

**MEETING OF THE**

**Clutha District Council**

**Thursday, 2 April 2020**

**Commencing at 1.30pm**

**Via Video Conference Call**

**BALCLUTHA**

# CLUTHA DISTRICT COUNCIL

Notice is hereby given that a Meeting of the Clutha District Council will be held Via Video Conference Call, Balclutha on Thursday, 2 April 2020, commencing at 1.30pm.

Steve Hill  
**CHIEF EXECUTIVE OFFICER**

## Committee Members

Mayor: Bryan Cadogan

Councillor Dane Catherwood  
Councillor Stewart Cowie  
Councillor Wayne Felts  
Councillor Gaynor Finch  
Councillor Mel Foster  
Councillor Bruce Graham  
Councillor John Herbert

Councillor Michelle Kennedy  
Councillor Alison Ludemann  
Councillor Ken Payne  
Councillor Carol Sutherland  
Councillor Jo-Anne Thomson  
Councillor Bruce Vollweiler  
Councillor Selwyn Wilkinson

# CLUTHA DISTRICT COUNCIL

Thursday, 2 April 2020

## APOLOGIES

## PUBLIC FORUM

Item	Page #	Title
1	5	<b>Review of the Deloitte Audit Proposal Letter Report</b> <i>(For Council's Decision)</i> Report seeking Council's decision to appoint Deloitte to conduct the audit of the Clutha District Council on behalf of the Auditor General for the 2020, 2021 and 2022 financial years.
2	27	<b>Review of the Policy on Treasury Management Report</b> <i>(For Council's Decision)</i> Report seeking Council's decision to adopt the changes made to the Treasury Management Policy and Investment and Liability Management Policy.
3	66	<b>Local Governance Statement 2019-2022</b> <i>(For Council's Decision)</i> Report seeking Council's decision to receive the 'Local Governance Statement' report and make the Local Governance Statement publicly available.
4	72	<b>Rates Instalments for action</b> <i>(For Council's Decision)</i> Report asks Council's decision to consider rates relief options due to the Covid-19 pandemic.
5	80	<b>2019 Triennial Election report</b> <i>(For Council's Decision)</i> Report asks Council's decision to receive the 2019 Triennial Election report.
6	95	<b>Annual Plan update 2020/21</b> <i>(For Council's Decision)</i> Report asks Council's decision to receive the report which provides an update relating to the Annual Plan 2020/21.
7	97	<b>Clutha District food grant</b> <i>(For Council's Decision)</i> Report asking Council to grant a one-off grant of \$1500.00 to Clutha District Food Bank to ensure our districts' food bank has the resilience to respond this week to the expected initial demand.

<b>8</b>	<b>99</b>	<b>Confirmation of Council Minutes</b> <i>(For Council's Confirmation)</i> Minutes of Council Meetings held on 20 February and 10 March 2020.
<b>9</b>	<b>113</b>	<b>Service Delivery Committee Minutes</b> <i>(For Council's Confirmation)</i> Minutes of the Service Delivery Committee meeting held 19 March 2020.
<b>10</b>	<b>117</b>	<b>Regulatory and Policy Committee Minutes</b> <i>(For Council's Confirmation)</i> Minutes of the Regulatory and Policy Committee meeting held 19 March 2020.
<b>11</b>	<b>121</b>	<b>Corporate &amp; Property Minutes</b> <i>(For Council's Confirmation)</i> Minutes of the Corporate & Property Committee meeting held 19 March 2020.
<b>12</b>	<b>127</b>	<b>West Otago Community Board Minutes</b> <i>(For Council's Information)</i> Unconfirmed minutes of the meeting of the West Otago Community Board held 4 March 2020.
<b>13</b>	<b>134</b>	<b>Lawrence/Tuapeka Community Board Minutes</b> <i>(For Council's Information)</i> Unconfirmed minutes of the meeting of the Lawrence/Tuapeka Community Board held 4 March 2020.
<b>14</b>	<b>140</b>	<b>Risk &amp; Assurance Minutes</b> <i>(For Council's Information)</i> Unconfirmed minutes of the Risk & Assurance Committee meeting held 19 March 2020
<b>15</b>	<b>147</b>	<b>Youth Council Minutes</b> <i>(For Council's Information)</i> Unconfirmed minutes of the Youth Council Meeting held 10 February 2020.
<b>16</b>	<b>152</b>	<b>Reasons to move to Public Excluded</b> <i>(For Council's decision)</i>

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# Clutha District Council

## Item for DECISION

<b>Report</b>	Risk & Assurance Committee Recommendation: Review of the Deloitte Audit Proposal Letter Report
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	1
<b>Prepared By</b>	John Scott – Group Manager Corporate Services
<b>File Reference</b>	257357

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### REPORT SUMMARY

Recommendations made by the Risk & Assurance Committee to Council at a meeting held on 19 March 2020 on the Review of the Deloitte Audit Proposal Letter.

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

- 1. "That the Audit & Risk Committee receive the Deloitte Audit Proposal Letter Report"***
- 2. "That the Audit & Risk Committee refers to Council for decision the Audit Proposal and Audit Engagement Letters to conduct the audit of the Clutha District Council on behalf of the Auditor General for the 2020, 2021 and 2022 financial years. The Mayor and Chief Executive can sign on the Council's behalf."***

### RECOMMENDATIONS

- 1 That Council receives the report "Risk & Assurance Committee Recommendation: Review of the Deloitte Audit Proposal Letter Report".**
- 2 That Council appoints Heidi Rautjoki Deloitte to conduct the audit of the Clutha District Council on behalf of the Auditor General for the 2020, 2021 and 2022 financial years. The Mayor and Chief Executive can sign on the Council's behalf."**

## REPORT

### 1 Background

The Audit Proposal letter from the Auditor General appoints Heidi Rautjoki of Deloitte to carry out audits for the Clutha District Council for the next three years with agreed audit fees overseen by the Auditor General.

The Audit Engagement Letter with Deloitte outlines:

- The terms of the audit engagement and the nature and the limitations of the annual audit and
- The respective responsibilities of the Council and Heidi as the Appointed Auditor for the financial statements and performance information on behalf of the Auditor General for the 2020,2021 and 2022 financial years.

### 2 Deloitte Responses

At the Risk & Assurance Committee meeting on 19 March 2020 several questions were raised in relation to the Audit Proposal letter. These questions and the answers provided by Heidi Rautjoki are provided as follows:

*Question: You are signing as Deloitte Limited – does this mean we have no cover from the global partnership?*

*Answer: We are a Deloitte network firm which is a separate and independent legal entity, our services are provided by the NZ network firm who is solely responsible for these services, this has not changed from previous engagements.*

*Question: If the Coivid-19 environment affects us how are you planning to do the audit remotely?*

*Answer: We are very well placed to work flexibly or remotely should this be required, as we are well used to operating out of the office for long periods of time. We have protocols in place to ensure the health and safety of our staff and also our clients and have currently removed our teams from all client sites to ensure their protection and are undertaking audits remotely. We have a range of tools we utilise to enable communication and information can be readily provided to us. The more critical aspect for us to discuss will be if Council is unable to do the same in terms of working from home or remotely to enable information delivery. I'm happy to discuss this further as to how this may work practically.*

*Question: Has the OAG done a due diligence on your PI cover?*

*Answer: We confirm to the OAG on a 6 monthly basis that we have PI cover in place and that it covers the engagements we do on their behalf.*

Question: *Do you have any official correspondence on the OAG appointing you our appointed Auditor?*

Answer: *I have email correspondence from the OAG confirming their approval for me to liaise with you regarding the AEL and APL (which they have already reviewed and approved for sending to you). The contract extending my appointment is formally signed once with the OAG APL and AEL have been finalised and returned to them.*

### **3 Attachments**

Deloitte Audit Engagement Letter and Deloitte Audit proposal Letter one behind the other.



Deloitte  
Otago House  
481 Moray Place  
Dunedin 9016

PO Box 1245  
Dunedin 9054  
New Zealand

Tel: +64 3 474 8630  
Fax: +64 3 474 8650  
www.deloitte.co.nz

2 March 2020

Attention: Mr Steve Hill and Mayor  
Bryan Cadogan

Clutha District Council  
PO Box 25  
Rosebank Terrace  
**BALCLUTHA 9240**

Copy: Director Auditor Appointments  
Office of the Auditor-General  
PO Box 3928  
Wellington

Dear Steve and Bryan

**Proposal to conduct the audit of Clutha District Council on behalf of the Auditor-General for the 2020, 2021 and 2022 financial years**

**1 Introduction**

The Auditor-General proposes to appoint me to carry out the audit of your organisation for the next three years. As required by the Office of the Auditor-General (OAG), I set out below information relating to the audit for the three financial years ending 30 June 2020, 2021 and 2022. The purpose of this proposal is to provide information on:

- the statutory basis for the audit and how audit fees are set;
- the entities covered by this proposal;
- key members of the audit team;
- the hours we plan to spend on the audit and reasons for any change in hours;
- our proposed fees for the audit for the financial years ending 30 June 2020, 2021 and 2022 and reasons for any change;
- assumptions relating to the proposed audit fees, including what we expect of your organisation;
- what the OAG overhead charge provides;
- certification required by the Auditor-General; and
- our commitment to conduct the audit in accordance with the Auditor-General's Auditing Standards.

**2 Statutory basis for the audit and how audit fees are set**

The audit of your organisation is carried out under Section 15 of the Public Audit Act 2001, which states that "the Auditor-General must from time to time audit the financial statements, accounts, and other information that a public entity is required to have audited".





Fees for audits of public entities are set by the Auditor-General under section 42 of the Public Audit Act 2001. However, your Council and I have the opportunity to reach agreement first and recommend those fees for approval. The Auditor-General, with assistance from the OAG, will set audit fees directly only if we fail to reach agreement.

Our proposed audit fees are set out in this letter and include an estimate of the reasonable cost of disbursements (including travel and accommodation where necessary).

### 3 Entities covered by this proposal

This proposal covers the audits of the following entities:

- Clutha District Council

### 4 Key members of the audit team

Appointed Auditor	Heidi Rautjoki
Quality Control Reviewer	Paul Bryden
Audit Manager	Aveshin Govender

### 5 Estimated audit hours

We estimate that the following hours will be required to carry out the audits (compared to budgeted and actual data from the previous financial year):

Audit team member	2019 budget	2019 actual	2020	2021	2022
Appointed Auditor	57	60	57	57	57
Second Partner	9	10	9	9	9
Audit Manager	110	169	110	110	110
Other CA qualified staff	147	170	147	147	147
Non CA qualified staff	274	315	274	274	274
<b>Total audit hours</b>	<b>597</b>	<b>724</b>	<b>597</b>	<b>597</b>	<b>597</b>

Our team makes every effort to undertake an efficient audit while still meeting all auditing standard requirements and continually improving quality of our documentation based on the increasing demands and expectations of regulators. The 2019 budget reflected above is consistent with the three year proposal dated 12 April 2017. The excess hours over budget is a continuous trend, and this excess of hours is relatively consistent each audit. When comparing actual hours to past history, we note the following:

- The budget was maintained at historic budgeted levels of 597 hours for the years 2017-2019.
- Actual hours for the past three years averaged 698 hours, and were at 724 in our most recent audit.

Although these past results do not result in any additional hour or fee increases that are further explained in detail below, we believe it is important for the Council to understand the time and effort required to perform our audit, as well as demonstrate our commitment to you that we do not sacrifice audit quality by limiting the hours spent on an audit engagement. The 2020-2022 hours reflect a reduction in audit hours compared to actuals achieved in prior years; however we plan to achieve these hours through



further innovations and advancements in our auditing techniques designed to execute a more efficient audit, without sacrificing audit quality.

### 5.1 Reasons for changes in audit hours

We have not proposed a change to the budgeted level of hours from 2019 to 2020, 2021 and 2022.

## 6 Proposed audit fees

Our proposed fees for the next three audits (compared to budgeted and actual data from the previous financial year) are:

<b>Structure of audit fees</b>	<b>2019 budget fees</b>	<b>2019 actual fees charged</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
	\$	\$	\$	\$	\$
Net audit fee (excluding OAG overhead and disbursements)	119,600	119,700	121,900	124,400	126,900
OAG overhead charge	9,200	9,200	9,200	9,450	9,750
<b>Total audit fee (excluding disbursements)</b>	<b>128,800</b>	<b>128,900</b>	<b>131,100</b>	<b>133,850</b>	<b>136,650</b>
Estimated Disbursements	6,400	4,871	6,000	6,000	6,000
<b>Total billable audit fees and charges</b>	<b>135,200</b>	<b>133,171</b>	<b>137,100</b>	<b>139,850</b>	<b>142,650</b>
GST	20,280	20,066	20,565	20,978	21,398
<b>Total (including GST)</b>	<b>155,480</b>	<b>153,837</b>	<b>157,665</b>	<b>160,828</b>	<b>164,048</b>

The audit fees allow for the audit team to carry out specific tasks identified in the OAG Sector Brief and for the OAG overhead charge. We have also estimated the reasonable cost of disbursements (including travel and accommodation where necessary). Disbursement costs are indicative only and will be charged on an actual and reasonable basis.

### 6.1 Reasons for changes in audit fees

The main changes in cost components for future audits are:

<b>Reasons for increased or decreased audit fees compared to previous period <u>budgeted</u> fees.</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Predicted staff salary cost movements	2,300	2,500	2,500
<b>Total increase (decrease) in audit fees</b>	<b>2,300</b>	<b>2,500</b>	<b>2,500</b>



## 7 Assumptions relating to our audit fee

You are responsible for the production of your financial statements and anything else that must be audited. Our proposed audit fees are based on the assumption that:

- You will provide to us, in accordance with the agreed timetable, the complete information required by us to conduct the audit.
- Your staff will provide us with an appropriate level of assistance.
- Your organisation's annual report and financial statements (including Statements of Service Performance) will be subject to appropriate levels of quality review by you before being submitted to us for audit.
- Your organisation's financial statements will include all relevant disclosures.
- We will review up to two sets of draft annual reports, one printer's proof copy of the annual report, and one copy of the electronic version of the annual report (for publication on your website).
- There are no significant changes to the structure and/or scale of operations of the entities covered by this proposal (other than as already advised to us).
- There are no significant changes to mandatory accounting standards or the financial reporting framework that require additional work (other than as specified in tables 5.1 and 6.1).
- There are no significant changes to mandatory auditing standards that require additional work other than items specifically identified in the tables above.
- There are no significant changes to the agreed audit arrangements (set out in an annual letter we will send you) that change the scope of, timing of, or disbursements related to, this audit.

If the scope and/or amount of work changes significantly, we will discuss the issues and any implications for our audit costs and your audit fees with you and the OAG at the time.

## 8 What the OAG overhead charge provides

Parliament has indicated that it expects the full cost of annual audits under the Public Audit Act (including an OAG overhead charge) to be funded by public entities.

The OAG overhead charge partially funds a range of work that supports auditors and entities, including:

- development and maintenance of auditing standards;
- technical support for auditors on specific accounting and auditing issues;
- ongoing auditor training on specific public sector issues;
- preparation of sector briefs to ensure a consistent approach to annual audits;
- development and maintenance of strategic audit plans; and
- carrying out quality assurance reviews of all auditors, and their audits and staff on a regular (generally, three-year) cycle.

Appointed Auditors are required to return the OAG overhead charge portion of the audit fee, to the OAG.



## 9 Certifications required by the Auditor-General

We certify that:

- the undertakings, methodology, and quality control procedures that we have declared to the OAG continue to apply;
- our professional indemnity insurance policy covers this engagement; and
- the audit will be conducted in accordance with the terms and conditions of engagement set out in the audit engagement agreement and schedules.

## 10 Conclusion

As the Appointed Auditor, I am committed to providing you and the Auditor-General with the highest level of professional service. I intend to work with you, the OAG, and the Auditor-General in a partnership environment to resolve any issues that may arise.

If you require any further information, please do not hesitate to contact me.

Please counter-sign this letter (below) to confirm that you, and the governing body of your organisation, agree with its contents. This letter will then form the basis for a recommendation to the Auditor-General on the audit fee that should be set. The schedules of audit hours and fees will also be incorporated into my audit engagement agreement with the Auditor-General to carry out the audit of your organisation as the agent of the Auditor-General.

Yours sincerely

*Deloitte Limited*

### Heidi Rautjoki

Partner

For Deloitte Limited

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I accept the audit fees for the audit of the [number of] financial years as stated above.

Full name: \_\_\_\_\_ Position: \_\_\_\_\_

Authorised signature: \_\_\_\_\_ Date: \_\_\_\_\_

Entity name: \_\_\_\_\_

### Actions to take when agreement has been reached:

- 1 Make a copy of this signed proposal and keep it for your file.
- 2 Send the original to:
 

Heidi Rautjoki  
Deloitte Limited  
Otago House  
481 Moray Place  
PO Box 1245  
DUNEDIN 9054



Deloitte  
Otago House  
481 Moray Place  
Dunedin 9016

PO Box 1245  
Dunedin 9054  
New Zealand

Tel: +64 3 474 8630  
Fax: +64 3 474 8650  
www.deloitte.co.nz

2 March 2020

The Mayor  
Clutha District Council  
PO Box 25  
**Balclutha 9240**

Dear Mr Cadogan

### **AUDIT ENGAGEMENT LETTER**

This audit engagement letter is sent to you on behalf of the Auditor-General who is the auditor of all "public entities", including Clutha District Council, under section 14 of the Public Audit Act 2001 (the Act). The Auditor-General has appointed me, Heidi Rautjoki, using the staff and resources of Deloitte Limited, under section 32 and 33 of the Act, to carry out the annual audits of Council's financial statements and performance information. We will be carrying out these annual audits on the Auditor-General's behalf, for the years ending 30 June 2020, 2021 and 2022.

This letter outlines:

- the terms of the audit engagement and the nature, and limitations, of the annual audit; and
- the respective responsibilities of the Council and me, as the Appointed Auditor, for the financial statements and performance information.

The objectives of the annual audit are:

- to provide an independent opinion on the Council's financial statements and performance information; and
- to report on other matters that come to our attention as part of the annual audit. Typically those matters will relate to issues of financial management and accountability.

We will carry out the 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 (collectively the Auditing Standards). The Auditing Standards require that we comply with ethical requirements, and plan and perform the annual audit to obtain reasonable assurance about whether Clutha District Council's financial statements and performance information are free from material misstatement. The Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

### **Your responsibilities**

Our audit will be carried out on the basis that the Council acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
  - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
  - all other information, in addition to the financial statements and performance information, to be included in the annual report;
  - additional information that we may request from Clutha District Council for the purpose of the audit;
  - unrestricted access to Council members and employees that we consider necessary; and
  - written confirmation concerning representations made to us in connection with the audit.

In addition, the Council is responsible:

- for the preparation of the summary financial statements and summary performance information;
- for making the audited summary financial statements and summary performance information readily available to the intended users of that information; and
- for including our audit report on the summary financial statements and summary performance information in any document that contains that information and that indicates that we have reported on that information.



Council's responsibilities extend to all resources, activities, and entities under its control. We expect that the Council will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the Council and/or the individuals within Clutha District Council with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred - regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The Council has certain responsibilities relating to the preparation of the financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Annex 1. Annex 2 contains some additional responsibilities relating to the health and safety of audit staff. We expect members of the Council to be familiar with those responsibilities and, where necessary, have obtained advice about them.

The Council should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

### **Our responsibilities**

#### ***Carrying out the audit***

We are responsible for forming an independent opinion on whether the financial statements of Clutha District Council:

- present fairly, in all material respects:
  - its financial position as at 30 June 2020 (as well as 2021 and 2022 in those respective years); and
  - its financial performance and cash flows for the year then ended;
- comply with generally accepted accounting practice in New Zealand.

We are also responsible for forming an independent opinion on whether the performance information of Clutha District Council:

- presents fairly, in all material respects, the performance for the year ended 30 June 2020 (as well as 2021 and 2022 in those respective years), including:
  - its performance achievements as compared with forecasts included in the statement of service performance for the financial year; and
  - its actual revenue and expenses as compared with the forecasts included in the statement of service performance for the financial year.
- complies with generally accepted accounting practice in New Zealand.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the financial statements and performance information. Because of the inherent limitations of an audit, together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, 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 Council's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the Council have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the Council obtained and applied the resources of the Council in an economical manner, and whether any resources are being wasted;
- be alert for issues of a lack of probity – in particular, whether the Council have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.



### ***Our independence***

It is essential that the audit team and Deloitte Limited remain both economically and attitudinally independent of Clutha District Council (the Council); including being independent of management personnel and members of the Council). This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and Deloitte Limited.

To protect our independence, specific limitations are placed on us in accepting engagements with the Council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the Council and myself or Deloitte Limited.

### ***Reporting***

We will issue an independent audit report that will be attached to the financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report. In addition, we will issue an audit report that will be attached to the summary financial statements and summary performance information. This audit report will contain an opinion that provides the same level of assurance as the audit report on the full financial statements and full performance information.

We will also issue a management letter that will be sent to the Council. This letter communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the Council. Typically those matters will relate to issues of financial management and accountability. We may also provide other management letters to the Clutha District Council from time to time. We will inform the Council of any other management letters we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Public Audit Act 2001.

### ***Next steps***

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the enclosed copy of the letter in the space provided and returning it to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally, or have any concerns about the quality of the audit, you should contact me as soon as possible. If after contacting me you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on (04) 917 1500.

If you require any further information, or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours faithfully/sincerely

**Heidi Rautjoki**  
Partner for Deloitte Limited  
On behalf of the Auditor-General

I acknowledge the terms of this engagement and that I have the required authority on behalf of the Council.

Signature:

Name: .....

Title: ..... Date: .....


**Annex 1 – Respective specific responsibilities of the Council and the Appointed Auditor**

<b>Responsibilities for the financial statements and performance information</b>	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards.</p> <p>You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information.</p> <p>You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards, and are supported by proper accounting records and complete evidential documentation.</p>	<p>We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the financial statements:</p> <ul style="list-style-type: none"> <li>- present fairly, in all material respects: <ul style="list-style-type: none"> <li>- the financial position as at 30 June 2020 (as well as 2021 and 2022 in those respective years); and</li> <li>- the financial performance and cash flows for the year then ended;</li> </ul> </li> <li>- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.</li> </ul> <p>We are also responsible for forming an independent opinion on whether the performance information:</p> <ul style="list-style-type: none"> <li>- presents fairly, in all material respects, the performance for the year ended 30 June 2020 (as well as 2021 and 2022 in those respective years), including: <ul style="list-style-type: none"> <li>- the performance achievements as compared with forecasts included in the statement of service performance for the financial year; and</li> <li>- the actual revenue and expenses as compared with the forecasts included in the statement of service performance for the financial year.</li> </ul> </li> <li>- complies with generally accepted accounting practice in New Zealand.</li> </ul> <p>We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.</p> <p>Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information.</p> <p>If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.</p> <p>An audit also involves evaluating:</p> <ul style="list-style-type: none"> <li>- the appropriateness of accounting policies used and whether they have been consistently applied;</li> <li>- the reasonableness of the significant accounting estimates and judgements made by those charged with governance;</li> </ul>





<b>Responsibilities for the financial statements and performance information</b>	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
	<ul style="list-style-type: none"> <li>- the appropriateness of the content and measures in any performance information;</li> <li>- the adequacy of the disclosures in the financial statements and performance information; and</li> <li>- the overall presentation of the financial statements and performance information.</li> </ul> <p>We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that:</p> <ul style="list-style-type: none"> <li>- the adoption of the going concern basis of accounting is appropriate;</li> <li>- all material transactions have been recorded and are reflected in the financial statements and performance information;</li> <li>- all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and</li> <li>- uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information.</li> </ul> <p>Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries.</p> <p>We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that.</p> <p>The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Public Audit Act 2001.</p>

<b>Responsibilities for the accounting records</b>	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for maintaining accounting and other records that:</p> <ul style="list-style-type: none"> <li>- correctly record and explain the transactions of the public entity;</li> <li>- enable you to monitor the resources, activities, and entities under your control;</li> <li>- enable the public entity's financial position to be determined with reasonable accuracy at any time;</li> <li>- enable you to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and</li> <li>- are in keeping with the requirements of the Commissioner of Inland Revenue.</li> </ul>	<p>We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information.</p> <p>If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.</p>

<b>Responsibilities for accounting and internal control systems</b>	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of the public entity), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial</p>	<p>The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an</p>



<b>Responsibilities for accounting and internal control systems</b>	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
and - where applicable - performance information reporting.	<p>opinion on the financial statements and performance information.</p> <p>We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.</p>
<b>Responsibilities for preventing and detecting fraud and error</b>	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of the public entity) supported by written policies and procedures.</p> <p>We expect you to formally address the matter of fraud, and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption.</p> <p>We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within Clutha District Council with delegated authority have a reasonable basis that suspected fraud has occurred - regardless of the amount involved.</p>	<p>We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will:</p> <ul style="list-style-type: none"> <li>- obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and</li> <li>- report to you any significant weaknesses in internal control that come to our notice.</li> </ul> <p>We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud.</p> <p>As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us.</p> <p>If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.</p>
<b>Responsibilities for compliance with laws and regulations</b>	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for ensuring that the public entity has systems, policies, and procedures (appropriate to the size of the public entity) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of the public entity are complied with. Such systems, policies, and procedures should be documented.</p>	<p>We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including:</p> <ul style="list-style-type: none"> <li>- the relevance of the law or regulation to the audit;</li> <li>- our assessment of the risk of non-compliance;</li> <li>- the impact of non-compliance for the addressee of the audit report</li> </ul> <p>The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance.</p>



<b>Responsibilities for compliance with laws and regulations</b>	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
	We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.

<b>Responsibilities to establish and maintain appropriate standards of conduct and personal integrity</b>	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a "Code of Conduct" and, where applicable, support the "Code of Conduct" with policies and procedures.</p> <p>The expected standards of conduct and personal integrity should be determined by reference to accepted "Codes of Conduct" that apply to the public sector.</p>	<p>We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of the public entity may not have acted in accordance with the standards of conduct and personal integrity expected of them.</p> <p>The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit.</p> <p>The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.</p>

<b>Responsibilities for conflicts of interest and related parties</b>	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You should have policies and procedures to ensure that your members and employees carry out their duties free from bias.</p> <p>You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.</p>	To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties, and will be alert for other material related-party transactions. Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.

<b>Responsibilities for publishing the audited financial statements on a website</b>	
<i>Responsibilities of the Council</i>	<i>Responsibilities of the Appointed Auditor</i>
<p>You are responsible for the electronic presentation of the financial statements and performance information on the public entity's website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented.</p> <p>If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.</p>	Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.

**Annex 2 – Health and safety of audit staff**

The Auditor-General and Audit Service Providers take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015 we need to make arrangements with you to keep our audit staff safe while they are working at your premises. We expect you to provide a safe work environment for our audit staff. This includes providing adequate lighting and ventilation, suitable desks and chairs, and safety equipment, where required. We also expect you to provide them with all information or training necessary to protect them from any risks they may be exposed to at your premises. This includes advising them of emergency evacuation procedures and how to report any health and safety issues.

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## Master Terms of Business

## 1. This Agreement

1.1 This Agreement sets out the terms on which we will provide Services to you. We will treat you as having accepted this Agreement if you continue to instruct us after you receive it.

## 2. Our Services

2.1 We will provide the Services described in the Letter. We will use all reasonable efforts to complete the Services within any agreed time frame but time frames are not legally binding.

2.2 Except as expressly agreed in writing before providing a particular Service, the Services do not include:

- (a) financial reporting;
- (b) advice regarding the financial accounting treatment of any transaction;
- (c) any opinion on the achievability of prospective financial information;
- (d) legal advice or legal due diligence services;
- (e) detection of fraud or misrepresentation (and accordingly we do not accept responsibility for detecting fraud or misrepresentation whether by directors, management, staff or external parties); or
- (f) the use by you of our address for any business purpose (including as a registered office).

2.3 We will use reasonable efforts to ensure that our Representatives named in the Letter provide the Services. However, we may replace or reassign any Representative at any time with a Representative of similar skill.

## 3. About Deloitte

3.1 We are a Deloitte Network Firm. You acknowledge that:

- (a) each Deloitte Network Firm is a separate and independent legal entity;
- (b) the Services are provided to you by us and not by any other Deloitte Network Firm, (even if we use other Deloitte Network Firms to help us to provide the Services in accordance with clause 3.2 below); and
- (c) no Deloitte Network Firm is liable for any other Deloitte Network Firm's acts or omissions, except as expressly set out in clause 3.2 below.

3.2 Sometimes we may use other Deloitte Network Firms to help us to provide the Services and Representatives from those Deloitte Network Firms may be in contact with you directly for that purpose. If we use other Deloitte Network Firms, we alone will be responsible for any work undertaken by those other Deloitte Network Firms.

