

Audit & Risk Subcommittee Agenda 4 June 2025



Meeting conducted in the Council Chamber, Lvl 2 Philip Laing House
144 Rattray St, Dunedin
Meetings may be viewed live on the [ORC Official YouTube Channel](#)

Members:

Cr Tim Mephram, Co-Chair
Mr Andrew Douglas, Co-Chair (Independent member)
Cr Alexa Forbes
Cr Gary Kelliher
Cr Kevin Malcolm
Cr Gretchen Robertson (ex officio)
Cr Kate Wilson

Senior Officer: Richard Saunders, Chief Executive
Meeting Support: Kylie Darragh, Governance Support Officer

04 June 2025 09:00 AM

Agenda Topic	Page
1. WELCOME	
2. APOLOGIES	
3. PUBLIC FORUM	
No requests from members of the public to address the Audit and Risk Subcommittee were received prior to publication of the agenda.	
4. CONFIRMATION OF AGENDA	
Note: Any additions must be approved by resolution with an explanation as to why they cannot be delayed until a future meeting.	
5. DECLARATIONS OF INTEREST	
Members are reminded of the need to stand aside from decision-making when a conflict arises between their role as an elected representative and any private or other external interest they might have. ORC Councillors Declarations of Interests are published on the website.	
6. CONFIRMATION OF MINUTES	3
That the minutes of the Audit and Risk Committee meeting held on 6 March 2025 be confirmed as a true and accurate record.	
7. ACTIONS (Status of Subcommittee Resolutions)	10
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To present the Q1 2025 Portfolio Performance Report from Council's Investment Manager, JB Were, for the period ended 31 March 2025.		
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To review the revised Statement of Investment Policies and Objectives (SIPO) incorporating changes resolved at the 6 March 2025 Audit and Risk Subcommittee meeting and decide on final amendments to the SIPO including the possible inclusion of a private equity asset allocation.		
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9.4	Annual Report Timetable and Matters Under Consideration	54
To outline the adoption timetable and changes in the accounting standards for Council's Annual Report and Financial Statements for the year ending 30 June 2025.		
9.5	Safety and Wellbeing	57
This report summarises activities and information on health, safety and wellbeing (HSW), and people and culture at ORC (Otago Regional Council) for the 2024/25 year to date.		
9.5.1	HSW Critical Risks Profiles as of 31 January 2025	72
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9.6	ORC Corporate Policy Overview	89
This report provides an overview of the corporate policies currently in place at the Otago Regional Council (ORC).		
9.6.1	ORC Master Policy Summary for ARSC May 2025	92
10.	RESOLUTION TO EXCLUDE THE PUBLIC	103
That the public be excluded from the following items under LGOIMA 48(1)(a):		
Confirmation of the Minutes of the Confidential Audit and Risk Subcommittee Meeting of 6 March 2025		
3.1 Insurance Renewals		
3.2 Insurance Disclosures		
3.3 Deloitte ORC Audit Plan		
3.4 Managed Fund Report		
11.	CLOSURE	



Otago
Regional
Council

**Audit and Risk Subcommittee
MINUTES**

**Minutes of an ordinary meeting of the Audit and Risk Subcommittee held in the
Council Chamber, Level 2 Philip Laing House, 144 Rattray Street, Dunedin on
Thursday 6 March 2025, commencing at 1:00 PM.**

PRESENT

Cr Tim Mepham
Mr Andrew Douglas
Cr Alexa Forbes
Cr Gary Kelliher
Cr Kevin Malcolm
Cr Elliot Weir
Cr Kate Wilson

(Chair)

(Online)

1. WELCOME

Chair Mepham welcomed Councillors, members of the public and staff to the meeting at 1pm with a karakia. Staff present included Richard Saunders (Chief Executive), Anita Dawe (GM Regional Planning and Transport), Nick Donnelly (GM Finance), Tom Dyer (GM Manager Science and Resilience), Tami Sargeant (GM People and Corporate), Amanda Vercoe (GM Strategy and Customer, Deputy CE), Mark Olsen (Manager People and Safety), Kelly Stuart (Team Leader People Services) and Kylie Darragh (Governance Support).

2. APOLOGIES

Apologies for Cr Robertson, Cr Wilson (lateness due to technical difficulties) and Cr Somerville were noted.

3. PUBLIC FORUM

No requests to address the Subcommittee under Public Forum were received.

4. CONFIRMATION OF AGENDA

A correction was made to the numbering of recommendations in matter 9.4. The agenda was then confirmed as published.

5. DECLARATIONS OF INTERESTS

No changes to Councillor Declarations of Interests were noted.

6. CONFIRMATION OF MINUTES

Resolution: Cr Mepham Moved, Andrew Douglas Seconded

That the minutes of the public portion of the meeting held on 5 December 2024 be confirmed as a true and accurate record.

7. ACTIONS (STATUS OF SUBCOMMITTEE RESOLUTIONS)

Open actions from resolutions of the Subcommittee were reviewed. An update was provided on the internal audit programme.

8. PRESENTATIONS

There were no presentations for the Subcommittee.

9. MATTERS FOR CONSIDERATION**9.1. CS2502 Audit and Risk Work Programme 2025**

[YouTube 7.10] The report outlined the proposed work programme to be covered at Audit and Risk Subcommittee meetings in the 2025 calendar year to ensure the responsibilities outlined in the Subcommittee's Terms of Reference are fulfilled. Nick Donnelly, GM Finance, was available to answer questions.

Resolution AR25-101: Cr Forbes Moved, Cr Kelliher Seconded

That the Audit and Risk Subcommittee:

- 1) Notes this report.**
- 2) Endorses the proposed work programme for the 2025 calendar year.**

MOTION CARRIED

9.2. CS2503 Treasury Report

[YouTube 10.13] The report presented the quarterly Treasury Reporting Dashboard from Council's Investment Advisor, Bancorp, as at the 31 December 2024. Nick Donnelly, GM Finance, was present to respond to questions on the report.

Resolution AR25-102: Andrew Douglas Moved, Cr Malcolm Seconded

That the Audit and Risk Subcommittee:

1. **Notes** this report and the attached Bancorp Treasury Reporting Dashboard – 31 December 2024.

MOTION CARRIED

9.3. CS2504 Managed Fund Portfolio Performance Update

[YouTube 15.19] This paper presented the Q4 2024 Portfolio Performance Report from Council's Investment Manager, JBWere, for the period ended 31 December 2024. Nick Donnelly, GM Finance, was present to respond to the report and offered to go back to JBWere if any questions were raised for them.

Resolution AR25-103: Cr Kelliher Moved, Cr Malcolm Seconded

That the Audit and Risk Subcommittee:

1. **Notes** this report and the attached Q4 2024 Portfolio Performance Report.

MOTION CARRIED

9.4. CS2505 Managed Fund and SIPO Review

[YouTube 26:30] The report considered the recommendations and next steps from the Investment Performance Review presented to the 5 December 2024 Audit and Risk Subcommittee meeting. Nick Donnelly, GM Finance, was available to respond to questions and the correctly numbered recommendations were shared on the chamber screens for the Subcommittee to review. A workshop with JBWere was discussed for further information on the SIPO report.

Resolution AR25-104: Cr Malcolm Moved, Cr Forbes Seconded

That the Audit and Risk Subcommittee:

- 1) **Notes** this report.
- 2) **Endorses** the following actions:
 - a. Retain a 50:50 split between growth and defensive asset classes.
 - b. Allocate fixed interest on a 50:50 split between NZ and global fixed interest (22.5% to each asset class).
 - c. Do not allocate a specific target to emerging markets.
 - d. The Audit and Risk Subcommittee considers introducing a private equity allocation and request JBWere conduct a workshop to provide further detail on this asset class.
 - e. JBWere to add CPI +3% as a benchmark to future Quarterly Portfolio Performance reports.
 - f. SIPO reviews to remain three yearly.
 - g. No other changes to reporting are required noting JBWere already provides a Quarterly Portfolio Performance Report.
 - h. Retain the existing ESG controversies "red flag" exclusion.

MOTION CARRIED

Resolution AR25-105: Cr Malcolm Moved, Andrew Douglas Seconded

That the Audit and Risk Subcommittee:

3. Notes that based on Audit and Risk Subcommittee direction a revised SIPO will be presented to the June Audit and Risk Subcommittee meeting for approval and recommendation to Council.

MOTION CARRIED

9.5. CS2507 Safety and Wellbeing

[YouTube 58.30] The report summarised activities and information on health, safety and wellbeing, and people and culture at Otago Regional Council for the 2024/25 year to date. Tami Sargeant, GM People and Corporate, Mark Olsen, Manager People and Safety and Kelly Stuart, Team Leader People Services were available to respond to questions.

Resolution AR25-106: Cr Malcolm Moved, Cr Forbes Seconded

That the Audit and Risk Subcommittee:

a) Notes this report.

MOTION CARRIED

DRAFT

10. RESOLUTION TO EXCLUDE THE PUBLIC

Resolution: Andrew Douglas Moved, Cr Forbes Seconded

That the public be excluded from the following items under LGOIMA 48(1)(a), namely:

- Confirmation of the Minutes of the Confidential Audit and Risk Subcommittee Meeting of 5 December 2024
- 3.1 Managed Fund Report
- 3.2 Insurance Updates

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
PE Minutes of the Audit & Risk Subcommittee meeting of 5 December 2024	<p>To 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 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 – Section 7(2)(c)(i)</p> <p>To protect information where the making available of the information— would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public - 7(2)(e)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>To prevent the disclosure or use of official information for improper gain or improper advantage - 7(2)(j)</p> <p>To protect the privacy of natural persons, including that of deceased natural persons – Section 7(2)(a)</p> <p>To maintain legal professional privilege – Section 7(2)(g)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

<p><i>3.1 Managed Fund Report</i></p>	<p>To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To 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 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 – Section 7(2)(c)(i)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
<p><i>3.2 Insurance Updates</i></p>	<p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public - 7(2)(e)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>

This resolution is made in reliance on [section 48\(1\)\(a\)](#) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by [section 6](#) or [section 7](#) of that Act or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

11. CLOSURE

There was no further business and Chair Mephram declared the meeting closed at 2:14 pm.

Chair

Date

DRAFT

Meeting Date	Document	Item	Status	Action Required	Assignee/s	Action Taken	Due Date
22-06-2023	Audit and Risk Subcommittee 2023.06.22	CEO2301 Internal Audit Options for Otago Regional Council	In Progress	Co-Chairs of the Committee to work with the Chief Executive Officer to commence an internal audit programme in the 23/24 year and report results back to the Committee. AR23-116	Chief Executive, Councillor, Andrew Douglas	<p>28/11/2023 Governance Support Officer The Internal Audit will commence early 2024</p> <p>08/03/2024 Governance Support Officer A request for quotes for the first internal audit on asset management is being prepared to send to market. Results of the audit will be reported back through Audit and Risk Committee.</p> <p>20/06/2024 Governance Support Officer Quotes have been sought for the first internal audit on asset management. This work will commence in the coming months and an update will be provided to the first A&R meeting of the 24/25 year.</p>	30-06-2024
5-12-2024	Audit and Risk Subcommittee - 5 December 2024	GOV2477 Asset Management Internal Audit Update	Assigned	AR24-135 Requests that staff consider the recommendations of the report as part of the overall business improvement programme for ORC.	Executive Assistant, Operations, General Manager Science and Resilience		31-03-2025

9.1. CS2511 Treasury Report

Prepared for:	Audit and Risk Subcommittee
Report No.	CS2511
Activity:	Governance Report
Author:	Nick Donnelly, General Manager Finance
Endorsed by:	Nick Donnelly, General Manager Finance
Date:	4 June 2025

PURPOSE

- [1] To present the quarterly Treasury Reporting Dashboard from Council's Investment Advisor, Bancorp, as at 31 March 2025.

EXECUTIVE SUMMARY

- [2] The latest Bancorp Treasury Reporting Dashboard is reported to each meeting of the Audit and Risk Subcommittee. This report provides an overview of Council's debt position and management of that debt in accordance with Council's Treasury Management Policy.
- [3] Council has \$25.0 million of core debt through the Local Government Funding Agency (LGFA). Total debt including on-lending to Port Otago is \$152.6 million. All borrowing is compliant with Council's Treasury Management Policy.
- [4] Interest rate risk management on page 4 of the report shows interest rate cover is within the permitted policy limit. This includes the use of interest rates swaps for \$12.5 million of debt.

RECOMMENDATION

That the Audit and Risk Subcommittee:

- 1) **Notes** this report and the attached Bancorp Treasury Reporting Dashboard – 31 March 2025.

BACKGROUND

- [5] Council borrows core debt through the Local Government Funding Agency (LGFA). As at 31 March 2025 the amount borrowed is \$25.0 million. This debt is structured over a mix of commercial paper, floating rate notes and fixed rate bonds to meet the requirements of Council's Treasury Management Policy.
- [6] Council also has an on-lending agreement with Port Otago Limited to allow them access to funding via the LGFA. This agreement has a maximum lending amount of \$150.0 million.
- [7] Bancorp Treasury Services are engaged as Council's advisor and reports on the structure of Council's core debt and adherence to Council's Treasury Management Policy.

DISCUSSION

- [8] As at 31 March 2025 Council had \$25.0 million of core debt funded by the LGFA across 5 tranches of \$5.0 million each (as outlined on page 5 of the report).
- [9] All borrowing is noted to be compliant with Council's Treasury Management Policy (as noted on pages 3 and 4 of the report).
- [10] The amount of core debt is in line with the amount included in year one of Council's Long-Term Plan 2024-34.
- [11] The weighted average cost of funds of 4.96% as at 31 March 2025 is 0.34% below the assumption used in year one of the Long-Term Plan 2023-34 of 5.30%.

- [12] The following interest rate swaps are in place:

Amount	Rate	Term (Years)	Start Date	End Date
\$5,000,000	4.115%	3	15-Apr-2026	15-May-2029
\$5,500,000	3.730%	5	15-Apr-2025	15-May-2030
\$2,000,000	3.520%	3	15-Apr-2025	15-May-2028

- [13] As at 31 March 2025 Port Otago on-lending is \$127.3 million which is \$22.7 million under the maximum amount permitted under the on-lending agreement.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [14] Council's Financial Strategy outlines that Council will borrow core debt from the LGFA. The Treasury Management Policy (TMP) sets the rules for how that borrowing is structured to ensure liquidity and interest rate risk is managed.

Financial Considerations

- [15] Debt and interest assumptions are outlined in Council's Long-Term and Annual Plans. This is covered in the discussion section of this report.

Significance and Engagement

- [16] Not applicable.

Legislative and Risk Considerations

- [17] There are no legislative considerations.
- [18] There is inherent risk associated with borrowing. These risks are outlined in the Treasury Management Policy which provides a framework for prudent debt management and sets external borrowing limits, counterparty exposure limits, liquidity limits and interest rate exposure limits.

Climate Change Considerations

- [19] Not applicable.

Communications Considerations

[20] Not applicable.

NEXT STEPS

[21] Not applicable.

ATTACHMENTS

1. 2025.03.31 Bancorp Treasury Reporting Dashboard March 2025 with April 25 commentary [**9.1.1** - 7 pages]



Treasury Reporting Dashboard

31 March 2025

STRICTLY PRIVATE AND CONFIDENTIAL



Audit and Risk Subcommittee – 4 June 2025



AS AT 31 MARCH 2025

Economic Commentary (as at 30 April)

Global Commentary

2

The unknowns around tariffs and their impact on global economic conditions are the key focus for both debt and equity markets. To highlight the extent of the issues, it is not known if the Chinese and Americans are even communicating, let alone making any progress toward a trade deal.

To illustrate the uncertainties, here is a summary of key global central banks’ approaches to the tariff uncertainties.

- The US Federal Reserve has been attacked by Trump, as they grapple with Trumpflation (the combination of higher inflation, weaker growth and higher unemployment). Despite market projections, many believe that the Fed will be patient and cautious before delivering any rate cuts in 2025/
- The Bank of Canada has stopped publishing forecasts/
- The European Central Bank is not providing any forward guidance, warning that markets should be ready for large moves in either direction/

Uncertainty and confusion around key policy settings are already causing damage to global economies, and the longer the wait, the greater the damage. Beyond the economic damage, market volatility has been extreme in bond and equity markets, with some movements being seen as the largest in decades.

An associated consideration is that many investors are questioning how much exposure they should have to the US markets given hits to its international reputation and perceived trustworthiness. Asset allocation decisions and associated investment flows have the potential to see continuing market volatility/

The International Monetary Fund slashed its global growth forecasts last week off the back of tariff turmoil and deteriorating sentiment. The IMF now sees global growth slowing to 2.8% in 2025, down from an earlier estimate of 3.3%.

New Zealand Commentary

	OCR	90 day	2 year swap	3 year swap	5 year swap	7 year swap	10 year swap
30-Apr-25	3.50%	3.43%	3.05%	3.17%	3.43%	3.66%	3.93%

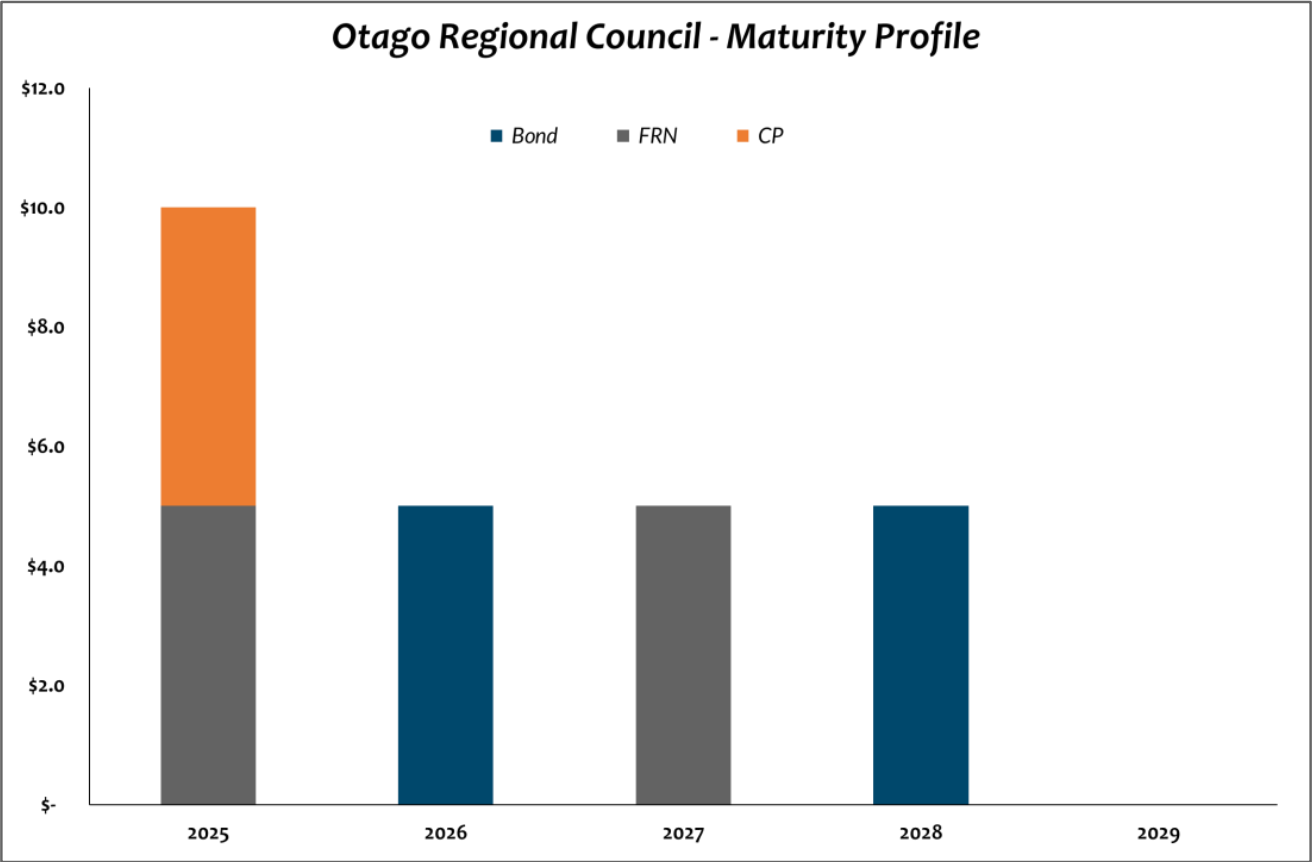
While the Q4 2024 GDP number at +0.7% was better than expected and Q1 2025 CPI inflation was slightly higher than expected, these data releases have been “Trumped” by global turmoil, which has seen the market and economists' price in further rate cuts throughout 2025. ANZ is now forecasting two additional OCR cuts down to 2.50% (from a 3.00% trough earlier) while tentatively forecasting two increases in Q4 2026, taking the OCR back to 3.00% (the currently perceived neutral rate). ANZ cited weak NZ data, such as the QSBO, Performance of Services Index and electronic card transactions and global uncertainty as being behind the call saying that the NZ economy is likely to need more monetary support throughout 2025. Markets are currently forecasting a 100% probability of the OCR falling to 2.75% low by the end of 2025.

Shorter-term rates in New Zealand have fallen significantly in the last month, while longer-term swap rates have fallen to a lesser degree as the volatile US bond market has had a greater influence at the longer end of the yield curve.

In the last month, the 2-year swap rate has fallen from 3.37% at the end of March to its current level of 3.05%, while the 5 and 10-year swap rates have fallen from 3.66% (down 0.23%) and 4.10% (down 0.15%) respectively.

