payables (excluding income in advance and taxes payable)	2,233,566	1,730,243
Total Financial liabilities measured at amortised cost	2,233,566	1,730,243

Financial Instrument Risks

RSHL's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. RSHL has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from recognised liabilities, which are denominated in a foreign currency. RSHL has low exposure to currency risk because it does not have significant overseas liabilities.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate, or the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. RSHL has exposure to interest rate risk because it has interest-bearing bank accounts, but is not reliant on interest income for maintaining liquidity.

Credit risk

Credit risk is the risk that a third party will default on its obligation to RSHL, causing RSHL to incur a loss. In the normal course of its business, credit risk arises from receivables, and deposits with banks. These entities have high credit ratings. For its other financial instruments, RSHL does not have significant concentrations of credit risk.

RSHL's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents, receivables, and derivative financial instrument assets. There is no collateral held as security against these financial instruments.

Although cash and cash equivalents as at 30 June 2024 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

RSHL has deposited funds only with Westpac (Standard & Poor's credit rating of AA-), a registered bank.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that RSHL will encounter difficulty raising liquid funds to meet commitments as they fall due. As part of meeting its liquidity requirements, RSHL closely monitors its forecast cash requirements. RSHL maintains the level of available cash to meet liquidity requirements and to meet liabilities as they fall due.

17. Explanations of Major Variances Against Budget

Statement of Financial Performance	Actual	Budget	Variance	Explanation
Regional Sector Shared Services Revenue	6,867,364	5,715,783	1,151,581	Regional Sector Shared Services Revenue is revenue collected in support of Te Uru Kahika through the Sector Financial Management System. Te Uru Kahika did not confirm their budget for FY2024 until August 2023 so the SOI budget figures were based on FY23. In fact \$1.2M less than budgeted was collected from councils, and \$2.4M in unbudgeted funding was collected from central government in support of Te Uru Kahika programmes.
Member Contributions	5,980,859	6,343,866	(363,007)	Member contributions refers to contributions from councils from the IRIS and IRIS NextGen Programmes. The SOI budget included contingency of ~\$410K, which was not collected (a favourable variance). In addition RSHL collected ~\$44K of unbudgeted funds from councils for council specific activities completed within the programme.
Interest	134,376	25,000	109,376	RSHL held a significant cash balance in FY24 because of funding received from central government for East Coast LIDAR work and Essential Freshwater. As a result substantially more interest was earned than budgeted. The interest earned was used to offset overhead costs.
Other Revenue	242,157	128,173	113,984	RSHL received additional revenue because a contract resource was on-charged to a council for a period of time while not required for RSHL project work.

Administration Costs	130,147	74,800	55,347	The extra costs are for accounting and tax advice to support the FY22 and FY23 annual audits. Completion of the audits required restatement of the FY21, FY22 and FY23 accounts to meet the PBE Tier 2 standard (PBE Standards RDR).
Datacom Support Services	206,978	247,000	(40,022)	This figure is budgeted for Datacom support of the IRIS Software package. As we are actively seeking to minimise expenditure on IRIS, less support was required in FY24 than budgeted.
External Contractors	4,347,344	4,832,539	(485,195)	The budgeted figure included \$406K of contingency for the IRIS NextGen project that was not required. The remaining ~\$80K is due to small underspends on various vendor services related to the IRIS NextGen Programme.
Other Direct Software Expenses	456,382	733,333	(276,951)	The budgeted figure includes \$578K for IRIS Software Development. Actual spend on IRIS Development was \$319K (for data migration tools), a favourable variance of \$259K.

Personnel costs	1,359,892	1,745,000	(385,108)	Personnel costs included three Te Uru Kahika roles that were not recruited (see note above about timing of Te Uru Kahika Budget).
Promotional costs	129,901	91,000	38,901	Te Uru Kahika expended \$13K in unbudgeted expenditure on the production of the Before the Deluge report, and provided \$29K in sponsorship to promote Te Uru Kahika activities, this was unbudgeted and reallocated from consultant spend.
Regional Sector Shared Services Expenses	7,850,616	4,260,250	3,590,366	Regional Sector Shared Services Expenditure is expenditure in support of Te Uru Kahika through the Sector Financial Management System. Te Uru Kahika did not confirm their budget for FY2024 until August 2023 so the SOI budget figures were based on FY23. The most significant additional expense against the budget was \$1.9M for LIDAR Surveying of some areas of the North Island affected by Cyclone Gabrielle. Te Uru Kahika also spent \$1M in support of Freshwater Farm Plan data systems that was not originally budgeted, \$275K on development of a business case for Co-Investment in climate resilience infrastructure and \$200K on implementation of the National Policy Statement on Indigenous Biodiversity.
Taxation Expense	(637,797)	-	(637,797)	Taxation expense was not budgeted for due to the budgeted loss.

Statement of Financial Position	Actual	Budget	Variance	Explanation
Cash and cash equivalents	4,382,962	613,699	3,769,263	At year end RSHL holds substantial cash reserves on behalf of work programmes, including Essential Freshwater, East Coast LIDAR and unspent funds for IRIS, IRIS NextGen and the SFMS.
Accounts Receivable and Accruals	2,072,414	-	2,072,414	Accounts Receivable are not provided for in the budget.
Property, Plant & Equipment (PPE)	1,106,783	1,642,725	(535,942)	Budgeted Capital Expenditure for IRIS in FY22 and FY23 was expensed, following advice. Accordingly the value of the IRIS software asset is less than budgeted.
Payable and Accruals	2,270,313	-	2,270,313	Accounts Payable was not provided for in the SOI budget.



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Independent Auditor's Report

To the readers of Regional Software Holdings Limited's financial statements and performance information for the year ended 30 June 2024

The Auditor-General is the auditor of Regional Software Holdings Limited (the company). The Auditor-General has appointed me, Clarence Susan, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and performance information of the company on his behalf.

Opinion

We have audited:

- the financial statements of the company on pages 23 to 41, that comprise the statement of financial position as at 30 June 2024, the statement of comprehensive revenue and expense, statement of changes in equity/net assets and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the company on pages 15 to 19.

In our opinion:

- the financial statements of the company:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information of the company presents fairly, in all material respects, the company's actual performance compared against the performance targets and other measures by which performance was judged in relation to the company's objectives for the year ended 30 June 2024.

Our audit was completed on 26 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Board of Directors and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the *Professional and Ethical Standards* and the *International Standards on Auditing (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Directors for the financial statements and the performance information

The Board of Directors is responsible on behalf of the company for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Board of Directors is also responsible for preparing the performance information for the company.

The Board of Directors is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board of Directors is responsible on behalf of the company for assessing the company's ability to continue as a going concern. The Board of Directors is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Board of Directors intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the company's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- We evaluate the appropriateness of the reported performance information within the company's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board of Directors and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included on pages 1 to 14 and 20 to 22, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the company in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit we have carried out a separate assurance engagement to provide an interim report on assurance over the procurement of the Environmental Data Management Solution, which are compatible with those independence requirements. Other than the audit and this engagement, we have no relationship with or interests in the company.



Clarence Susan
Audit New Zealand
On behalf of the Auditor-General
Tauranga, New Zealand



Date: 2 December 2024
Subject: Civic Financial Services Ltd Half Yearly Accounts to 30 June 2024
Author: L Davidson, Executive Assistant
Approved by: M J Nield, Director - Corporate Services
Document: TRCID-1492626864-36

Purpose

1. The purpose of this memorandum is to receive and consider Civic Financial Services Ltd's Half-Yearly Report to 30 June 2024.

Recommendations

That the Taranaki Regional Council:

- a) receives Civic Financial Services Ltd's Half-Yearly Report to 30 June 2024.

Background

2. The Council holds 1,000 shares in Civic Financial Services Ltd (Civic). This equates to 0.01% of the ownership of the company or \$1,062 of the net assets. The Council's ownership and risk exposure from this investment is immaterial.
3. Our Investment Policy notes that half-yearly accounts will be considered by the Council. The shares continue to be held as the shares are not readily transferrable.

Discussion

4. Civic provides a range of financial services (mainly administration and superannuation) to the local government sector. Currently, Civic does not provide insurance products. It earns its money from administration fees for services to RiskPool, the LAPP Disaster Fund, the SuperEasy Superannuation Scheme, and the SuperEasy KiwiSaver Superannuation Scheme.
5. The company had a successful half-year with a net profit after tax of \$145,000.
6. Given the lack of risk and exposure to this investment it is recommended that the half-year report be received.

Appendices/Attachments

Document TRCID-1492626864-42: [Civic Financial Services Ltd: Half Yearly Accounts to 30 June 2024](#)



9 October 2024

Steve Ruru
Chief Executive
Taranaki Regional Council
Private Bag 713
STRATFORD 4352

steve.ruru@trc.govt.nz

Kia ora Steve

Civic Financial Services Ltd Half-Yearly Accounts to 30 June 2024

Please find enclosed your copy of the half-yearly accounts for Civic Financial Services Limited ("Civic") to 30 June 2024. You will be pleased to know that the company is tracking above budget and has returned an (unaudited) pre-tax profit of \$201k for the first half of 2024 with the company maintaining a strong financial position as at 30 June 2024.

As reflected in the accounts Civic's income is derived from administration services and investment income. In addition to administering Riskpool, Civic Liability Pool and the LAPP Fund, Civic administers the Local Government Superannuation Scheme (Employer Scheme) and SuperEasy KiwiSaver Superannuation Scheme which are offered to local government on an exclusive basis. Civic (through its Local Government Superannuation Scheme and/or SuperEasy KiwiSaver Scheme) provides superannuation services to 76 councils, has 11,450 members and funds under management of over \$606 million as at the end August 2024. Of the councils that have a preferred provider for KiwiSaver, 70 out of 73 (96%) have appointed SuperEasy KiwiSaver Superannuation Scheme.

Our journey continues to improve on how we communicate to our members through our refreshed SuperEasy Website, Electronic Direct Mail and our Fund Manager webinars.

We are committed to our mission statement that Civic will be a trusted and preferred financial services provider to the local government sector:

- 1) Dedicated to our shareholders.
- 2) Committed to our members.
- 3) A sound and successful business.

We appreciate your support.

Ngā mihi

A handwritten signature in black ink, appearing to read 'Charlie Howe', is enclosed in a light grey rectangular box.

Charlie Howe
Chief Executive
Civic Financial Services Ltd

CIVIC FINANCIAL SERVICES LTD**STATEMENT OF COMPREHENSIVE INCOME (Unaudited)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Six Months		Full Year	
	Note	2024 \$000	2023 \$000	2023 \$000
REVENUE				
Administration Fees		1,509	1,451	2,919
Income from Investments		273	278	614
TOTAL REVENUE		<u>1,782</u>	<u>1,729</u>	<u>3,533</u>
EXPENDITURE				
Depreciation & Amortisation		34	45	88
Employee Remuneration		538	451	1,058
Other Expenses		1,009	914	1,948
TOTAL EXPENDITURE		<u>1,581</u>	<u>1,409</u>	<u>3,094</u>
NET SURPLUS BEFORE TAXATION		<u>201</u>	<u>320</u>	<u>439</u>
Less Taxation Expense	6	56	89	123
NET SURPLUS AFTER TAXATION		<u>145</u>	<u>231</u>	<u>316</u>

**STATEMENT OF MOVEMENTS IN EQUITY (Unaudited)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Six Months		Full Year	
		2024 \$000	2023 \$000	2023 \$000
Equity as at 1 January		10,475	10,159	10,159
Net Surplus After Taxation		145	231	316
EQUITY AS AT 30 JUNE		<u>10,620</u>	<u>10,390</u>	<u>10,475</u>

**STATEMENT OF FINANCIAL POSITION (Unaudited)
AS AT 30 JUNE 2024**

	2024 \$000	2023 \$000	2023 \$000
EQUITY			
Capital	10,764	10,764	10,764
Retained Earnings	(144)	(375)	(290)
TOTAL EQUITY	<u>10,620</u>	<u>10,390</u>	<u>10,475</u>
Represented By:			
Current Assets			
Bank & Cash Equivalents	189	145	2,789
Term Deposits	9,265	3,366	6,367
Sundry Debtors, Prepayments and Accrued Interest	580	533	655
Loans	-	5,649	-
TOTAL CURRENT ASSETS	<u>10,034</u>	<u>9,693</u>	<u>9,811</u>
Non-Current Assets			
Property, Plant & Equipment & Intangible Assets	104	92	52
Deferred Tax Asset	863	954	920
TOTAL NON CURRENT ASSETS	<u>967</u>	<u>1,046</u>	<u>972</u>
TOTAL ASSETS	<u>11,001</u>	<u>10,739</u>	<u>10,782</u>
Current Liabilities			
Sundry Creditors & Accrued Charges	381	349	308
TOTAL CURRENT LIABILITIES	<u>381</u>	<u>349</u>	<u>308</u>
TOTAL LIABILITIES	<u>381</u>	<u>349</u>	<u>308</u>
EXCESS OF ASSETS OVER LIABILITIES	<u>10,620</u>	<u>10,390</u>	<u>10,475</u>

The notes to the accounts on page 3 form part of and are to be read in conjunction with these Statements.

CIVIC FINANCIAL SERVICES LTD**STATEMENT OF CASH FLOWS (Unaudited)
FOR THE SIX MONTHS ENDED 30 JUNE 2024**

	Six Months		FULL YEAR	
	Notes	2024 \$000	2023 \$000	2023 \$000
Cash Flows from Operating Activities				
Cash from operating activities:		1,579	1,431	2,809
Cash applied to operating activities:		1,429	1,439	3,135
Net Cashflow from Operating Activities	5	150	(8)	(326)
Cash Flows from Investing Activities				
Cash provided from investing activities:		235	1,225	11,642
Cash applied to investing activities:		2,985	1,852	9,800
Net Cashflow from Investing Activities		(2,750)	(627)	1,842
Cash Flows from Financing Activities				
Cash was provided from financing activities:		-	258	751
Cash applied to financing activities:		-	-	-
Net Cashflow from Financing Activities		-	258	751
Net Decrease in Cash Held		(2,600)	(377)	2,267
Opening Cash Balance as at 1 January		2,789	522	522
Closing Cash Balance as at 30 June		189	145	2,789
Being:				
Bank & Cash Equivalents		189	145	2,789

The notes to the accounts on page 3 form part of and are to be read in conjunction with this statement.

CIVIC FINANCIAL SERVICES LTD
FOR THE SIX MONTHS ENDED 30 JUNE 2024

Notes to the Financial Statements

1 Statement of Compliance

The Group is a Tier 2 Public Sector Public Benefit Entity and the financial statements have been prepared in accordance with and comply with Tier 2 Public Sector Public Benefit Entity (PBE) Standards.

2 Accounting policies

The accounting policies applied in the preparation of the half year financial statements are consistent with those disclosed in the 2023 annual report.

3 Basis of Preparation

These interim financial statements have been prepared in accordance with PBE IAS 34 - Interim Financial Reporting, and should be read in conjunction with the Company's annual financial report for the year ended 31 December 2023. Disclosures in these interim financial statements are less extensive than those in the annual financial report.

4 Comparative figures.

The comparative figures are for the six months ended 30 June 2023 and the year ended 31 December 2023.

5 Reconciliation of net surplus after tax with cash flow from operating activity.

	Six Months		Full Year
	2024 \$000	2023 \$000	2023 \$000
Reported Surplus After Taxation	145	231	316
Add/(less) non cash items			
Loan Interest	-	(258)	341
Depreciation	34	45	88
Deferred Tax Liability	56	89	124
Movement in CLP/ Riskpool Admin Fee Reserve	(10)	(10)	(19)
	80	(134)	533
Add/(less) movements in other working capital items			
Sundry Debtors, Prepayments and Accrued Interest	75	22	(98)
Sundry Creditors and Accrued Charges	84	(93)	(126)
	159	(71)	(224)
Less Items Classified as investing activity	(234)	(34)	(950)
Less Items Classified as financing activity	-	-	-
Net Cash Outflow from Operating Activities	150	(8)	(326)

6 Income Tax

The income tax liability for June 2024 is nil as the Company has unused tax credits with which it will use to offset any income tax expense.

7 Loans

Three secured loan agreements between the Company and Local Government Mutual Funds Trustee Limited on behalf of New Zealand Mutual Liability Riskpool ("Riskpool") exist, two for \$2,250,000 each, and a third for \$2,500,000. The loan outstanding at 30 June 2024 is \$nil. Notice of termination of all facilities was given on 25 June 2024 and the facilities therefore will terminate on 25 December 2024.

8 Contingent liabilities.

The contingent liabilities are:

- i) 100,000 uncalled shares in the wholly owned subsidiary, Local Government Superannuation Trustee Limited.
- ii) 1,000 uncalled shares in the wholly owned subsidiary, Local Government Mutual Funds Trustee Limited.
- iii) 100 uncalled shares in the wholly owned subsidiary, SuperEasy Limited.
- iv) 100 uncalled shares in the wholly owned subsidiary, Local Government Finance Corporation Limited.

9 Events occurring after reporting date

There have been no significant events since the reporting date that affect the results disclosed in the half year financial statements.



Date: 2 December 2024
Subject: Taranaki Stadium Trust 2023/2024 Annual Report
Author: L Davidson, Executive Assistant
Approved by: M J Nield, Director - Corporate Services
Document: TRCID-1492626864-48

Purpose

1. The purpose of this memorandum is to receive and consider the Taranaki Stadium Trust's 2023/2024 Annual Report.

Recommendations

That the Taranaki Regional Council:

- a) receives the Taranaki Stadium Trust's 2023/2024 Annual Report.

Background

2. The Council took over control of the Taranaki Stadium Trust on 27 June 2013. As such, the Trust is a council-controlled organisation of the Council.
3. The purpose of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council.
4. Council-controlled organisations are required to produce an audited annual report within three months of the completion of each financial year.

Discussion

5. The Taranaki Stadium Trust adopted its audited 2023/2024 Annual Report—refer attached.
6. The Trust, the New Plymouth District Council and the Taranaki Regional Council have a partnership arrangement for the operation and the development, maintenance and enhancement of the Yarrow Stadium facilities. Under the Trust's Deed and the Management Agreement between the Trust and the New Plymouth District Council, the New Plymouth District Council operates and funds the operations of Yarrow Stadium. The Taranaki Regional Council funds, via the Trust, the long-term maintenance and development of Yarrow Stadium.
7. This partnership for funding and operating/maintaining/developing assists in maintaining Yarrow Stadium as a premier regional sports and events venue.
8. The Stadium was in use throughout the 2023/2024 year and was extensively used by a range of codes. Functions and events were hosted in the suites in the West Stand.

9. In opting to repair and refurbish Yarrow Stadium, the Taranaki Regional Council has reaffirmed its vision for the venue. The vision was reviewed and updated in 2020/2021. It is:
 - The best regional stadium in New Zealand that regularly hosts local, regional, national, and international sports and entertainment events.
 - A stadium for both major events and community events and the premier outdoor fields for team sports codes.
 - A stadium that is loved by sports fans and the local community.
 - A stadium that is a quality experience for event promoters, participants and spectators, which is achieved through superior hospitality and event facilities, efficient and effective management, accessibility, flexibility and innovation.
10. In terms of the Yarrow Stadium Plus Project, the highlights focus on the substantive build of the new East Stand. Significant progress on the build of the new East Stand was completed, with the build remaining on time and on budget.
11. The Trust is scheduled to finish the Yarrow Stadium Plus project in March 2025, with the full stadium being available for use from that point.
12. Financially, the Trust remains on target with the estimates established in the TST's 2023/2024 statement of Intent.
13. With the successful operational and financial year, it is recommended that the Trust's 2023/2024 Annual Report be received.

Appendices/Attachments

Document TRCID-1735196531-14: [Taranaki Stadium Trust 2023/2024 Annual Report](#)



Taranaki Stadium Trust



Taranaki Stadium Trust 2023/2024 ANNUAL REPORT

VISION FOR YARROW STADIUM

The best regional stadium in New Zealand that regularly hosts local, regional, national, and international sports and entertainment events.

A stadium for both major events and community events and the premier outdoor fields for team sports codes.

A stadium that is loved by sports fans and the local community.

A stadium that is a quality experience for event promoters, participants and spectators, which is achieved through superior hospitality and event facilities, efficient and effective management, accessibility, flexibility and innovation.

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Document 3299623

Entity information for the Year Ended 30 June 2024

Legal name

Taranaki Stadium Trust

Type of entity and legal basis

The Taranaki Stadium Trust (the Trust) is a charitable trust incorporated in New Zealand under the Charitable Trusts Act 1957 and is domiciled in New Zealand. The Trust is controlled by the Taranaki Regional Council and is a Council Controlled Organisation as defined under section 6 of the Local Government Act 2002, by virtue of the Council's right to appoint the Board of Trustees.

The Trust's purpose

The purpose of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council.

Structure of the Trust's operations, including governance arrangements

The Trust comprises a Board of two Trustees who oversee the governance of the Trust. The Trustees are appointed by the Taranaki Regional Council. The Trust does not employ any staff. All the Trust's administrative and support services are undertaken by the Taranaki Regional Council. The operation of Yarrow Stadium is undertaken by the New Plymouth District Council pursuant to a Management Agreement.

Main sources of the Trust's cash and resources

Operating grants received from the Taranaki Regional Council and Crown Infrastructure Partners Limited are the primary sources of funding to the Trust.

Outputs

Refer to the statement of service performance.



Trustee's Report

The Trustees are pleased to present the Taranaki Stadium Trust's 2023/2024 Annual Report.

The purpose of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council.

The Trust, the New Plymouth District Council and the Taranaki Regional Council have a partnership arrangement for the operation and the development, maintenance and enhancement of the Yarrow Stadium facilities. Under the Trust's Deed and the Management Agreement between the Trust and the New Plymouth District Council, the New Plymouth District Council operates and funds the operations of Yarrow Stadium. The Taranaki Regional Council funds, via the Trust, the long-term maintenance and development of Yarrow Stadium.

This partnership for funding and operating, maintaining and developing is designed to maintain Yarrow Stadium as a premier regional sports and events venue.

Highlights

In opting to repair and refurbish Yarrow Stadium within a budget of up to \$79.7 million, the Trust and the Taranaki Regional Council have reaffirmed their vision for the venue. The vision was originally adopted in 2015 following stakeholder engagement. It is:

The best regional stadium in New Zealand that regularly hosts national and international sports and entertainment events.

- *A stadium for both major events and community events and the premier outdoor field for team sports codes.*
- *A stadium that is loved by sports fans and the local community.*
- *A stadium that is a quality experience for event promoters, participants and spectators, which is achieved through superior event facilities, presentation and management and through the early adoption and smart use of technology.*

During the year, significant progress was made on the repair and refurbishment project including:

- Completion of the groundworks for the new East Stand
- Completion of the design of the East Stand
- Commencement of the delivery of the East Stand.

The Yarrow Stadium operator, New Plymouth District Council, has actively and successfully encouraged increased use of the facility by a wider range of sporting and non-sporting organisations. The new East Stand build is well underway and remains on schedule to be opened in time for the 2025 winter sports season.

Trustee's Report



Financial Highlights

The Trust's 2023/2024 funding was focussed on the delivery of the repair and refurbishment project. To date the project spend is \$58m.

The delivery of the repair and recovery programme will require the Trust to borrow up to \$50m from the Taranaki Regional Council (in addition to the existing \$5m loan facility). The servicing of this debt will come from rates sourced Taranaki Regional Council funding.

Looking Ahead

Yarrow Stadium and the Trust face positive times ahead with the Stadium open for business and the construction of the new East Stand underway.

Donna Cram
Trustee
24 September 2024

Michael Nield
Trustee
24 September 2024

Statement of Service Performance

Performance Targets

The performance of Taranaki Stadium Trust has been judged against the following measures:

The presence of a Management Agreement with the New Plymouth District Council for the operation of the Stadium.

An agreement for the management and operation of Yarrow Stadium, between the Trust and the New Plymouth District Council, is in place. The original agreement for the Council to manage and operate the stadium was signed in 2004 and the latest renewal came into effect from 27 June 2013. New Plymouth District Council operated Yarrow Stadium in accordance with the Management Agreement during 2023/2024. There have been no changes to this since the 2022/2023 financial year end.

The provision of funding for a programme of agreed maintenance and long-term development of the Stadium. The programme of maintenance and long-term development is to be agreed upon by the Taranaki Regional Council and the New Plymouth District Council.

The Taranaki Regional Council has approved a \$79.7m repair and refurbishment project for Yarrow Stadium (2022/2023—\$79.7m). The New Plymouth District Council and the Taranaki Regional Council have agreed upon a long-term maintenance and development programme for the ten years from 2015/2016 to 30 June 2025. The Taranaki Regional Council provided the annual funding of \$2,178,669 to the Taranaki Stadium Trust (2022/2023 \$2,178,669).

Asset management planning for Yarrow Stadium is on hold while the repair and refurbishment project is delivered. Funding has been used to deliver the repair and refurbishment project. The focus has been on getting the Stadium operational again.



Statement of Financial Performance for the Year Ended 30 June 2024

	Notes	Actual \$ 2023/2024	Budget \$ 2023/2024	Actual \$ 2022/2023
Revenue				
Funding from central or local Government	1	10,799,992	14,178,669	10,626,854
Interest revenue		33,759	-	61,039
Rental revenue		85,430	70,000	74,678
Other revenue		83	-	-
Gains on revaluation of buildings	6	-	-	1,365,646
Total revenue		10,919,264	14,248,669	12,128,217
Expenses				
Depreciation	6	808,232	900,000	735,137
Interest expense	2	1,033,810	1,050,000	777,321
Other expenses	3	391,200	255,000	303,148
Impairment charges	6	-	-	-
Losses on revaluation of buildings	6	-	-	-
Total expenses		2,233,242	2,205,000	1,815,606
Surplus/(deficit)		8,686,022	12,043,669	10,312,611
Other comprehensive revenue				
Gains / (Losses) on revaluation of land	6	-	-	(38,478)
Total other comprehensive income		-	-	(38,478)
Total comprehensive income/(deficit)		8,686,022	12,043,669	10,274,133
Total comprehensive income/(deficit) attributable to:				
Taranaki Regional Council		8,686,022	12,043,669	10,274,133
Total comprehensive income/(deficit)		8,686,022	12,043,669	10,274,133

The accompanying notes form part of these financial statements.

Statement of Financial Position as at 30 June 2024

	Notes	Actual \$ 2023/2024	Budget \$ 2023/2024	Actual \$ 2022/2023
Assets				
Current assets				
Bank accounts and cash	5	116,994	1,887,579	2,057,814
Debtors and other receivables	7	653,596	300,000	194,256
Prepayments		125,554	-	-
Total current assets		896,144	2,187,579	2,252,070
Non-current assets				
Property, plant and equipment	6	68,992,971	73,249,071	50,045,639
Total non-current assets		68,992,971	73,249,071	50,045,639
Total assets		69,889,115	75,436,650	52,297,709
Liabilities				
Current liabilities				
Creditors and other payables	8	3,504,163	700,000	1,598,779
Borrowings	9	4,500,333	-	333
Total current liabilities		8,004,496	700,000	1,599,112
Non-current liabilities				
Borrowings	9	22,000,000	32,747,663	19,500,000
Total non-current liabilities		22,000,000	32,747,663	19,500,000
Total liabilities		30,004,496	33,447,663	21,099,112
Net assets		39,884,619	41,988,987	31,198,597
Equity				
Accumulated funds	4	37,618,097	39,683,987	28,932,075
Asset Revaluation Reserve	4	2,266,522	2,305,000	2,266,522
Total equity attributable to the Trust	4	39,884,619	41,988,987	31,198,597

The accompanying notes form part of these financial statements.

Statement of Cash Flows for the Year Ended 30 June 2024

	Notes	Actual \$ 2023/2024	Budget \$ 2023/2024	Actual \$ 2022/2023
Cash flows from (used in) operating activities				
Funding from central or local Government		10,799,992	14,248,669	10,626,854
Other revenue		83	-	-
Rental revenue		85,163	-	73,119
Interest received		33,938	-	60,861
Payments to suppliers		(292,875)	(255,000)	(283,147)
Interest paid		(838,006)	(1,050,000)	(712,675)
Goods and services tax (net)		(436,431)	-	(154,219)
Net cash from (used in) operating activities	10	9,351,864	12,943,669	9,610,793
Cash flows from (used in) investing activities				
Purchase of property, plant and equipment		(18,292,684)	(27,000,000)	(14,019,070)
Net cash from (used in) investing activities		(18,292,684)	(27,000,000)	(14,019,070)
Cash flows from (used in) financing activities				
Applied to borrowings		-	(1,752,669)	-
Provided from borrowings		7,000,000	15,000,000	5,000,000
Net cash from (used in) financing activities		7,000,000	13,247,331	5,000,000
Net (decrease)/increase in bank accounts and cash		(1,940,820)	(809,000)	591,723
Opening bank accounts and cash		2,057,814	2,696,579	1,466,091
Closing bank accounts and cash	5	116,994	1,887,579	2,057,814

The goods and services tax (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The accompanying notes form part of these financial statements.

Notes to the Financial Statements

Statement of accounting policies

Reporting entity

The Taranaki Stadium Trust (the Trust) is a charitable trust incorporated in New Zealand under the *Charitable Trusts Act 1957* and is domiciled in New Zealand. The Trust is controlled by the Taranaki Regional Council and is a Council Controlled Organisation as defined under section 6 of the *Local Government Act 2002*, by virtue of the Council's right to appoint the Board of Trustees.

Rather than making a financial return, the primary objective of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council. The Trust has elected to apply PBE SFR-A (PS) Tier 3: Public Benefit Entity Simple Format Reporting – Accrual (Public Sector) on the basis that the Trust does not have public accountability (as defined) and has total annual expenses of less than \$2 million. The Trust recognised that it has exceeded the annual expenses threshold in 2023/2024 due to increasing depreciation expense and interest expense. As expenditure limits did not breach for two consecutive years, it is still appropriate to apply Tier 3 reporting requirements. Effective from 28 March 2024 (applicable for year ending 30 June 2025), the size criteria for Tier 3 will be updated from total annual expenses of less than \$2million to less than \$5million and it is expected that the Trust's expenditure will remain within the threshold.

The financial statements of the Trust are for the year ended 30 June 2024. The financial statements were authorised for issue by the Board of Trustees on 24 September 2024.

Basis of preparation

Measurement base

The financial statements have been prepared on a historical costs basis, modified by the revaluation of certain fixed assets.

Functional and presentation currency

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar. The functional currency of the Trust is New Zealand dollars.

New and amended accounting standards adopted

There have been no new or amended accounting standards adopted for the year ended 30 June 2024.

Changes in accounting policies

There have been no changes in accounting policies for the year ended 30 June 2024.

Significant accounting policies

The following is a summary of the significant accounting policies, adopted by the Trust, in the preparation of these financial statements.

Goods and services tax

The Trust is registered for Goods and Services Tax (GST). The financial statements have been prepared exclusive of GST, with the exception of receivables and payables, which are stated inclusive of GST. The net amount of GST, recoverable from or payable to the Inland Revenue Department (IRD), is included as part of receivables or payables, in the statement of financial position. The net amount of GST, paid to or received from the IRD, is classified as an operating cash flow, in the statement of cash flows.

Notes to the Financial Statements

Revenue

Council grants are recognised as revenue when the funding is received unless there is an obligation to return the funds if conditions of the grant are not met ("use or return condition"). If there is such an obligation, the grant is initially recorded as a liability and recognised as revenue when conditions of the grant are satisfied.

Crown Infrastructure Stadium rebuild funding is recorded as revenue when received, as specified by Tier 3 PBE Accounting Standards.

Interest revenue is recorded as it is earned during the year.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks with original maturities of 3 months or less, and bank overdrafts. Bank overdrafts are shown within borrowings, as a current liability, in the statement of financial position.

Investments

Investments comprise investments in terms deposits with banks. Deposits with banks are initially recorded at the amount paid. If it appears that the carrying amount of the investment will not be recovered, it is written down to the expected recoverable amount.

Debtors and other receivables

Debtors are initially recorded at the amount owed. When it is likely the amount owed (or some portion) will not be collected, a provision for impairment is recognised and the loss is recorded as a bad debt expense.

Property, plant and equipment

Property, plant, and equipment is recorded at cost, less accumulated depreciation and impairment losses with the exception of land and buildings which is recorded at valuation. Donated assets are recognised upon receipt of the asset if the asset has a useful life of 12 months or more, and the current value of the asset is readily obtainable and significant. Significant donated assets for which current values are not readily obtainable are not recognised. For an asset to be sold, the asset is impaired if the market price for an equivalent asset falls below its carrying amount. For an asset to be used by the Trust, the asset is impaired if the value to the Trust in using the asset falls below the carrying amount of the asset.

Work in progress is recorded at cost. Cost includes expenditure which is directly attributable to the acquisition of an asset. Capital work in progress is not depreciated.

Accounting for revaluations

The Trust elects to apply Tier 2 PBE IPSAS 17 Property, Plant and Equipment for the purposes of accounting for revaluations and have applied the disclosure concession applicable for Tier 2 entities.

When land and buildings is revalued, any accumulated depreciation, at the date of the revaluation, is eliminated against the gross carrying amount of the asset. Then, the net amount is restated, to reflect the revaluation.

If the carrying amount of an item of land and buildings increases, as the result of a revaluation, the increase shall be recognised in the asset revaluation reserve, within other comprehensive income. However, the increase shall be recognised in the surplus or deficit, to the extent that it reverses a revaluation decrease, of the same class of assets, previously recognised in the surplus or deficit.

If the carrying amount of an item of land and buildings decreases, as the result of a revaluation, the decrease shall be recognised in the surplus or deficit. However, the decrease shall be recognised in the asset revaluation reserve, within other comprehensive income, to the extent of any credit balance in the revaluation reserve, in relation to that asset class.

Notes to the Financial Statements

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis. Only land and buildings are revalued and recorded at fair value, all other assets are recorded at cost.

In accordance with the Trust's Statement of Intent for the year to 30 June 2024, property is normally revalued on a three yearly cycle. Property was last revalued as at 30 June 2023.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential, associated with the item, will flow to the Trust, and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment will be recognised at cost. Where an asset is acquired at no cost, or for a nominal cost, it will be recognised at fair value as at the acquisition date.

Disposals

Gains and losses on disposal are determined by comparing proceeds received, with the carrying amount of the asset. Gains and losses on disposal are included in the surplus or deficit. When revalued assets are sold, amounts included in the asset revaluation reserve, in relation to those assets, will be transferred to accumulated funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised if, and only if, it is probable that future economic benefits or service potential, associated with the item, will flow to the Trust, and the cost of the item can be measured reliably.

Impairment of property, plant and equipment

The carrying values of property, plant and equipment are reviewed annually for impairment, with reference to internal and external factors which may indicate the carrying value exceeds depreciated replacement cost. The Trust elects to apply Impairment of Revalued Assets including Amendments to PBE IPSASs 21 and 26 and have applied the disclosure concession applicable for Tier 2 entities for the purposes of the impairment recognised in note 6. Any significant impairment is recognised by writing the assets down to their depreciated replacement cost and charging the impairment to the relevant revaluation reserve or to the surplus or deficit, where there is no revaluation reserve. If an asset's carrying value exceeds its recoverable amount, the asset is impaired, and the carrying amount is written down to the recoverable amount. In relation to revalued assets, the impairment loss is recognised against the revaluation reserve, for that asset class. Where that results in a debit balance, in the revaluation reserve, the balance is recognised in the surplus or deficit. In relation to assets that are not revalued, the total impairment is recognised in the surplus or deficit.