3.3 To the extent permitted by law, you agree that:

- (a) no other Deloitte Network Firm or any of our Representatives will have any liability to you (whether in contract, tort (including negligence) or otherwise) under or in connection with this Agreement and/or the Services; and
- (b) you will not bring any claim, demand or proceedings under or in connection with this Agreement and/or the Services against any

other Deloitte Network Firm or any of our Representatives.

## 4. Our Work

4.1 Our Work is for your exclusive use and must be used by you only for the Purpose. Unless we give our consent:

- (a) our Work must not be used for any other Purpose or made available to anyone else, except your Professional Advisers;
- (b) our Work may not be relied on by anyone other than you; and
- (c) you must not name us or refer to us, our Work or Services in any written materials, other than to your Professional Advisers, in any publicly filed documents or as required by law.

4.2 If you provide a copy of any Work to any of your Professional Advisers, or any other person with our consent, you must ensure that they are aware of and comply with the limits placed on the use and disclosure of our Work (including that they may not rely on the Work) and treat our Work as confidential.

4.3 You acknowledge that use of or reliance on our Work by a person other than you may expose us, our Representatives and Deloitte Network Firms to a claim from a person with whom we have no relationship or whose interests we have not considered in providing the Services. You will indemnify us, our Representatives and/or Deloitte Network Firms against any Loss we, our Representatives and/or Deloitte Network Firms suffer or incur as a result of any distribution to, use of and/or reliance on, any Work by a third party.

4.4 The signed copy of our Report is the definitive version of our advice, subject to any qualifications in that version. You may not rely on any other Work or oral comments or advice. We do not undertake to update any Report after we have issued the final Report to you.

4.5 To comply with our professional standards we must retain as our own property our Work, together with copies of all Information provided to us in the course of us performing the Services. In the absence of other statutory or regulatory requirements or instructions from you, it is our normal practice to destroy correspondence and other papers that are more than seven years old.

4.6 We take our ethical obligations seriously. We have internal anti-bribery and corruption policies that outline the requirements applicable to our operations under anti-bribery and corruption laws, including but not limited to applicable New Zealand laws, the United States Foreign Corrupt Practices Act of 1977 and the United Kingdom Bribery Act 2010.

4.7 We also have procedures in place to ensure we comply with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009. We may have obligations to undertake due diligence on you in order to provide, or continue to provide, Services to you under this Agreement. If you are an entity, this may include information on your ownership and management structure, and ultimate owners. You agree to assist us to comply with these obligations.

### 5. Our Fees

- 5.1 The Fees and the basis on which they are calculated are set out in the Letter. Any estimate of the Fees for the Services will be based upon our assessment of the work involved, taking account of any assumptions set out in the Letter. Unless we have agreed otherwise in the Letter, our Fees may be adjusted if the Services prove more complex or time consuming than expected. We may also change the Fees where:
- (a) an Unexpected Event occurs; or
  - (b) there is a change in the scope of the Services we provide to you (including as a result of an Unexpected Event); or
  - (c) you do not accept this Agreement within three months of the date of the Letter.
- 5.2 You agree to pay us:
- (a) the Fees for the Services plus GST (if applicable);
  - (b) any expenses we incur in providing the Services to you, such as travel costs. We will charge these expenses to you at cost and tell you about them beforehand if they are anything other than incidental; and
  - (c) all costs and expenses (including internal time costs and legal costs) we suffer or incur to provide Information to any third party at your request or on your behalf, including following completion of the Services.
- 5.3 You also agree to pay us for all costs and expenses (including internal time costs and legal costs) on an indemnity basis we suffer or incur if we are required to provide information about you or the Services to comply with (or challenge) any statutory obligation, court order or compulsory process. This includes, without limitation, any Information required to be provided to a regulator or supervisor (such as the Financial Markets Authority, Commerce Commission, Department of Internal Affairs or Reserve Bank of New Zealand) or other government agency (such as the Serious Fraud Office or the New Zealand Police). Your obligation under this clause applies whether or not we are permitted to make you aware of such a requirement to provide information.
- 5.4 Fee estimates are indicative only and are not legally binding.
- 5.5 We will generally invoice you monthly in arrears. You agree to pay any undisputed portions of our invoice within 21 days of the date of the invoice even if there is a dispute between us about that invoice or another invoice. Where amounts remain due and unpaid we may charge you related collection costs (including legal fees) and interest at an annual rate of 2% over the Official Cash Rate of the Reserve Bank of New Zealand ruling on the date payment is due.
- 5.6 We may suspend or terminate our Services or withhold any Information or any Work if you do not pay our invoices on time.
- ### 6. What You Agree To Do
- 6.1 You are responsible for:
- (a) determining that the Services described in the Letter are adequate for your particular purposes and needs;
  - (b) providing us with all reasonable and necessary assistance so that we can provide the Services to you, such as timely and reasonable access to your premises, facilities, networks, Information and Representatives;
  - (c) designating one or more competent Representatives who possess suitable skill, knowledge, and/or experience to oversee the Services;
  - (d) making timely decisions in connection with the Services;
  - (e) providing us with accurate and complete Information;
  - (f) providing us with all Information that is relevant to the Services, even if the same Information has been given to us previously during another engagement;
  - (g) updating any Information where there has been a material change to that Information;
  - (h) operating and managing all accounting, internal control or management information systems (unless you expressly engage us to do so in writing); and
  - (i) any other responsibilities you agree to, including those set out in the Letter.
- 6.2 You acknowledge that:
- (a) our ability to provide the Services depends on you meeting your responsibilities under this Agreement; and
  - (b) we will rely on your Information, the decisions you make and any approvals you give.
- 6.3 Should you wish any of our Representatives to attend your board meetings and contribute in an advisory role, you agree that doing so does not in any way entail our Representatives acting in the capacity of a director. Your board and management remain solely responsible for all aspects of governance, oversight and all decisions in relation to your business.
- ### 7. Our Responsibility To You
- 7.1 To the extent permitted by law, our total liability to you under or in connection with this Agreement (whether in contract, tort (including negligence) or otherwise) is limited to five times the amount of the Fees paid in respect of the Services. In the case of continuous Services provided by us, "the Fees" means the fees charged by us for the relevant Services in the twelve months preceding the occurrence of the event, act or omission giving rise to the claim.
- 7.2 The limit of liability set out above applies to all Addressees as a group. You agree not to dispute the limit if you are unable to agree on how it will be allocated between you.
- 7.3 We will only be liable to you for the proportion of the legally payable amounts that we have caused. We will not be liable for any Loss to the extent it is caused by an Unexpected Event.
- 7.4 We will not be liable for any Consequential Loss.
- 7.5 If you are not satisfied with our Services, you will provide us with the opportunity to re-perform them or resolve the issues that have arisen before taking any further action.

- 7.6 Any claim against us must be brought within 12 months of the occurrence of the event, act or omission giving rise to the claim.
- 8 **Conflict Of Interest**
- 8.1 We have relationships with many clients. If, after this Agreement starts, we identify circumstances that could cause us to have a conflict of interest, we will evaluate the potential conflict and, depending on the circumstances, apply appropriate safeguards to manage it. However, you acknowledge that we may need to terminate this Agreement if we are unable to resolve or manage a conflict of interest satisfactorily.
- 9 **Termination**
- 9.1 Either of us may terminate this Agreement:
- at any time by giving the other written notice; or
  - immediately if the other becomes insolvent or otherwise ceases to carry on business or commits any material breach of this Agreement that is either incapable of being remedied or is not remedied within 14 days of receipt of a notice requiring the breach to be remedied.
- 9.2 If this Agreement is terminated, you agree to pay us the Fees for any work we have done, and any other agreed amounts or expenses we have incurred, up to the date of termination. You also agree to pay us any costs or expenses payable pursuant to clause 5.2(c), whether before or after the date of termination.
- 9.3 Any provision of this Agreement that is expressly or by implication intended to survive termination will survive, including clause 3, *About Deloitte*; clause 4, *Our Work*; clause 5, *Our Fees*; clause 9.2, *Termination*, clause 11, *Confidentiality*; clause 13, *Intellectual Property*; clause 15, *Dispute Resolution* and clause 17, *General*.
- 10 **Tax Services**
- 10.1 Where we provide Tax Advice to you in written form on a confidential basis that written Tax Advice may qualify as a 'tax advice document' that is not required to be disclosed to the Inland Revenue in terms of the Tax Administration Act 1994. We do not place any limitations on your disclosure of such Tax Advice. However if you choose to disclose such Tax Advice your rights to claim non-disclosure may be forfeited.
- 10.2 Under the applicable tax legislation, it is the taxpayer who has the ultimate responsibility for the correctness of the tax returns. For this reason you agree that:
- the responsibility for the accuracy and completeness of the return(s) remains with you. An authorised representative will be required to review and sign the return(s) prior to filing with Inland Revenue;
  - the preparation by us of the return(s) does not result in the expression of an audit or review opinion or provide any other form of assurance on the respective return(s); and
  - no reference will be made by us to further source documentation or invoices to substantiate the Information supplied by you.
- 10.3 The Services are not binding on any government, tax or other regulatory authority or the courts of any jurisdiction. We do not guarantee that any government, tax or other regulatory authority or court will agree with the Tax Advice provided to you in connection with the Services. The Services will be performed taking into account relevant tax legislation in force at the time the Services are provided to you. Any changes in the applicable tax legislation after the Services have been provided to you may affect the validity or correctness of the Tax Advice provided. We are under no responsibility to inform you of any such changes.
- 11 **Confidentiality**
- 11.1 Each of us agrees to protect and keep confidential any Confidential Information that is given to us by the other.
- 11.2 We will only use or disclose your Confidential Information to provide the Services to you and we may also disclose your Confidential Information:
- to other Deloitte Network Firms and our Representatives who will only use and disclose it to provide the Services to you;
  - as required by law, D TTL's quality review processes or our professional obligations;
  - to our own professional advisers, service providers and insurers on a confidential basis; or
  - to anyone else, on a confidential basis, where you agree first that we may do so.
- 11.3 You agree that we may aggregate your Information and use and disclose that Information in de-identified form as part of research and advice, including benchmarking services.
- 11.4 Subject to clauses 4.5, 5.6 and 12.1, we will return your Confidential Information, or destroy it, at any time at your request.
- 12 **Personal Information and Electronic Communication**
- 12.1 We will collect, store and disclose any Personal Information provided to us in connection with the Services in accordance with the Privacy Act 1993. This includes any Personal Information provided to us for the purposes of compliance with the Anti-Money Laundering and Countering Financing of Terrorism Act 2009 prior to providing the Services to you. Please refer to our [Privacy Policy](#) for details of your rights to access and request correction of any Personal Information that we hold about you.
- 12.2 If you provide us with any Personal Information of a third party, you confirm that you have collected that Personal Information in accordance with the Privacy Act 1993 and the individual concerned has:
- authorised the disclosure to and use of their Personal Information by us for the purpose for which you disclose it to us; and
  - has been informed of their right to access and request correction of their Personal Information.
- 12.3 You authorise us to communicate with you and others electronically. If you have any doubts about the authenticity of any communication or document purportedly sent by us, please contact us immediately.

### 13 Intellectual Property

- 13.1 Unless we agree otherwise, we will retain ownership of the Intellectual Property in our Work and, other than Reports, we have no obligation to provide our Work to you or any other person.
- 13.2 Subject to payment of our Fees and other charges, we give you a royalty-free, perpetual, world-wide licence to use and reproduce any Reports for the Purpose.
- 13.3 You agree we can use your logos and marks on our Work, unless you tell us otherwise.

### 14 Health and safety

- 14.1 You agree to comply with the HSW Act and all regulations, rules, standards, approved codes of practice and any other applicable law relating to health and safety.
- 14.2 You agree to identify and advise us and our Representatives of all hazards which arise in your workplace and which may present a risk to Representatives while providing the Services. You agree to manage those risks, so far as is reasonably practicable, by either eliminating or mitigating those risks. We may suspend our Services where we consider there is a risk to the health and safety of our Representatives either in your workplace or as a result of continuing to provide Services. If you cannot eliminate or mitigate such risk after Services are suspended, we shall be entitled to terminate our Services.
- 14.3 You agree to notify WorkSafe New Zealand and us of any notifiable event (as defined in the Act) arising out of the conduct of your business which concerns any Representative.
- 14.4 We agree to consult, co-operate and co-ordinate activities where we share health and safety duties in relation to the same matters.

### 15 Dispute Resolution

- 15.1 Each of us agrees to use reasonable endeavours to resolve any dispute that arises in connection with this Agreement by mediation before bringing a legal claim or starting legal proceedings against the other. Nothing in this clause 15, *Dispute Resolution*, prevents either of us from taking immediate steps to seek interlocutory, equitable or other urgent relief before a New Zealand court.

### 16 Entire Agreement

- 16.1 This Agreement is the entire agreement between us. It supersedes all prior communications, negotiations, representations, undertakings, arrangements and agreements, either oral or written between us. Any changes to this Agreement must be agreed to in writing by both of us.
- 16.2 For the purposes of section 5D of the Fair Trading Act 1986 (**FTA**), we both acknowledge and agree that we are contracting out of sections 9, 12A and 13 of the FTA in respect of all matters covered by this Agreement.
- 16.3 To the extent permitted by law, we exclude all warranties, representations, conditions and terms, either express or implied, in relation to the Services.

### 17 General

- 17.1 Neither of us may transfer, subcontract, assign or novate this Agreement without the prior written consent of the other. However, we may transfer, subcontract, assign or novate our rights and/or obligations under this Agreement to any entity in Deloitte New Zealand and we may subcontract to any Deloitte Network Firm in accordance with clause 3.2.
- 17.2 Each of us agrees that, during the term of this Agreement and for a period of six months after it ends, neither of us will directly or indirectly solicit for employment a Representative of the other. However, both of us may advertise or recruit generally in the media.
- 17.3 We are engaged as an independent contractor. Neither of us is an agent or representative of or has the authority to bind the other. This Agreement is not intended to constitute a partnership, agency, employment, joint venture or fiduciary relationship between us.
- 17.4 If any of the terms of this Agreement are not legally enforceable then that term or the relevant part of it will either be amended, where possible, to make it enforceable or ignored, but in all other respects this Agreement will have full effect.
- 17.5 A waiver by one of us of a breach by the other party of any term of this Agreement does not operate as a waiver of another term or a continuing breach by the other of the same or any other term of this Agreement.
- 17.6 Where this Agreement refers to our Representatives or Deloitte Network Firms, it is intended to confer a benefit on each Representative and Deloitte Network Firm, enforceable by them, in terms of the Contract and Commercial Law Act 2017, Part 2, Subpart 1 and the law of any relevant jurisdiction.
- 17.7 Each of us will, within a reasonable time of being requested by the other, do all things and execute all documents that are reasonably necessary to give full effect to this Agreement.
- 17.8 This Agreement is governed by the laws of New Zealand and each party submits to the exclusive jurisdiction of the courts of New Zealand.

### 18 Definitions

- 18.1 In this Agreement the following words have the meanings set out below:
- Addressee** means each person to whom the Letter is addressed.
- Agreement** means the Letter and the Terms.
- Annexure** means a schedule or document which is annexed to the Letter and identified as a schedule, annexure or attachment to the Letter.
- Confidential Information** means any information designated as confidential or which might reasonably be expected, based on its content or circumstances of disclosure, to be confidential, including:
- the terms of this Agreement and the details of the Services and any Work; and
  - trade secrets and information or material which is proprietary to a party,
- but excludes any information that:



- (a) is independently acquired or developed without the benefit or use of the other party's confidential information; and
- (b) is disclosed with the other party's prior written consent, including in accordance with this Agreement.

**Consequential Loss** means any:

- (a) loss of profits, revenue, anticipated savings or business opportunity;
- (b) damage to goodwill;
- (c) loss or corruption of data or systems; and
- (d) Loss which is indirect, consequential, special, punitive, exemplary or incidental,

arising under or in connection with this Agreement and/or the provision of the Services.

**Deloitte Network Firm** means DTTL, and any partnership or entity that is a member of the DTTL network operating under the name "Deloitte", "Deloitte & Touche", "Deloitte Touche Tohmatsu" or other related name, and each of DTTL's and such partnership's or entity's controlled entities, predecessors, successors, assignees, partners, principals, members, owners, directors, employees and agents, including Deloitte New Zealand.

**Deloitte New Zealand** means the New Zealand partnership that is a Deloitte Network Firm and each of the entities under the New Zealand partnership's ultimate control and any of their respective predecessors, successors or assignees.

**Deloitte Service Provider** means the Deloitte New Zealand entity entering into the Agreement as identified in the Letter.

**DTTL** means Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee.

**Existing Material** means any methodologies, technologies or other proprietary information either in existence at or prior to the date of this Agreement or developed by us independently of the Services.

**Fees** means the fees for the Services as stated in, or calculated in accordance with, the Letter.

**GST** means tax imposed by the *Goods and Services Tax Act 1985*.

**HSW Act** means the *Health and Safety at Work Act 2015*.

**Information** means any information, documents, materials, facts, instructions or Confidential Information provided to us by you or your Representatives or anyone else at your request.

**Intellectual Property** means all industrial and intellectual property rights throughout the world, whether or not registered or capable of registration, including copyright, trade marks, designs, programming codes, trade secrets, know-how and circuit layouts in our Work.

**Letter** means the engagement letter between us to which the Master Terms of Business are attached, including any replacement or supplementary engagement letter.

**Loss** means any losses, liabilities, claims, compensation, penalties, fines, damages, costs or expenses (including internal time costs, interest and taxes where applicable), however caused or

arising under or in connection with this Agreement and/or the provision of the Services (whether in contract, tort (including negligence) or otherwise).

**Personal Information** has the meaning given to it in the Privacy Act 1993.

**Privacy Policy** means our client privacy policy available at [https://www2.deloitte.com/nz/en/footerlinks1/client-privacy.html?icid=bottom\\_client-privacy](https://www2.deloitte.com/nz/en/footerlinks1/client-privacy.html?icid=bottom_client-privacy)

**Professional Advisers** means your professional advisers, such as your accountant or auditor, who are assisting you in relation to the Services but excludes any investor, agent, intermediary, underwriter, syndicate participant, lender or other financial institution or anyone who may provide you with any credit enhancement or credit rating.

**Purpose** has the meaning given to it in the Letter or our Work, or where both are silent on this, the purpose for which we provide our Work to you.

**Report** has the meaning given to it in the Letter, or where the Letter does not set out a specific report, means any final form documents, reports or deliverables we provide to you as a result of the Services or this Agreement.

**Representative** means:

- (a) any officer, employee, consultant, agent, contractor or subcontractor of either of us, who is involved in the Services or other activities to which this Agreement relates; and
- (b) in the case of a Deloitte Service Provider, includes any partner, officer, employee, consultant, agent, contractor or subcontractor of a Deloitte Network Firm who is involved in the Services or other activities to which this Agreement relates in accordance with clause 3.2.

**Services** means the services described in the Letter and any other services unless we have otherwise agreed in writing.

**Tax Advice** means any advice, whether written or oral, relating to tax, tax structuring or tax treatment provided by us as a result of the Services.

**Terms** means these Master Terms of Business.

**Unexpected Event** means any occurrence, failure or delay under or in connection with this Agreement that is caused or contributed to by an act, omission or event that is beyond our reasonable control, including any:

- (a) act, omission or breach of this Agreement by you;
- (b) failure of, problem with, or unauthorised access to, the technology infrastructure or environment used by us or our service providers including software defects or errors; and
- (c) interference, interception or corruption of an electronic communication,

**us** means the Deloitte Service Provider or both you and the Deloitte Service Provider, as the context requires.

**we** and **our** means the Deloitte Service Provider.

**Work** means any work provided to you and/or created in the course of providing the Services (in any form, whether in final or draft and whether prepared alone or in conjunction with you or any other person), including Existing Material, Reports, e-mails, notes and working papers.

**you** and **your** means each Addressee and where applicable, each Addressee's Representatives or Professional Advisers. For the purpose of clause 4.3, you and your is restricted to each Addressee.

- 18.2 In this Agreement, a reference to:
- (a) a party includes its successors and permitted assigns;
  - (b) "including" shall be construed as "including, without limitation";
  - (c) our consent shall mean our prior written consent (including by e-mail), with any conditions that we may impose, at our absolute discretion;
  - (d) agreement between the parties, means express agreement in writing (including by e-mail);
  - (e) the singular includes the plural and vice versa;
  - (f) the word person includes an entity, a firm, a body corporate, an unincorporated association or an authority;
  - (g) a statute includes amendments to that statute and any statute to the extent passed in substitution for that statute; and
  - (h) dollars or \$ means New Zealand dollars.
- 18.3 If there is any conflict between these Terms and any other part of this Agreement, the following order of priority will apply: (i) the Letter; (ii) the Annexure; and (iii) the Terms.

#### 19. **Your Feedback**

- 19.1 We value your feedback. We aim to obtain a regular assessment of our performance and we will always be pleased to hear any suggestions as to how our service can be improved. If you wish to make a complaint, please contact your usual Deloitte contact or, alternatively, Deloitte's Reputation and Risk Leader, c/o Deloitte, Private Bag 115-033, Auckland, 1140, New Zealand or NZlegal@deloitte.co.nz

**Effective from 13 June 2019**

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# Clutha District Council

## Item for DECISION

<b>Report</b>	Risk & Assurance Committee Recommendation: Review of the Policy on Treasury Management Report
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	2
<b>Prepared By</b>	John Scott – Group Manager Corporate Services
<b>File Reference</b>	256101

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### REPORT SUMMARY

Recommendations made by the Risk & Assurance Committee to Council at a meeting held on 19 March 2020 on the Review of the Treasury Management Policy.

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

- 1. “That the Risk & Assurance Committee recommends to Council that the changes made to the Treasury Management Policy and Investment and Liability Management Policy be approved. “***

### RECOMMENDATIONS

- 1. That Council receives the report “Risk & Assurance Committee Recommendation: Review of the Policy on Treasury Management Report”.**
- 2. That Council adopts the changes made to the Treasury Management Policy and Investment and Liability Management Policy.**

## REPORT

### 1 Background

The Policy on Treasury Management has been technically reviewed in consultation with the Risk & Assurance Committee Chair and our Bancorp Advisor Miles O'Connor. The previous single policy is now split into two:

- Treasury Management Policy and
- Investment and Liability Management Policy.

The two policies separate Governance Policy from Management Process as well as being reworded into plain English.

Council has recently joined the LGFA and it is now prudent to review the Policy on Treasury Management.

Attachment 1 – Treasury Management Policy.

Attachment 2 – Investment and Liability Management Policy.



Treasury Management Policy		Policy number:	01-01-003
<b>Approved by:</b>	Chief Executive		
<b>Department:</b>	Corporate Services		
<b>Date Approved:</b>	2 April 2020	<b>Next Review Date:</b>	With every change in the ILMP or management structure and not later than 4 years (2023)
<b>Relevant Legislation:</b>	This is a management policy, related to the Investment and Liability Management Policy (ILMP), which sets out staff responsibilities for treasury management.		
<b>Clutha District Council Documents reference:</b>	Treasury Management Policy		

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## Glossary

CCO / CCTO	Council Controlled Organisation / Council Controlled Trading Organisation
CE	Chief Executive
DTD	Debenture Trust Deed
FA	Financial Accountant
GMCS	General Manager Corporate Services
ILMP	Investment and Liability Management Policy
LGA	Local Government Act 2002
LGFA	New Zealand Local Government Funding Agency
MA	Management Accountant
PPE	Plant Property and Equipment
TMP	Treasury Management Policy
YTD	Year to Date



## PURPOSE

1. The purpose of this Treasury Management Policy (TMP) is to outline policies and procedures in respect of all treasury activity. The formalisation of such policies and procedures will enable treasury risks to be managed prudently.
2. As circumstances change, the policies and procedures outlined in this Policy will be modified to ensure that treasury risks continue to be well managed.

## SCOPE AND OBJECTIVES

### Scope

3. This document identifies the policy and procedures in respect of treasury activities (financial investments, borrowing and liquidity).
4. The TMP does not cover matters in the Investment and Liability Management Policy (ILMP) which are outside of treasury management. These matters are addressed by other policies and procedures:
  - a. Investments in Council Controlled Organisations (CCO's) and Council Controlled Trading Organisations (CCTO's).
  - b. Plant, Property and Equipment (PPE) which support operational activities.
  - c. Delegations for financial investment, borrowing and banking management.
  - d. Systems of internal control and financial management. Other policies and procedures cover these matters.

### Objectives

5. The objective of the TMP is to efficiently implement the strategic approach to investment and borrowing as set out in the ILMP and ensuring this is done within appropriate decision-making frameworks, delegations and processes. This will include:
  - a. Ensuring compliance with all legal requirements of the Local Government Act 2002 (LGA), with respect to borrowing, investments and incidental arrangements.
  - b. Establishing a control environment that sets appropriate risk assessment and compliance procedures for effective treasury management.
  - c. Developing and maintaining relationships with financial institutions (including the Local Government Funding Agency (LGFA)) arrange, structure, contract, optimise, acquire, dispose transact and record treasury transactions within approved limits, delegations and strategies.
  - d. Minimising the costs of treasury activities and maximise the returns within policy constraints and risk management requirements.
  - e. Maintaining appropriate liquidity levels and manage cash flows to meet known and reasonable unforeseen funding requirements.



- f. Monitoring, evaluating and reporting compliance on treasury performance to senior management, elected members, the community, the debenture trustees, LGFA and other parties Council has obligations to.

### Statutory Compliance

6. All borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet the requirements of the LGA.
7. Treasury management is constrained by; the LGA, in particular Part 6 including sections 100, 101, 101A, 102, 103, 104, 105, 112 to 116 and Schedule 7 clause 32(1)(c) including:
  - a. All projected external borrowings must be approved by Council as part the LTP, or specific resolution before the borrowing is affected.
  - b. Council will not enter into any investments or borrowings denominated in a foreign currency.
  - c. Council cannot transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by itself unless otherwise exempt from this requirement.
  - d. A Council resolution is not required for hire purchase, credit or deferred purchase of goods if:
    - i. The period of indebtedness is less than 91 days (including rollovers); or
    - ii. The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding an amount determined by resolution of Council.
8. Local Government (Financial Reporting and Prudence) Regulations 2014, in particular Schedule 4.
9. Trustee Act 1956. When acting as a trustee or investing money on behalf of others, the Trustee Act highlights that trustees have a duty to invest prudently and that they shall exercise care, diligence and skill that a prudent person of business would exercise in managing the affairs of others. Details of relevant sections can be found in the Trustee Act 1956 Part II Investments.
10. Financial reporting is based on accounting policies and disclosures required by the Financial Report Act 1993, LGA and Local Government (Financial Reporting and Prudence) Regulations 2014.

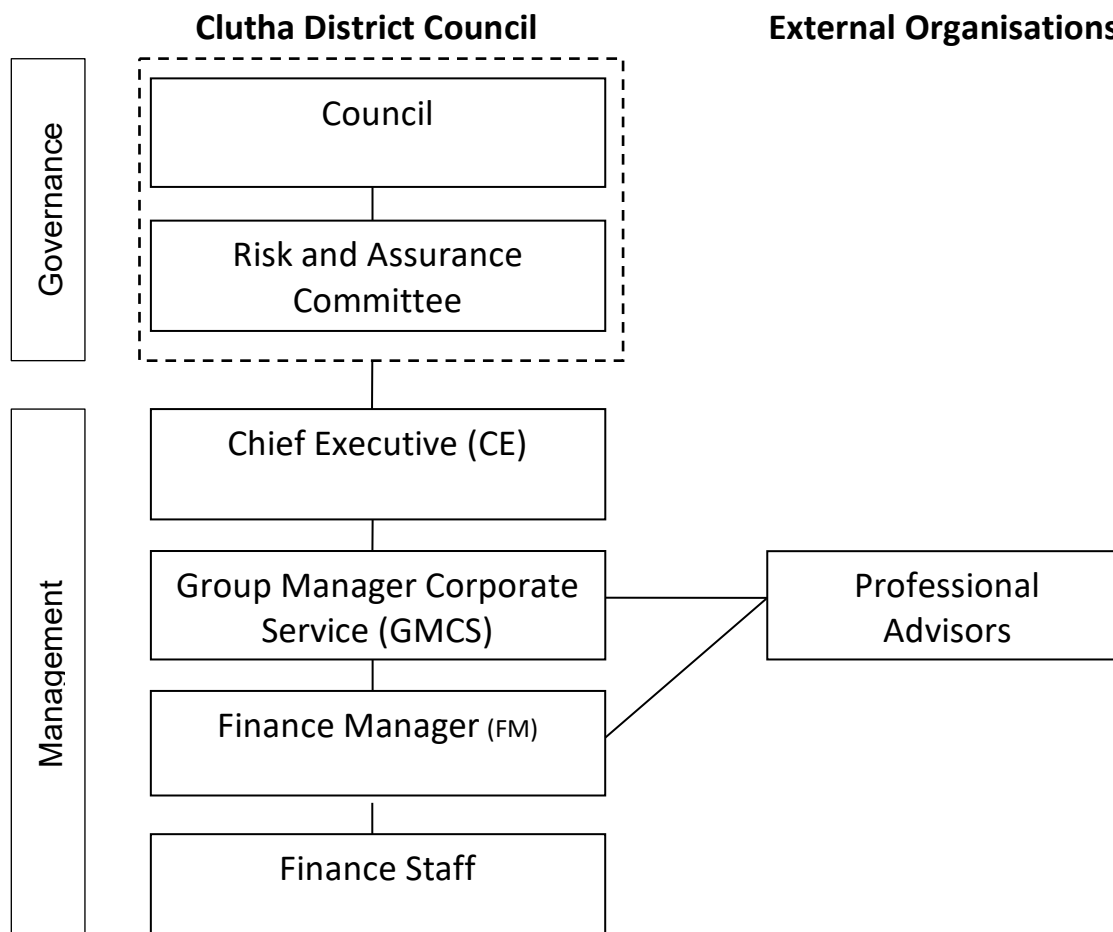




## MANAGEMENT RESPONSIBILITIES

### Overview of Management Structure

11. The following diagram illustrates those positions or functions that have treasury responsibilities:



12. Governance responsibilities are to set policy, determine risk tolerance and monitor performance of treasury activities.
13. Management responsibilities are to effectively and efficiently manage and execute treasury transactions within the limits and constraints of policy and to be accountable to governance through clear reporting.
14. A detailed schedule of responsibilities is listed in Appendix 1.