AS AT 31 MARCH 2025

Funding and Liquidity



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

ORC Core Debt

\$25.0m

External Council Drawn Debt, excluding on-lending to Port Otago

LGFA Debt

\$152.6m

Funds Drawn from LGFA, including on-lending to Port Otago

Liquidity = cash deposits, term deposits and managed fund

\$54.52m

Liquidity Ratio based on total Council debt which includes the on-lending to Port Otago

135.73%

Cost of Funds as at 31 March

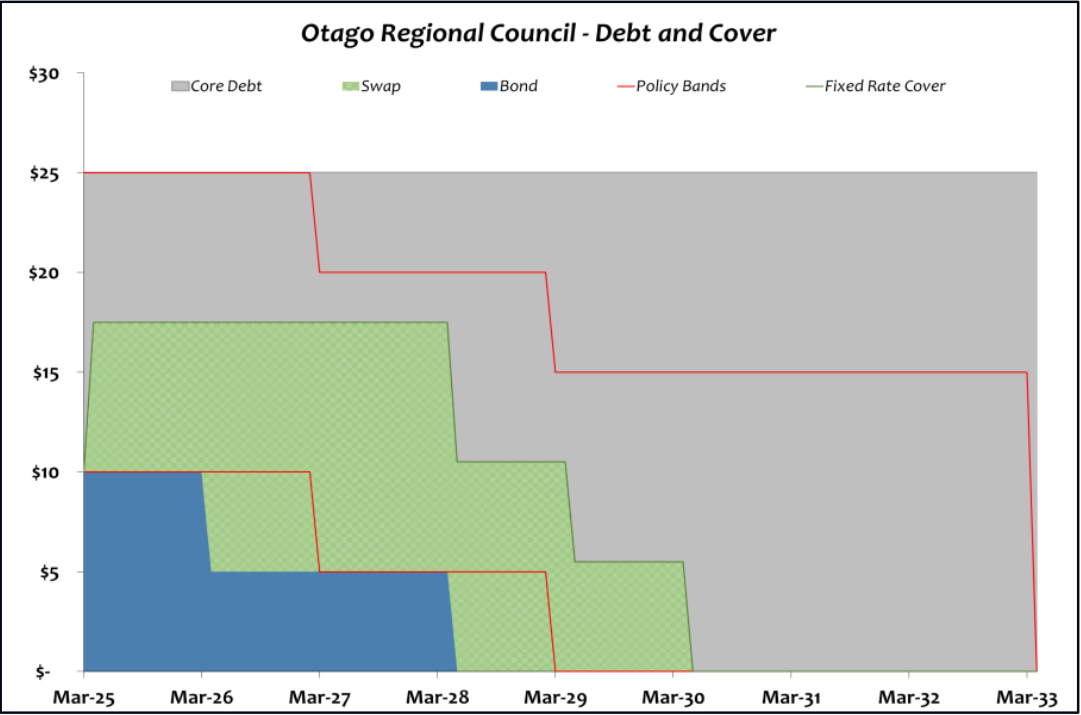
4.96%

ORC's cost of funds is projected to fall to approximately 4.43% by June 2025 and 4.37% by June 2028 (see chart bottom left next slide)

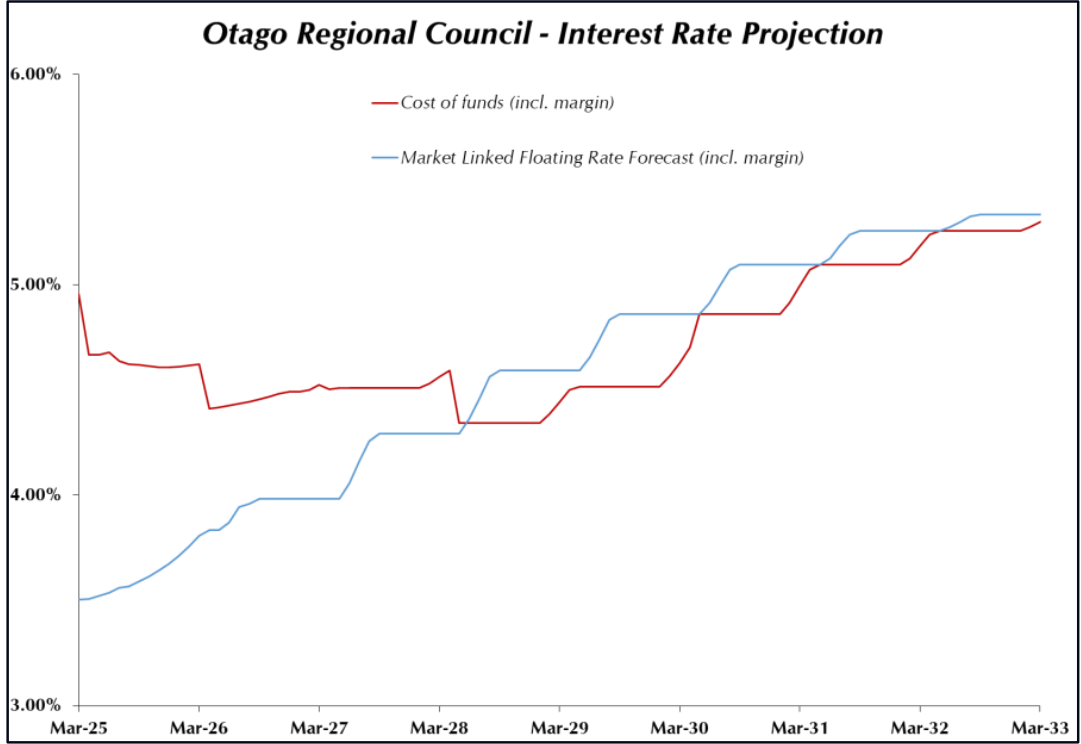
AS AT 31 MARCH 2025

Interest Rate Risk Management

4



Current % of Debt Fixed	40.0%
Current % of Debt Floating	60.0%
Value of Fixed Rate (m)	\$10.0
Weighted Average Cost of Fixed Rate Instruments	5.70%
Value of Floating Rate (m)	\$15.0
Current Floating Rate	3.60%
Current Floating Rate (incl margin)	4.08%
All Up Weighted Average Cost of Funds Including Margin	4.96%
Total Facilities In Place	\$25.0



Fixed Rate Hedging Bands			
	Minimum	Maximum	Policy
0 - 2 years	40%	100%	Compliant
2 - 4 years	20%	80%	Compliant
4 - 8 years	0%	60%	Compliant

AS AT 31 MARCH 2025

LGFA lending

5

As at 31 March 2025, Otago Regional Council had \$25.0 million of core debt, all of which is sourced from the LGFA using Commercial Paper (“CP”), Floating Rate Notes (“FRN’s”), and Fixed Rate Bonds (“FRB’s”). Details of the debt as at 31 March 2025 is as follows.

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	9-Jun-25	3.91%	0.20%	\$5,000,000
LGFA FRN	15-Apr-25	4.67%	0.56%	\$5,000,000
LGFA FRB	15-Apr-26	5.70%	N/A	\$5,000,000
LGFA FRN	15-Apr-27	4.81%	0.70%	\$5,000,000
LGFA FRB	15-May-28	5.70%	N/A	\$5,000,000
TOTAL				\$25,000,000

AS AT 31MARCH 2025

LGFA Borrowing Rates

6

Listed below are the credit spreads and applicable interest rates as at 31 March 2025 for Commercial Paper (“CP”), Floating Rate Notes (“FRN”), and Fixed Rate Bonds (“FRB”), at which the Otago Regional Council could source debt from the Local Government Funding Agency (“LGFA”).

Maturity	Margin	FRN (or CP Rate)	FRB
3 month CP	0.20%	3.81%	N/A
6 month CP	0.20%	3.69%	N/A
April 2025	0.48%	4.09%	4.25%
April 2026	0.61%	4.22%	4.01%
April 2027	0.72%	4.33%	4.14%
May 2028	0.88%	4.49%	4.40%
April 2029	0.94%	4.55%	4.58%
May 2030	1.04%	4.65%	4.75%
May 2031	1.10%	4.71%	4.96%
May-2032	1.16%	4.77%	5.09%
April 2033	1.23%	4.84%	5.25%
May 2035	1.29%	4.90%	5.45%
April 2037	1.37%	4.98%	5.65%

Disclaimer

IMPORTANT NOTICE

Statements and opinions contained in this report are given in good faith, but in its presentation, Bancorp has relied on primary sources for the information's accuracy and completeness. Bancorp does not imply, and it should not be construed, that it warrants the validity of the information. Moreover, our investigations have not been designed to verify the accuracy or reliability of any information supplied to us. It should be clearly understood that any financial projections given are illustrative only. The projections should not be taken as a promise or guarantee on the part of Bancorp. Bancorp accepts no liability for any actions taken or not taken on the basis of this information and it is not intended to provide the sole basis of any financial and/or business evaluation. Recipients of the information are required to rely on their own knowledge, investigations and judgements in any assessment of this information. Neither the whole nor any part of this information, nor any reference thereto, may be included in, with or attached to any document, circular, resolution, letter or statement without the prior written consent of Bancorp as to the form and content in which it appears.

CONFIDENTIALITY

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GET IN TOUCH

Bancorp Treasury Services Ltd
Head Office, Level 3, 30 Customs Street, Auckland
09 912 7600

www.bancorp.co.nz

9.2. CS2512 Managed Fund Portfolio Performance Update

Prepared for:	Audit and Risk Subcommittee
Report No.	CS2512
Activity:	Governance Report
Author:	Nick Donnelly, General Manager Finance
Endorsed by:	Nick Donnelly, General Manager Finance
Date:	4 June 2025

PURPOSE

- [1] To present the Q1 2025 Portfolio Performance Report from Council's Investment Manager, JB Were, for the period ended 31 March 2025.

EXECUTIVE SUMMARY

- [2] The latest quarterly portfolio performance report for the Managed Fund is reported to each meeting of the Audit and Risk Subcommittee.
- [3] This report includes general market and portfolio commentary, a summary of portfolio performance over 3-month, 1-year and 3-year periods and market outlook commentary.
- [4] The portfolio value at 31 March 2025 was \$28,980,944 an increase of \$1,696,530 for the financial year to date. This includes a decrease over the last quarter of \$388,488.
- [5] The portfolio's return for the quarter was –1.19% for the quarter, 0.32% ahead of the benchmark return of –1.51%. Over the past 12 months the portfolio return has been 7.41% against a benchmark return of 5.67%, implying an outperformance of 1.74%.

RECOMMENDATION

That the Audit and Risk Subcommittee:

- 1) **Notes** this report and the attached Q1 2025 Portfolio Performance Report.

BACKGROUND

- [6] Council holds a long-term investment portfolio (the Managed Fund) of interest-bearing deposits, bonds and equity securities.
- [7] Investment management services for the Managed Fund are provided by JB Were.
- [8] The Portfolio Performance Report for the quarter ended 31 March 2025 is attached for the information and review of the Audit and Risk Subcommittee.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [9] Council's Financial Strategy outlines that Council will maintain a managed fund, the expected returns from those investments and how the returns will be utilised. The Treasury Management Policy (TMP) and Statement of Investment Policies and Objectives (SIPO), sets the rules for how the funds will be invested and the framework to ensure acceptable returns are achieved and risk is managed.

Financial Considerations

- [10] There are no financial considerations other than those already outlined in this paper.

Significance and Engagement

- [11] Not applicable.

Legislative and Risk Considerations

- [12] There are no legislative considerations.
- [13] There is inherent risk associated in holding investments of this nature. Markets and return can and will fluctuate over the short term. Council manages that risk through the Treasury Management Policy and SIPO.

Climate Change Considerations

- [14] This is a consideration under ethical or environmental, social and governance (ESG) investing which is incorporated in Council's Treasury Management Policy and SIPO.

Communications Considerations

- [15] Not applicable.

NEXT STEPS

- [16] Not applicable.

ATTACHMENTS

1. Otago Regional Council - 1 Q 25 Update [**9.2.1** - 5 pages]

JBWere

Q1 2025 Portfolio Performance



Prepared by JBWere New Zealand

17 April 2025

A scenic landscape photograph of a calm lake reflecting a blue sky with scattered white clouds. In the background, there are rugged mountains, some with snow-capped peaks. The foreground shows a steep, green forested hillside on the right side of the lake.

Investment Strategy Group

Head of ISG Rickey Ward	Asset Allocation Hayden Griffiths
Senior Strategist Philip Borkin	Global Equities Andrew Thompson
Investment Analyst Harrison Knapp	Investment Analyst Sara Brookes
Adviser Bruce Robertson	Adviser Tom Phillips
Adviser Mark Corlett	

Market Commentary

Downward revisions to US growth and escalating trade tensions dampened the risk appetite

The March quarter saw the portfolio decline modestly, driven by a risk-off tone that emerged toward the end of the period. The year began on a positive note. However, sentiment shifted as the quarter progressed, with downward revisions to US economic growth forecasts and escalating trade tensions ahead of President Trump's "Liberation Day" tariff announcement dampening risk appetite.

Portfolio Summary

The portfolio returned -1.2% during the quarter against benchmark which fell by 1.5%, resulting in outperformance of 0.3%. Over the past year, the portfolio has increased 7.4%, achieving strong outperformance of 1.7%. During the quarter at a tactical asset allocation level, changes were made to the portfolio, reducing the overweight to bonds and going overweight NZ equities.

While the weakness across growth assets weighed on returns during the quarter, the strong performance of both NZ and global bonds provided a partial offset

While the weakness across growth assets weighed on returns during the quarter, the strong performance of both New Zealand and global bonds provided a partial offset, as both asset classes benefited from a broad-based contraction in yields.

The NZ equities component of the portfolio fell -5.1% during the quarter. While over the past year, the NZ equities component has increased 3.5% against a benchmark return of 1.4%. During the quarter, Fletcher Building (FBU) delivered a solid interim result. a2 Milk (ATM) was another standout, delivering a robust 1H25 result that exceeded expectations across all key metrics and included the announcement of its maiden dividend. Management also upgraded FY25 guidance at both a revenue and margin level. Conversely, long-term portfolio performers such as Fisher & Paykel Healthcare (FPH) and Mainfreight (MFT) underperformed in the wake of tariff and policy-related announcements from the US, reflecting their sensitivity to global trade dynamics.

The global direct component outperformed due to strong stock selection, with a tilt toward companies exhibiting defensive characteristics that held up well as the so-called "Trump trade" began to unwind

The Australian equity component of the portfolio decreased -5.2% during the quarter. Over the past 12 months, the asset class has returned 8.6% against a benchmark of 3.8%, resulting in solid outperformance of 4.8%. Banks experienced a pullback, as their results did not provide the upside required to sustain positive momentum, combined with the risk off environment. A similar theme played out across the portfolio's insurance sector exposures, with revenue upside appearing capped at this stage. Some of the portfolio exposures were also not immune to the ripple effects of the emergence of DeepSeek and its implications for AI-related stocks. This uncertainty led to a sell-off in data centre players, such as NextDC (NXT) and Goodman Group (GMG). While James Hardie (JHX) sparked considerable investor debate following its acquisition of AZEK, a US-listed decking company. On a positive note, ResMed (RMD) delivered a solid result, as did Brambles (BXB).

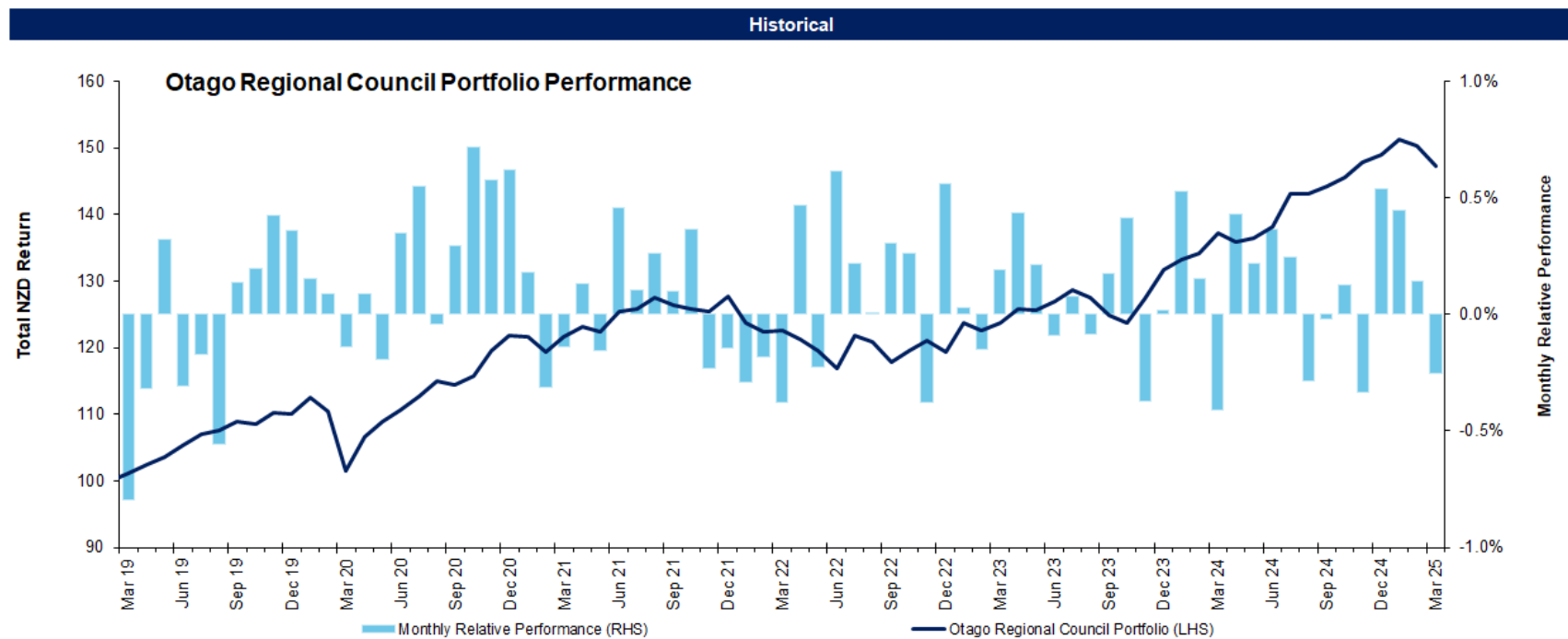
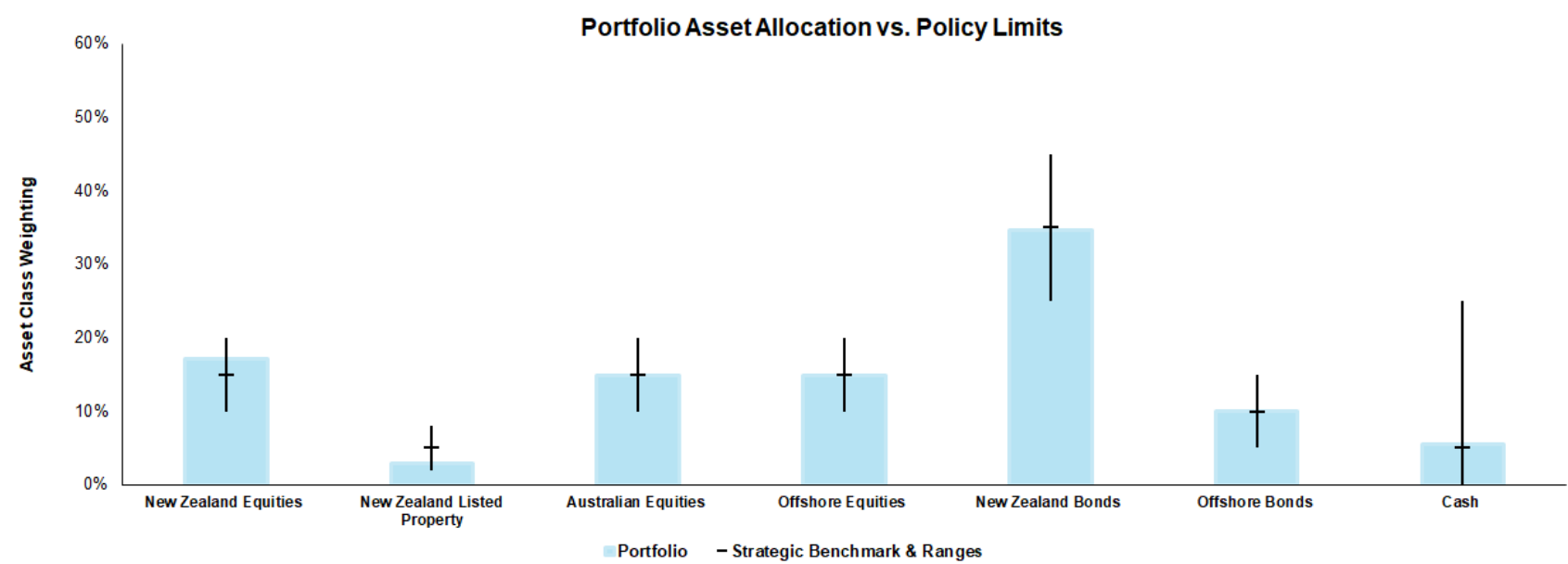
During the quarter the global equities component fell only -0.2% against a market which decreased -2.4%. This level of outperformance is particularly pleasing in what has been a challenging backdrop. Ultimately this has helped preserve the capital of the overall portfolio. This was primarily driven by strong stock selection, with a tilt toward companies exhibiting defensive characteristics that held up well as the so-called "Trump trade" began to unwind. Key contributors included Alibaba Group (BABA), select healthcare exposures such as Elevar Health (ELV) and Gilead Sciences (GILD), as well as infrastructure leader Vinci (DG). During the quarter, changes were made to the global component of the portfolio to better align with conviction and the current market backdrop.

Portfolio Performance

Otago Regional Council

Period End: 31-Mar-25

By Asset Class ¹											
Asset Class (Before Fees)	Strategic Allocation %	Benchmark Index	3 Months			1 Year			3 Years		
			Portfolio	Benchmark	Relative	Portfolio	Benchmark	Relative	Portfolio	Benchmark	Relative
Cash	5	S&P 90 Day Bank Bill Index	1.15	1.05	+0.10	5.61	5.22	+0.39	16.25	14.71	+1.54
NZ Bonds	35	S&P Corporate A Grade Bond Index	0.89	0.97	-0.08	8.95	7.24	+1.71	18.66	13.27	+5.39
Global Bonds	10	Barclays Capital Global Aggregate Index \$NZ Hedged	1.19	1.09	+0.10	3.49	4.18	-0.69	1.60	2.96	-1.36
NZ Listed Property	5	S&P/NZX All Real Estate Industry Group Index	-4.47	-4.47	+0.00	-6.76	-7.33	+0.57	-17.07	-19.08	+2.01
NZ Equities	15	S&P/NZX 50 Gross Index	-5.14	-6.41	+1.27	3.47	1.36	+2.11	11.33	1.32	+10.01
Australian Equities	15	S&P/ASX 200 Accumulation Index	-5.17	-3.23	-1.94	8.56	3.75	+4.81	32.22	20.05	+12.17
Global Equities	15	MSCI AC World Index	-0.15	-2.39	+2.24	13.26	13.17	+0.09	54.57	50.08	+4.49
Total	100		-1.19	-1.51	+0.32	7.41	5.67	+1.74	20.24	14.85	+5.39



General Notes:

1. Returns are time weighted (TWR) and are prior to JBWere fees.



Overview			
	3 Months	1 Year	3 Years
Opening Value	\$29,369,432.34	\$27,149,521.25	\$24,605,672.20
Cash Deposits	-	-	-
Cash Withdrawals	-	-	-
Other Cash Movements	-	-\$31.27	-\$47.03
Stock Transfers In	+\$1,179.93	+\$4,782.85	+\$11,415.81
Stock Transfers Out	-	-	-
Other Stock Movement	-	-	-
Net Adjustments	+\$1,179.93	+\$4,751.58	+\$11,368.78
<i>Investment Return</i>			
Capital Change	-\$540,942.06	+\$972,369.79	+\$2,022,992.77
Gross Income	+\$191,630.16	+\$1,035,074.91	+\$2,891,954.20
Gross Closing Value	\$29,021,300.37	\$29,161,717.53	\$29,531,987.95
Tax & Expenses	-\$34,834.12	-\$139,452.06	-\$418,131.83
Imputation / Tax Credits	-\$5,521.99	-\$41,321.21	-\$132,911.86
Net Closing Value	\$28,980,944.26	\$28,980,944.26	\$28,980,944.26
<i>FX Hedging Positions (from last rollover)</i>			
Profit & Loss	-	-	-
Grand Total	\$28,980,944.26	\$28,980,944.26	\$28,980,944.26

Market Outlook

Elevated US policy uncertainty, and President Trump's tumultuous approach to tariffs, has clearly impacted investor and consumer sentiment. Together with extended expectations heading into 2025, this uncertainty has been a key reason for recent US market turbulence, overshadowing positive developments elsewhere. Elevated uncertainty is challenging for investors. Like the well-known Chinese proverb, it requires us to 'cross the river while feeling the stones' and that never feels comfortable. But perspective is required. At times of heightened uncertainty, the instinct may be to dramatically change your view or make a large portfolio or asset allocation change, but it is worth remembering that markets will be moving as well, if not ahead of you.