Depreciation and amortisation expense

Depreciation is provided on a straight-line basis, at rates that will write-off the cost or valuation of assets, to their estimated residual values, over their useful lives. The rates of depreciation are as follows:

Buildings	1.25% to 6.67% per annum
Furniture, fittings and equipment	6.67% to 25.00% per annum
Office Equipment	15.00% to 30.00% per annum

The residual value and the useful life of an asset is reviewed, and adjusted if applicable, at the end of each financial year.

Creditors and other payables

Creditors and accrued expenses are measured at the amount owed.

Income tax

The Trust has been granted Charitable Status by the IRD and therefore, is exempt from income tax.

Notes to the Financial Statements

Loans

Loans are recorded at the amount borrowed from the lender and include any interest accrued at balance date that has not yet been paid. All borrowing costs are expensed in the period they occur.

Critical accounting estimates and assumptions

In preparing these financial statements, the Trust has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the actual results.

Estimates and assumptions are continually evaluated, and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the value of assets and liabilities, within the next financial year, are discussed below:

Land and building fair values:

Land and buildings are revalued every three years. The latest valuation was performed by TelferYoung (Taranaki) Limited as at 30 June 2023. TelferYoung (Taranaki) Limited are a registered experienced valuer with extensive market knowledge in the types of land and buildings owned by the Taranaki Stadium Trust. The Trust has done a fair value assessment as at 30 June 2024 to conclude that fair value does not differ materially to the carrying amount as at 30 June 2024.

Property, plant and equipment useful lives and residual values:

At each balance date, the Trust reviews the useful lives and residual values of its property, plant and equipment. To assess whether the useful lives and residual values are appropriate, the Trust considers a number of factors, such as, the physical condition of the asset, the expected period of use of the asset, and the expected disposal proceeds, from future sale of the asset.

An incorrect estimate of the useful life or residual value will impact on the depreciable amount of an asset and will therefore, impact depreciation expense in the statement of comprehensive income, and the carrying amount of the asset in the statement of financial position. The Trust minimises the risk of this uncertainty through physical inspection of assets. The Trust has made an impairment assessment with regard to rebuild enhancements in the current financial year – refer note 6.

Going concern

The financial statements are prepared on the assumption that the Trust will continue to operate in the foreseeable future. As at 30 June 2024, the Trust's current liabilities exceeded its current assets by \$7,108,352 (2022/2023: current assets exceeded current liabilities by \$652,959).

Taranaki Regional Council continues to provide a letter of support to ensure where required, the Trust will be able to pay its debts as they fall due and has no intention to require loan repayments from the Trust in the next twelve months. Taranaki Regional Council has secured the funding that is required to repair the assets and the stadium as outlined in the Taranaki Regional Council 2024/2034 Long-Term Plan.

Notes to the Financial Statements

1. Funding from central or local Government

	Actual \$ 2023/2024	Actual \$ 2022/2023
Annual grant from the Taranaki Regional Council	2,178,669	2,178,669
Crown Infrastructure Stadium Rebuild Funding	8,621,323	8,448,185
Total funding from central or local Government	10,799,992	10,626,854

Donated goods or services not recognised:

During the year, the Trust received professional accounting and secretarial services from the Taranaki Regional Council at no charge.

2. Interest Expense

	Actual \$ 2023/2024	Actual \$ 2022/2023
Interest – TSB	18,559	2,562
Interest – Taranaki Regional Council	1,015,251	774,759
Total finance expenses	1,033,810	777,321

3. Other Expenses

	Actual \$ 2023/2024	Actual \$ 2022/2023
Ancillary services	-	1,723
Audit fees for financial statement audit	25,686	41,970
Bank charges	16	38
Charities commission	44	44
General expenses	3,505	2,595
Insurance	253,310	138,703
Legal Expenses	873	15,565
Rates	12,005	8,896
Rental commission	7,369	6,383
Rental R&M	8,303	5,191
Stadium repairs and maintenance	72,480	59,571
Valuation Fees	7,609	22,469
Total other expenses	391,200	303,148

4. Equity

	Actual \$ 2023/2024	Actual \$ 2022/2023
Accumulated funds		
Balance at 1 July	28,932,075	18,619,464
Surplus/(deficit) for the year	8,686,022	10,312,611
Other comprehensive income/(deficit)	-	(38,478)
Transfers to asset revaluation reserve	-	38,478
Balance at 30 June	37,618,097	28,932,075
Asset revaluation reserve		
Balance at 1 July	2,266,522	2,305,000
Movement in the asset revaluation reserve	-	(38,478)
Balance at 30 June	2,266,522	2,266,522
Total equity	39,884,619	31,198,597

Notes to the Financial Statements

5. Bank accounts and cash

	Actual \$ 2023/2024	Actual \$ 2022/2023
TSB Bank current account	15,504	67,703
TSB Bank on call account	101,490	1,990,111
Total bank accounts and cash	116,994	2,057,814

The carrying value of cash and cash equivalents approximates their fair value.

6. Property, plant and equipment

	Actual \$ 2023/2024	Actual \$ 2022/2023
<u>Land at valuation</u>		
Carrying amount at 1 July	4,981,739	4,455,000
Additions	-	565,217
Revaluation	-	(38,478)
Carrying amount at 30 June	4,981,739	4,981,739
<u>Furniture, fittings and equipment</u>		
Cost at 30 June previous year	3,327,010	3,324,495
Accumulated depreciation	(3,059,155)	(2,936,470)
Net book value previous year	267,855	388,025
Carrying amount at 1 July	267,855	388,025
Additions	-	2,515
Disposals	-	-
Depreciation	(37,460)	(122,685)
Carrying amount at 30 June	230,395	267,855
<u>Buildings at valuation</u>		
Cost at 30 June previous year	32,176,371	26,635,393
Accumulated depreciation	(424,854)	(810,592)
Net book value previous year	31,751,517	25,824,801
Carrying amount at 1 July	31,751,517	25,824,801
Additions	-	444,713
Transfers	46,451	4,728,810
Depreciation	(770,772)	(612,452)
Revaluation	-	1,365,645
Carrying amount at 30 June	31,027,196	31,751,517
<u>Office equipment</u>		
Cost at 30 June previous year	16,430	16,430
Accumulated depreciation	(16,430)	(16,430)
Net book value previous year	-	-

Notes to the Financial Statements

	Actual \$ 2023/2024	Actual \$ 2022/2023		
Carrying amount at 1 July	-	-		
Additions	-	-		
Disposals	-	-		
Depreciation	-	-		
Carrying amount at 30 June	-	-		
Work in progress				
Cost at 30 June previous year	13,044,528	4,810,380		
Accumulated depreciation	-	-		
Net book value previous year	13,044,528	4,810,380		
Carrying amount at 1 July	13,044,528	4,810,380		
Additions	19,755,564	12,962,958		
Transfers	(46,451)	(4,728,810)		
Impairment of enhancements	-	-		
Disposals	-	-		
Depreciation	-	-		
Revaluation	-	-		
Carrying amount at 30 June	32,753,641	13,044,528		
Total property, plant and equipment	68,992,971	50,045,639		
As at 30 June 2024	Cost or Valuation	Impairment	Accumulated Depreciation	Carrying Amount
Land at valuation	4,981,739	-	-	4,981,739
Furniture, fittings and equipment at cost	3,327,010	-	3,096,615	230,395
Buildings at valuation	32,222,822	-	1,195,626	31,027,196
Office equipment at cost	16,430	-	16,430	-
Work in progress at cost	32,753,641	-	-	32,753,641
Total property, plant and equipment	73,301,642	-	4,308,671	68,992,971

Valuation

TSB Bank holds a restriction over the title of the Trust's property by way of a registered first mortgage over the property at 6 Maratahu Street, New Plymouth. No plant and equipment is pledged as security for liabilities. The land and buildings were valued, as at 30 June 2023, by Mike Drew, registered valuer, TelferYoung (Taranaki) Limited. Land and buildings were adjusted in the financial statements, for the year ending 30 June 2023, to reflect this revaluation. The valuation was performed by TelferYoung (Taranaki) Limited. TelferYoung (Taranaki) Limited are a registered experienced valuer with extensive market knowledge in the types of land and buildings owned by the Taranaki Stadium Trust.

Trust management has done a fair value assessment as at 30 June 2024 and is satisfied that the carrying amount as at 30 June 2024 is still materially accurate.

Notes to the Financial Statements

Background

During the 2017/2018 year, detailed seismic assessments were completed on the East and West Stands of Yarrow Stadium. The assessments indicated that the East Stand was 10% of new building standard and the West Stand was 20% of new building standard. As such both stands were earthquake prone buildings and were closed from use.

The Trust is committed to the repair of the stands and the investigations on the repair and rebuild options has been completed. The Taranaki Regional Council has approved the repair and refurbishment of Yarrow Stadium. The project will include repairs to the earthquake-prone West Stands and the build of a new East Stand. Other important refurbishments include LED pitch lighting and the reinstatement of Field 1.

This work essentially restores what existed, with essential updates. The estimated total cost is \$79.7 million which will be funded by a \$30m "shovel-ready" grant from the Government and a loan through Taranaki Regional Council.

The repair of the West Stand is complete. The reinstatement of Field 1 and upgraded lights is also complete, with the Stadium reopening in September 2022. The East Stand construction is partially complete as at 30 June 2024. The new East Stand is planned to open in time for the winter 2025 sports season.

7. Debtors and other receivables

	Actual \$ 2023/2024	Actual \$ 2022/2023
TSB Bank interest accrual	56	234
Trade debtors	23,000	-
Net rental income owed	1,825	1,737
GST refund	628,715	192,285
Total debtors and other receivables	653,596	194,256

8. Creditors and other payables

	Actual \$ 2023/2024	Actual \$ 2022/2023
Audit fee accrual	18,140	22,425
Trade payables and accruals	3,486,023	1,576,353
Total creditors and other payables	3,504,163	1,598,778

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore the carrying values approximate their fair value.

9. Borrowings

	Actual \$ 2023/2024	Actual \$ 2022/2023
TSB Bank Liberty Revolving credit facility	333	333
Taranaki Regional Council loan	4,500,000	-
Total current liability borrowings	4,500,333	333
Taranaki Regional Council loan	22,000,000	19,500,000
Total non-current liability borrowings	22,000,000	19,500,000

The TSB Bank Liberty Revolving credit facility has a draw down limit of \$5,000,000 and is secured by way of a registered first mortgage over the property at 6 Maratahu Street, New Plymouth. Interest is incurred at a 8.12% variable rate as at 30 June 2024 (2022/2023: 8.12%). The Taranaki Regional Council loan has a draw down limit of \$35,000,000 and is unsecured. Interest is incurred at a 5.23% variable rate as at 30 June 2024 (2022/2023: 4.36%). The current borrowing is classified as current as the maturity date is 15 April 2025. Remaining borrowings are due to mature between 15 April 2026 and 20 April 2029.

Notes to the Financial Statements

10. Reconciliation of net surplus/(deficit) to net cash from operating activities

	Actual \$	Actual \$
	2023/2024	2022/2023
Surplus/(deficit)	8,686,022	10,312,611
<i>Add/(less) non-cash items:</i>		
Depreciation and amortisation expense	808,232	735,137
Impairment of enhancements (through surplus/deficit)	-	-
(Gain) /Losses on revaluation of buildings	-	(1,365,646)
<i>Add/(less) movements in working capital items</i>		
Creditors and other payables	442,505	84,825
Debtors and other receivables	(459,341)	(156,134)
Prepayments	(125,554)	-
Net cash from operating activities	9,351,864	9,610,793

11. Related parties

Related-party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Trust would have adopted in dealing with the party at arm's length in the same circumstances.

The Taranaki Regional Council is deemed to be a related party of Taranaki Stadium Trust. The Trust received \$2,178,669 of annual grant revenue from the Council for the year ending 30 June 2024 (2022/2023: \$2,178,669) The Trust has a \$26,500,000 loan from the Council as at 30 June 2024. (2022/2023: \$19,500,000). During the year, the Trust paid interest on this loan of \$1,015,251 (2022/2023: \$774,759)

The Trust owns Yarrow Stadium, but, the New Plymouth District Council manages and operates the Stadium, in accordance with a Management Agreement, between the two parties. In relation to the year ending 30 June 2024, no debts between the parties were written off or forgiven, and no transactions took place between the parties at nil or nominal value. The Trust does not have any employees. No Trustee fees were paid during the year.

12. Capital commitments

There are capital commitments of \$17,082,938 as at 30 June 2024 (2022/2023: 35,606,375).

13. Contingent liabilities

There are no contingent liabilities as at 30 June 2024 (2022/2023: nil).

14. Contingent assets

There are no contingent assets as at 30 June 2024 (2022/2023: nil).

15. Events after the balance sheet date

The Trust has no material events subsequent to balance date.

Trust Directory

Taranaki Stadium Trust

Nature of business:	Charitable Trust
Trustees:	Donna Cram Michael Nield
Trust Settlement Date:	23 December 1999
Address:	C/- Taranaki Regional Council Private Bag 713 Stratford 47 Cloten Road Stratford
Bankers:	TSB Bank New Plymouth
Solicitors	Till Henderson Stratford
Auditors:	Bruno Dente Deloitte Limited on behalf of the Auditor-General



INDEPENDENT AUDITOR'S REPORT

TO THE READERS OF TARANAKI STADIUM TRUST'S FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION FOR THE YEAR ENDED 30 JUNE 2024

The Auditor-General is the auditor of Taranaki Stadium Trust (the Trust). The Auditor-General has appointed me, Bruno Dente, using the staff and resources of Deloitte Limited, to carry out the audit of the financial statements and performance information of the Trust on his behalf.

Opinion

We have audited:

- the financial statements of the Trust on pages 5 to 16, that comprise the statement of financial position as at 30 June 2024, the statement of financial performance, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information; and
- the performance information of the Trust on page 4.

In our opinion:

- the financial statements of the Trust:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2024; and
 - its financial performance and cash flows for the year then ended; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Simple Format Reporting - Accrual (Public Sector); and
- the performance information of the Trust presents fairly, in all material respects, the Trust's actual performance compared against the performance targets and other measures by which performance was judged in relation to the Trust's objectives for the year ended 30 June 2024.

Our audit was completed on 24 September 2024. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Trustees and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of the Board of Trustees for the financial statements and the performance information

The Trustees are responsible on behalf of the trust for preparing financial statements that are fairly presented and that comply with generally accepted accounting practice in New Zealand. The Trustees are also responsible for preparing the performance information for the Trust.

The Trustees are responsible for such internal control as they determine is necessary to enable them to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Trustees are responsible on behalf of the Trust for assessing the Trust's ability to continue as a going concern. The Trustees are also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless the Trustees intends to liquidate the trust or to cease operations, or have no realistic alternative but to do so.

The Trustees' responsibilities arise from the Local Government Act 2002.

Responsibilities of the auditor for the audit of the financial statements and the performance information

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Trust's statement of intent.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Trustees.
- We evaluate the appropriateness of the reported performance information within the Trust's framework for reporting its performance.



- We conclude on the appropriateness of the use of the going concern basis of accounting by the Trustees and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Trustees are responsible for the other information. The other information comprises the information included on pages 1 to 3 and page 17, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

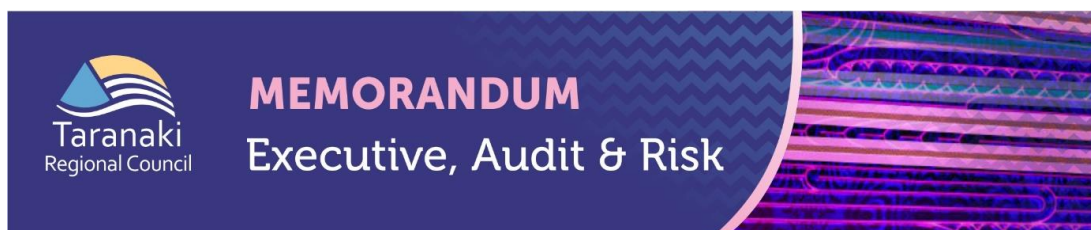
Independence

We are independent of the Trust in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1)* issued by the New Zealand Auditing and Assurance Standards Board.

Other than the audit, we have no relationship with, or interests in, the Trust.

A handwritten signature in blue ink that reads "B. Dente".

Bruno Dente
Deloitte Limited
On behalf of the Auditor-General
Hamilton, New Zealand



Date: 2 December 2024

Subject: Review of Risk Management Practice

Author: N Chadwick, Executive Assistant to the Chief Executive and Chairperson

Approved by: M J Nield, Director - Corporate Services

Document: TRCID-1492626864-50

Purpose

1. The purpose of this memorandum is to receive, consider and commence the implementation of the Review of Risk Management Practice report.

Recommendations

That the Taranaki Regional Council:

- a) receives the Review of Risk Management Practice memorandum, the Review of Risk Management Practice report and the Risk Management Framework, Policy and Guidelines document
- b) adopts the Risk Management Framework, Policy and Guidelines
- c) notes the Executive, Audit and Risk Committee will receive additional reporting on risk management
- d) determines that this decision be recognised as not significant in terms of section 76 of the Local Government Act 2002
- e) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with section 79 of the Act, determines that it does not require further information, further assessment of options or further analysis of costs and benefits, or advantages and disadvantages prior to making a decision on this matter.

Background

2. The Council engaged Mr Bruce Robertson to undertake a review of our risk management practices and to recommend how we might improve our risk management whilst retaining a focus on completing our mahi (work) in a timely, effective and efficient manner.
3. Mr Robertson's report is attached. The key points/findings for his report are:
 - The Council has demonstrated sound risk governance and management over a long period
 - This is characterised by councillors and senior managers who are longstanding, experienced and generally capable of operating with a high degree of consensus
 - There is a high level of trust at, and between, senior management and governance
 - There are established frameworks for activity and the Council has arguably been successful in 'the eyes' of its community

- Although there are key areas demonstrating aspects of strong risk management, overall the Council's approach to risk management is generally underdeveloped
 - The Council needs to decide whether it should upgrade its approach. Officers recommend that it does at management and governance levels
 - Council does have a fit-for-purpose risk management framework which is a suitable base to develop its practice of risk management.
4. In summary, Mr Robertson's report is indicating that the Council has a sound risk management basis to work from, but there is value in improving our risk management processes.

Issues

5. The issue to be resolved is whether to adopt the Risk Management Framework, Policy and Guidelines.

Discussion

6. The framework, policy and guidelines set out what is required for the Council to effectively manage risks.
7. Risk is inherent across all the Council's operations including but not limited to procurement, contract management, employment, health and safety, regulatory and enforcement, financial, service delivery, emergency management and business continuity.
8. The Risk Management Framework, Policy and Guidelines assists the organization with integrating risk management into all the organisation's activities and functions, including governance, leadership, strategy, decision-making and operations. It also ensures that risks are effectively identified and responded to correctly across the organisation.
9. By adopting and implementing the Risk Management Framework, Policy and Guidelines, the Committee will see increased reporting on risk management.

Next Steps

10. Having received Mr Robertson's report and adopted the Risk Management Framework, the Council is in the process of preparing and updating the Corporate Risk Register (the Register). Once updated the Register will form the basis for ongoing reporting on risk management to this Committee.
11. The Executive Leadership Team will review the Register, including unerstandig detailed reviews of select risks on a quarterly basis. Reportig to this Committee will follow on from the quarterly review.

Options

12. The options available are to adopt the Risk Management Framework, Policy and Guidelines or not.
13. Officers are recommending that these are adopted as it will add value and improvements to our risk management processes and provide regular reporting to the Committee, allowing for great visibility to support decision-making.
14. The report indicates that Council already has good practices around risk management so there is no disadvantages of not adopting.

Significance

15. In terms of the Significant and Engagement policy, a decision on this matter is considered not significant.

Financial considerations—LTP/Annual Plan

16. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

17. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the Local Government Act 2002, the Resource Management Act 1991 and the Local Government Official Information and Meetings Act 1987.

Climate change considerations

18. This item is administrative in nature. There are no climate change impacts to consider in relation to this item.

Iwi considerations

19. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the Local Government Act 2002) as outlined in the adopted Long-Term Plan and/or Annual Plan.

Community considerations

20. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.

Legal considerations

21. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Appendices/Attachments

TRCID-1492626864-96: [Risk Management Framework Policy and Guidelines.DOCX](#)

TRCID-356179839-16: [Bruce Robertson Risk Management Practice 240915 FINAL findings.pptx](#)



Risk Management Framework

Policy and Guidelines

TARANAKI REGIONAL COUNCIL

October 2018 Updated 7 July 2022

Document 2060781

Risk Management Framework

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Risk Management Framework

1 Risk Management Framework

This policy sets out what is required for the Taranaki Regional Council (TRC or the Council) to manage risks effectively. It applies to all Council staff and to those contractors advising the Council for its decision making purposes. The Council operates across a wide range of activities. It is required to operate within a legal environment specific to local government.

The Council is committed to managing risks that may impact on the delivery of its activities and services, and/or the ability to meet its legal obligations.

The Council is exposed to many risks on a daily and ongoing basis. Risk is inherent across all of the Council's operations including, but not limited to, procurement, contract management, employment, health and safety, regulatory and enforcement, management, financial, service delivery, emergency management, and business continuity.

The Council is committed to keeping its risk management framework relevant and applicable to all areas of operation by using the AS/NZS ISO 31000:2009 Risk Management Standard (and the 2018 ISO update) as its basis. The framework will be updated periodically to reflect expected practice and can incorporate other frameworks, tools and practices.

For risk management to be effective within the Council, managers need to foster and maintain ownership of risk oversight at all levels. To that end, risk management is an integral part of day-to-day operations and not a separate compliance function.

Managing risks is based on the risk management **Principles, Framework and Process** outlined below.

1.1 Objective

The risk management policy aims to allow the Council to exploit the opportunities and minimise the threats presented by the risks inherent in the Council's activities.

The main objectives of the policy are to:

- Provide a simple process for the early and systematic identification, analysis and evaluation of risk and the development of plans for controlling and mitigating risk
- Provide the necessary resources and support mechanisms to ensure that Council's commitment towards risk management is achieved
- Integrate risk management practices into all aspects of Council's activities
- Ensure management is presented with the best available information on which to base its decisions
- Ensure decisions made are aligned with Council's risk appetite, are undertaken within approved risk tolerance levels and are executed with sufficient independent oversight
- Develop risk-aware culture that encourages all staff to identify and talk about risk, and accept responsibility for managing it
- Enable innovation by increasing risk management competence
- Maintain a flexible and evolving risk management framework aligned with ISO 31000:2018 and best practices.

1.2 Risk Management Principles

The purpose of risk management is to **exploit the opportunities** and **minimise the threats** presented by the risks inherent by improving performance, encouraging innovation and supporting the achievement of objectives.

Risk Management Framework

Effective management of risks is based on the following principles:

- risk management is an integral part of all organisational activities
- a structured and comprehensive approach to risk management contributes to consistent and comparable outcomes
- risk management is customised and proportionate to the organisation's external and internal context related to its objectives
- risk management is inclusive, as involvement of stakeholders enables their knowledge, views and perceptions to be considered and results in improved awareness and informed risk management
- risk management is dynamic, iterative and responsive to changes and events in an appropriately and timely manner
- risk management is based on the best available information, as it takes into account any limitations and uncertainties associated with historical/current information and future expectations
- risk management takes human and cultural factors into account, as human behaviour and culture significantly influence all aspects of risk management at each level and stage
- risk management facilitates continual improvement of the organisation through learning and experience.

All activities involve risk, and there can be no change, development or progress without risk. The purpose of this Policy is, therefore, not to make the Council risk-free: it is about understanding risk, managing down unnecessary or avoidable risk, and having clarity around the Council's appetite for and liability for risk.

1.3 Risk Management Framework

The risk management framework aims to assist the organisation with **integrating** risk management into all organisation's activities and functions, including governance, leadership, commitment, strategy, objectives, decision-making and operations. Using consistent risk management process within a comprehensive framework helps ensure that risks are effectively identified and responded to correctly across the organisation.

The Council is committed to integrating effective risk management practices into existing operations, processes and groups of activity.

Integration means risk is managed in every part of Council's structure. Everyone in Council has the responsibility for managing risks on a daily basis. Risk management is **not** only concerned with compiling and managing a list of risks. It should **not** be undertaken separately from the day-to-day management of Council and the development of strategy for the future.

Council has adopted the Framework set out in **Figure 1** below.

The framework clarifies relationship between the principles guiding the risk management and Council's processes for assessing and managing risk (as outlined in the Risk Management Policy) by building and encouraging the implementation of risk management activities into all aspect of Council's business.

This framework is designed to:

- Identify potential risk impacts that could affect Council and its reputation
- Enable the consistent management of risk within a defined risk appetite
- Identify the potential opportunity impacts within projects to provide a balanced view for decision-making purposes
- Provide reasonable assurance on the achievement of Council's objectives set out in long-term plans and annual plans.

Risk Management Framework

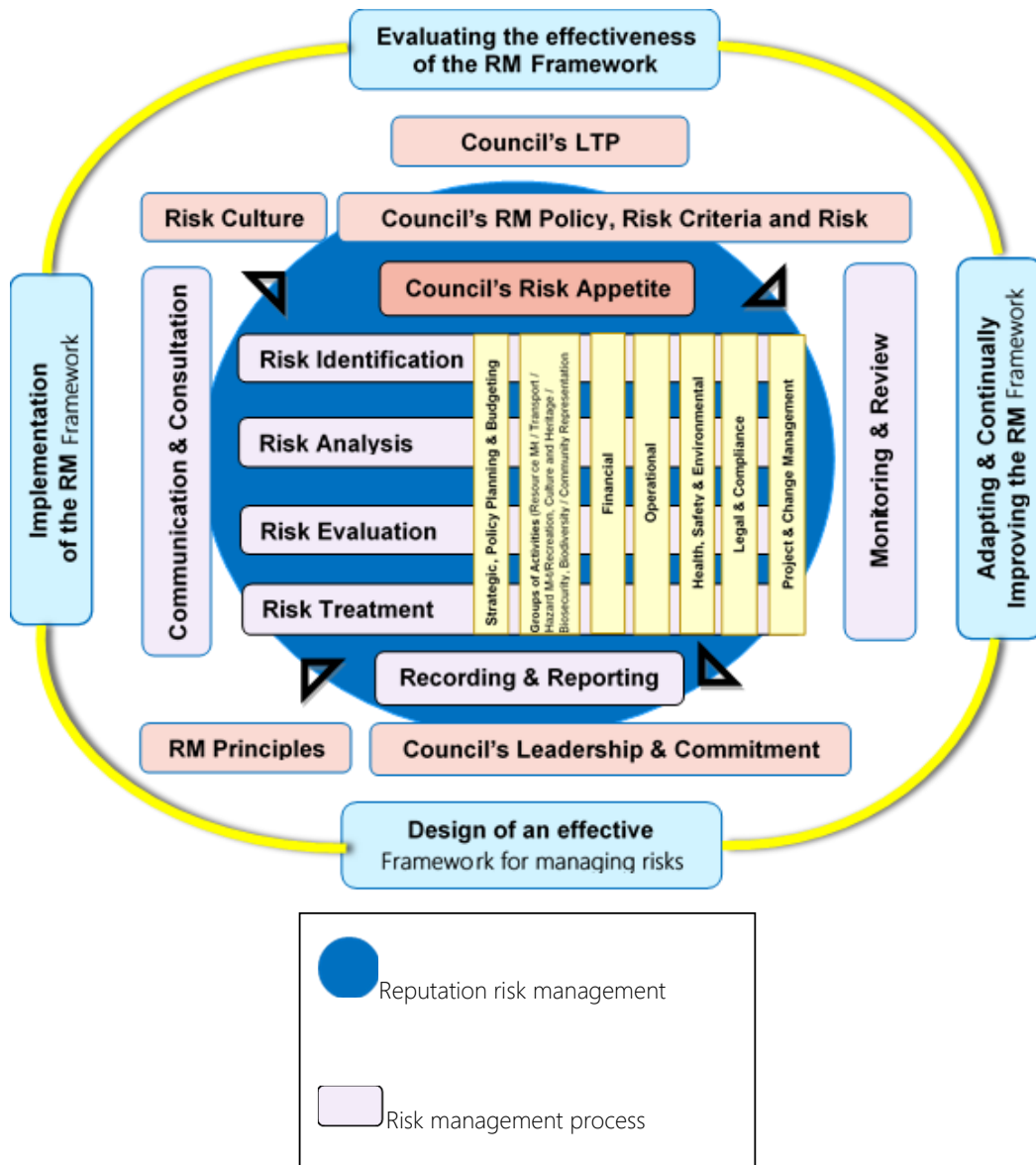


Figure 1 – Taranaki Regional Council’s Risk Management Framework

The main elements of Council’s framework are Risk Management Policy, Process and Risk Register.

All Council’s business processes and functions will adopt a risk management approach in line with the Risk Management Framework and Policy.

Council’s risk management framework is consistent with the international standard *ISO 31000:2018 Risk Management – Guidelines*.

Performance and a commitment to risk management will form part of Council’s annual performance and review process for key management positions. The Council is committed to the annual review, evaluation of the framework and its continuous improvement.

Risk Management Framework

1.4 Risk Management Process

The risk management process is shown in Figure 1 above and described in detail in the Risk Management Policy.

2 Risk Management Policy

2.1 Introduction

Taranaki Regional Council has been working for years alongside the regional community, providing a diverse range of services, supporting livelihoods, improving lifestyles and taking Taranaki forward. Council intends to keep strongly focused on its core activities, all of which are important for the social, cultural, economic and environmental well-being of the Taranaki Region.

Council is committed to the effective management of risks that may impact on the delivery of its core activities and levels of service. Risk is present in everything we do. Council recognises that proactive management of risk is essential to enable Council to support the Taranaki region by making well-informed decisions and fulfilling its key objectives.

2.2 Purpose and Scope

The purpose of this Policy is to set out the processes used by Council to ensure a proactive and consistent approach to risk management.

The Policy substantially follows the guidelines of *ISO 31000:2018 Risk Management – Guidelines*, including eight risk management principles, described in Council's corporate risk management framework. This Policy applies to all Council's employees, Councillors and to those contractors advising Council for its decision-making purposes.

2.3 Objectives and Benefits

Council uses risk management to:

- Provide a simple process for the early and systematic identification, analysis and evaluation of risk and the development of plans for controlling and mitigating risk
- Provide the necessary resources and support mechanisms to ensure that Council's commitment towards risk management is achieved
- Integrate risk management practices into all aspects of Council's activities
- Ensure management is presented with the best available information on which to base its decisions
- Ensure decisions made are aligned with Council's risk appetite, are undertaken within approved risk tolerance levels and are executed with sufficient independent oversight
- Develop risk-aware culture that encourages all staff to identify and talk about risk, and accept responsibility for managing it
- Enable innovation by increasing risk management competence
- Maintain a flexible and evolving risk management framework aligned with ISO 31000:2018 and best practices.

Achieving these objectives will enable Council to gain the following benefits:

- Improved strategic management, because risks associated with different strategic options will be fully analysed and better strategic decisions will be reached. This will lead to:
 - greater ability to deliver against strategic and business objectives and priorities
 - enhanced corporate governance
 - increased capacity to anticipate and respond to changes proactively (e.g. technological, social, environmental or legislative changes).

Risk Management Framework

- Improved operational management, because events that can cause disruption will be identified and actions will be taken to reduce the likelihood of these events, limit the damage and contain the cost. This will result in:
 - more effective management of resources
 - improved service delivery
 - prevention of loss or injury to staff and public.
- Improved financial management: Better informed financial decision-making, leading to greater financial control and a reduction in insurance and claims costs to Council. Greater protection and safeguarding of assets and property
- Enhanced compliance, because the risks associated with failure to achieve compliance with statutory obligations will be recognised
- Improved customer service and better protected reputation: Minimal service disruption to customers and a positive external image as a result of all of the above. Reduction in complaints. Enhanced profile of Council and increased customer/community confidence.

2.4 Risk Definition

Risk is defined as:

“The possibility that an event will occur that will have an impact on the achievement of objectives”.

In its simplest sense, risk can be defined as “**the effect of uncertainty on objectives**”. This effect of uncertainty on objectives or “the risk” is measured by a combination of the likelihood of an event happening and the consequences of an event happening.

Risk is always present in all that we do and a certain amount of risk taking is inevitable to achieve objectives and associated operational targets and goals. Risks can be either negative or positive, posing either a threat or an opportunity. Risk management is not about taking no risks at all or eliminating risk completely from Council’s activities. It is about being able to take calculated and controlled risk to achieve objectives. To manage risks, Council uses a coordinated process to identify, assess, control and monitor risks with a view to maximise the potential opportunities and minimise the adverse effects of risk.

All risks must be identified and managed, however, due to limited resources, a prioritised approach should be adopted. Only key risks or material risks that will impact strategic and business objectives are recorded in the Risk Register

Strategic Risks

- Generally emanate from strategic activities, systems and processes and would impact or impede achievement of objectives.
- Captured through key planning documents, e.g. Long-Term Plan, Annual Plan, Asset Management Plan and Financial Plan/Strategy and reported through governance reports.

Tactical Risks

- Generally emanate from key project activities, systems and processes and would impact or impede achievement of project objectives.
- Captured and reported through project briefs and plans.

Risk Management Framework

Operational Risks

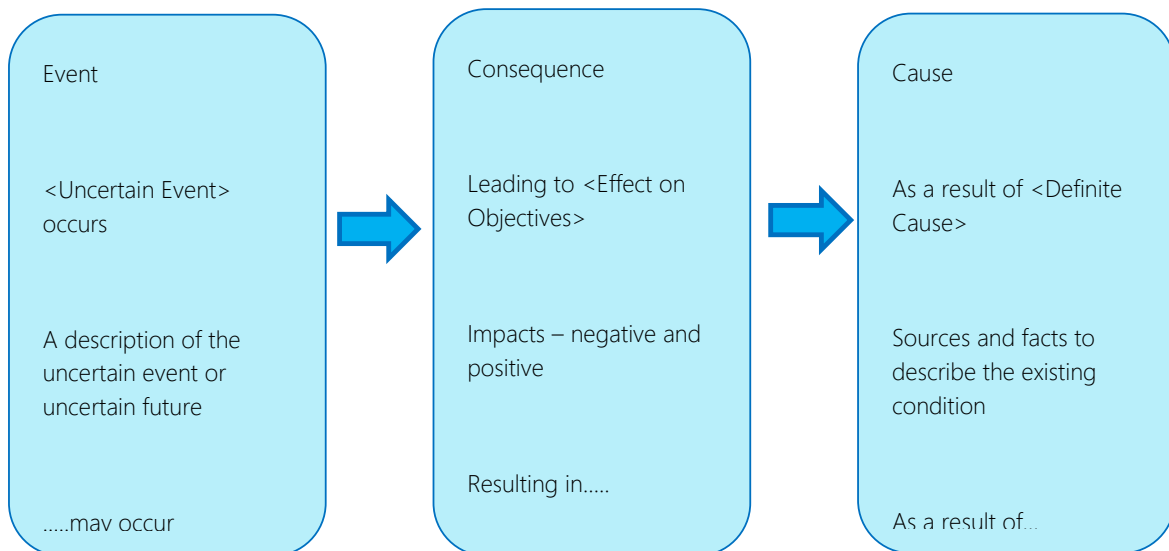
- Generally emanate from business unit and team activities, systems and processes and would impact achievement of specific business unit objectives.
- Captured and reported through business planning process.