### Delegation of Authority and Authority Limits

15. Treasury transactions entered into without the proper authority are difficult to cancel given the legal doctrine of 'apparent authority'. Also, insufficient or out of date authorities for a given bank account or facility may prevent the execution of certain transactions (or at least cause unnecessary delays).
16. To prevent these types of situations, the following procedures must be complied with:



- a. All delegated authorities and signatories must be reviewed at least once every three years to ensure that they are still appropriate and current.
  - b. A letter must be sent to all bank counterparties at least annually to confirm details of all relevant current delegated authorities empowered to bind Council.
  - c. Whenever a person with delegated authority on any account or facility leaves Council, all relevant banks and other counterparties must be advised in writing in a timely manner to ensure that no unauthorised instructions are to be accepted from such persons.
17. The following responsibilities are recommended and should be confirmed in Delegations from Council to subordinate bodies, the CE or by the CE to staff. (Note this schedule does not constitute a delegation)



Responsible Activity	Recommended Delegated Authority	Limit
Approving and changing Policy	Council	Unlimited
Approving new borrowing through the LTP, Annual Plan or separate resolution.	Council	Unlimited (subject to legislative and other regulatory limitations)
Acquisition and disposition of investments other than financial investments	Council	Unlimited
Approval for charging assets as security over borrowing	Council	Unlimited
Appoint Debenture Deed Trustee	Council	N/A
Opening / closing bank accounts	Council	Unlimited
Overall day-to-day risk management	CE GMCS FM	Overall day-to-day risk management
Raising of new debt subject to overall Council approval and the re-financing of existing debt	CE GMCS FM	Existing debt
Adjust external debt or external investment interest rate risk profile	Council	Per risk control limits
Managing funding and investment maturities in accordance with Council approved risk control limits	CE GMCS FM	Per risk control limits
Maximum daily transaction amount (borrowing, investing, interest rate risk management and cash management) excludes roll-overs on floating rate investments and interest rate rollovers on swaps	Council CE GMCS FM Finance Accountants Team	Unlimited \$10 million \$5 million \$3 million \$1 million
Authorising lists of signatories	CE	Unlimited
Review of the Policy	Risk and Assurance Committee GMCS FM	N/A
Ensuring compliance with the Policy	CE GMCS FM Finance Team	N/A
Monitoring compliance with this Policy	Risk and Assurance Committee	NA

## BORROWING

18. Overall policies for borrowing are in the ILMP. The following matters are to be considered by staff in acquiring, managing and reporting on borrowing and debt.



19. In evaluating strategies for new borrowing (in relation to source, term, size, short term versus long term and pricing) the GMCS takes into account the following:
- a. Borrowing is authorised by the LTP or a resolution of Council (LGA, sch 7 Cl 31(1)(c)).
  - b. Available internal borrowing funds both at the time of borrowing and forecast.
  - c. Available terms from banks, LGFA, and the debt capital markets.
  - d. Council's overall debt maturity profile, to ensure concentration of debt is avoided at issue/rollover time.
  - e. Prevailing interest rates and margins relative to rates/yields, available for LGFA debt, debt capital markets and bank borrowing.
  - f. The market's outlook on future interest rate movements (based on both pricing and forecasts) as well as Council's outlook.
  - g. Ensuring that the implied finance terms and conditions within the specific debt (e.g. project finance) are evaluated in terms such as cost/tax/risk limitation compared to the terms and conditions Council could achieve in its own right.
  - h. Legal documentation and financial covenants together with credit rating considerations if applicable.
  - i. Alternative funding mechanisms such as leasing should be evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation should take into consideration, ownership, redemption value and effective cost of funds.
  - j. Other - Instruments not specifically referred to in the ILMP may only be used with specific Council approval.
  - k. Legal advice sought on borrowing transactions if judged necessary by staff.
  - l. Hire Purchase, Deferred Purchase, Trade Credit - for the purposes of sub-paragraph (c)(ii)(B) of the definition of "borrowing" in LGA s.112, "borrowing" does not include:
    - i. Debt incurred in connection with hire purchase of goods, the deferred purchase of goods or services, or the giving of credit for the purchase of goods or services, if the goods or services are obtained in the ordinary course of Council's performance of its lawful functions, on terms and conditions available generally to parties of equivalent credit-worthiness, for amounts not exceeding in aggregate \$250,000; or
    - ii. The deferred purchase of goods or services or the giving of credit for the purchase of goods or services through the mechanism of contract retentions held for periods less than 365 days.

## FINANCIAL INVESTMENTS

20. Overall policies for investments are in the ILMP. The following matters are to be considered by staff in acquiring, managing and reporting on treasury investments.
21. In evaluating strategies for new investments, the GMCS takes into account the following:
- a. New investments are authorised by delegation or resolution of Council.



- b. For non-financial investments a business case is prepared which outlines:
    - i. the investments meet statutory requirements of the LGA including:
      - 1. The purpose of local government, including wellbeing.
      - 2. The principles are applied especially s.14(1)(fa).
      - 3. If a CCO/CCTO, the requirements of Part 5, especially s.56.
    - ii. The investment is consistent with existing Council policies and if inconsistent where this is so and whether this requires addressing. This should include the ILMP, LTP, financial strategy and revenue and financing policy.
    - iii. The advantages and disadvantages of making the investment.
    - iv. An assessment of the assumptions and risks both for the investment and on the overall financial circumstances of Council.
    - v. An assessment of the prudence of a decision to make the investment
22. In monitoring investments, the GMCS, regularly monitors all investments and takes into account the following:
- a. Council's purpose for making the investment and the achievement of that purpose.
  - b. The advantages and disadvantages of maintaining the investment
  - c. Any changes in the risk profile of the investment.
  - d. External and independent professional advice
  - e. Market outlooks.

## LIQUIDITY MANAGEMENT

23. Overall policies for liquidity are in the ILMP. The following matters are to be considered by staff in managing and reporting on liquidity.
24. The GMCS, FM and MA are responsible for day to day cash and short-term debt management activities. This will include the following:
- a. Ensure that appropriate cashflow projections are maintained, with the objective of managing an optimal cash position within approved parameters.
  - b. Undertake short term borrowing functions as required, thus minimising overdraft costs.
  - c. Ensure efficient cash management through improvements to the accuracy of forecasting.
  - d. Minimise fees and bank charges by optimising bank accounts, facility structures and merchant service agreements.
  - e. When operating as a net borrower, surplus funds will normally only be permitted only to be invested on a short-term basis, usually until the next opportunity to repay debt. However, exceptions to this may occur where it is prudent to do so, for example, the pre-funding of debt which is placed on term deposit until the funds are required.



## RISK MANAGEMENT

25. Overall policies for treasury risk management are in the ILMP. The following matters are to be considered by staff in acquiring, managing and reporting on risk, risk management options and instruments.

### Legal Risk

26. Legal risk relates to the unenforceability of a transaction due to an organisation not having the legal capacity or power to enter into the transaction usually because of prohibitions contained in legislation. While legal risks are more relevant for banks, Council may be exposed to such risks and be unable to enforce its rights due to deficiencies or inaccurate documentation.
27. Council will seek to minimise this risk by adopting policy regarding:
- The use of standing dealing and settlement instructions (including bank accounts, authorised persons, standard deal confirmations, contacts for disputed transactions) to be sent to counterparties.
  - The matching of third-party confirmations and the immediate follow-up of anomalies.
  - The use of expert advice.

### *Agreements*

28. Derivative financial instruments can only be entered into with banks that have in place an executed ISDA (International Swaps and Derivatives Association) Master Agreement with Council.
29. All legal documentation in respect to the establishment of external borrowing and financial instruments (ISDA) will be approved by Council's solicitors prior to transactions being executed.

### *Financial covenants and other obligations*

30. Council must not enter into any transactions where it would cause a breach of financial covenants under existing contractual arrangements.
31. Council must comply with all obligations and reporting requirements under existing funding facilities and legislative requirements.

### Operational Risk

32. Operational risk is the risk of loss as a result of human error (or fraud), system failures and inadequate procedures and controls.
- Operational risk is very relevant when dealing with financial instruments given that:
    - Financial instruments may not be fully understood.
    - Too much reliance is often placed on the specialised skills of one or two people.
    - Most treasury instruments are executed over the phone.
  - Operational risk is minimised through the adoption of all requirements of this policy.
33. Operational risk is minimised through the application of all requirements of the TMP.



### *Segregation of Duties*

34. As there are a small number of people involved in the treasury activity, adequate segregation of duties among the core borrowing and investment functions of deal execution, confirmation, settling and accounting/reporting is not strictly achievable. The risk will be minimised by the following process:
- The GMCS reports directly to the CE.
  - There is a documented approval process for borrowing, interest rate risk management and investment activity.
  - Any execution activities undertaken by the GMCS will be checked by the FM and the FM will report any irregularities direct to the CE. Any execution activities undertaken by the FM and the MA will be checked by the GMCS and any irregularities reported to the CE.
  - In the absence of the FM, the FM's deal execution delegated authority should move to the MA.

### *Procedures*

35. All treasury instruments should be recorded and diarised within a treasury system/spreadsheet, with appropriate controls and checks over journal entries into the general ledger. Deal capture and reporting must be done immediately following execution/confirmation. Details of procedures including templates of deal tickets should be compiled in an appropriate operations and procedures manual separate to this Policy. Procedures should include:
- Regular management reporting.
  - Regular risk assessment, including review of procedures and controls as directed by the Council or appropriate sub-committee.
36. Organisational, systems, procedural and reconciliation controls to ensure:
- All borrowing, investing, interest rate and cash management activity is bona fide and properly authorised.
  - Checks are in place to ensure Council accounts and records are updated promptly, accurately and completely.
  - All outstanding transactions are revalued regularly and independently of the execution function to ensure accurate reporting and accounting of outstanding exposures and hedging activity.

### *Organisational controls*

37. The GMCS has responsibility for establishing appropriate structures, procedures and controls to support borrowing, investing, interest rate and cash management activity.
38. All borrowing, investing, cash management and interest rate risk management activity is undertaken in accordance with approved delegations authorised by the Council.

### *Cheque/electronic banking signatories*

39. Signatories are recommended by the GMCS and approved by the CE.
40. Dual signatures are required for all cheques and electronic transfers.
41. Cheques must be in the name of the counterparty crossed "Not Negotiable, Account Payee Only" or "Not Transferable, Account Payee Only", via the Council bank account.



#### *Authorised personnel*

42. All counterparties are provided with a list of personnel approved to undertake transactions and receive confirmations.

#### *Settlement*

43. The majority of borrowing, investing, interest rate and cash management transactions are settled by direct debit authority.

#### *Reconciliations*

44. Monthly reconciliations of the treasury data to the general ledger and third-party confirmations is completed and reviewed by Finance staff.

### MEASURING TREASURY PERFORMANCE

45. In order to determine the success of Council's treasury management function, the following benchmarks and performance measures have been prescribed.
46. Those performance measures that provide a direct measure of the performance of treasury staff (operational performance and management of debt and interest rate risk) are to be reported to Council or an appropriate sub-committee of Council on a quarterly basis.

<b>Management</b>	<b>Performance</b>
Operational performance	<ul style="list-style-type: none"> <li>• All policy limits must be complied with, including (but not limited to) counterparty credit limits, control limits and exposure limits.</li> <li>• All treasury deadlines are to be met, including reporting deadlines.</li> </ul>
Management of debt and interest rate risk (borrowing costs)	<ul style="list-style-type: none"> <li>• The actual borrowing cost (taking into consideration any costs/benefits of entering into interest rate management transactions) should be compared to budgeted YTD/annual interest cost amount.</li> <li>• Actual wholesale interest costs must be benchmarked to a market interest rate. The market interest rate is the mid-point policy benchmark rate. The benchmark is constructed as follows:               <ul style="list-style-type: none"> <li>• 30% Average 90-day bill rate for reporting month.</li> <li>• 8.75% 2 year swap rate at end of reporting month.</li> <li>• 8.75% 2 year swap rate, 2 year ago.</li> <li>• 11.25% 5 year swap rate at end of reporting month.</li> <li>• 11.25% 5 year swap rate, 5 years ago.</li> <li>• 15% 7 year swap rate at end of reporting month.</li> <li>• 15% 7 year swap rate, 7 years ago.</li> </ul> </li> </ul>





Management	Performance
	<p>The actual reporting benchmark is the 12 month rolling average of the monthly calculated benchmarks using the above parameters. This is compared to actual cost of funds, excluding all credit margins and fees. It is predicated off the midpoints of the fixed rate hedging percentages which is more detailed than just using the 90 day rate and the 4 year swap rate.</p>

## REPORTING

47. Reporting is designed to monitor compliance with this and other council policies and plans, as it relates to investments, borrowing and liquidity.
48. Monitoring includes understanding the market and evaluating the performance of debt and investments against the market and assess appropriateness of policy implementation.



48-49. The following reports are produced:

<b>Report Name</b>	<b>Frequency</b>	<b>Prepared by</b>	<b>Reviewed by</b>	<b>Recipient</b>
Cash Position Treasury Spreadsheet	Monthly	Finance Staff	Finance Staff	GMCS
Treasury Exceptions Report	Monthly	Outsource Contractor	Finance Staff	GMCS
Treasury Report <ul style="list-style-type: none"> <li>• Policy limit compliance</li> <li>• Borrowing limits</li> <li>• Funding and Interest Position</li> <li>• Funding facility</li> <li>• Cost of funds vs budget</li> <li>• Liquidity risk position</li> <li>• Counterparty credit</li> <li>• Treasury performance</li> <li>• Debt maturity profile</li> <li>• Treasury investments</li> </ul>	Each Meeting Cycle	Finance Staff	GMCS	Council / Risk & Assurance / CE
Trustee Report	As required by the Trustee	Finance Staff	GMCS	Trustee company
Revaluation of financial instruments	Six Monthly	Outsource Contractor	Finance Staff / GMCS	Council /Risk & Assurance / CE



## Appendix 1: Roles and Responsibilities

1. The following outlines roles and responsibilities for treasury management. Discussions on delegations in this policy are recommended but MUST be confirmed either by Council in its delegations to Committees, other subordinate bodies and the Chief Executive or by the Chief Executive to staff.

### *Council*

2. The Mayor and Councillors, acting together as Council, are responsible for ensuring an effective policy for the management of investment and liability risks. In this respect they decide the level and nature of risks that are acceptable, given Council's objectives.
3. With respect to treasury management Council is responsible for:
  - a. Approving the ILMP.
  - b. Reviewing the ILMP as required but at least every 6 years.
  - c. Engaging with the community (when necessary).
4. Council in carrying out its responsibilities should:
  - a. Ensure the ILMP supports the financial strategy and budgets decisions made in the LTP and Annual Plans.
  - b. Approve new debt.
  - c. Approve delegates to the Risk and Assurance Committee and other subordinate committees, the CE and if appropriate staff, the necessary delegations to allow the efficient operation of the treasury activity.
  - d. Set limits or restrictions on treasury operations, where not otherwise set in the ILMP, or at a level within the ILMP limits, in order to manage treasury risks.
  - e. Approve one-off transactions falling outside of Policy and delegations.
  - f. Monitor treasury activities.

### *Risk and Assurance Committee*

5. The Risk and Assurance Committee under delegation from Council should:
  - a. Review and monitor that there is a comprehensive risk management framework in place for treasury management.
  - b. Review and monitor the internal control environment for treasury management to ensure that it is sound and effective.
  - c. Receive regular reports on treasury performance and risks, presented in a manner that is understood and that enables it to make informed judgements as to the level of risk undertaken (including but not limited to those listed below).
  - d. Monitor the quality of reporting on treasury matters, including risk, limits, policy compliance, significant transactions and market updates.



- e. Ensure that the accounting policies are appropriate for treasury transactions.
- f. Ensure issues raised by auditors (both internal and external) in respect of any significant weaknesses in the treasury function are addressed in a timely manner.

### *Chief Executive*

- 6. The CE is responsible for the day-to-day treasury operations under delegation from Council and the further delegation of responsibilities to staff.
- 7. In respect of treasury management activities, the CE's responsibilities include:
  - a. Ensuring the TMP is adopted and approved and that the Policy complies with the legislation.
  - b. Approving the register of cheque and electronic banking signatories.
  - c. Approving new borrowing undertaken in line with the LTP, Council resolutions and delegations.
  - d. Authorising debenture trust certificates, stock issuance certificates, and debt instrument documentation as required.
  - e. Receiving advice of breaches of Policy and significant treasury events from the GMCS.
  - f. Delegating treasury operation responsibilities to staff and if necessary due to staff vacancy or absence, undertake and authorise treasury transactions.
  - g. Receiving advice of non-compliance of Policy and significant treasury events from the GMCS.
  - h. In the absence of the GMCS, undertaking the following treasury transactions or delegating to the FM where permissible under his/her permissions.
    - i. Funding from bank facilities and the capital markets including LGFA.
    - ii. Interest rate derivative transactions relating to the hedging of the Council's debt.
    - iii. Placing of deposits in the short-term money market or fixed interest market.
    - iv. Investing in bonds/FRN's/MTN's in the fixed interest market.
  - i. Monitoring the treasury management performance and recommendations to governance.
  - j. Reviewing new borrowing facilities negotiated by the GMCS prior to submission to Council for approval.
  - k. Determining, in consultation with the GMCS, the level of future core debt to be used for interest rate risk management purposes.

### *Group Manager Corporate Services*

- 8. The GMCS is responsible for the day-to-day treasury operations under delegation from the CE.
- 9. In respect of treasury management activities, the GMCS responsibilities include:
  - a. Organising all new or amended borrowing facilities.



- b. Reviewing the Policy on an ongoing basis ensuring consistency with the LTP and other Council decisions and reviewing the policy formally for Council adoption at least every 6 years.
- c. Engaging and liaising with external professional treasury advisors, as appropriate.
- d. Developing for approval and implementing when approved interest rate risk management strategies.
  - i. For the purposes of interest rate hedging, core debt projections should be supported by budgetary analysis contained in the Annual Plan and the LTP. Core debt is defined as the level of current and projected future debt as determined by the GMCS in consultation with the CE.
- e. Determining in conjunction with the CE the level of future core debt is to be used for interest rate risk management purposes.
- f. Reporting to governance, and the CE on overall treasury risk management issues on a regular basis.
- g. Managing the funding and liquidity.
  - i. Renegotiating/replacing maturing bank funding facilities on a timely basis. Specifically, obtaining an indicative letter of offer no later than three months before the maturity of any bank facility.
- h. Maintaining lender relationships with the banks and the capital markets, including the LGFA.
- i. Undertaking all treasury transactions which will include but not be limited to the following:
  - i. Funding from bank facilities and the capital markets including the LGFA.
  - ii. Interest rate derivative transactions relating to the hedging of the Council's debt.
  - iii. Placing of deposits in the short-term money market.
- j. Investing in bonds/FRN's,MTN's in the fixed interest market.
- k. Approving all foreign currency hedging.
- l. Monitoring the Managed Fund performance in conjunction with independent advisors and reporting regularly to the Risk & Assurance Committee.
- m. Annually reviewing the Managed fund investment mix and recommending changes as appropriate to the Risk & Assurance Committee.
- n. Monitoring other investments determining the appropriateness of hold these investments and recommending early divestment if appropriate.
- o. Monitoring and reviewing the ongoing treasury risk management performance ensuring ensure compliance with the Policy.
- p. Reviewing external counterparty advices on treasury transactions to records generated internally by other staff.



### *Finance Manager*

10. In respect of treasury management activities, the FM responsibilities include:
- a. Undertaking short-term borrowing transactions with the bank or from the LGFA for terms not exceeding 180 days.
  - b. Investing surplus cash for terms not exceeding 180 days.
  - c. Reviewing external counterparty advices on treasury transactions to records generated internally by other staff.
    - i. Each transaction should be entered into a treasury spread sheet and a quarterly report prepared to show assessed counterparty actual exposure versus limits.
  - d. Assisting the GMCS with the preparation of treasury reports.
  - e. Annual revaluation of financial market instruments.

### *Management Accountant*

11. In respect of treasury management activities, the MA responsibilities include:
- a. Invests surplus cash for terms not exceeding 90 days.
  - b. Checks external counterparty advices on treasury transactions to records generated internally by other staff.
  - c. Assists the GMCS and the FM with the preparation of treasury reports.



Investment and Liability Management Policy	Policy number:	01-01-003
<b>Approved by:</b>	Council	
<b>Department:</b>	Corporate Services	
<b>Date Approved:</b>	2 April 2020	<b>Next Review Date:</b> With every change in the ILMP or management structure and not later than 4 years (2023)
<b>Relevant Legislation:</b>	This is the statutory polices required by LGA s102(b) & (c) and s104 and s105.	
<b>Clutha District Council Documents reference:</b>	Investment and Liability Management Policy	

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### Glossary

CCO / CCTO	Council Controlled Organisation / Council Controlled Trading Organisation
DTD	Debenture Trust Deed
ILMP	Investment and Liability Management Policy
LGA	Local Government Act 2002
LGFA	New Zealand Local Government Funding Agency
TMP	Treasury Management Policy





## PURPOSE

1. This Policy sets Council's policies on investment and borrowing risks that support the delivery of the LTP, financial strategy and revenue and financing policy.
2. It is a requirement of the LGA to adopt an Investment Policy and a Liability Management Policy (ILMP). The ILMP is to provide the parameters under which Council operates its investment and borrowing activities.

## Policy Setting and Management

3. Council approves policy parameters in relation to its treasury activities in the ILMP.
4. The Chief Executive has overall financial management responsibility for borrowing and investments.
5. The ILMP is supported by the Treasury Management Policy (TMP) which provides more detail for the day-to-day management of the treasury function.
6. The ILMP has no statutory review requirement and can be amended at any time subject to the LGA decision making requirements including the Significance and Engagement Policy.

## INVESTMENT POLICY

7. The Investment Policy includes all matters in this section and any matters in the General Treasury Management Policies section of this ILMP.

## Objectives

8. Council's primary objective when investing is to have investments that support the development and growth outcomes of the district. The LTP financial strategy is to maximise investment returns while preserving ratepayer funds.
9. Council's secondary objectives are to:
  - a. Use the income to reduce the rate requirement.
  - b. Invest amounts held in restricted and council created reserve funds, including amounts held for future expenditure (depreciation reserves), to implement strategic initiatives, or to support intergenerational allocations.
  - c. Retain vested land.
  - d. Invest the proceeds from the sale of assets.
  - e. Service working capital and liquidity requirements by holding cash and investing surplus cash arising from day-to-day operations.
  - f. Build financial resilience to assist in managing the unplanned and unexpected.



- g. Provide a self-insurance fund, established in 2013, to contribute to the costs associated with replacing underground assets destroyed or damaged in a natural disaster.

### Overview of Approach to Investments

10. An increase in investments is planned over the next 10 years.
11. The overall objective is to optimise returns in the long-term.
12. The investment portfolio is diversified across a range of investments and different risk profiles which provides some protection to investment capital while achieving higher returns on other parts of the portfolio. This risk-based approach provides some security for current stakeholders while creating opportunity for future stakeholders.
13. This objective is achieved with a balance of risk and return by:
- Minimising exposure to adverse interest rate movements.
  - Maintaining prudent liquidity levels and managing cash flows to meet known and reasonable unforeseen funding requirements.
  - Minimising exposure to credit risk by dealing with and investing in credit worthy counterparties.
14. The following investments may be held from time to time:
- Equity investments.
  - Property investments.
  - Forestry investments.
  - Financial investments.

### Investment Risk Approach

15. Council holds a mix of investments and takes a different risk approach to each investment.
16. Council is required to be prudent in all its financial dealings. Prudence is a complex matter that requires consideration of the past, present and future. In the case of investments, where the funds were received from, the impacts on current stakeholders of changes to that investment and the implications on future stakeholders need to be considered.
17. In New Zealand most councils have a net debt financial position and consequently have conservative and often short-term based investment policies. A few councils have large investment portfolios on which they take a mix of risk in order to provide some protection to investment capital while achieving higher returns on other parts of the portfolio. This approach provides some security for current stakeholders while creating opportunity for future stakeholders.
18. For its size, Council has a large investment portfolio. Local Government costs are increasing at a greater rate than general inflation and forecast interest rates. As such, holding reserve funds at conservative rates of return can erode their buying power. A mixed risk approach to its investment portfolio has been selected as reflected in the table below:



Investment Type	Risk Category
Equity Investment	Low to Medium
Property for operational purposes	Low
Property for social purposes	Low
Property for commercial purposes / endowment property	High
Property for economic development	Medium to High
Forestry Investments	Medium to High
Financial Investments	
Restricted Reserve Funds (Trust Fund)	Low
Council Created Reserve Funds	
Special	Medium
Asset Replacement Reserve Funds – (Depreciation)	Medium
Other Reserve Funds and financial investments – (Managed)	High
Liquidity Funds	Low

19. Risk Categories:

- a. Low – Not willing to risk erosion in investment value.
- b. Medium – Conservative mix of capital growth and investment return.
- c. High – Willingness to accept a higher return with consequences on losing investment value.

20. In its financial investment activity, Council's primary objective when investing is the protection of its investment capital, which requires a prudent approach to risk/return within the confines of this Policy.

## Equity Investments

Investment Type	Risk Category
Equity Investment	Low to Medium

21. Equity investments are shares or interests held in CCO/CCTO and other shareholdings which fulfil various strategic, economic development and financial objectives as outlined in the LTP. Council maintains equity investments and other minor shareholdings.

22. Council seeks to achieve an acceptable rate of return (which may well be nil) on each equity investment consistent with the nature of the investment and their stated philosophy on investments. Forecast returns are shown in the Financial Strategy.

23. There are risks associated with holding equity investments. To minimise these risks the performance of its equity investments is monitored on a twice-yearly basis to ensure that the stated objectives are being achieved.

### *New Zealand Local Government Funding Agency Limited Investment*

24. Despite anything otherwise in this policy, Council may invest in shares and other financial instruments of the LGFA.

25. The objective in making any such investment would be to:

- a. Obtain a return on the investment.



- b. Ensure that the LGFA has enough capital to become and remain viable, meaning that it continues as a source of debt funding.
26. Because of these dual objectives, Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. In connection with an investment, Council may also subscribe for uncalled capital in the LGFA and be a Guarantor.

### Property Investments

Investment Type	Risk Category
Property for operational purposes	Low
Property for social purposes	Low
Property for commercial purposes / endowment property	High
Property for economic development	Medium to High

27. The overall objective is to only own property that is necessary to achieve its strategic objectives. As a rule, a property investment that is not essential to the delivery of relevant services would not be maintained. Property is only retained where it relates to a primary activity (e.g. community housing which may generate a nil return).
28. Reviews of property ownership assess the benefits of continued ownership compared to other arrangements which could deliver the same results. This assessment is based on the most cost-effective method of achieving the delivery of services.

### *Development Property Investments*

29. Development Property Investments are strategic property acquisitions and developments which drive growth and economic development in the district. By their very nature these development properties carry a medium to high risk as their eventual sale is dependent on factors affecting the property market and necessarily incurring costs over and above the purchase of the land. Normally, these acquisitions and development will be made on a rates neutral basis. Council reviews development property ownership through assessing the benefits of each business case on its merits.