Uncertainty will persist. But at least markets now have a better sense of the direction, and more information to better price the potential impact

Trump has announced his 'Liberation Day' reciprocal tariff plans, where the US will charge countries around half of what it assesses it is charged by other countries (both tariff and non-tariff barriers). Key will be how trading partners respond, and whether they take a concessionary or retaliatory approach – so far we are seeing a mixture of approaches. There is no hiding from the fact that tariffs will be disruptive and will have economic and corporate earnings consequences. Uncertainty will persist. But at least markets now have a better sense of the direction, and more information to better price the potential impact. One challenge that markets have had is that they just haven't known what the end game for Trump's tariffs would be. Given Trump's tendency to escalate and then dial back in time, we suspect these latest details provide markets with an upper bound on the scope and magnitude that they didn't know before. In some sense, knowing that is a good thing.

Maintaining investment discipline in uncertain times is paramount

During these periods of elevated uncertainty, we find it useful to attempt to simplify things into one or two key questions. For us, right now, as it often is, the key question is whether we should be preparing for a recession or sustained period of US economic weakness. It would be remiss of us not to admit that risks have increased, and markets have priced some of those risks already. We're watchful, but recession is not yet our base-case. Just as quickly as policy uncertainty has ramped up, clarity may emerge, providing economic and markets relief, although it is fair to say we are not at that point just yet. Stepping back, we would urge clients to continue to focus on what they can control. Maintaining investment discipline in uncertain times is paramount, including a continued focus on your long-term investment goals and objectives.



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9.3. CS2513 Revised Statement of Investment Policies and Objectives

Prepared for:	Audit and Risk Subcommittee
Report No.	CS2513
Activity:	Governance Report
Author:	Nick Donnelly, General Manager Finance
Endorsed by:	Nick Donnelly, General Manager Finance
Date:	4 June 2025

PURPOSE

- [1] To review the revised Statement of Investment Policies and Objectives (SIPO) incorporating changes resolved at the 6 March 2025 Audit and Risk Subcommittee meeting and decide on final amendments to the SIPO including the possible inclusion of a private equity asset allocation.

EXECUTIVE SUMMARY

- [2] In March 2025 the Audit and Risk Subcommittee considered recommendations from the Investment Performance Review presented to the December 2024 Audit and Risk Subcommittee meeting.
- [3] The changes endorsed at the March 2025 the Audit and Risk Subcommittee meeting were:
- a. Retain a 50:50 split between growth and defensive asset classes.*
 - b. Allocate fixed interest on a 50:50 split between NZ and global fixed interest (22.5% to each asset class).*
 - c. Do not allocate a specific target to emerging markets.*
 - d. The Audit and Risk Subcommittee considers introducing a private equity allocation and request JBWere conduct a workshop to provide further detail on this asset class.*
 - e. JBWere to add CPI +3% as a benchmark to future Quarterly Portfolio Performance reports.*
 - f. SIPO reviews to remain three yearly.*
 - g. No other changes to reporting are required noting JB Were already provides a Quarterly Portfolio Performance Report.*
 - h. Retain the existing ESG controversies “red flag” exclusion.*
- [4] The amended SIPO (attached) incorporates the changes approved above.
- [5] The final recommendation from the review is for Audit and Risk to consider a private equity asset allocation and if added how to incorporate that.

- [6] JB Were provided information on private equity for the March 2025 meeting and presented to the Finance Committee on 22 May 2025 as requested by the Audit and Risk Subcommittee.
- [7] Audit and Risk can now consider this information and decide whether to include a private equity asset allocation in the amended SIPO to be recommended to Council. Suggested options to consider are included in the recommendation below.

RECOMMENDATION

That the Audit and Risk Subcommittee:

- 1) **Notes** this report.
- 2) **Approves** the changes in the revised Statement of Investment Policies and Objectives (attached).
- 3) **Endorses** either:
 - a. *Inclusion of a 5% private equity asset allocation replacing the 5% property allocation and include an exclusion for the private equity asset allocation from the ESG parameters included in the SIPO.*
 - OR
 - b. *Removal of the 5% property asset allocation and reallocation of this allocation evenly across the other three equity asset allocations.*
 - OR
 - c. *No change i.e. retain existing growth asset allocations.*
- 4) **Notes** that based on Audit and Risk Subcommittee direction the final revised SIPO will be presented to Council for approval on 25 June 2025.

BACKGROUND

- [8] An independent review of the performance of the managed fund was undertaken in November 2024 by Eriksens Global. That report was presented to the Audit and Risk Subcommittee in December 2024.
- [9] The report noted a number of recommendations for Council to consider. Staff sought feedback from JB Were on those recommendations and a response to each recommendation was provided to the Audit and Risk Subcommittee meeting in March 2025.
- [10] The Audit and Risk Subcommittee endorsed a number of the recommendations and also requested JB Were conduct a workshop to provide further detail on private equity and options around this asset class.
- [11] JB Were presented to the Finance Committee on 22 May 2025 which provided the opportunity for Audit and Risk members and the wider Council to discuss private equity further.

DISCUSSION

- [12] JB Were provided the following information on an allocation of private equity for the March 2025 meeting.
- [13] Because of ORC's long-term investment horizon, and risk and return objectives, JB Were agrees that introducing a modest allocation to Private would be appropriate. JB Were also agrees that, in the first instance, it would be sensible to fund this by removing the direct allocation to NZ Listed Property (current SAA target weight of 5%).
- [14] JB Were assesses Private Equity (PE) to be a return-enhancer in a traditional multi-asset portfolio, in that it raises expected returns (even post-fees), and experiences lower valuation volatility (due to PE not being subject to the same pricing regime as public markets). Together with the recommended shift between global fixed interest and domestic fixed interest mentioned above, we have modelled what replacing the 5% allocation to NZ Listed Property with a 5% allocation to PE could mean projected returns for the ORC portfolio. It is expected to raise the average 10-year return prospects from 5.8% pa to 6.0% pa.
- [15] JB Were has extensive experience with both closed-end Australasian PE funds and open-ended (or evergreen) global fund-of-fund PE offerings and believe both offer an attractive way to gain exposure to the return-enhancing attributes of the asset class. However, for clients new to PE investing, we believe the open-ended fund-of-fund approach with some liquidity has some attributes worthy of consideration, and this is what we would initially recommend for ORC. JB Were's preferred private equity fund is the Hamilton Lane Global Private Assets Fund.
- [16] Note, that on top of required changes to ORC's SIPO and Investment Mandate, an alternation to your Responsible Investment policy is also likely to be required to enable an investment in PE. While the PE funds on our approved list all have strong ESG credentials and their own exclusion policies, it is unlikely that there will be complete alignment with ORC's own exclusions. A common approach is to allow a 'calve out' within your Responsible Investment policy for these types of investments, and this is what several clients with similar attributes and objectives to ORC have done with their first steps into PE investing recently.
- [17] In the presentation to the Finance Committee in May 2025 JB Were also noted that if Council didn't introduce a private equity asset allocation another option was to remove the property allocation and redistribute this across the other equity asset classes.

OPTIONS

- [18] There are three suggested options for Audit and Risk to consider regarding private equity:
 - a. Inclusion of a 5% private equity asset allocation replacing the 5% property allocation, and the addition of an exclusion for the private equity asset allocation from the ESG parameters.
OR
 - b. Removal of the 5% property asset allocation and reallocation of this allocation evenly across the other three equity asset allocations.
OR

c. No change in asset allocations i.e. retain the existing growth asset allocations.

[19] Depending on which option Audit and Risk chooses the sections highlighted in yellow in the attached SIPO will need to be amended to reflect the option Audit and Risk endorses.

[20] Note if option c. is chosen and the status quo is retained no further changes to the SIPO will be required other than those already made to reflect the resolutions from March 2025.

[21] Growth assets allocations (page 12 of the SIPO) under options a. and b. are:

a. Include private equity allocation (replacing property):

Asset Class	Target Allocation	Acceptable Range	
		Minimum	Maximum
NZ Property Private Equity	5%	2%	8%
NZ Equities	15%	10%	20%
Australian Equities	15%	10%	20%
International Equities	15%	10%	20%
Growth Total	50%	40%	60%

b. No private equity and remove property allocation:

Asset Class	Target Allocation	Acceptable Range	
		Minimum	Maximum
NZ Property	5%	2%	8%
NZ Equities	17%	11%	22%
Australian Equities	17%	11%	22%
International Equities	17%	11%	22%
Growth Total	50%	40%	60%

[22] Other changes that will be made to the SIPO if options a. or b. is recommended:

- Page 9 authorised / excluded investments – move private equity to replace property in authorised investments (option a) or amend equities in authorised to include listed property companies (option b).
- Page 10 and 11 – Responsible Investment Policy will require an exclusion for private equity from these parameters. The wording of this will be confirmed with JB Were.
- Page 15 – Property Investment Guidelines section will be removed under both options a. and b. Under option a. this section will be replaced with a Private Equity Guidelines section (wording to be confirmed).
- Page 16 – New Zealand Equity Investment Guidelines section. Note this will not be amended under either options a. or b. as investment in listed property companies would be permitted under bullet point one.

- Page 18 – Benchmark would exclude a property benchmark under options a. and b. and add a new private equity benchmark under option a.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [23] Council's Financial Strategy outlines that Council will maintain a managed fund, the expected returns from those investments and how the returns will be utilised. The Treasury Management Policy (TMP) and Statement of Investment Policies and Objectives (SIPO), sets the rules for how the funds will be invested and the framework to ensure acceptable returns are achieved and risk is managed.

Financial Considerations

- [24] There are no financial considerations other than those already outlined in this paper.

Significance and Engagement

- [25] Not applicable.

Legislative and Risk Considerations

- [26] There are no legislative considerations.
- [27] There is inherent risk associated in holding investments of this nature. Markets and return can and will fluctuate over the short term. Council manages that risk through the Treasury Management Policy and SIPO.

Climate Change Considerations

- [28] This is a consideration under ethical or environmental, social and governance (ESG) investing which is incorporated in Council's Treasury Management Policy and SIPO.

Communications Considerations

- [29] Not applicable.

NEXT STEPS

- [30] A revised SIPO including the recommendation on private equity will be presented to the next Council meeting for approval.

ATTACHMENTS

1. Statement of Investment Policy and Objectives - June 2025 DRAFT marked up [9.3.1 - 21 pages]



Otago Regional Council
Statement of Investment Policy and Objectives

~~October 2023~~June 2025

	Document Name: Statement of Investment Policy and Objectives
	Document Owner: General Manager Corporate Services and CFO Finance
	Authorised By: Chief Executive
	Implementation Date: October 2023 <u>June 2025</u>
	Review Period: 3 Yearly
	Last Reviewed: September 2019 <u>October 2023</u>
	Next Review: October 2026 <u>June 2028</u>

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1. PURPOSE

The purpose of this Statement of Investment Policy and Objectives (SIPO) is to provide the policy framework for Otago Regional Council (the Council) to effectively supervise, monitor and evaluate the management of the investment activities undertaken through Council's Long Term Investment Portfolio.

The SIPO defines the key responsibilities and the operating parameters within which the Long Term Investment Portfolio and its ongoing management are to operate. The SIPO should at all times encourage the use of methodologies and processes that reflect industry best practice, encompass the principles of good corporate governance, and reflect the corporate vision of Otago Regional Council.

2. OBJECTIVES

2.1 Introduction

Section 102 (2) of the Local Government Act 2002 requires local authorities to adopt an Investment Policy to ensure that the financial resources of the Council are managed in an efficient and effective way. That Investment Policy is incorporated in Council's Treasury Management Policy. The SIPO is an associated document to the TMP and provides guidance specifically related to Council's Long Term Investment Portfolio.

2.2 Objectives

Council's primary investment objectives are:

- To protect and maintain the purchasing power of the current investment assets and all future additions to the investment assets.
- To maximise investment returns within reasonable and prudent levels of risk.
- To maintain an appropriate asset allocation in order to make distributions as required while preserving the real value of the Council's capital from the effects of inflation.

2.3 Time Horizon

The investment guidelines are based upon an investment horizon of greater than seven years. Therefore, interim fluctuations should be viewed with appropriate perspective.

2.4 Risk Tolerance

The Otago Regional Council is a risk-averse entity, but some risk must be assumed in order to achieve the long-term investment objectives of the portfolio, given there are uncertainties and complexities associated with investment markets. It is the express desire of the Council to minimise portfolio volatility through the adoption of prudent portfolio management practices. Overall, a conservative investment approach is to be adhered to.

2.5 Performance Expectations

Council aims to earn a net real return on the portfolio of 2.3-3.1% per annum after investment management costs and inflation (assumed to average 2.0% per annum), on average over five years.

The Council recognises that the target rate of return is a long term one and will not be achieved in every measurement period.

2.6 Risk Summary and Selection of Asset Allocation

The table below summarises the Council’s level of risk tolerance as measured by the three risk factors:

Risk Measure	Level of Risk
Capacity to accept risk	Medium to High
Willingness to accept risk	Low to Medium
Required rate of return	Inflation plus 2.3% - 3.1% (net)

Over the long term, the average rate of investment return is related to the level of risk within the portfolio, as illustrated in the table below:

Estimated Rate of Return (net of fees) Inflation plus:	Estimated Gross Return	Level of Investment Risk	Growth Asset Strategy
1.5% - 2.3%	6.0% - 6.5%	Low	20% to 40%
2.3% - 3.1%	6.5% - 7.2%	Low to medium	40% to 60%
3.1% - 3.8%	7.2% - 7.8%	Medium to high	60% to 80%
3.8% - 4.3%	7.8% - 8.1%	High	80% to 90%

Returns above are per annum. The table comprises estimates based on standard portfolio and custodial fees and assumes a tax rate of 0%. Estimated gross returns increase as the portfolio allocation to growth assets increases. Actual returns may be higher or lower than those detailed above.

Based on Council’s required rate of return, capacity and willingness to accept risk, it is recommended that a portfolio incorporating 40% to 60% growth assets is adopted which is suitable for a low to medium level of risk. Aim is to achieve 50% income assets ,50% growth assets.

2.7 Policy Setting and Management

The Council may from time to time approve/amend the policy parameters set in relation to Council’s investment activities. These changes will be minuted and incorporated into the SIPO and the dates of the changes noted.

3. DUTIES AND RESPONSIBILITIES

3.1 The Council

The primary responsibilities of the Council are planning, policy and governance.

The Council will take cognisance of the prudent person and duty of care rules as set out in the Trustee Amendment Act 1988.

As fiduciaries, the primary responsibilities of the Council are:

- To state in a written document the Council's attitudes to risk, expectations, objectives and guidelines for the investment of their assets.
- To review this SIPO on a regular basis.
- To ensure Council's investment assets are prudently diversified to meet the agreed risk/return profile.
- To establish formal criteria to select, monitor, evaluate and compare the investment performance results achieved by the investment adviser and the overall portfolio against agreed benchmarks, peer groups and Council's objectives on a regular basis.
- To avoid prohibited transactions and conflicts of interest.
- To encourage effective communications between the Council and parties involved with investment management decisions.
- To encourage the appointment of Audit and Risk Subcommittee members with the relevant experience and competencies to achieve the stated objectives.
- To ensure that the roles and responsibilities of all parties are documented and clearly defined.
- Appointment of Investment Managers.
- Reviewing investment performance and investment reports periodically throughout the year and at year end.
- Approve any transaction that falls outside the guidelines of the SIPO.

3.2 The Audit and Risk Subcommittee

The Council has established the Audit and Risk Subcommittee and has delegated such powers and duties to the Committee as the Council sees fit. The Audit and Risk Subcommittee operates as per the Council's constitution. Members serving on the Audit and Risk Subcommittee are appointed by the Council.

- To provide guidance and leadership on the appointment, management, monitoring and review of appropriate Investment Managers.
- Reviewing all matters concerning the SIPO, considering any changes or amendments to the SIPO and making appropriate recommendations.
- Regularly reviewing the Investment Managers reports, and reporting exceptions.
- Ensuring that all parties overseeing, advising and managing Council's investments disclose any potential conflicts of interest. In the event that conflicts of interest arise the policies and procedures for managing these are to be clearly defined, although, in principle, such conflicts should be avoided.
- Ensuring that an appropriate SIPO is developed and maintained.

- Ensuring that contracts for investment advisory/management, custodial and consultancy services are reviewed at least every three years.
- To recommend the appointment and removal of Investment Managers as appropriate.
- Approving the asset classes and sub-asset classes to be included in any investment portfolios.
- Ensuring that all service agreements and contracts are in writing and are consistent with fiduciary standards of care.
- To ensure that the practices and policies set out in the SIPO are adhered to.
- To follow formal criteria to monitor, evaluate and compare the investment performance results achieved against relevant benchmarks and objectives on a regular basis.
- To confirm on an annual basis that best practice with respect to execution, brokerage, money sweep facilities, foreign currency spreads, transaction costs and management fees is being applied.

3.3 Custodian

Custodians are responsible for the safekeeping of Council's investment assets. The specific duties and responsibilities of the custodian are to:

- Value all investment assets.
- Collect all income and dividends owed to the portfolio.
- Settle all transactions (buy/sell orders) initiated by the Investment Manager.
- Provide monthly reports that detail transactions, cash flows, securities held and their current value. The report should also detail the change in value of each security and the overall portfolio since the previous report.
- Maintaining separate accounts.

3.4 Investment Advisor

The Council may retain an objective, third-party investment adviser to assist the Council in managing the overall investment process. The adviser will be responsible for guiding the Council through a disciplined and rigorous investment process to enable the Council to prudently manage their fiduciary duties and responsibilities. The investment adviser will:

- Provide advice on appropriate strategic asset allocation, security and fund manager selection.
- Periodically monitor the SIPO and its appropriateness, (in conjunction with the Council).
- Specify and advise on asset and sub-asset class allocation strategies.

3.5 Investment Manager

The Council will appoint an Investment Manager to manage the assets under their supervision in accordance with the guidelines and objectives outlined in the SIPO and in their service agreements. The Investment Manager will:

- Periodically review the custodial arrangements and make recommendations.
- Provide instructions to each fund manager with respect to the lodging or withdrawing of funds placed.
- Oversee and monitor the performance of the fund managers.
- Appoint and remove fund managers.
- Deliver quarterly reports to the Council which detail the following:
 - Portfolio valuation,
 - Fixed Interest Portfolio duration,
 - Compliance reporting,
 - Portfolio Performance Summary for the portfolio and by asset class,
 - Performance against benchmarks,
 - Asset transactions summary, and
 - Cash transactions.
- Make available appropriate personnel to attend meetings as agreed between the Council and the adviser.
- Report to the Council annually as to the total expenses incurred and tax paid in managing Council's investment portfolio.
- Communicate to the Council all significant changes pertaining to the portfolio it manages or the adviser's firm itself. Changes in ownership, organisational structure, financial condition and professional staff are examples of changes to the firm in which the Council are interested.
- Use the same care, skill, prudence and due diligence under the prevailing circumstances that an experienced investment professional, acting in a like capacity and fully familiar with such matters, would use in like activities for like portfolios with like aims in accordance with all applicable laws, rules and regulations.
- Ensure that "expected" and "modelled" returns for asset classes are based on sound return and risk premium assumptions.
- Outline expected returns and risk, or volatility, within the selected strategies.
- Recommend a Custodian to hold and report on investment assets.
- Rebalance individual investments and asset class groups to within agreed benchmarks as described in the rebalancing policy contained in the SIPO.
- To effect all transactions for the portfolio at the best price.
- Regularly report on compliance exceptions with the SIPO.
- Disclose any potential conflicts of interest and steps taken to mitigate such conflicts.

3.6 Fund Managers

Fund Managers are utilised by the Investment Manager to manage a part of the Long-Term Investment Portfolio.

- To manage an allocated part of the portfolio on terms and conditions consistent with their mandate.

4. INVESTMENT POLICY AND IMPLEMENTATION

4.1 Asset Class Guidelines

Long-term investment performance is primarily a function of strategic asset allocation and asset class mix.

History shows that while interest-generating investments, such as fixed interest portfolios, have the advantage of relative stability of capital value, they provide little opportunity for real long-term capital growth due to their susceptibility to inflation. On the other hand, equity investments have a significantly higher expected return but have the disadvantage of much greater year-on-year variability of return. From an investment decision-making point of view, this year-on-year variability may be worth accepting, provided the time horizon for the equity portion of the portfolio is sufficiently long, (10 years or greater).

Authorised Investments

The following investments, within New Zealand and internationally, are authorised by the Council:

- Cash – term deposits, cash on call, cash funds.
- NZ fixed interest – NZ Government, local authority and NZ State-Owned Enterprise bonds, corporate bonds, fixed interest funds.
- International fixed interest – either direct, if appropriate or via managed funds.
- Listed property companies, property funds and direct property investments.
- Equities, either via managed funds or directly.