Each risk owner remains responsible for managing all assigned risks whether they are recorded and managed in the Council's risk register. All risks that fall within the Council's risk reporting criteria or when a significant change in a risk that would cause it to breach the Council's risk appetite must be managed.

Describing the Risk

The way a risk is described is important to ensure that risks are clear, unambiguous and fully understood. Risk owners are required to write a risk statement, which fully describes the risk.

The risk statement should tell a story and use the following structure (or a variation of, providing that the 3 elements are included):



2.5 Reputational Resilience

"It takes 20 years to build a reputation and five minutes to ruin it.

It you think about it, you will do things differently."

Warren Buffett

Understanding what reputational risk is, starts with understanding the nature of reputation.

Reputation can be described as **the collective thoughts and feelings of a broad set of stakeholders**. It is an outcome that results from the accumulated decisions, actions and behaviours of the people within an organisation and how these are perceived. Reputation is one of an organisation's most important assets.

Risk Management Framework

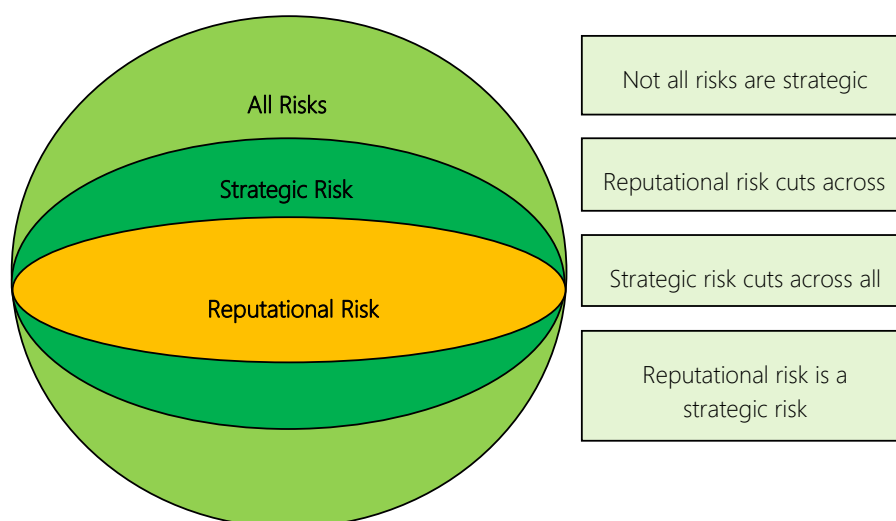


Figure 2 – Reputational Risk is a Strategic Risk

Reputational risk arises when a specific event or activity has the potential to change current perception and behaviour of key stakeholders, and those changes are likely to impact the organisation's value. Two main categories of reputational exposure are failure to meet stakeholder expectations and ineffective crisis response.

Managing reputational risk does not fit into a single function (e.g. communications team). Being a strategic risk, it is ultimately governed by the Executive Leadership Team, but needs clear accountability, leadership and engagement across all teams that regularly interface with external stakeholders.

As reputation sits with stakeholders, the identification of reputational risk needs to reflect their perspective, including understanding stakeholders and what matters to them.

Council is committed to building **reputational resilience** by:

- Identifying the reputational impact for each of its strategic, operational and project risks on the risk register
- Understanding its stakeholder perceptions by assessing the stakeholder groups and identifying risks that reflect their priorities
- Adjusting corporate actions accordingly for risks associated with organisational behaviour not being aligned to stakeholder expectations
- Having clear mitigation plans for significant reputational risks
- Being prepared for a crisis through a robust crisis readiness programme to address the risks associated with ineffective crisis management.

2.6 Risk Culture

The best risk management frameworks, processes and standards, although essential, are not in themselves sufficient to ensure that an organisation reliably manages its risks and meets its strategic objectives. Policies and rules can be misunderstood and misapplied. The missing link in understanding how to balance risk and reward successfully in decision-making is the organisation's risk culture.

Risk Management Framework

Risk culture is the values, beliefs, knowledge and understanding about risk, shared by a group of people with a common intended purpose (the leaders and employees of the organisation). It relates to how these translate into concrete actions.

The risk culture influences the organisational culture, which arises from the repeated behaviours of its members. These behaviours are shaped by the underlying attitudes (personal ethics and predisposition to risk) of individuals, which are also influenced by the prevailing organisational culture.



Figure 3 – IRM Risk Culture Framework

Council seeks to promote a strong risk culture that enables and rewards individuals and groups for taking the right risks in an informed manner.

The following principles underpin risk culture within Council:

- Risk is taken within a defined risk appetite
- Every risk taken needs to be approved within the risk management framework
- Risk should be continuously monitored and managed.

Council's employees at all levels are responsible for the management and escalation of risks. Council expects employees to exhibit behaviours that support a strong risk culture, including:

- Understanding the importance of continuous management of risk and incorporating it into all business operations and activities
- Understanding the specific risks and risk areas the staff are responsible for and taking the appropriate training to manage the risk
- Rewarding and encouraging appropriate risk-taking behaviours and challenging and sanctioning inappropriate behaviours
- Timely risk information flowing up and down the Council, with bad news rapidly communicated without fear of blame
- Encouraging risk event reporting, actively seeking to learn from mistakes and near misses, and identifying issues for continuous improvement
- Valuing, encouraging and developing risk management skills and knowledge
- Placing Council and its reputation at the heart of all decisions.

Risk Management Framework

The Leadership Team are committed to frequently communicate the importance of a strong risk culture to support a consistent “tone from the top” and raise risk awareness and to providing appropriate risk management training to all staff.

2.7 Risk Appetite and Tolerance

Risk appetite is the amount of risk that Council is willing to seek or accept in the pursuit of its long-term objectives. At the highest level, risk appetite reflects the culture and philosophy of Council’s approach to taking risks. The risk appetite also takes into consideration *risk tolerance* and *risk capacity*.

The Council’s risk appetite for the types of risks are set out in Appendix 1.

Risk tolerance is the amount of risk that Council is willing to tolerate. While it is sometimes used as a synonym to risk appetite, it is quite different.

Risk appetite is about the pursuit of risk (about what Council does want to do and how it goes about it). Risk tolerance, by contrast, is about what Council allows itself to deal with. Tolerances are thresholds that should guide Council employees, when they are considering risks, so that they understand the levels that should **not** be exceeded, or those thresholds that, if breached, require further mitigation and monitoring. Risk appetite will be smaller than the risk tolerance in the vast majority of cases.

Council’s risk tolerance levels are illustrated in Appendix 2, showing the level of risk impact that Council is not willing to accept.

Risk capacity is the level of impact that Council can bear in the event of the risk occurring. Council may have measures in place to manage and monitor risks, but there is always a degree of uncertainty, and the chance that its objectives may not be met. It is important to know the risk capacity, so that Council does not take risks that exceed its ability to absorb the impact. For instance, if Council sets a high risk appetite to accept the risks in taking commercial opportunities, it should be able to absorb the financial losses in the event of them failing.

Benefits of Risk Appetite

Effective risk management is a key component for achieving and maintaining good governance. In order for a risk management process to be effective, it is important that risks are identified, evaluated and appropriately managed. A key part of this is to set the risk appetite level.

Without a clearly articulated and well-defined appetite for risk there is limited guidance in place for the organisation, when making key decisions to keep it from taking decisions that bear major consequences. In an integrated risk management framework, how much risk Council is willing to take will play a large part in the certainty of achieving its objectives and outcomes.

Risk Appetite Statement

Council has set its goals in its Long-Term Plan and recognises that, in order to achieve these objectives, it will need to take risks.

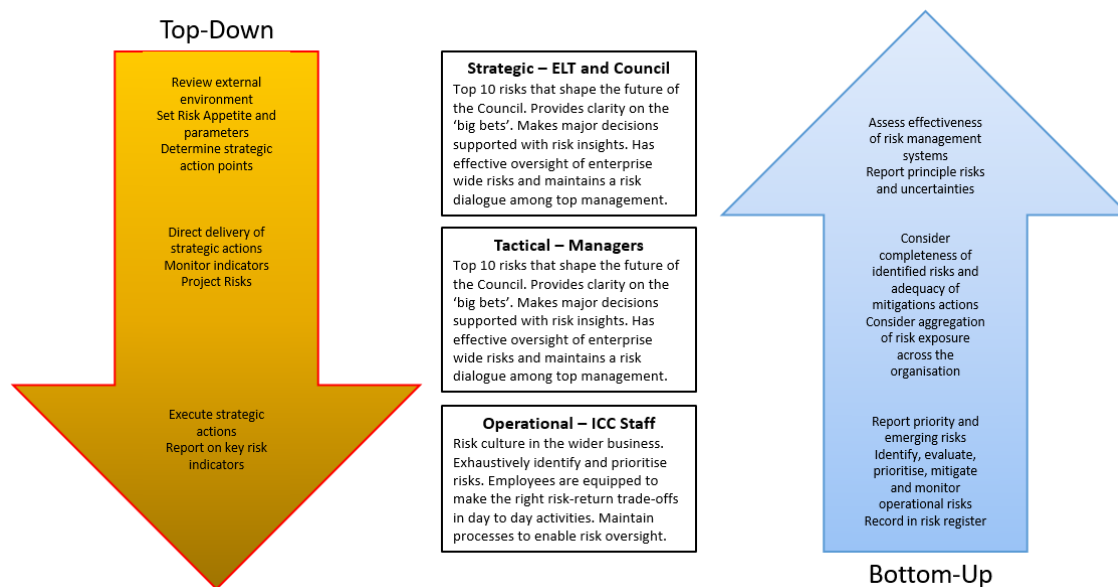
However, any risks will be carefully evaluated and managed to ensure that they are taken in an informed way, and with a full understanding of consequences and other options.

2.8 Integrating Risk into Organisational Structure

Risk is present in all business activities and is not discrete, with a risk event in one Directorate having the potential to impact multiple areas or all Council due to the inter-connected nature and cumulative effects of risk.

Risk Management Framework

To implement an effective RMF, risk management must be integrated and embedded into all of our key business activities, systems and processes and be considered “business as usual”.



In a ‘Top-Down’ system the objectives are to provide the crucial leadership and guidance the Council needs to balance risk and reward optimally and steer the Council in the right direction. **Example:** Insights and clarity on the top 10 most important risks shaping the Council supports decisions at the ELT level, ensures the risk dialogue among the ELT and enables risk oversight by Council.

In a ‘Bottom-Up’ system the objectives are to ensure a comprehensive identification and prioritisation of all risks, define and implement risk policies and processes that control daily decision making throughout the organisation and ensure a robust risk culture Council wide.

Example: Can help an organisation to spot a weak operational procedure, raise the issue at the right managerial level and ensure controls are put in place while the procedure is reviewed. Both Top-Down and Bottom-Up systems complement each other, they provide insights and can influence each other. The combination of both provide a ‘line-of-sight’ feedback from Council to operational business units and back again.

2.9 Roles and Responsibilities

Role/Function	Risk Management Responsibilities
Council	Ensures that appropriate risk management governance structure, policy and accountabilities are in place. Reviews and considers any report and recommendation regarding the risk management framework and risks that may impact on the delivery of the long-term plan and other strategies.
Councillors	Apply this policy to all decision-making to ensure alignment with Council’s risk appetite statements.

Risk Management Framework

Role/Function	Risk Management Responsibilities
Executive, Audit & Risk Committee	Reviews and endorses the risk management framework (including risk appetite) and policy. <i>For further details refer to the Executive, Audit & Risk Committee's Terms of Reference.</i>
Chief Executive (CE)	<p>Ensures that a Council-wide risk management system is established, implemented and maintained in accordance with Council's Risk Management Framework, Policy and Guidelines. Promotes a strong risk culture by providing firm and visible support for risk management, including ensuring that:</p> <ul style="list-style-type: none"> • An appropriate and effective risk management framework is applied across all Council's functions • Adequate resources are made available for the planning and implementation of such a system • Directors/Managers have necessary knowledge and skills to effectively fulfil their risk management responsibilities and are accountable for risks arising from the activities of their departments/sections • Annual risk management planning is undertaken. <p>Provides oversight of the risk management process and reports on a regular basis to Council. Closely monitors extreme risks and reviews Council's top 10 risks.</p>
Executive Leadership Team (ELT)	Provides overall responsibility for the monitoring and management of risk relating to Council activities. Develops a proactive risk culture that supports effective management of risks at strategic, operational and project levels across Council, to support the achievement of objectives/outcomes and facilitate continuous improvement. Ensures an appropriate level of staff training, awareness and competence in relation to risk management requirements and practices. Sets risk appetite and risk tolerance levels and ensures risk are managed in accordance with that appetite. Objectively analyses and monitors reported risks (including extreme risks and Council's top 10 risks) and mitigation plans. Communicates key risk issues to Chief Executive. Demonstrates leadership in risk management matters. Integrates risk management with Council's policies, processes and practices.
Director – Corporate Services, designated as Risk Manager	Manages the risk management process and maintains the Council-wide risk register. Monitors risks and controls through the risk register review process. Reviews the effectiveness of the risk management policy and framework. Quarterly reports to the ELT on findings and options for continuous improvement. Reviews and compiles the departmental risk reports. Gathers risk information from the risk owners. Receives information on emerging risks and considers the adequacy of how they are being managed. Provides risk related advice, ongoing support, guidance and training to management, risk owners and staff. Prepares the six-monthly reporting to the Executive, Audit & Risk Committee. Ad hoc reporting to Council as required.
Risk and Wellness Adviser	Reviews the effectiveness of the risk management policy and framework with the Director – Corporate Services. Organises the monthly workshop on 2 the Council's criteria risks with ELT. Receives information on emerging risks and considers the adequacy of how they are being managed and reports this to ELT. Provides risk

Risk Management Framework

Role/Function	Risk Management Responsibilities
Directors/Managers (Risk Owners)	<p>related advice, ongoing support, guidance and training to management, risk owners and staff. Future – will prepare a risk report for the Executive, Audit & Risk Committee.</p> <p>Responsible for ongoing identification, assessment, management, monitoring and reporting of risks in their departments/sections, including appropriate communication, treatment plans and escalation to ELT (as appropriate). Section managers communicate key risk issues to Directors. Promote a culture that encourages the open and transparent discussion of risks. Communicates and raise awareness of risk management to Managers and staff. Participate in reviews, workshops and training (as appropriate). Provide periodic reporting to the Director – Corporate Services, designated as Risk Manager.</p>
Managers/Team Leaders/Project Managers	<p>Ensure all risks associated with activities and projects are identified and assessed; develop treatment plans that mitigate or reduce risk exposure to an acceptable or tolerable level. Communicate key risk issues to Directors/Section Managers (as appropriate). Continually identify, assess and report all new and emerging risks to the Director/Section Managers (as appropriate). Provide information, training and supervision to allow staff to carry out risk treatment actions adequately and effectively. Encourage staff to report risk.</p>
Assigned Treatment Owners/Control Owners	<p>Ensure the risk treatment/mitigation actions are completed as planned (in terms of scope, time, cost and outcomes).</p>
All Employees	<p>Manage risks in their area of control as part of their daily activity. Awareness of the risk management policy, framework and guidelines. Understanding and implementing the risk management and escalation process. Proactively identify, monitor and report potential risks/emerging risks/actual events to their Manager or appropriate Council officer as soon as possible, maintaining Council's reputation and image.</p>

2.10 Risk Management Process

A step-by-step guide for the risk management process is included in Appendix 3. Figure 4 below presents the risk management lifecycle.

Risk Management Framework

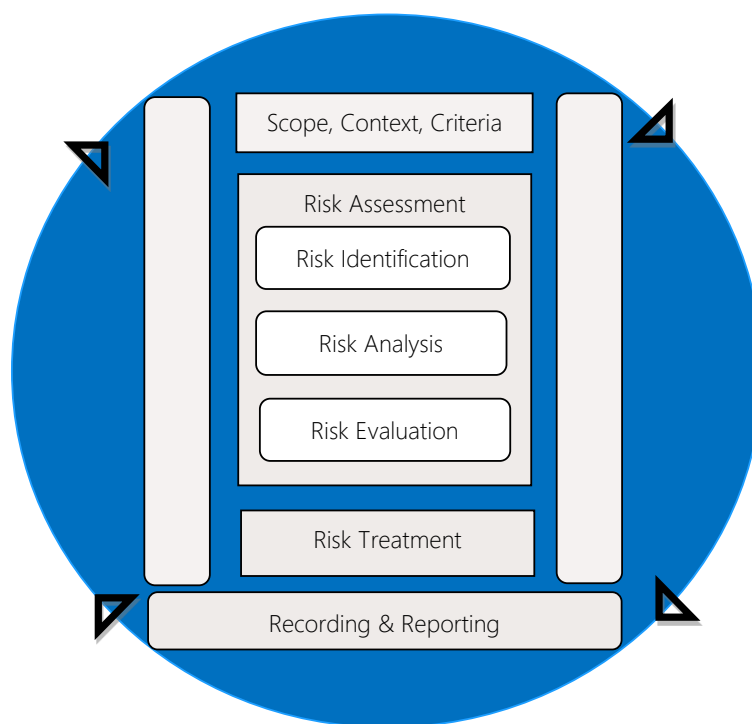


Figure 4 – ISO 31000:2018 Risk Management Process

2.10.1 Establishing the Scope, Context and Criteria

By establishing the framework for the management of risks, the basic parameters within which risks must be managed are defined. Consequently, the scope for the rest of the risk management process is also set. It includes the definition of basic assumptions for Council's external and internal environment and the overall objectives of the risk management process and activities.

The internal and external context is the environment, in which Council seeks to define and achieve its objectives. Establishing the context means understanding Council's:

- long-term plan, objectives, policies, vision, mission and values
- relationships with key stakeholders, contractual relationships and commitments
- governance structure, decision-making process and organisational culture
- internal capabilities and business core processes that are in place
- internal and external factors that influence the risks (political/economic and financial/social/technological/legal and regulatory/environmental, whether international, national, regional or local).

The criteria, by which risks will be analysed and evaluated, have to be decided and agreed. Defining risk criteria includes development of *the Likelihood & Consequence Scales, Risk Assessment Matrix and Comparative Risk Levels*. The categories for which risks will be assessed shall be defined in *the Consequence Scale*.

The risk criteria chosen by Council are dynamic and will be continually reviewed. It is very common that criteria initially identified are further developed or even modified during later phases of the risk management process.

Risk Management Framework

2.10.2 Risk Assessment

Risk assessment is the overall process of risk identification, risk analysis and risk evaluation.

Risk Identification

The aim of risk identification is to create a comprehensive list of events that may occur and, if they do, are likely to have an impact on the achievement of Council's objectives. Comprehensive identification is critical, because a risk that is not identified at this stage, will not be included in the risk analysis phase. Risks should be identified on an ongoing basis, as changes in the internal and external environment take place.

Risk identification naturally flows on from the Context discussion and is a process of formally documenting the effects of uncertainty on objectives.

During the identification process, there are a number of questions that need to be asked to capture the information required:

- Where have we previously had most issues with reliability, performance or disruption?
- Where have other Councils had material issues, and where do we face similar risks?
- Which processes or issues are of greatest concern at the moment?
- What might happen/what could go wrong?
- What is the cause?
- How does this affect the objective?
- How does this affect the Council's reputation?

Identified risk is then captured in the risk register to support the following processes. The risk register is used to record, categorise and analyse risks and identify a risk owner. It should be kept current, as risks change. Council's risk register template is attached in Appendix 1.

Risk Analysis

The risks should be analysed to understand their nature and scope, including assessment of the consequences, likelihood, events, scenarios and uncertainties. Analysis techniques can be qualitative, quantitative or a combination of these.

The likelihood scale identify how likely, or often, a particular event is expected to occur. Likelihood is determined by Council using the Table in Appendix 4: *Likelihood of Occurrence*.

The consequence scale indicate the level of possible consequences for a risk. Consequence is determined using the Table in Appendix 5: *Consequence Rating*.

At this stage, the risk analysis occurs on an "inherent" basis – what is the risk in the absence of any controls?

The risk analysis also includes identification of the current controls in place (to mitigate the extent of potential losses) and assessment of their effectiveness. Controls are systems, processes and policies that are implemented to reduce risk levels. A decision is required as to whether the existing controls are sufficient or whether additional controls are required.

Risk analysis provides an input to risk evaluation, to decisions on whether and how risk needs to be treated.

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Risk Evaluation

Risk evaluation involves assessing the risks and determining which risks are the priorities for treatment. The prioritisation is based on the risk rating, which enables definition between those risks that are more significant (key/top risks) and those that are of a lesser nature.

The risk rating is determined using the *Risk Assessment Matrix* in Appendix 6, by multiplying the likelihood and consequence scores together.

At this stage, Council determines the inherent risk rating. Then the inherent risk is ranked in accordance with the *Comparative Levels of Risk* in Appendix 6.

At the next stage, the same process of determining the likelihood and consequence of the same risk applies, but this time the risk analysis occurs on a "residual" basis – what is the risk, taking into account the identified existing controls? Council determines the residual risk rating. Then the residual risk is ranked in accordance with the *Comparative Levels of Risk* in Appendix 6.

Once the risk rating has been completed, the residual risks can be evaluated against Council's risk tolerance levels, to determine whether the risks are acceptable, undesirable but tolerable, or unacceptable. Council's risk tolerance levels are attached in Appendix 2.

The evaluation of risks can lead to a decision to maintain existing controls or consider risk treatment plans.

2.10.3 Risk Treatment

Risk treatment (or mitigation) is the process of selecting and implementing measures to address risks.

Selection of risk treatment options depends on the risk criteria and the cost/resources required.

For each risk, consideration is to either:

- Tolerate: (accept the current level of risk)
- Treat: (introduce the additional controls to reduce the consequence and/or likelihood)
- Transfer: (transfer risk to a third party/share, e.g. insurance)
- Terminate: (remove the source of risk or avoid the risk, by deciding not to start/continue the activity that gives rise to the risk).

Treatment plans (a set of mitigation actions) should specify how the chosen risk treatment will be implemented, so that arrangements are understood by those involved and, and progress against the treatment plans can be monitored. The treatment plans should clearly identify the order in which risk treatment should be implemented.

Treatment plans should be integrated into the management plans and process of Council, in consultation with the appropriate stakeholders.

2.10.4 Recording in the Risk Register

The risk management process and its outcomes should be documented through appropriate mechanisms. The following information will be documented in the risk register:

- Category and description of the risk
- Effect on Council's reputation (if any)
- Risk owner and person responsible
- Inherent and residual likelihood, consequence, risk ratings and ranking

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- Key internal controls in place; treatment plans (mitigation actions) and who is responsible.

2.10.5 Monitoring, Reviewing and Reporting

Ongoing monitoring, periodic review and regular reporting of the risks and risk management process is required to ensure that the risks remain relevant and that the effectiveness and cost of the associated key controls and mitigation plans are aligned with risk criteria, strategy, policy and stakeholder requirements.

The frequency of review and level of oversight required is determined by the residual risk rating (refer to Appendix 7 for *Comparative Levels of Risk/Risk Response & Escalation*, which explains what action a risk owner needs to take in response to the residual rating).

The risk and process review is to be undertaken as follows:

- The Risk Management Framework, policy and risk appetite statement are to be reviewed annually
- Risk criteria are to be reviewed at least every two years or after any significant organisational change or event to ensure they reflect the best fit for Council
- The Council-wide risk register is to be reviewed quarterly by the Director-Corporate Services (designated as Risk Manager) and annually by the Executive, Audit and Risk Committee
- All risks (including any new/emerging risks) are to be regularly reviewed by the risk owners and reported quarterly to the relevant Director as part of regular reporting
- The top 10 risk register and high and extreme risks are to be reviewed:
 - quarterly, or as new high and extreme risks are identified, by the ELT, with a deep dive into a least 2 critical risks quarterly.
 - 6 monthly by the Executive, Audit and Risk Committee, with the intended reporting to be at all Executive, Audit and Risk Committee meetings.
- All controls are to be monitored on a regular basis to ensure their effectiveness, suitability and reliability. The frequency of monitoring is assessed by the risk owner and recorded in the risk register.

2.10.6 Communication and Consultation

Communication and consultation with the internal and external stakeholders are an important consideration at each step of the risk management process.

External stakeholders should be informed of Council's approach to risk management and the effectiveness of that approach. Gathering their feedback, when necessary, can improve Council's risk management process.

Internal stakeholders should be communicated Council's risk management process and their role and responsibilities in it.

There must be a two-way dialogue between the stakeholders with the focus on consultation, rather than a one-way information flow. Effective communication between stakeholders is essential to ensure that risks are understood and decisions about risk response selection are appropriate.

3 Risk Management Guidelines

3.1 Introduction

The risk management process is already described in detail in the Risk Management Policy (Section 2.9) and Appendix 3: Risk Management Step-By-Step Guide.

These Risk Management Guidelines are designed to provide additional guidance to Council's employees to enable them to meet the risk management expectations of Council as defined in the Corporate Risk Management Framework and Policy.

It is not intended that these Guidelines should cover every aspect of risk management. More information and advice can be obtained from the Director – Corporate Services (designated as Risk Manager).

All risk information is captured on the Council's **Risk Management Register** called **Opal3** – separate **technical guidance** is available on the system's use from the Director – Corporate Services.

Please remember that risk management is not an "added extra"; it should be part of your normal management process and should become the basis upon which you focus your business plans and actions. It is probably being done already.

The risk management assessment requires judgements and informed decisions to be made. It is, sometimes, best done as a group and should involve those who are responsible for delivering the services. You should also encourage the participation of the Councillors, staff and/or other stakeholders, when appropriate. Just because you happen to be a Director, Manager or Team Leader, you are not always best placed to identify and assess all of the risks in your operational areas.

It may be helpful to have a facilitated session. This is important, where significant risks need to be managed or where insurance or indemnity advice will be required. You are not able to properly complete your risk assessment without this information as the insurance/indemnity will probably be a significant control to your risk.

Your focus should be on the outcome of the objective, not the process itself.

3.2 Establishing the Context – Drivers of Risk

Council faces risks from both internal and external factors. Understanding this helps you assess the level of influence Council/you may have over the risks identified. A starting point for the identification of risk should be to examine your area's objectives as laid down within the KPIs. This process may also highlight key objectives that currently are not covered within your KPIs.

It also helps to think of risk being categorised into 3 basic categories: Strategic, Operational and Project.

At a **Strategic** level, the focus is on identifying the key risks affecting the successful achievement of Council's strategic objectives. These are the risks (or opportunities) that are most likely to affect the performance and delivery of Council's strategic priorities, levels of service and projects. The risks may prevent Council from meeting statutory obligations or present a serious risk to completion of major projects.

At an **Operational** level, the focus is on the risks (or opportunities) that occur in the delivery of day-to-day operations and continuity of service. This includes health and safety activities (which are consequences for many operational risks) and issues arising from external reports, complaints, audit reports etc.

At a **Project** level, the focus is on the risks that, if they occur, have an effect on at least one project objective.

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Management should remember that operational risks may overlap into other service areas or departments. Risks that occur in one area can have an impact on other areas of the organisation. This is why it is important to identify risks and how they may impact on different parts of the organisation. It is also important to be aware that actions to manage a risk in one area may create or increase a risk in another area. Communication of possible impacts on other areas is essential.

Some examples of risk are given in the Appendix 7 (Risk Sources) and Appendix 5 (Risk Categories), which may help you identify risks that you have to manage or control. These are not the exhaustive lists and are for guidance only.

Please use the Appendices 7 and 5, when you run a “brainstorming” session with your team.

3.3 Risk Identification

There are a number of ways that Council employees can identify their risks:

- Brainstorming/workshop sessions – involve all stakeholders and ensure that the forum allows open and honest discussion. All initial ideas should be recorded and then reviewed one by one
- During the annual business planning process, where barriers to specific objectives are recorded as either strategic or level of service risk
- SWOT Analysis (Strengths; Weaknesses; Opportunities; Threats) of your service area
- One-to-one meetings – with operational staff who are involved in the delivery of the service within Council
- Learn from experience – comparing risks from similar operations (both here at Council and within your peer groups at other Councils). Utilise any findings from recent reports by audit, regulatory bodies, accident and incident reports, complaints, insurance claims etc.

Sometimes risks are already well known, because they have always been around. Others, however, are “emerging” and are entirely new, or, perhaps, are becoming more likely/probable over time. The identification of risks also embraces the recording of risks.

It is important that all members of staff are involved (or feel involved) in the risk management process. Directors/Managers should ensure that there is a process in place for all staff to actively report any risks as and when they arise, and also for them to report when any aspect of a risk changes. It is recommended that risk should be on the agenda of all Departments at least quarterly. This ensures that there is upward reporting (from staff to Team Leader, Team Leader to Manager, Manager to Director) which, in turn, ensures that the risks reflect the actual position within the Department.

Manages also need to be absolutely clear on what their business objectives and deliverables are and to have these in mind when identifying risks. In order to identify your risks, you need to consider the following question: **“What will stop you achieving your objectives/deliverables?”**

3.4 Describing Risk

When identifying risk, it is important to clearly describe it, so it can be assessed and evaluated.

The risk itself should **define** the actual **root cause or underlying issue**, and what **impact** this would have, if it occurred. An issue is a concern that cannot be avoided or may be ongoing, whereas a risk may not actually materialise. Risk equals to uncertainty.

For example, *“lack of staff”* is an issue and is not in itself a complete description. Try to externalise the issue and develop it into a risk that expresses how the issue will impact upon achievement of Council’s strategic objectives.

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For instance, assessing the likelihood and impact of a risk stated as "Fraud may occur" is difficult, if not impossible. However, assessing the same risk stated as "An employee commits fraud, **resulting** in financial loss and reputation damage, **as** fraud detection processes are not robust" is more straightforward.

Therefore, the description of risks identified should use the following structure (or a variation of it, providing that the 3 elements are included):

<Uncertain event> occurs, leading to <Effect on Objectives>, as a result of/due to <Definite Cause>.

Event – Consequence(s) – Cause.

This will ensure that focus (therefore, the action) is placed on the **event**.

It is often easier to start with **Consequence(s)** (the things that will actually happen, should the risk event occur) and by asking "Why would that happen?" Your answer will either be the actual risk or another consequence. You should end up with the "real" risk. Comparison of risks will allow prioritisation of effort and resource to ensure the most effective and efficient mitigation measures are introduced. Many of the mitigating actions will, in any case, be designed to prevent the consequences, which, in turn, will control the risk.

Example 1: A hacker gains unauthorised access to information stored in the system by performing a password guessing attack. They use the information to commit identity fraud that **leads to** an investigation by the Privacy Commissioner and reputational damage to the organisation. The attack is **successful, because** the system does not enforce strong passwords and does not log failed logon attempts.

Example 2: The loss of a laptop **leads to** official information being disclosed to an unauthorised party, and reputational damage to the organisation, **as** disk encryption has not been enabled on all laptop devices.

Once the risk description has been defined and documented, consideration should be given to the **Risk Drivers**. Capturing the risk drivers is useful, when identifying and selecting key controls to manage risk.

The context normally informs the risk drivers. There may be multiple risk drivers related to a risk. The following provides some risk drivers for Example 1 above:

- The information system is deployed as an internet facing service
- The information system is an attractive target to criminals
- Patches may not be applied in a timely manner
- Default passwords are not changed or removed
- User accounts are not disabled or removed in a timely manner, when a staff member leaves the organisation.

Although the risk description captures the consequences (the effect on objectives) of the risk eventuating, it is useful to document them separately as well. The consequences for Example 2 above would be:

- Reputational damage to the organisation
- Confidential information is disclosed to an unauthorised party
- Breach of the Privacy Act 1993
- Service delivery is impacted due to a loss of productivity
- Loss of confidence in the service by key stakeholders.

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3.5 Risk Analysis

Once the relevant risks have been identified, the likelihood and consequence of them eventuating must be assessed by the risk owner.

Likelihood Assessment

Assess the likelihood of the risk eventuating with **no** controls in place. This will inform the inherent risk rating and enable the effectiveness of any current controls that reduce the likelihood of a risk event occurring to be assessed.

Where historic information is available about the frequency of an incident's occurrence, it should be used to help determine the likelihood of the risk eventuating. However, the absence of such information does not necessarily mean that the likelihood of the risk is Low. It may merely indicate that there are no controls in place to detect that the risk has occurred.

Consequence Assessment

Assess the consequence of the risk eventuating with **no** controls in place. This will result in the inherent risk rating.

Although there may be **multiple** consequence statements documented for a risk, **only one** consequence rating can be assigned to a risk. As a result, **the highest rated** consequence statement should be used to determine the consequence rating of a risk.

Controls Identification and Assessment

There will already be controls in place to reduce the likelihood and/or consequence of some of the risks that have been identified.

A control can reduce the risk by reducing the likelihood of an event, the consequence or both. Assessing the effect that the control has on the overall risk leads to determining the residual risk rating.

The Controls can be:

- **Deterrent:** intended to discourage a potential attacker (e.g. establishing an information security policy)
- **Preventive:** intended to minimise the likelihood of an incident occurring (e.g. a user account management process)
- **Detective:** intended to identify when an incident has occurred (e.g. review of firewall security logs)
- **Corrective:** intended to fix the problem after an incident has occurred (e.g. data backups).

Usually deterrent and preventive controls reduce the likelihood of a risk occurring, whereas detective and corrective controls reduce the consequence should the risk eventuate.

The risk owner and subject matter experts, who can identify and describe the current controls that are in place to manage the identified risks must be involved in assessing the controls' efficiency. Where information is available that provides evidence about the effectiveness of the current controls, it should be considered.

During the risk assessment a control may be identified as being ineffective, not sufficient or simply not relevant to the risk it is supposed to be mitigating. In this case an analysis should be performed to determine whether it should be removed and replaced by another more suitable control or whether it should remain in place and be supplemented with additional controls.

Having assessed the controls, try to establish **the cost of risk**. This needs to show the cost to Council, if the risk manifests itself (e.g. what would it cost in damage and repairs, if it happens); the cost of the existing controls used to manage that risk. At this stage, consider the worst case scenario when estimating this cost. The Financial Services Manager can advise on this where it is an insurable risk. Also, consider the cost of any future controls you think you

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need to better manage the risk. Remember that the cost of managing and controlling the risk should be proportionate to the risk that is being addressed.

The controls that you identify to avoid, reduce or transfer risk may not always lessen either the impact or the likelihood. Some risks will have significant impact no matter what you do, and equally, in some cases, all the controls you identify may not lessen the likelihood of something happening either. In these cases, you are identifying actions that will allow you to better manage the situation when the risk occurs. At this stage you should consider contacting the Director – Corporate Services (designated as Risk Manager) for support and guidance or just for assurance that your risk evaluation and controls appear to be appropriate.

3.6 Risk Evaluation

Risk Rating

The risk rating is evaluated using a risk matrix. The overall risk rating is the point, where the two ratings (likelihood and consequence) intersect. For example:

- A risk with likelihood of *Rare* (1) and consequence of rating of *Moderate* (3) would result in an overall risk rating of 3.
- A risk with likelihood of *Possible* (3) and consequence of rating of *Extreme* (5) would result in an overall risk rating of 15.
- A risk with likelihood of *Almost Certain* (5) and consequence of rating of *Minor* (2) would result in an overall risk rating of 10.

The risk rating without any controls in place is called the inherent risk.