### Forestry

Investment Type	Risk Category
Forestry Investments	Medium to High

30. Forestry assets are currently being divested. Forestry assets may exist incidental to land ownership or for environmental reasons. Where this is the case the trees aren't considered to be forestry investments under this policy.



## Financial Investments

Investment Type	Risk Category
Restricted Reserves (Trust Fund)	Low
Council Created Reserves Funds	
Special Funds	Medium
Asset Replacement Reserves – (Depreciation)	Medium
Other Reserves and financial investments – (Managed)	High
Liquidity Funds	Low

31. Council maintains a mix of financial investments that have different risk / return profiles and are both short-term and long-term.
32. A large portion of Financial Investments are held in managed investment funds. These funds contain a mix of investments with different risk/return profiles. Council receives independent external advice on the management of the fund and on the risk/return profiles. These are regularly monitored. Modifications made to the portfolio as required to maintain the risk categories set in this policy.

### *Restricted Reserve Funds (Trust Funds)*

33. Restricted Reserve Funds are those funds subject to specific conditions accepted as binding and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.
34. These funds are generally held as low risk liquid investments (e.g. term deposit less than 90 days with strongly rated party) unless a specific provision has been made for alternative use of the funds.

### *Special Funds*

35. Discretionary reserves arising either from funding surpluses from rate accounts or asset sales or other general funds. Some funds are directly rate funded (e.g. Emergency Fund) to create resilience, prefund an activity or fund a provision.
36. Generally, these funds are allocated to specific projects or activities in a 10-year plan allowing the long-term balance of the sum of these reserves to be forecasted.
37. To retain the buying power of the funds Council seeks to achieve a return equivalent or better than the Local Government Cost Index.

### *Asset Replacement Reserves (Depreciation)*

38. Asset replacement reserves are council created reserves for the purpose of setting depreciation funds aside for long-term asset renewal. The 30-year Infrastructure Strategy provides good information on long-term asset investment.
39. To retain the buying power of the funds and having regard to its long-term asset investment forecasts Council seeks to achieve a return equivalent or better than the Local Government Cost Index.

### *Other Reserves and financial investments*

40. Council holds financial investments in managed funds. The purpose of these funds is to achieve above inflation returns for the benefit of current and future ratepayers by reducing rates and growing the invested funds.



41. Council assesses all risks against the fund and not against the investments made by the fund. Council shall have regard to the ethical investment practices of each fund.

#### *Liquidity Funds*

42. Council must maintain funds to operate day to day transactions.
43. These funds are generally held in bank accounts or on short-term deposits.
44. Interest income from financial investments is credited to the various general funds and reserves.

#### *Local Government Funding Agency Borrower Notes*

45. On occasion, when Council borrows from the LGFA, it will be required to contribute part (currently 1.6%) of that borrowing back as equity in the form of "Borrower Notes". A Borrower Note is a written, unconditional declaration by a borrower (in this instance the LGFA) to pay a sum of money to a specific party (in this instance the Council) at a future date (in this instance upon the maturity of the loan). A return is paid on the Borrower Notes and can take the form of a dividend if the Borrower Notes are converted to redeemable preference shares.

#### *Acquisition and Disposal of Investments*

46. Except for financial investments, new investments are acquired if an opportunity arises and approval is given by Council. Before approving any new investment, due consideration is given to the contribution the investment will make in fulfilling strategic objectives and the financial risks of owning the investment.
47. Any disposal of a property asset requires Council approval.
48. Proceeds from the sale of assets or investments will in the first instance be used to repay debt associated with the investment. Any surplus after this repayment would be placed in the appropriate reserve fund unless otherwise resolved. If assets are subject to legislative restrictions, the proceeds are used in accordance with the provisions of the appropriate legislation.



## LIABILITY MANAGEMENT POLICY

49. The Liability Management Policy includes all matters in this section and any matters in the General Treasury Management Policies section of this ILMP.

### Objectives

50. Liabilities comprise borrowings and various other liabilities. Borrowing is used to provide enough liquidity to enable the provision of services and acquisition of new or improved services. Mostly it is appropriate to borrow where it is considered there is an intergenerational benefit.
51. Borrowing is managed to minimise costs and limit risks.

### Overview of Approach to Borrowing

52. Council operates a borrowing register that records debt against projects and activities and the term over which Council has resolved that debt should be repaid.
53. Council will manage debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so.
54. Council borrows in order to:
- a. Fund working capital requirements and short-term funding gaps.
  - b. Fund the work programmes in the LTP and Annual Plans and in accordance with the Financial Strategy.
  - c. Fund unplanned expenditure e.g. weather events, opportunities and emergencies.
55. Internal borrowing is used where surplus cash is available in reserves and where it is cost effective to use these funds to reduce potential external debt against the expected returns from retaining the funds for financial investments.
56. Interest costs are managed to be as low as possible, but this must be considered in relation to risk. Interest rates markets can be volatile. Risk management policies are designed to smooth this volatility and in doing so minimise the year-on-year impact on ratepayer funding.
57. All borrowings are approved by Council.

### Debt Ratios and Limits

58. The following limits are the prudential limits which are recognised by our lenders as being the maximum levels within which it is prudent to operate.
59. The financial strategy sets limits on debt in the context of the environment that Council is operating and is forecast to operate in and its budgets and the impacts of these on residents. The financial strategy limits could be equal to or less than these prudential limits.
60. Debt will be managed within the financial strategy limits. The following prudential limits are maximums Council cannot exceed and are based on the LGFA ratios.



Ratio	Policy Limits
Net debt as a percentage of total revenue	<175%
Net Interest as a percentage of total revenue	<20%
Net Interest as a percentage of annual rates income	<25%
Liquidity	>110%

- Total Revenue is defined as operating revenue less non-government capital contributions (e.g. financial contributions and vested assets).
- Net debt is defined as total debt less liquid financial assets and investments.
- Net Interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.
- Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other local authorities for services provided (and for which the other local authorities rate).
- Liquidity is defined as external debt plus committed loan facilities plus liquid investments divided by external debt.

61. Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

62. Initial emergency response and disaster recovery requirements are to be met through the liquidity ratio.

### Financing Mechanisms

63. Council can acquire debt from a variety of mechanisms including:

- a. Committed bank facilities,
- b. LGFA borrowing,
- c. Accessing the debt capital markets directly, for both short-term and long-term debt.
- d. Finance lease, or
- e. Internal borrowing from reserve funds.

64. Council's ability to readily attract cost effective borrowing is largely driven by its ability to assess rates, maintain a strong financial standing and manage its relationships with its investors, LGFA and financial institutions/brokers.

### New Zealand Local Government Funding Agency Limited

65. Council may borrow from the LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:

- a. Contribute a portion of its borrowing back to the LGFA as an equity contribution to the LGFA (e.g. borrower notes).





- b. Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.
- c. Commit to contributing additional equity (or subordinated debt) to the LGFA if required.
- d. Secure its borrowing from the LGFA and the performance of other obligations to the LGFA or its creditors with a charge over Council's rates and rates revenue.
- e. Subscribe for shares and uncalled capital in the LGFA.

## Security

66. Council's current security arrangements for its borrowing is a charge over rates. The details of this are contained in the Debenture Trust Deed ("DTD") 21 December 2018 and administered by Trustee Executors.
- a. A DTD is an overarching security document under which all lenders share the same security (a charge over rates), with the way in which they share it dictated by the DTD. Without a DTD, a new security sharing arrangement would need to be entered into each time a new lender was added.
67. Subject to the DTD:
- a. Borrowings are generally secured by way of a charge over rates and rates revenue.
  - b. Council could offer deemed rates as security for general borrowing programs. From time to time, with prior Council approval, security may be offered by providing a charge over one or more assets.
  - c. Physical assets will be charged only where:
    - i. There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. an operating lease, or project finance).
    - ii. Council considers a charge over physical assets to be appropriate.
    - iii. Any pledging of physical assets must comply with the terms and conditions contained within the DTD.

## Debt Repayment

68. Surplus funds will be applied to debt linked to the source(s) of the surplus. After repayment of debt the balance of any fund is held in an appropriate reserve. The use of those reserves for investment, or internal borrowing is addressed elsewhere in this policy.
69. Council may specifically direct that the funds will be put to another use.
70. On maturity, debt will be refinanced in accordance with the financial strategy and the relevant limits at that time.
71. Council budgets to repay project and activity debt which flow through to the operating surplus.



## Guarantees and other Financial Arrangements

- 72. Financial arrangements will be made in exceptional circumstances with appropriate due diligence and established extraordinary need for Council making advances.
- 73. Appropriate accountability reporting, monitoring and security (where possible) as determined by Council.
- 74. Council may act as guarantor to financial institutions on loans or enter into incidental arrangements for organisations, clubs, or trusts, when the purposes of the loan are in line with Council's strategic objectives on a case by case basis.
- 75. Council is not allowed to guarantee loans to CCTO's (LGA s62). The Local Government Borrowing Act 2011 exempts the LGFA from this requirement meaning Council can provide guarantees on the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.
- 76. Financial arrangements include advances to community organisations.
- 77. All guarantees will be legally documented with appropriate security and protection for the level of risk. This may include an expectation that Council would rate the guaranteed party to recover any losses. All guarantees and their conditions will be approved by resolution of Council on recommendation from the Risk & Assurance Committee.
- 78. Council will ensure that sufficient funds or lines of credit exist to meet amounts guaranteed. The sum of all guarantees will be limited to 10% of available debt capacity.
- 79. All guarantees and other financial arrangements are disclosed in the Annual Report.

## Cash Management (Short-term Borrowing)

- 80. From time to time it may be prudent to use short-term borrowing (less than 91 days) using approved overdraft or multi-option facilities to efficiently manage liquidity.
- 81. Borrowing for less than 90 days is considered debt for the purposes of the restrictions on lending required by the LGA. Council authorises the acquisition of overdraft, multi-option or other short-term borrowing facilities and delegations provide the authority for sub-ordinate committees and staff to undertake transactions.



## TREASURY RISK MANAGEMENT POLICIES

82. The Treasury Risk Management Policies cover matters applicable to both Investment Policy and Liability Management Policy sections of this ILMP.

### Risk Management

83. Investment returns and borrowing costs are material to Council's activities and rating income. These returns and costs can be volatile. Identifying and managing risks is critical to effective management of investments and liabilities.
84. The definition and recognition of interest rate, liquidity, funding, investment, counterparty credit, interest / market, operational and legal risk to Council is detailed below.

#### *Interest Rate Risk / Market Risk for Investments*

85. Interest rate risk /market risk is the risk that investment returns or funding costs (due to adverse movements in market interest rates) will materially exceed or fall short of projections included in the LTP and Annual Plan so as to adversely impact revenue projections, cost control and capital investment decisions/returns/and feasibilities.
86. The primary objective of interest rate risk management is to reduce uncertainty relating to interest rate movements through fixing of investment returns or funding costs. Certainty around funding costs within acceptable risk parameters is to be achieved through the active management of underlying interest rate exposures.
87. The investment policy (above) includes the investment risk approach.

#### *Interest Rate Risk / Market Risk for Borrowing*

88. Interest rate risk management has the objective of containing interest rate exposures in order to:
- a. Give a sufficient level of certainty to funding costs while, at the same time, allowing Council to participate if interest rates and credit spreads move favourably.
  - b. Control variations in interest expense for the debt portfolio from year to year, taking into consideration any relevant budgetary assumptions.
  - c. Recognise exposure to the local and international economies and maintain sufficient flexibility in its interest rate risk management profile to enable Council to respond when considered appropriate.
89. Council will maintain fixed interest rate cover of its core debt within the control limits detailed in the table below. Fixed rate debt is defined as all debt that has at least one more rate reset outstanding or has more than six months to maturity in the case of a fixed rate term loan. Compliance with these parameters is not necessary if debt is less than \$5.0 million.



Period of actual and forecast external debt	Fixed Rate Hedging Parameters	
	Minimum	Maximum
0 - 2 years	40%	100%
2 - 4 years	25%	80%
4 - 8 years	0%	60%

90. The implementation of the fixed rate hedging parameters assumes dealing lines are available from the Council's bank(s).

91. Risk management activity outside of policy parameters requires the approval of Council.

#### *Liquidity Risk Management*

92. Liquidity risk management has the objective of ensuring that adequate liquid assets and funding sources are available at all times to meet the short-term commitments of the Council as they arise in an orderly manner. Appropriate cash flow reporting mechanisms will be maintained to monitor estimated liquidity position over the next twelve months. Liquidity risk is minimised by:

- a. Matching expenditure closely to its revenue streams, monitoring the weekly, monthly and annual cashflows and managing cashflow timing differences through a liquidity buffer.
- b. To manage liquidity risk Council must maintain committed funding facilities at a minimum of 110% of the projected peak debt level over the ensuing twelve-month period.

#### *Funding Risk Management*

93. Funding risk is defined as an inability to secure access to external lines of credit sufficient to enable achievement of strategic short-term and long-term objectives where the financial requirements to achieve those goals exceed the funds being generated from operating activities. Funding risk covers both working capital requirements and core debt.

- a. To ensure that all debt is not exposed to excessive refinancing risk at any one time, no more than 40% of all debt facilities should mature within a rolling twelve-month period.  
Compliance with this provision is not required if total external debt is less than \$5.0 million.

#### *Counterparty Credit Risk*

94. Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where Council is a party. The credit risk in a default event will be weighted differently depending on the type of instrument entered into.

95. To avoid undue concentration of exposures, financial instruments should not be concentrated with a single counterparty. Maturities should be well spread. The approval process must take into account the liquidity of the market in which the instrument is traded and re-priced.

96. Credit risk will be regularly reviewed. Treasury related transactions are only entered into with organisations specifically approved by Council.

97. Counterparties and limits can only be approved on the basis of long-term credit ratings (S&P Global Ratings, or the Fitch Ratings or Moody's Investors Services equivalents) with a minimum long-term rating of 'A+' or a minimum short-term rating of 'A-1'.



98. Limits should be spread amongst a number of counterparties to avoid concentrations of credit exposure.
99. The matrix contained in Appendix 1 contains the investment criteria for money market and fixed interest investment activities not covered by the Managed Fund.
100. Investments are normally held to maturity date, although these could be liquidated prior to maturity.

#### *Operational Risk and Legal Risk*

101. Operational and Legal risk is considered in the TMP.

### Approved Financial Instruments

102. Dealing in interest rate products must be limited to the following financial instruments:

Category	Instrument
Cash management and borrowing	<ul style="list-style-type: none"> <li>• Bank overdraft</li> <li>• Committed bank cash advance facilities (short-term and long-term loan facilities)</li> <li>• Uncommitted money market facilities</li> <li>• Floating Rate Note (FRN)</li> <li>• Fixed Rate Bond (FRB)</li> <li>• Commercial Paper (CP)</li> <li>• Finance leases</li> </ul>
Investments	<ul style="list-style-type: none"> <li>• Short-term bank deposits</li> <li>• Registered Certificates of Deposit (RCDs)</li> <li>• Treasury bills</li> <li>• NZ Government, LGFA, Local Authority stock or State Owned Enterprise (SOE) bonds, Medium Term Notes (MTN) and FRNs (senior)</li> <li>• Corporate bonds and FRNs(senior)</li> <li>• CP issued by Corporate/SOE/</li> <li>• LGFA Borrower Notes</li> <li>• Wholesale Managed Funds</li> <li>• Global Share Funds</li> <li>• Global Bond Funds</li> </ul>
Interest rate risk management	<ul style="list-style-type: none"> <li>• Forward rate agreements (FRA)</li> <li>• Interest rate swaps including:               <ul style="list-style-type: none"> <li>• Spot and forward start swaps</li> <li>• Amortising swaps (whereby notional principal amount reduces)</li> <li>• Swap extensions and shortenings (blend and extends)</li> </ul> </li> <li>• Interest rate option caps:               <ul style="list-style-type: none"> <li>• Interest rate option collars but not in a ratio exceeding 1:1</li> <li>• Interest rate swaptions</li> </ul> </li> </ul>



103. Any other financial instrument must be specifically approved by Council (generally on recommendation of the Risk & Assurance Committee) on a case-by-case basis and only be applied to the one singular transaction being approved.

104. All investment securities must be senior in ranking. The following types of investment instruments are expressly excluded:

- a. Structured debt where issuing entities are not a primary borrower/ issuer.
- b. Subordinated debt, junior debt, perpetual notes and hybrid notes such as convertibles. Deferred payments under contract. Council routinely defers payment following completion of construction or other large engineering contracts in accordance with standard industry practices. Although this practice may mean that these deferred payments fall within the definition of borrowing in the LGA and this Policy, these contractual arrangements create very little risk. There is no interest exposure on these payments; the creditworthiness of the contracting party is not relevant; and the deferred period is sufficiently long that no impact on liquidity is anticipated, as payments can be easily forecast.

Council authorises the entering into these contracts in accordance with its standard procurement procedures, and deferred payment conditions will not require any additional approval by the Council.

## REPORTING

105. Council will receive reports which:

- a. Monitor compliance with this and other policies and plans, as it relates to debt and investments, including limits.
- b. Monitor the market and evaluate the performance of debt and investments against the market and assess appropriateness of policy implementation.
- c. Report on treasury activities including changes to investment, borrowing and liquidity.

## FOREIGN CURRENCY

106. Council has minor foreign exchange exposure through the occasional purchase of foreign exchange denominated services, plant and equipment.

107. Generally, all significant commitments for foreign exchange are hedged using foreign exchange contracts, once expenditure is approved for amounts in excess of \$250,000. Both spot and forward foreign exchange contracts can be used by Council.

108. Council shall not borrow or enter into incidental arrangements, within or outside New Zealand, in currency other than New Zealand currency.

109. Council does not hold investments denominated in foreign currency.



## INTERNAL BORROWING AND RESERVES FUNDS

110. Council maintains a variety of financial reserves of a large value. These reserves are an essential part of the financial strategy. By collecting and holding cash in reserves, Council is able manage intergenerational equity matters and smooth the impact of lumpy or unexpected cashflows. Reserves are held separately to maintain transparency and accountability.
111. Much of the funds held in reserves are required to fund renewal expenditure on assets that have an economic life of many years (that is the funds aren't required for some time).
112. Internal borrowing is used where surplus cash is available in reserves and where it is cost effective to use these funds to reduce potential external debt against the expected returns from retaining the funds for financial investments.
113. Council wants to be clear about how the real value of reserve funds is maintained for future generations and has come up with the following treatment:
- a. The cost of debt is either the internal rate of return calculated in July for the next year (currently, Westpac's 3-year swap rate and Council's risk margin) or the external interest rate. Where external debt is used, the cost of finance for a given year shall be the average of the internal rate of return and external interest rate.
  - b. Council determines what reserves are used for internal or external investment.
  - c. Council determines the disbursement of the interest return whether on external or internal loans and represented by table below:
    - i. Certain returns are ring-fenced (Fund Allocation column) to maintain an intergenerational fairness position with respect to buying power and to increase the value of the fund.
    - ii. The Rates Disbursement percentage (amount applied to reduce the rates requirement) is determined by Council.
    - iii. For all external investments other than Forestry, the difference between Council's investment return position and the assumed interest from Nikko is returned to the Investment Fund Balance.
    - iv. Where the total value of the depreciation reserve exceeds internal loans, internal loans earn the internal rate and the balance earn the external return with distributions of the interest as per above and per the table.
    - v. The table and the distributions are all based on budgets, where actual investment return is more than budgeted, Council determines any additional distribution.
    - vi. Where actual investment return is less than budgeted the impact is absorbed by the Investment Fund Balance and not by Depreciation or Special Funds.
    - vii. Council may set a limit on the total the Investment Fund Balance may grow to and determine distribution of any excess funds.



Clutha District Council

<b>Interest Allocation - Reserve Funds</b>	<b>Investment Return</b>	<b>Rates Disbursement</b>	<b>Fund Allocation</b>	<b>Return to Balance</b>
<b>Special Funds - Excluding General Funds - Externally invested</b>	5.00%	1.00%	3.00%	1.00%
<b>General Funds - Externally Invested</b>	5.00%	4.00%	0.00%	1.00%
<b>Serdel - Externally Invested</b>	5.00%	4.00%	0.00%	1.00%
<b>Forestry Fund - Externally Invested</b>	5.00%	3.00%	2.00%	0.00%
<b>Investment Fund Balance - Externally Invested</b>	5.00%	4.00%	0.00%	1.00%
<b>Balance of Depreciation Funds - Externally Invested</b>	5.00%	1.00%	3.00%	1.00%
<b>Depreciation Funds - Internal Loans</b>	3.98%	0.98%	3.00%	0.00%





## Appendix 1: Authorised Investment Criteria (not covered by the managed fund)

\* The combined holding of Corporates and Financials shall not exceed 70% of the total portfolio

Authorised Asset Classes	Overall Portfolio Limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – Standard and Poor's (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class \$(M)
New Zealand Government	100%	<ul style="list-style-type: none"> <li>Government Stock</li> <li>Treasury Bills</li> </ul>	Not Applicable	Unlimited
Rated Local Authorities	70%	<ul style="list-style-type: none"> <li>Commercial Paper</li> <li>Bonds/MTNs/FRNs</li> </ul>	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$3.0 \$2.0 \$3.0 \$5.0
Local Authorities where rates are used as security	60%	<ul style="list-style-type: none"> <li>Commercial Paper</li> <li>Bonds/MTNs/FRNs</li> </ul>	Not Applicable	\$2.0 \$2.0
New Zealand Registered Banks	100%	<ul style="list-style-type: none"> <li>Call/Term Deposits/Bank Bills/Commercial Paper</li> <li>Bonds/MTNs/FRNs</li> </ul>	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better	\$10.0 \$3.0 \$5.0
State Owned Enterprises	70%	<ul style="list-style-type: none"> <li>Commercial Paper</li> <li>Bonds/MTNs/FRNs</li> </ul>	Short term S&P rating of A1 or better Long term S&P rating of BBB+ or better Long term S&P rating of A+ or better	\$3.0 \$1.0 \$3.0
Corporates *	50%	<ul style="list-style-type: none"> <li>Commercial Paper</li> <li>Bonds/MTNs/FRNs</li> </ul>	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$2.0 \$1.0 \$2.0 \$3.0
Financials*	30%	<ul style="list-style-type: none"> <li>Commercial Paper</li> <li>Bonds/MTNs/FRNs</li> </ul>	Short term S&P rating of A1 or better Long term S&P rating of A- or better Long term S&P rating of A+ or better Long term S&P rating of AA or better	\$2.0 \$1.0 \$2.0 \$3.0

The combined holdings of Corporates and Financials shall not exceed 60% of the portfolio

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# Clutha District Council

## Item for DECISION

<b>Report</b>	Local Governance Statement 2019-2022
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	3
<b>Prepared By</b>	Larissa Brown, Strategic Planning Manager Oliver Walker, Junior Policy Advisor
<b>File Reference</b>	253306

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### REPORT SUMMARY

The report presents the Local Governance Statement for adoption for publication.

### RECOMMENDATIONS

- 1. That Council receives the ‘Local Governance Statement’ report.**
- 2. That Council makes the Local Governance Statement publicly available as per Section 40 of the Local Government Act 2002.**

### REPORT

#### 1. Background

Under the Local Government Act 2002 (40) (LGA) a local authority must make certain information available to the public within 6 months of a triennial election of members. This information is primarily about how the business of Council is performed, management structure, Council policies etc. This is known as the Local Governance Statement (LGS).

We are required to publish the new edition of our LGS by 12 April 2020.

Since 2017, Clutha District Council has made this information available via a dedicated location on its website, with links to relevant sources of information.

Attached is the proposed text for the updated webpage, listing the mandatory content we must publish under the LGA, and showing where we will link to pre-existing content.

**2. Strategic Goals and Outcomes**

The publication of the Local Governance Statement contributes to the Council outcome of 'A well informed community where people have their say in decisions that affect them'.

**3. Legal Considerations**

Section 40 of the Local Government Act 2002 requires that the LGS must be published within 6 months of local body elections.

**4. Financial Impact**

NIL

**5. References – Tabled/Agenda Attachments**

Attachment: Proposed text of Local Governance Statement web page.

## **Attachment 1: Local Governance Statement – Proposed web page text**

The Local Governance Statement is a collection of information about how Council engages with the community, how Council makes decisions, and how the community can influence these processes.

### **Introduction**

The Local Governance Statement supports the purpose of local government by promoting local democracy. The statement provides the public with information on the ways to influence local democratic processes.

The Local Governance Statement is a requirement of the Local Government Act 2002 and includes the following broad categories of information:

- functions, responsibilities, and activities of the council
- electoral arrangements
- governance structures and processes
- the way elected members make decisions and relate to each other
- the management structure and key policies of the council

### **The purpose of local government is**

(a) to enable democratic local decision-making and action by, and on behalf of, communities; and

(b) to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

In the Local Government Act 2002, ‘good-quality’ (when it is used about local infrastructure, local public services, and the performance of regulatory functions) means infrastructure, services, and performances that are —

- a. efficient; and
- b. effective; and
- c. appropriate to present and anticipated future circumstances.

## **Clutha District Council Local Governance Statement**

### **Functions and responsibilities**

The [Long Term Plan 2018–2028](#) sets out the services and projects Council intends to deliver to the community over a 10-year period and how these will be funded. It also outlines the long-term vision for the Clutha District.

### **Legislation and bylaws**

Key Clutha District Council documents including [Bylaws](#), [Strategies](#), [Plans](#), [Policies](#), and [Reports](#) are available from the publications section of the Council website.

Our rights, obligations and responsibilities are described in statutes, regulations and bylaws. To fulfil its purpose, Clutha District Council exercises powers and carries out its responsibilities through the following:

- local government legislation (which applies to all of local government)
- local legislation (which applies only to Clutha District Council)

### **Representation arrangements, and the electoral system and processes**

- [Representation Determination 2019](#)
- [2019 Election Results](#)

### **Members' roles and conduct**

- [Delegations Manual](#)
- Code of Conduct for Elected Members – Elected Members are bound by the Code of Conduct as set out in Standing Orders

### **Governance structure, membership and delegations**

- [2019-2022 Elected Members](#)
- Council's Committee Structure and Delegations can be found in the Council [Delegations Manual](#).

### **Meeting processes**

- [Agendas and Minutes](#) of Council, Community Boards, and Committees are available online.
- [Meeting Calendar](#) for all council, committee and sub-committees is available.
- Council has adopted a set of Standing Orders which are the procedures for conducting meetings.

### **Consultation documents**

Clutha District Council routinely consults with ratepayers and stakeholders on key decisions and plans. Details of current consultations can be found on our [Consultation page](#).

### **Maori Participation in Decision-Making**

The Local Government Act 2002 requires the Council to consult with Māori and to provide opportunities for Māori to contribute to its decision-making processes. During 2015/16, along with other councils in Otago/Southland, Council participated in the Te Rōpu Taiao Otago and Te Rōpu Taiao Murihiku. The papatipu runanga and the participant councils continue to meet quarterly at the Te Roopu Taiao hui, which provides for excellent partnership and exchange of information. A key focus was to seek to give these meetings more of a strategic focus and less focus on day to day operational / retrospective reporting back.

A review was carried out of the Charter of Understanding foundation document, He Huarahi mō Ngā Uri Whakatupu, which articulates the relationship between the Southland/Otago councils and Te Ao Marama representing the runanga of Murihiku. The Charter was signed by members in early 2016 and was effective from March 2016.

Council also acknowledges the local rununga, Waikoau Ngai Tahu South Otago Runanga, and liaises with them on matters that might be of relevance.

### **Management structure**

The Local Government Act 2002 requires the Council to employ a Chief Executive whose responsibilities are to employ other staff on behalf of the Council, to implement Council decisions and provide advice to the Council.

Under the Local Government Act 2002, the Chief Executive is the only person who may lawfully give instructions to a staff member. Any complaint about individual staff members should therefore be directed to the Chief Executive, rather than to councillors.

[Council management](#) is divided into four function areas:

- Chief Executive's Department
- Corporate Services
- Regulatory Services
- Service Delivery

### **Equal employment opportunities policy**

The Clutha District Council reaffirms its endorsement of the principles of Equal Employment Opportunities. As a "good employer" it is committed to having in place personnel practices and policies which are fair and proper in the treatment of employees.

The Council will ensure that all employment-related decisions are made on the basis of merit, i.e. preference will be given to the person who best meets the job requirements, irrespective of their;

- Sex
- Race
- Colour
- Ethnic or national origin
- Marital status
- Political or religious beliefs
- Physical or mental disabilities

The employment related decisions include;

- Recruitment
- Appointment
- Conditions of employment
- Training and development

- Promotion and transfer
- Dismissal
- Other disciplinary procedures

### **Policy and planning documents**

At Clutha District Council, we have a number of planning documents that provide details on our functions, goals and how we plan to achieve them:

- [District Strategies](#), including our Infrastructure Strategy
- Statutory planning documents such as the [Long Term Plan 2018–2028](#), [Annual Plan](#), [Waste Minimisation Plan](#).