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Excluded Investments

The following investments are not permitted:

- Preference shares.
- Leveraged investments.
- Options.
- Futures (excluding those employed as risk management strategies by fund managers).
- Commodities contracts.
- Precious metals.
- Hedge funds.
- Unlisted equity securities.
- Private equity investments.
- Illiquid investments.
- Investments in Council Controlled Organisations (other than those described in Section 4.4 of the Treasury Management Policy).

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4.2 Responsible Investment Policy

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Council is committed to incorporating Responsible Investment into its investment decision-making processes. Council’s approach to Responsible Investment is to seek close alignment of the following Responsible Investment Framework with our values. The ability to implement this policy is a factor in the appointment of our investment adviser/manager.

Council has resolved to use reasonable endeavours to avoid investment in entities that meet the following criteria of prohibited activities at or above the threshold level where relevant.

Responsible Investing Exclusion Table:

Exclusion	Nature of involvement	Threshold
Cannabis - Recreational	Companies that produce and/or retails cannabis for recreational use.	0%
Civilian Firearms	<p>Producer</p> <p>Automatic: Companies that manufacture firearms which automatically eject the cartridge case of a fired shot and load the next cartridge from the magazine allowing the gun user to fire more than one round of ammunition for every pull of the trigger.</p> <p>Semi-Automatic: Companies that manufacture firearms which automatically eject the cartridge case of a fired shot and load the next cartridge from the magazine allowing the gun user to fire one round of ammunition for every pull of the trigger.</p> <p>Ammunition: Companies that only manufacture small arms ammunition for the civilian market, including powder propelled, cartridge-based ammunition up to 20mm, which can be fired from weapons, such as revolvers and self-loading pistols, rifles and carbines, assault rifles, submachine guns, and light/general purpose machine guns</p>	0%
Controversial Weapons	<p>Any tie</p> <p>Companies that have any ties to cluster munitions, landmines, biological / chemical weapons, depleted uranium weapons, blinding laser weapons, incendiary weapons, and/or non-detectable fragments</p>	0%
Nuclear Weapons	<p>Any tie</p> <p>Companies that have an industry tie to nuclear weapons</p>	0%
Tobacco	<p>Producer</p> <p>Companies that manufacture tobacco products, such as cigars, blunts, cigarettes, e-cigarettes, inhalers, beedis, kreteks, smokeless tobacco, snuff, snus, dissolvable and chewing tobacco. This also includes companies that grow or process raw tobacco leaves</p>	0%
Nuclear Power	Companies that own or operate nuclear power plants.	0%
Thermal Coal	Companies involved in the mining of Thermal Coal (including lignite, bituminous, anthracite and steam coal) and its sale to external parties.	0%

Oil and Gas	Companies involved in oil & gas related activities, including distribution / retail, equipment and services, extraction and production, petrochemicals, pipelines and transportation and refining.	0%
Power Generation	Companies involved in fossil fuel (thermal coal, liquid fuel and natural gas) based power generation.	0%
ESG Controversies	Companies directly involved in one or more Very Severe ongoing controversies as defined by MSCI.	Red Flag
Pornography	Companies that produce, direct or publish adult entertainment materials that fall into the following six categories: Producer of X-rated films, Producer of Pay-per-view programming or channels, Producer of sexually explicit video games, Producer of books or magazines with adult content, Live entertainment of an adult nature, Producer of adults-only material on the internet.	0%
Predatory Lending	Companies that provide products and services associated with controversial lending practices, defined as those in which lenders take advantage of borrowers' lack of understanding and/or lack of access to more-traditional financial services to impose loan terms that place a disproportionately and often untenably high burden on the borrower. This is often done through deception, fraud or manipulation via aggressive sales tactics.	0%
Gambling	Companies that own or operate gambling facilities or provide key products or services fundamental to gambling industry.	10%
Alcohol	Companies that manufacture alcoholic products, including brewers, distillers and vintners. It also includes companies that own or operate wine vineyards.	10%

The % threshold figures relate to the maximum percentage of total revenue derived from the activity that is tolerated.

Implementation for Direct Security Investments

The Investment Manager will use reasonable endeavours to screen out directly held security investments in the Discretionary Portfolio involved in the prohibited activities as described in the responsible investing exclusion table above. The Investment Manager may rely on data from third party agencies when screening these directly held security investments, which will apply to the asset classes of Cash (NZ Registered Banks), NZ Fixed Interest, NZ Equities, Australian Equities and Global Equities.

Implementation for Indirect Pooled investments

In relation to indirect pooled investments (i.e. via investment in collective investment vehicles), the Investment Manager will from time to time use reasonable endeavours to screen for and avoid indirect exposure to entities involved in the prohibited activities as described in the responsible investing exclusion table above. Where identified and measurable, exposure to entities involved with these prohibited activities will be limited to a materiality representation threshold of 10% of the total value of each of these pooled investment products.

4.3 Asset Allocation

Academic research offers considerable evidence that the strategic asset allocation decision far outweighs security selection and market timing in its impact on portfolio variability and performance. On this basis the Council prefer to adopt a strategic asset allocation and passive strategy over an active and/or tactical asset allocation strategy.

The asset allocation benchmark is to be:

Asset Class	Target Allocation	Acceptable Range	
		Minimum	Maximum
Cash	5%	0%	25%
NZ Fixed Interest	35 22.5%	25 17.5%	45 27.5%
International Fixed Interest	10 22.5%	5 17.5%	15 27.5%
Defensive Total	50%	40%	60%
NZ Property	5%	2%	8%
NZ Equities	15%	10%	20%
Australian Equities	15%	10%	20%
International Equities	15%	10%	20%
Growth Total	50%	40%	60%
Total	100%		

Note target allocation is 50% income assets and 50% growth assets.

4.4 Rebalancing Guidelines

The percentage allocation to each asset class may vary depending upon market conditions.

The SAA has upper and lower limits for each asset class as set out in the table above. The limits are based on the following guidelines:

- Plus or minus 5% for an asset class comprising ~~20~~15% or more of the SAA,
- Plus or minus 25% of the allocation to a single asset class, where that asset class comprises less than ~~20~~15% of the SAA (e.g. an asset class comprising 4% of the SAA would have limits of plus or minus 1%).
- The result of the above formulas are then rounded to the nearest full percentage (minimum is round down and maximum is rounded up).

To remain consistent with asset allocation guidelines, the Investment Manager will periodically review the portfolio and each asset class. If the actual weighting has moved outside the tolerances described above, the Investment Manager shall rebalance the portfolio back towards the recommended weighting. This rebalancing is to be completed as required, at least annually, and reported to the Audit and Risk Subcommittee.

Rebalancing tends to involve buying underperforming assets at relatively lower prices, and selling relatively higher priced assets.

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4.5 NZ Fixed Interest Investment Guidelines

4.5.1 Portfolio Objectives for Direct NZ Fixed Interest

To gain a diversified exposure to the New Zealand Fixed Interest market through investing in direct securities with the following objectives identified below:

- Provide access to the market in a cost-effective manner,
- Provide a stable income and capital preservation (in nominal terms) over a full market cycle,
- Reduce overall volatility of a strategically diversified portfolio, and
- Provide a high level of transparency.

4.5.2 Portfolio Construction Guidelines

a. Diversification

The portfolio should be constructed to achieve appropriate diversification (in the constraints of the NZ market) relative to:

- New Zealand fixed interest issuers,
- The industries/sectors the issuers are involved with,
- The individual issue and overall portfolio duration, and
- Overall credit risk exposure of a portfolio.

The level of the diversification will be governed by the size of the fixed interest portfolio.

Credit ratings will have an impact on the level of diversification. Securities with lower credit ratings require a higher level of diversification.

b. Number of Securities

To achieve sufficient levels of diversification, a minimum of 15 securities where the size of the NZ Fixed Interest portfolio is more than \$1,000,000, and 10 securities where the size of the NZ Fixed Interest portfolio is less than \$1,000,000, is required. Where appropriate diversification cannot be achieved due to the size of the portfolio or availability in the market, surplus funds may be directed to money market instruments until availability improves.

c. Duration

The portfolio should be diversified across all durations to minimise the adverse effects of reinvestment risk on maturity. Council should be aware if the duration of their portfolio deviates from the benchmark duration by more than 1 year.

d. Liquidity

Although Council invests into the direct New Zealand fixed interest market with a “buy and hold” philosophy, over time its needs may change and greater levels of liquidity may be required.

The more liquidity is required, the more government and liquid (i.e. senior debt issues of \$150m or greater) corporate securities should be included in the portfolio.

e. Exposure Levels by Credit Rating

Guidelines for maximum security exposure levels for individual securities are set by credit rating. The following criteria should be considered when making decisions on exposure levels within a portfolio:

- Consideration should be given to excessive exposure to any single issuer,
- Consideration should be given to other asset class exposures Council may have to an issuer,
- The portfolio should be distributed across credit ratings, and
- The following table presents a set of guidelines that need be used when constructing a portfolio.

Approved Credit Rating Guidelines:

S&P Rating band (or Moody's or Fitch equivalent)	Overall maximum % of Income Assets
AAA to AA-	100%
A+ to A-	55%
BBB+ to BBB-	15%
Sub-Investment Grade / Unrated	0%
Government	100%

A maximum of 5% of floating rate/annual resettable securities is permitted in a portfolio. Where possible, the following maximum individual security guidelines should be followed to gain diversification whilst ensuring sound credit quality within portfolios.

Maximum Individual Security Guidelines:

S&P Rating band (or Moody's or Fitch equivalent)	Individual security maximum % of Income Assets
AAA	15%
AA	10%
A	10%
BBB	5%
Sub-Investment Grade / Unrated	0%

Note that the above table provides guidelines for assessing an individual security. Although there is no maximum issuer exposure specified, diversification guidelines described under the “Diversification” heading are to be followed.

f. Perpetual Securities

Given the equity structure (including potential imputation credits) of perpetual securities, this class of fixed interest is not to be used.

g. Structured credit

Due to the complexity of structured credit instruments and the lack of sophisticated monitoring systems required to provide ongoing assessment, Council should not include this type of investment in its NZ fixed interest portfolio. It is considered that the required fixed interest exposure can be adequately achieved by investing in securities with simple structures which possess typical fixed interest characteristics.

h. Ratings Downgrade

If a security is downgraded, the mandatory guidelines table should be revisited to ensure that the new rating falls within the ratings framework. A decision must be made by the Council in light of the downgrade as to the future holding of the security (which could potentially be outside the guidelines).

i. Reinvestment

Recommendations to reinvest the proceeds from a maturity should take into account all of the above portfolio construction guidelines.

Where it is uneconomical to gain a direct exposure to NZ or international fixed interest, investment may occur via a recommended managed fund in order to gain an appropriate level of diversification.

4.6 International Fixed Interest

4.6.1 Portfolio Objectives for International Fixed Interest

The inclusion of international fixed interest has the benefit of increasing diversification and reducing volatility by providing exposure to a greater range of issuers, credit ratings and yield curves than is achievable through domestic fixed interest.

4.6.2 Portfolio Construction Guidelines

Given the quantum of the allocation to international fixed interest this asset class must be invested in through one or more Collective Investment Vehicles (CIV's). CIV's must invest in diversified portfolios of fixed interest securities and have exposure limits, minimum credit ratings and policies and procedures acceptable to the Council.

International fixed interest investments must be 100% hedged to the New Zealand dollar.

4.7 Property Investment Guidelines

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4.7.1 Portfolio Objectives for Property Investment

To provide an exposure to the New Zealand listed property sector.

4.7.2 Portfolio Construction Guidelines

For direct New Zealand property investments, the following rules shall apply:

- Investment in property entities that are listed on the New Zealand Stock Exchange.
- Investments in partly paid shares in respect of shares of the type referred to above are permitted following a formal submission from the Investment Manager and Audit and Risk Subcommittee approval.

- Not more than 25% of this asset class to be invested in any one entity.

4.8 New Zealand Equity Investment Guidelines

4.8.1 Portfolio Objectives for New Zealand Equity Investment

To provide a combination of capital growth and income via a broad exposure to the New Zealand equity market.

4.8.2 Portfolio Construction Guidelines

For direct New Zealand equity investments, the following rules shall apply:

- Investment in companies listed on the New Zealand Stock Exchange.
- Investments in partly paid shares in respect of companies of the type referred to above are permitted following a formal submission from the Investment Manager and Audit and Risk Subcommittee approval.
- Exposure limits for direct New Zealand equity investments (based on the dollar value of the NZ Equities sector of the Long-Term Investment Portfolio) are set out below:

Security Type	Minimum percentage of NZ equities	Maximum percentage of NZ equities
Companies not represented in the Benchmark	0%	20%
Individual company in the Benchmark	0%	Benchmark weight +/-8%
Individual company not in the Benchmark	0%	4%

4.9 Australian Equity Investment Guidelines

4.9.1 Portfolio Objectives for Australian Equity Investment

To provide a combination of capital growth and income via a broad exposure to the Australian equity market.

4.9.2 Portfolio Construction Guidelines

For direct Australian equity investments, the following rules shall apply:

- Investment in companies listed on the Australian Stock Exchange.
- Investments in partly paid shares in respect of companies of the type referred to above are permitted following a formal submission from the Investment Manager and Audit and Risk Subcommittee approval.
- Exposure limits for direct Australian equity investments (based on the dollar value of the Australian Equities sector of the Long-Term Investment Portfolio) are set out below:

Security Type	Minimum percentage of Aust equities	Maximum percentage of Aust equities
Companies not represented in the Benchmark	0%	20%

Individual company in the Benchmark	0%	Benchmark weight +/- 8%
Individual company not in the Benchmark	0%	4%

4.9 International Equity Guidelines

4.9.1 Portfolio Objectives for International Equity Investment

To provide an exposure to investments in the international equities sector.

4.9.2 Portfolio Construction Guidelines

For direct international equity investments, the following rules apply:

- Investment in international equities will be through one or more CIV’s.
- International equity investments must be hedged in accordance with the requirements contained in Foreign Currency Management.
- CIV’s in international equities must hold a broadly diversified portfolio of equity securities, be consistent with underlying benchmarks, be managed according to appropriate policies and procedures and impose reasonable exposure limits.
- Ensure that any investment is sufficiently liquid to enable exit from the investment at any time.

4.10 Foreign Currency Management

Historically, fluctuation of the New Zealand dollar against other major currencies has been significant and has resulted in additional portfolio volatility.

To minimise the risks associated with currency fluctuations the following policies apply:

- Holdings of international fixed interest investments are to be fully hedged back to NZ dollars at all times.
- When investing in international equities either directly or via managed funds, a neutral currency position is the preferred strategy however, 0% to 100% of the international equities being hedged back to NZ dollars is permitted at any one point in time. Any change to the actual hedging level should be disclosed to the General Manager Corporate Services & CFO and Audit and Risk Subcommittee and may require the Council’s approval/endorsement.

4.11 Tax Policy

Any investment strategy employed needs to take into account Council's tax status, although this should not be to the detriment of the long-term strategic asset allocation.

Any tax leakage is to be quantified by the investment adviser and reported to the Council annually.

5. MONITORING AND EVALUATION

5.1 Performance Objectives

The Council acknowledges fluctuating rates of return characterise the securities markets, particularly during short time periods. Recognising that short-term fluctuations cause variations in performance; the Council intends to evaluate investment performance from a long-term perspective.

The Council is aware the ongoing review and analysis of the investment options is just as important as the due diligence process. The performance of the investment options will be monitored on an ongoing basis and it is at the Council’s discretion to take corrective action by replacing a manager if they deem it appropriate at any time.

On a timely basis, but not less than annually, the Council will meet to review whether the Investment Manager and the investment options selected continue to conform to the criteria outlined in the SIPO, specifically:

- Adherence to the asset allocation levels set with rebalancing occurring within the agreed parameters and in a timely fashion.
- Adherence to the agreed investment philosophy and constraints;
- The adherence of individual investments to investment guidelines;
- Material changes in the investment options, organisation, investment philosophy and/or personnel; and
- Any legal or other regulatory agency proceedings affecting the investment options.

5.2 Benchmarks

The Council has determined that performance objectives should be established for each investment option and for the overall investment portfolio. Investment Manager performance will be evaluated in terms of an appropriate market index and the relevant peer group. These are to be agreed to between the Council and the Investment Manager. Asset classes and relevant benchmarks:

Asset Class	Index
Cash (on call and securities less than 1 year to maturity)	S&P/NZX 90 Day Bank Bill Index
New Zealand Fixed Interest	S&P/NZX Corporate A Grade Bond Index
International Fixed Interest - \$NZD Hedged	Barclays Capital Global Aggregate Bond Index (NZD Hedged)
New Zealand Property	S&P/NZX All Real Estate Industry Group Index (Gross)
New Zealand Equities (Excluding NZ Listed Property)	S&P/NZX 50 Index (Gross)
Australian Equities	S&P/ASX 200 Accumulation Index (Unhedged)
International Equities	MSCI All Country World Index (Unhedged)
NZ Government Bonds	S&P/NZX NZ Government Stock Index

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5.3 Compliance

The Council and Audit and Risk Subcommittee are aware that the ongoing review and analysis of investments is just as important as the due diligence process. Performance will be monitored on an ongoing basis and it is at the Audit and Risk Subcommittee's discretion to take corrective action by recommending the replacement of an Investment Manager at any time. The Council may direct the Audit and Risk Subcommittee to take such action if it deems this is required.

- Specifically, the following will be confirmed and reported to the Audit and Risk Subcommittee:
- Performance reporting as described in roles and responsibilities above.
- Adherence to the SAA and rebalancing within approved limits occurring in a timely fashion.
- Adherence to agreed investment philosophy and constraints.
- Adherence to investment guidelines.
- Material changes in the investment organisation, investment philosophy and/or personnel.
- Any legal or other regulatory proceedings affecting the Investment Manager's organisation and/or reputation.

5.4 Watch List Procedures

An investment option and/or Investment Manager may be placed on watch list and a thorough review and analysis may be conducted when:

- Performance is below median for their peer group over a one, three and/or five-year cumulative period;
- The three-year risk adjusted return falls below the peer group's median risk-adjusted return;
- There is a change in the professionals managing the investment;
- There is an indication the investment option and/or investment adviser is deviating from the stated style and/or strategy;
- There is an increase in fees and expenses;
- Any extraordinary event occurs that may interfere with the investment option and/or Investment Manager's ability to prudently manage investment assets.

This process may be delegated to the Investment Advisor and/or a nominated third party and they will report to the Council at least annually.

5.5 Measuring Costs

The total portfolio delivery costs should be fair and reasonable. The appointed Investment Manager should offer a fee-only service with all commissions returned to Council.

The Investment Manager is to report to the Council annually on the breakdown and the total costs of delivery including:

- Administration/custodial reporting fees;
- Management expense ratios for managed fund investments;
- Advisory fees;
- Other brokerage or fees.

6. REVIEW OF THE STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

The Council will review this SIPO at least every 3 years to determine whether the stated investment objectives are still relevant and it is feasible that they will be achieved. It is not expected that the SIPO will change frequently. In particular, short-term changes in the financial markets should not require adjustment to the SIPO.

9.4. CS2516 Annual Report Timetable and Matters Under Consideration

Prepared for: Audit and Risk Subcommittee
Report No. CS2516
Activity: Governance Report
Author: Sarah Munro, Finance Manager - Reporting
Endorsed by: Nick Donnelly, General Manager Finance
Date: 4 June 2025

PURPOSE

- [1] To outline the adoption timetable and changes in the accounting standards for Council's Annual Report and Financial Statements for the year ending 30 June 2025.

EXECUTIVE SUMMARY

- [2] This report details the Annual Report timetable. The Annual Report will be presented to the Audit and Risk Subcommittee on 17 September 2025. The Annual Report will include Council and Group audited Financial Statements.
- [3] The Annual Report will be presented to Council on 25 September 2025 for adoption.
- [4] This report also outlines key changes to financial statement accounting standards that are applicable to Council. It is anticipated that there will be no significant impact to the Council financial statements as a result of these accounting standard changes.

RECOMMENDATION

That the Audit and Risk Subcommittee:

- 1) **Notes** this report.

BACKGROUND

- [5] The Local Government Act 2002 requires local authorities to prepare and adopt by resolution an Annual Report comparing the actual activities and the actual performance of the local authority with the intended activities and level of performance as set out in the Long-Term Plan and Annual Plan. The statutory requirement is that the Annual Report must be adopted within four months of the end of the financial year (30 June), this year being 31 October 2025.
 - [6] The Annual Report includes financial statements for the year ended 30 June 2025. Council financial statements show both Council and the Council Group. Council is the sole shareholder of Port Otago Limited and accordingly the Council and Port Otago Limited are regarded as a group for financial reporting purposes.
 - [7] Council financial statements are audited by Deloitte on behalf of the Office of the Auditor General.
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TIMETABLE

- [8] The Annual Report will be presented to the Audit and Risk subcommittee on 17 September 2025 for review and will include audited Council Financial Statements and audited Group Financial Statements.
- [9] Port Otago Limited is audited by Ernst & Young.
- [10] The final Annual Report will be presented to Council at the 25 September 2025 Council meeting for adoption.

CHANGES TO FINANCIAL STATEMENT ACCOUNTING STANDARDS

- [11] Council's financial statements are prepared using Public Benefit Entity International Accounting Statements (PBE IPSAS). There are no changes to these standards for the 30 June 2025 report, however Council has entered into interest rate swaps which will require disclosure in the Annual Report. Additional disclosure will be added to the Financial Instrument note to meet PBE IPSAS 41 Financial Instruments requirements.

The following additional disclosures are required for the interest rate swaps

- [12] There is no change to the Accounting Policy that was included on page 134 of the 2023/24 Annual Report.
- [13] Council's interest rate swaps will need to be disclosed at fair value in the Financial Instruments disclosure, note 23 of the Annual Report. This is different to the equity disclose for Port Otago Limited interest rate swaps which meet the hedging requirements of the accounting standards. A disclosure similar to the table below will be included for Council's interest rate swaps that will be recorded at fair value through the profit and loss.

Group	2024				2023			
	Assets		Liabilities		Assets		Liabilities	
\$Million	Notional	Fair value	Notional	Fair value	Notional	Fair value	Notional	Fair value
Current								
Interest rate swaps	474	4	125	2	100	2	179	2

GROUP

- [14] Port Otago Limited (POL) is a for profit entity and required to prepare financial statements using New Zealand Equivalent to the International Accounting Statement (NZ IFRS), a different accounting basis to the Council financial statements which are prepared using PBE IPSAS.
- [15] During the Council consolidation, POL financial information is recalculated from NZ IFRS to PBE IPSAS accounting standards. During the current year there have not been any changes in NZ IFRS standards which would require additional adjustments.
- [16] Additional disclosures will be required in the 2024/25 Annual Report to account for the new joint ventures established by Port Otago Limited.