Typically, risks that are assessed as being 1 to 3 on the rating scale without any controls in place are considered acceptable to the organisation and may not require the implementation of any controls to manage them. However, because risk is rarely static, they should be added to the organisation's risk register, so that they can be monitored and re-assessed on a regular basis to ensure that the likelihood and/or consequence do not change.

The residual risk rating is derived by assessing the effect that the current controls have on the inherent risk, using the risk matrix. The residual risk rating is the new point, where the two ratings (likelihood and consequence) intersect. For instance:

- A risk with likelihood of *Unlikely* (2) and consequence of rating of *Extreme* (5) would result in an overall risk rating of 10. A control currently in place is highly effective at reducing the consequence of the risk. The consequence rating is revised to *Moderate* (3) with the control in place, therefore, the residual risk rating is 6.
- A risk with likelihood of *Possible* (3) and consequence of rating of *Extreme* (5) would result in an overall risk rating of 15. A control currently in place is effective at reducing the consequence of the risk. The consequence rating is revised to major (4) with the control in place, therefore, the residual risk rating is 12.
- A risk with likelihood of *Almost Certain* (5) and consequence of rating of *Minor* (2) would result in an overall risk rating of 10. A control currently in place is very effective at reducing the likelihood of the risk. The likelihood rating is revised to *Likely* (4) with the control in place, therefore, the residual risk rating is 8.

The next step of the risk evaluation is to evaluate the residual risks against Council's risk tolerance levels (whether the risk is acceptable, tolerable or unacceptable), using Appendix 7. The risk owner will make decisions on which risks require treatment and what is the priority for implementing a risk response.

Residual risks that are assessed as being 1 to 3 on the rating scale are generally considered to present an acceptable level of risk to the organisation, do not require any further evaluation, but should be regularly monitored and assessed.

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All residual risks that are evaluated as being between 4 and 25 on the rating scale need to be evaluated and prioritised. Priority means ranking (whether the risk is Low/Moderate/High/ Extreme), using the comparative levels of risk in Appendix 6.

The higher the risk rating is, the higher the priority.

3.7 Risk Appetite

The Council's Statement of Risk Appetite has two aspects in it. This is, first, to clearly and fully state and quantify, and also to disclose to its stakeholders, the nature and extent of the key risks it is taking on and is willing to embrace as part of the delivery of the long-term plan. This can be seen as its **Inherent** risk acceptance during the year.

Second, it is to clearly set an organisational policy within Council, also communicated to its employees and stakeholders, in regard to what quantifiable level of risk exposure it is prepared to retain after controls and mitigation actions have been taken in relation to these risks, and after which point, no further action or mitigation will be undertaken by Council in regard to the exposure. This can be seen as **Residual** risk exposure during the year.

It is important to note that inherent and residual risk appetites may often vary across different types of risk, at different times, and may even vary across different Council's departments, depending at which stage these departments are at in their business cycle, and that an organisation's overall gross risk appetite is often an average of these different underlying risk appetites.

Council's residual risk appetite for negative threat risks (or risk tolerance levels) is illustrated in Appendix 7 by bolded **Blue Risk Appetite Line** in Council's risk assessment matrix.

Risk appetite (as indicated by the relevant risk appetite line) relates positively to the risks that Council wants to take. Risk tolerance (as indicated by the above **Yellow Risk Tolerance Line**), by contrast, relates to risks the organisation is not willing to take and is the outer boundary line beyond which it will not, under any circumstances, venture into risk-taking.

Understanding both lines is important to a full and complete understanding of an organisation's wider and de-facto risk appetite. This is because it is generally and professionally recognised that there will be risks that an organisation takes, which it does not actually want or positively desire to take, and which are not, in truth, part of its risk appetite, but which may be forced upon it (e.g. by changes in socio/economic/political/environmental factors beyond its control) and which it has not alternative, but to take, and so to tolerate.

The line of risk tolerance represents the limit of the organisation's tolerance for any form of risk beyond which it will not venture. **Below** this line **and in the gap** between the line of risk appetite and the line of risk tolerance are where **Tolerated risks** position themselves.

Risks, which are assessed as above the risk tolerance line, are unacceptable in any form to Council. Immediate action must be taken to either terminate or transfer Council's involvement in these risks. In the risk matrix of Appendix 6, **Risk A** is Unacceptable, because it is outside the boundary of risk tolerance. This risk must be immediately exited or transferred.

Risks, which appear above the risk appetite line (but below the risk tolerance line – the outer boundary of risk-taking), are undesirable but tolerable risks, and these require immediate and urgent management action to manage them down to an acceptable level of exposure. Management must ensure control action taken is sufficient, balanced and comprehensive enough to achieve moving these risks to below the target risk appetite line.

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In the risk matrix of Appendix 6, **Risk B** is undesirable (but may be tolerated), as it is above the line of risk appetite, but below the line of risk tolerance. Immediate control action must occur to reduce it to target exposure level below the risk appetite line.

Risks at an exposure below the risk appetite line are deemed acceptable as risks to be taken on and they similarly should be mitigated to their target exposure level as part of the risk management process. In the risk matrix of Appendix 6, **Risks C, D and E** are deemed acceptable and do not require any further evaluation.

Council recognises that all risks should not be managed to the same extent, but all significant risks (e.g. *major* or *extreme*) will, in all circumstances where possible, be managed down to a low net target risk exposure. Where, furthermore, the risk is deemed to be of lesser scale than *major* or *extreme*, a higher degree of risk exposure and lesser levels of mitigation will be encouraged further to the pursuit of Council's strategic objectives.

3.8 Risk Response and Escalation

Where a target risk level is in excess of the risk appetite exposure of Council as indicated above, the risk must be **escalated** to the next management level **for discussion**, as part of normal risk reporting of Council. The framework for the reporting and escalation of risk within Council is based on the organisational structure and normal reporting lines.

As part of the escalation process, **the next management level of Council will be alerted to the risk** and will, therefore, review and re-assess it in terms of its consequence and likelihood on the achievement of objectives **and that next level will take action as appropriate**. This may mean:

- Managing the risk directly in terms of its mitigation and control
- Adjusting the level of risk they judge suitable for the level below to manage
- Transferring the risk, if possible, appropriate or cost-effective to do so or
- Changing the activity, giving rise to the risk or exiting the activity, giving rise to the risk.

Below is the Risk Response & Escalation Guide for Risk Owners.

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Risk Response & Escalation Guide

	Risk Rating	Guidance to Risk Owners
20 - 25	Risks at this level sit above the tolerance of Council and are of such magnitude that they form Council's biggest risks. Council is not willing to take risks at this level and action should be taken immediately to manage the risk.	Identify the actions and controls necessary to manage the risk down to an acceptable level. If still scored above 20, report the risk to the Director-Corporate Services (designated as Risk Manager). Risks that remain at this level will be immediately escalated by the Risk Manager to the ELT, who will actively monitor and provide guidance on the ongoing management of risks at this level. Steps will be taken to collectively review the risk and identify any other possible mitigation (such as controls).
10 - 16	These risks are within the upper limit of risk appetite. While these risks can be tolerated, controls should be identified to bring the risk down to a more manageable level, where possible.	Identify controls to treat the risk likelihood and consequence, and seek to bring the risk down to a more acceptable level. Report the risk to the Director and the Director-Corporate Services (designated as Risk Manager) for escalation to the ELT. These risks should be monitored and reviewed monthly. If unsure about ways to manage the risk, consult with the Director-Corporate Services. Risks at this level will feature in a quarterly risk update to the ELT, who will provide oversight and support, if needed.
4 - 10	These risks sit on the border of Council's risk appetite and, while they do not pose an immediate threat, they are still risks that should remain under review. If the likelihood or consequence increases, then risk owners should seek to manage the increase.	Keep these risks on the radar and update as and when changes are made, or if controls are implemented. Monitor quarterly. Movement in risks should be monitored, for instance, featuring as part of a Management meeting agenda. Responsibility for monitoring and managing these risks sits within the relevant Department/Section.
3 - 4	Risks with a combined score of 3-4 are low level risks that could impede or hinder achievement of objectives. Due to the relatively low risk level, it is unlikely that additional controls will be identified to respond to the risk.	Keep risks with a combined score of 3-4 on your risk register and formally review them 6 monthly to make sure that the likelihood and impact continues to pose a low level.
1-2	Risks with a combined score of 1-2 are minor level risks with little consequence, but not to be overlooked completely. They are enough of a risk to have been assessed through the process, but unlikely to prevent the achievement of objectives.	No actions are required for risks with a combined score of 1-2, but keep the risks on your risk register and review annually.

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3.9 Risk Treatment

Having assessed your risks and arrived at a meaningful score with the current control measures identified, you should now decide whether or not you want to take the risk and, if you do, what level of risk you are prepared to take. You need to choose from one of the following four options commonly referred to as the "4 Ts":

- **"Tolerate"** the risk. It is accepted that sometimes it might be that an activity is classified as "risky", but we choose to continue with it. Council will tolerate the risks that it considers to be acceptable, for example:
 - A risk that has been mitigated by several controls, but remains a "High" risk;
 - A risk where the costs of any controls outweigh the actual risk; and
 - A risk that actually provides more measurable benefits than it does by not doing it.
- **"Treat"** the risk. This is the approach most often used. The purpose of treating the risk is to carry on with the activity by taking additional actions to control it, reduce the likelihood of it happening or reduce the impact, if it does.
- **"Transfer"** the risk to a third party, for example, through insurance or by contracting it out. This reduces the impact on Council, if an event occurs. This option is particularly good for mitigating financial risks or risks to assets. For example, the transfer of risks may be considered to either reduce the exposure of Council or because an organisation is more capable of effectively managing the risk.
- **"Terminate"** the risk, or avoid the activity or circumstance that gives rise to the risk; stop doing something.

Some control measures may be relatively straightforward to address, some may take longer and may need to be implemented in stages. However, if the control measure required falls outside your immediate control, for instance, the level of financial commitment required or the overall impact on Council, then these should be referred to the Director – Corporate Services (Risk Manager) via your Director.

3.10 Monitoring the Risk

This is an important and often overlooked stage of the risk management process. Monitoring risk is all about ensuring that the control measures identified are working and are effective. It may be helpful to ask the following questions:

- Have the chosen control measures been implemented as planned?
- Are the identified control measures in place?
- Are these measures being used properly?
- Are the chosen control measures working?
- Have the changes made to manage exposure to the assessed risks resulted in what was identified?
- Has exposure to the assessed risks been eliminated or adequately reduced?
- Have there been any "near misses"? If yes, have any "lessons learned" been applied?
- Do any new controls need to be introduced?
- Are there any problems?
- Have the implemented control measures introduced any new problems?
- Do the existing controls need to be reviewed and updated?

A risk score is only as good as the control. If the control is not effective, or does not work as envisaged, then your overall risk score will be false, and will, potentially, underestimate the true level of risk you face. Therefore, it is vital to ensure that the controls put in place are working effectively.

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It is necessary to monitor and to report on the progress in managing risks, so that the achievement of objectives is maximised and losses are minimised. In addition, the effectiveness of risk management controls to reduce the likelihood/consequence of adverse risk events occurring needs to be assessed and alternative controls be introduced, if the identified control is proving ineffective.

When reviewing the risk assessment/register, you need to ask yourself, if the risk score is still correct. Are the "Highs" still "High", and "Lows" still "Low", for example. As your focus will be mainly on "Highs" or higher scoring "Mediums", you may also want to look at the "direction of travel". That is, has a low "Medium" moved upwards towards a high "Medium" score, for example? This could be an indication that you need to do something more to prevent it becoming a "High". You should also consider whether you need to add any new risks to your Risk Register and those to be deleted.

3.11 Reviewing and Reporting

All information relating to the identified risks should be recorded on Council's risk register. It is important that this is the form of risk recording used by all for both consistency and compliance with our risk management policy.

When your risks and their mitigating controls have been recorded, identify the person (should be a named individual and not a group of job title), who will be responsible for introducing, implementing and managing the effectiveness of each control. Do make sure that the person responsible is told and understands what is required from them.

Note a date by which the control needs to be implemented, ensuring that the action fits into your level of service's plans and resource availability. If the management of a risk is "ongoing", then you need to set the "action by" date to the end of the financial year to ensure that it gets reviewed at least once a year. If additional costs are involved, you will need to seek approval from the budget holder for those, as appropriate.

Business priorities and situations may change over time. These changes may change your risks and opportunities and, therefore, they need to be reviewed regularly by asking yourself the following questions:

- Are my risks still the same?
- Are there any new risks arising?
- Has the risk been controlled effectively to reduce the likelihood and consequence?
- Has the action (or lack of actions) affected the overall impact (score) of the risk?
- Are there any other controls required? If so, what are they?

Your risk register should be a "live" document and changes should be recorded, updated and used to help you manage your everyday work. If you review without making any changes (e.g. your risk profile has not changed), then ensure that the date of the document is amended to evidence your review.

Council's risk management policy requires risk owners to regularly review and update their risks and report them quarterly, as below:

- At least once a quarter you should discuss your risks with your line Manager (if applicable)
- At least once a quarter each senior Manager/Team Leader should discuss their section risks with the Director
- Following these discussions, the Director will compile their departmental risk register, showing the department's most significant risks and agree this with the ELT
- At the end of January, April, July and October each Director should send their departmental risk register to the Director – Corporate Services (designated as Risk Manager)

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- The Director – Corporate Services will produce the Council-wide risk register and a top 10 risk register (as appropriate)
- Quarterly, or as new high or extreme risks are identified, the ELT will receive a report from the Director-Corporate Services (designated as Risk Manager) on the top 10 risks and high and extreme risks
- 6 monthly, or as determined by Council timetable, the Executive, Audit and Risk Committee will receive a report from the Director-Corporate Services (designated as Risk Manager) on the Council's risk management. The report will focus on changes to the corporate risk register over last 6 months (including new risks added to the register, risks archived from the register, any changes in scoring/ratings), top 10 risk register and high and extreme risks.

At each stage in the risk escalation process, the impact will be re-assessed. This is because a risk that is high at the point of service delivery may not be classified as high when considered at Directorate or ELT level. For example, if one staff member at the Council's section is absent, this may be a high impact for the section. However, at Directorate level the absence of one staff member is likely to be insignificant. Only the risks that remain classified as high should pass to the next level of the risk escalation process.

Risk management should, therefore, be **included as an agenda item** on departmental management team meetings **at least once a quarter**. However, if a significant risk event occurs between scheduled meetings, you may want to discuss this immediately. Risk management is a continuous cycle designed not only to identify, assess, manage and review risks, but also to support the strategic planning process. The strategic planning process and risk registers should be used as part of the budgetary decision-making process.

Business objectives created, as part of the strategic planning process, as well as your level of service plan deliverables, should be used as the basis for identifying risks. The objectives and deliverables should be clear and concise or SMART (Specific, Measurable, Achievable, Realistic and Timely), as this will aid the identification of risk to that objective or deliverable being achieved.

Linking the business objectives, deliverables and the risks/opportunities together will help towards a successful outcome being achieved. By doing this you will have a trail of information, which can then be used to link risk management to performance measures and their outcomes.

3.12 Communication and Consultation

It is important to communicate with all stakeholders (from Directors to operational staff, external partners and third parties) about the way in which Council is managing risk and to provide assurance of this.

More and more of Council's priorities are being delivered in partnership with other private, public and charitable bodies. Misunderstanding a joint risk can lead to serious problems, such as inappropriate (expensive) control measures being applied by both/all parties or failure to deliver to overall objective. It is, therefore, important that you identify at the start of any partnership/joint working arrangement who is taking responsibility for the management of which risks.

Communicating **internally** is also vital to ensure that:

- Everybody within your team understands their role and individual responsibilities in identifying, reporting, managing and controlling risks. If this is not achieved, then the integration of risk management will be ineffective and this may lead to risks not being identified and, potentially, failure to meet Council's objectives.
- Lessons can be learned and communicated to those who can benefit from them (internal and external). For instance, if a risk has been identified (and an effective control measure was implemented, which led to a successful outcome), then the same or very similar risk may occur in another project or business area and the same outcome could be achieved by using the same control measure(s). Equally, if control

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measures introduced fail to be effective, by communicating that, it can prevent another area making the same mistake.

- Directors and Management all receive the same, consistent levels of assurance about the way in which risks are managed in their areas; and
- There are no surprises and processes going wrong, with no unexpected financial impacts.

3.13 Business Continuity Management and Crisis Management

There will be occasions when a risk has to be taken and the consequences may be the loss or interruption to a service/activity. In these cases, the only mitigate or control will be to have an effective Business Continuity Plan and Crisis Management Plan. For many of the services Council cannot afford to have any interruptions to service delivery.

Business Continuity and Crisis Management are about finding strategic solutions to the loss of one or more of four significant resources (the "4Ps"):

- People – customers or service users and staff;
- Partners – key suppliers;
- Premises – facilities; and
- Plant and Equipment.

Being properly prepared to deal with unexpected interruption to any of these resources is at the heart of any business continuity or crisis management strategy. Business continuity management is the only real methodology that delivers such resilience across the entire range of business activity.

A key part of the business continuity management is the business continuity plan (the "BCP"). Where disruption affects critical business activities, the consequences can be severe and may include substantial financial loss, an inability to achieve desired levels of service and/or loss or credibility within the community. The benefit of having a business continuity/recovery plan is that it can be implemented with the minimum of delays, significantly reduces the levels of disruption Council suffers and ensures rapid resumption of normal service to the public.

Council's BCP outlines the actions required by Council's business continuity management team - high-level Officers that respond to events that affect Council's identified business critical activities (those that need to be restored to order within 24 hours). This means that each Department should have their own individual departmental plans for each of their service delivery sections. Each of these individual plans should be based on a similar format and be aligned to Council's corporate template. Responsibilities for managing responses to events that do not affect Council's critical activities will sit with senior Managers, Team Leaders or response teams within their Department.

Directors should ensure that their departmental plans are realistic and easy to use during a crisis. As such, business continuity management planning should **form part of their overall risk management**. Guidance and support will be available from the Director – Corporate Services (Risk Manager). Positive assurance from each Director that these Plans have been reviewed and remain fit for purpose will be required by the Director – Corporate Services (Risk Manager) on an annual basis.

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4 Appendices

Appendix 1: Risk Appetite Statement

Appendix 2: Risk Tolerance Levels

Appendix 3: Risk Management Step-By-Step Guide

Appendix 4: Likelihood of Occurrence

Appendix 5: Consequence Rating

Appendix 6: Risk Assessment Matrix

Appendix 7; Sources of Risk

Appendix 8: Risk Register Template

Appendix 9: Risk Management Glossary

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Appendix 1 – Taranaki Regional Council Risk Appetite Statement

Taranaki Regional Council's Risk Appetite guides how much risk we are willing to seek or accept to achieve our key objectives. We recognise that we need to take risks, both in our ordinary business and to achieve the priorities set out in each *Long-Term Plan*. Good risk management ensures we make informed decisions that are most likely to result in successful delivery of services, whilst also providing an acceptable level of value for money.

We recognise that effective risk management considers not just threats, but also opportunities. Our approach to risk is to seek the right opportunities and, where possible, minimise threats. By encouraging managed risk taking and considering all of the available options we seek a balance between caution and innovation.

Our Risk Appetite reflects our current position – encouraging managed risk taking for **Low to Moderate** level risks, but controlling more closely those risks that come further up the scale. Our appetite for risk will vary over time depending on our ambitions and priorities and the environment we work in.

Where we have expresses "No Appetite" for certain risks, in many cases it may not be possible and/or economically feasible to reduce risk to zero, however, this does not deter Council from its endeavours to minimise risk, using all practicable steps in these areas.

Beyond the Risk Appetite is our Risk Tolerance. It sets the level of risk that is unacceptable, whatever opportunities might follow. As a Council, we are not willing to take risks that have significant negative consequences on the achievement of our objectives. In such instances Council will aim to reduce the risk to a level that is within its Appetite.

In considering its approach to risk, Council has developed the following Appetite Statements for each of Council's Risk Categories:

No	Type of risk	No	Low	Mod	High	Appetite Statements
1	Financial	x				Council has no appetite for decisions that have a significant negative impact on Council's long-term financial sustainability.
			x			Council has low appetite for risks that negatively impact on Council's core financial business.
				x		Council accepts a moderate risk for commercial opportunities.
2	Health and safety	x				Council has no Appetite for risks that compromise the health & safety of Council's staff and/or members of the public.
3	Human resources			x		Council recognises that its staff are critical to achieving its objectives and, therefore, the support and development of staff is key to making Council an inspiring and safe place to work. It has moderate appetite for decisions that involve staffing or culture to support transformational change and ensure Council is continually improving.

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No	Type of risk	No	Low	Mod	High	Appetite Statements
	Knowledge		x			Council has a low appetite for risks associated with the loss of knowledge.
4	Legislative (legal regulatory compliance)	x				Council is committed to a high level of compliance with relevant legislation, regulation and standards, as well as internal policies and sound corporate governance principles. Identified breaches of compliance will be remedied as soon as practicable. Council has no appetite for deliberate or purposeful violations of legislative or regulatory requirements, or fraudulent behaviour.
5	Information management (record keeping)		x			Council is committed to ensuring that its information is authentic, appropriately classified, properly stored and managed in accordance with legislative and business requirements. Council has a low appetite for the compromise of processes governing the use of information, its management and publication.
		x				Council has no appetite for deliberate misuse of its information.
6	Technology processing – prolonged outage of core systems	x				Council has no appetite for risks that have a significant impact on the core operating or corporate systems of the organisation. Maximum recovery times have been identified and agreed with each section and critical activity recovery plans are in place.
	Security – cyber-attack on systems or network	x				The Council has no appetite for threats to its assets arising from external malicious attacks. To address this risk, Council operates strong internal control processes and utilises robust technology solutions.
	Ongoing development			x		Council has a moderate appetite for risks associated with applications that may provide innovative solutions to Council's operations.
7	Reputational (public perception and/or stakeholders)		x			Council has a low appetite for risks that may result in widespread and sustained damage to its reputation.
8	Environmental			x		There is a moderate appetite for decisions that promote ecologically sustainable development.

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No	Type of risk	No	Low	Mod	High	Appetite Statements
9	Operations & Service Delivery		x			Council has a low appetite for risks and threats to the effective and efficient delivery of services and realisation of desired outcomes. It recognises that the actual or perceived inability to deliver strategic initiatives could have a significant impact on its ability to achieve its overall objectives, as well as reputation.
	Strategic			x		There is a moderate appetite for improvements to service delivery and improved efficiency of Council operations.

This Risk Appetite Statement characterises the Council's tolerance for each risk as Low, Moderate or High, according to the following definitions:

- No Appetite – Council is not willing to accept risks that may result in financial loss, injury, legal and regulatory non-compliance and fraud.
- Low – The level of risk will not substantially impede the ability to achieve Council's mission, vision, strategic objectives and goals. Council services and reputation will only be affected in a minor way. Controls are prudently designed and effective.
- Moderate - The level of risk may delay or disrupt achievement of Council's mission, vision, strategic objectives and goals. Council services and reputation will only be affected in a major way, but controls are adequately designed, generally effective and actively monitored.
- High - The level of risk will significantly impede the ability to achieve Council's mission, vision, strategic objectives and goals. Council services and reputation may be severely damaged. Controls may be inadequately designed or ineffective.

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Appendix 2 - Risk Tolerance Levels

(Residual Risk Appetite for Negative Threat Risks)

Council will **tolerate** the risks that it considers to be **Acceptable or Tolerable** (within the Risk Appetite).

Council illustrates its Risk Appetite and Risk Tolerance levels in the Risk Assessment Matrix below. The **RED** shaded area represents the outer limit of the Risk **Appetite**, and the **BROWN** shaded area indicates the Risk **Tolerance**. The Risk Assessment Matrix also illustrates how the Council monitors risks. Council’s highest level risks (those with a combined score of 20-25) are reported to the Executive Leadership Team for consideration and guidance. For further information and explanations refer to section 3.7 of the Risk Management Guidelines.

Risk Assessment Matrix						
Consequence	Extreme 5	Within Risk Appetite - Medium Appetite - Acceptable Risk Level – Monitor Quarterly	Upper Limit of Risk Appetite - Low Appetite - Undesirable, but Tolerable Risk Level – Monitor Monthly	Upper Limit of Risk Appetite - Low Appetite - Undesirable, but Tolerable Risk Level – Monitor Monthly	Above Risk Tolerance – No Appetite – Unacceptable Risk Level – Monthly to ELT	Above Risk Tolerance – No Appetite – Unacceptable Risk Level – Risk A – Monitor Monthly to ELT
	Major 4	Within Risk Appetite - Medium Appetite - Acceptable Risk Level – Monitor Quarterly	Within Risk Appetite - Medium Appetite - Acceptable Risk Level – Monitor Quarterly	Upper Limit of Risk Appetite - Low Appetite - Undesirable, but Tolerable Risk Level – Monitor Monthly	Upper Limit of Risk Appetite - Low Appetite - Undesirable, but Tolerable Risk Level. Risk B – Monitor Monthly	Above Risk Tolerance – No Appetite – Unacceptable Risk Level – Monthly to ELT
	Moderate 3	Lower Limit of Risk Appetite - High Appetite - Acceptable Risk Level - Monitor 6 monthly	Within Risk Appetite - Medium Appetite - Acceptable Risk Level – Monitor Quarterly	Within Risk Appetite - Medium Appetite - Acceptable Risk Level. Risk C – Monitor Quarterly	Upper Limit of Risk Appetite - Low Appetite - Undesirable, but Tolerable Risk Level – Monitor Monthly	Upper Limit of Risk Appetite - Low Appetite - Undesirable, but Tolerable Risk Level – Monitor Monthly
	Minor 2	Below Lower Limit of Risk Appetite - Acceptable Risk Level – Monitor annually	Lower Limit of Risk Appetite - High Appetite - Acceptable Risk Level. Risk D – Monitor 6 monthly	Within Risk Appetite - Medium Appetite - Acceptable Risk Level - Monitor Quarterly	Within Risk Appetite - Medium Appetite - Acceptable Risk Level – Monitor Quarterly	Within Risk Appetite - Medium Appetite - Acceptable Risk Level – Monitor Quarterly
	Insignificant 1	Below Lower Limit of Risk Appetite - Acceptable Risk Level – Risk E – Monitor annually	Below Lower Limit of Risk Appetite - Acceptable Risk Level – Monitor annually	Lower Limit of Risk Appetite - High Appetite - Acceptable Risk Level – Monitor 6 monthly	Within Risk Appetite - Medium Appetite - Acceptable Risk Level - Monitor Quarterly	Within Risk Appetite - Medium Appetite - Acceptable Risk Level – Monitor Quarterly
		Rare 1	Unlikely 2	Possible 3	Likely 4	Almost Certain
Likelihood						

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Appendix 3: Risk Management Step-By-Step Guide

Risk = the effect of uncertainty on the strategic objectives.

Inherent Risk = the risk without any controls applied.

Residual Risk = the risk remaining after the controls have been applied.

Risk Rating = Risk Level = the likelihood of event occurring x the consequence of such an event.

1	Establishing the scope, context and criteria
	<p>What are the external factors that influence Council? (e.g. use the PESTLE factors: political, economic, social, technological, legal, environmental).</p> <p>How will the internal environment impact on Council's ability to achieve corporate objectives? (see Sources of Risk in Appendix 3).</p> <p>What drives value in Council? What are our goals/key deliverables?</p>
2	Risk assessment
2.1	Risk identification
	<p>Involve your team in the identification of risks (considering all sources of potential risks).</p> <p>Decide the type of risk (e.g. strategic/operational/project) and category (see Appendix 5).</p> <p>Link the potential risks to key goals and objectives, targets and performance measures (KPIs). Consider the effect on Council's reputation.</p> <p>What could prevent us achieving our goals?</p> <p>How and when could this happen?</p> <p>Who and what would be impacted by the risk?</p> <p>What would be the effect on Council's reputation?</p>
2.2	Risk analysis
2.2.1	<p>Likelihood assessment.</p> <p>Determine the likelihood of risk occurring (using Appendix 4: Likelihood of Occurrence):</p> <p>What is the likelihood of the risk occurring? [without any controls for the inherent likelihood; with existing controls for the residual likelihood].</p> <p>When did the risk last occur? How long ago before that?</p>
2.2.2	<p>Consequence assessment.</p> <p>Determine the consequence of the event (using Appendix 5: Consequence Rating):</p> <p>What are the consequences, if the risk occurs? (first, without any controls for the inherent consequence; with existing controls for the residual consequence].</p>
2.2.3	<p>Controls identification and assessment.</p> <p>Determine the existing internal controls:</p> <p>What internal controls are in place to manage the risk?</p> <p>Are they adequate/effective and sufficient?</p> <p>Do we need to review the controls?</p>
2.3	Risk evaluation
2.3.1	<p>Inherent risk rating and ranking.</p> <p>Determine the inherent risk rating by multiplying the inherent likelihood and inherent consequence scores (using Appendix 6: Risk Assessment Matrix).</p> <p>Determine the inherent risk ranking (low/moderate/high/extreme), using Appendix 6: Comparative Levels of Risk.</p> <p>What is the inherent risk rating and ranking (priority) of the risk?</p> <p>Residual risk rating and ranking.</p>
2.3.2	<p>Determine the residual risk rating by multiplying the residual likelihood and residual consequence scores (using Appendix 6).</p> <p>Determine the residual risk ranking, using Appendix 6.</p> <p>What is the residual risk rating and ranking (priority) of the risk?</p> <p>Risk response and escalation.</p>

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2.3.3	Evaluate the residual risk against the risk tolerance levels (using Appendix 7). Is the risk acceptable, tolerable or unacceptable? Decide, if you need to escalate the risk information (using Appendix 7: Comparative Levels of Risk/Risk Response & Escalation) Do we need to escalate the risk?
3	Risk treatment
	Choose one of "4Ts" (tolerate/treat/transfer/terminate) and think about further risk treatment plan(s) (a set of mitigation actions), in addition to the existing controls: Can we introduce further controls to mitigate the risk? What else can we do (to prevent the risk occurring/protect or create value/open up opportunities)? Can the risk be transferred (e.g. by insurance)? Should we terminate the activity? Who is responsible for implementing the further risk treatment plan? What does the plan involve? What planning is required? When will the plan be implemented?
4	Recording and reporting
	Correctly document in the risk register: Category and description of the risk; Effect on Council's reputation (if any); Risk owner and person responsible; Inherent and residual likelihood, consequence, risk ratings and ranking; Key internal controls in place; treatment plans (mitigation actions) and who is responsible.
5	Monitoring and review
	Has there been a change to (increase in) the likelihood? Has there been any change to the internal or external environment? Have the Council's priorities changed? Has the Council's risk tolerance changed? Are the treatment plans still appropriate (in terms of suitability or cost)?
6	Communication and consultation
	Is the communication and consultation on risk management process effective? Are the risks understood by the stakeholders? Are the decisions about risk response selection appropriate? Is all information, relating to the management of risks, clear and concise/useful/timely/targeted/controlled?

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Appendix 4 - Likelihood Of Occurrence

Likelihood	Description	% within next 12 months
Almost Certain 5	Event is expected to occur in most circumstances. 9-10 times every 10 years.	90-100%
Likely 4	Event will probably occur in most circumstances. 7-8 times every 10 years.	70-90%
Possible 3	Event should occur at some time. 5-6 times every 10 years.	50-70%
Unlikely 2	Event could occur at some time. 1-4 times every 10 years.	10-50%
Rare 1	Event may occur only in exceptional circumstances. Once in every 20 years.	< 10%

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Appendix 5 - Consequence Rating

Factor/Risk Category	Insignificant 1	Minor 2	Moderate 3	Major 4	Extreme 5
Financial	Cost of unplanned expenditure or financial loss of ≥ \$50k.	Cost of unplanned expenditure or financial loss between \$50k - \$250k	Cost of unplanned expenditure or financial loss of \$250 and \$1m	Cost of unplanned expenditure or financial loss of \$1m - \$10 m	Cost of unplanned expenditure or financial loss of > \$10m
Health and Safety	No medical attention required (e.g. scratch, bump or bruise). Injury requires first aid treatment. Insignificant discomfort requiring intervention (e.g. workstation assessment)	Injury or illness requiring short-term medical treatment (e.g. hospital or doctor). Lost Time is < 1 week.	Serious injury or illness requiring extended medical treatment and resulting in lost time > 1 week. Event notifiable to WorkSafe.	Injury/multiple serious injuries or illness requiring major medical treatment and resulting in lost time of > 2 weeks or a severe or permanent disability. Breach of H&S law resulting in prosecution and penalties.	One or more fatalities. Considerable penalties and prosecutions. Multiple law suits and jail terms.
Human Resources	Isolated staff retention problems. Internal engagement issues. All managed over a short period of time. Insignificant skill gaps.	Loss of resources and skill sets across a section. Some fragmented staff dissatisfaction and loss of confidence. All managed through minor re-structuring. Few specialist skill gaps. Difficulties in recruiting into key positions.	Loss of skill sets across a department. Moderate staff dissatisfaction and loss of confidence. Some specialist skill gaps. Inability to recruit into key positions.	Loss of skill sets in some key positions for prolonged periods (> 6 months). Major staff dissatisfaction and loss of confidence. Major specialist skill gaps. Inability to recruit into key positions on an ongoing basis.	Large loss of resources and skill sets within numerous key positions, leading to a disruption in Council's management capability and delivery of basic services. Loss of staff confidence in the Council. No internal or external skills available.

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Factor/Risk Category	Insignificant 1	Minor 2	Moderate 3	Major 4	Extreme 5
Legislative (legal and/or regulatory compliance)	Council sued for a sum < \$10k Small, isolated, technical breach of legislation, policy or contracts, with internal investigation and minor changes to operations. No impact on public confidence or media attention.	Council sued for a sum of \$10k - \$25k. Non-compliance with legislation, policy or contracts within a section. Regulatory action resulting in investigation, but no prosecution. Minor impact on public confidence and media attention. May be some local coverage – not front page.	Council sued for a sum of \$25k - \$100k. Non-compliance with legislation, policy or contracts within more than one section. Regulatory action resulting in prosecution, but no conviction. Complaints to the Ombudsman or other statutory offices. Some impact on public confidence, reflected by local media and community interest in the Council's performance.	Council sued and/or fined for a sum of \$100k - \$1m. Widespread non-compliance with legislation, policy or contracts. Regulatory action resulting in moderate prosecution and conviction. Significant criticism of Council by Judiciary. Major impact on public confidence resulting in some national media coverage. Prosecution action taken against Council.	Council sued/fined for a sum > \$1m. Systemic legislative non-compliance. Regulatory action resulting in major prosecution and conviction, involving the potential for imprisonment of a Councillor/senior management. Judicial review of a Council decision on matter relating to funding and/or rates. Contract cancellation. Critical impact on public confidence, resulting in significant national media and Central Government attention e.g. through an inquiry and/or appointment of a Commissioner.
Information management (record keeping).	Isolated internal breach of IT security; affecting a single information application and/or system.	Repeated (internal) security breaches – single offender; affecting a single information application and/or system.	Multiple internal security breaches – multiple offenders; affecting a single information application and/or system.	Security breach affecting more than one information application and/or system. Loss or theft of laptop/other	Security breach by external parties affecting multiple information systems/whole Council.