### **Official Information Requests**

Requests for information can be made by all members of the public under the Local Government Official Information and Meetings Act 1987 (LGOIMA) and the Privacy Act 1993.

### **[Contact us](#)**

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# Clutha District Council

## Item for DECISION

<b>Report</b>	Rates Instalment 4 Actions
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	4
<b>Prepared By</b>	Sharon Jenkinson – Finance Manager
<b>File Reference</b>	257602

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### REPORT SUMMARY

This report asks Council to consider options to provide rates relief and messaging for Instalment 4 for the year ended 30<sup>th</sup> June 2020 due to the impact of the Covid-19 pandemic. It does not propose any actions regarding the Annual Plan in light of Covid-19 as this will still be managed through the Annual Plan decision-making process.

### RECOMMENDATIONS

- 1 That Council receives the Rates Instalment 4 Actions report.**
- 2 That Council agree to the following approach to hardship for rates instalment 4 and public messaging including:**
  - Explaining why rates need to be paid**
  - That penalties on instalment 4 will not be charged when financial hardship is experienced**
  - That Council will offer payment options including deferral to ratepayers for instalment 4 when financial hardship is experienced**

### REPORT

#### 1 Background

The Covid19 pandemic is changing the world as we know it. The immediate impacts are being felt but the medium and long-term impacts are not yet understood. In respect of rates instalment 4 the rates are paying for services and contracts already committed and rated for. If Council was to make any changes to rates in respect of Covid-19 it would be at the Annual Plan decisions time. We also know that, although not every business or household is financially affected and the Government has provided a significant injection into salaries and wages to enable essential household bills to be paid for those businesses



and workers that are affected, there is likely to be a financial impact of this pandemic throughout our communities and on the ability to pay rates.

## 2 Strategic Goals and Outcomes

A safe and supportive community

## 3 Assessment of Options

By invoicing our rates as usual Council then has the normal protection of security of income, so there is no suggestion that rates are not invoiced.

When Council invoices as normal and the process runs normally this is likely to result in the following impacts for some ratepayers:

- Ratepayers suffer undue stress
- Ratepayers do not pay, triggering penalties

### Options:

Option	Advantages	Disadvantages
Council does nothing and invoices as normal using standard recovery procedures	Least upfront staff impact	Ratepayers suffer undue stress  Ratepayers do not pay, triggering penalties  Additional impact on staff handling queries
Council decides to offer hardship relief on application consisting of: <ul style="list-style-type: none"> <li>• The remission of penalties on instalment 4 under staff delegation for Covid-19 hardship</li> <li>• Offering a payment plan and deferral option on instalment 4 under staff delegation for COVID-19 hardship</li> <li>• Appropriate prior messaging informing of the application opportunity and the need to pay rates</li> </ul>	Proactive messaging reduces stress and fully informs ratepayers  It offers relief for cash-flow issues caused by Covid-19  It retains the rating debt and doesn't forego it  It is adaptable to individual circumstances	Additional impact on staff managing the application process  It will require discretionary decision-making, meaning that apart from ensuring it is available to those suffering financial impacts from Covid-19 there aren't any clear rules that can be mandated when making a decision

It should be noted that the option to provide relief at this point under Rates Postponement is unavailable as it would require the policy to be amended.

Voluntary targeted rates could be used but do not fit as well in this situation as negotiated payment plans.

#### **4 Consultation**

If the decision is to proceed to offer relief a careful and considered media and messaging approach will be required.

#### **5 Policy Considerations**

Policy on Rates Remissions

Policy on Rates Postponement (not available, would need to be amended)

#### **6 Legal Considerations**

Local Government Rating Act 2002, section 85

Local Government Act 2002, section 109

Local government Act 2002, sections 102 (3)(b) and 110

#### **7 Financial Impact**

The impact of any non-payment of rates or rating payment arrangements affects the timing and assurance of Council's income stream.

#### **8 References – Tabled/Agenda Attachments**

Policy on Remission of Rates

Policy on Rates Postponement

# POLICY ON RATES REMISSION

## PURPOSE

This policy provides the framework for granting remission of rates and rate penalties under the Local Government (Rating) Act 2002 (the Act).

### Relevant Legislation

Local Government (Rating) Act 2002, section 85  
Local Government Act 2002, section 109.

## POLICY

### REMISSION OF RATES FOR COMMUNITY, SPORTING AND OTHER ORGANISATIONS

#### Objective

To assist where practicable, community clubs and organisations in recognition of the valuable 'public good' contribution made by such organisations to the character and well-being of the district.

#### Conditions and criteria

Council may remit rates for any organisation (for land the organisation owns or uses), for the purpose of any of the following:

- Recreation
- Health
- Enjoyment/leisure
- Instruction

- Sport/physical activity
- Any form of culture

Consideration for remission includes land owned or leased to an organisation where, under the rent or lease agreement, there is an obligation to pay the rates assessed on the land.

The policy will not apply to organisations that are operated for private pecuniary profit.

#### Procedures

All applications for remission must be in writing and addressed to the Chief Executive. Applications must include (where applicable):

- Statements of objectives of the organisation e.g. constitution.
- Financial statements e.g. recent audited accounts.
- Lease agreement (if applicable).

Any remission of rates will exclude rates in respect to water supply, sewage disposal or waste collection.

A remission of 100% will be applied under delegated authority. Where the applicant's financial information suggests that 100% may not apply the application will be referred to the Corporate Services Committee. For example, the applicant's information demonstrates they have sufficient cash reserves for current and future needs.

A granted remission will apply from the beginning of the rating year in which the remission is granted and continue until such time that an organisation or club no longer meets the criteria.

### REMISSION OF RATES FOR LAND SUBJECT TO SPECIAL PRESERVATION CONDITIONS

#### Objective

To preserve and encourage the protection of land and improvements which are the subject of special preservation conditions.

#### Conditions and criteria

Rate remission under this provision of the policy relates to land that is owned or used by and subject to one of the following:

- A heritage covenant under the Historic Places Act.
- A heritage order under the Resource Management Act.
- An open space covenant under the Queen Elizabeth the Second National Trust Act.
- A protected private land agreement or conservation covenant under the Reserves Act.
- Any other covenant or agreement entered into by the owner of the land with the public body for the preservation of existing features of land, or of buildings, where the conditions of the covenant

or agreement are registered against the title to the land and are binding on subsequent owners of land.

### Procedures

An application for remission will be considered by the Corporate Services Committee and must be made in writing and accompanied with supporting documentary evidence of the special preservation conditions.

The application for rates remission must be made prior to commencement of the rating year, i.e. 1 July. Applications received and approved during the rating year will become applicable from the commencement of the following rating year.

The maximum available remission is up to 100% of rates but excludes rates in respect to water supply, sewage disposal or waste collection.

## REMISSION OF RATES FOR NATURAL DISASTERS AND EMERGENCIES

### Objective

To provide for the possibility of rates remission where a form of natural or other type of disaster or emergency affects one or more residential rating units capacity to be inhabited, used or otherwise occupied for the period of a rating year, or more.

### Conditions and criteria

The Council may consider voiding the need for an application and grant remission for any rating unit or group of rating units collectively affected by a natural disaster or emergency.

Each application will be considered on its merits and remission up to 100% may be granted where it is considered just and equitable to do so.

Applications may be declined if there is evidence to suggest the applicant's actions or inactions contributed to the circumstances under which the application is being made.

Applications for rates remission under this policy will be considered by a full meeting of Council.

### Procedures

The Council may, on written application from the ratepayer of rating units affected by a natural disaster or emergency, remit up to 100% of annual rates levied.

Where an application is approved by Council, the rating unit concerned will become non-rateable for the specific rating year.

## REMISSION OF UNIFORM ANNUAL GENERAL CHARGES

### Objective

To provide for relief from Uniform General Charges when:

- Two or more rating units are owned by the same person or persons, and,
- Are part of a subdivision plan which has been deposited for separate lots, or separate legal titles exists but the rating units may not necessarily be used jointly as a single unit, and,
- Each rating unit does not benefit separately from the services related to the Uniform Annual General Charge.

### Conditions and criteria

Remission of Uniform Annual General charges applies in the following situation:

As a result of the High Court decision of the 20 November 2000 "Neil Construction and others vs. North Shore City Council and others", in respect to

unsold subdivided land, each separate lot or title is treated as a separate Rating Unit and such land is implied not to be used as a single unit.

Rating units that meet the criteria under this provision may qualify for a remission of uniform annual general charges. The ratepayer will remain liable for at least one uniform annual general charge. Each case for remission will be decided on its own facts. A granted remission will remain in force whilst all land remains contiguous.

### Procedures

Ratepayers who consider themselves eligible for remission under this part of the policy may make application in writing to the Corporate Services Manager and will be considered by the Corporate Services Committee. All applications will be considered and where eligible remission will be backdated to the beginning of the rating year in which the application has been received.

## REMISSION OF PENALTIES

### Objective

The objective of this part of the policy is to enable the Council to act fairly and reasonably in its consideration of rates which have not been received by the Council by the penalty date due to circumstances outside the ratepayer's control.

### Conditions and criteria

Remission of one penalty will be considered in any one year when payment has been late due to significant family disruption. This will apply in the case of death, illness or accident of a family member at about the time rates are due.

Remission of the penalty will be considered if the ratepayer forgets to make payment and claims the invoice was not received or is able to provide

evidence that the payment has gone astray in the post or the late payment has otherwise resulted from matters outside their control.

Other conditions for remission may exist and will be considered on their own merit.

Each application for remission will be considered on its own merits and remission will be granted when it is just and equitable to do so.

When significant arrears exist penalties may be remitted whilst regular payments are made to reduce the arrears balance.

Decisions on remission of penalties will be delegated to officers as set out in the Council's Delegations Policy.

#### Review of Remissions

All remissions granted will be reviewed every three years. This is to ensure that the circumstances under which the remissions were granted continue to exist.

# POLICY ON RATES POSTPONEMENT

## PURPOSE

Sections 102(3) (b) and 110 of the Local Government Act 2002 state that local authorities may adopt a rates postponement policy. This policy confirms the Clutha District Council's stance on rates postponement.

The objective of this policy is to provide Benhar and Tokoiti sewerage capital ratepayers, who, in the opinion of Council, are experiencing severe financial hardship, with the option of postponing payment of their sewerage capital rates. Any postponement will be subject to the full cost being met by the ratepayer and Council being satisfied that the risk in any case is minimal.

## CONDITIONS AND CRITERIA

1. Clutha District Council does not provide rates postponement, except for the postponement of Benhar or Tokoiti Sewerage Capital rates for ratepayers who would experience severe financial hardship if the rate was not postponed.
2. Ratepayers can apply to Council for postponement of only the annual Benhar or Tokoiti capital sewerage rate, either in entirety or part. The ratepayer will still be required to pay the remaining portion of their rates assessment including the sewerage scheme operating rate.
3. The ratepayer (or authorised agent) must make an application to Council on the prescribed form.
4. The ratepayer must be the owner of the property subject to the application as at 1 July, and must not own any other rating units or investment properties or other substantial realisable assets.
5. Before making a written application, the ratepayer must have received budget advice (for example, from the Budget Advisory Service) and must make the budget advisor's findings available to Council.
6. Council must be satisfied that the ratepayer is likely to be in a position of severe financial hardship if their sewerage capital rate is not postponed.
7. When considering whether financial hardship exists, all of the ratepayer's personal circumstances will be relevant including the following factors:
  - a) age, physical or mental disability, injury, illness and family circumstances;
  - b) number of dependents;
  - c) access to other sources of financial assistance (including central government's rates rebate scheme);
8. Council must be satisfied, on reasonable assumptions, that the risk of not recovering postponed rates and fees, when due as per clause 13, is negligible. Where a rates postponement arrangement has been entered into Council may refuse to postpone any further rates if it considers that the risk is not negligible.
9. The amount of any rates postponed including fees will be secured by a notice of charge on the Certificate of Title of the rating unit. Any costs of registering and subsequently dealing with the charge are to be met by the ratepayer by being added to the amount postponed.
10. A postponement fee will be added to the amount postponed at the start of every financial year when there are outstanding postponed rates against a property. This fee will cover the administrative and financial costs of the postponement. Financial costs will include interest as calculated annually by Council.
11. Whilst there are postponed rates outstanding against a property the ratepayer must provide annual proof that their house is insured and
  - d) the likely period before the ratepayer's financial position could be expected to improve;
  - e) a verified budget.

make an annual declaration that they continue to use the property as their primary residence.

12. The annual sewerage capital rate will continue to be postponed for a maximum of five years, provided that on an annual basis the ratepayer completes a written declaration that their circumstances still meet the requirements of this policy. After 5 years, ratepayers would be able to re-apply for postponement.
13. All postponed rates will become payable on the earliest of the following dates;
  - a) when the ratepayer(s) ceases to be the owner or occupier of the rating unit
  - b) when the ratepayer(s) ceases to use the property as their primary residence
  - c) upon the death of the ratepayer(s)
14. The postponed rates and fees or any part thereof may be paid off at any time without penalty. Such voluntary repayments will be credited against the ratepayers postponed rates at the beginning of the financial year following that of when they were received by Council, but prior to the calculation of interest. When postponed rates are paid off in full, the ratepayer will be liable for any costs of removing the statutory land charge from the certificate of title.
15. Decisions on postponement are delegated to the Manager Corporate Services. If an applicant is declined postponement they may appeal to the Clutha District Council.
16. The Manager, Corporate Services, will report annually to the Corporate Services Committee on the total number and value of rates postponed during that year and the total number and value of outstanding postponed rates.

## PROCEDURES

At the start of any rating year, where a ratepayer has any postponed rates, the Council will send an annual statement outlining:

- the total amount of postponed rates outstanding
- the postponement fees applied
- the ratepayers responsibilities under clause 11
- the declarations required for future sewerage capital rates to be postponed (as per clause 12).

## DEFINITIONS

Postponement Fee: A fee under section 88 of the LGRA, to cover the administrative and financial costs (including interest) of providing rates postponement.

## RELEVANT LEGISLATION

Sections 102(3) (b), 110 Local Government Act  
Sections 80 - 90 Local Government (Rating) Act 2002

## LEGAL COMPLIANCE

This policy must be reviewed at least once every 6 years through the special consultative procedure (s 110(2A)).

## RELATED POLICY AND DOCUMENTS

Revenue and Financing Policy

## KEY WORDS

Benhar, Tokoiti, Sewerage Rate, Rates Postponement, Financial Hardship

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# Clutha District Council

## Item for INFORMATION

<b>Report</b>	2019 Triennial Election report
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	5
<b>Prepared By</b>	Karen Piercy – Corporate Services Administrator
<b>File Reference</b>	254881

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### REPORT SUMMARY

This report presents the 2019 Triennial Elections report by Dale Ofoske, Electoral Officer, Election Services, who were contracted by the Clutha District Council for the provision of electoral services for the period 2018-2021.

### RECOMMENDATIONS

- 1 That the Clutha District Council receives the 2019 Triennial Election report.**

### REPORT

#### 1 Background

The 2019 local government triennial elections were held on Saturday 12 October 2019. Elections were held for Clutha District Council (including West Otago Community Board and Lawrence/Tuapeka Community Board), Otago Regional Council, Southern District Health Board, Clutha Licensing Trust, Clutha Health Incorporated and Maitāhara Licensing Trust. In addition, a by-election was held for the Lawrence/Tuapeka Community Board on 18 February 2020, however the report does not cover this by-election.

The elections, run under contract by Election Services, were conducted successfully and met all legislative and practical requirements. Set out the issue.

A separate report to Council has been prepared to decide whether the electoral system should be reviewed for 2022.

#### 2 Agenda Attachments

The Report to the Clutha District Council regarding the 2019 Triennial Elections is attached.



**Election Services**

Level 2, 198 Federal Street, Auckland

PO Box 5135, Wellesley Street

Auckland 1141

Phone: 64 9 973 5212

Email: [info@electionservices.co.nz](mailto:info@electionservices.co.nz)

Report to the  
Clutha District Council  
regarding the

## 2019 Triennial Elections

From the  
Electoral Officer

5 March 2020



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## Outline

The 2019 local government triennial elections occurred on Saturday 12 October 2019. The elections for Clutha District Council, Otago Regional Council, Southern District Health Board, Clutha Licensing Trust, Clutha Health Incorporated and to a limited extent Maitua Licensing Trust and Gore and Districts Health Incorporated were conducted satisfactorily and on time and met all legislative and practical requirements.

This report summaries the electoral process.

## Background

Local government elections are required to be conducted every three years, with the 2019 elections occurring on Saturday 12 October 2019. The conduct of these elections is prescribed by legislation and regulation to ensure public confidence and electoral integrity are maintained.

The following preliminary actions/decisions were made:

- (i) during 2018, Council undertook a representation arrangements review (a review of wards, boundaries, number of elected members etc). The final proposal retained the existing number of Wards (8), community boards (2) and elected members (26 – 14 councillors, 12 community board members) with some minor ward and community board boundary adjustments;
- (ii) the FPP (first past the post) electoral system to be used for the Clutha District Council, Otago Regional Council, Clutha Licensing Trust, Clutha Health Incorporated, Maitua Licensing Trust and Gore and Districts Health Incorporated elections; the STV (single transferrable voting) electoral system to be used for the Southern District Health Board election;
- (iii) postal voting to be used;
- (iv) the alphabetical order of candidate names to be used for Clutha District Council, Clutha Licensing Trust, Clutha Health Incorporated, Maitua Licensing Trust and Gore and Districts Health Incorporated; and the random order of candidate names to be used for Otago Regional Council and Southern District Health Board.

The electoral officer appointed by the Clutha District Council is Dale Ofoske of Election Services.

With the 2019 elections now complete, this report details the various electoral processes undertaken, together with election statistics for the information of Council.

## Narrative

### Elections Required

Elections were undertaken for:

Clutha District Council

- mayor (elected at large)
- 14 councillors (elected from eight wards)
- 12 community board members (elected from two community boards)

Otago Regional Council

- two members (elected from Molyneux Constituency)

Southland District Health Board

- four members (elected from the Otago Constituency)

Clutha Licensing Trust

- three members (elected from Ward 1 Balclutha); or
- two members (elected from Ward 2 Tokomairiro (Milton));
- one member (elected from Ward 3 Kaitangata); or
- one member (elected from Ward 4 Lawrence); or
- one member (elected from Ward 5 Owaka); or
- one member (elected from Ward 6 Clinton)

Mataura Licensing Trust

- one member (elected from Ward 1 Tapanui); or
- one member (elected from Ward 6 Wyndham); or
- one member (elected from Ward 7 Tokanui)

Gore and Districts Health Incorporated

- one member (elected from Clutha Ward)

Clutha Health Incorporated

- five members (elected from the Clutha District).

## Election Timetable

Key election functions and dates were:

### **Nomination period**

19 July – 16 August 2019

### **Inspection of Preliminary Electoral Roll**

19 July – 16 August 2019

### **Delivery of voting mailers**

20-26 September 2019

### **Special voting/early processing**

20 September – 12 October 2019

### **Election day**

12 October 2019

### **Preliminary count**

13 October 2019

### **Official count**

14-18 October 2019

### **Return of Electoral Donations & Expenses Form**

by 13 December 2019

**Electoral Roll**

The electoral roll comprises two parts, the Residential Electoral Roll and the non-resident Ratepayer Electoral Roll.

The Residential Electoral Roll contains parliamentary electors, whose details are maintained and supplied by the Electoral Commission.

Each territorial authority is responsible for compiling its own non-resident Ratepayer Electoral Roll.

To compile the Ratepayer Electoral Roll, two actions are required:

- (i) a nationwide advertising campaign on the criteria of ratepayer elector qualifications and enrolment procedures; and
- (ii) the issuing of Ratepayer Confirmation Forms to all eligible 2016 Ratepayer Electoral Roll electors, and if returned, these along with any new enrolments, form the basis of the 2019 Ratepayer Electoral Roll.

A national advertising campaign was undertaken by SOLGM during May 2019 advising readers in all major daily newspapers of the criteria and qualifications required to be eligible for the Ratepayer Electoral Roll. A 0800 free-phone service was again used as a national helpline for ratepayer roll enquiries.

In April 2019, 30 Ratepayer Roll Confirmation Forms were issued to eligible 2016 Ratepayer Electoral Roll electors. A total of 30 non-resident ratepayer electors appeared on the 2019 Ratepayer Electoral Roll.

**Preliminary and Final Electoral Rolls**

The Preliminary and Final Electoral Rolls contained elector details in alphabetical order with a flag denoting voting entitlement (ward, community board, regional council constituency, licensing trust, health trust).

The Preliminary Electoral Roll was available for public inspection between 19 July 2019 and 16 August 2019 from:

- Council's Main Office, 1 Rosebank Terrace, Balclutha;
- Milton Service Centre, 124-126 Union Street, Milton;
- Lawrence Service Centre, 5 Peel Street, Lawrence;
- Tapanui Service Centre, Suffolk Street, Tapanui.

Statistics relating to the electoral roll are as follows:

Ward	Final Roll		
	No. Resident Electors	No. Ratepayer Electors	Total
Balclutha	3,536	3	3,539
Bruce	2,831	9	2,840
Catlins	964	9	973
Clinton	731	2	733
Clutha Valley	805	1	806
Kaitangata-Matau	720	2	722
Lawrence-Tuapeka	869	1	870
West Otago	1,548	3	1,551
TOTAL	12,004	30	12,034

The total number of electors of 12,034 is an increase of 122 (or +1%) when compared to the 2016 Final Electoral Roll of 11,912.

## Nominations

The nomination period was 19 July to noon 16 August 2019.

Nomination material was available during this time from:

- (i) Council's Main Office, 1 Rosebank Terrace, Balclutha;
- (ii) Milton Service Centre, 124-126 Union Street, Milton;
- (iii) Lawrence Service Centre, 5 Peel Street, Lawrence;
- (iv) Tapanui Service Centre, Suffolk Street, Tapanui.
- (v) downloading the material from the Council's website;
- (vi) phoning the electoral office to have the material posted out.

A detailed '2019 Candidate Information Handbook' was prepared and made available to all candidates, any interested party (e.g. media) and was available online. The handbook contained relevant information about the electoral process to potential candidates.

A total of 29 nominations were received for the 27 council positions, these detailed as follows:

Issue	No. Nominations	No. Vacancies
Mayor	1	1
Councillors	17	14
Community board members	11	12
Total	29	27

For the mayor, Balclutha, Clinton, Clutha Valley, Kaitangata-Matau and West Otago Wards and West Otago Community Board, the number of nominations received equaled the number of vacancies, and these candidates were duly declared elected following the close of nominations. Refer Notice of Day of Election – **Appendix 2**.

For the Lawrence-Tuapeka Community Board, there were insufficient nominations received for the number of vacancies. Those candidates nominated were duly declared elected and a by-election was required to fill the remaining vacancy (held on 18 February 2020).

For the Clutha Licensing Trust (Wards 2, 3, 4 and 6), the nominations received equaled the number of vacancies and these candidates were duly declared elected following the close of nominations.

For Clutha Health Incorporated, there were insufficient candidates to fill all vacancies, but the four nominated were duly declared elected following the close of nominations.

For the Matura Licensing Trust (Wards 1, 4, 5, 6 and 7), the nominations received equaled the number of vacancies and these candidates were duly declared elected following the close of nominations.

For Gore and Districts Health Incorporated (Clutha Ward), there was one candidate for the one vacancy and was duly declared elected following the close of nominations.

The 29 nominations received for mayor, council and community board positions is slightly down on the 32 nominations received for these positions in 2016.

### Voting Mailers

Voting mailers consisting of an outward envelope, return prepaid envelope, voting document and a candidate profile booklet (which included instructions in English and Māori) were posted to electors from Friday 20 September 2019.

The voting mailers were produced by the NZ Post Group and were consistent in design layout to all other local authorities

in the country.

### Special Voting

Special votes were available from 20 September 2019 to noon 12 October 2019 from:

- (i) Council's Main Office, 1 Rosebank Terrace, Balclutha;
- (ii) Milton Service Centre, 124-126 Union Street, Milton;
- (iii) Lawrence Service Centre, 5 Peel Street, Lawrence;
- (iv) Tapanui Service Centre, Suffolk Street, Tapanui.
- (v) phoning the electoral office.

A total of 24 special votes were returned prior to the close of voting, of which 17 (70.83%) were valid. This compares to 18 special votes returned at the 2016 election.

### Elector Turnout

Of the 12,034 electors on the Final Electoral Roll, 4,684 electors returned their voting document. This represents a 38.9% return and compares to a 41.1% return at the 2016 election and a 55.6% return at the 2013 election.

A schedule of the number of daily returned voting documents over the voting period is attached (**Appendix 1**).

Of note, the 2019 average nationwide elector turnout is 41.7% compared to 42% for the 2016 election, 41.3% for the 2013 election and 49% for the 2010 election.

### Results

With the undertaking of the early processing of returned voting documents during the voting period, progress results were able to be released on election day at around 1pm. Progress results reflected about 90% of votes cast and did not include votes received at Council offices on election day morning. The release of progress results was very successful and avoided an unnecessary wait by candidates on knowing who were provisionally elected.

The preliminary results were released on Sunday following the receipt and processing of a significant number of votes received by hand at the Council offices on election day morning.

Both the progress and preliminary results were released to candidates and placed on Council's website.

The final results (Declaration of Results of Election – see **Appendix 3**) were made on Thursday 17 October 2019 and appeared in the Southland Times and the Otago Daily Times on Monday 21 October 2019.



## Election Costs

The 2019 estimated election cost set in October 2018 was \$85,375 + GST (or for 12,500 electors, \$6.83 + GST per elector), subject to actual third-party costs.

The 2019 final election cost has now been determined at \$95,928 + GST (or for 12,304 electors, \$7.97 + GST per elector). The two main reasons for such a large cost increase are:

- an additional \$7,000 + GST cost of the voting mailers over the budgeted cost
- an additional \$2,900 + GST public notices cost for the Clutha Licensing Trust and Clutha Health Incorporated (recoverable from these organisations).

Of the \$95,928 + GST final cost, Council is able to recover \$55,021 + GST (57.36%) from the Otago Regional Council and the Southern District Health Board. This will result in a balance of \$40,907 + GST between Council and the other organisations (Clutha Licensing Trust, Clutha Health Incorporated and Maitauro Licensing Trust) where further cost recoveries will be made.

## Upcoming Issues

### Inquiry into the 2016 elections

Parliament's Justice Committee released its report 'Inquiry into the 2017 General Election and 2016 Local Elections' in December 2019.

Recommendations in the report relating to local government elections include:

- centralizing the running of local elections
- aligning DHB boundaries to TAs
- one voting method
- aligning advertising and campaigning rules with general elections
- shifting election day to avoid school holidays
- requiring candidates to provide evidence of citizenship
- requiring candidates to provide evidence of the existence of a political party/affiliation

The report can be viewed at:

[https://www.parliament.nz/en/pb/sc/reports/document/SC\\_R\\_93429/inquiry-into-the-2017-general-election-and-2016-local-elections](https://www.parliament.nz/en/pb/sc/reports/document/SC_R_93429/inquiry-into-the-2017-general-election-and-2016-local-elections)

### **Inquiry into the 2019 elections**

Parliament's Justice Committee is to undertake its normal inquiry into the conduct of the 2019 local government elections. Submissions closed on Saturday 29 February 2020. The Terms of Reference include:

- examine the law and administrative procedures for the conduct of the 2019 local elections with particular reference to:
  - low voter turnout
  - licensing trusts
  - role of council staff during election periods around decisions on information release and public statements
  - disclosure of candidate criminal convictions
  - any irregularities that may have compromised the fairness of the elections
- consult stakeholders and the wider public regarding the Justice Committee's recommendations from the 2016 local elections, particularly:
  - giving responsibility of running all aspects of local government elections to the Electoral Commission
  - encouraging or requiring the same voting system to be used in all local elections
  - foreign interference
- examine the law and administrative procedures for the conduct of energy trust elections held since 2016.

### **Electoral System Review**

Under the Local Electoral Act 2001, a local authority may resolve, before 12 September 2020, to change the electoral system used at the last election, unless a poll on the matter was held within the last six years. Should Council wish to consider changing its electoral system (from first past the post to single transferable voting), it can do so by resolution no later than 12 September 2020.

However, a public notice must be given by 19 September 2020 providing the right of electors to demand a poll.

### **Māori Representation Review**

Under the Local Electoral Act 2001, Council may at any time resolve to introduce Māori wards (optional).

If a resolution is made before 23 November 2020 (to apply for the 2022 and 2025 triennial elections), public notice must be given by 30 November 2020 providing the right of electors to demand a poll on the matter.