- [17] The first joint venture is 50% owned between Port Otago Limited and Dynes Transport Group called Southern Link Property Limited. This joint venture will be equity accounted in the Group figures in the Annual Report. The disclosure will be similar to the 30 June 2021 Annual Report (page 110) which disclosed the Port's previous interest in joint ventures.
- [18] The second joint venture is 70% owned between Port Otago Limited and Port of Napier. This joint venture is called Regional Ports NZ Dredging GP Limited and was established for the purchase of a dredge. Regional Ports NZ Dredging GP Limited will be consolidated 70% in the Group accounts.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [19] There are no strategic framework and policy considerations.

Financial Considerations

- [20] There are no financial considerations.

Significance and Engagement Considerations

- [21] There are no significant and engagement considerations.

Legislative and Risk Considerations

- [22] There are no legislative and risk considerations.

- [23] There are no climate change considerations.

Climate Change Considerations

- [24] There are no climate change considerations.

Communications Considerations

- [25] There are no communication considerations.

ATTACHMENTS

Nil

9.5. CS2517 Safety and Wellbeing

Prepared for: Audit and Risk Subcommittee

Report No. CS2517

Activity: Governance Report

Author: Mark Olsen, Manager People and Safety; Gina Louie, Team Leader Health, Safety and Wellbeing; Kelly Stuart, People Services Lead

Endorsed by: Tami Sargeant, General Manager People and Corporate

Date: 4 June 2025

PURPOSE

- [1] This report summarises activities and information on health, safety and wellbeing (HSW), and people and culture at ORC (Otago Regional Council) for the 2024/25 year to date.

EXECUTIVE SUMMARY

- [2] ORC continues to strengthen its health, safety, and wellbeing (HSW) efforts with several key projects completed and ongoing. Recently completed projects include the wellbeing programme, release of the revised lockdown procedure and e-text guideline, and the fire mitigation risk assessment. Key projects currently underway include the development of the drug and alcohol policy, the critical risk bow tie project, and the development of health and safety performance indicators.
- [3] Since the last report, 30 incidents have been recorded, with four in Quarter Four. Of these, 17 involved ORC and 13 were contractor related. Incident numbers rose in February and March compared to the previous year but dropped in April. Most incidents were minor (47%) or moderate (40%), with 13% classed as near misses. Two incidents resulted in bruising, one in a fracture, and others included soft tissue injuries and psychosocial impacts. Common ORC incidents involved slips, aggression, psychological impacts, and vehicles. Contractor incidents were mostly vehicle-related, with others involving slips, unsafe equipment, and a firearm near miss.
- [4] ORC continues to strengthen its people and culture practices through implementation of the People Strategy, partnering with people leaders and maintaining day to day service delivery.
- [5] A key highlight in the last quarter was the launch of ORC's new bicultural training programme, Te Rito in March 2025. Through self-paced on-line learning, this new programme makes it accessible for all staff to enhance their understanding of Tikaka Māori and use of Te Reo Māori. 62 people have signed up and 44 people have commenced this learning so far.

RECOMMENDATION

That the Audit and Risk Subcommittee:

- 1) **Notes** this report.

HEALTH, SAFETY AND WELLBEING

Management of Health, Safety & Wellbeing Risks

- [6] The HSW team actively manages ORC's health and safety obligations through ComplyWith, ORC's legal compliance platform. The team currently oversees 109 legislative obligations under the Health and Safety at Work Act 2015 and associated regulations. Of these, one area remains in partial compliance: Lone, Remote and Isolated Work. Staff consultation on the Lone Worker Policy has been completed, and feedback is under review. ORC's online lone worker management system is operational for at-risk workers, with updates to procedures and training underway to achieve full compliance. Since the last report, one ComplyWith action has been completed, with Multi-Tenant Workplace Risks now fully addressed.
- [7] In addition to compliance, the HSW workplan targets areas needing investment, such as risks that are missing, inadequate, or require improvement, prioritised based on available personnel and financial resources. The workplan remains flexible to accommodate emerging risks and has recently been adjusted to incorporate incoming workstreams linked to the Whare Rūnaka project.

Risk and Hazard Summary: Addressing Emerging Risks and Strengthening Controls

- [8] The following emerging risks have been identified and are being worked through by the HSW team in collaboration with other relevant teams across ORC. These include:
- **Asbestos Management:** Asbestos is present in five ORC properties, requiring Asbestos Management Plans (AMPs) for each site. While these plans are in place and due for review in August, a near-miss in July 2024-where potential asbestos disturbance occurred due to mislabelling-highlighting gaps in emergency response procedures and ongoing maintenance. In response, the HSW team prioritised an AMP revision project, moving it forward in the workplan. Asbestos surveys have been completed at two of three asbestos containing sites, with the third survey planned for this quarter. Once all revised AMPs are in place, awareness training will be undertaken for the organisation. Additionally, the team will explore if asbestos removal would be a reasonable action for any of the asbestos containing sites.
 - **Lithium Battery Safety:** Lithium-ion batteries are widely used across Council within tools, but improper handling, storage, or disposal can present significant fire hazards. The HSW team have liaised with relevant teams to understand current practice and a lithium battery safety guide is now in final draft. As part of this work, the HSW team is exploring appropriate storage and disposal options to reduce risk and support safe management practices across ORC.
 - **Fire Risks & Extinguisher Management:** ORC operates across a diverse range of locations, from public-accessible offices to remote field sites, vehicles, and specialist facilities. Each environment presents unique fire risks, requiring tailored

fire risk assessments and management strategies. A fire mitigation risk assessment has been completed, outlining a series of improvement actions categorised into short, medium, and long-term priorities. The HSW team is now working through these actions to strengthen fire safety controls across ORC.

- **Water Safety:** While some teams have specific protocols for working around water, ORC does not currently have a robust, organisation-wide approach to water safety. Recognising this gap, the HSW team has included a water safety project in the HSW workplan to develop a consistent framework for managing risks associated with work in and around water. The first step in this project is completion of a working around water bow tie analysis (in progress). This workgroup includes representatives from across the organisation, which will be beneficial in identifying both strengths and areas for improvement.
- **Public Safety at ORC Assets:** ORC has a duty to ensure that workplaces are free from risks to the health and safety of any person, including areas accessible to the public. Some ORC assets, such as pump stations and monitoring stations, present potential safety hazards that require assessment. Early discussions with the Engineering team have begun, and the HSW team will assist in the development an assessment and risk management plan in the coming months.
- **Emergency Preparedness:** ORC currently lacks a consistent, organisation-wide approach to safety planning for emergency events. While some individual teams have response measures in place and there are emergency procedure flip charts for emergencies that arise at ORC depots, there is no centralised oversight to ensure preparedness across the organisation. A review of emergency procedures is planned for 2025/26, which will include the development of clear emergency procedures for both fieldwork and emergency response activities.
- **Equipment Procurement & Safety Considerations:** Current procurement practices require improvement to ensure that health and safety considerations are embedded early in the process. The HSW team is working towards integrating safety requirements into procurement procedures, ensuring equipment purchases meet appropriate standards before they are introduced into the workplace.

Summary of ORC’s Critical Risks

Critical Risk	Residual Risk	Current work on controls (in addition to existing controls)	HSW workplan completion timeframe	Change
Contractor Management	Moderate	The contractor management process review is complete, with a new policy drafted and a SharePoint register in development to improve access to health and safety information.	2025/2026 financial year	No change to risk level

Vehicles	Moderate	<p>The E-Road fleet management system, implemented in April 2024, enhances vehicle monitoring with real-time driver feedback. The HSW team is refining vehicle procedures with Support Services, updating overspeed reporting, and providing managers with guidance on addressing speed concerns. No speed-related incidents have occurred.</p> <p>Work is also underway to develop roadside inspector training, addressing risks identified by the Health and Safety Committee. Additionally, a bow tie analysis has been completed for on-road vehicle operation.</p> <p>A drug and Alcohol Policy is also under development.</p> <p>Vehicle bow tie analyses have been completed.</p>	2024/2025 financial year	No change to risk level
Lone, Remote, or Isolated Work	Moderate	<p>The Lone Worker Safety Management System Guide is being developed to replace the current LRI Working Policy. Consultation is complete, and feedback is being reviewed. The TrackMe system and Garmin InReachs were assessed for effectiveness, and a team risk assessment tool was created.</p> <p>ORC currently has 40 In-Reach devices and 4 app users, with expected increased usage following the policy review to better manage LRI risks.</p> <p>A bow tie analysis has been completed.</p>	2024/2025 financial year	No change to risk level
Fatigue	Moderate	Upcoming review of Fatigue Management Policy and toolbox.	2025/2026 financial year	No change to risk level
Violence and Aggression	Moderate	<p>The revision of duress procedures is complete, with early development underway for Whare Runaka. The lockdown procedure review is finished, scheduled for release in January, along with a revised E-text guideline. A lockdown drill and E-text system training are planned for Q3.</p> <p>Additionally, the incoming CRM system will provide safety benefits by allowing staff to view past aggressive interactions, enabling risk-based decisions. The team is developing</p>	2025/2026 financial year	No change to risk level

		<p>guidelines to support this process.</p> <p><i>A review of the occupational violence and aggression policy is scheduled early in the 25/26 financial year.</i></p> <p><i>A occupational violence and aggression bow tie analysis has been completed.</i></p>		
Fall from height or between levels	Moderate	<p>Working from height project is completed.</p> <p><i>Bow tie assessments have been completed for working from height.</i></p>	N/A	No change to risk level
Mental Health	Moderate	<p>Mental Health Strategy to be developed.</p> <p><i>The 2025 wellbeing programme has been released, the Wellbeing Policy has completed consultation and is expected to be released in Q4.</i></p>	2025/2026 financial year	No change to risk level
Hazardous Substances	Low	<p>Recurring audit regime is in place.</p> <p>The team have been working with the Whare Runaka project team to ensure appropriate controls are in place for the management of hazardous substances.</p>	N/A	No change to risk level
Water Hazards	Low	<p>Working around water guideline to be developed.</p> <p><i>Working around water bow tie analysis completed.</i></p>	2025/2026 financial year	No change to risk level

Red font above refers to changes since last report

Note critical risk levels will be redefined following completion of bow tie analysis scheduled to be commenced early 2024/25.

Refer to Attachment 1 'Critical Risk Profiles for critical risk profiles.

Events – 31 January to 9 May 2025 (Q3/Q4)

- [9] 30 incidents have occurred since the last report, with four so far in quarter four. Of the incidents reported, 17 were related to ORC including one (other) related to an ORC activity and 13 related to contractor operating – reported by contractors and members of the public (figure 1).

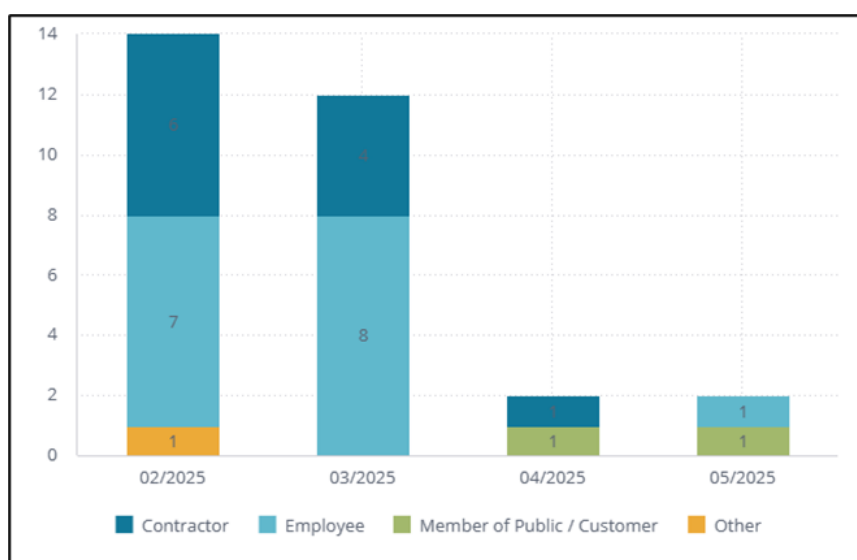


Figure 1: Number of Incidents by Month and Who Was Involved

- [10] Incident numbers have increased in February and March compared to the previous financial year, with February incidents increasing from 13 to 14 and March incidents increasing from six to 12. Incident volume in April decreased, with two incidents reported compared to the previous year with six reports. Two incidents have been reported in May as of the 9th (figure 2).

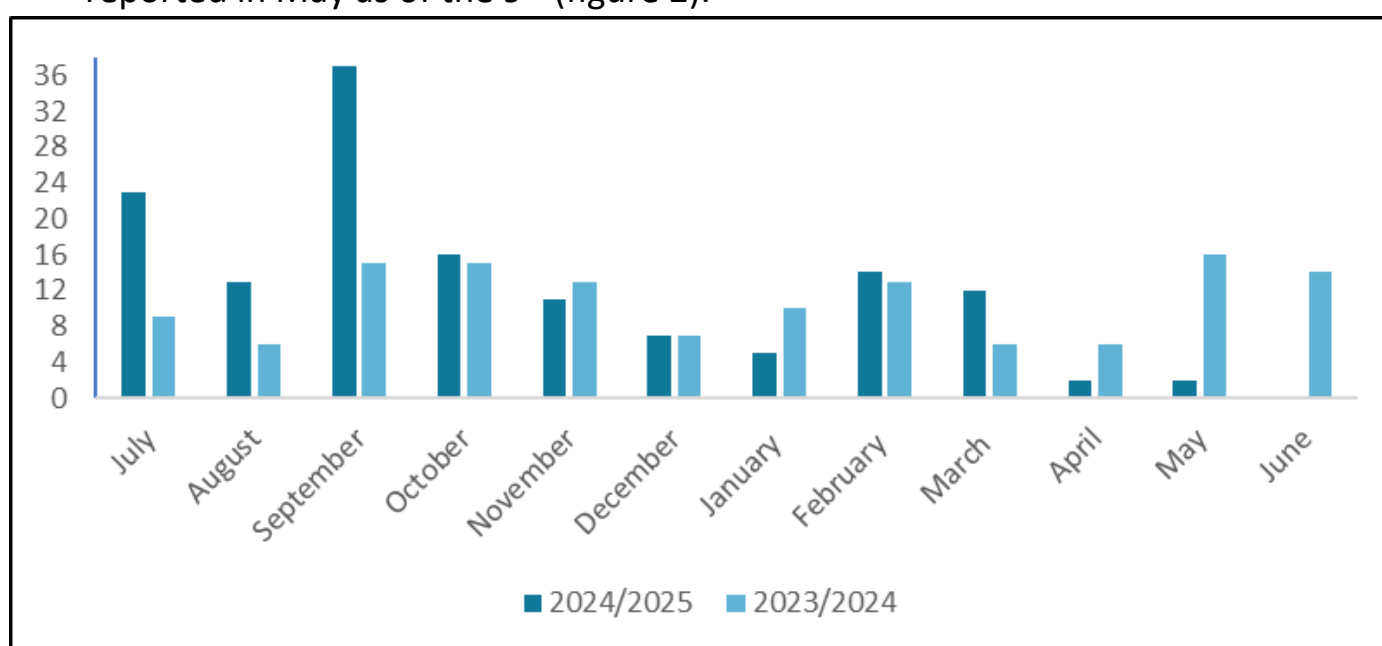


Figure 2: Incident Comparison by Month (November–January, FY23/24 vs. FY24/25)

- [11] Of all incidents reported, 47% were classified as minor, 40% were moderate, and 13% were near misses. Compared to the last report there has been a trend increase in the frequency of incidents resulting in moderate harm / damage; aside from this uptick there is no underlying root cause trends. In total 67% of incidents did not result in an injury or illness. Two incidents resulted in bruising/contusion, one incident a break/fracture, one soft tissue tear, two soft tissue sprain/strain and four other (including psychosocial impact, minor miscellaneous and to be confirmed) (figure 3).

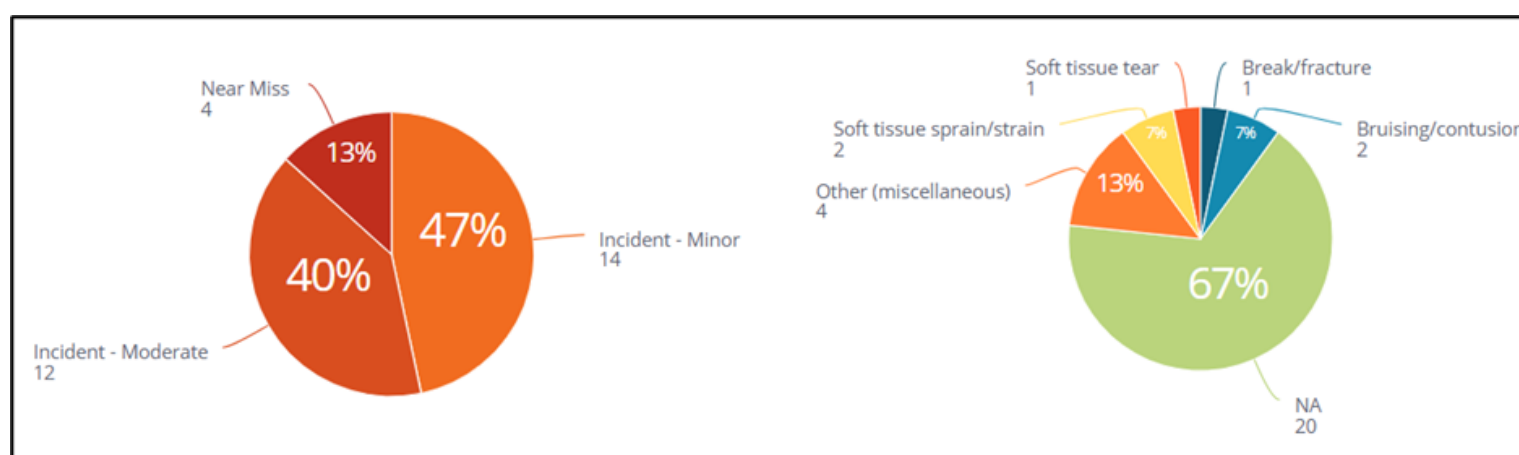


Figure 3: Incidents by severity and breakdown of injury types

[12] Of the 17 incidents reported between 31 January and 9 May, the majority involved slips, trips or falls, psychosocial impacts, violence and aggression, and vehicle-related events. Other incidents included contact with objects, environmental issues, and soft tissue strain or stress (see figure 4).

- **Slip, Trip or Fall:** Several incidents led to minor to moderate injuries, with contributing factors including unsafe equipment, housekeeping issues, and human factors such as rushing or distraction. One incident resulted in lost time and a staged return to work.
- **Psychosocial Impact:** Incidents in this category related to inappropriate external behaviour, including verbal and written aggression. Support measures included access to wellbeing services, de-escalation training, and guidance on managing unacceptable communication.
- **Violence and Aggression:** Two cases involved threatening behaviour towards staff, which were de-escalated with internal support. Preventive actions included consultation with external agencies, internal alert systems, and wellbeing support for staff involved.
- **Vehicle Related:** These incidents included minor collisions, near misses, and vehicle damage. Factors ranged from third-party actions to environmental conditions. Preventive actions included location-specific reminders, exploring equipment options, and reinforcing safe driving practices. One non-work-related event underscored the importance of personal safety awareness.
- **Other Incidents:** A minor injury, an environmental hazard, and a muscular strain were reported. Preventive actions included reinforcing PPE use during exercises, sharing site-specific hazards with relevant staff, and making ergonomic adjustments. Support such as first aid, physiotherapy, and hazard communication was provided as appropriate.

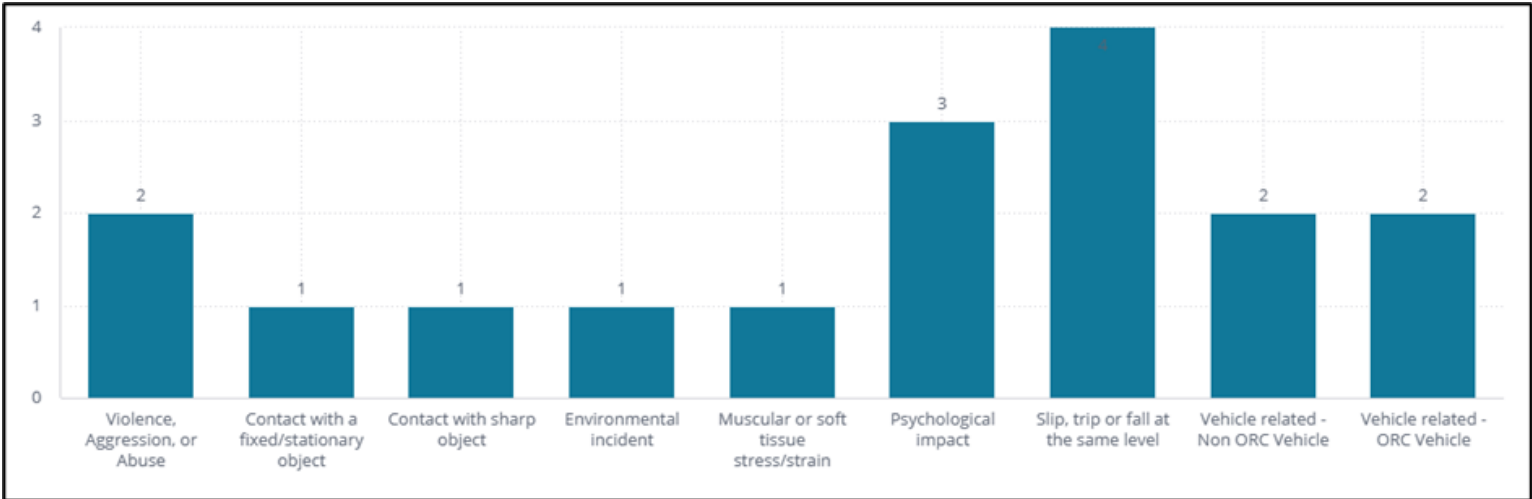


Figure 4: ORC Incidents by Type

[13] Of the 13 contractor-related incidents most incidents were vehicle related, and included slip, trip and fall, firearm related and equipment failure (Figure 5):

- Nine incidents involved vehicles, with the majority linked to public transport operations such as buses making contact with parked cars. Other vehicle incidents included a vehicle driving into a drain in a paddock and a rollover that resulted in a minor injury and hazardous substance spill – this incident was reported to WorkSafe and has since been investigated with multiple corrective actions by the contractor. Contributing factors across these vehicle incidents included human error, route design, distraction, and communication issues. Follow-up actions included training refreshers, and incident reviews with providers.
- Five other incidents occurred, including:
 - Two slip, trip and fall events occurred in different work environments, resulting in injury. Preventive actions included team briefings and reminders around terrain awareness and equipment condition.
 - A firearms near miss was reported during field operations due to uncoordinated recreational activity in the area involving. Improvements in pre-work communication processes have been made.
 - A safety issue was identified involving missing fall protection equipment. Interim controls were implemented pending a long-term solution.