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Factor/Risk Category	Insignificant 1	Minor 2	Moderate 3	Major 4	Extreme 5
	No loss of data and/or key information. Isolated IT equipment failure.	Compromise of user password, impacting the confidentiality and integrity of data. Internal temporary (up to 1 day) loss of data and/or key information. Technical performance issues impacting a key service. Failure across one section.	Security flaws compromising the confidentiality and integrity of data. Internal prolonged (> 1 day) loss of data and/or key information. Technical performance issues impacting a key service. Failure across > 1 Section.	device compromising confidentiality. Permanent loss of data and/or non-key information. Technical failure affecting a key service for an extended period. Failure across more than one department.	Permanent loss or appropriation/theft of data and/or information by unauthorised parties. Loss of IT infrastructure for an extended period.
Reputational (public perception and/or stakeholders)	No significant adverse comment or media coverage. Letter(s) to Council. Individual refuse to pay fees/rates as a stand against Council's activities. Negative feedback from individuals or small groups in the community.	Adverse comment in local media (not front page). Letters to CE; complaints to Councillors. Loss of confidence among sections of the community and/or single stakeholder sector dissatisfaction.	Adverse comment in local media (coverage up to 2 weeks). Coverage in national media. Manageable loss in community confidence and/or 2-3 stakeholders' sectors dissatisfaction.	Adverse comment in local media (for 2-3 weeks). Coverage in national media for 2-3 days. Significant loss in community and/or stakeholder confidence that will take significant time to remedy,	Adverse comment in local media (coverage for 4 weeks or more). Negative coverage in national media > 3 days and international media. Extreme dissatisfaction and loss of confidence by public and/or stakeholders.
Environmental	Little or no impact on the environment (no damage or contamination). Unlikely to cause public complaint.	Short-term, minor, contained and reversible impact on the environment. Effects able to be mitigated within 3 months. Some public complaints possible.	Medium-term serious damage of local importance with possible regulatory intervention. Effects able to be mitigated within 1 year.	Long-term serious damage of regional importance. Strong statutory response with legal action. Effects able to be mitigated within 5 years.	Serious damage of national importance. Permanent damage to the local ecosystem species requiring ongoing remediation and monitoring with regulatory intervention.

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Factor/Risk Category	Insignificant 1	Minor 2	Moderate 3	Major 4	Extreme 5
Operations and service delivery (strategic, political, economic)	Minimal loss of operational capability (to few areas for short duration). Minimal disruption to service levels.	Loss of operational capability in some areas. Some disruption to service levels, reducing efficiency or effectiveness of service. Managed internally with no or limited diversion from strategic objectives.	Serious loss of operational capability (up to 3 months). Moderate disruption to service levels. Diversion from Strategic objectives for a period of < 6 months. Delivery of LTP outcomes significantly affected for up to 3 months.	Serious loss of operational capability (3-6 months). Major disruption to service levels. Diversion from strategic objectives for a period of > 6 months. Delivery of LTP outcomes significantly affected for up to 6 months.	Loss of operational capability (>6 months). Critical disruption to service levels. Diversion from strategic objectives for a period of > 12 months. Delivery of LTP outcomes significantly affected for > 6 months.

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Appendix 6 - Risk Assessment Matrix

		Risk Assessment Matrix				
		5	10	15	20	25
Consequence	Extreme 5	5	10	15	20	25
	Major 4	4	8	12	16	20
	Moderate 3	3	6	9	12	15
	Minor 2	2	4	6	8	10
	Insignificant 1	1	2	3	4	5
		Rare 1 < 10%	Unlikely 2 10-50%	Possible 3 50-70%	Likely 4 70-90%	Almost Certain 5 90-100%
		Likelihood				

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Comparative Levels of Risk		Risk Response & Escalation
20 - 25	Extreme Risk	<p>To the Executive Leadership Team.</p> <p>The Risk Owner immediately escalates the risk to the ELT and considers escalating it to the Executive, Audit and Risk Committee.</p> <p>Monitored monthly and reported on by the respective Director.</p> <p>Risk Ownership to be defined case by case.</p>
10 - 16	High Risk	<p>To the Executive Leadership Team.</p> <p>The Risk Owner immediately escalates the risk to the ELT (through the Risk Manager).</p> <p>Monitored monthly and reported on by the respective Director.</p>
4 - 10	Moderate Risk	<p>To Risk Owner.</p> <p>Quarterly the Risk Owner monitors and reviews the effectiveness of treatment and whether the Risk Rating has changed.</p>
3 - 4	Low Risk	<p>To Team Leader or Project Manager.</p> <p>6 monthly/Annually the Risk Owner reviews, if the controls are necessary or could be reduced.</p>
1 - 2	Insignificant	<p>Team Leader annually reviews if the controls are necessary or could be reduced.</p>

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Appendix 7: Sources of Risk

	Risk Sources	Description
1	Assets/infrastructure	Loss or damage to assets owned/operated by Council to provide services. Includes flood protection works, gardens, land, property and equipment.
2	Civil defence	Earthquake, tsunami, force majeure, flooding etc.
3	Delivery of commitments	Development, planning and delivery of political commitments within the long-term plan (LTP). Consultation and communication.
4	Disaster recovery and business continuity	Ability to recover effectively following a disruption/event. Disaster recovery focuses on the IT or technology systems that support business functions. Business continuity involves planning for keeping all aspects of the Council's functioning in the midst of the disruptive event.
5	Environmental	Environmental sustainability through social, economic and environmental initiatives. Significant damage to the environment either through the Council's actions or lack of actions. Risks related to changing weather patterns.
6	Financial	Risks associated with departmental budgets or financial planning of Council. Includes management, control and ability to meet financial commitments and strategies.
7	Fraud/integrity	Risk of loss of money or goods through fraudulent means. Wrongful or criminal deception intended to result in financial or personal gain.
8	Governance	The performance of duties of officers and councillors. Compliance with relevant requirements and ethical considerations.
9	Information/data management	Council's ability to store, retrieve and use data and information, including adequacy for decision-making and protection of privacy; information security.
10	Information technology	Risks relating to reliance on IT equipment and/or machinery. Changing demand/capacity. Use or misuse/security of new or existing technology. IT disruptions due to natural or man-made disasters. Obsolescent systems. Opportunities arising from new technology.
11	Innovation	Innovation in the delivery of strategic objectives.
12	Legal and compliance	Risk of legal or regulatory sanctions, financial loss or loss to reputation because of failure to comply with all applicable laws, regulations, delegations, contractual obligations, Codes of conduct and standards of good practice. New or amended statutory environment.

Risk Management Framework

	Risk Sources	Description
13	Operational	Risk of loss resulting from the failed internal processes, people and systems, through which Council operates, and from the external events. Includes legal risk and the reputational loss or damage, but excludes the strategic risk.
14	Partnerships	Partnerships or relationships with third parties to deliver strategic outcomes (e.g. programmes' reliance on 3 rd party funding or performance).
15	People (human resources and health & safety)	Risk associated with people, including health, safety and wellbeing of staff, customers and community (health & safety). Employment laws, industrial action, recruitment and retention, training and development, leadership, disability and discrimination issues.
16	Political	Complications Council may face as a result of political change that alters the expected outcome of strategic objectives. Change of government (central and local); political change of policy, direction, objective, strategy etc.
17	Projects and processes	Risks associated with the specific projects, project management and project delivery issues. Internal processes, interdependencies of processes across Departments, interface with internal and external stakeholders.
18	Reputational	Relates to the trustworthiness of the Council. Damage to the reputation of Council, officers or elected members. Can result in lost revenue or destruction of value, even if the organisation is not found guilty of a crime.
19	Strategic	Inability to meet overall strategic objectives (e.g. due to inefficient organisation's structure or/and ineffective business model).

Risk Management Framework

Appendix 8: Risk Register Template

Ref ID N	Category	Risk	Description	Effect on TRC Reputation	Risk Owner	Person Responsible	Inherent			Inherent Risk Rating	Key Controls in Place	Residual			Residual Risk Rating	Mitigation Actions	Review Date	Open/Closed
							Likelihood	Consequence	Risk Status			Likelihood	Consequence	Risk Status				

Risk Management Framework

Appendix 9 - Risk Management Glossary

Assessing risks	The approach and process used to prioritise and determine the likelihood of risks occurring and their potential impact on the achievement of the Council's objectives.
Consequence	The outcome of an event.
Contingency	An action or arrangement that can be put in place to minimise the impact or a risk, if it should occur.
Control (control measures)	Any action, procedure or operation undertaken to either contain a risk to an acceptable level, or to reduce the likelihood.
Departmental risk	Significant operational risks which affect the day-to-day activities of Council.
Identifying risks	The process by which events, that could affect the achievement of the Council's objectives, are drawn out and listed.
Impact	The effect that risk would have, if it occurs.
Likelihood	The probability that an identified risk event will occur.
Managing and controlling risks	Developing and putting in place actions and control measures to treat or manage a risk.
Operational risks	Risks arising from the day-to-day issues that Council might face as it delivers its services.
Overall risk score	The score used to prioritise risks – impact multiplied by likelihood.
Risk	Risk is the effect of uncertainty on objectives. A future event which, if it happens, will have an impact on Council's objectives. This could be an opportunity as well as a threat.
Risk appetite	The level of risk Council is willing to accept, tolerate or be exposed to at any given time, in the pursuit of its objectives.
Risk assessment	The overall process of risk identification, risk analysis, risk evaluation and identification of Controls needed to mitigate the risk, and who is responsible for this.
Risk averse	Avoidance of all risk.
Risk aware	Having a process in place that allows management to know which risks are being taken and what controls are in place to manage them.

Risk Management Framework

Risk management	Coordinated activities to direct and control an organisation with regard to risk.
Risk management process	Systematic application of risk management policies, process and practices to establish risk scope, context and criteria; identify, analyse, evaluate risks and controls; treat, monitor, review, record and report risks.
Risk owner	The person who has overall responsibility for ensuring that the strategy for addressing risk is appropriate and effective, and who has the authority to ensure that the right actions are being taken.
Risk register	The record of information about identified risks and how they are being managed.
Strategic risks	Risks that would significantly impact on the delivery of Council's strategic priorities.
Treatment plan	A strategy that reduces risk by lowering the likelihood of a risk event occurring or reducing the impact of the risk should it occur.



rbrobertson

Review of risk management practice

Taranaki Regional Council
September 2024



Scope of the review

I have been providing risk services to the Yarrow redevelopment. This role has actively integrated risk management practice into the project since its inception.

And Taranaki Regional Council's (TRC's) Executive Audit and Risk Committee (EAR) have received regular updates from me.

Given my engagement by TRC, I have been asked to provide a broader observation on its risk management practice with a particular focus on risk governance by the EAR.

Professionally I am the independent chair of a number of local authority ARCs and the Ministry for Primary Industries.

Bruce Robertson, September 2024

Executive Summary



In undertaking a brief review, I have made the following observations and reached the following conclusions:

- Taranaki Regional Council (TRC) has demonstrated sound governance and management over a long period.
- This is characterised by councillors and senior managers who are longstanding, experienced and generally capable of operating with a high degree of consensus.
- There is a high level of trust at, and between, senior management and governance.

Executive Summary



- There are established frameworks for activity and Council has arguably been successful in "the eyes" of its community.
- Although there are key areas demonstrating aspects of strong risk management, overall Council's approach to risk management is generally underdeveloped.
- TRC need to decide whether it should upgrade its approach. My recommendation is that it does at management and governance levels.
- Council does have a fit-for-purpose risk management framework which is a suitable base to develop its practice of risk management

Executive Summary



- It does not need to decide at this point on whether it should institute a separate Audit and Risk Committee (ARC) or have independent members/a chair involved. There is much it can gain before taking such a step.

Overview



Risk management development over time

The local government sector has generally adopted the proposition that it needs to upgrade its approach to risk management and governance. This has seen the burgeoning of ARCs across the sector.

There have been a number of external factors that gave rise to this impetus. A notable influence has been the creation of the Local Government Finance Agency (the LGFA) and their encouragement that Councils should have independently chaired ARCs.

Similarly the Office of the Auditor-General has called for similar arrangements to manage risk and carry out the traditional work of an ARC – overseeing the audit arrangements with its auditors and the Council's external accountability.

Overview



Now such committees are the norm across the sector, including regional councils.

In this regard – the formation and independent chairing of an ARC – Taranaki Regional Council (TRC) is an exception. However, as noted in the following sections, this does not mean TRC is not risk aware nor has an absence of risk management.

Overview



Risk management maturity

To an extent this creation of ARCs is symbolic and meets external expectations.

It is arguable that there has not been a commensurate increase in risk management practice within councils (with some notable exceptions); the discipline of implementing effective risk management frameworks is lagging and yet to support effective risk governance and decision-making.

Overview



Many external assessments of councils' risk maturity is the euphemistic "developing".

In this regard and regardless of the form of TRC's current governance arrangements, TRC's risk management practice is within the norm.



Background

Risk governance

Risk governance is the role of elected members.

It is – generally - through an ARC that elected members oversee and test management's implementation of an effective risk management system and gain assurance (generally through internal audit and other checking procedures) that suitable controls and processes are in place to mitigate a particular risk and maximise the opportunity of achieving its objectives.

In addition to this systems focus, ARCs monitor the suite of strategic (big/significant) risks which may prevent a council achieving its overall strategic priorities.



Background

An ARC's ability to focus on risks is time limited and therefore ARCs tend to focus on:

- the key risks, traditionally limited to the about 10 through 15 big risks and establishing their risk appetite
- active monitoring and scrutiny of these with risk owners (always management) through an exercise known as "deep dives" – assessing the current state of the risk and assessing the controls in place to limit the possibility the risk crystallises (becomes an "issue")
- Monitor emerging risks – matters which may escalate into a big or strategic risk

Background



- Work with management on matters which have crystallised – that is, become an issue - and assess the effectiveness of mitigations in managing the issue



Background

Risk management

The discipline of having effective systems which manage risks is the role of staff.

This is centred around the implementation of a risk policy and a risk management framework which is aimed at galvanizing staff to identify and manage risks (within appropriate delegations) to ensure effective decisions are made (or recommended to elected members, where relevant) taking into account the risk of the decisions itself and its impact on achieving Council's strategic priorities.

Background



Management have the primary role to identify key risks associated with their work (say a major project, or delivery on an ongoing service – say its regulatory function) and establish effective controls to limit their impact on council's strategic priorities.

The risk management framework determines at what level these risks should be managed and when management of risk should be escalated to a higher level within the organisation, including the ARC.

An organisation's Executive Leadership Team (ELT) is pivotal in championing this risk management framework, undertaking in-depth analysis of significant risks and providing assurance to the ARC that the controls or in cases of issues, the mitigations, are in place and effective.

Observations



TRC is renowned for its substantial achievements over time. Some of these – such as the riparian planting programme – have meant TRC have taken on/assumed substantial risk. In a way that has been described as pragmatic (and costs effective – read, without an independently chaired ARC) it has been effective for its community.

To the extent that good fortune (and I largely rule that out) may have played a contributing hand, TRC has shown itself to be risk aware, capable managers (and governors) of risk and been able to achieve its strategic priorities.

Observations



In interviewing a number of councillors and senior management (in 2023) this approach (and issue) was frequently referenced – “when we need to, we have good (risk) control around something that really counts”. And, of course, there current example is the redevelopment of Yarrow Stadium where formal risk management practice and reporting to the EAR has been implemented.

It is difficult to counter such views when there appear to be no significant counterfactuals where TRC has failed to achieve a strategic priority.

It's arguable such an approach, with low adherence to the form of conventional risk management, is working for TRC.



Observations

In my observation there are probably some key factors which have enabled such conditions to prevail:

- Experienced, longstanding governance with a high degree of cohesiveness and governing with high trust.
- Experienced and longstanding senior management either capable of agile management and delivery of programmes and/or able to intuitively foresee risks.

Again the Yarrow project is an example of the later point – an experienced Chief Executive recognised the inexperience of his organisation and implemented project-specific risk management practice (as well as procurement and project management).

Comments received and response



Governance

The observations above generally reflect the comments received from the elected members I interviewed – “If something is risky, we will manage it”. Further there was an emphasis on cost effective pragmatism and what value could “adding a committee” bring.

I did receive some comments suggesting though that Council through its EAR could be more comprehensive in thinking about its risk profile – what are the range of risks that could affect us and how do we know they are being managed effectively.

Comments received and response



When prompted, the risk matters provided to me ranged from adequacy of biosecurity, health safety and welfare, business continuity through reputational issues such as TRC's "social licence" with its key communities such as farmers.

Attached is a full list of risk matters raised by those I interviewed.

Comments received and response

Response

I have reflected above the general effectiveness of this informal approach to risk governance. While I have focused on a couple of key projects I do not doubt the integrity and approach of councillors and what has worked to date.

I have personally observed the deliberations of the EAR and they are sound.

The challenge of EAR's current practice is its lack of comprehensiveness and over reliance on individual and collective experience to identify what should be formally managed.

Comments received and response



This approach does “risk” matters slipping through the gaps – a matter not recognised, or recognised early enough, and which diverts council from its strategic priorities.

Governance participating in a comprehensive review of matters that may stop TRC achieving its strategic priorities is key to ensuring the organisation focuses on the right things, applies resource to critical matters and takes into account key risks in decision-making.

Once identified it is reasonable for elected members to identify how they are going to achieve assurance those risks are being managed.

Comments received and response



Risk management

Management have developed a fit-for-purpose risk policy and risk management framework.

Comments received suggest, however, there is a low level of application of the the framework other than on identified projects – and those identified for me including Freshwater Management and the Digital Programme. In many ways this reflected the informal process followed at a governance level.

Comments received and response



The core drive for effective risk management in an organisation is driven by and from the ELT. At TRC, other than decisions on particular projects, there is little formal discussion and corporate discussion of TRC's risk profile – which includes risk reporting from within the TRC activity teams.

Again there is a high level of trust that any significant risk is managed and/or communicated to ELT by staff teams.

This position is probably helped by the favourable conditions noted above of staff stability and experience.

Comments received and response

Response

It is difficult to critique this informal approach if there has been no obvious adverse result for TRC arising from such an approach.

However this does mean that the benefits of more active and complete risk management are not necessarily attained:

- Providing the best chance to maximise achieving goals.
- A tool which assists management in ensuring better performance of the organisation.
- Assisting management in the allocation of resources to those areas that count.

Comments received and response



- An effective means of communication.

It is noted that the above points are just “good management”. Good risk management complements that. Much good risk work is reasonably simple, intuitive and supportive of current work. For ELT to ask “what do we really need to achieve and what will stop us” is a powerful question as it does crystalize focus on achieving objectives and where effort is best allocated.

Under TRC’s current good management practice, it is missing the opportunity that more formal risk management can bring to that practice.



Recommendations

My primary recommendation is that TRC takes steps to improve its risk governance and management by:

- ELT developing a risk management profile.
- Agreeing with elected members the current priority and focus on “big” risks – those most likely to affect its strategic priorities.
- ELT develop a staged approach with staff in implementing the existing risk management framework with staff.
- ELT regularly holding its own risk session as part of its normal management, including in-depth risk analysis for reporting to the EAR.

Recommendations



At this point I do not recommend any significant change at governance level. The EAR can effectively commence their risk governance practice within the existing form and terms of reference.

Further I do not recommend appointment of an independent chair or member at this stage nor creation of a separate ARC.

I consider the key priority is to focus on effective formal risk identification, governance and management within Council. Once implemented, at that point it can assess whether it could enhance its maturity through more formal separation and constitution of an independently chaired/supported ARC.

Resources



There is an existing suite of practice within the sector that council can call on rather than “reinventing the wheel”:

- The Office of the Auditor-General’s primer and resource on local government risk management *Our observations on local government risk management practices* (<https://oag.parliament.nz/2021/risk-management/docs/risk-management.pdf>)
- Waipa District Council’s Risk Maturity Improvement Plan (developing the implementation of its risk management framework by staff)
- Auckland Council’s annual audit committee work programme (available in their public ARC agendas)

Resources



- Risk reporting to an ARC is varied. Reference points worth considering are Waipa DC, Gisborne District Council and Bay of Plenty Regional Council
- Possible "big" risks for TRC – the following page outlines an unconfirmed and non-prioritised list of risks noted in my discussions at TRC

Possible strategic risks for TRC



- Biosecurity – Predator Free funding
- Farmer cooperation
- Co-governance/Te Tiriti and iwi relationships
- The regulatory environment including government reform
- Non-rate funding – Port Taranaki dividend
- Staff recruitment and retention
- Health safety and wellbeing
- Disaster preparedness (earthquakes)/civil defence
- Business continuity planning
- Legal compliance
- Governance performance



Date: 2 December 2024

Subject: Director Appointment Policy review

Author: N Chadwick, Executive Assistant to the Chief Executive and Chairperson

Approved by: M J Nield, Director - Corporate Services

Document: TRCID-1492626864-97

Purpose

1. The purpose of this memorandum is to adopt the reviewed Director Appointment Policy.

Executive summary

2. The Director Appointment Policy sets out the procedure to be followed for selection, appointment, review and remuneration of directors appointed to the boards of council-controlled organisations and subsidiaries.
3. The policy has been reviewed to reflect changes to shares held in Regional Software Holdings Limited (RSHL) along with the change in appointment process for directors on the Board of Port Taranaki Limited as adopted in December 2022.

Recommendations

That the Taranaki Regional Council:

- a) receives this memorandum titled Director Appointment Policy review along with the attached revised Director Appointment Policy
- b) adopts the Directors Appointment Policy
- c) determines that this decision be recognised as not significant in terms of section 76 of the Local Government Act 2002
- d) determines that it has complied with the decision-making provisions of the Local Government Act 2002 to the extent necessary in relation to this decision; and in accordance with section 79 of the Act, determines that it does not require further information, further assessment of options or further analysis of costs and benefits, or advantages and disadvantages prior to making a decision on this matter.

Issues

4. The issue to be resolved is whether to adopt the reviewed Director Appointments Policy.

Discussion

5. The Director Appointment Policy (the Policy) is overdue a review.

6. The major changes within the Policy include changes in the shareholding and appointment of directors for Regional Software Holdings Limited (RSHL).
7. Officers have also amended the details on the process for appointment to a directorship with Port Taranaki Limited. This amendment reflects the decision made by Council to appoint candidates to director roles based on a skills and experience assessment.
8. Other changes made are minor spelling and grammar edits along with more concise language.

Options

9. There are two options available.
10. The first option is to adopt the revised Policy.
11. It is recommended that the Committee adopt the Policy as this reflects the decision previously made by Council.
12. The second option is to not adopt the Policy.
13. This option is not recommended as it contradicts the previous decisions made and also contains outdated and incorrect information.

Significance

14. A decision on this matter is assessed as being not significant against the Council's Significance and Engagement Policy.

Financial considerations—LTP/Annual Plan

15. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

16. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the Local Government Act 2002, the Resource Management Act 1991 and the Local Government Official Information and Meetings Act 1987.

Climate change considerations

17. This item is administrative in nature. There are no climate change impacts to consider in relation to this item.

Iwi considerations

18. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the Local Government Act 2002) as outlined in the adopted Long-Term Plan and/or Annual Plan

Community considerations

19. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.

Legal considerations

20. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Appendices/Attachments

TRCID-1633393437-3: [Director appointments policy.docx](#)



Director Appointment Policy

1. Purpose

The purpose of this policy is to set out the procedures to be followed for selection, appointment, review and remuneration of directors appointed to the Boards of the Council's council-controlled organisations and subsidiaries.

The following principles underlie this policy:

- appointments will be made on merit
- the Council will follow corporate governance best practice
- directors of council-controlled trading organisations will be appointed on the contribution they make to the organisation, and not for representation.

The policy relates to the appointment and remuneration of directors to the Board of Port Taranaki Limited as well as all other council-controlled organisations (referred to in this document as subsidiaries).

The Local Government Act 2002 requires that the Council may appoint a person to a directorship of council subsidiaries only if the Council considers the person has the skills, knowledge and experience to:

- guide the organisation given the nature and scope of its activities
- contribute to the achievement of the objectives of the organisation.

The Council is required to adopt a policy setting out an objective and transparent process for identifying and considering the skills required of a director and appointing the directors of subsidiaries.

2. Introduction

The purpose of this policy is to set out in section 57(1) of the Local Government Act 2002, which states:

57 Appointment of directors

- (1) A local authority must adopt a policy that sets out an objective and transport process for-
 - (a) the identification and consideration of the skills, knowledge, and experience required of a council organisation; and
 - (b) the appointment of directors to a council organisation; and
 - (c) the remuneration of directors of a council organisation.
- (2) A local authority may appointment a person to be a director of a council organisation only if the person has, in the opinion of the local authority, the skills, knowledge, or experience to-
 - (a) Guide the organisation, given the nature and scope of its activities; and
 - (b) contribute to the achievement of the objectives of the organisation.

In this policy, the term "directors" is used to mean both directors and trustees. Similarly, a "statement of corporate intent" refers to either a statement of corporate intent or statement of intent. All entities outlined in this policy referred to as "subsidiaries".

The Taranaki Regional Council (the Council) has interests in several subsidiaries as outlined below:

Port Taranaki Limited	Regional Software Holdings Limited	Civic Financial Services Limited	Taranaki Stadium Trust
100% ownership of Port Taranaki Limited	The Council is one of ten regional council and unitary authorities that holds one shareholder vote.	Owns 1,000 shares in Civic Assurance	The Council controls 100% of the Taranaki Stadium Trust.
The Council appoints all Directors to the Board of Port Taranaki Limited	The Council is entitled to nominate and vote for Directors on the Board of Directors of Regional Software Holdings Ltd.	The Council is entitled to nominate and vote for Directors on the Board of Civic Financial Services Limited	The Council appoints all Trustees to the Taranaki Stadium Trust.
There are to be no fewer than six directors. The Council is restricted to a maximum of 2 members on the Board of Port Taranaki Ltd (Port Companies Act 1988).	Either up to 8 directors with 6 being executive staff of councils and 2 being independent.	There are currently six directors of the Board of Civic Financial Services Limited.	There are two trustees being one member of the Taranaki Regional Council and one executive staff member of the Taranaki Regional Council.

2.1 Port Taranaki Limited

Port Taranaki Limited's operations are managed and directed by a Board of Directors (the Board).

Port Taranaki Limited is a distinct separate legal entity from the Council. In return for the capital invested in Port Taranaki Limited, the Council is entitled to certain statutory rights under the Port Companies Act 1988 and the Companies Act 1993, namely:

- the power to appoint and dismiss directors

- the power to set the level of remuneration for the Board
- the power to approve the size, shape and scope of Port Taranaki Limited and the broad direction of its activities
- the right to receive annual and six-month financial statement and to authorise a distribution of profits.

The latter two rights are agreed between the Council and Port Taranaki Limited annually through the statement of corporate interest (SCI) process. The SCI allows the Council to outline its expectations of Port Taranaki Limited in consultation with the Board. The involvement of the Council in the SCI process underpins the governance relationship whilst maintaining the autonomy of the Board.

2.2 Regional Software Holdings Limited

Regional Software Holdings Limited (RSHL) operations are managed and directed by a Board of Directors (the Board).

RSHL is tasked with providing long-term shared services that are relevant to regional council activities and are fit for purpose, reliable, robust, resilient and cost effective.

RSHL provides a framework for collaboration between shareholders. It supports the procurement or development of shared products and services in a manner that provides a more cost effective alternative than individual councils can achieve on their own. The company operates through managed contractual agreements, and by facilitating collaborative initiatives between shareholder councils' staff. Shareholder councils can be both customers of RSHL and providers of service to RSHL.

RSHL is a distinct separate legal entity from the Council. In return for the capital invested in RSHL, the Council, in conjunction with the other shareholders, is entitled to certain statutory rights under the Companies Act 1993, namely:

- the power to appoint and dismiss directors
- the power to set the level of remuneration for the Board
- the power to approve the size, shape and scope of RSHL and the broad direction of its activities
- the right to receive annual and six-month financial statements and to authorise a distribution of profits.

The latter two rights are agreed between the Council and RSHL annually through the statement of intent (SOI) process. The SOI allows Council to outline its expectations of RSHL in consultation with the Board. The involvement of the Council in the SOI process underpins the governance relationship whilst maintaining the management autonomy of the Board.

2.3 Civic Financial Services Limited

Civic Financial Services Limited's operations are managed and directed by a Board of Directors (the Board).

Civic Financial Services Limited is tasked with providing insurance, risk-financing and superannuation solutions to the local government sector.

The Council owns an immaterial investment (less than 1% of total shareholding) in Civic Financial Services Limited (1,000 shares valued at approximately \$1,000).

Civic Financial Services Limited is a distinct separate legal entity from the Council. In return for the capital invested in Civic Financial Services Limited, the Council, in conjunction with the other shareholders, is entitled to certain statutory rights under the Companies Act 1993, namely:

- the power to appoint and dismiss directors
- the power to set the level of remuneration for the Board
- the power to approve the size, shape and scope of Civic Financial Services Limited and the broad direction of its activities
- the right to receive annual and six-month financial statements and to authorise a distribution of profits.

The latter two rights are agreed between the Council and Civic Financial Services Limited annually through a statement of intent (SOI) process. The SOI allows the Council to outline its expectation of Civic Financial Services Limited in consultation with the Board. The involvement of the Council in the SOI process underpins the governance relationship whilst maintaining the management autonomy of the Board.

2.4 Taranaki Stadium Trust

The Taranaki Stadium Trust (TST) operations are managed and directed by Trustees.

TST is a charitable trust, incorporated in New Zealand, under the Charitable Trusts Act 1957. The Trust is a council-controlled organisation as defined in section 6 of the Local Government Act 2002. The Trust owns Yarrow Stadium (the Stadium) land, building and facilities. The operation of the Stadium is carried out by the New Plymouth District Council (NPDC) in accordance with a Management Agreement between the two parties.

The purpose of the Trust is to promote the effective and efficient maintenance, development, management, operation and promotion of Yarrow Stadium as a community asset used for recreation, sporting and cultural activities for the benefit of the people of Taranaki, working in particular with the Taranaki Regional Council and the New Plymouth District Council.

The TST is a distinct separate legal entity from the Council. The Council is entitled to certain statutory rights under the Local Government Act 2002, namely:

- the power to appoint and dismiss trustees
- the power to set the level of remuneration for the trustees
- the power to approve the size, shape and scope of the TST and the broad direction of its activities
- the right to receive annual and six-month financial statements.

The latter two rights are agreed between the Council and the TST annually through the statement of intent (SOI) process. The statement of intent allows the Council to outline its expectations of the TST. The involvement of the Council in the SOI process underpins the governance relationship whilst maintaining the management autonomy of the Board.

3. Policy introduction

This policy relates to the appointment of directors. The Council must rely upon directors to use their skills and experience to achieve the performance targets agreed to between the Council and the subsidiary and as outlined in the SCI/SOI. The performance of the directors is an important factor in maximising the value (financial and/or otherwise) of the Council's investment.

The following appointment and remuneration process has been developed based upon the Auditor-General's guidelines as set out in the Report of the Controller and Auditor-General on Governance of Local Authority Trading Activities – June 1994 and the KnowHow Guide to Governance prepared by Local Government New Zealand (LGNZ) 2003.

The Council is required to appoint directors who will direct and manage the subsidiary to achieve its principal objective. Directors need intellectual ability, business experience, sound judgement, an understanding of governance issues, integrity and the ability to work as members of a team.

In identifying suitable directors, the following general practice is adopted:

- Identification of the skills, experience and other attributes required
- Seeking, as widely as practical and necessary, expressions of interest in the positions available from individuals who might have those skills
- Consultation with the chairperson, or otherwise, of the subsidiary and the chairperson of the council on the skills required for the position
- Evaluation of applicants or nominations against the objective criteria
- Selection from applicants or nominations of the person most likely to be an effective member of the board.

3.1 Identification of skills, experience and attributes required

The criteria set out in this paragraph shall apply to all directors of council-owned subsidiaries. Directors should have the following attributes:

- strong thinking abilities, including the capacity to think strategically
- the ability to articulate thoughts in a clear and concise manner
- a clear commitment to the responsibilities of a director
- relevant experience and/or the ability to gain an in-depth familiarity with the company and its business area
- the ability to objectively take account all points of view
- respect for colleagues and staff
- unimpeachable business ethics
- an understanding of governance issues
- proven commercial/relevant experience at an appropriate level
- the ability to understand financial issues.

3.2 Conflicts of interest

The Council expects that directors of subsidiaries will avoid situations where their actions could give rise to a conflict of interest. To minimise these situations the Council requires directors to follow the guidelines for the conduct of directors. All directors are appointed "at the pleasure" of the Council and may be dismissed for breaches of these guidelines.

The guidelines for the conduct of directors have been reproduced in Appendix 1.

3.3 Seeking expressions of interest

When a vacancy occurs on a board, or the potential for a vacancy is identified, the Chief Executive will compile a list of potential directors. For clarity, the list of potential directors may be as short as one candidate. The list of potential directors will be derived from many sources that may include:

- advertising publicly for expressions of interest whereby any individual or group may nominate any person whom they consider qualified to act as a director
- using appropriate recruitment agencies
- seeking and recording nominations of suitable persons known to the existing boards, Councillors and management of the board and the Council.

Potential directors selected for the list will be requested to provide details of their curriculum vitae together with a statement recording;

- the reasons why they consider they would be appropriate for an appointment;
- their area of interest in respect of the Council's activities and subsidiaries; and
- any conflicts of interest.

The list of potential directors and supporting details will remain confidential to the Council.

Port Taranaki Limited	Regional Software Holdings Limited	Civic Financial Services Limited	Taranaki Stadium Trust
The Council appoints all Directors to the Board of Port Taranaki Limited. The Chief Executive will compile a list of potential directors for the Council's consideration.	The Council is entitled to nominate and vote for Directors on the Board of Directors of RSHL. The Company will seek nominations for directors on the Board of RSHL. The Chief Executive will seek the views of the Council before voting at the AGM.	The Council is entitled to nominate and vote for Directors on the Board of Civic Financial Services Limited. The Company will seek nominations for directors on the Board of Civic Financial Services Limited. The Chief Executive will seek the views of the Council before voting at the AGM.	The Council appoints all Trustees to the TST. The Chief Executive may compile a list of potential trustees for the Council's consideration.

3.4 Process for the appointment of an external director

The Chief Executive may consult with the Chairperson of the Board as to the skills required for the position. Consideration may be given to ensuring that there is an appropriate mix of skills and experience on the

Board. Similarly, consideration may be given to complementing and reinforcing existing skills. The Chief Executive may also consult with the Chairperson of the Council regarding skills required for the position.

After the consultation and evaluation of the skills required, the Chief Executive will prepare a short list of potential directors from the list of candidates. For clarity, the short-list of potential directors may be as short as one candidate.

The Executive, Audit and Risk Committee may interview the short list of potential directors. The curriculum vitae and references will be checked to ensure the candidate meets the Council's criteria.

The Executive, Audit and Risk Committee will then make a recommendation to the Council.

The process for appointing a Councillor to a vacancy on the Board of Port Taranaki Limited is outlined in section 3.7.

3.5 Rotation and retirement of Board Members

The term of appointment, rotation and retirement of directors is incorporated into each subsidiary's constitution and/or Trust Deed.

3.6 Review and reappointment of Directors

Where a director's term of appointment has expired and they are offering themselves for reappointment, the process outlined in this section will apply.

The Chief Executive may make confidential enquiries from the Chairperson of the Board. These enquiries will seek to ascertain:

- whether there are other skills that the Board requires
- whether the skills of the incumbent add value to the work of the Board.

The Chief Executive will consider the information obtained and form a view on the appropriateness of reappointment or making a replacement appointment. The Chief Executive is authorised to recommend reappointment to the Council. If the replacement is recommended, then the process outlined in section 3.4 will be followed.