If Māori wards are to be introduced, a further

representation arrangements review would be required in 2021.

**Representation  
Arrangements Review**

The Local Electoral Act 2001 requires every local authority to undertake a representation arrangements review at least once in every six-year period. As Council last undertook a review in 2018, it is not required to conduct a review until 2024 (unless Māori wards are to be introduced).

## Summary and Conclusions

The Clutha District Council's 2019 triennial elections were conducted successfully and met all legislative and practical requirements. No issues or concerns of significance arose from these elections and all tasks were completed satisfactorily and on time.

There are however several electoral issues Council may wish to consider during 2020/21:

- (i) consider whether Council retains the first past the post electoral system or adopts the single transferable voting electoral system for the 2022 and 2025 triennial elections – by 12 September 2020;
- (ii) consider whether Council establishes Māori wards for the 2022 and 2025 triennial elections – by 23 November 2020;
- (iii) undertake a further representation arrangements review in 2021, if Māori wards are to be established.



Dale Ofoske  
Electoral Officer // Clutha District Council  
Election Services



## APPENDIX 2

## NOTICE OF DAY OF ELECTION for the Clutha District Council 2019 elections



### Nominations received

Notice is given under section 65 of the Local Electoral Act 2001 that the following persons have been duly nominated as candidates for:

#### Council

<b>Bruce Ward</b> <i>(three vacancies)</i>	HANLON, Paul VOLLWEILER, Bruce Peter WILKINSON, Selwyn	<b>Catlins Ward</b> <i>(one vacancy)</i>	<b>Lawrence-Tuapeka Ward</b> <i>(one vacancy)</i>
FINCH, Gaynor		CATHERWOOD, Dane MCNAB, Hilary	BLACKMORE, Geoff FOSTER, Mel

As there are (for each office) more candidates than there are vacancies to be filled, an election will be held between the listed candidates on Saturday, 12 October 2019, under the first past the post electoral system by postal vote.

<b>Mayor</b> <i>(one vacancy)</i>	<b>Clinton Ward</b> <i>(one vacancy)</i>	exceed the number of vacancies, Bruce Roger GRAHAM is duly declared elected.	exceed the number of vacancies, Lindy CHINNERY, Geoff DAVIDSON, Mel FOSTER, Matt LITTLE, and Garry MCCORKINDALE are duly declared elected.
CADOGAN, Bryan As the number of candidates does not exceed the number of vacancies, Bryan CADOGAN is duly declared elected mayor.	THOMSON, Jo-anne As the number of candidates does not exceed the number of vacancies, Jo-anne THOMSON is duly declared elected.	<b>West Otago Ward</b> <i>(two vacancies)</i>	<b>West Otago Community Board</b> <i>(six vacancies)</i>
<b>Council</b>	<b>Clutha Valley Ward</b> <i>(one vacancy)</i>	HERBERT, John KENNEDY, Michele As the number of candidates does not exceed the number of vacancies, John HERBERT and Michele KENNEDY are duly declared elected.	CRAWFORD, Cecil HANNA, Barbara ROBERTSON, Antony ROBERTSON, Bruce ROULSTON, Linda WINK, Suzanne
<b>Balclutha Ward</b> <i>(four vacancies)</i>	COWIE, Stewart (Independent) As the number of candidates does not exceed the number of vacancies, Stewart COWIE is duly declared elected.	<b>Community Board</b>	As the number of candidates does not exceed the number of vacancies, Cecil CRAWFORD, Barbara HANNA, Antony ROBERTSON, Bruce ROBERTSON, Linda ROULSTON and Suzanne WINK are duly declared elected.
FELTS, Wayne LUDEMANN, Alison PAYNE, Ken SUTHERLAND, Carol As the number of candidates does not exceed the number of vacancies, Wayne FELTS, Alison LUDEMANN, Ken PAYNE and Carol SUTHERLAND are duly declared elected.	<b>Kaitangata-Matau Ward</b> <i>(one vacancy)</i>	<b>Lawrence-Tuapeka Community Board</b> <i>(six vacancies)</i>	
	GRAHAM, Bruce Roger As the number of candidates does not	CHINNERY, Lindy DAVIDSON, Geoff FOSTER, Mel LITTLE, Matt MCCORKINDALE, Garry As the number of candidates does not	

### Issuing of voting documents

Voting documents will be posted to electors from Friday, 20 September 2019.

### Return of voting documents

Voting documents can be returned by post or hand delivered at the following council offices between Friday, 16 September 2019 and Friday, 11 October 2019 during normal office hours, and Saturday, 12 October 2019 between 9am – noon:

- Council's Main Office, 1 Rosebank Terrace, Balclutha;
- Milton Service Centre, 124-126 Union Street, Milton;
- Lawrence Service Centre, 5 Peel Street, Lawrence;
- Tapanui Service Centre, Suffolk Street, Tapanui.

### Special voting

Special voting in terms of the Local Electoral Act 2001 and the Local Electoral Regulations 2001 may be exercised at the above council offices and times.

A person can apply to enrol as either a residential or ratepayer elector right up to and including 11 October 2019 – the day before the close of voting.

Dated at Balclutha, 21 August 2019




Dale Ofoske, Electoral Officer  
Clutha District Council  
1 Rosebank Terrace, Balclutha

Phone 0800 922 822

## APPENDIX 3

**DECLARATION OF RESULTS OF ELECTION for the Clutha District Council 2019 elections**



Clutha District Council

I hereby declare the results of the elections held on 12 October 2019 for the following offices:

**Council**

**Bruce Ward** (three vacancies) Votes Received

FINCH, Gaynor	962
HANLON, Paul	259
VOLLWEILER, Bruce Peter	914
WILKINSON, Selwyn	764

Informal votes received: 0  
Blank votes received: 9  
I therefore declare Gaynor FINCH, Bruce Peter VOLLWEILER and Selwyn WILKINSON to be elected.

**Catlins Ward** (one vacancy) Votes Received

CATHERWOOD, Dane	293
MCNAB, Hilary	258

Informal votes received: 0  
Blank votes received: 4  
I therefore declare Dane CATHERWOOD to be elected.



**Lawrence-Tuapeka Ward** (one vacancy) Votes Received

BLACKMORE, Geoff	176
FOSTER, Mel	307

Informal votes received: 0  
Blank votes received: 5  
I therefore declare Mel FOSTER to be elected.

**Lawrence-Tuapeka Community Board**  
As Mel Foster was declared elected unopposed when nominations closed and has now been declared elected a councillor to the Lawrence-Tuapeka Ward her name is withdrawn as an elected member of the community board. A by-election will be held in the new year.

---

Dated at Balclutha, 17 October 2019  
Dale Ofoske, Electoral Officer  
Clutha District Council  
1 Rosebank Terrace, Balclutha

Phone 0800 922 822

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# Clutha District Council

## Item for DECISION

<b>Report</b>	Annual Plan 2020/21 Update
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	6
<b>Prepared By</b>	Larissa Brown – Strategic Planning Manager
<b>File Reference</b>	257606

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### REPORT SUMMARY

This report provides an update relating to the Annual Plan 2020/21.

### RECOMMENDATIONS

1. That Council receives the 'Annual Plan 2020/21 Update' report.
2. That Council notes the existing dates of 16 April for hearing verbal submissions, 7 May for decisions and 12 June for adopting the Annual Plan 2020/21.
3. That Council approves 7 May as a backup date for verbal submissions and 21 May for decisions should these be required.

### REPORT

#### 1. Background

These dates and process for the Annual Plan 2020/21 was approved at the Regulatory & Policy Committee meeting on 27 November 2019. These dates have been reviewed in terms of practicality and deliverability in light of changes in recent weeks alongside impacts from Covid-19.

With the passing of the COVID-19 Response (Urgent Management Measures) Legislation Bill Council has the ability to legally conduct its meetings with audio and/or audio-visual links. It is proposed that these means are utilised to continue with the proposed dates as below:

**Table: Timetable for the Annual Plan 2020/21 & Schedule of Fees & Charges 2020/21**

<b>Date</b>	<b>Annual Plan 2020/21</b>	<b>Schedule of Fees &amp; Charges 2020/21</b>
20 February 2020	Council approves Annual Plan 2020/21 consultation material and communication and engagement methods	Council approves Draft Schedule and dates for special consultative procedure (SCP)
22 February 2020	Consultation/submission period begins	
25 March 2020	Consultation/submission closes	
16 April 2020	Meeting to hear any verbal submissions	
7 May 2020	Council meeting to decide changes for final Annual Plan 2020/21	Council adopts Schedule of Fees & Charges 2020/21
12 June 2020	Council meeting when adopts Annual Plan 2020/21 and strikes rates	
1 July 2020	Date Annual Plan 2020/21 takes effect from	Date Schedule of Fees & Charges 2020/21 takes effect from

Should the proposed meeting format not be possible, the date of 7 May could be set aside for verbal hearings and placeholder for 21 May for the decisions meeting.

## **2. Submissions**

The submission closing date of 25 March has been relaxed at all submissions received to the time of the writing of this report (30 March) will be appended with this report. A total of 47 public submissions and 5 staff submissions have been received. A copy of these will follow and be available by 9 April.



---

# Clutha District Council

## Item for DECISION

<b>Report</b>	Clutha District Food Banks Grant
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	7
<b>Prepared By</b>	Justine Barrie, Assistant to the Mayor
<b>File Reference</b>	257622

---

### REPORT SUMMARY

Clutha District Food Banks are experiencing increased demand for assistance at present however are unable to accept physical donations to due transmission risk concerns. In order to meet demand they are requiring financial donations in lieu of physical food donations. Civil Defence welfare has only recently advised that foodbank financial support during these times can be provided via Civil Defence. General consensus early in the week between the elected members indicated the desire for Council to provide a one-off financial grant to support Clutha District Food Banks.

### RECOMMENDATION

1. That Council receive the Clutha District Food Banks Grant report.
2. That Council grant a one-off grant of:
  - Balclutha Foodbank - \$700
  - Milton Foodbank - \$400
  - Lawrence Foodbank - \$200
  - Tapanui Foodbank - \$200

**Funded from the Mayoral Task Force account to ensure our districts' food bank has the resilience to respond this week to the expected initial demand.**

### REPORT

#### 1 Background

Clutha District Food Banks are experiencing increased demand for assistance at present however are unable to accept physical donations to due transmission risk concerns. In order to meet demand they are requiring financial donations in lieu of physical food donations. General consensus between the elected members indicated the desire for Council to support Clutha District Food Banks.

**2 Strategic Goals and Outcomes**

This contributes to the Community Outcome for a safe and supportive community.

**3 Financial Impact**

This decision can be met within existing budgets utilising funds from the Mayors Taskforce for Jobs allocation within the Civic Budget. Due to impacts of COVID19 lock down these funds will not be required to support the programmes that cannot run this year to their full potential.

---

## Clutha District Council

### Item for CONFIRMATION

<b>Report</b>	Council Minutes for Confirmation
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	8
<b>Prepared By</b>	Julie Gardner – Service Delivery Administrator
<b>File Reference</b>	255939

---

#### REPORT SUMMARY

Attached for confirmation are the minutes of the meeting of the Clutha District Council held on 20 February 2020 and the minutes of the emergency meeting of the Clutha District Council held on 10 March 2020.

#### RECOMMENDATIONS

1. That the minutes of the meeting of the Clutha District Council held on 20 February 2020, be approved as a true and correct record.
2. That the minutes of the emergency meeting of the Clutha District Council held on 10 March 2020, be approved as a true and correct record.

## Clutha District Council

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Minutes of the meeting of Clutha District Council held in the Council Chambers on Thursday 20 February 2020, commencing at 1.32pm.

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**Present** His Worship the Mayor Bryan Cadogan, Councillors Dane Catherwood, Stewart Cowie, Wayne Felts, Gaynor Finch, Mel Foster, Bruce Graham, John Herbert, Michelle Kennedy, Alison Ludemann, Kenneth Payne, Carol Sutherland, Jo-anne Thomson, Bruce Vollweiler and Selwyn Wilkinson.

**In Attendance** Steve Hill (Chief Executive), Jules Witt (Group Manager Service Delivery), Ian McCabe (Group Manager Planning & Regulatory), Sue Wilkins (Communications Coordinator), Larissa Brown (Strategic Planning Manager) and Julie Gardner (Service Delivery Administrator).

**Apologies** Councillor Selwyn Wilkinson – leaving early

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

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

---

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

***“That Agenda Items 16, 6 and 9 be moved to Items 1 and 2 and 6 respectively.”***

***Moved Mayor Cadogan/Councillor Sutherland and Resolved:***

***“That permission be granted for the media to take photos of elected members during the meeting.”***

### **PUBLIC FORUM**

#### **Steve Parlane re potential purchase of old Kaitangata Hall**

Spoke to Council requesting that the hall is not demolished as he would like to buy it and restore it for use, firstly as storage for the immediate future and then longer term as a car museum.

The Chief Executive pointed out that Mr Parlane had not had the opportunity to speak at an earlier meeting when this item was originally presented, and a decision on the adjoining

borough building needed to come back to Council, so it would be appropriate to add an agenda item to a future meeting for further discussion.

**1 WAS ITEM 16 IN AGENDA RUNNING ORDER: LGFA JOINT AND SEVERAL GUARANTEE REPORT**

The Group Manager Corporate Services submitted a report asking Council to decide whether to become a guaranteeing local authority or not.

Mark Butcher from LGFA was in attendance to speak to the report and answer Councillors' questions. If Council decides to become a guaranteeing authority then if Council wished to exit they would still be guaranteeing the longest bond which currently falls due in 2033.

Councillors agreed that Council needed more than the non-guaranteeing threshold of \$20M and there were benefits to becoming a guaranteeing authority that outweighed any risks.

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

***"That Council receives the LGFA Joint and Several Guarantee report.***

***That Council becomes a guaranteeing local authority."***

A vote was held with the result:

For - 13

Against 1 – Councillor Sutherland requested her vote be recorded.

**2 WAS ITEM 6 IN AGENDA RUNNING ORDER: DECISIONS OF COMMISSIONER FOR PLAN CHANGES 39-41A**

The Group Manager Planning and Regulatory submitted a report asking Council to endorse the decisions on submissions of the independent commissioner for Plan Changes 39 – 41A (Balclutha, Stirling and Milton rezoning Milton Industrial Structure Plan), and note that the decisions will be notified in accordance with the Resource Management Act 1991.

Colin Weatherall (independent commissioner) and Alan Cubitt were in attendance to speak to the item and answer elected members questions.

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

***"That Council receives the 'Decisions on Submissions for Proposed Plan Changes 39-41A' report.***

***That Council endorses the decisions on submissions for Proposed Plan Changes 39-41A to the Clutha District Plan.***

***That Council authorises the Chief Executive to carry out any necessary minor corrections for vocabulary and/or punctuation and/or cross references to decisions on submissions for Proposed Plan Changes 39-41A to the Clutha District Plan before public notification***

***That Council notes that the decisions on submissions for Proposed Plan Changes 39-41A to the Clutha District Plan will be notified in accordance with clause 11 of the First Schedule of the Resource Management Act 1991.***

**3 WAS ITEM 1 IN AGENDA RUNNING ORDER: CONSULTATION FOR THE ANNUAL PLAN 2020/21**

The Strategic Planning Manager submitted a report asking Council to approve the consultation material and engagement relating to the Annual Plan 2020/21.

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

***“That Council receives the Consultation for the Annual Plan 2020/21 report.***

***That Council adopts the ‘Annual Plan 2020/21 Consultation Document’ for consultation.***

***That Council adopts for consultation the Draft Rates Information 2020/21 and Draft Financial Statements 2020/21 as supporting information for the Annual Plan 2020/21 Consultation Document.***

***That Council approves the communication and engagement methods for Annual Plan 2020/21 consultation in accordance with the principles and requirements set out in the Local Government Act 2002 and with the Significance & Engagement Policy as follows:***

- a. Information in the Clutha Leader Council noticeboard, public notices and local community newspapers***
- b. Information on Website***
- c. Facebook posts***
- d. Distribution of information to Council offices including libraries and service centres.***
- e. Verbal submissions.***

***That Council delegates to the Chief Executive the authority to approve any edits required to finalise the Annual Plan 2020/21 Consultation Document and Annual Plan 2020/21 supporting documents for consultation.”***

**4 WAS ITEM 2 IN AGENDA RUNNING ORDER: PROPOSED SCHEDULE OF FEES & CHARGES 2020/21**

A report was submitted asking Council to adopt the Statement of Proposal for the Schedule of Fees & Charges 2020/21 for consultation.

Additional information was tabled regarding the proposed Trade Waste charging regime.

The Chief Executive reiterated that the Statement of Proposed Schedule of Fees & Charges 2020/21 was going out for consultation so further changes could be expected.

Gareth Phillips (Operations Manager) was in attendance to speak to this item.

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

**“That Council receives the report titled ‘Proposed Schedule of Fees & Charges 2020/21’.**

**That Council carries out a special consultative procedure in accordance with section 83 of the Local Government Act 2002 prior to confirming the Schedule of Fees & Charges 2020/21.**

**That Council adopts the following dates and process for the Schedule of Fees & Charges 2020/21:**

<b>Date</b>	<b>Schedule of Fees &amp; Charges 2020/21</b>
<b>22 February 2020</b>	<b>Submission period begins</b>
<b>25 March 2020</b>	<b>Submission period closes</b>
<b>16 April 2020</b>	<b>Meeting to hear any verbal submissions</b>
<b>7 May 2020</b>	<b>Council adopts Schedule of Fees &amp; Charges 2020/21</b>
<b>1 July 2020</b>	<b>Date Schedule of Fees &amp; Charges 2020/21 takes effect from</b>

**That Council adopts the Statement of Proposal for the Schedule of Fees & Charges 2020/21 for consultation from 22 February to 25 March 2020.**

**That Council approves the communication and engagement methods for the Schedule of Fees & Charges 2020/21 in accordance with the principles and requirements set out in section 82 of the Local Government Act 2002 as follows:**

- a. Information in the Clutha Leader monthly noticeboard**
- b. Public notice in Clutha Leader, ODT, Southland Times**
- c. Information available on Council’s website**
- d. Distribution of information to libraries and service centres**
- e. Targeted letter to those who are expected to be impacted**
- f. Verbal submissions.**

**That Council delegates to the Chief Executive approval of final edits, if required, to finalise the ‘Statement of Proposal for the Schedule of Fees & Charges 2020/21’ document for distribution.”**

**5 WAS ITEM 3 IN AGENDA RUNNING ORDER: PART ROAD STOPPING – 2120 OWAKA HIGHWAY**

The Senior Infrastructure Engineer submitted a report requesting Council to stop part of the unformed legal road reserve, east of 2120 Owaka Highway.

Chris Bopp (Senior Infrastructure Engineer) was in attendance to speak to this item.

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

**“That Council receives the ‘Part Road Stopping - 2120 Owaka Highway’ report.**

**That Council agrees to:**

***The proposed road stopping (Section 1) amounting to 1,822m<sup>2</sup> as per the legal survey plan, SO 543178 (Attachment 8.2).***

***Obtaining the approval of the Minister of Land Information for the proposed road stopping.***

***The initiating of the consultation process for the proposed part road stopping of the unformed road adjacent to 2120 Owaka Highway (1,822m<sup>2</sup>) under the Local Government Act 1974 Schedule 10 procedures, in tandem with 2.2 above.***

***As part of the agreement reached by all affected parties, the purchase price has been confirmed as \$3,000.00 incl. GST, for this 1,822m<sup>2</sup> area of legal road reserve to be stopped.***

***That on the successful completion of the Local Government Act 1974 Schedule 10 procedures, inclusive of approval of the Minister of Land Information and on the receipt of \$3,000.00 (incl. GST) for the land (stopped road), the land is transferred to the ownership of Keith and Helen Law."***

**6 WAS ITEM 9 IN AGENDA RUNNING ORDER: NOTIFICATION OF WEIGHT AND SPEED LIMITS ON BRIDGES**

The Senior Infrastructure Engineer submitted information on the weight and speed limits recommended to be imposed on bridges within the Clutha district.

Chris Bopp (Senior Infrastructure Engineer) was in attendance to speak to this item.

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

***"That Council receives the 'Notification of Weight and Speed Limits on Bridges' report.***

***That Council accepts the February 2020 Notification of Weight and Speed Limits on Bridges Certificate and that the public notification process be initiated."***

**7 WAS ITEM 4 IN AGENDA RUNNING ORDER: RATIFYING THE OTAGO LOCAL AUTHORITIES' TRIENNIAL AGREEMENT 2020-22**

The Chief Executive submitted a report inviting Clutha District Council to ratify the Otago Local Authorities' Triennial Agreement 2020-22, including terms of reference for the Otago Mayoral Forum.

Councillor Finch tabled information relating to the Otago Museum and requested this form part of the triennial agreement discussion, however it was pointed out that this item should be a separate discussion to be had at a different time as it did not form part of the original item and new councillors did not have any background information to be able to make an informed decision.

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

***"That Council receives the 'Ratifying the Otago Local Authorities' Triennial Agreement 2020-22' report.***



*Moved Councillors Finch/Sutherland:*

*“That Council does not approve the attached Otago Local Authorities’ Triennial Agreement 2020-22.*

*That Council does not authorise the Mayor to sign the Otago Local Authorities’ Triennial Agreement 2020-22 on behalf of Clutha District Council.”*

A vote was held with the result:

For – 4

Against - 10

The motion was lost.

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

***That Council approves the attached Otago Local Authorities’ Triennial Agreement 2020-22.***

***That Council authorises the Mayor to sign the Otago Local Authorities’ Triennial Agreement 2020-22 on behalf of Clutha District Council.”***

A vote was held with the result:

For - 10

Against 4 – Councillors Catherwood, Finch, Herbert and Sutherland requested their votes be recorded.

## **8 WAS ITEM 5 IN AGENDA RUNNING ORDER: CREATIVE COMMUNITIES ASSESSMENT COMMITTEE APPOINTMENTS**

The Corporate Services Administrator submitted a report presenting information regarding the advertising of nominations for the new Assessment Committee for the Creative Communities Assessment Committee following the triennial elections.

A letter of appreciation is to be sent to the retiring committee members.

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

***“That Council receives the ‘Creative Communities Assessment Committee Appointments’ report.***

***That Council appoints Russell Johnston, Jo-Anne Taylor and Sheila Bishop as new community representatives to the Creative Communities Assessment Committee for the 2019-2021 triennium.***

***That Council reappoints Lindy Chinnery, Sarah van Asperen and Julie-Anne Mallon as community representatives to the Creative Communities Assessment Committee for the 2019-2021 triennium.***

***That Council re-appoints Jenny O’Connell as the local Iwi representative and that her term be extended to four.”***

**9 WAS ITEM 7 IN AGENDA RUNNING ORDER: OUR PLACE CATLINS COMMUNITY PLAN PROJECTS**

The Strategic Planning Manager and Senior Policy Advisor submitted a report seeking Council approval to move forward with priority projects identified as part of the Our Place Catlins consultation.

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

***“That Council receives the ‘Our Place Catlins Community Plan Projects’ report.***

***That Council approves the following projects as set out in the attached project information sheets:***

- a. Our changing communities***
- b. Landscape and the environment***
- c. Parks and reserves***
- d. Roothing***
- e. Freedom Camping***
- f. Planning for the effects of climate change***

***That these projects are included in an initial draft of the Our Place Catlins Community Plan.***

***That Council approve further engagement with the Catlins community, to enable understanding of, and feedback on the key components of the draft Our Place Plan.”***

**10 WAS ITEM 8 IN AGENDA RUNNING ORDER: OUR PLACE LAWRENCE-TUAPEKA CONSULTATION AND ENGAGEMENT STRATEGY**

The Senior Policy Advisor submitted a report seeking Council approval to implement the activities listed in the Our Place Lawrence-Tuapeka Consultation and Engagement Strategy document.

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

***“That Council receives the ‘Our Place Lawrence-Tuapeka Consultation and Engagement Strategy’ report.***

***That Council approves the consultation methodology outlined in the Strategy, or as amended, and that this is implemented in February-March 2020.”***

The meeting was adjourned at 3.25pm.

Councillor Wilkinson left the meeting at 3.25pm.

The meeting reconvened at 3.46pm.

**PUBLIC FORUM DEBATE (ITEM 2 IN PUBLIC EXCLUDED AGENDA)**

Fraser Leslie and Sam Marshall who have both submitted tenders for the Scout Den in Clinton (15 Manse Street) addressed Council outlining why they thought their respective tenders should be accepted.

Councillors then had the opportunity to ask them what their plans were for the building and the timeline they were looking at to complete any work that needed to be done to convert it to a residential property.

**11 WAS ITEM 10 IN AGENDA RUNNING ORDER: PROCUREMENT POLICY REPORT**

The Capital Delivery Manager submitted the Procurement Policy and Procurement Strategy for approval.

Councillors queried the 'Buy Local' guidelines and the vehicle purchasing as these are two areas that are commented on by the public. Vehicle purchasing is now being done through All of Government as this was the best option for Council at the time and this is reviewable at any time. The AoG agreement for vehicles is due to expire at 30 June 2020.

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

***"That Council receives the 'Procurement Policy' report.***

***That Council approves the Procurement Strategy."***

**12 WAS ITEM 11 IN AGENDA RUNNING ORDER: MAYORAL REPORT**

The Mayor submitted a written report on meetings and functions he had attended since the previous meeting of Council.

Councillors reported on meetings and events they had attended since the previous meeting of Council.

***Moved Mayor Cadogan/Councillor Cowie and Resolved:***

***"That the Mayoral Report and Councillors' attendances be received."***

**13 WAS ITEM 12 IN AGENDA RUNNING ORDER: CHIEF EXECUTIVE'S REPORT**

The Chief Executive submitted a written report on meetings and functions he had attended since the previous meeting of Council.

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

***"That the Chief Executive's report be received."***

**14 WAS ITEM 13 IN AGENDA RUNNING ORDER: CONFIRMATION OF COUNCIL MINUTES**

The minutes of the meetings of the Clutha District Council held on 12 December and 19 December 2019 were submitted for confirmation.

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

***“That the minutes of the meeting of the Clutha District Council held on 12 December 2019 be approved as a true and correct record.”***

***“That the minutes of the meeting of the Clutha District Council held on 19 December 2019 be approved as a true and correct record.”***

**15 WAS ITEM 14 IN AGENDA RUNNING ORDER: WEST OTAGO COMMUNITY BOARD MINUTES**

The unconfirmed minutes of the extraordinary meeting of the West Otago Community Board held on 5 December 2019 and the meeting held on 22 January 2020 were submitted.

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

***“That the unconfirmed minutes of the extraordinary meeting of the West Otago Community Board held on 5 December 2019 be noted.***

***That the unconfirmed minutes of the meeting of the West Otago Community Board held on 22 January 2020 be noted.”***

**16 WAS ITEM 15 IN AGENDA RUNNING ORDER: LAWRENCE/TUAPEKA COMMUNITY BOARD MINUTES**

The unconfirmed minutes of the meeting of the Lawrence/Tuapeka Community Board held on 22 January 2020 were submitted.

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

***“That the unconfirmed minutes of the meeting of the Lawrence/Tuapeka Community Board meeting held on 22 January 2020 be noted.”***

**17 DRAFT: THE CATLINS RESERVE MANAGEMENT PLAN 2020-30**

The Infrastructure Strategy Manager submitted a report asking Council to approve The Draft Catlins Reserve Management Plan for release for public consultation.

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

***“That Council receives The Draft Catlins Reserve Management Plan.***

***That Council approves the attached Draft Catlins Reserve Management Plan 2020-30 for public consultation with the following changes:***

***Page 13 Pounaweia Recreation reserve Graphic – amend wording from ‘Leased Area’ to ‘Potential community use area’***

***Amend column 2, para 1 to read ‘There is a grassed area for which the lease to a local sporting body expired in December 2019. This has been identified as a potential area for future community use.’***

**Page 14 Pounaweia Camping Ground Graphic – add wording for the lower white area to read ‘possible campground extension’**

***Amend column 1, para 3 to read ‘Development: Council’s intention with camping grounds over time is to enter into longer term leases for ground only and to sell above ground assets to promote longer term investment by the lessees. Council will also consider future options for the development and management of the reserve and associated assets’.***

## 18 DOCUMENTS FOR CONSENT AND SEAL

A report was submitted advising use of the Clutha District Council Common Seal since the previous Council Meeting.