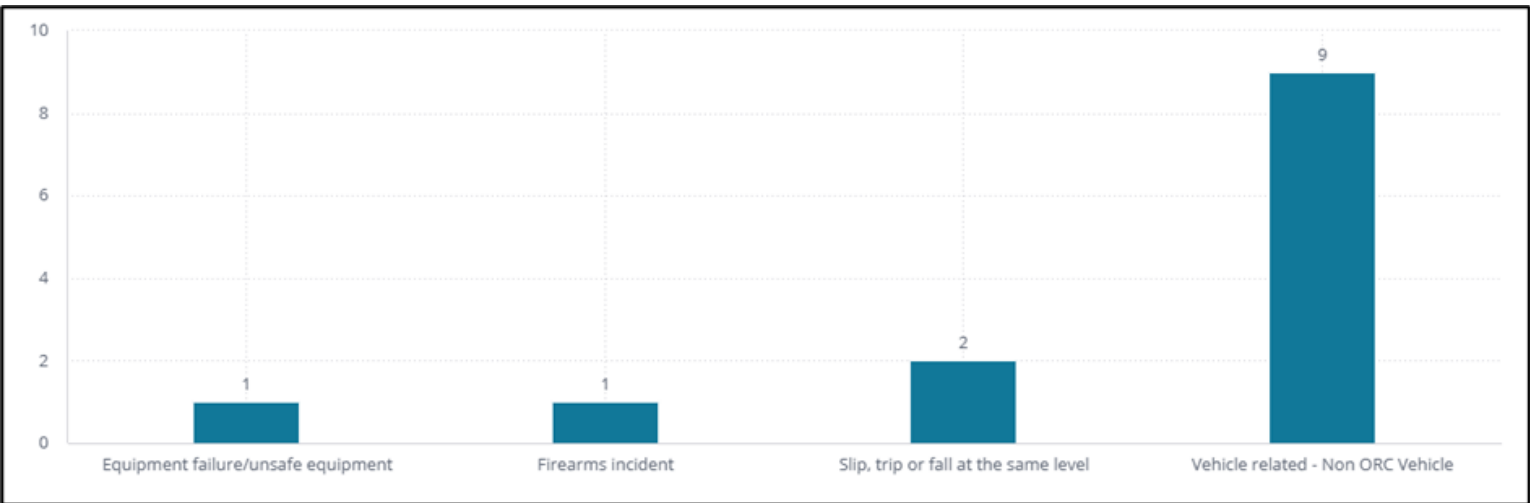


Figure 5: Contractor related Incidents by Type

[14] Between 31 January and 9 May 2025, three hazards were reported. These related to site security, a pest issue, and facility maintenance. All hazards were promptly addressed,

with control measures implemented such as issuing safety communications, reviewing procedures, and undertaking necessary repairs or mitigation.

Health, Safety and Wellbeing Plan 2024 – 2027

[15] The Health, Safety, and Wellbeing Plan 2024-2027 provides a strategic roadmap for embedding health, safety, and wellbeing across our organisation. It is dynamic, evolving with emerging risks. Key Updates include:

- **Drug and Alcohol:** The draft Drug and Alcohol policy was presented to ELT and is out for staff consultation. The policy was developed considering initial staff input, what other councils are doing, a risk assessment, overall policy direction set by ELT, and feedback from Health and Safety Representatives. Alongside formal staff consultation, there will be optional drop-in sessions for staff to ask questions. Implementation of the final policy is anticipated to begin in July.
- **Bow Tie Risk Analysis** – This project aims to implement bow tie analysis for all critical risks to increase understanding of ORC's critical risks and controls, support better control implementation, and identify any gaps or opportunities for improvement. The HSW team is delivering bow tie workshops across the region, including sessions in both Central and Coastal Otago to ensure risks are accurately understood by those doing the work. Completed workshops to date include vehicle (off-road focus), lone, remote and isolated work, working at height (x2), vehicle (on-road focus), working around water, and occupational violence and aggression. Upcoming workshops on mental health, fatigue, hazardous substances, and contractor management are scheduled for completion by mid-July. After each round, the team combines bow tie diagrams where needed and analyses the controls to identify areas requiring improvement. Actioning these improvements will begin in 2025/26.
- **Contractor Management:** The review of the Contractor Management process has been completed with input from the contractor working group. The team assessed the current system to identify effective elements, areas for improvement, and new aspects. Based on this feedback, a new policy is being drafted, and a SharePoint register is under development. The register will provide ORC staff working with contractor's direct access to contractor health and safety information, aiming to improve collaboration across the business and with contractors. Once the policy is drafted, consultation will be undertaken across the organisation.

Worker Engagement and Consultation

[16] The most recent Health and Safety Committee meeting included updates on the development of the Drug and Alcohol Policy, with a draft progressing to ELT and consultation planned. HSRs discussed vehicle safety improvements, including fire extinguisher installation on side-by-sides, trailer safety, and management of loose items like snow chains. The committee also acknowledged an increase in vehicle-related incidents, with actions underway to address car park navigation and standardise vehicle checks. Updates were provided on the Wellbeing Policy and the strong uptake of sun safety checks, along with progress on the bow tie risk analysis and fire mitigation risk assessment. Concerns were raised about cluttered field hazard maps, leading to work on better hazard classification. The Health and Safety Committee also discussed contractor

information sharing, staff interest in enhanced health insurance options, and appropriate technology use while on leave. Finally, updates were requested on the Garmin and Get Home Safe systems, which are still in development.

- [17] The HSW team continues to support health and safety engagement across the organisation. Recent contributions have included safety planning support for EcoFund applications and participation in an environmental implementation biosecurity panel, where the team reviews applicant safety systems. The team has also assisted with safety planning for a range of recent engagements and field activities, including community planting days, the Toitū Te Hākapupu event, a rabbit management demonstration, the Lake Tuakitoto septic tank project mail drop, catchment group workshops, a Civil Defence exercise, fish passage field day, youth dam monitoring site visit, oil spill exercise, A&P shows, and a Sovereign Citizen-related visit.

Training and Development

- [18] From 31 January to 9 May 2025, a range of safety-critical training initiatives were delivered to support operational readiness and risk mitigation across all departments. Completed training included:

- 4WD Training for 20 employees
- River Safety Training for 18 employees
- Side-by-Side Vehicle Training for 16 employees
- Roadside Inspector Training for 14 employees
- Defensive Driver Training for 19 employees
- First Aid Training for 24 employees
- Tractor Operation Training 8 employees
- E-text system training for 22 managers

- [19] Planned training for the coming months includes the continued roll-out of Roadside Inspector training, alongside De-escalation training, Hazardous substance training, Fire Extinguisher training for Emergency Wardens and additional Defensive Driver Training. These initiatives aim to maintain high levels of competency and operational safety across Council activities.

Wellbeing

- [20] The annual wellbeing programme was released in March 2025 and is designed to support wellbeing across all aspects of Te Whare Tapa Whā - mental, physical, social and spiritual wellbeing (refer to Attachment 2).
- [21] From January to May 2025, key initiatives have included a mental health seminar delivered by EAP with 97 attendees and 17 recording views, the Aotearoa Bike Challenge with a total of 7447 km ridden, a financial wellbeing seminar on KiwiSaver with 105 attendees, a refresh of regional gym discounts, completion of the wellbeing policy, and the rollout of influenza vaccinations—90 administered in person and 85 flu vouchers redeemed to date.

PEOPLE AND CULTURE

- [22] Quarter 3/4 achievements (to date 12 May 2025) include:

- Our new bicultural training programme, **Te Rito, was launched**. This new programme seeks to enhance ORC staff members' understanding of Tikaka Māori and use of Te Reo Māori using a self-paced approach. By fostering cultural awareness, sensitivity, and respect, the training aims to equip staff with the knowledge, skills, and confidence necessary for effective and respectful engagement with Māori communities, stakeholders, and iwi partners and applying Tikaka Māori principles within their work.
- [23] The **Leader Development programme for 2025** was endorsed by ELT and managers and now underway. Priorities for this year include:
- Building a cohesive senior leadership team and fostering a one team culture.
 - Managing performance - equipping all people leaders with the knowledge, skills, confidence and tools to manage poor performers effectively and to enable high performance.
 - Courageous conversations – ensuring our managers can have constructive conversations when appropriate.
 - Embedding the values - people leaders role modelling and reinforcing the values play a vital role in this and it's important we keep up the momentum.
 - Individualised support – continuing to provide foundation training as well as options for those who would like more.
 - Leading change – an ongoing focus on leaders successfully supporting our people and teams during the transition of shifting to a new building and navigating significant technological changes.
- [24] Updated Code of Conduct and new Learning and Development Guidelines were approved by ELT and will be implemented in the coming weeks.
- [25] The quarterly staff induction session was successfully conducted with the participation of 17 new team members. Councillor Alan Somerville attended as a guest speaker, adding valuable insight and inspiration to the event.
- [26] Key projects and initiatives in progress include:
- **HRIS Project** seeks to invest in a cloud-based, integrated Human Resources Information System (HRIS) that can automate and streamline our processes creating an improved user experience, unlocking efficiency gains and providing a single source of truth for our employee data. The panel which included People & Culture team, IT and manager representatives reviewed the responses to the Request for Price (RFP) on the Government Electronic Tend Service (GETS). Following vendor demonstrations, the panel selected a preferred vendor, due diligence has been complete, and formal approval is now being sought to proceed.

- A **Diversity and Inclusion Employee Survey** was conducted to gather data to support the development of a Diversity, Inclusion and Belonging Strategy.

[27] As per the interest from the Audit & Risk Sub-Committee, external benchmarking was undertaken with other Regional Councils and Unitary Authorities in New Zealand to compare what their policies are in relation to sick leave accumulation.

[28] Of the 10 Regional Councils and Unitary Authorities who responded, nine councils operate an unlimited sick leave accrual policy and the other council has unlimited sick leave accrual in the Collective Employment Agreement and a maximum of 60 days in Individual Employment Agreements.

Human Resources Dashboard Reporting

[29] The Long-Term Plan (LTP) provides for a total of 353.3 full-time equivalent (FTE) positions for the 2024/25 financial year. In alignment with our commitment to efficient and sustainable resourcing, ORC prioritises the recruitment of fixed-term staff over the use of external consultants for project-related roles wherever appropriate. This approach not only delivers cost efficiencies but also ensures that project teams are more closely aligned with the ORC's values, culture, and long-term strategic goals.

[30] Workforce snapshot information:

- 363 total staff (headcount), 342 permanent / 21 fixed term
- FTE of 352.8 (as at 9/05/2025)
- 21 current vacancies as at 9/05/2025
- Average tenure is 4.7 years
- Average annual leave balance, 16.5 days
- Average sick leave taken, 5.7 days (last 12 months)
- Annual staff turnover of 12.3% (for the 12 months to 30 April 2025, excluding fixed term terminations)

[31] Workforce mobility – Q3 2024/25:

- Four internal sideways moves
- Six internal promotions/upwards moves
- Three internal secondments commenced

[32] Recruitment snapshot – Q3 2024/25:

- Roles that have been advertised: 20
- Roles successfully filled: 25
- 728 job applications received, an average of 37 applications per role

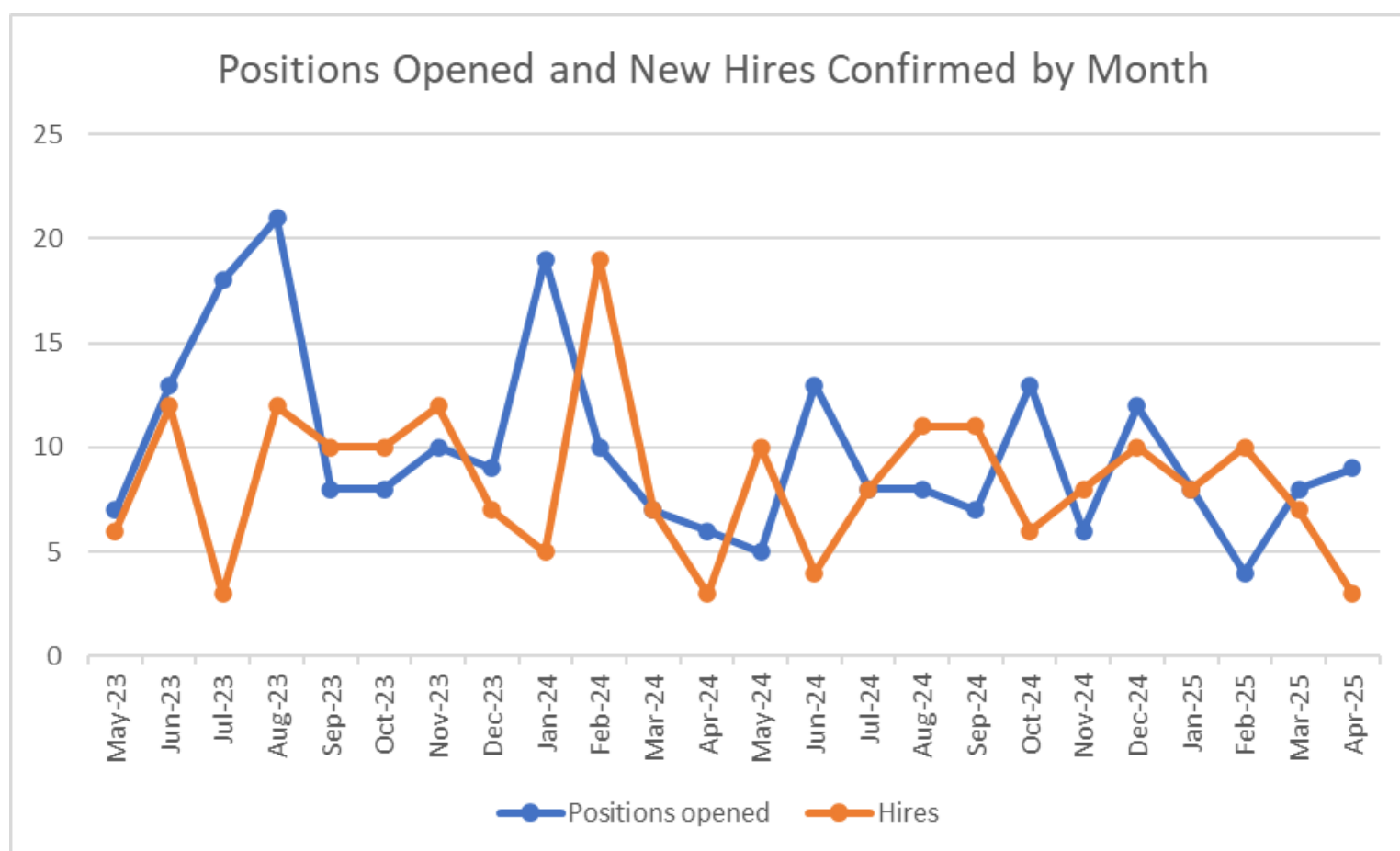


Figure 4: Monthly number of positions opened and new hires from May 2023 to March 2025

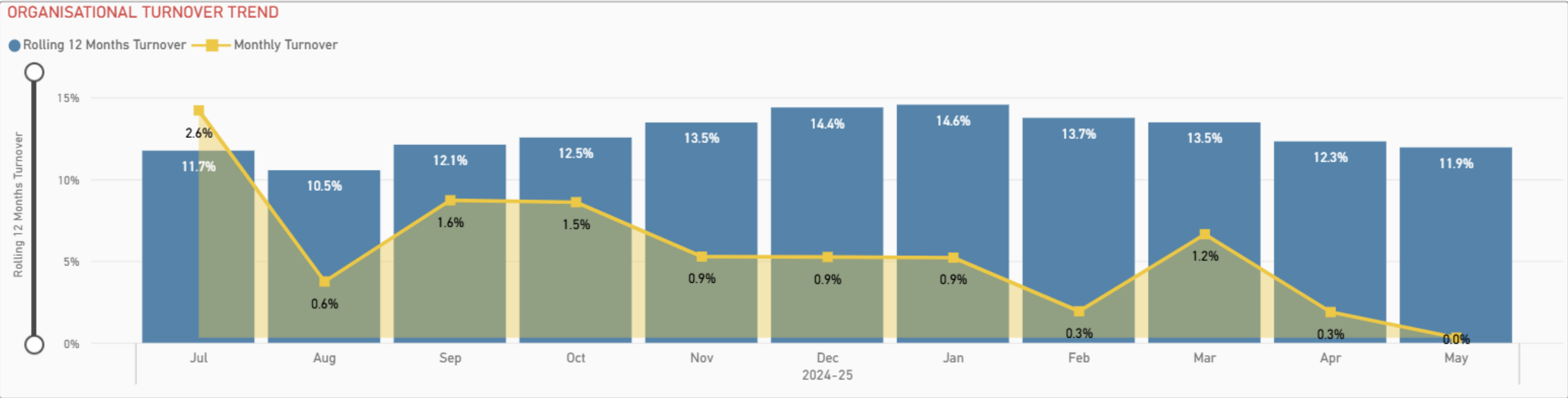


Figure 5: Staff Turnover Trend over the last 12 months

FTE Report



24/25 FTE Report as at pay period ending 09/05/2025

Report generated on 22 May 2025 at 8:34:41 AM

Directorate	Homebase Desc	Staff Name	Position Description	Employee Status	Location	FTE	Headcount	Bgt FTE
						3.0	3.0	0.0
Chief Executive						2.0	2.0	2.0
Environmental Delivery						112.2	117.0	112.0
Finance						19.5	20.0	19.5
People & Corporate						46.7	48.0	42.6
Regional Planning & Transport						31.9	32.0	35.3
Science & Resilience						102.3	104.0	102.8
Strategy & Customer						35.1	37.0	39.1
Total						352.8	363.0	353.3

Figure 6: FTE Report as at 9/05/2025

CONSIDERATIONS

Strategic Framework and Policy Considerations

[33] Nil.

Financial Considerations

[34] Nil.

Significance and Engagement

[35] Nil.

Legislative and Risk Considerations

[36] Nil.

Climate Change Considerations

[37] Nil.

Communications Considerations

[38] Nil.

ATTACHMENTS

1. HSW Critical Risks Profiles as of 31 January 2025 [**9.5.1** - 7 pages]
2. 2025 Wellbeing Programme [**9.5.2** - 10 pages]

Health, Safety & Wellbeing Critical Risk Profiles as of 9 May 2025

Author: Gina Louie, Team Leader Health, Safety & Wellbeing

Nine critical risks are outlined within Otago Regional Council's Critical Risk Management Plan, including lone remote or isolated working, falls from height or between levels, water hazards, contractor management, hazardous substances, vehicle/vessel driving/operation, mental health, fatigue, and violence and aggression.

There will be additional layers of detail that sit beneath these risk profiles that are managed by managers, team leaders and staff. That information (risk assessments, task analysis, job safety analysis) will ensure the understanding and management of these risks are relevant to the specific activities and tasks undertaken through the layers of the business.

Contractor Management			
Risk Description	Inadequate contractor management risks the health and safety of employees, contractors, visitors, and members of the public. The risk arises when the contractor engager fails to effectively plan, monitor, and control the activities of contractors working on their premises or carrying out work on their behalf. A range of potential hazards and risks may arise from inadequate contractor prequalification, training, supervision, and communication.	Initial risk level	High
What we know about this risk in our business	Contractor engagement occurs across the Otago Regional Council including construction, maintenance, and specialised tasks such as aviation, public transport, and pest management. We've had 171 contractor related incidents since 2022. 52% percent of these incidents were minor, 23% moderate, 23% near miss occurrences and 3% major.	Residual risk level	Moderate
How we manage the risk	Contractor Health and Safety Policy including prequalification selection procedures, procurement policy & planning processes, organisational induction for onsite contractors, H&S assurance check regimes, regular review of contractor H&S plans, and staff training in contractor safety.		
Control development	The contractor safety framework is currently under review, with a Contractor Management Working Group established in April. This group, which includes representatives from across the organisation, meets monthly to address challenges, develop an improvement plan, and identify contractor critical risks, supporting analysis for each. The drafting of the new policy is underway, based on the information and feedback gathered from the working group. A contractor review is also underway across all ORC contractors. The contractor management process review has been completed, with a new policy drafted and a SharePoint register in development to improve access to health and safety information.		