3.7 Councillors as directors

Councillors can be appointed as Directors to the Board of RSHL, Civic Financial Services Limited or the TST but due regard should be taken of the table in section 3.8. The processes outlined in section 3.4 will apply.

Section 6(1)(b) of the Port Companies Act 1988 limits the Council to no more than 2 members as directors on the Board of Port Taranaki Limited. The Council will not appoint Councillors as Directors as a matter of right. Rather Councillors can participate in appointment processes along with all other candidates. The process outlined in section 3.4 will apply.

Where a Councillor is successful in their application, their appointment is not a substitute for a formal monitoring relationship between the Council and the subsidiary.

If a Councillor resigns from their role as a Director on the Board of Port Taranaki Limited, or retires by rotation, the process outlined in section 3.4 will apply.

3.8 Employees as directors

The appointment of employees as directors creates the potential for conflicts of interest between their roles as advisers to the Council and their obligations as directors.

However, there are situations where it is appropriate and valuable to the subsidiary for Council officers to be directors. These situations are where the business of the subsidiary is related to the internal processes/procedures of the Council, or the role of the subsidiary is mostly administrative in nature.

Officers will follow similar procedures as Councillors to disclose and manage any potential or actual conflicts of interest between their roles as directors and their roles as Council officers.

Port Taranaki Limited	Regional Software Holdings Limited	Civic Financial Services Limited	Taranaki Stadium Trust
Port Taranaki Limited operates on a commercial basis at arms-length from the Council. There would be potential conflicts of interest between officer's roles as a director and their role as a Council officer. Council officers would not be considered for a role as a director.	RSHL provides information technology solutions to regional councils. This role is focussed on the internal systems and process within the Council. Accordingly, it is appropriate for officers to be nominated for the Board rather than Councillors.	Civic Financial Services Limited provides internal financial services to local authorities whilst operating in a commercial environment. It would be appropriate for both Councillors and officers to be nominated for the Board of Civic Financial Services Limited.	The TST role is largely an administrative role implementing the decisions of the Council. It would be appropriate for both Councillors and officers to be considered trustees of the TST.

3.9 Remuneration

Director remuneration is normally set by resolution at the annual general meeting (AGM). The Council will form a view regarding the level of remuneration and then the shareholder representative will vote accordingly at the AGM.

There are situations where it is appropriate to remunerate the directors for the time and experience that they bring to the position, especially where those directors are not currently remunerated by the Council (officers and/or councillors).

In reaching a view on the appropriate level of remuneration for directors, the Council will consider the following factors:

- the need to attract and retain appropriately qualified people to be directors
- the levels and movement of salaries in comparable organisations (the council will retain professional advice on salary levels and movements)
- the objectives of the subsidiary
- the past performance of the subsidiary
- the financial situation of the subsidiary.

Port Taranaki Limited	Regional Software Holdings Limited	Civic Financial Services Limited	Taranaki Stadium Trust
<p>Port Taranaki Limited operates on a commercial basis at arms-length from the Council. Directors are remunerated at market rates.</p>	<p>RSHL provides information technology solutions to regional councils. Directors are regional council officers. No additional remuneration is paid to directors.</p>	<p>Civic Financial Services Limited operates on a commercial basis at arms-length from the Council. Directors are remunerated separately with the level set at each year's AGM.</p>	<p>The TST role is largely an administrative role implementing the decisions of the Council. No remuneration is paid to the Councillor and officer Trustees.</p>

Appendix 1: Guidelines for the conduct of directors

- Directors must act honestly and in good faith in what the director believes to be the best interests of the subsidiary. Directors must ensure that all shareholders and classes of shareholder are treated fairly according to their rights as between each other.
- Directors must carry out their duties in a lawful manner and use reasonable endeavours to ensure that the subsidiary conducts its business in accordance with the law and with a high standard of commercial morality.
- Directors should avoid conflicts of interest so far as is possible. Where a conflict or potential conflict arises, as a minimum they must adhere scrupulously to the procedures provided by law and by the constitution of the subsidiary for dealing with conflicts and with the position of directors having an interest in a particular contract or issue. A director who has a continuing conflict of interest of a material nature should consider resignation as a director.
- Directors should be diligent, attend board meetings and devote sufficient time to make and keep themselves familiar with the nature of the subsidiary's business and the environment in which it operates. They should be aware of all statutory and regulatory requirements affecting their company and, where applicable, the requirements of bodies such as the New Zealand Stock Exchange and see that these are observed.
- Directors must observe the confidentiality of non-public information acquired by them as directors and not disclose it to any other person without the authority of the board. A director who is nominated by, or who has special allegiance to a particular shareholder or group of shareholders, may only disclose confidential information to such shareholders with the authority of the board and in strict compliance with any procedures prescribed by law or the constitution of the company.
- Directors of public issuers should ensure that their subsidiary has in place an approved procedure for the buying and selling of shares or securities in the company by directors or their relatives or associates. Directors should not engage in short term trading in the company's shares or securities. Directors should notify the board in advance of any intended transaction by them or their relatives or associates involving shares or securities in the subsidiary.
- Directors must act in accordance with their fiduciary duties. They should comply with the spirit as well as the letter of the law and remember that in addition to purely legal requirements there is a standard of ethical and moral behaviour against which all their actions can be judged.
- A director should not, bind himself or herself to a pre-determined stance or course of action in the public arena which may then significantly impact on decisions taken at the board table.
- A director may not publicly criticise a subsidiary or its subsidiaries, or dissent from a collective board decision in a manner likely to damage confidence in the subsidiary or its subsidiaries.
- Directors must familiarise themselves with the legal risks, both to the subsidiary and to the individual director, involved with the position, and take all reasonable steps to minimise such risks.

Policy administration

Reference	Details
Document title	Director Appointments Policy
Document ID	TRCID-1633393437-3
Version	1.0
Policy owner	Executive Assistant to the Chief Executive and Chair
Policy status	DRAFT
Date of approval	
Related policy or frameworks	
Effective date	
Last review date	
Next review date	
Approval body	Council

Document control

Date	Action	By



Date: 2 December 2024
Subject: Accommodation Update
Author: T Hinton, Facilities Coordinator
Approved by: M J Nield, Director - Corporate Services
Document: TRC-149262864-46

Purpose

1. The purpose of this memorandum is to provide an update on the progress of the Taranaki Regional Council accommodation upgrade project.

Recommendations

That the Taranaki Regional Council:

- a) receives the Accommodation Update Report December 2024
- b) receives the final design package of the new building
- c) notes the progress to date and the next steps on the Accommodation Project.

Background

2. The Council operates out of the former Stratford dairy factory, which was converted to office accommodation in the 1980's. Since then, there have been a number of enhancements to the site.
3. In June 2023, Council approved \$10.4m to demolish the Inspectorate Building, which was only 19% of NBS earthquake standards; construct a new stand-alone building, which meets the current and future facilities requirements and replace the heating and cooling in the main administration building (estimated \$10.4 million). This option was identified as the most cost effective and will cause minimal disruption to council operations during the build. Any further works on the main building can be addressed at a later date, if additional demands arise.
4. The core drivers established in 2019 for the proposed masterplan remain a key focus as the project progresses:
 - Connectivity** - Communication and information across departments is vital to business success. New spaces will maximise connectivity between departments
 - Sustainable Initiatives** - Self sustainability (energy generation), sustainable building materials and waste minimisation will all play a significant role in the rebuild design.
 - Security** - Increased threat and risk assessments for government buildings will require multiple security layers and buffer zones between staff/public.
 - Quality workplace and well-being** - Provisions for future growth are incorporated. Future building uses considered if the local government reforms change the working models. Designs will be flexible for any future requirements.

Cultural and community connection - Early engagement with iwi and collaborative design approaches. References to the site context and heritage will be incorporated into new build design.

General Project Update

5. Following the Council decision in June 2023 an internal project team was established with support from external architects and project management.
6. Engagement and partnership with local iwi on a collaborative partnership to ensure that cultural narrative and connection to the new building, and overall site continues as the site develops in the future.
7. Work on upgrades to the existing administration building and compliance requirements will be complete prior to Christmas, as will the internal and external electrical upgrades to the site.
8. The design of the new single floor 1,300sqm office building is complete and design document (attached) shows the project issued to the open market and submitted for building consent. The new office building has been costed by a quantity surveyor and indicates the project is still within the budget envelope and maintains appropriate contingencies.

Administration Building

9. The electrical upgrade and generator requirement works include upgrades to the main switchboard, relocation of the main switch board, rewiring, removal of the current high voltage mains cable, reinstallation of a mains cable and an upgrade in capacity of the site transformer. These works will be complete prior to Christmas 2024.
10. Additional works to the administration building outside of this project scope to compliance requirements are running in parallel to ensure where possible cost efficiencies are achieved.

New Build

11. The above core drivers have been used to create the new build objectives which include:
 - Functional
 - Fit for purpose
 - Sustainable
 - Future flexible
 - Innovative
 - Delivered on budget.
12. Contracts have been entered into through to project completion with specific consultants required for the new build, including quantity surveyor, structural engineer, civil engineer and architects.
13. The project budget remains sufficient and on track for the construction of a new building approximately 1,300sqm.
14. The building has been designed as a simple rectangle, open plan and has a large meeting room to the north west that can be isolated from the building and accessed separately by the public.
15. The tender documents were issued to the market 15 November 2024 and will close 23 December 2024. Depending on the response from the market, site establishment is hoped to occur in February 2025 with an approximate 12 month construction programme.

Communication

16. A communication and stakeholder engagement plan is in development from both an internal and external perspective. Staff and contractors are/will be made aware that work needs to continue with

minimal interruptions; equally there will be disruptions to nearby neighbors that will be closely monitored and managed with proactive communication such as text alerts and direct personal engagement.

Appendices/Attachments

Document TRCID-1492626864-94: [Design Plans - TRC New Office Building](#)

NEW OFFICE BUILDING

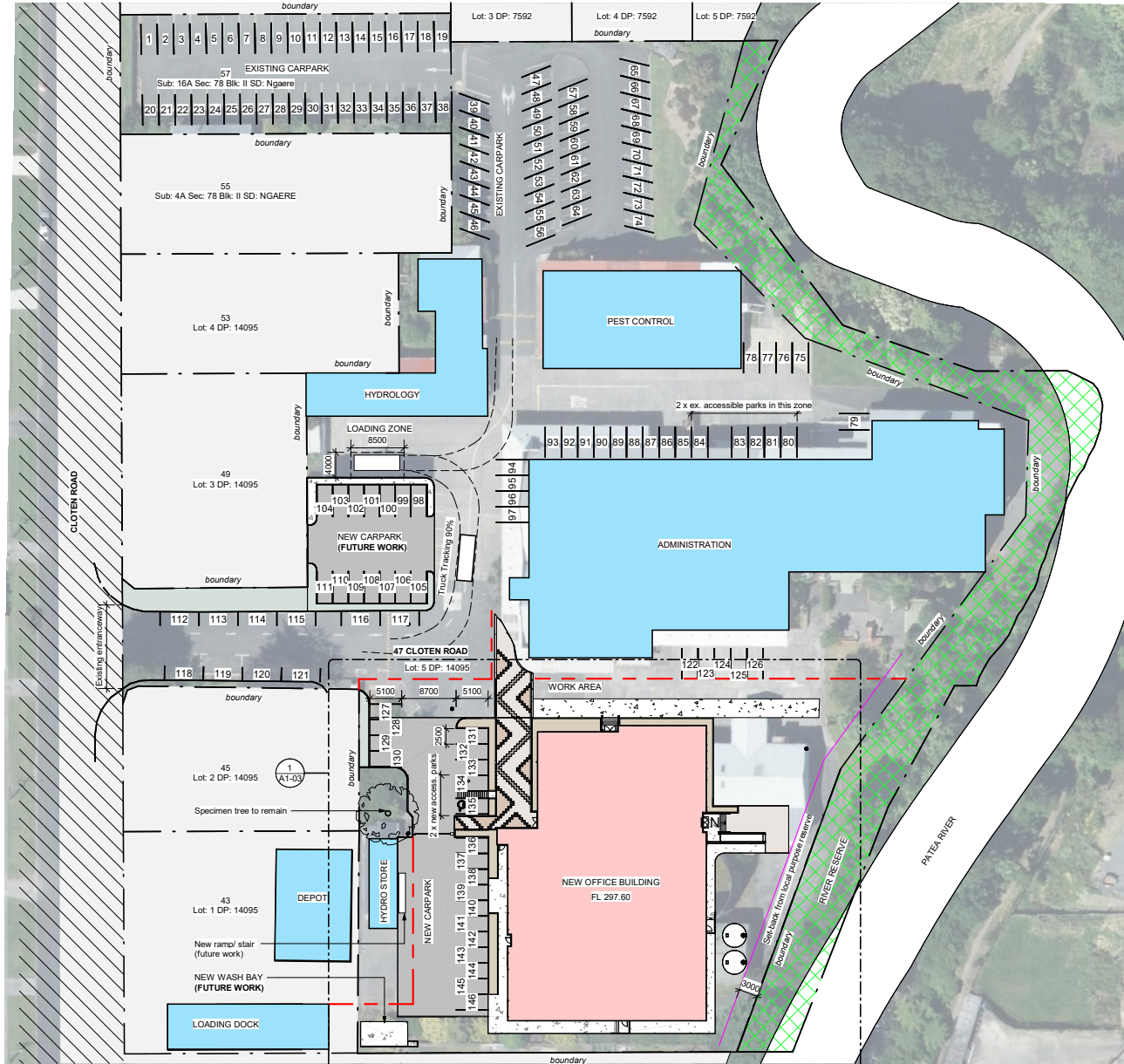
TARANAKI REGIONAL COUNCIL
47 CLOTEN ROAD, STRATFORD

FOR TENDER
DETAILED DESIGN
3086.22

architect
P E O P L E



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NOTES - SITE PLAN

CONTAMINATED SOIL

Site wide soil contamination. Refer to geotech report and soil management plan before undertaking any excavation.

CARPARK SCHEDULE - SITE WIDE	
CARPARKS	COUNT
Existing	83
New Construction	64
TOTAL CARPARKS	147



NEW OFFICE BUILDING
TARANAKI REGIONAL COUNCIL
 47 CLOTEN ROAD, STRATFORD

REV	DATE	DESCRIPTION
A	15/11/2024	For Tender

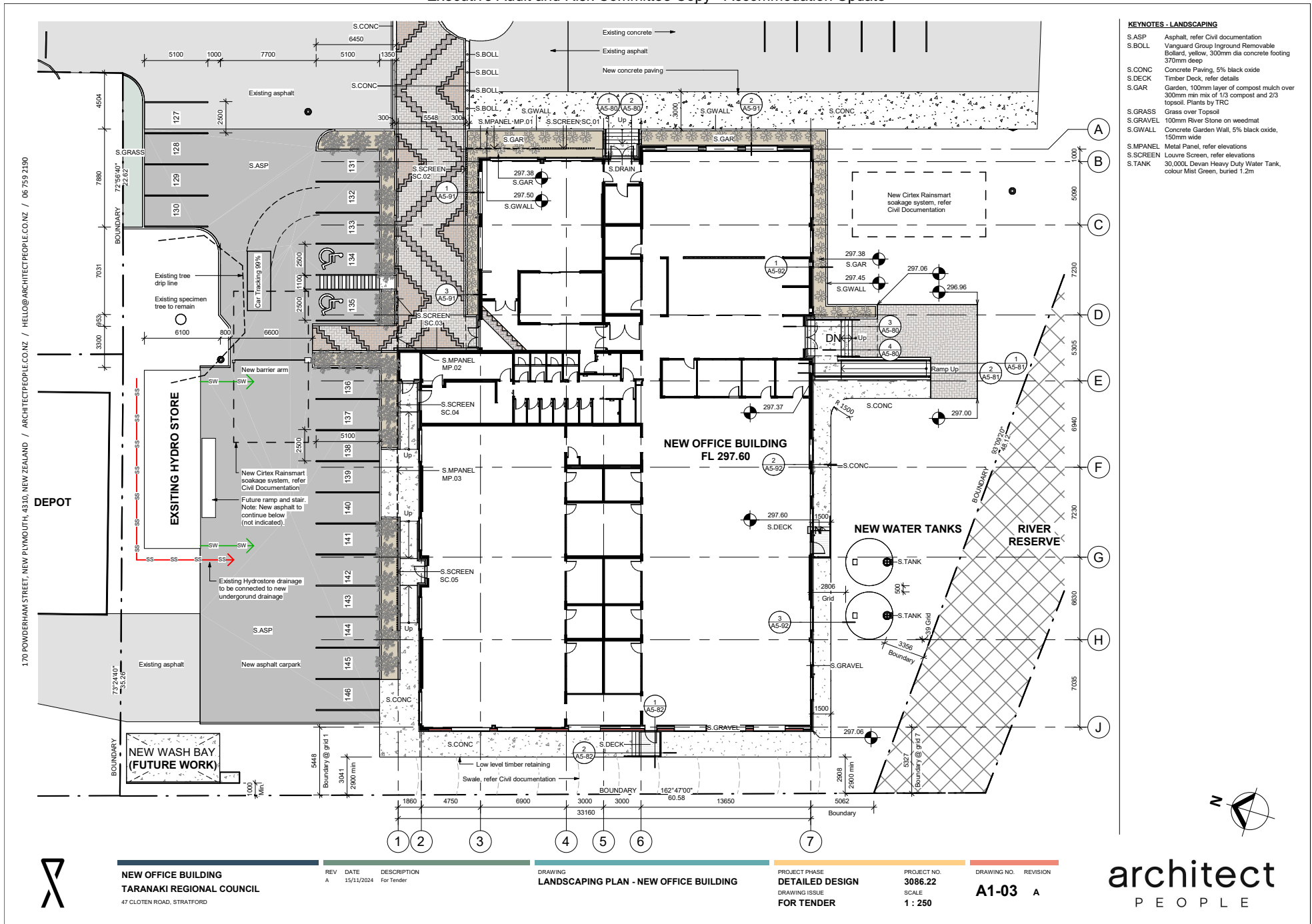
DRAWING
SITE PLAN - OVERALL NEW

PROJECT PHASE
DETAILED DESIGN
 DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
 SCALE
1:650

DRAWING NO. REVISION
A1-02 A





- KEYNOTES - LANDSCAPING**
- S.ASP Asphalt, refer Civil documentation
 - S.BOLL Vanguard Group Inground Removable Bollard, yellow, 300mm dia concrete footing 370mm deep
 - S.CONC Concrete Paving, 5% black oxide
 - S.DECK Timber Deck, refer details
 - S.GAR Garden, 100mm layer of compost mulch over 300mm min mix of 1/3 compost and 2/3 topsoil. Plants by TRC
 - S.GRASS Grass over Topsoil
 - S.GRAVEL 100mm River Stone on weedmat
 - S.GWALL Concrete Garden Wall, 5% black oxide, 150mm wide
 - S.MPANEL Metal Panel, refer elevations
 - S.SCREEN Louvre Screen, refer elevations
 - S.TANK 30,000L Devan Heavy Duty Water Tank, colour Mist Green, buried 1.2m

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NEW OFFICE BUILDING
TARANAKI REGIONAL COUNCIL
 47 CLOTEN ROAD, STRATFORD

REV	DATE	DESCRIPTION
A	15/11/2024	For Tender

DRAWING
LANDSCAPING PLAN - NEW OFFICE BUILDING

PROJECT PHASE
DETAILED DESIGN
 DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
 SCALE
1 : 250

DRAWING NO. REVISION
A1-03 A

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NOTES - GA PLAN

SETOUT
Setout to be undertaken by cadastral surveyor

BUILDING AREA
1390m²

BUILDING IMPORTANCE LEVEL
IL2

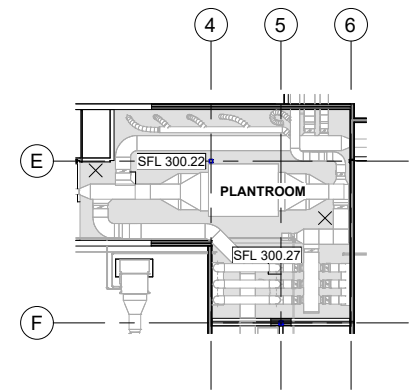
OCCUPANCY
Current configuration (desks) = 148
Design Occupancy = 270

ACCESSIBLE SIGNAGE

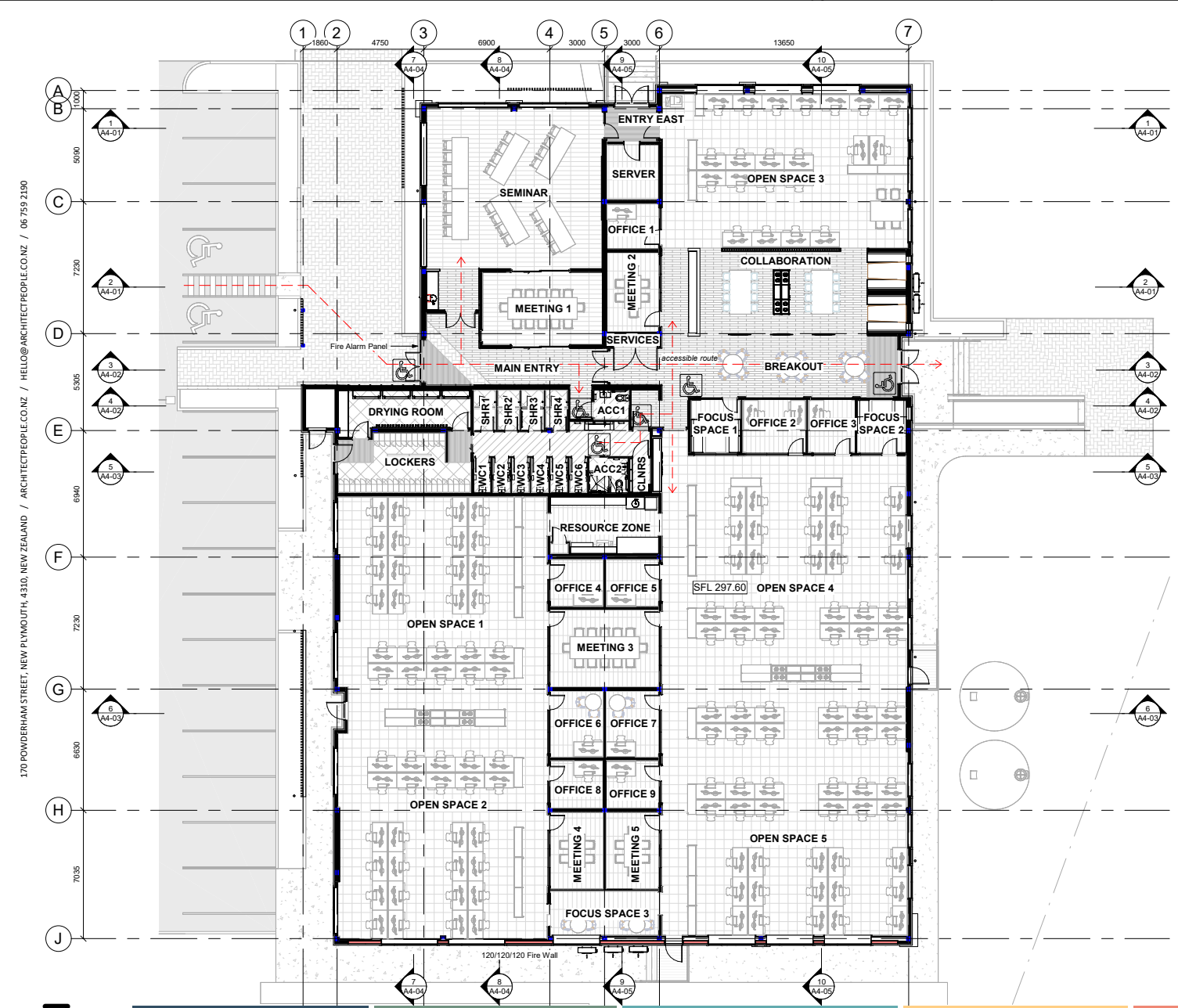
Signage to be positioned where shown on plan:
- Accessible entrances
- Accessible routes through the building
- Accessible toilet locations

Signage is to comply with NZBC F8 and NZS 4121.
Position: 1500mm from floor level.

Refer ACCESSIBILITY REPORT in specification.



GA - PLANT ROOM
SCALE: 1:200



NEW OFFICE BUILDING
TARANAKI REGIONAL COUNCIL
47 CLOUTEN ROAD, STRATFORD

REV	DATE	DESCRIPTION	DRAWING
A	15/11/2024	For Tender / Consent	GA - GROUND LEVEL

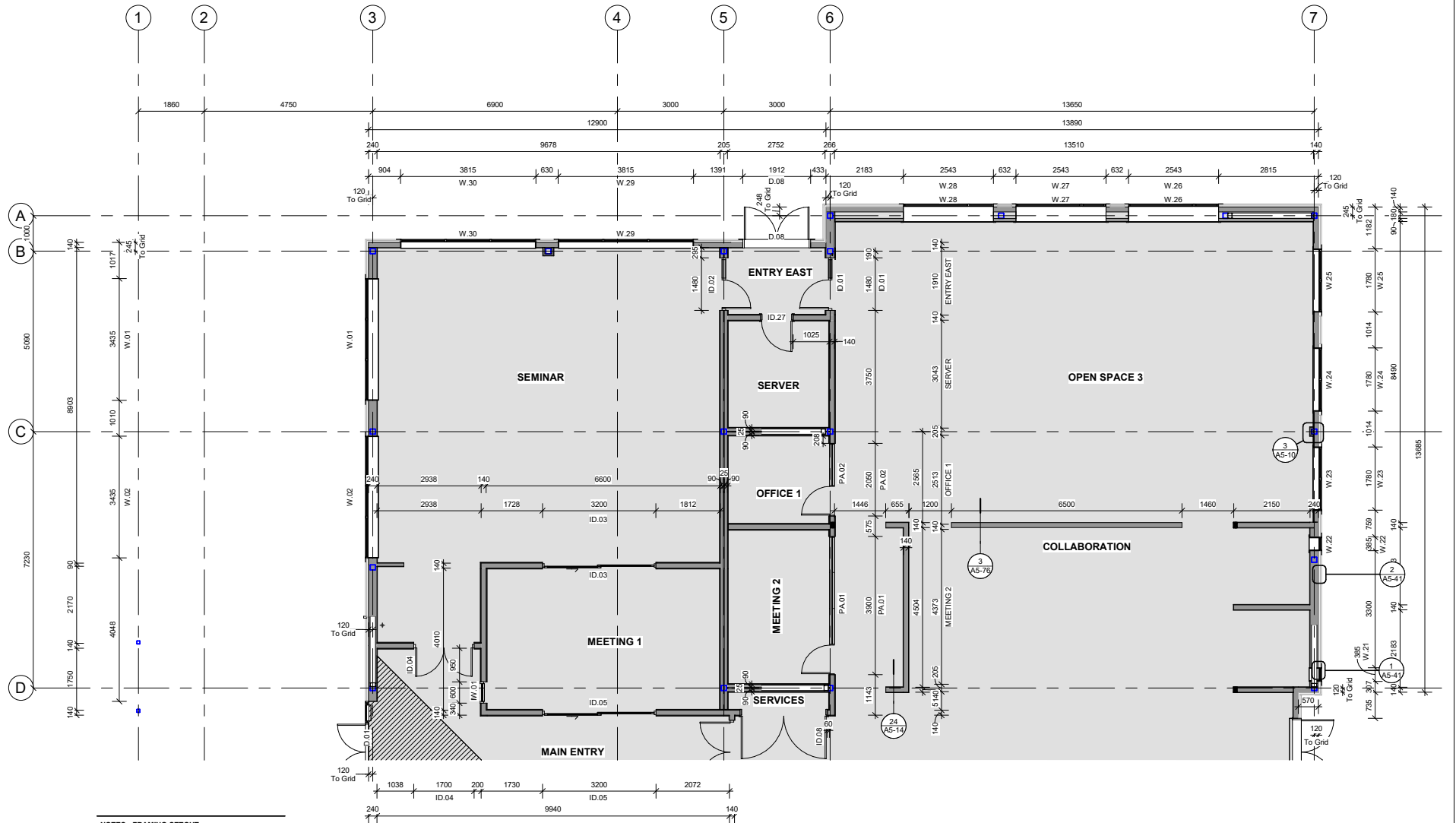
PROJECT NO.	DRAWING NO.	REVISION
3086.22	A2-10	A

PROJECT PHASE: DETAILED DESIGN
DRAWING ISSUE: FOR TENDER
SCALE: 1:200



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NOTES - FRAMING SETOUT
 All dimensions are to framing.
 Refer to Wall Framing Plan for timber framing
SLAB AND STRUCTURE SETOUT
 Refer to Slab Plan
SLAB OVERHANG
 All exterior walls overhang the slab by 10mm.
INTERIOR DOORS OPENINGS
 Interior door rough opening sizes to be confirmed with interior door manufacturer prior to frame construction.



NEW OFFICE BUILDING
TARANAKI REGIONAL COUNCIL
 47 CLOTEN ROAD, STRATFORD

REV	DATE	DESCRIPTION
A	15/11/2024	For Tender

DRAWING
DIMENSIONED PLAN - PART A

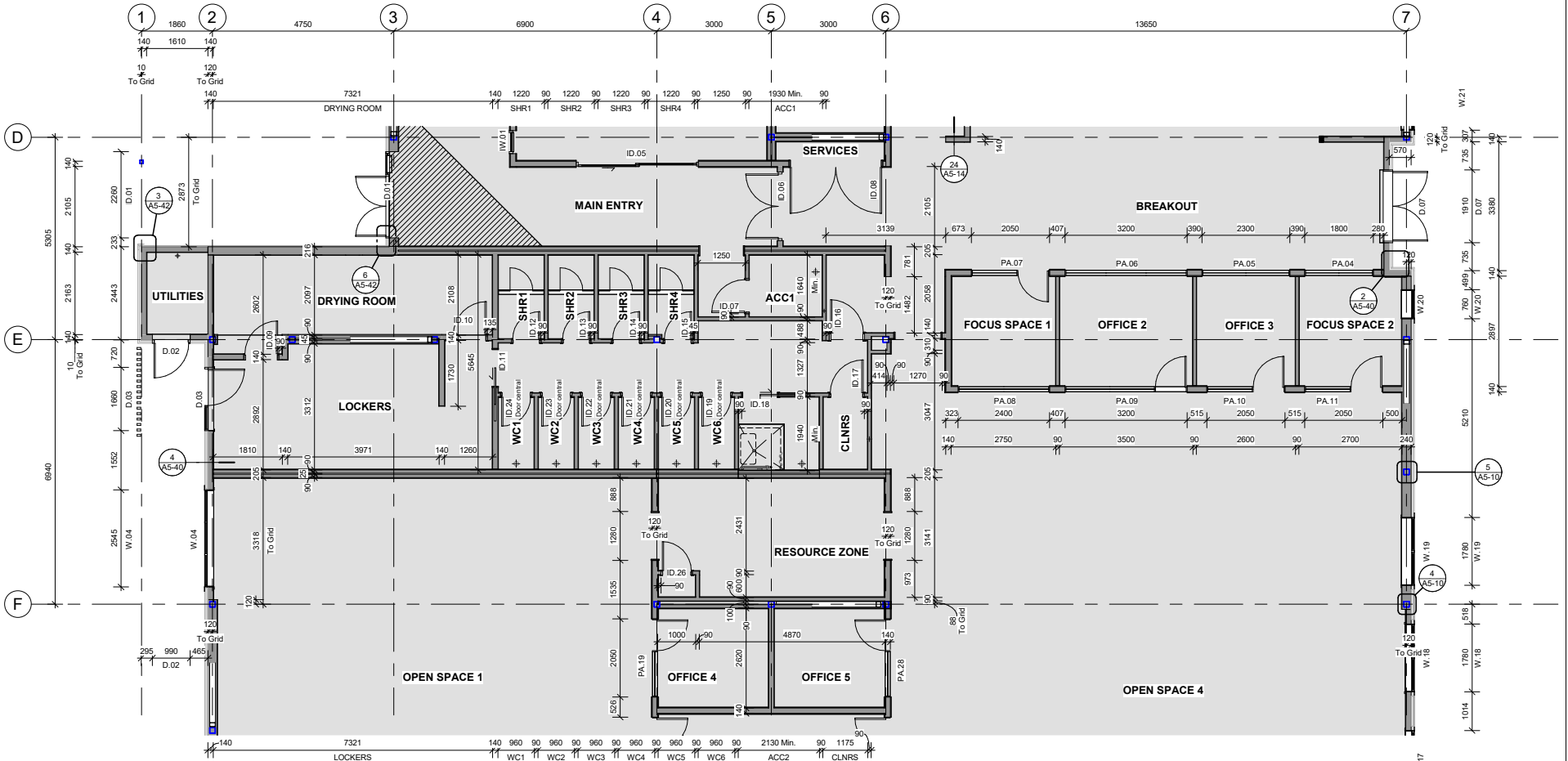
PROJECT PHASE
DETAILED DESIGN
 DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
 SCALE
1 : 100

DRAWING NO. REVISION
A2-30 A

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REV	DATE	DESCRIPTION
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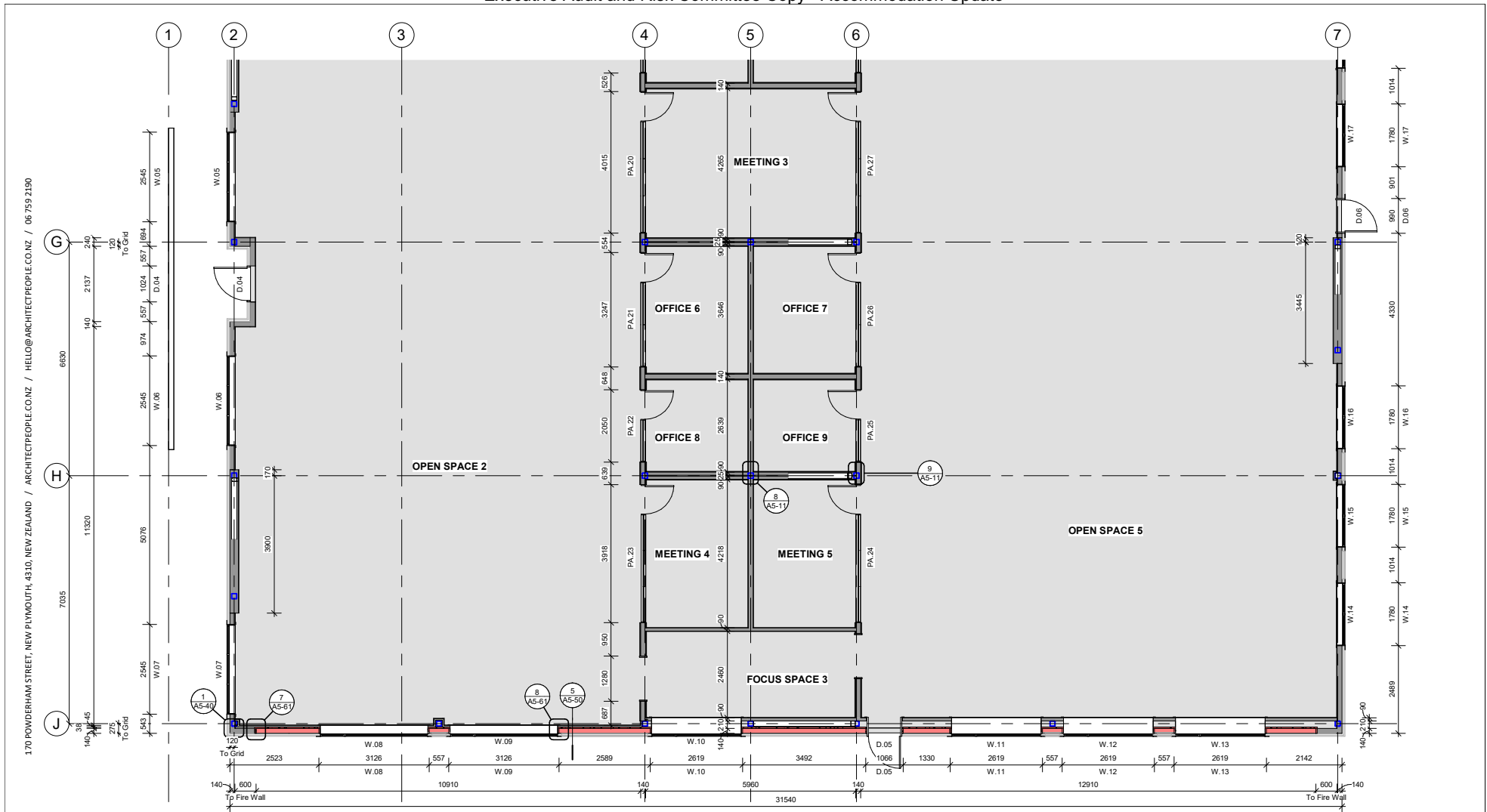
DRAWING
DIMENSIONED PLAN - PART B

PROJECT PHASE
DETAILED DESIGN
 DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
 SCALE
1 : 100

DRAWING NO. REVISION
A2-31 A

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NOTES - FRAMING SETOUT
 All dimensions are to framing.
 Refer to Wall Framing Plan for timber framing

SLAB AND STRUCTURE SETOUT
 Refer to Slab Plan

SLAB OVERHANG
 All exterior walls overhang the slab by 10mm.

INTERIOR DOORS OPENINGS
 Interior door rough opening sizes to be confirmed with interior door manufacturer prior to frame construction.



NEW OFFICE BUILDING
 TARANAKI REGIONAL COUNCIL
 47 CLOTEN ROAD, STRATFORD

REV	DATE	DESCRIPTION
A	15/11/2024	For Tender

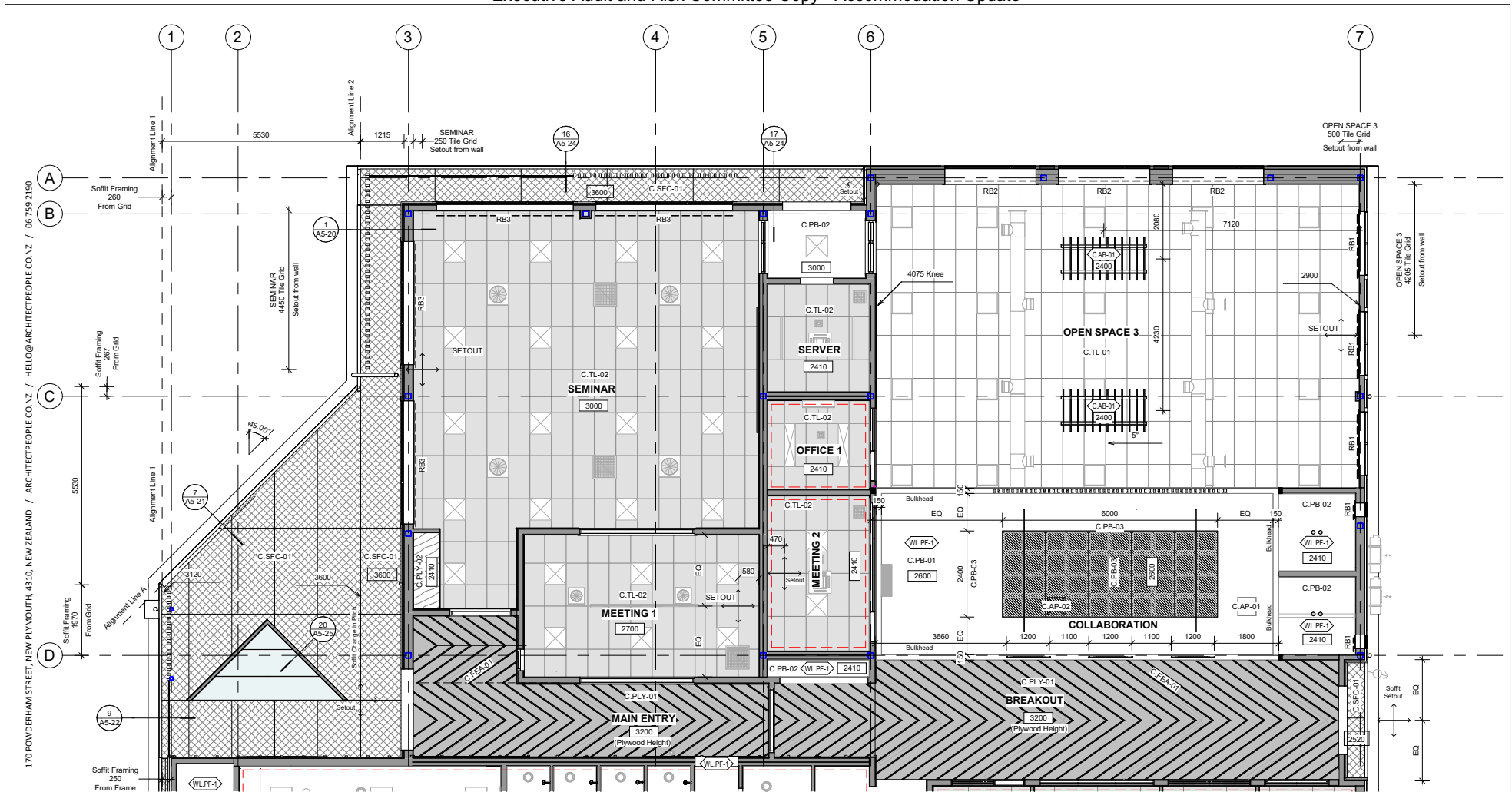
DRAWING
DIMENSIONED PLAN - PART C

PROJECT PHASE
DETAILED DESIGN
 DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
 SCALE
1 : 100

DRAWING NO. REVISION
A2-32 A

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NOTES - CEILING

Read in conjunction with seismic ceiling design included in Architectural specification & consultants drawings. Co-ordinate ceiling bracing on site to suit openings and services.

Refer to FF&E & Finishes Schedules for further information and confirmation of selections.

ACOUSTIC - AUTEX

Refer to Autex Acoustics drawings for confirmed design and installation of custom ceiling C.FEA-01. Any discrepancies with locations of suspended acoustic "sculptures" (C.AB-01, C.AB-02, C.AB-03) and mechanical or lighting contact the Architect prior to install.

ACCESS PANELS

C.AP-01, 02, 03 - Refer specification for type, 600 x 600mm typically.

LIGHTING

Refer to Electrical Engineers drawings for extent of lighting and electrical design, any discrepancies contact the Architect prior to install.

WINDOW DRESSING

Refer to Architectural Specification
 RB1: Single roller blind - Manual
 RB2: Double roller blind - Manual
 RB3: Double roller blind - Electric
RB3 blinds to be concealed with powdercoated aluminium equal angle, depth to match roller blind. Angle to be fixed into paint finished timber blocking, fixed into reveal.

CEILING HEIGHTS

Read in conjunction with cross sections
 Raking Ceiling = 5'
 Ceiling spot height = 2900

NOTES - INSULATION

GENERAL

Refer to specification for installation documentation.

THERMAL INSULATION

Location: Exterior Walls
 Brand: Mammoth - Wall Sections
 Thickness: 140mm
 R-Value: R2.8

Location: Externally over steel
 Brand: Kingspan - Kooltherm K12
 Thickness: 40mm
 R-Value: R1.75

Location: Roof
 Brand: Mammoth - Blanket
 Thickness: 115mm + 225mm
 R-Value: R1.8 + R3.6

ACOUSTIC INSULATION

Location: Acoustic walls
 Brand: Greenstuf - Sound Solution Plus 90 (IT)
 Thickness: 90mm

Location: All flat ceilings and acoustic ceiling
 Brand: Greenstuf - Sound Solution Plus 75 (ASB 9)
 Thickness: 75mm

--- = Acoustic ceiling insulation boundary

CEILING CODES

C.AB-01 Autex, Lattice-Trapezium - Suspended Acoustic Sculpture colour A.
 C.AP-01 Access Panel - Standard
 C.AP-02 Access Panel - Perforated
 C.FEA-01 Autex, Custom acoustic baffle, 24mm Cube Frontier Fin, chevron design to selected colour, refer Finishes schedule. REFER AUTEX ACOUSTICS DRAWING.
 C.PB-01 12mm Plasterboard Standard, suspended steel ceiling battens.
 C.PB-02 13mm Plasterboard Standard, steel ceiling battens fixed to timber joists.

PAIN CODES

WL.PF-1 Paint - Colour 1

CEILING CODES

C.PB-03 Potlars Perforated Plasterboard sheets (1200 x 2400mm) installed to suspended ceiling, Potlars 12mm Square with matching access panel, sloped to level 4 finish painted to selected colour.
 C.PLY-01 12mm Gaboon plywood B/BB grade. Glue and brad fix directly to ceiling joists. Paint finish
 C.PLY-02 12mm Plytech Birch Elite Plywood prefinished lining
 C.SFC-01 Fibre Cement 6mm Soffit lining, timber battens, negative joints, painted to selected colour
 C.TL-01 T&R Interiors Suspended CBI 24mm Grid & Ceiling Tile, Phonic Combo - colour WHITE
 C.TL-02 T&R Interiors Suspended CBI 24mm Grid & Ceiling Tile, Phonic Combo - colour BLACK.

NEW OFFICE BUILDING
 TARANAKI REGIONAL COUNCIL
 47 CLOTON ROAD, STRATFORD

REV	DATE	DESCRIPTION
A	15/11/2024	For Tender

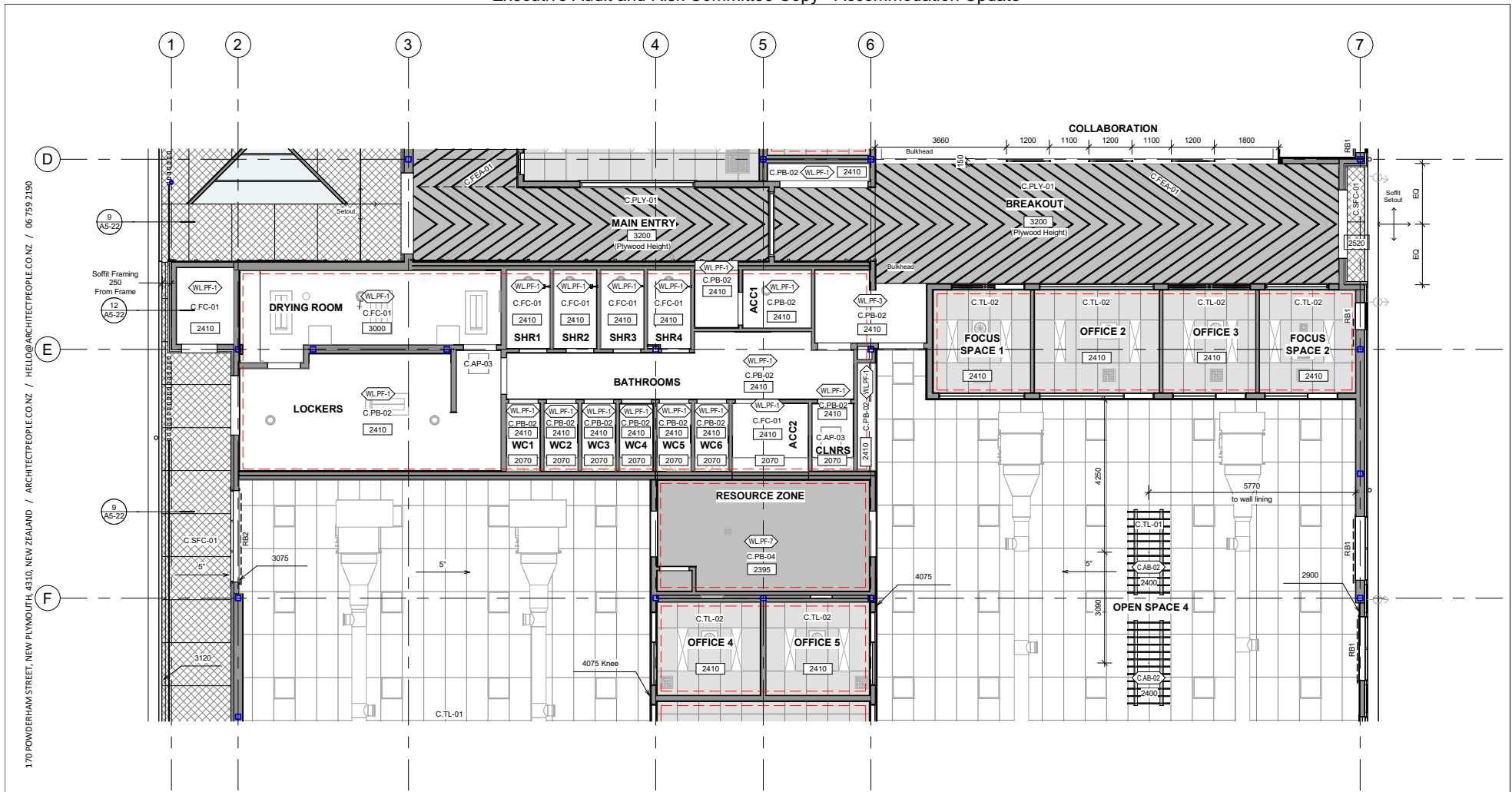
DRAWING
REFLECTED CEILING PLAN - PART A

PROJECT PHASE
DETAILED DESIGN
 DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
 SCALE
1:200

DRAWING NO. REVISION
A2-60 A

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NOTES - CEILING

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ACOUSTIC - AUTEX
Refer to Autex Acoustics drawings for confirmed design and installation of custom ceiling C.FEA-01. Any discrepancies with locations of suspended acoustic "sculptures" (C.AB-01, C.AB-02, C.AB-03) and mechanical or lighting contact the Architect prior to install.

ACCESS PANELS
C.AP-01, 02, 03 - Refer specification for type. 600 x 600mm typically.

LIGHTING
Refer to Electrical Engineers drawings for extent of lighting and electrical design, any discrepancies contact the Architect prior to install.

WINDOW DRESSING
Refer to Architectural Specification
RB1: Single roller blind - Manual
RB2: Double roller blind - Manual
RB3: Double roller blind - Electric
RB3 blinds to be concealed with powdercoated aluminium equal angle, depth to match roller blind. Angle to be fixed into paint finished timber blocking, fixed into reveal.

CEILING HEIGHTS
Read in conjunction with cross sections
Raking Ceiling = 5'
Ceiling spot height = 2900

CEILING CODES

- C.AB-02 Autex, Lattice-Trapezium - Suspended Acoustic Sculpture colour B
- C.AP-03 Access Panel - STC Rated
- C.FC-01 Fibre Cement 9mm, timber ceiling battens, painted to selected colour.
- C.FEA-01 Autex, Custom acoustic baffle, 24mm Cube Frontal Fin, chevron design to selected colour, refer Finishes schedule. REFER AUTEX ACOUSTICS DRAWING.
- C.PB-02 13mm Plasterboard Standard, steel ceiling battens fixed to timber joists.

CEILING CODES

- C.PB-04 Acoustic Ceiling (GIB GBDA 60B) - Acoustic batts and 2x layers 13mm GIB Noiseline, direct fix steel ceiling battens, paint finish (to selected colour).
- C.PLY-01 12mm Gaboon plywood B/B grade. Glue and brad fix directly to ceiling joists. Paint finish
- C.SFC-01 Fibre Cement 6mm Soffit lining, timber battens, negative joints, painted to selected colour
- C.TL-01 T&R Interiors Suspended CBI 24mm Grid & Ceiling Tile, Phonic Combo + colour WHITE
- C.TL-02 T&R Interiors Suspended CBI 24mm Grid & Ceiling Tile, Phonic Combo + colour BLACK

PAINT CODES

- WL.PF-1 Paint - Colour 1
- WL.PF-3 Paint - Colour 3
- WL.PF-7 Paint - Colour 7



NEW OFFICE BUILDING
TARANAKI REGIONAL COUNCIL
47 CLOTON ROAD, STRATFORD

REV	DATE	DESCRIPTION
A	15/11/2024	For Tender

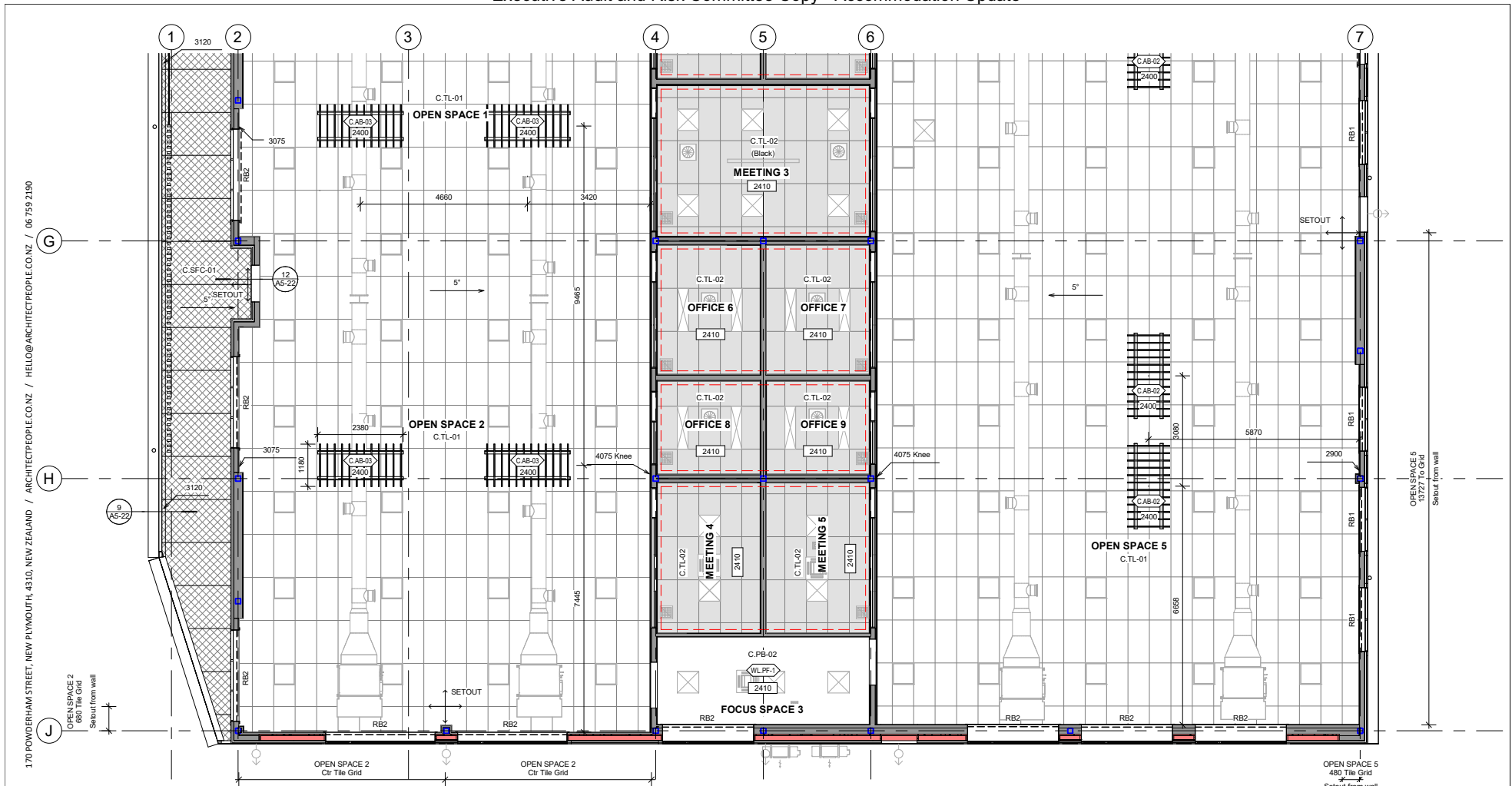
DRAWING
REFLECTED CEILING PLAN - PART B

PROJECT PHASE
DETAILED DESIGN
DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
SCALE
1:200

DRAWING NO. REVISION
A2-61 A

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NOTES - CEILING

Read in conjunction with seismic ceiling design included in Architectural specification & consultants drawings. Co-ordinate ceiling bracing on site to suit openings and services.

Refer to FF&E & Finishes Schedules for further information and confirmation of selections.

ACOUSTIC - Autex
Refer to Autex Acoustics drawings for confirmed design and installation of custom ceiling C.FEA-01. Any discrepancies with locations of suspended acoustic "sculptures" (C.AB-01, C.AB-02, C.AB-03) and mechanical or lighting contact the Architect prior to install.

ACCESS PANELS
C.AP-01, 02, 03 - Refer specification for type, 600 x 600mm typically.

LIGHTING
Refer to Electrical Engineers drawings for extent of lighting and electrical design, any discrepancies contact the Architect prior to install.

WINDOW DRESSING
Refer to Architectural Specification
RB1: Single roller blind - Manual
RB2: Double roller blind - Manual
RB3: Double roller blind - Electric
RB3 blinds to be concealed with powdercoated aluminium equal angle, depth to match roller blind. Angle to be fixed into paint finished timber blocking, fixed into reveal.

CEILING HEIGHTS
Read in conjunction with cross sections
Raking Ceiling = 5°
Ceiling spot height = 2900

CEILING CODES

- C.AB-02 Autex, Lattice-Trapezium - Suspended Acoustic Sculpture colour B.
- C.AB-03 Autex, Lattice-Trapezium - Suspended Acoustic Sculpture colour C
- C.PB-02 13mm Plasterboard Standard, steel ceiling battens fixed to timber joists.
- C.SFC-01 Fibre Cement 6mm Soffit lining, timber battens, negative joints, painted to selected colour.
- C.TL-01 T&R Interiors Suspended CBI 24mm Grid & Ceiling Tile, Phonic Combo + colour WHITE.
- C.TL-02 T&R Interiors Suspended CBI 24mm Grid & Ceiling Tile, Phonic Combo + colour BLACK.

PAINT CODES

- WL.PF-1 Paint - Colour 1

NEW OFFICE BUILDING
TARANAKI REGIONAL COUNCIL
47 CLOTON ROAD, STRATFORD

REV	DATE	DESCRIPTION
A	15/11/2024	For Tender

DRAWING
REFLECTED CEILING PLAN - PART C

PROJECT PHASE
DETAILED DESIGN
DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
SCALE
1:200

DRAWING NO. REVISION
A2-62 A



NOTES - FLOOR FINISHES

REFER TO INZIDE COMMERCIALS FLOORING DESIGN FOR CARPET TILE LAYOUT.

To be read in conjunction with Architectural specification & Finishes Schedule.

Allow to install flooring in all cupboards.

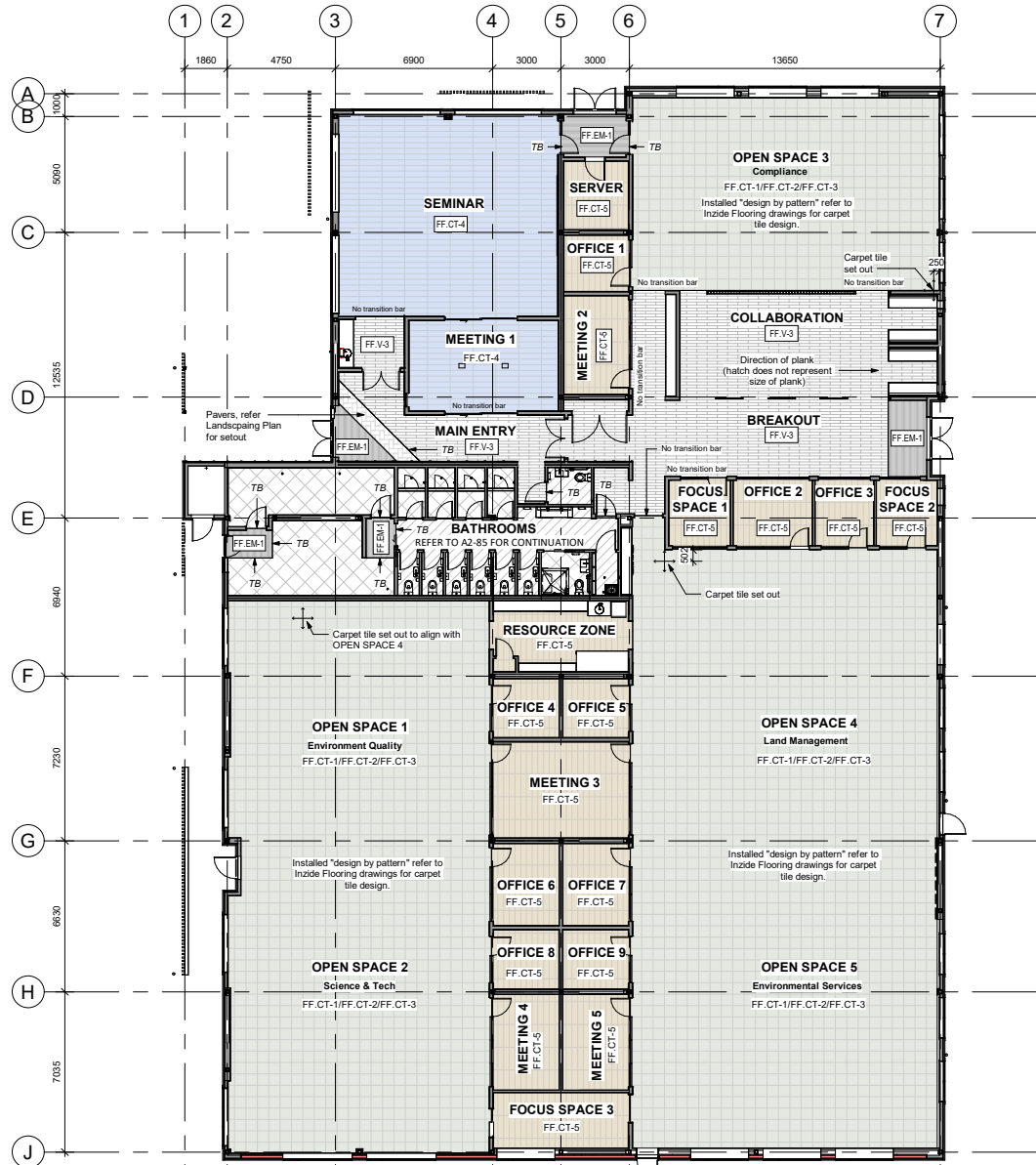
It is the flooring contractors responsibility to prepare and confirm substrate is adequate for install.

Transition bars are NOT required between the carpet tiles and vinyl plank flooring. Or between change in carpet tile range.

TB = Transition bar to FF.EM-1

FLOOR FINISHES CODES

- FF.CT-1/FF.CT-2/FF.CT-3 Carpet tile - Type 1/2/3 - Square
- FF.CT-4 Carpet tile - Type 4 - Plank colour navy, installed Ashlar.
- FF.CT-5 Carpet tile - Type 5 - Plank colour Amber, installed Ashlar.
- FF.EM-1 Entry Mat - Aluminum & carpet strip - To selected colour
- FF.PA-2 Firth Paver - Internal- Colour 2
- FF.V-1 Safety Vinyl - Studded anti-slip grip - Homogeneous
- FF.V-2 Vinyl - Smooth - Homogeneous
- FF.V-3 Luxury Vinyl Tile - Plank - 250 x 1000mm



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TARANAKI REGIONAL COUNCIL
 47 CLOTEN ROAD, STRATFORD

REV	DATE	DESCRIPTION
A	15/11/2024	For Tender

DRAWING
FLOOR FINISHES PLAN - GA

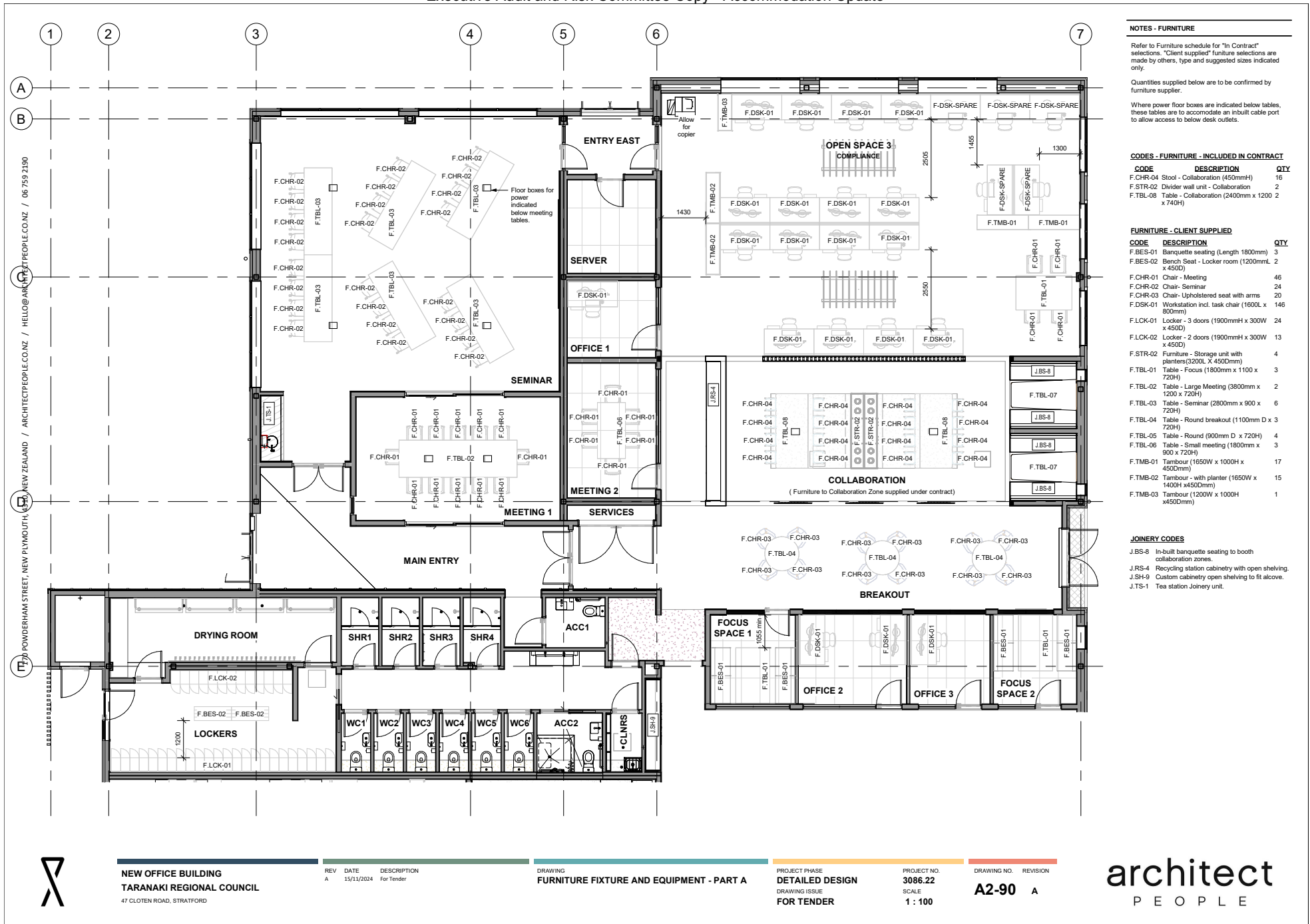
PROJECT PHASE
DETAILED DESIGN
 DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
 SCALE
1 : 200

DRAWING NO. REVISION
A2-84 A

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Executive Audit and Risk Committee Copy - Accommodation Update



NOTES - FURNITURE

Refer to Furniture schedule for "In Contract" selections. "Client supplied" Furniture selections are made by others, type and suggested sizes indicated only.

Quantities supplied below are to be confirmed by furniture supplier.

Where power floor boxes are indicated below tables, these tables are to accommodate an inbuilt cable port to allow access to below desk outlets.

CODES - FURNITURE - INCLUDED IN CONTRACT

CODE	DESCRIPTION	QTY
F.CHR-04	Stool - Collaboration (450mmH)	16
F.STR-02	Divider wall unit - Collaboration	2
F.TBL-08	Table - Collaboration (2400mm x 1200 x 740H)	2

FURNITURE - CLIENT SUPPLIED

CODE	DESCRIPTION	QTY
F.BES-01	Banquette seating (Length 1800mm)	5
F.BES-02	Bench Seat - Locker room (1200mmL x 450D)	2
F.CHR-01	Chair - Meeting	46
F.CHR-02	Chair - Seminar	24
F.CHR-03	Chair - Upholstered seat with arms	20
F.DSK-01	Workstation incl. task chair (1600L x 800mm)	146
F.LCK-01	Locker - 3 doors (1900mmH x 300W x 450D)	13
F.LCK-02	Locker - 2 doors (1900mmH x 300W x 450D)	24
F.STR-02	Furniture - Storage unit with planters(3200L X 450Dmm)	4
F.TBL-01	Table - Focus (1800mm x 1100 x 720H)	3
F.TBL-02	Table - Large Meeting (3800mm x 1200 x 720H)	2
F.TBL-03	Table - Seminar (2800mm x 900 x 720H)	6
F.TBL-04	Table - Round breakout (1100mm D x 720H)	3
F.TBL-05	Table - Round (900mm D x 720H)	4
F.TBL-06	Table - Small meeting (1800mm x 900 x 720H)	3
F.TMB-01	Tambour (1650W x 1000H x 450Dmm)	17
F.TMB-02	Tambour - with planter (1650W x 1400H x450Dmm)	15
F.TMB-03	Tambour (1200W x 1000H x450Dmm)	1

JOINERY CODES

- J.BS-8 In-built banquette seating to booth collaboration zones.
- J.RS-4 Recycling station cabinetry with open shelving.
- J.SH-9 Custom cabinetry open shelving to fit alcove.
- J.TS-1 Tea station Joinery unit.