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

***“That Council approves the fixing of its seal, under the hands of the Chief Executive to the documents as listed.”***

<b>1.</b>	<b>WARRANT OF APPOINTMENT</b>
1.1	I Setu warrant of appointment to the position of; - Enforcement Officer (Noise Control, Freedom Camping and Dog Control)
1.2	B Smith warrant of appointment to the position of; - Enforcement Officer (Noise Control, Freedom Camping and Dog Control)
1.3	R Anderson warrant of appointment to the position of; - Enforcement Officer (Noise Control, Freedom Camping and Dog Control)
1.4	P Graham warrant of appointment to the position of; - Enforcement Officer (Noise Control, Freedom Camping and Dog Control)
1.5	R Bird warrant of appointment to the position of; - Enforcement Officer (Noise Control, Freedom Camping and Dog Control)
1.6	L Mullions warrant of appointment to the position of; - Litter Control Officer, Enforcement Officer, Authorised Person/Officer
1.7	R Cox warrant of appointment to the position of; - Litter Control Officer, Parking Warden, Enforcement Officer, Authorised Person/Officer
1.7	N Hakkaart warrant of appointment to the position of; - Litter Control Officer, Enforcement Officer, Authorised Person/Officer
1.8	I McCabe warrant of appointment to the position of; - Litter Control Officer, Dog Control Officer, Poundkeeper/Ranger, Parking Warden, Enforcement Officer, Inspector, Authorised Person/Officer

<b>2.</b>	<b>CONTRACT AGREEMENT</b>
2.1	Contract Agreement 806 – Seal Extensions 2019/20 between Whitestone Contracting Ltd and Clutha District Council.
2.2	Contract Agreement 800 – Milton Streetscape Upgrade Design Services between Rough and Milne and Clutha District Council.
<b>3.</b>	<b>ROAD OCCUPATION LICENCE</b>
3.1	Sections 13, 14, 15 and 16 Block I Town of Kapiti between Clutha District Council and HK Henderson and KM Hazell.
3.2	PT Road opposite Lot 65 DP 1207 Willsher Township extn between Clutha District Council and Kaka Point Surf Lifesaving Club.
3.3	Section 14 Block I and Section 15 Block I town of Kaitangata between Clutha District Council and C and S Pennell.
<b>4</b>	<b>LEASE AGREEMENT</b>
4.1	Section 1 Office Plan 23088 between SD McKenzie and RJ McKenzie and SM Trustees and Clutha District Council.
4.2	Section 56 Toko Mouth Beach Resort between JC Mathieson and AS Murdoch and SW Temple and AD Temple and Clutha District Council.
4.3	Balclutha Camping Ground Ltd between DJ and VA Wise and Clutha District Council.
4.4	Section 38 Toko Mouth Beach Resort between AJ McCulloch and NG McCulloch and Clutha District Council.
4.5	Part Section 133 Block VIII Glenomaru between M Harrison and J Knight and ST Clement and JL Clement and Clutha District Council.
<b>5</b>	<b>REQUESTS AND CONSENTS</b>
5.1	Realignment of Owaka Highway, Glenomaru. Land Declared Road being Section 1 SO 472714 and Section 2 SO 472714. Road to be stopped and amalgamated being Section 3 SO 472714 and Section 4 SO 472714.

## 19 REASONS TO MOVE TO PUBLIC EXCLUDED

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

***“That Council resolves to exclude the public on the grounds contained in Section A2 (a), A2 (b) (ii), A2 (d), A2 (h) and A2 (i) of Appendix 1 of the Clutha District Council’s Standing Orders.”***

The meeting moved into public excluded session at 5.10pm

The meeting moved out of public excluded session and closed at 5.50pm.

**Read and Confirmed**

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**B A Cadogan  
MAYOR**

UNCONFIRMED

## Clutha District Council

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Minutes of the Emergency Meeting of Clutha District Council held in the Council Chambers on Tuesday 10 March 2020, commencing at 9.00am.

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**Present** His Worship the Mayor Bryan Cadogan, Councillors Dane Catherwood, Stewart Cowie, Wayne Felts, Gaynor Finch, Mel Foster, John Herbert, Michelle Kennedy, Alison Ludemann, Kenneth Payne, Carol Sutherland, Jo-anne Thomson and Bruce Vollweiler

**In Attendance** Steve Hill (Chief Executive)

**Apologies** Councillor Bruce Graham

***Moved Mayor Cadogan/Councillor Finch and Resolved:***

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

**Absent** Councillor Selwyn Wilkinson

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Councillor Jo-anne Thomson joined the meeting at 9.03am.

### 1 REASONS TO MOVE TO PUBLIC EXCLUDED

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

***“That Council resolves to exclude the public on the grounds contained in Section A2 (a) and A2 (d) of Appendix 1 of the Clutha District Council’s Standing Orders.”***

The meeting moved into public excluded session at 9.03am.

The meeting moved out of public excluded session and closed at 12.34pm.

**Read and Confirmed**

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**B A Cadogan  
MAYOR**



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## Clutha District Council

### Item for CONFIRMATION

<b>Report</b>	Service Delivery Committee Minutes
<b>Meeting Date</b>	19 March 2020
<b>Item Number</b>	9
<b>Prepared By</b>	Julie Gardner – Service Delivery Administrator
<b>File Reference</b>	255936

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#### REPORT SUMMARY

Attached are the minutes of the meeting of the Service Delivery Committee held on 19 March 2020.

#### RECOMMENDATIONS

1. That the minutes of the meeting of the Service Delivery Committee held on 19 March 2020 be approved as a true and correct record.

## Service Delivery Committee

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Minutes of the meeting of the Service Delivery Committee held in the Council Chambers, 1 Rosebank Terrace, Balclutha on Thursday 19 March 2020, commencing at 1.30pm.

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**Present** Councillor Bruce Graham (Chairman), His Worship the Mayor Bryan Cadogan, Councillors Dane Catherwood, Stewart Cowie, Wayne Felts, Gaynor Finch, Mel Foster, Michele Kennedy, Alison Ludemann, Kenneth Payne, Carol Sutherland, Jo-anne Thomson and Bruce Vollweiler.

**In Attendance** Steve Hill (Chief Executive), Jules Witt (Group Manager Service Delivery), Gerry Essenberg (Capital Delivery Manager), Murray Fletcher (Acting Operations Transportation Manager), Sue Wilkins (Communications Coordinator) and Julie Gardner (Service Delivery Administrator).

**Apologies** Councillors John Herbert, Selwyn Wilkinson

***Moved Mayor Cadogan/Councillor Thomson and Resolved:***

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

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### **DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **URGENT BUSINESS**

There was no urgent business.

### **PUBLIC FORUM**

There was no public forum.

#### **1 GROUP MANAGER’S UPDATE**

The Group Manager Service Delivery submitted a report which set out his activities since the last meeting of the Committee.

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

***“That the Service Delivery Committee receives the Group Manager’s Update report dated 19 March 2020.”***

**2A OPERATIONS UPDATE - TRANSPORTATION**

The Acting Operations Transportation Manager submitted a report advising on operational matters within the Department.

An update was provided regarding the quantum of flood damage with this currently sitting around the \$2M mark. 2 project managers – 1 from CDC/1 from SouthRoads have been out inspecting every road and logging damage and this will form the basis of the program which will take approximately 6 months to complete.

Comment was made that in general our sealed roads are in fairly good shape, but our unsealed roads require more maintenance. Council staff are working with SouthRoads to better program and apply maintenance aggregate to the roads with this program being a work in progress. It was also noted that the quality of maintenance metal varies from quarry to quarry.

**Moved Councillors Felts/Foster and Resolved:**

***“That the Service Delivery Committee receives the Operations Update - Transportation report dated 19 March 2020.”***

**2B OPERATIONS UPDATE – ALL OTHER AREAS**

The Operations Manager submitted a report advising on other operational matters within the Department.

In the absence of the Operations Manager, the Group Manager Service Delivery provided an update on this agenda item.

In particular he advised that ORC had reinspected 2 sites on Wednesday 18 March and were happy with the inspections and would be reinspecting 3 Biofiltro sites on Friday 20 March.

Council staff are currently working on a compliance program for approval by ORC and once confirmed, this will be sent out to Councillors with updates being provided on a regular basis.

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

***“That the Service Delivery Committee receives the Operations Update – All Other Areas report dated 19 March 2020.”***

**3 CAPITAL DELIVERY UPDATE**

The Capital Delivery Manager submitted a report advising on matters within the Department.

The demolition of the Kaitangata Hall and Old Borough Buildings will be discussed further at the Council meeting on 2 April 2020.

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

***“That the Service Delivery Committee receives the Capital Delivery Update report dated 5 February 2020.”***

#### **4 INFRASTRUCTURE STRATEGY UPDATE**

The Infrastructure Strategy Manager submitted a report advising on matters within the Department.

In the absence of the Infrastructure Strategy Manager, the Group Manager Service Delivery provided an update on this agenda item.

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

***“That the Service Delivery Committee receives the Infrastructure Strategy Update report dated 5 February 2020.”***

#### **5 COMMUNITY HOUSING UNITS SURVEY RESULTS**

The Community Facilities Supervisor submitted a report providing results of the annual survey undertaken at the Council Community Housing Units.

***Moved Councillors Thomson/Ludemann and Resolved:***

***“That the Service Delivery Committee receives the Community Housing Units Survey Results report dated 19 March 2020.”***

The meeting closed at 2.30pm.

Confirmed

Bruce Graham  
Chairman

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## Clutha District Council

### Item for CONFIRMATION

<b>Report</b>	Regulatory and Policy Committee Minutes
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	10
<b>Prepared By</b>	Wendy Copeland – Regulatory Services Administrator
<b>File Reference</b>	255947

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#### REPORT SUMMARY

Attached are the minutes of the meeting of the Regulatory and Policy Committee held on 19 March 2020.

#### RECOMMENDATIONS

1. That the minutes of the meeting of the Regulatory and Policy Committee held on 19 March 2020 be approved as a true and correct record.

## Regulatory and Policy Committee

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Minutes of the meeting of Regulatory and Policy Committee held in Council Chambers, 1 Rosebank Terrace, Balclutha on Thursday 19 March 2020, commencing at 2.36pm

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**Present** Councillor Bruce Vollweiler (Chairman), Mayor Bryan Cadogan, Councillors Dane Catherwood, Stewart Cowie, Wayne Felts, Gaynor Finch, Mel Foster, Bruce Graham, Michelle Kennedy, Alison Ludemann, Ken Payne, Carol Sutherland and Jo-anne Thomson

**In Attendance** Ian McCabe (Group Manager Planning and Regulatory), and Wendy Copeland (Regulatory Services Administrator)

**Apologies** Councillor Selwyn Wilkinson and John Herbert

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

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

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### DECLARATIONS OF INTEREST

There were no declarations of interest.

### URGENT BUSINESS

There was no urgent business.

### PUBLIC FORUM

There was no public forum.

### 1. MANAGER’S REPORT

The Group Manager – Regulatory and Planning submitted a report updating the Committee on the following matters:

1. Manager’s Activity
2. Building Control
3. Animal Control

4. Environmental Health
5. District Licensing Committee
6. Planning/Resource Consents
7. District Plan Changes
8. Staffing.

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

***“That the Regulatory and Policy Committee receives the report titled ‘Manager’s Report’, dated 19 March 2020.”***

## **2. STRATEGIC PLANNING MANAGER’S REPORT**

Report updating the Committee on various matters of interest in the Policy and Strategic Planning area.

Mike Goldsmith, Senior Policy Analyst updated the Committee in the Strategic Planning Manager’s absence, regarding the Lawrence and Kaitangata Community Consultations. He advised that, due to the Covid-19 threat, they had both been put on hold until further notice.

***Moved Councillors Graham /Sutherland and resolved:***

***“That the Regulatory and Policy Committee receives the report titled ‘Strategic Planning Manager’s Report’, dated 19 March 2020.***

## **3. OUR PLACE KAITANGATA CONSULTATION AND ENGAGEMENT STRATEGY**

The Senior Policy Advisor, Mike Goldsmith, submitted a report on the proposed our Place Kaitangata Consultation and Engagement Strategy. The report sought approval to implement the activities listed in the document in February – March 2020.

***Moved Mayor Cadogan / Councillor Finch and Resolved:***

1. ***“That the Regulatory and Policy Committee receives the report titled ‘Our Place Kaitangata Consultation and Engagement Strategy’ dated 27 November 2019.”***
2. ***“That the Our Place Kaitangata Consultation and Engagement Strategy’ consultations be suspended until further notice.***

## **4. BUILDING STATISTICS**

The Regulatory Services Administrator submitted a report showing the building statistics and comparisons for November, December 2019 and January, February 2020.

***Moved Councillor Sutherland / Ludemann and Resolved:***

***“That the Regulatory and Policy Committee receives the report titled ‘Building Statistics’ dated 19 March 2020.”***

The meeting closed at 3.07pm

Confirmed

Bruce Vollweiler  
**CHAIRMAN**

Unconfirmed



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## Clutha District Council

### Item for CONFIRMATION

<b>Report</b>	Corporate & Property Committee Minutes
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	11
<b>Prepared By</b>	Karen Piercy – Corporate Services Administrator
<b>File Reference</b>	255831

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#### REPORT SUMMARY

Attached are the unconfirmed minutes of the meeting of the Corporate & Property Committee held on 19 March 2020.

#### RECOMMENDATIONS

1. That the unconfirmed minutes of the Corporate & Property Committee held on 19 March 2020 be approved as a true and correct record.

## Corporate & Property Committee

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Minutes of the meeting of Corporate & Property Committee held in the Council Chambers, 1 Rosebank Terrace, Balclutha on Thursday 19 March 2020, commencing at 3.30 pm.

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**Present** Councillor Kenneth Payne (Chairperson), His Worship the Mayor Bryan Cadogan, Councillors Dane Catherwood, Stewart Cowie, Gaynor Finch, Mel Foster, Bruce Graham, John Herbert, Michele Kennedy, Alison Ludemann, Carol Sutherland, Jo-Anne Thomson and Bruce Vollweiler.

**In Attendance** Steve Hill (Chief Executive), John Scott (Group Manager Corporate Services), Vicki Darling (Library/Service Centre Manager), Angela Anderson (Team Leader Clutha i SITE), Sue Wilkins (Communications Coordinator), James du Toit (Business Systems Analyst) and Karen Piercy (Corporate Services Administrator) James du Toit (

**Apologies** Councillors John Herbert & Selwyn Wilkinson

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

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

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Mayor Cadogan joined the meeting at 3.35pm.

The Chief Executive joined the meeting at 3.37pm.

Discussion followed on whether the apology from Councillor Wilkinson should be accepted.

An amendment was proposed by Councillor Ludemann as follows:

*Moved Councillors Ludemann/Finch:*

*“That the apology for Councillor Herbert be accepted.”*

The amendment was discussed and then put to the vote by show of hands.

For 6

Against 6

Abstained 1

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The Chair exercised his casting vote, voting in favour of the amendment.

The amendment became the substantive motion which was then put.

***Moved Councillors Ludemann/Finch:***

***“That the apology for Councillor Herbert be accepted.”***

This was put to the vote and was unanimous

Discussion then took place on the acceptance or non-acceptance of Councillor Wilkinson’s apology.

Councillor Vollweiler moved the following:

***Moved Councillor Vollweiler/Mayor Cadogan and Resolved:***

***“That the apology for Councillor Wilkinson be approved.”***

Discussion followed and the motion was ‘put’.

A vote by show of hands was held with the result:

For 6

Against 6

The Chair exercised his casting vote in favour of the resolution.

***The motion was carried.***

## **DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **URGENT BUSINESS**

There was no urgent business.

## **PUBLIC FORUM**

There was no public forum.

## **1. MANAGEMENT ACCOUNTS REPORT**

The Finance Manager submitted the Management Accounts report for the period July 2019 to January 2020 with explanations for major variances

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

***“That the Corporate & Property Committee receives the Management Accounts Report.”***

## 2. INVESTMENT PORTFOLIO UPDATE REPORT

The Management Accounted submitted a report on the investment portfolio for the months April 2019 till February 2020.

At the Risk & Assurance Committee meeting held prior to this meeting, Ben Trollip MJW spoke by teleconference in order to clarify the current financial situation. Although there have been losses, overall, the portfolio has increased.

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

***“That the Corporate & Property Committee receives the Investment Portfolio Update Report.”***

## 3. LIBRARIES - SERVICE CENTRES REPORT

The Library/Service Centre Manager submitted a report on the activities of the district libraries and service centres in the past period, including statistics and activities from August to October, including a verbal report on the February APNK wi-fi data, which is up on the previous year.

The library loan period has been extended from three to six weeks in response to the Covid19 pandemic. The Library has also temporarily suspended overdue fees for adults. Additional promotion of digital resources is happening.

The Mayor wished Vicki Darling all the best with her future work with Central Otago District Council and the Chair thanked Vicki for her commitment and enthusiasm.

The Chief Executive left the meeting at 4.04 pm.

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

***“That the Corporate & Property Committee receives the Libraries/Service Centres Report.”***

## 4. CORPORATE SERVICES REPORT

The Corporate Services Administrator submitted a report updating the Committee on the activities of the Corporate Services Department in the past period, including funding schemes. The report covered:

- Creative Communities New Zealand Funding Scheme.
- Sport New Zealand Rural Travel Fund.
- Tuapeka Bursary.
- ANZAC Day Funding
- General Grant Allocations:
  - Reimbursement of Council Fees and Charges.
  - Reimbursement of Rent or Lease.
- Rates Rebate Scheme.

***Moved Mayor Cadogan/Councillor Ludemann and Resolved:***

***“That the Corporate & Property Committee receives the Corporate Services Report.”***

## 5. TUAPEKA BURSARY TRUSTEE MINUTES

The unconfirmed minutes of the Tuapeka Bursary Trustees meeting held on 4 March 2020 were submitted for noting.

***Moved Councillors Kennedy/Foster and resolved:***

***“That the unconfirmed minutes of the meeting of the Tuapeka Bursary Trustees meeting held on 4 March 2020 be noted.”***

## 6. CORPORATE PROPERTIES UPDATE REPORT

The Group Manager Corporate Services presented the Corporate Properties Update report which provides an update of Corporate properties in the district.

The report included cribs, endowment land and other property.

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

***“That the Corporate & Property Committee receives the Corporate Properties Update Report.”***

## 7. DEVELOPMENT PROPERTIES UPDATE REPORT

The Group Manager Corporate Services presented a report on the following development properties:

- Plantation Heights.
- Rosebank Industrial.
- Kaitangata.

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

***“That the Corporate & Property Committee receives the Development Properties Update Report.”***

## 8. ORGANISATIONAL PERFORMANCE REPORT

The Group Manager Corporate Services presented the Organisational Performance report for information.

James Du Toit demonstrated the software used to produce the performance results.

Mayor Cadogan left the meeting at 4.25pm and returned at 4.29pm

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

***“That the Corporate & Property Committee receives the Organisational Performance Report.”***

## 9. CORPORATE REPORT

The Group Manager Corporate Services presented a report providing Corporate Reporting for the quarter ended 31 December 2019.

An update was tabled.

***Moved Councillor Thomson/Mayor Cadogan and Resolved:***

***“That the Corporate & Property Committee receives the Corporate report.”***

**10. LGFA QUARTERLY REPORT FOR THE PERIOD ENDED 31 DECEMBER 2019**

The Group Manager Corporate Services presented the LGFA (Local Government Funding Agency Funding Agency) Quarterly Report for the period ended 31 December 2019.

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

***“That the Corporate & Property Committee receives the LGFA Report for the period ended 31 December 2019.”***

**11. CORPORATE & PROPERTY COMMITTEE WORK PROGRAMME REPORT**

The Group Manager Corporate Services presented the Corporate & Property Work Programme report.

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

***“That the Corporate & Property Committee receives the Corporate & Property Committee Work Programme report.”***

The meeting closed at 4.50pm.

Confirmed

Kenneth Payne  
**CHAIRPERSON**

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## Clutha District Council

### Item for INFORMATION

<b>Report</b>	West Otago Community Board Minutes
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	12
<b>Prepared By</b>	Julie Gardner – Service Delivery Administrator
<b>File Reference</b>	255940

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#### REPORT SUMMARY

Attached are the unconfirmed minutes of the meeting of the West Otago Community Board held on 4 March 2020.

#### RECOMMENDATIONS

1. That the unconfirmed minutes of the meeting of the West Otago Community Board held on 4 March 2020 be noted.

## West Otago Community Board

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Minutes of the meeting of West Otago Community Board held in the St John Ambulance Rooms, Sussex Street, Tapanui on Wednesday 4 March 2020, commencing at 10.33am.

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**Present** Barbara Hanna (Chairperson), Cecil Crawford, Councillor John Herbert, Councillor Michele Kennedy, Bruce Robertson, Linda Roulston and Sue Wink.

**In Attendance** His Worship the Mayor Bryan Cadogan, Steve Hill (Chief Executive) and Karen Piercy (Corporate & Property Administrator).

**Apologies** Antony Robertson

*Moved S Wink/Councillor Herbert Resolved:*

*“That the apologies be sustained.”*

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### LATE ITEMS

- Heriot Gardens

### DECLARATIONS OF INTEREST

Councillor Kennedy declared an interest in West Otago Health Trust.

Bruce Robertson declared an interest in Fernvale Genetics.

### 1 WEST OTAGO COMMUNITY BOARD MINUTES

The minutes of the meeting of the West Otago Community Board held on 22 January 2020 were presented for the Board’s confirmation.

*Moved Councillors Kennedy/Herbert and Resolved:*

*“That the West Otago Community Board confirms as a true and correct record the minutes of the meeting held on 22 January 2020.”*

### 2 WORK IN PROGRESS UPDATE

The Service Delivery Administrator submitted a report that updated the Community Board on progress in relation to issues that had been raised at previous meetings.



## **2.1 West Otago Swimming Pool**

This item can be removed from the agenda as the GST money has been repaid to the West Otago Community Board.

The pool has been very well used since opening. Parking is an issue, but this should be resolved when the landscaping is completed. Without the support of the community. Lottery and MOE the project would not have happened.

The Community Board will visit the pool before the next meeting.

## **2.2 Projects**

### **2.2.1 Christmas Tree**

This item is to stay on the work in progress.

### **2.2.2 Cell phone Tower Booster**

The Waikaka and Arthurton boosters may go live at the start of June. A site at Raes Junction has not been found yet.

## **2.3 Irresponsible Camping**

No change.

## **2.4 50km signs at Tapanui**

A flashing 'Slow Down' sign could be useful to warn motorists leaving town and could be moved around the district to keep motorists 'on their toes'.

## **2.5 Crossing at Koi Cross Roads**

The Community Board would hope that the piles of gravel and rubble left outside the hall and monument will be moved at the completion of the project. The Chairperson is to approach Downers to find out if this is a permanent site and if an alternative storage site could be found.

This can be removed from the work in progress report.

## **2.6 Trees in Tapanui Township**

No comment had been received from the Balclutha Police before this meeting.

## **2.7 Gorse around Sewerage Pond**

A letter has been sent to the lessee reiterating the terms of the lease. The gorse looks to be dying.

This can be removed from the Work in Progress report.

## **2.8 Tapanui Water Supply**

The Community Board discussed the water usage figures. The figures confirm that water consumption is almost doubled in summer.

## 2.9 Kelso Triangle

The neighbour has not been able to tidy the triangle and it is very overgrown. Councillor Herbert will arrange to spray and it will be tidied in the Spring.

This item is to stay on the Work in Progress Report until this has been completed.

## 2.10 Council-Owned Land/Hancox Park

Investigation into the status of Hancox Park and the current lease will be completed by council staff. This item is further covered in the Service Delivery report.

## 2.11 Community Centre Carpark Lighting

This will be progressed by council staff and reported back to the Chairperson.

## 2.12 Tree Pruning – West Otago

Discussed under 'Correspondence'.

This item can come off the Work in Progress report.

## 2.13 Dorset Street Intersection

The road has not yet been marked; however this will be followed up with the contractor.

***Moved L Roulston/S Wink and Resolved:***

***"That the West Otago Community Board receives the Work in Progress Update report."***

## 3 SERVICE DELIVERY UPDATE

The Group Manager Service Delivery submitted a report of activities in respect to the Service Delivery Department.

### 3.1 Tapanui Oxidation Pond and Biofiltro Work

The Chief Executive gave an update on the progress of the upgrading of the oxidation plant. Infiltration of storm water into wastewater is a problem which is being investigated. This is a significant cause of overflow from the plant.

There has been a significant work programme to correct the noncompliance issues.

### 3.2 Roading

The Community Board asked what ongoing checking was being undertaken on road repairs as a result of the recent floods. Recovery work update reports will be sent to elected members and the community board.

#### 3.2.1 Signs and Barriers

A solution needs to be found to ensure West Otago has access to signage and the authority to close the roads when Southroads cannot get access to the area. There

appears to be a sub-contractor, but the Community Board is unsure if this is a formal arrangement.

The Chief Executive explained that there is a lack of road closed signage across the district and a considerable amount went missing during the recent flood event.

To be added to the Work in Progress report.

### **3.2.2 Kelso Bridge Flooding**

S Wink advised that she was very concerned with flooding at the bridge at Kelso. Permanent barriers need to be erected further back from the bridge to stop traffic as it is very dangerous when the river is in flood.

This is to be added to the Work in Progress report.

### **3.3 Hancox Park**

S Wink left the meeting at 11.35am and returned at 11.36am.

The land at Hancox Park is currently being leased. The Community Board expressed concern that the lease would be rolled over before the Board has the opportunity to be consulted or the time to consider other options for the site.

A decision needs to be made by the Board on the future use of the land before the lease is renewed. This would normally be done as part of the Community Plan process; however the Community Board has twelve months to make some decisions on future use (before the lease is renewed).

This item is to be left in the Work in Progress report.

***Moved S Wink/L Roulston and Resolved:***

***“That the West Otago Community Board receives the Service Delivery Update Report.”***

***Moved Councillor Herbert/C Crawford and Resolved***

***“The Chairperson be given delegated authority to spend up to \$500 on plants for the Heriot Gardens.”***

## **4 REVENUE & EXPENDITURE REPORT**

The Management Accountant submitted a copy of the Revenue and Expenditure Statement for the activities within the West Otago Community Board’s area for the period 1 July 2019 to 31 January 2020.

***Moved L Roulston/B Robertson and Resolved:***

***“That the West Otago Community Board receives the Revenue and Expenditure report.”***

## 5 CORRESPONDENCE

The Service Delivery Administrator presented correspondence received and sent since the last Community Board meeting.

### Inwards Correspondence

- Kate & Craig Lindale – letter re property flooding
- Fernvale Genetics – complaints re Aitchisons Runs Road

### Outwards Correspondence

- TWO Promotions – Thank you letter
- Margaret Read – Tapanui Tree Pruning – REPLY

#### 5.1 Lindale Property Flooding

The Chief Executive and Community Board visited the Lindale property prior to the meeting. Council staff will investigate and report back on the flooding issue.

The Chief Executive is to check on the priorities for the stormwater work programme in the next financial year. Staff can put a submission into the Annual Plan if this isn't already on the priority list.

#### 5.2 Aitchison Runs Road

Six years ago some improvement work was undertaken to cut corners, but this has not improved the road.

Council staff will identify what improvements can be made and will complete a technical assessment. This will be communicated to Mr Brensell.

***Moved B Robertson/S Wink and Resolved:***

***“That the West Otago Community Board receives the Correspondence.”***

## 6 CORPORATE SERVICES REPORT

The Corporate Services Administrator submitted a report that covered activities of the Corporate Services Department in the past period including funding schemes.

***Moved Councillor Kennedy/L Roulston and Resolved:***

***“That the West Otago Community Board receives the Corporate Services report.”***

## 7 BUILDING REPORT

The Regulatory Administrator submitted a report on building consents for January 2020.

***Moved S Wink/L Roulston and Resolved:***

***“That the West Otago Community Board receives the Building Consent Statistics for January 2020 report.”***

#### **LATE ITEMS**

##### **Heriot Gardens**

The Heriot Gardens need a tidy and some plants need to be replaced, therefore some funding is required. L Roulston will put in a service request for spraying to be completed.

With the leave of the Chairperson, this was moved to the Service Delivery report.

#### **8 REASON TO MOVE TO PUBLIC EXCLUDED SESSION**

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

***“That the West Otago Community Board resolves to exclude the public on the grounds contained in Section A2 (b) (ii) of Appendix A of the Clutha District Council’s Standing Orders.”***

The meeting moved into public excluded session at 12.13pm.

The meeting moved out of public excluded and closed at 1.10pm.

**Confirmed**

**Barbara Hanna  
CHAIRPERSON**

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## Clutha District Council

### Item for INFORMATION

<b>Report</b>	Lawrence/Tuapeka Community Board Minutes
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	13
<b>Prepared By</b>	Julie Gardner – Service Delivery Administrator
<b>File Reference</b>	255942

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#### REPORT SUMMARY

Attached are the unconfirmed minutes of the meeting of the Lawrence/Tuapeka Community Board held on 4 March 2020.

#### RECOMMENDATIONS

1. That the unconfirmed minutes of the meeting of the Lawrence/Tuapeka Community Board held on 4 March 2020 be noted.

## Lawrence/Tuapeka Community Board

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Minutes of the meeting of the Lawrence/Tuapeka Community Board held in Lawrence Service Centre, Peel Street, Lawrence on Wednesday 4 March 2020, commencing at 3.00pm.

**Present** Councillor Mel Foster (Chairperson), Lindy Chinnery, Geoff Davidson, Tim Dickey, Matthew Little and Suzanne Stephenson

**In Attendance** His Worship the Mayor Bryan Cadogan, Steve Hill (Chief Executive) and Karen Piercy (Corporate & Property Administrator).

**Apologies** Garry McCorkindale.

*Moved G Davidson/M Little and Resolved:*

*“That the apology be sustained.”*

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### PUBLIC FORUM

#### DECLARATIONS OF INTEREST

There were no declarations of interest received.

#### 1 INVESTITURE OF MEMBER AND DECLARATION OF OFFICE

Clause 14 of Schedule 7 of the Local Government Act 2002 requires elected members to make and sign the Declaration set out in the Act.

The following community board members made the statutory declaration and signed a written version of the declaration.

Timothy Russell Dickey  
Suzanne Stephenson

Tim and Suzanne made and signed the statutory declarations.

Mayor Cadogan left the meeting at 3.05pm.

## 2. ELECTION OF CHAIRPERSON

Nominations were called for the position of Chairperson.

Councillor Foster nominated Geoff Davidson. Lindy Chinnery seconded the nomination.

There being no further nominations, Geoff Davidson was declared Chair and resumed the seat.

It was noted that the Deputy Chair position is already filled by Matt Little.

## 3 COMMUNITY BOARD APPOINTMENT

The Chief Executive submitted a report regarding the appointment of a Community Board representative to the Lake Mahinerangi Weed Management Committee and the Mahinerangi Consultative Group.

***Moved M Little/L Chinnery and Resolved***

***“That Councillor Foster be appointed as the Lawrence/Tuapeka Community Board representative to the Lake Mahinerangi Weed Management Committee and the Mahinerangi Consultative Group.***

## 4 LAWRENCE/TUAPEKA COMMUNITY BOARD MINUTES

The minutes of the meeting of the Lawrence/Tuapeka Community Board held 22 January 2020 were presented for the Board’s confirmation.

***Moved Councillor Foster/M Little and Resolved:***

***“That the minutes of the meeting of the Lawrence/Tuapeka Community Board held on 22 January 2020 be confirmed.”***

## 5 WORK IN PROGRESS

The Service Delivery Administrator submitted a report that updated the Community Board on progress in relation to issues that had been raised at previous meetings.

### 5.1 Gabriel’s Gully Walkway

Council staff followed up the email with a phone call however this has still not generated a response from DoC. Staff will report back to the next meeting.

### 5.2 Extension of Cycle Trail

Another progress update will be requested for the next meeting.

### 5.3 Peace Garden

Councillor Foster has contacted Toby Young (Arborist) for a report. The Community Board will arrange to meet with the arborist prior to any work being completed.



**5.4 Zig Zag Track**

The feedback coming in from the public is that the area should just be tidied up for the time being, with more plantings. The project should go in the Lawrence Community Plan consultation.

**5.5 Hospital Creek/Wetherstons Creek**

Erosion work commenced at Wetherstons Creek in February, with a local contractor engaged to progress work on Hospital Creek. Regular weed spraying is subject to a suitable quote which has not yet been received.

**5.6 Trees – Steep Street Domain**

Some Sycamore trees on the bank have been removed. The contractor has recommended not to remove any more trees because if this is done seedlings will come through and the area will become overgrown.

**5.7 Entranceways – Tuapeka Transport Ltd**

Tuapeka Transport Ltd have agreed in principle to an option for consolidating their entranceways. Work is being done to progress this with Tuapeka Transport.

**5.8 Boarded up Shop – Ross Place**

L Chinnery provided a quote supplied by her partner to build planter boxes and a seat to sit in front of this shop. T Dickey suggested that the whole shop frontage be covered in corrugated iron. The cost would be approximately \$1,200.00. S Stephenson suggested a blend of the two ideas - a planter box with a corrugated iron backing between. This could be standalone if the backing was well supported.

It was agreed that another attempt to contact the owner should be made before any work is completed. The Chair will attempt to make contact and will report back to the next meeting.

**5.9 Transfer Station**

The alternative site has been agreed, this will now be progressed by council staff.

**5.10 Phoenix Dam**

Consultants undertook inspections over January which involved a geotechnical assessment of the dam and a dam safety evaluation.

The Board would like to clarify whether the old water race was included in the inspection of the dam. Council staff are to report this back to the next meeting.

***Moved T Dickey/M Little and Resolved:***

***“That the Lawrence/Tuapeka Community Board receives the Work in Progress Update report.”***

## 6 SERVICE DELIVERY UPDATE

The Group Manager Service Delivery submitted a report on activities in respect to the Service Delivery Department.

***Moved Councillor Foster/L Chinnery and Resolved:***

***“That the Lawrence/Tuapeka Community Board receives the Service Delivery Update Report.”***

## 7 REVENUE & EXPENDITURE REPORT

The Management Accountant submitted a copy of the Revenue and Expenditure Statement for the activities within the Lawrence/Tuapeka Community Board’s area for the period 1 July 2019 to 31 January 2020.

***Moved S Stephenson/M Little and Resolved:***

***“That the Lawrence/Tuapeka Community Board receives the Revenue and Expenditure report.”***

## 8 CORPORATE SERVICES REPORT

The Corporate Services Administrator submitted a report that covered activities of the Corporate Services Department in the past period including funding schemes.

***Moved L Chinnery/S Stephenson and Resolved:***

***“That the Lawrence/Tuapeka Community Board receives the Corporate Services report.”***

## 9 BUILDING REPORT

The Regulatory Administrator submitted a report on building consents for January 2020.

***Moved M Foster/T Dickey and Resolved:***

***“That the Lawrence/Tuapeka Community Board receives the Building Consent Statistics for January 2020 report.”***

## 10 WAITAHUNA SPEED LIMITS

The Senior Infrastructure Engineer submitted a report providing an update on the current speed limit situation and advised of the process involved to change this. This follows a request from concerned residents of Waitahuna.

A timeframe for this process is to be reported back to the next meeting.

***Moved T Dickey/S Stephenson and Resolved:***

***“That the Lawrence/Tuapeka Community Board receives the Waitahuna Speed Limits report.”***

## **11 WETHERSONS ROAD – SEAL EXTENSION**

The Group Manager Service Delivery submitted a report regarding the sealing of Wetherstons Road. This was in response to a request from a resident who cited health issues due to the dust generated by passing traffic.

The Chief Executive explained the dust suppression programme.

The main issue is during the daffodil season when vehicles are travelling to view the daffodils at Wetherstons. The Service Delivery Manager has indicated that a flashing sign to slow traffic down could be erected during that period.

***Moved M Little/L Chinnery and Resolved:***

***“That the Lawrence/Tuapeka Community Board receives the Wetherstons Road – Seal Extension report.”***

***“That the Lawrence/Tuapeka Community Board write to the residents of Wetherstons Road and the Brewery and update them with regard to their options and the future seal extension work through the 2021-31 Long Term Plan.”***

### **LATE ITEM**

Councillor Foster tabled an email from Anna Mickell, Clutha Gold Trail requesting permission to attach posters to the Lawrence public toilets. The posters (which will be professionally designed), are an attempt to increase donation revenue and cyclist feedback surveys.

Council staff will be notified.

The meeting closed at 4.19pm.

**Confirmed**

Geoff Davidson  
**CHAIRPERSON**

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## Clutha District Council

### Item for INFORMATION

<b>Report</b>	Risk & Assurance Committee Minutes
<b>Meeting Date</b>	2 April 2019
<b>Item Number</b>	14
<b>Prepared By</b>	Karen Piercy – Corporate Services Administrator
<b>File Reference</b>	255829

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#### REPORT SUMMARY

Attached are the unconfirmed minutes of the meeting of the Risk & Assurance Committee held on 19 March 2020.

#### RECOMMENDATIONS

1. That the unconfirmed minutes of the Risk & Assurance Committee held on 19 March 2020 be noted.

## Risk & Assurance Committee

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Minutes of the meeting of Risk & Assurance Committee held in the Council Chambers, 1 Rosebank Terrace, Balclutha on Thursday 19 March 2020, commencing at 10.33 am.

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**Present** Stephen Halliwell (Chairperson), His Worship the Mayor Bryan Cadogan, Councillors, Stewart Cowie, Bruce Graham, Michele Kennedy, Alison Ludemann, Ken Payne and Bruce Vollweiler.

**In Attendance** Steve Hill (Chief Executive), John Scott (Group Manager Corporate Services), Councillors Jo-Anne Thomson, Wayne Felts, Gaynor Finch and Carol Sutherland, Christina Johnston (Risk Management Support Officer) and Karen Piercy (Corporate Services Administrator).

**Apologies** Councillor John Herbert

*Moved Mayor Cadogan/Councillor Payne and Resolved:*

*“That the apology be sustained.”*

### DECLARATIONS OF INTEREST

There were no declarations of interest.

### URGENT BUSINESS

There was no urgent business.

### PUBLIC FORUM

There was no public forum.

### 1. CONFIRMATION OF MINUTES

The minutes of a meeting of the Risk & Assurance Committee held on 27 November 2019.

*Moved Councillors Payne/Vollweiler/and Resolved:*

*“That the Risk & Assurance Committee confirms as a true and correct record the minutes of the Risk & Assurance Committee held 27 November 2019.”*

## 2. HEALTH & SAFETY UPDATE REPORT

The Risk Management Support Officer submitted a summary of the activities in Health and Safety to meet the requirements of the Health and Safety at Work Act 2015 and ensure workers go home safe and well every day.

An overview of the Covid19 response was provided (discussion on this was withheld to the similar item in the Organisation Risk Management Report).

In response to a question on a minor incident reported, the Risk Management Support Officer advised that staff and contractors are being encouraged to 'over report' incidents.

### 2.1 Fencing of sewerage ponds.

Staff implemented a process of evaluating sites and assessing risks started soon after the Gore incident. Reports of gates being left open where they are required to be closed is concerning and will be investigated. Only authorised staff are allowed on these sites, other staff and visitors are required to get approval and will be supervised.

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

***"That the Risk & Assurance Committee receives the Health & Safety Update Report."***

## 3. INVESTMENT PORTFOLIO COMPLIANCE & MONITORING REPORT (Was Public Excluded Item 1)

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

***"That the Risk & Assurance Committee resolves that the item 'Investment Portfolio Compliance & Monitoring Report' be moved out of Public Excluded, except for the JP Morgan report which will remain in public excluded on the grounds contained in Appendix 1 of the Clutha District Council's Standing Orders under Sections A2 (b) (ii), and A2(h)."***

The Group Manager Corporate Services presented a report on the monthly returns and compliance with agreed portfolio allocations for the months of April 2019 to February 2020. An email from Ben Trollip of Melville Jessop Weaver (MJW) was tabled clarifying points raised in the report. MJW are Council's independent advisor on Council's Nikko investment funds. The Chief executive tabled a spreadsheet reflecting the position of the fund since inception but excluding rate dividends to reflect the growth to date.

Ben Trollip then teleconferenced into the meeting to further explain the report and to answer questions. He made the following points:

- There is quite a lot of volatility in markets particularly equity markets. Day to day volatility is high.
- Overall markets are substantially down from their peak.
- Since 19 February markets have fallen – triggered by outbreak of Covid-19 impacting medical costs and the global economy.
- In tandem OPEC (Saudi Arabia) has picked a cash war against Russia and the price of oil has fallen which has impacted the economics of some businesses in USA.
- The first quarter of the year was overall down 18% (domestic market).

- The global market is down 20%.
- Bonds are up 1%.
- Quarter to date lost 8.4% in value.
- Year to the end of February Council's Nikko fund is still up 2-3% despite February falls.
- Approaching levels of GFC (Global Financial Crisis), which took 3 -5 years to recover from last time.
- There are no concerns with liquidity of the fund.
- There is significantly less risk in bonds.

Councillor Finch left the meeting at 11.15am.

Councillor Felts left the meeting at 11.17am and returned 11.19am

Councillor Finch returned at 11.22am

- Some organisations are selling bonds to buy equities to balance long term strategic asset allocation.
- In the short-term changing the long-term strategy is not recommended. When things have settled down this will need to be re-evaluated.
- 100% of clients are still invested as per their long-term objective.
- The medium to long term dividends will be better.

There was a discussion on whether cashing up the fund would result in approximately a 3% return for the year. Council could then jump back into the fund when things picked up. Mr Trollip advised that those that have used this strategy get it wrong as often as they get it right. Part of getting it right is you have to get back into the market at the moment the market turns. In the GFC while it took funds three to five years to fully recover the biggest part of the recovery occurred in the initial bounce-back.

Mr Trollip explained the change in the JP Morgan Multi Strategy fund (7% of the Nikko portfolio) and the recommendation to change to the more liquid Multi-Manager Alternatives Fund.

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

- 1. "That the Risk & Assurance Committee receives the Investment Portfolio Compliance and Monitoring Report.***
- 2. That the Risk & Assurance Committee recommends to Council that it remains invested as the Nikko fund converts from a Multi-Strategy Fund (MSF) to a Multi-Manager Alternatives Fund (MMAF)."***

#### 4. ORGANISATIONAL RISK MANAGEMENT REPORT (Item 3 in the agenda running order)

The Risk Management Support Officer provided an update of the progress of the implementation of the Risk Management Framework, specifically the risk management process.

An update on the flood was provided. The Group Manager Corporate Services tabled a letter from the Otago Regional Council on the Hospital Creek retention embankment, advising that they would not be taking responsibility for any repairs as they believed it to be a Council asset.

Councillor Vollweiler left the meeting at 11.54am and returned at 11.57am.

Staff are working with ORC on modelling on future flooding so that it is known when to evacuate.

##### 4.1 Covid-19 Risk Assessment

The Chief Executive reported that this was a very quickly changing environment. He noted that staff and elected members were kept up to date with regular emails. A risk assessment to identify critical risks and mitigation strategies was included in the report.

There is a merging of roles between Civil Defence and Council around managing the pandemic.

The Pandemic Plan lists the essential services including water and wastewater. There is a plan in place to ensure the continuation of water supply. At present there are no issues with the supply of chemicals for treatment in the plants.

##### 4.1.1 Covid-19 and Leadership

Leadership is included in the Working from Home Strategy, which includes the Mayor, Deputy Mayor and all members of the Senior Leadership team.

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

***“That the Risk & Assurance Committee receives the Organisational Risk Management report.”***

The Risk Management Support Officer left the meeting at 12.17 am.

#### 5. DELOITTE AUDIT PROPOSAL LETTER REPORT (Item 4 in the agenda running order)

The Group Manager Corporate Services submitted an Audit Proposal letter and Audit Engagement Letter advising that the Auditor General intends to appoint Heidi Rautjoki of Deloitte to carry out audits for the Clutha District Council for the next three years with agreed audit fees.

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

***1. “That the Audit & Risk Committee receive the Deloitte Audit Proposal Letter Report”***



2. ***“That the Audit & Risk Committee refers to Council for decision the Audit Proposal and Audit Engagement Letters to conduct the audit of the Clutha District Council on behalf of the Auditor General for the 2020, 2021 and 2022 financial years. The Mayor and Chief Executive can sign on the Council’s behalf.”***

#### **6. MAJOR PROJECTS REPORT (Item 5 in the agenda running order)**

The Group Manager Corporate Services presented the Major projects report which contained a commentary on the status of Category A Projects and a risk assessment on these projects.

Plantation Heights is being monitored as it is still a category A project.

Councillor Thomson left the meeting at 12.29pm.

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

***“That the Risk & Assurance Committee Receives the Major Projects Report.”***

#### **7. REVIEW OF THE POLICY ON TREASURY MANAGEMENT REPORT (Item 6 in the agenda running order)**

The Group Manager Corporate Services presented the Review of the Treasury Management Policy report. The policy has been technically reviewed in consultation with the Risk & Assurance Committee Chair and Bancorp Advisor, Miles O’Connor. The previous single policy is now split into two; Treasury Management Policy (8A) and Investment and Liability Management Policy (8B).

Councillor Finch left the meeting at 12.33pm

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

1. ***“That the Risk & Assurance Committee receives the Review of the Policy on Treasury Management report.***
2. ***That the Risk & Assurance Committee recommends to Council that the changes made to the Treasury Management Policy (8A) and Investment and Liability Management Policy (8B) be approved. “***

Councillor Thomson returned to the meeting at 12.34pm

#### **8. MANAGEMENT ACCOUNTS REPORT (Item 7 in the agenda running order)**

The Finance Manager submitted the Management Accounts for the period July 2019 to January 2020 are submitted for the Committee’s information.

The Chief Executive left the meeting at 12.35pm.

There are no figures available for the flood yet.

Councillor Finch returned to the meeting at 12.36pm.

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

***“That the Risk & Assurance Committee receives the Management Accounts report.”***

**9. RISK & ASSURANCE COMMITTEE WORK PROGRAMME (item 8 in the agenda running order)**

The Group Manager Corporate Services presented the Risk & Assurance Work Programme report.

***Moved Councillors Cowie/Ludemann and Resolved:***

***“That the Risk & Assurance Committee receives the Risk & Assurance Committee Work Programme report.”***

**10. REASONS TO MOVE TO PUBLIC EXCLUDED SESSION (Item 9 in the agenda running order)**

The Corporate Services Administrator presented a report requesting that the Audit & Risk Committee move into Public Excluded session for the following reasons:

1. Confirmation of the Public Excluded Minutes of the meeting held 27 November 2019.

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

***“That the Risk & Assurance Committee resolves to exclude the public on the grounds contained in Appendix A of the Clutha District Council’s Standing Orders under Sections A2 (b) (ii) and A2 (d) (i).”***

The meeting moved into Public Excluded session at 12.39 pm.

The meeting moved back into Public session at 12.39 pm.

The meeting closed at 12.40 pm.

Read and Confirmed

Stephen Halliwell  
**CHAIRPERSON**

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## Clutha District Council

### Item for INFORMATION

<b>Report</b>	Youth Council Minutes 10 February 2020
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	15
<b>Prepared By</b>	Karen Piercy – Corporate Services Administrator
<b>File Reference</b>	253096

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#### REPORT SUMMARY

Attached are the unconfirmed minutes of the meetings of the Clutha District Youth Council held on 10 February 2020.

#### RECOMMENDATIONS

1. That the unconfirmed minutes of the Youth Council meetings held on 10 February 2020 be noted.

## Youth Council

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Minutes of the meeting of Youth Council of the Clutha District Council held in the Council Chambers, 1 Rosebank Terrace, Balclutha on Monday 10 February 2020 commencing at 6.00 pm.

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<b>Present</b>	Youth Councillors Faith Batt, James Briones, Lauren Grant, Morganne-Lee Greene, Abigail McKay, Brayden Michie, Annabelle Philps, Sydney Robertson, Luke Thomson and Councillor Ken Payne
<b>In Attendance</b>	His Worship the Mayor Bryan Cadogan, Jean Proctor (Community Support & Development Advisor), Margaret Cardno (Clutha District Youth Worker), Karen Piercy (Corporate Services Administrator), parents and supporters and Councillors Ludemann and Felts.
<b>Apologies</b>	Councillor Gaynor Finch, Youth Councillors George Rutter, Tegan Lewis and Steve Hill, Chief Executive.

*Moved Youth Councillors Philps / Michie and Resolved:*

*“That the apologies be accepted.”*

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### URGENT BUSINESS

There was no urgent business.

### PUBLIC FORUM

There was no public forum.

### 1. MAYORAL ADDRESS TO THE YOUTH COUNCIL

Mayor Cadogan welcomed Youth Councillors, parents and councillors to the meeting and wished the Youth Councillors all the best for their 2020 year.

He spoke about Youth Council being a genuine committee of Council and that Council wanted ideas from youth and to hear about the issues faced by youth in the district.

## 2. INVESTITURE OF YOUTH COUNCILLORS

Clause 14 of Schedule 7 of the Local Government Act 2002 requires newly elected members to make and sign the Declaration set out in the Act.

The following Youth Councillors made and signed the declaration in the form described in the Local Government Act 2002:

Luke Thomson  
Sydney Robertson  
James Briones  
Faith Batt  
Annabelle Philps  
Morganne-Lee Greene  
Brayden Michie  
Lauren Grant  
Abigail McKay

## 3. CONFIRMATION OF MINUTES

The minutes of a meeting of the Youth Council held on 23 October 2019 were presented for confirmation.

***Moved Youth Councillors Thomson / Robertson and Resolved:***

***“That the Youth Council confirms as a true and correct record the minutes of the meeting held 23 October 2019.”***

## 4. ELECTION OF CHAIR AND DEPUTY CHAIR

Mayor Cadogan outlined the roles of the Youth Council Chairperson and the procedure of the election of Chair and Deputy Chair and then called for nominations for the position of Chairperson.

Expressions of interest were received from Youth Councillors Robertson and Philps. They each gave a short speech of introduction outlining the attributes and skills they would bring to the role of chairperson.

A secret ballot vote took place. Mayor Cadogan announced that Youth Councillor Philps was elected as the 2020 Youth Council Chairperson.

Youth Councillor Philps assumed the chair.

Expressions of interest were called for the position of Deputy Chair. Youth Councillor Robertson expressed her interest in standing. There were no further nominations, therefore Youth Councillor Robertson was declared Deputy Chair.

## 5. TERMS OF REFERENCE

The Community Support & Development Advisor submitted a report setting out the Terms of Reference outlining Youth Council's roles, responsibilities and delegations.

Councillor Payne spoke about the importance of reading and understanding minutes before attending youth council meetings. If any Youth Councillors have questions after reading the Terms of Reference, they are encouraged to contact the Community Support & Development Advisor.

***Moved Youth Councillors Robertson / Grant and Resolved:***

***"That the Youth Council receives the Terms of Reference report."***

## 6. CODE OF CONDUCT REPORT

The Corporate Services Administrator presented a report outlining the Code of Conduct for the 2016 -2018 triennium as contained in the Elected Members Manual 2016-18.

Councillor Payne pointed out that showing respect and to have a say were important obligations contained under the Code of Conduct.

***Moved Youth Councillors Grant / Thompson and Resolved:***

***"That the Youth Council notes the Code of Conduct for the 2019-2021 triennium as contained in the Clutha District Council's Code of Conduct 2019-21."***

## 7. YOUTH COUNCIL MENTORING PARTNERSHIPS 2019 REPORT

The Community Support & Development Advisor submitted a report advising of the purpose, importance and responsibilities of the mentoring partnership between Clutha District Youth Councillors and Councillors for 2020.

In the past youth councillors have been matched with a councillor mentor. At this point this has not been set up. The Community Support & Development Advisor will be matching mentors with youth councillors now the Youth Council members have been confirmed. Youth councillors are encouraged to contact their mentors.

***Moved Youth Councillors Greene / Michie and Resolved:***

***"That the Youth Council receives the Youth Council Mentoring Partnerships 2020 report."***

## 8. M.A.C. REPORT

The Community Support & Development Advisor submitted a report outlining the M.A.C. campaign, the progress to date and the ongoing timeline.

The following suggestions were made:

- A fun run to get more people involved and to raise funds.

- Connecting with Gore and Dunedin Youth Councils and doing a presentation at their meetings.

Youth Councillor Robertson will find out when the next Gore Youth Council meeting is to be held.

It was agreed to hold a workshop on Monday 24 February to further discuss ideas and formulate a plan.

***Moved Youth Councillor Grant / Robertson and Resolved:***

***“That the Youth Council receives the Methamphetamine Awareness Campaign report.”***

**9. NATIONAL YOUTH WEEK ACTIVITIES 2020**

The Community Support & Development Advisor submitted a report on National Youth Week 2020. The theme for 2020 is *“E korero ana mātou. E whakarongo ana koutou? | We’re speaking. Are you listening?”*

Youth Week 2020 will be held nationwide 9th – 17th May 2020.

Youth Council is to continue planning for National Youth Week 2020.

The Youth Council agreed that the district wide clean-up would be the preferred option, but this will be workshopped further on 24 February 2020.

***Moved Youth Councillors Robertson/Greene and Resolved:***

***“That the Youth Council receives the Youth Week Activities 2020 report.”***

**10. YOUTH COUNCIL MEETING DATES 2020**

The Corporate Services Administrator presented a report outlining the meeting dates for the Youth Council meetings in 2020, noting that the dates are correct but the days will be Monday, not Wednesday.

***Moved Youth Councillors Grant/Briones and Resolved***

***“That the Youth Council receives the Youth Council Meeting Dates 2020 report.”***

The meeting closed at 7.25 pm.

Confirmed

Annabelle Philps

**CHAIRPERSON**

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# Clutha District Council

## Item for DECISION

<b>Report</b>	Reasons to Move to Public Excluded Session
<b>Meeting Date</b>	2 April 2020
<b>Item Number</b>	16
<b>Prepared By</b>	Steve Hill – Chief Executive
<b>File Reference</b>	255788

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### REPORT SUMMARY

The Council may upon resolution or upon motion being made, exclude the public from the whole or any part of the proceedings of any meeting,

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

### RECOMMENDATIONS

- 1. That if required, Council resolves to exclude the public on the grounds contained in Section A2 (a), A2 (b) (ii), A2 (d), A2 (h), A2 (i) and A2 (j) of Appendix 1 of the Clutha District Council's Standing Orders.**

### REPORT

Items included in the public excluded section of this agenda and the reasons to consider them in public excluded session are:

- 1 Public Excluded Minutes of the Clutha District Council held 12 December 2019**  
Under Section A2 (b) (ii), A2 (d) and A2 (i) of Appendix 1 of the Clutha District Council's Standing Orders.
- 2 Public Excluded Minutes of the Clutha District Council held 19 December 2019**  
Under Section A2 (i) and A2 (j) of Appendix 1 of the Clutha District Council's Standing Orders.
- 3 Public Excluded Minutes of the Clutha District Council held 20 February 2020**  
Under Section A2 (b) (ii), A2 (d) and A2 (i) of Appendix 1 of the Clutha District Council's Standing Orders.



**4 Public Excluded Minutes of the Clutha District Council held 10 March 2020**

Under Section A2 (a) and A2 (d) of Appendix 1 of the Clutha District Council's Standing Orders.

**5 Risk & Assurance Committee Minutes and Recommendations – 19 March 2020**

Under Section A2 (b)(i) A2 (b) ii) and A2 (d) & A2 (h) of Appendix 1 of the Clutha District Council's Standing Orders.

## Appendix 1: Grounds to exclude the public

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

- A1** That good reason exists for excluding the public from the whole or any part of the proceedings of any meeting as the public disclosure of information would be likely:
- (a) to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial; or
  - (b) to endanger the safety of any person.
- A2** That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information where the withholding of the information is necessary to:
- (a) Protect the privacy of natural persons, including that of deceased natural persons; or
  - (b) Protect information where the making available of the information would:
    - i. disclose a trade secret; or
    - ii. be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information; or,
  - (c) In the case only of an application for a resource consent, or water conservation order, or a requirement for a designation or heritage order, under the Resource Management Act 1991, to avoid serious offence to tikanga Māori i, or to avoid the disclosure of the location of waahi tapu; or
  - (d) Protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would:
    - i. be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied; or
    - ii. be likely otherwise to damage the public interest; or
  - (e) Avoid prejudice to measures protecting the health or safety of members of the public; or
  - (f) Avoid prejudice to measures that prevent or mitigate material loss to members of the public; or
  - (g) Maintain the effective conduct of public affairs through—the protection of such members, officers, employees, and persons from improper pressure or harassment; or

- (h) Maintain legal professional privilege; or
- (i) Enable any Council holding the information to carry out, without prejudice or disadvantage, commercial activities; or
- (j) Enable any Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations); or
- (k) Prevent the disclosure or use of official information for improper gain or improper advantage.

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

- A3** That the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information, the public disclosure of which would:
- (a) Be contrary to the provisions of a specified enactment; or
  - (b) Constitute contempt of Court or of the House of Representatives.
- A4** That the purpose of the whole or the relevant part of the proceedings of the meeting is to consider a recommendation made to that Council by an Ombudsman under section 30(1) or section 38(3) of this Act (in the case of a Council named or specified in Schedule 1 to this Act).
- A5** That the exclusion of the public from the whole or the relevant part of the proceedings of the meeting is necessary to enable the Council to deliberate in private on its decision or recommendation in:
- (a) Any proceedings before a Council where
    - i. A right of appeal lies to any Court or tribunal against the final decision of the Council in those proceedings; or
    - ii. The Council is required, by any enactment, to make a recommendation in respect of the matter that is the subject of those proceedings; and
  - (b) Any proceedings of a Council in relation to any application or objection under the Marine Farming Act 1971.