Vehicles – Driving Operations

Risk Description	There is a risk people could be harmed while driving to jobs, meetings and site visits. Drives can be long because we cover a large region. People also occasionally drive to places like mines, ports and commercial sites, off-road and rural areas, and places with extreme temperature fluctuations, ice, snow, and sunstrike. CODC vehicle operation in an emergency. Driving, therefore, requires on and off-road capability and involves the use of various types of vehicles. All staff who drive for work are exposed, particularly those who drive in remote locations or off-road.	Initial risk level	High
What we know about this risk in our business	We've had 50 driving-related incidents in the past 2 years. These involved property damages and minor injuries. Investigations indicated that driver behaviour was a key contributing factor.	Residual risk level	Moderate
How we manage this risk	Fatigue management policy: Driving/ working time restrictions, break/rest and overnight requirements to manage fatigue risks. Recruitment policy (recruitment processes asks if any health issues could impact ability to drive). Organisational inductions. Training, Safe Operating Procedures, vehicle servicing, vehicle GPS tracking with 24/7 impact/rollover alert monitoring service, incident reporting		
Control development	<p>Alcohol and Drug Policy is under development, with initial consultation undertaken.</p> <p>A new fleet management system, 'E-Road,' was implemented in April, offering enhanced features such as an in-vehicle 'drive buddy,' which provides real-time visual feedback to help drivers avoid speeding, harsh braking, sharp cornering, and unnecessary engine idling. The HSW team is collaborating with Support Services to enhance vehicle procedures, positively reinforcing desired behaviours and addressing areas of concern. The overspeed report has been adjusted to reflect additional E-Road capabilities, enhancing the management of overspeed events, and guidance for having conversations about overspeed events has also been developed. Since October, E-Road reports have been provided to managers monthly, accompanied by guidance on facilitating constructive conversations about overspeed events. As a result, both overall overspeeds and severe overspeeds (+20 km/h over the limit) have shown a steady decline.</p> <p>Work is also underway to develop training and procedures for roadside inspectors, stemming from a risk identified during a Health and Safety Committee meeting. The training will focus on equipping inspectors with the necessary skills and knowledge to operate safely while working on or near roadsides, ensuring consistent safety practices across all operations. Additionally, a bow tie analysis was completed for on-road vehicle operations.</p> <p>Vehicle bow tie analyses have been completed</p>		

Lone, Remote or Isolated Work			
Risk Description	Work can be remote because of the nature of work, location, and time, such as visiting sites, inspecting sites, working in remote sites, or responding to calls after hours. The potential risks associated with performing work activities increase significantly when the activity is performed in remote, or isolated situations as assistance may not be readily available to an employee in the event of an injury, ill health, or an emergency.	Initial risk level	High

	Whether a situation is a high or low risk will depend on the location, type of work, interaction with the public, or the consequences of an emergency, accident, injury, etc. Given that there are a wide variety of situations where employees can be working alone with varying levels of risk.		
What we know about this risk in our business	Lone, remote, and isolated work and the risks it presents occurs across Council operations including teams such as environmental monitoring and environmental implementation. Lone, remote, and isolated work has been a contributing factor to one incident in the past two years, involving a false Garmin InReach panic alert, which was accidentally activated, triggering an emergency services response.	Residual risk level	Moderate
How we manage this risk	Emergency response planning, task-specific training, Lone Remote or Isolated Work Policy, worker welfare checks 'buddy' system, vehicle fleet use GPS monitoring. 2-way communication with emergency response procedures tailored to the team level. Personal Locator Beacon to be carried.		
Controls development	<p>Lone Worker Safety Management – System Guide is under development; this is to replace the current Lone Remote and Isolated Working Policy</p> <p>The Lone Worker policy has been adjusted following consultation; alongside this the current lone worker system 'TrackMe' and connected devices (Garmin InReachs) were reviewed to ensure they are still fit for purpose alongside IT and people leaders. A team risk assessment engagement tool has been developed to use alongside teams to consider their LRI risks, and how to apply controls.</p> <p>ORC currently has 40 InReach devices, and 4 users using an app version which are used by various teams; following the completion of the policy review use of this system is expected to increase to ensure that LRI risks are appropriately managed (for some device only and for others only use of the application).</p> <p>A lone, remote and isolated work bow tie analysis has been completed.</p>		
Fatigue			
Risk Description	Fatigue related hazards pose significant health and safety risks. Fatigue occurs when individuals experience physical and or mental exhaustion, leading to impaired decision-making, and increased likelihood of accidents or errors.	Initial risk level	High
What we know about this risk in our business	ORC fatigue risk factors include long hours/shift work (emergency responses, flood etc), nature of work (physical or cognitive demands), personal factors (workload/work pace), and lone, remote, or isolated work.	Residual risk level	Moderate
How we manage this risk	Administrative: roster planning during emergency/flood response, fatigue management policy & toolbox, leave arrangements to be used to manage fatigue as needed. Wellbeing programme including EAP for all staff support and coping skills, workload management including managing long hours and work travel. Role-specific training, role-specific risk management and assessment, support from management, organisational return to work/ stay at work support pathways.		
Controls development	<p>Mental Health Strategy (commencing 2025)</p> <p>Upcoming review of Fatigue Management Policy and toolbox</p>		

Violence & Aggression			
Risk Description	This risk refers to any behaviour or action that involves physical or verbal aggression, threats, harassment, intimidation, or any other form of violence, whether initiated by an employee, customer, or any other individual present in the workplace environment.	Initial risk level	High
What we know about this risk in our business	<p>ORC staff interact with individuals and communities on a wide range of issues, including contentious matters such as policy decisions, enforcement actions, or public service delivery. These interactions, coupled with other factors, can potentially escalate into situations where violence and aggression become a significant concern.</p> <p>We've had 36 violence and aggression related since 2022, 75% of these incidents were minor, 22% moderate, 1% major. Most of the violence and aggression incidents are experienced within the Customer Experience, Compliance and Transport Teams.</p>	Residual risk level	Moderate
How we manage this risk	Occupational Violence and Aggression Policy, de-escalation training, duress and emergency management procedures, provision of fit for purpose workplace layout (e.g. wide and high customer service counters), Security and duress systems (e.g. duress alarms and CCTV at customer-facing points), EAP for staff support & debrief post-incident to reduce further harm, reporting and investigation, team/task specific safe operating procedures, support from management, reducing frustration points/known triggers for customers/ members of the public where possible.		
Controls development	<p>Revision of duress procedures is in development (all customer facing sites)</p> <p>PLH duress procedure review completed – September</p> <p>The revision of duress procedures is complete, with early development underway for Whare Runaka. The lockdown procedure review is finished, scheduled for release in January, along with a revised E-text guideline. A lockdown drill and E-text system training are planned for Q3.</p> <p>Two bow-tie analyses have been completed for occupational violence and aggression:</p> <ul style="list-style-type: none"> Whare Runaka reception area Violence and aggression during field activities 		

Falls from height or between levels			
Risk Description	Working at height means working in a place where a person could be injured if they fell from one level to another, this can include when working on the ground near an excavation.	Initial risk level	High
What we know about this risk in our business	This risk is applicable to pump stations at weed screens and installation works completed by the Environmental Monitoring Team. Contributing factors include adverse working conditions (e.g., weather, housekeeping, terrain), unsafe practices/behaviour, unsafe/faulty equipment, and working at an exposed edge.	Residual risk level	Moderate

	No incidents have been related to this risk in the last 2 years.		
How we manage the risk	Railing and fall arrest system installation and height safety training were completed in July/August, minor adjustments have now been completed. Pump station fall arrest engineering controls include unirail systems, fixed anchors, cable retractors, and fall arrest cable systems. Personal protective equipment and height safety training has been completed.		
Control development	<p>Safe operating procedures development alongside training.</p> <p>Ladder selection and use Safe Operating Procedure completed November 2023.</p> <p>Bow tie assessments have been completed for working from height.</p>		

Psychosocial / Mental Health			
Risk Description	<p>Mental health harm or mental ill-health is the significant cognitive, emotional, or behavioural impact arising from, or exacerbated by, work-related risk factors. Mental health harm may be immediate or long-term and can come from single or repeated exposure.</p> <p>Psychosocial risks can be grouped into four key areas; task (<i>demands, role clarity, workplace environment, remote and isolated work</i>), individual (<i>role autonomy, development opportunities, work-life balance, meaning and purpose</i>), social (<i>workplace culture, support, violence and aggression, workplace relationships</i>), and organisational (<i>psychological safety, organisational justice, reward and recognition, change</i>).</p>	Initial risk level	High
What we know about this risk in our business	<p>Psychosocial risk factors are present across the organisation, and current information on mental health is gathered via high-level (anonymous) reporting from EAP, Incident data, wellbeing survey data and engagement survey.</p> <p>The Health, Safety and Wellbeing Team have developed four Stay at Work plans in the last 2 years to support employee mental wellbeing.</p> <p>We have had x5 incident relating to mental health in the last 2 years, 2 incidents related to personal factors and not directly work-related, while the other incident involved a team's involvement in psychosocial impact from reviewing incident reports and resulting from some engagements with members of public.</p>	Residual risk level	Moderate
How we manage the risk	Employee assistance programme, leave arrangements, flexible work options, manager support and leadership training, and communication from senior leadership regarding staying mentally well. Staff awareness training and workshops, staff wellbeing programme.		
Control development	Stay at work & return to work procedure to be developed		

	<p>Mental health strategy to be developed</p> <p>The 2025 wellbeing programme has been released, the Wellbeing Policy has completed consultation and is expected to be released in Q4.</p>
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Water Hazards			
Risk Description	Working around waterways is one of the most potentially hazardous activities that staff will encounter. The primary hazards associated with rivers, streams and oceans include drowning, slipping (losing footing and control), being caught by snags or whirlpool currents, polluted water, and hypothermia.	Initial risk level	High
What we know about this risk in our business	<p>Working around water and the risks it presents occurs across Council operations and includes boating, flood response, environmental monitoring, pollution response, community education and infrastructure inspection and maintenance.</p> <p>Working around water has not been a contributing factor to incident reports in the past 2 years.</p>	Residual risk level	Low
How we manage the risk	Role-specific training – RiverSafe, maintenance regimes, safe operating procedures for specific tasks. Assurance check regimes, personal protective equipment; custom waders, life jackets, footwear, thermal protection, and 2-way communication devices.		
Control development	<p>Working around water guideline under development.</p> <p>Working around water bow tie analysis completed.</p>		

Hazardous Substances			
Risk Description	Hazardous substances are substances that are explosive, flammable, oxidising, toxic, corrosive, or toxic to the environment. A hazardous substance may be a single chemical or a mixture of both hazardous and non-hazardous chemicals.	Initial risk level	Moderate
What we know about this risk in our business	The Engineering, Environmental Monitoring and Environmental Implementation Teams are the predominant users of hazardous substances. Hazardous substances that ORC use include agricultural substances for weed control (flood banks, monitoring stations), preservation chemicals (specimen and sample preservation), fuels, oils, aerosols, and general cleaning products. Minimum quantities are stored at sites.	Residual risk level	Low

	<p>There has been 1 minor incident related to hazardous substances, and 1 near miss in the last 2 years. The incident relating to a broken hazardous substance container, and the near miss related to exposure to what was suspected to be asbestos (was tested and confirmed to be fibre glass).</p>		
How we manage the risk	<p>Personal protective equipment including respirators, protective eyewear, coveralls, non-porous footwear, safety equipment such as eye wash stations and first aid equipment, health monitoring & respirator fit testing, safety/technical data sheets are maintained at each site, safety plans, emergency response plans and safe operating procedures. Training: Hazardous substance awareness training, GrowSafe training. Assurance check regimes during site visits, hazardous substance policy & procedure, and elimination of hazardous substances from ORC depots where possible.</p>		
Control development	<p>Upcoming review of hazardous substance policy & procedure</p> <p>Health monitoring procedure</p> <p>The team have been working with the Whare Runaka project team to ensure appropriate controls are in place for the management of hazardous substances.</p>		

OTAGO REGIONAL COUNCIL

WELLBEING PROGRAMME

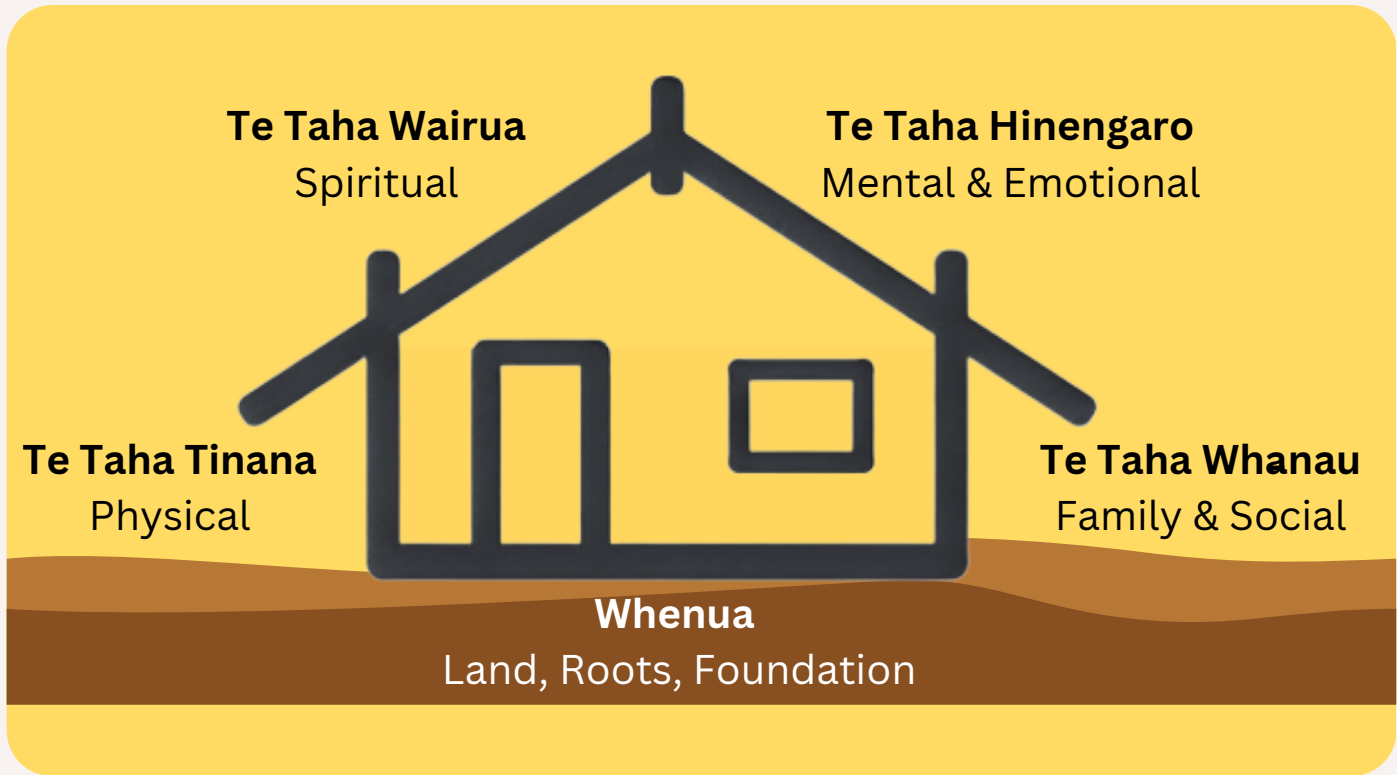
2025



TE WHARE TAPA WHĀ

Te Whare Tapa Whā uses the wharenui (meeting house) as a symbol for the 4 cornerstones of health. With its strong foundation (whenua) and 4 equal sides, the wharenui illustrates the 4 dimensions of wellbeing.

When all these things are in balance, we thrive. When one or more of these things is out of balance, our wellbeing is impacted.





TE WHARE TAPA WHĀ

Our wellbeing initiatives, activities and resources are based around the te whare tapa whā wellbeing model.

TAHA WHĀNAU (FAMILY HEALTH)

Taha whānau underscores belonging and shared connections. Whānau provides strength, links us to our ancestors, and plays a key role in both causing and curing illness.

TAHA TINANA (PHYSICAL HEALTH)

This dimension focuses on your physical health, including how your body feels, how you care for it, how you move, and how you fuel it. While it may vary for each person based on culture, resources, or physical abilities, one constant is that physical health is interconnected with all other dimensions.

TAHA WAIRUA (SPIRITUAL HEALTH)

Taha wairua reflects faith, connection, and the unseen energies that influence wellbeing. It shapes identity and guides our journey, with spiritual balance playing a vital role in health.

TAHA HINENGARO (MENTAL HEALTH)

Taha hinengaro focuses on the mind-body connection. Thoughts, feelings, and emotions shape how we see ourselves, our identity, and how others perceive us.

WHENUA (LAND)

Whenua is about your connection to the place you belong: the scenery, the plants and flowers, the manu song. Whenua is the foundation for the other parts of wellbeing in Te Whare Tapa Whā.

Wellbeing Initiatives

	The ORC pillars of Wellbeing				
	TINANA <i>Physical</i>	HINENGARO <i>Mental & emotional</i>	WAIRUA <i>Spiritual</i>	WHĀNAU <i>Family & Social</i>	WHENUA <i>Belonging</i>
Flu Jabs	😊				
Onsite showers	😊				
Sit-to-Stand up desk	😊				
Discretionary sick leave	😊				
Employee Assistance Programme	😊	😊	😊	😊	
Code of Conduct					😊
Flexible working arrangements		😊		😊	😊
Learning and development opportunities		😊	😊	😊	😊
Working better together framework		😊			😊
Kiwisaver and superannuation contribution over and above legislated minimum		😊			😊
Additional annual leave and ‘long service’ leave	😊	😊		😊	
Communal cafeteria style facilities				😊	😊
Blood donations			😊	😊	😊
Dog day Fridays		😊		😊	
Workstation and vehicle assessments	😊				
Social Club		😊		😊	😊
Annual Wellbeing Discount Card	😊			😊	
Local Government Management Challenge		😊		😊	😊
Muffin Talks & Lunch’n’Learns	😊			😊	😊
Annual Away Day	😊			😊	😊
Walking Meetings	😊	😊	😊	😊	😊

KEY PROGRAMME COMPONENTS

These key components have been identified based on insights from the wellbeing survey and conversations with Health and Safety Representatives. The initiatives outlined here aim to support employees holistically, fostering a healthier, more balanced work environment.

Explore options for mental health training for people leaders (as part of the mental health strategy project) to promote a supportive culture, equipping them with tools to recognise stress and connect employees with resources.

Encourage regular wellbeing check-ins with teams to monitor stress, satisfaction, and workload.

Quarterly mental health workshops covering topics such as stress management, resilience, mindfulness, and self-care.

Hosting seminars on financial literacy and management to help employees with budgeting, saving, and retirement planning. This will provide practical tools to reduce financial stress, which is often linked to overall wellbeing.

Exploration of training options for people leaders workload management to help employees balance their responsibilities without feeling overwhelmed.

Exploring options for expanding facilities to encourage physical activity during the workday, including more bike racks, improved shower facilities, and standing desks.

Exploring and where possible, offering additional discounted gym memberships and exploring partnerships with local gyms to make fitness more accessible to employees.

Encouraging walking meetings for teams to integrate physical activity into their workday.

A physical wellbeing challenge will be introduced, with details to be confirmed. This could involve team-based fitness challenges, step competitions, or other activities to motivate employees to stay active. Exploring opportunities with local providers to offer discounted yoga classes and massage services.

To increase awareness of wellbeing initiatives, we will use monthly newsletters, intranet pages, and visible signage. Events will be scheduled at convenient times, with virtual and recorded options available for flexibility. Specific time slots during the workday will be allocated for wellbeing activities, ensuring employees can participate without workload pressure.

TIMELINE

Find more information by visiting the Events section on Tiaki, by asking your Health and Safety Representation or by chatting to the Health, Safety & Wellbeing Team

**JAN, FEB,
MAR**

- Mental health workshop: EAP Seminar
- Financial seminar
- Aotearoa Bike Challenge
- Refresh of gym discounts

**APR, MAY,
JUN**

- Influenza vaccinations
- Mental health workshop: Topic TBC
- Physical wellbeing challenge
- Pink Shirt Day

**JUL, AUG,
SEP**

- Mental Health Awareness Week
- Mental health workshop: Topic TBC
- Refresh of wellbeing discount card

**OCT, NOV,
DEC**

- Mental health workshop: Topic TBC
- Financial Seminar



Have an idea you think would be a great feature? Let us know!
Healthandsafety@orc.govt.nz

WELLBEING BEYOND THE PROGRAMME



In addition to the initiatives outlined in the previous pages, the Health, Safety, and Wellbeing (HSW) team is driving several key projects in 2025 that are strongly linked to enhancing employee wellbeing. These projects focus on fostering a healthier, safer, and more supportive workplace.

Check them out below:

- **Mental Health Strategy:** Developing a comprehensive approach to support mental health and wellbeing across ORC.
- **Injury, Illness, and Wellbeing Support Procedure:** Creating clear procedures to ensure employees receive the support they need while recovering from injury or illness.
- **Health-Related Support Investigation:** Exploring and identifying additional resources and services to promote employee health and wellbeing.
- **Bow Tie Project:** Advancing our critical risk management with a focus on fatigue and mental health, including dedicated bow tie analyses for these key areas.
- **Sun Safety Review:** Evaluating the outcomes of our skin check trial to guide future sun safety initiatives.



OUR WELLBEING INITIATIVES: A CLOSER LOOK

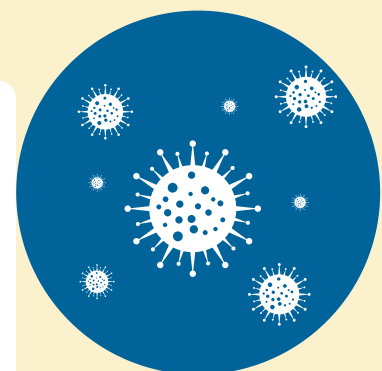
SUN SKIN CHECKS

A skin check is a visual examination by a trained professional to detect early signs of skin cancer or other skin conditions. Available annually to all fixed-term and permanent ORC staff, checks are offered across the region for convenience. While the option for an annual check is provided, you may choose a biannual or three-yearly check. This flexibility allows us to balance your wellbeing needs with thoughtful management of our budget.



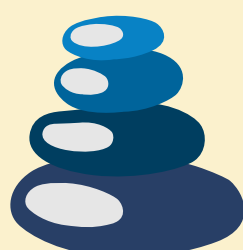
FLU JABS

The Influenza Vaccination Programme is an annual initiative that usually begins in April. Both in-person vaccinations and vouchers are available, depending on interest. Vaccination is optional, and a completed consent form is required. This programme helps support staff wellbeing by reducing the risk of influenza exposure.



EAP

EAP provides confidential guidance and support for all employees facing work-related or personal challenges. It offers practical tools and solutions in areas such as counselling, career guidance, financial advice, sleep and fatigue coaching, legal support, fitness coaching, and nutrition. Using EAP is a proactive way to practice self-care, reflect, and grow in a safe and supportive environment.



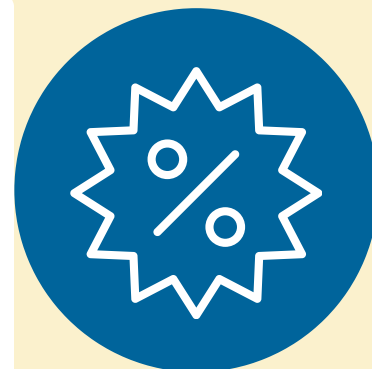
BLOOD DONATIONS

ORC supports Team Red with NZ Blood, offering a meaningful way to contribute to the community and promote wellbeing. We organise 3-4 blood donation sessions each year and provide transport to and from the Dunedin donor centre. While Otago currently only has a Dunedin centre, we also keep an eye out for blood drives in Central Otago.



WELLBEING DISCOUNTS

Our wellbeing programme offers a range of discounts, including the CSC Buying Group, gym discounts, PB Tech deals, Spec Savers discounts, and the Wellbeing Discount Card. Discounts can be accessed via Tiaki, with cards available on HSW notice boards or from the People and Safety office. These offerings are reviewed annually or updated as new opportunities arise.