NEW OFFICE BUILDING
TARANAKI REGIONAL COUNCIL
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REV	DATE	DESCRIPTION
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DRAWING
FURNITURE FIXTURE AND EQUIPMENT - PART A

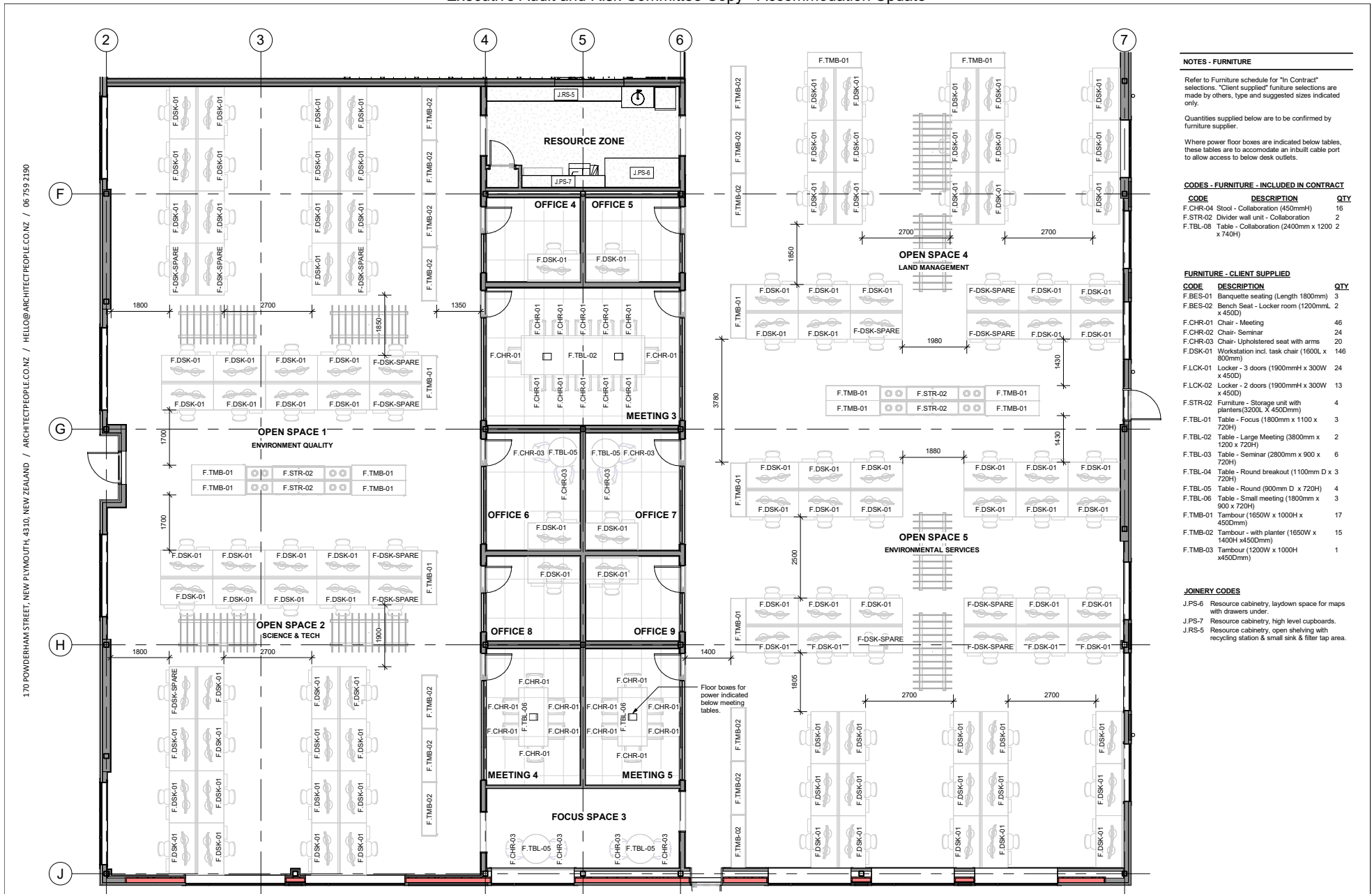
PROJECT PHASE
DETAILED DESIGN
 DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
 SCALE
1 : 100

DRAWING NO. REVISION
A2-90 A

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NOTES - FURNITURE

Refer to Furniture schedule for "In Contract" selections. "Client supplied" furniture selections are made by others, type and suggested sizes indicated only.

Quantities supplied below are to be confirmed by furniture supplier.

Where power floor boxes are indicated below tables, these tables are to accommodate an inbuilt cable port to allow access to below desk outlets.

CODES - FURNITURE - INCLUDED IN CONTRACT

CODE	DESCRIPTION	QTY
F.CHR-04	Stool - Collaboration (450mmH)	16
F.CHR-02	Chair - Seminar	24
F.STR-02	Divider wall unit - Collaboration	2
F.TBL-08	Table - Collaboration (2400mm x 1200 x 740H)	2

FURNITURE - CLIENT SUPPLIED

CODE	DESCRIPTION	QTY
F.BES-01	Banquette seating (Length 1800mm)	3
F.BES-02	Bench Seat - Locker room (1200mmL x 450D)	2
F.CHR-01	Chair - Meeting	46
F.CHR-02	Chair - Seminar	24
F.CHR-03	Chair - Upholstered seat with arms	20
F.DSK-01	Workstation incl. task chair (1600L x 800mm)	146
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F.TBL-04	Table - Round breakout (1100mm D x 720H)	3
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F.TBL-06	Table - Small meeting (1800mm x 900 x 720H)	3
F.TMB-01	Tambour (1650W x 1000H x 450Dmm)	17
F.TMB-02	Tambour - with planter (1650W x 1400H x450Dmm)	15
F.TMB-03	Tambour (1200W x 1000H x450Dmm)	1

JOINERY CODES

- J.PS-6 Resource cabinetry, laydown space for maps with drawers under.
- J.PS-7 Resource cabinetry, high level cupboards.
- J.RS-5 Resource cabinetry, open shelving with recycling station & small sink & filter tap area.

NEW OFFICE BUILDING
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DRAWING
FURNITURE FIXTURE AND EQUIPMENT - PART B

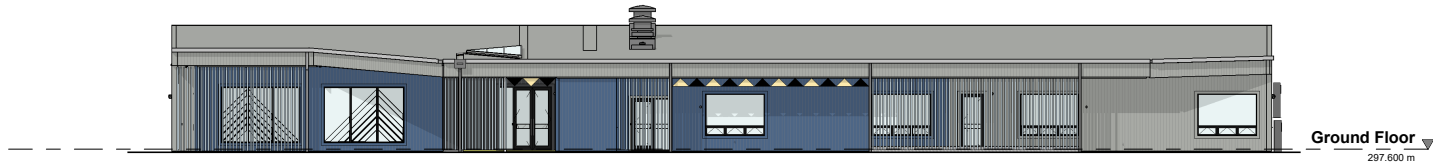
PROJECT PHASE
DETAILED DESIGN
 DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
 SCALE
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DRAWING NO. REVISION
A2-91 A

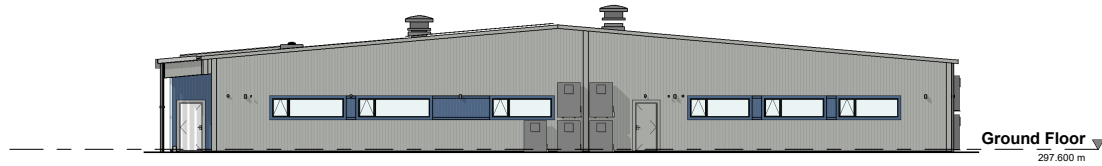
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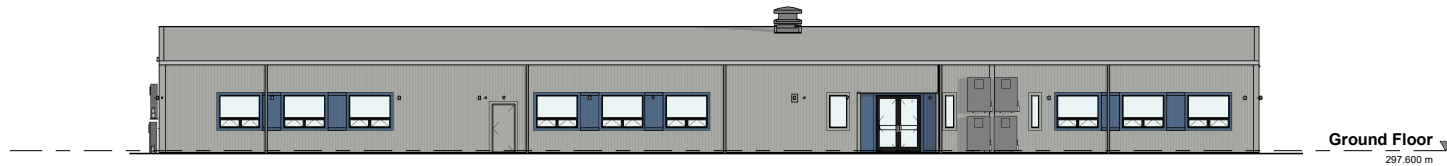
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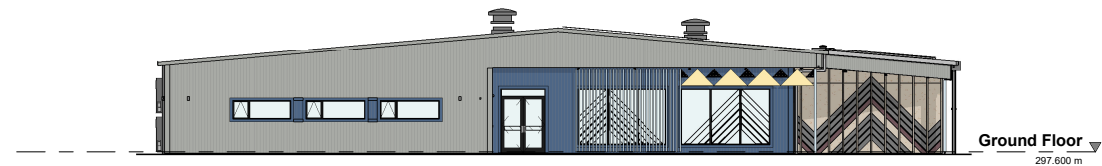
WEST ELEVATION

SCALE: 1 : 200



SOUTH ELEVATION

SCALE: 1 : 200



EAST ELEVATION

SCALE: 1 : 200



NEW OFFICE BUILDING
TARANAKI REGIONAL COUNCIL
 47 CLOTEN ROAD, STRATFORD

REV	DATE	DESCRIPTION
A	15/11/2024	For Tender

DRAWING
BUILDING ELEVATIONS - OVERALL

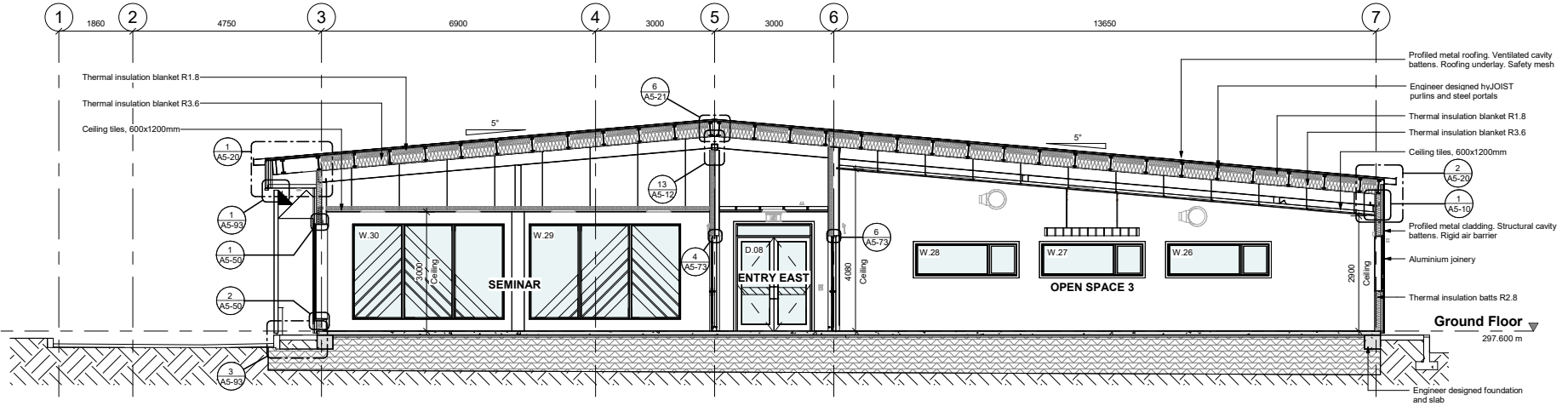
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FOR TENDER

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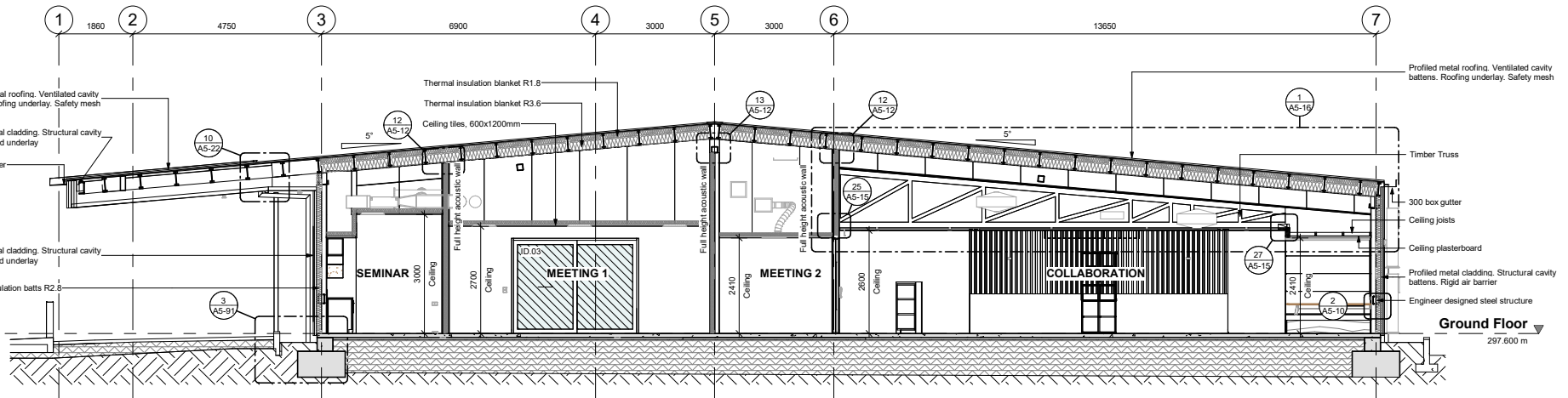
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A3-01 A

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1 BUILDING SECTION
SCALE: 1 : 100



2 BUILDING SECTION
SCALE: 1 : 100



NEW OFFICE BUILDING
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REV	DATE	DESCRIPTION
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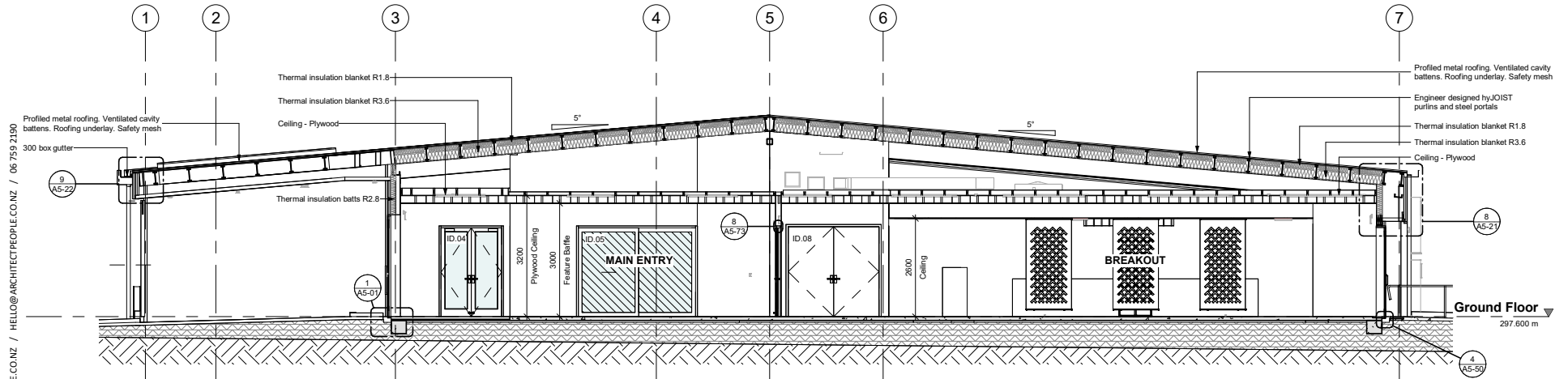
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BUILDING SECTIONS

PROJECT PHASE
DETAILED DESIGN
DRAWING ISSUE
FOR TENDER

PROJECT NO.
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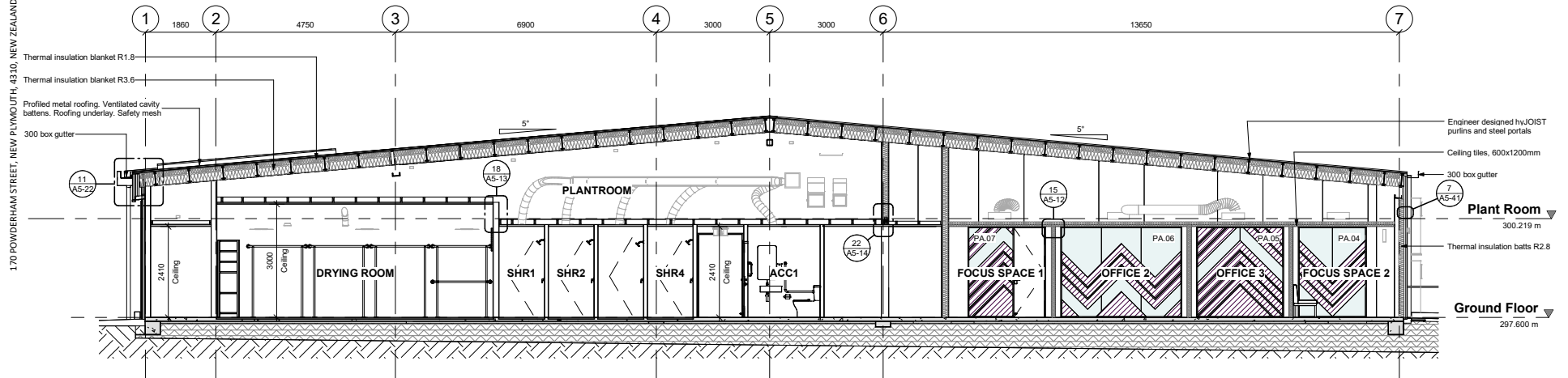
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3 BUILDING SECTION

SCALE: 1 : 100



4 BUILDING SECTION

SCALE: 1 : 100

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REV	DATE	DESCRIPTION
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DRAWING
BUILDING SECTIONS

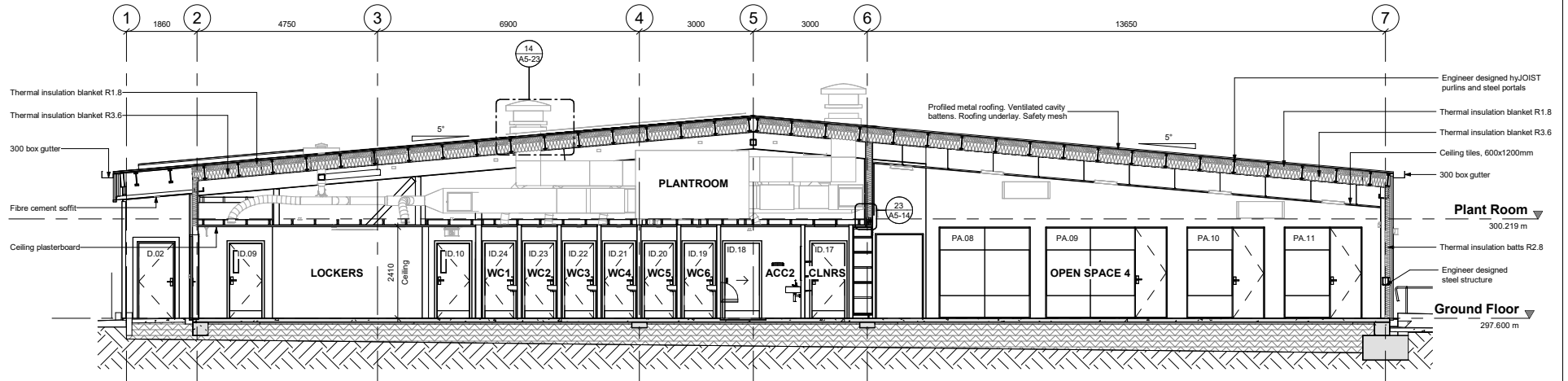
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FOR TENDER

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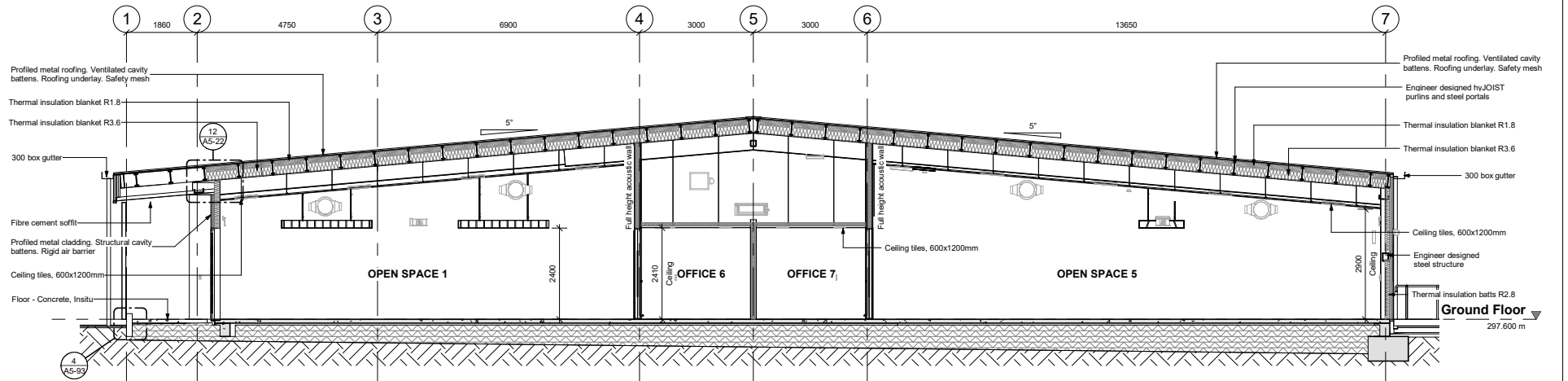
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5 BUILDING SECTION
SCALE: 1 : 100



6 BUILDING SECTION
SCALE: 1 : 100



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TARANAKI REGIONAL COUNCIL
47 CLOTON ROAD, STRATFORD

REV	DATE	DESCRIPTION
A	15/11/2024	For Tender

DRAWING
BUILDING SECTIONS

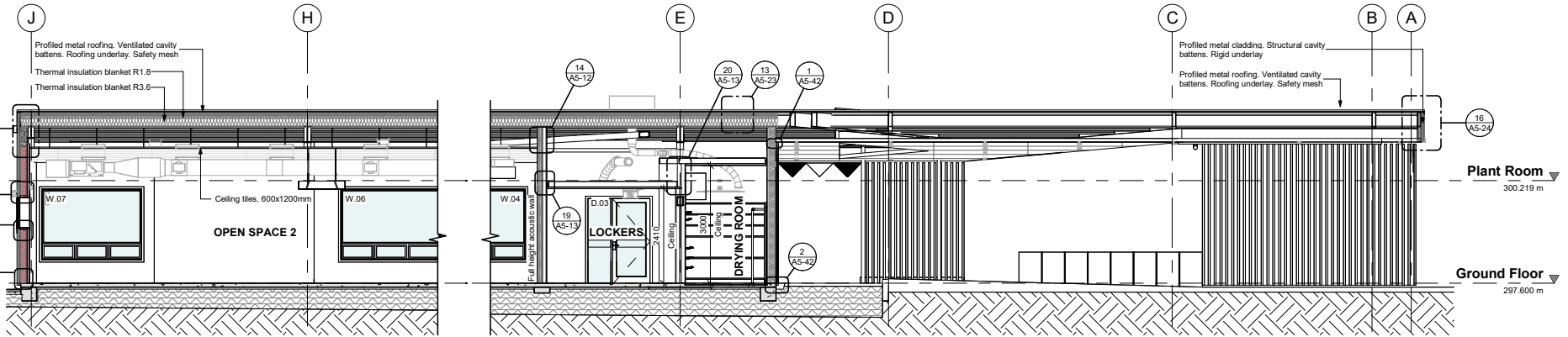
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DETAILED DESIGN
DRAWING ISSUE
FOR TENDER

PROJECT NO.
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SCALE
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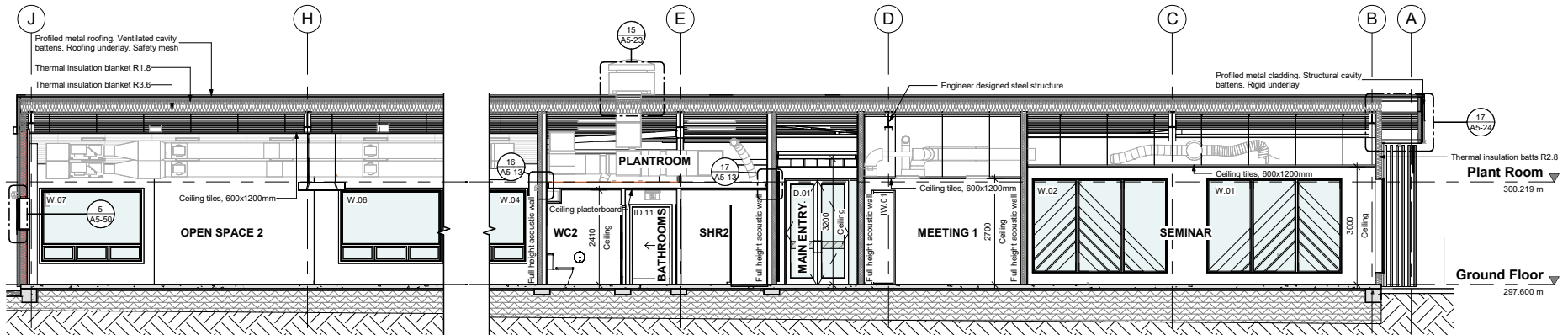
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7 BUILDING SECTION
SCALE: 1 : 100



8 BUILDING SECTION
SCALE: 1 : 100



NEW OFFICE BUILDING
TARANAKI REGIONAL COUNCIL
47 CLOTEN ROAD, STRATFORD

REV	DATE	DESCRIPTION
A	15/11/2024	For Tender

DRAWING
BUILDING SECTIONS

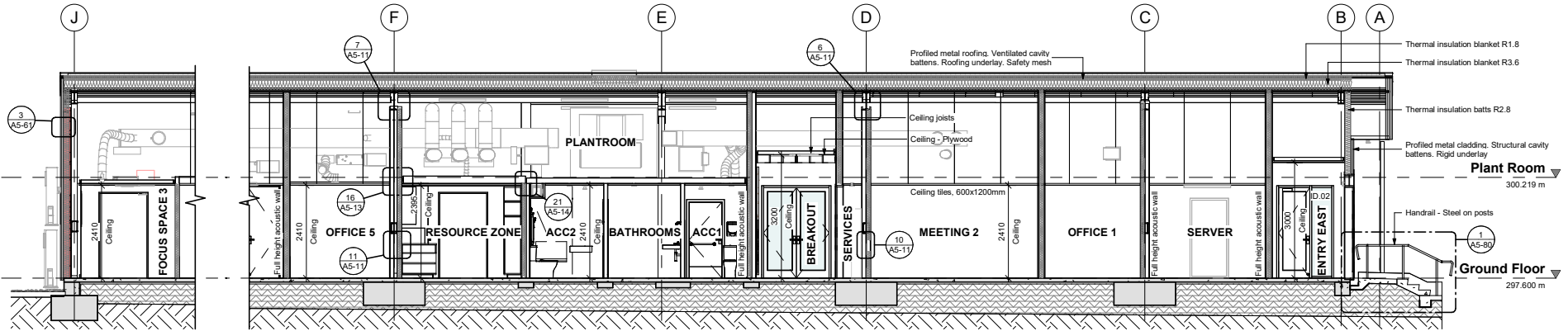
PROJECT PHASE
DETAILED DESIGN
DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
SCALE
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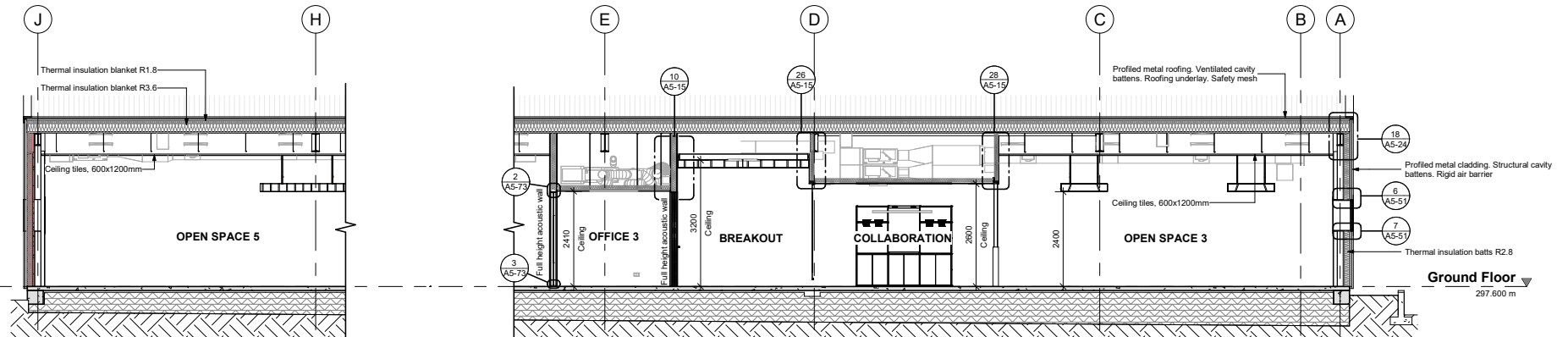
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A4-04 A

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9 BUILDING SECTION
SCALE: 1 : 100



10 BUILDING SECTION
SCALE: 1 : 100



NEW OFFICE BUILDING
TARANAKI REGIONAL COUNCIL
47 CLOTEN ROAD, STRATFORD

REV	DATE	DESCRIPTION
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DRAWING
BUILDING SECTIONS

PROJECT PHASE
DETAILED DESIGN
DRAWING ISSUE
FOR TENDER

PROJECT NO.
3086.22
SCALE
1 : 100

DRAWING NO. REVISION
A4-05 A

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Date: 2 December 2024

Subject: Yarrow Stadium Plus: Project Update

Author: J Paterson, Project Lead

Approved by: M J Nield, Director - Corporate Services

Document: TRCID-1492626864-49

Purpose

1. The purpose of this memorandum is to provide an update on the Yarrow Stadium Plus Project.

Recommendation

That Taranaki Regional Council:

- a) notes the progress to date and the next steps on the Yarrow Stadium Plus Redevelopment Project.

Background

2. Yarrow Stadium's stands were earthquake prone buildings. The East Stand was identified as earthquake-prone in November 2017 and the West Stand as earthquake-prone in May 2018. Both were closed as a matter of public safety.
3. In the 2019/2020 Annual Plan, the Council adopted a repair and refurbishment programme for Yarrow Stadium, which included the repair/refurbishment of the two stands and the delivery of a range of essential upgrades.
4. Following NPDC ceasing to lead the Yarrow Redevelopment, in December 2019, the Council endorsed a project governance framework and established the Project Steering Group (PSG) to run the project and report to the Executive Audit and Risk Committee.

General Project Update

5. The Stage two contract, the final major contract for the project, was signed on 28 June 2023. This followed the decision to approve an additional \$9.7m, increasing the total project budget to \$79.7m.
6. Following our decision to increase the budget, an updated agreement was developed with CIP. This agreement includes the project milestones, which are where we draw down the Government funding. This was signed in November with funding drawdowns allocated through to the end of the project.
7. The Director - Corporate Services, PSG and Project Lead continue to build and maintain a strong relationship with CIP, to ensure a true partnership approach is taken to this project.
8. We continue engagement with NPDC on future stadium operation. The Joint Committee is operational.

9. The Project Lead has been working with the stadium operator to refine maintenance programmes and cost to ensure efficient and effective maintenance occurs at a standard expected of our stadiums vision.
10. Work is underway on a new Strategic and Asset Management plans for the stadium to incorporate the new stand and how the venue can and will operate.
11. Work has been undertaken with NPDC and key stakeholders on event overlays. This work identifies and models how Yarrow Stadium will work in different operating modes e.g. day to day community access and full international event mode. This work will help to ensure as the new stand is constructed appropriate infrastructure is readily available to reduce bespoke operating overheads e.g. boundary power/water infrastructure and crowd movements.
12. The project continues to track to budget and programme for opening in March 2025.

East Stand

13. The new East Stand design reflects the changing nature of sport in New Zealand and internationally. The new design is intended to deliver a superior player and spectator experience for both community use and international events in comparison to the previous stand, while also minimising whole of life cost.
14. The design principles underpinning the project vision have ensured that the building realised is fit for purpose:
 - Scalable: The campus supports local and regional event delivery but can easily accommodate additional infrastructure to host national and international events
 - Affordable: The campus is easy to access, configure and operate for community and commercial users minimising the logistics and cost of event delivery.
 - Flexible: The campus spaces and design lend themselves to multiple uses, easily changing form to support desired functions
 - Desirable: campus is designed to delight every player and spectator and is recognised as 'the place to play' at all levels of sport.
 - Accessible: The development of the campus allows for clear sightlines, ease of movement across different fields and spaces, and simple wayfinding for all users.
 - Provincial Spirit: The campus inspires regional pride, ownership, and connectivity, bringing together people with different interests and passions.
 - Innovative: The stadium provides a full and rich end-to-end user experience, through the use of smart technology and adaptable spaces throughout the campus.
 - Connected: The campus is naturally accessible and connected throughout, making it practical and fit-for-purpose for all commercial and community events.
15. The new stand is 8 metres closer to the field, which is supported by Rugby New Zealand and New Zealand Football, to create a better atmosphere for players and spectators.
16. The East Stand consenting strategy was two staged, allowing contractor input on buildability of the design and to assist with project programme.
 - Stage 1 – Piling and bulk civil works, preparation for foundations and pad.
 - Stage 2 – Remaining building works to complete.
17. Stage 1 and Stage 1A are now complete.
18. This quarter major milestones were achieved for the project including:
 - Installation of all major steel structure

- Framing on all floors
 - Precast concrete (including bleachers)
 - Ground floor and level one services complete and underway on level two
 - Fabric roof installation
 - Landscaping design confirmed and earthworks underway
 - Cladding 80% complete
 - National and community sport utilisation of main field and lights for football, rugby and community engagement events
 - Community and commercial bookings in West Stand suites high with the reopening of the stand being marketed.
19. Major works to be complete between now and the next Executive Audit and Risk Committee include:
- Substation room and transformer works confirmed
 - Lift installation at both North and South end
 - Fixed services completion
 - Floor phase one commence
 - Installation of internal linings and finishes
 - Level one finishes beginning end of November.
20. Project remains on programme with completion in March 2025.

Financial considerations—LTP/Annual Plan

21. This memorandum and the associated recommendations are consistent with the Council's adopted Long-Term Plan and estimates. Any financial information included in this memorandum has been prepared in accordance with generally accepted accounting practice.

Policy considerations

22. This memorandum and the associated recommendations are consistent with the policy documents and positions adopted by this Council under various legislative frameworks including, but not restricted to, the Local Government Act 2002, the Resource Management Act 1991 and the Local Government Official Information and Meetings Act 1987.

Iwi considerations

23. This memorandum and the associated recommendations are consistent with the Council's policy for the development of Māori capacity to contribute to decision-making processes (schedule 10 of the Local Government Act 2002) as outlined in the adopted Long-Term Plan and/or Annual Plan.

Community considerations

24. This memorandum and the associated recommendations have considered the views of the community, interested and affected parties and those views have been recognised in the preparation of this memorandum.

Legal considerations

25. This memorandum and the associated recommendations comply with the appropriate statutory requirements imposed upon the Council.

Public Excluded Recommendations – Executive Audit and Risk Committee 2 October 2024

In accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987, resolves that the public is excluded from the following part of the proceedings of the Executive Audit and Risk Meeting on 2 October 2024 for the following reason/s:

The matter to be considered while the public is excluded, the reason for passing this resolution in relation to the matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 are as follows:

Item 17 – Confirmation of Public Excluded Executive Audit and Risk Minutes – 21 October 2024

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 protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; and/or enable any local authority holding the information to carry out, without prejudice, commercial activities.

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
Item 18: Yarrow Stadium Plus: Project Steering Group Report	The report contains information relating to performance of the contractor which is subject to ongoing monitoring and negotiation.	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 under section 7 (2) (h) of the Local Government Official Information and Meetings Act 1987
Item 19: Accommodation Update	The report contains information relating to performance of the contractor which is subject to ongoing monitoring and negotiation.	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 under section 7 (2) (h) of the Local Government Official Information and Meetings Act 1987