FLEXIBLE WORKING

ORC is committed to supporting flexible working arrangements, which can include adjustments to hours, days, or location of work. Successful arrangements aim to balance individual, organisational, and customer needs. The Flexible Work Policy outlines how to request flexibility, examples of common arrangements, and guidance for people leaders on the decision-making and approval process.



LONG SERVICE & ADDITIONAL LEAVE

ORC values long-term contributions by offering KiwiSaver contributions, leave, and vouchers. From 1 July 2026, staff with 3+ years' service receive a 6% KiwiSaver contribution if actively enrolled. After 5 years, and every 5 years after, staff earn one week of long service leave. From 10 years, vouchers start at \$100, increasing by \$100 every 5 years. See the Long Service Policy for details.



SOCIAL CLUB

ORC has a Social Club based out of Dunedin, offering fun events like bowling, laser tag, and quiz nights, with costs covered for members. Membership is paid for by those who wish to join, and once you're a member, you can enjoy monthly socials at different bars featuring a free drink (up to \$12) and shared kai. Members also enjoy treats delivered to their desks. For more info, check out the Social Club page on Tiaki.



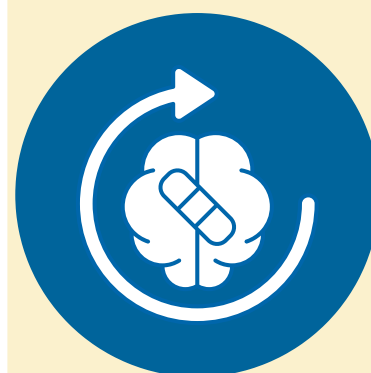
MUFFIN TALKS

Muffin Talk is a monthly kōrero (conversation) over muffins, held in the last week of each month to strengthen whakawhanaungatanga (building relationships) across ORC. It's an informal space to connect, share insights, and learn about different teams. Sessions can be attended in person or via Teams, with recordings available later on Tiaki (ORC's intranet). As a tradition, kaikōrero (speakers) provide muffins for their site or depot.



STAY AT WORK & RETURN TO WORK PLANS

The Return to Work program helps employees return to suitable work after injury or illness, aiming to get them back to their pre-injury role where possible. The Stay at Work program supports employees in staying at work by making necessary adjustments. Both programs ensure a smooth transition and provide support for employee wellbeing and productivity.



**TO FIND MORE
INFORMATION ON OUR
WELLBEING
INITIATIVES CHECK
OUT TIAKI**

9.6. CS2518 ORC Corporate Policy Overview

Prepared for:	Audit and Risk Subcommittee
Report No.	CS2518
Activity:	Governance Report
Author:	Tami Sargeant, General Manager People and Corporate
Endorsed by:	Tami Sargeant, General Manager People and Corporate
Date:	4 June 2025

PURPOSE

- [1] This report provides an overview of the corporate policies currently in place at the Otago Regional Council (ORC).

EXECUTIVE SUMMARY

- [2] This report provides an overview of the corporate policies currently in place at ORC. ORC has internal, external and Council (governance) policies.
- [3] It provides a summary of the key policies guiding the organisation's operations, the structure and management of the Master Policy Register, and the processes in place to ensure regular policy reviews and updates to ensure policies remain current, relevant, and fit for purpose.

RECOMMENDATION

That the Subcommittee:

- 1) **Notes** this report.

BACKGROUND

- [4] ORC has implemented a comprehensive set of corporate policies designed to guide decision-making and ensure consistent and effective operations. ORC has 48 corporate policies covering various aspects of ORC's activities such as legal, finance, enforcement, people and safety. ORC also has 16 Council (governance) policies covering various aspects approved and managed by governance.
- [5] ORC maintains a Master Policy Register, which serves as a centralised repository for all corporate policies. This Register ensures that all policies are easily accessible and provides a clear overview of their status, including the dates of the last review and the next scheduled review. The Master Policy Register is a critical tool for managing policy updates and ensuring that all policies remain relevant and effective. A summary of the register is provided in Attachment 1.

DISCUSSION

- [6] There are 48 corporate policies on the ORC Master Policy Register categorised based on team/department responsibility. In addition to the corporate policies there are 17 Council/governance policies.

- [7] Regular reviews of corporate policies are essential to ensure they remain up-to-date and compliant with current laws and regulations.
- [8] ORC follows a structured policy review process that includes the following steps:
- Drafting Policy and Research: Gathering existing policy and reviewing standards against best practice; and developing new policies where gaps exist based on best practice, legislative requirements and research.
 - Consultation: Engaging staff to gather feedback on draft policies.
 - Approval: Updating policies based on feedback and analysis and seeking formal approval.
 - Implementation and Communication: Communicating changes to all employees and ensuring proper implementation.
 - Monitoring and Review: Monitoring of policy implementation and review as appropriate.
- [9] ORC is committed to maintaining a robust policy framework that supports its strategic objectives and operational efficiency. Regular policy reviews and updates are conducted to ensure that all policies are effective and aligned with ORC's goals and values. Several policies have been updated recently to reflect ORC's refreshed staff values of Mana, Tika and Aroha.
- [10] In response to changes in legislation, ORC updates its policies to ensure compliance with new legal requirements. Recently, the Master Policy Register was updated to reflect the appropriate policy owners following ELT restructure. This ensures that each policy has a designated owner responsible for its maintenance and review, ensuring accountability of ORC's policy framework.

OPTIONS

- [11] There are no options.

CONSIDERATIONS

Strategic Framework and Policy Considerations

- [12] This report provides a high-level overview of the status of ORC corporate policies.

Financial Considerations

- [13] There are no financial considerations arising from this report.

Significance and Engagement

- [14] There are no significance and engagement considerations arising from this report.

Legislative and Risk Considerations

- [15] Some legislation, such as the Local Government Act 2002 requires that Council has policies on certain matters.
- [16] Other risks are managed and mitigated by having clear policies in place.

[17] Council is complying with its obligations by maintaining appropriate policies.

Climate Change Considerations

[18] There are no climate change considerations arising from this report.

Communications Considerations

[19] There are no communications considerations arising from this report.

NEXT STEPS

[20] The next steps are to continue to monitor, review and develop policies as outlined in the ORC Master Policy Register.

ATTACHMENTS

1. ORC Master Policy Summary for ARSC May 2025 [**9.6.1** - 11 pages]

ORC COPORATE POLICIES

Responsible Team	Title	Description	Last Reviewed	Status / Notes 2025
Customer Experience	Customer Policy	To ensure the people of Otago have a positive experience, to build trust and management	Nov-24	
	Complaints Policy	To set out a consistent process and underlying principles for responding to and solving customer complaints	Nov-24	
Finance	Fraud Policy	To identify that processes are in place to deal with fraudulent behaviour by anyone employed by, or elected to, the Otago Regional Council	Jan-11	Review underway
	Procurement and Contract Management Policy	Sets out the core framework for the procurement of goods and service within ORC	May-22	Review underway
	Sensitive Expenditure Policy	This document sets out Council's policy around controlling 'sensitive expenditure'. 'Sensitive expenditure' in the context of this policy is expenditure which may provide, or has the potential to provide, or may be perceived as providing, a private benefit to an elected member or staff member.	Apr-25	
	Travel Policy	This document sets out Council's policy in relation to travel.	Apr-25	
Information Technology	IT Policy	Provides guidelines for the use of technology and outlines expected behaviours when using IT systems.	Dec-14	Review underway
	Mobile Phone Policy	Outlines the principles for mobile phone usage, security, and hardware that ORC staff agree to when using and mobile phone services provided by ORC.	Apr-16	Review underway

Responsible Team	Title	Description	Last Reviewed	Status / Notes 2025
Investigations	Compliance Formal Warning Policy	Ensures a consistent approach by ORC to use the warnings in appropriate circumstances; when addressing conduct that may be an offence, any response taken will follow due process and public interest considerations while at the same time not overburdening the Courts with matters that can be effectively resolved through other enforcement routes.	May-22	
	Drones Policy	An outline of the authorised use of drones.	Aug-22	
Legal	Copyright Policy	Policy to ensure compliance with Copyright Act 1994 by protecting copyright owners from unauthorised use of their work.	May-24	
	Customer Privacy Policy	Procedures for the control, collection, use and disclosure of personal information (as defined in the Privacy Act 2020).	Apr-24	
	Inhouse Privacy Policy	Outline of procedures staff must follow under the Privacy Act 2020 (“the Act”) and reference to key considerations for a notifiable privacy breach.	May-24	Review underway
	Official Information (LGOIMA) Policy	Policy and procedure for managing information held by ORC to ensure compliance with the LGOIMA	Jun-23	
	Official Information Proactive Release (LGOIMA) Policy	Principles and guidelines for the proactive publication of official information online, including any responses to requests under LGOIMA	Jun-23	
	Protected Disclosures (Whistleblower) Policy	Procedures to be followed for protected disclosures under the terms of the Protected Disclosures Act 2022.	Jun-23	
	Trespass Policy	Procedure for considering and issuing trespass notice on behalf of the ORC	Jun-23	

Responsible Team	Title	Description	Last Reviewed	Status / Notes 2025
People and Culture	Code of Conduct Policy	The purpose of this policy is to set out guidance on the types of trespass and the procedure for considering and issuing trespass notice on behalf of the Otago Regional Council (“Council”)	Jun-21	Review underway
	Conflict of Interest and Gift Policy	This policy is created to avoid or successfully manage conflicts of interest occurring and to clarify the circumstances where activities, including secondary employment would be incompatible with employment at the Council.	Oct-19	Review underway
	COVID-19 Vaccination Policy	ORC is implementing this COVID-19 Vaccination Policy to support and encourage ORC staff to become vaccinated as part of the national COVID-19 vaccination program where possible, and to set out clear processes and expectations of vaccination requirements for those employed by ORC, or accessing or working from an ORC-owned or controlled site.	Mar-22	To be removed / decommissioned
	Equal Employment Opportunities Policy	The purpose of this policy is to outline the ORCs commitment to equal employment opportunity, diversity and inclusion.		Will be included in DEI Policy
	Fair and Reasonable Sick and Wellbeing Leave Policy	Supports employment agreement commitments, provide pathways for employees to access additional sick leave should the need arise, outline clear parameters for employees applying for the leave, and for managers when considering such applications.	Nov-20	For review FY26
	Family Violence Policy	We will ensure all employees understand why those affected by family violence may need to avail themselves of the entitlements provided by the Family Violence Act 2018 and acknowledge the reasons for providing support.	Jun-21	For review FY26

Responsible Team	Title	Description	Last Reviewed	Status / Notes 2025
	Flexible Working Policy	Our Flexible Work Policy sets out the avenues and process for those who wish to request flexibility in their work, as well as examples of common arrangements, and guidance on the decision-making and approval process for people leaders	Nov-20	For review FY26
	Good Employer Policy Statement	The Otago Regional Council (ORC), 'the Employer,' is committed to adopting and adhering to employment and people-related policies that are in-keeping with the principles of a 'Good Employer.'	Mar-21	Review underway
	Learning and Development Policy	The purpose of this policy is to provide guidelines for managers and employees to ensure consistency in eligibility, planning and delivery of the various aspects of employee learning and development.	Jun-21	Review underway
	Leave Management Policy	Taking time for rest and recreation is key to maintaining a healthy 'work/life' balance, supports employee wellbeing, and contributes to an engaged and productive workforce.	Jun-21	Review underway
	Parental Leave Policy	The purpose of this policy is to ensure Parental Leave is managed in a manner supportive to the employee and in accordance with the applicable legislation, taking into account both the needs of the family and of the organisation.	Nov-20	
	Performance Management and Disciplinary Policy	The purpose of this policy is to ensure all employees and managers are aware of their entitlements and obligations in relation to legislated rest and meal breaks. It should be noted that the breaks outlined below are the minimum legislative entitlements, and ORC provisions are in some cases more generous than those in the legislation.	Jun-21	Review underway

Responsible Team	Title	Description	Last Reviewed	Status / Notes 2025
	Recognition of Service Policy	To provide for formal recognition and reward staff for their service and contribution to ORC. based on clear guidelines.	Nov-24	
	Remuneration Policy	To ensure that the ORC attracts and retains employees through effective remuneration and reward practices, in line with Council remuneration objectives and principles.	Feb-24	
	Rest and Meal Breaks Policy	Ensure all employees and managers are aware of their entitlements and obligations in relation to legislated rest and meal breaks	Apr-21	For review FY26
	Rostering and Availability Policy	Provides direction and clarity for both employees and management on the treatment of different types of work outside of business hours, including eligibility, expectations, and payment for such duties.	Nov-24	To be removed (was replaced by Rostering & Availability Policy)
	Staff Consultation Policy	Otago Regional Council is committed to consulting with staff on matters that may have a substantial impact on their working conditions. This document sets out the requirements of the consultation processes to be followed.	Jan-17	For review FY26
	Superannuation Schemes Policy	The Council offers staff three schemes for superannuation savings - ASB Master Trust, Civic SuperEasy and Kiwisaver.	Apr-19	
	Working Better Together Policy	Provides guiding principles to ensure that the workplace is free from fear and judgement, enables open communication and values diversity across our workplace and with all those we interact with.	Nov-18	For review FY26

Responsible Team	Title	Description	Last Reviewed	Status / Notes 2025
Safety and Wellbeing	Contractor Health and Safety Policy and Procedure	This policy aims to support ORC comply with obligations under the HSWA in language that is easy to understand for the end user. The procedure covers the end-to-end process of contractor management from selection, pre-approval, entering the into the contract and ongoing monitoring and review. Additional supporting documents are also provided as listed below.	Feb-22	For review FY26
	Drug and Alcohol Policy	To manage drug and alcohol-related risks by setting clear expectations, offering training and education, providing confidential disclosure options, supporting rehabilitation, and implementing testing and monitoring mechanisms.	NEW	Staff consultation underway
	Fatigue Management Policy	Prescribed by the Health and Safety at Work Act (2015), Otago Regional Council must ensure, so far as reasonably practicable, the health and safety of its workers, and that others are not put at risk by their work. ORC must eliminate risks that arise from their work so far as reasonably practicable. If a risk can't be eliminated, it must be minimised so far as is reasonably practicable.	Mar-21	
	First Aid Policy	The Purpose of this policy is to: a) set out the Otago Regional Council's commitment to and arrangements for the provision of first aid, and b) set out responsibilities with respect to the provision of qualified first aid personnel and equipment.	Mar-21	Review underway

Responsible Team	Title	Description	Last Reviewed	Status / Notes 2025
	Hazardous Substances Policy and Procedure	Provide instruction to Otago Regional Council (ORC) about how to comply with its duties under the legislation regarding hazardous substances. ORC must eliminate risks associated with hazardous substances. If the risk cannot be eliminated it must be minimized as far as is reasonably practicable. ORC's current strategy regarding hazardous substances is to reduce their use and work towards elimination where possible.	Mar-21	For review FY26
	Health, Safety and Wellbeing Policy Statement	The Otago Regional Council (ORC) sees health, safety and wellbeing as a cornerstone of how we do business. We are committed to providing a safe and healthy environment for all employees, contractors, volunteers and visitors who may take part in, or be impacted by our work.	Mar-21	Review underway
	Lone, Remote and Isolated Worker Policy and Procedure	The purpose of this document is to provide instruction to Otago Regional Council (ORC) about how to comply with its duties under legislation in relation to managing the health and safety risks of lone, remote, and isolated work.	Jun-21	Review underway
	Occupational Aggression and Violence (OVA) Policy and Procedure	The purpose of this document is to provide instruction to Otago Regional Council (ORC) about how to comply with its duties under legislation in relation to managing the health and safety risks associated with Occupational Aggression and Violence (OVA).	Jun-21	For review FY26
	Smoke and Vape Free Policy	In line with the Otago Regional Council Wellbeing Policy, the organisation commits to promoting a safe and healthy environment for all employees, contractors and visitors, which includes a smoke and vape free working environment. As part of its wider role in promoting health and wellbeing, Otago Regional Council has a responsibility to encourage and support employees and their families/whanau to become Smokefree.	Oct-24	

Responsible Team	Title	Description	Last Reviewed	Status / Notes 2025
	Wellbeing Policy	Our Wellbeing Policy describes Otago Regional Council's (ORC) commitment to a proactive approach to wellbeing. We prioritise wellbeing through our values and actions. This aligns with ORC's 2024-2027 vision 'ORC is a place of Health, Safety and Wellbeing excellence where we put our people including their health, safety & wellbeing first'. We recognise that a holistic approach to wellbeing helps our people thrive at work and in life. We're committed to creating an environment that supports everyone in maintaining balance and achieving success.	Sep-21	Review underway
Support Services	Information Management Policy	Describes how information management and retention occurs at the Otago Regional Council, in line with statutory requirements, particularly the Public Records Act 2005	Apr-25	
	Vehicle Policy	To provide a clear framework for the use of Council vehicles and personal vehicles, for business use, including the required processes, procedures and general expectations. Note: May-22 update merged Vehicle Use and Smartrak Policies into one Vehicle Policy	May-22	Review underway

OTAGO REGIONAL COUNCIL POLICIES

Responsible Team	Title	Description	Last Reviewed	Status / Notes 2025
ORC Governance	Code of Conduct	The Code of Conduct (the Code) sets out the standards of behaviour expected from elected members in the exercise of their duties.	Jun-21	

Responsible Team	Title	Description	Last Reviewed	Status / Notes 2025
	Councillor Expenses, Allowances and Reimbursement Policy	The expenses regime for elected members of the Otago Regional Council.	Jul-24	
	Development Contributions and Financial Contributions Policy	Sets out how the Otago Regional Council will manage its development contributions and financial contributions.	Jun-24	Updated and approved as part of LTP2024-34
	Financial Strategy	Sets out how the Otago Regional Council will manage its finances over the next 10 years including rating, borrowing and investments.	Jun-24	Updated and approved as part of LTP2024-34
	He Mahi Rau Rika: Significance, Engagement and Māori Participation Policy	This policy provides guidelines for determining the significance of proposals and decisions in relation to issues, assets or other matters affecting the Otago region, people likely to be affected, and the council's capability to perform.	Oct-21	
	Infrastructure Strategy	Provides Council and the Otago community with information about what significant issues the flood protection and drainage infrastructure face over the next 30 years and beyond, and identifies the principal options for managing those challenges, including the implications of those options, before presenting the most likely scenarios for each issue and when any significant decisions will need to be made.	Jun-24	Updated and approved as part of LTP2024-34
	Local Governance Statement	The information found in this document includes details about what we do, what legislation we work under and the responsibilities we have under that legislation, how we consult and what our management processes are.	Ongoing updates	

Responsible Team	Title	Description	Last Reviewed	Status / Notes 2025
	ORC Recruitment Policy – Governance	The Otago Regional Council is committed to a fair and transparent recruitment and selection process, with appointments based on merit in order to attract and retain appropriately skilled and qualified appointees.	Mar-21	
	Port Otago Constitution	Sets out the rights, powers and duties of the company (the Port), board, directors and the shareholder (Council).	Mar-21	
	Rates Remission & Postponement Policy	The Otago Regional Council carries out its rating function in accordance with the requirements of the Local Government (Rating) Act 2002, and the Local Government Act 2002. This document provides the policy framework for granting remissions and postponing the payment of rates.	Jun-24	Updated and approved as part of LTP2024-34
	Remission and Postponement of Rates on Maori Freehold Land Policy	The Council has recognised that certain Maori freehold land have particular conditions, ownership structures or other circumstances which make it appropriate to remit or postpone rates for defined periods of time.	Jun-24	Updated and approved as part of LTP2024-34
	Remuneration Authority Determination	Not a Council Policy but the Determination sets the remuneration pool for Council and this must be fully allocated by Council.	Jul-24	
	Revenue and Financing Policy	Sets out the sources of funding Council will use for each activity, including the use of rates, fees, subsidies, reserves or other funding tools and gives consideration to who will benefit from each activity and how much they benefit.	Jun-24	Updated and approved as part of LTP2024-34
	Risk Management Strategy	This aims to allow the organisation to minimise the threats presented by the risks inherent in the organisations activities.	Sep-16	

Responsible Team	Title	Description	Last Reviewed	Status / Notes 2025
	Standing Orders	Standing orders contain rules for the conduct of the proceedings of local authorities, committees, subcommittees and subordinate decision-making bodies. Their purpose is to enable local authorities to exercise their decision-making responsibilities in a transparent, inclusive and lawful manner.	May-21	
	Statement of Investment Policies and Objectives	Provides the framework for Council to effectively supervise, monitor and evaluate the management of Council's investment activities.	Oct-23	Oct-23 update re ESG
	Treasury Management Policy	The Local Government Act 2002 requires local authorities to adopt a Liability Management Policy and an Investment Policy. The Otago Regional Council's prepared policies have been combined into one document called the Treasury Management Policy.	Oct-23	Oct-23 update re ESG

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

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
<i>PE Minutes of the Audit & Risk Subcommittee meeting of 6 March 2025</i>	<p>To protect information where the making available of the information— would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To 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 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 – Section 7(2)(c)(i)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public - 7(2)(e)</p>	<p>Section 48(1)(a); Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:</p> <p>(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.</p>
Insurance Renewals	<p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>To enable any local authority holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i)</p>	
Insurance	To protect information where the making available of the information—	

Disclosures	<p>would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)</p> <p>To avoid prejudice to measures that prevent or mitigate material loss to members of the public - 7(2)(e)</p>	
Deloitte ORC Audit Plan	<p>To 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 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 – Section 7(2)(c)(i)</p> <p>To 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 be likely otherwise to damage the public interest – Section 7(2)(c)(ii)</p>	
Managed Fund Report	<p>To protect information where the making available of the information—would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p> <p>To 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 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 – Section 7(2)(c)(i)</p> <p>To enable any local authority holding the information to carry out, without</p>	

	prejudice or disadvantage, commercial activities – Section 7(2)(h)	
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This resolution is made in reliance on [section 48\(1\)\(a\)](#) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by [section 6](#) or [section 7](#) of that Act or [section 6](#) or [section 7](#) or [section 9](#) of the Official Information Act 1982, as the case may require, which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

3.3 Deloitte ORC Audit Plan

I also move that Anthony Smith (Audit Engagement Partner) and Scott Hawkins (Audit Director) from Deloitte be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of the ORC Audit Plan. This knowledge, which will be of assistance in relation to the matter to be discussed, and relevant to that matter because of their expertise of the matter.

Subject to subsection (3), a local authority may by resolution exclude the public from the whole or any part of the proceedings of any meeting only on 1 or more of the following grounds:

(a) that the public conduct of the whole or the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist.