

# Audit & Risk Committee Agenda

## 19 March 2026

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 Kevin Malcolm, Co-Chair  
Mr Andrew Douglas, Co-Chair (Independent member)  
Cr Hilary Calvert  
Cr Gary Kelliher  
Cr Chanel Gardner  
Cr Neil Gillespie  
Cr Gretchen Robertson

Senior Officer: Richard Saunders, Chief Executive

Meeting Support: Kylie Darragh, Governance Support Officer

19 March 2026 01:00 PM

<b>Agenda Topic</b>	<b>Page</b>
1. WELCOME	
2. APOLOGIES Cr Hilary Calvert is an apology for this meeting.	
3. PUBLIC FORUM No requests from members of the public to address the Audit and Risk Committee 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. <a href="#">ORC Councillors Declarations of Interests</a> are published on the website.	
6. MATTERS FOR CONSIDERATION	3
6.1 <a href="#">Enterprise Risk Management Framework</a> This paper provides Audit & Risk Committee an overview of the approach taken to the continued development of Otago Regional Council's (ORC) Enterprise Risk Management Framework (ERMF). It explains the context for change, the maturity assessment undertaken, and the subsequent uplift roadmap.	3
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6.1.2	<a href="#">ORC Risk Management Maturity Uplift</a>	28
6.1.3	<a href="#">Audit &amp; Risk Committee Meeting Short Term Look Ahead</a>	33
6.2	<a href="#">Treasury Report</a>	34
	To present the quarterly Treasury Reporting Dashboard from Council's Investment Advisor, Bancorp, as at 31 December 2025.	
6.2.1	<a href="#">Bancorp Treasury Reporting Dashboard December 2025</a>	37
6.3	<a href="#">Managed Fund Portfolio Performance Update</a>	44
	To present the Q4 2025 Portfolio Performance Report from Council's Investment Manager, JB Were, for the period ended 31 December 2025.	
6.3.1	<a href="#">JBWere Quarter 4 2025 Portfolio Performance</a>	46
6.4	<a href="#">People and Safety Report</a>	52
	This report summarises activities and information on health, safety, and wellbeing (HSW), and people and culture (HR) at Otago Regional Council for the 2025/26 year to date.	
6.4.1	<a href="#">HSW Critical Risks Profiles as of 5 February 2026</a>	65
6.4.2	<a href="#">Health Safety and Wellbeing Dashboard February 2026</a>	72
7.	<b>RESOLUTION TO EXCLUDE THE PUBLIC</b>	79
	That the public be excluded from the following items under LGOIMA 48(1)(a):	
	2.1 Audit Management Letter	
	2.2 Managed Fund Report	
	2.3 Insurance Renewals	
	2.4 Insurance Disclosures	
7.1	<b>PUBLIC EXCLUDED RESOLUTION</b>	79
8.	<b>CLOSURE</b>	

## 6.1. Enterprise Risk Management Framework

<b>Prepared for:</b>	Audit and Risk Committee
<b>Report No.</b>	S&C2608
<b>Activity:</b>	Organisational Planning and Performance
<b>Authors:</b>	Joanne Greatbanks (Manager Organisational Planning and Performance), Ginny Irving (Senior Risk and Assurance Business Partner)
<b>Endorsed by:</b>	Amanda Vercoe (General Manager Strategy and Customer)
<b>Date:</b>	19 March 2026

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### PURPOSE

- [1] This paper provides Audit & Risk Committee (referred to as the Committee going forwards) with an overview of the approach taken to the continued development of Otago Regional Council's (ORC) Enterprise Risk Management Framework (ERMF). It explains the context for change, the maturity assessment undertaken, and the subsequent uplift roadmap.
- [2] The paper outlines how the Enterprise Risk Management Framework (referred to as the Framework going forwards) is intended to guide the future shape, consistency and maturity of risk assessment undertaken at ORC, and how it enables the direct embedding of three lines of defence and development of the Risk Appetite Framework (RAF, referred to as the Risk Appetite going forwards) and Risk & Control Self-Assessments (RCSAs, referred to as Self-Assessments going forwards) to provide timely, agile, and decision-relevant risk insight for leadership and governance.
- [3] The attachments enable the Committee to consider the proposed approach, with the rationale and analysis that underpin it:
  - a. Draft Enterprise Risk Management Framework (ERMF) - Attachment 1.
  - b. The Framework maturity uplift roadmap, including the associated timeframes - Attachment 2.

### EXECUTIVE SUMMARY

- [4] ORC is progressing a structured and forward-looking Framework to support effective governance, informed decision-making, and organisational resilience in an increasingly complex operating environment.
  - [5] The Framework brings together existing risk management practices into an inclusive and integrated framework that provides clarity of roles, common language, and consistent processes. It is designed to support the data-driven integration of risk considerations into planning, performance monitoring, and governance, while remaining right-sized to organisational capacity. It will also provide a reflective base for continuous improvement across ORC planning cycles.
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- [6] A baseline risk maturity assessment was undertaken to inform the appropriate sequencing and focus of future improvements. This assessment confirmed that ORC has established practices across the organisation, alongside opportunities to further enhance consistency, integration, and transparency over time.
- [7] The draft Framework has been developed to directly align with ORC's regulatory obligations and planning expectations. It:
- a. Establishes a shared structure and language for risk across ORC.
  - b. Supports consistent identification, assessment, and management of risk.
  - c. Provides the foundation for articulating explicit risk appetite through the Risk Appetite Framework (RAF).
  - d. Enables proportionate assurance through targeted Risk and Control Self Assessments (RCSAs).
  - e. Improved the clarity and usefulness of risk reporting to ELT and the Committee.
- [8] The Framework has been intentionally designed to mature progressively through existing planning and reporting cycles. This staged approach supports practical adoption, builds organisational capability over time, and enables continuous improvement rather than one-off implementation.

## RECOMMENDATION

*That the Audit and Risk Committee:*

- 1) **Approves** the adoption of the Enterprise Risk Management Framework (ERMF).
- 2) **Notes** that the Framework will be implemented through a phased approach, including capability uplift, system alignment and continuous improvement.

## BACKGROUND

- [9] Risk management at ORC has developed over time in response to changing organisational responsibilities, operating conditions, and governance expectations. As with many organisations, ORC needs to adopt an approach suited to its specific context and needs.
- [10] Recent Committee discussions, along with insights from internal and external review activity, have highlighted an opportunity to strengthen alignment, consistency, and line of sight between risk management, strategy, and performance. The development of the Framework responds to this opportunity by providing an overarching structure so that existing and future risk practices can be brought together:

Key factors informing the development of the Framework include:

- Increasing complexity and uncertainty in the operating environment.
- Evolving regulatory and governance expectations for local government.
- The opportunity to further strengthen escalation, assurance, and reporting pathways.
- A desire to support confident, well-informed decision-making.
- Alignment with recognised international best practice, including ISO31000.

- Building on the Strategic Directions work initiated with Councillors and delivers commitments under the Long-Term Plan 2024-2034 to strengthen governance, stewardship, and community confidence.

[11] The framework has been developed collaboratively within the Organisational Planning & Performance (OPP) team to ensure future integration with the evolving planning, performance, and reporting systems (currently Opal3).

## **DISCUSSION**

[12] The Framework has been developed using a principles-based approach aligned to ISO31000 Risk Management Guidelines and adapted to ORC's organisational context. The focus has been on establishing clear, fit for purpose components that support consistency and integration, whilst avoiding unnecessary complexity.

Key principles are:

- **Integrated & Embedded:** Risk management is part of how we plan, deliver and make decisions. It is not a separate activity.
- **Consistent & Proportionate:** We use a consistent approach across ORC, and apply risk management in a comparable, right-sized, fit-for-purpose way.
- **Inclusive & Transparent:** We involve the right people at the right time, across the ORC and within our communities, to communicate risk clearly, and support the building of trust and accountability.
- **Data-driven & Accountable:** Decisions are based on the best available information, professional judgement and local knowledge, with uncertainty and assumptions clearly documented.
- **Reflective & Improving:** We focus on continuous improvement; anticipating, detecting, and responding to change. We learn from our experiences to strengthen our approach and culture.

## **RISK MATURITY ASSESSMENT**

[13] A baseline risk maturity assessment was undertaken to provide a shared understanding of ORC's current position and to inform prioritisation of future uplift activities. The assessment considered processes, capability, culture, reporting, and governance arrangements.

[14] The assessment identified a range of established practices and emerging strengths across the organisation, alongside opportunities to further embed consistency, integration, and transparency.

[15] Importantly, the maturity assessment has been used as a planning and calibration tool rather than purely an evaluative judgement tool. It supports a proportionate, right-sized approach to framework design and ensures that uplift activity is appropriately sequenced and aligned with organisational capacity and priorities.

## MATURITY UPLIFT ROADMAP

[16] The maturity uplift roadmap translates the assessment of insights into a clear, staged pathway aligned to ORC's planning and performance cycles. The emphasis is on strengthening governance confidence, decision support, and assurance in a sustainable way.

Key focus areas over time include:

- Establishing and embedding the Framework and core risk processes.
- Introducing explicit risk appetite through the Risk Appetite Framework (RAF)
- Implementing Risk & Control Self Assessments (RCSA's) to provide targeted assurance and control insight.
- Enhancing the quality, consistency, and usefulness of risk reporting to ELT and the Committee.
- Supporting ongoing development of risk capability and culture.
- Progress against the uplift roadmap will be monitored and reported, providing leadership with visibility of how risk management capability is developing over time.

[17] The Framework provides the overarching structure that ensures the Risk Appetite and Self-Assessments are applied consistently and coherently across ORC. The Risk Appetite translates the Frameworks principles into clear statements of the level of risk ORC is willing to accept or pursue, supported by measurable thresholds. This enables leadership and governance to have a transparent and shared understanding of risk boundaries and escalation expectations.

[18] Self-Assessments operate beneath the Framework and Risk Appetite, providing structured and proportionate mechanism to assess whether key risks are being managed within appetite. This will support agile, targeted updates by focusing assurance efforts on priority risks rather than broad resource-intensive coverage.

[19] Together, the Framework, Risk Appetite and Self-Assessments support:

- a. A clear line of sight between strategy, risk, and performance.
- b. Early visibility of emerging or changing risk profiles.
- c. Proportionate escalation aligned to appetite and tolerance.
- d. More informed and constructive risk dialogue at ELT and the Committee.

[20] The Framework is owned by Organisational Planning & Performance, with clear roles for ELT, risk owners and the Committee to support effective governance, oversight, and continuous improvement. The Framework remains of course, subject to continuous improvement.

## OPTIONS

[21] If the proposed Framework is supported, the next step would be to advance development of the Risk Appetite and Self-Assessments under the Framework.

## CONSIDERATIONS

### Strategic Framework and Policy Considerations

- [22] The Framework supports ORC's governance maturity by providing consistent and transparent framework for understanding and managing uncertainty.
- [23] The Framework strengthens the Committee's oversight role by improving the comparability, clarity and confidence associated with risk reporting.

### Financial Considerations

- [24] Development and implementation of the Framework is being delivered within existing resources and OPP Risk & Assurance budget allocations for 2025-26.
- [25] Over time, improved risk insight may assist in informing prioritisation, investment decisions, and assurance planning.

### Significance and Engagement

- [26] There are no relevant considerations at this stage of the process.
- [27] Stakeholder engagement will occur internally through workshops and staff communications, and externally through governance updates as the framework is embedded and matures.

### Legislative and Risk Considerations

- [28] The Framework aligns with the Local Government Act 2002, which requires prudent stewardship, sound decision-making, and transparency.
- [29] Adoption of this framework will strengthen compliance and assurance against audit expectations.

### Climate Change Considerations

- [30] While this framework has no direct climate impacts, the Framework provides a scalable structure in which climate-related risk and future disclosure, or resilience requirements can be integrated into overtime.

### Communications Considerations

- [31] A communications and engagement plan will ensure clear, consistent messaging about why the framework matters and how staff contribute.
- [32] Internal communication will emphasise that risk management is about enabling better outcomes, not compliance.

## NEXT STEPS

- [33] Embed the Enterprise Risk Management Framework and progress to developing the Risk Appetite Framework and the Risk and Control Self-Assessments.

## ATTACHMENTS

1. ORC Enterprise Risk Management Framework [6.1.1 - 20 pages]
2. ORC Risk Management Maturity Uplift [6.1.2 - 5 pages]
3. ARC Look Ahead Timeline [6.1.3 - 1 page]



# Managing with confidence

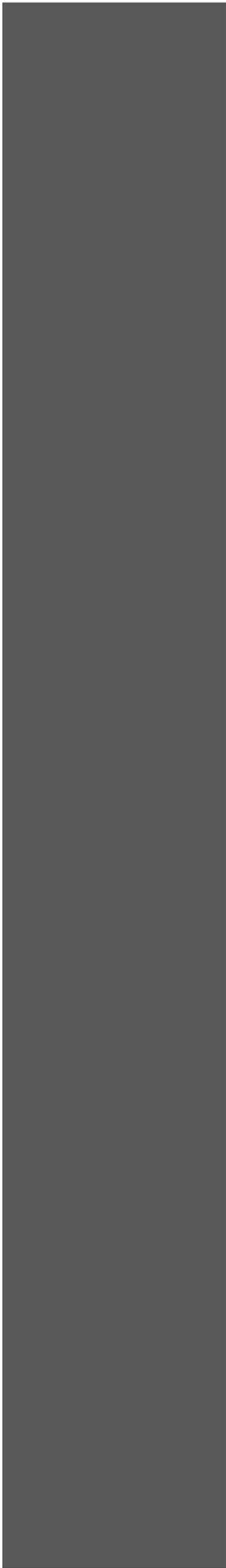
ORC Enterprise Risk Management Framework (ERMF)

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**Version Control**

Version Number	Approval Date	By Whom
V1.0	TBC	TBC



## Otago Regional Council – Enterprise Risk Management

### Overarching Purpose

Effective risk management is essential for any regional council where decisions impact community wellbeing, regional infrastructure, and overall trust in the organisation's stewardship.

Managing risk at the Otago Regional Council (ORC) goes beyond meeting compliance obligations, towards ensuring regional resilience and confidence in the delivery of operational services and strategic outcomes for the region.

Internally, there needs to be business clarity of the structure, function, and value of risk management, aligning enterprise risk management with the strategic objectives of the Long-Term Plan.

The purpose of this enterprise risk management framework is to establish this clarity, and a consistent, effective approach to addressing risk across all business teams in a way that balances opportunity and protection.

### Section R1: ERM Framework (ERMF)

The Enterprise Risk Management Framework (ERMF) provides ORC's structured approach to managing risk across the organisation, and supporting risk-informed sound, transparent, and consistent decision-making.

#### R1.1 - ERMF Scope

The ERMF applies to all leadership levels, business units, and operations of the ORC.

It covers the full range of financial and non-financial risks that could affect our ability to perform and deliver our plans.

#### R1.2 - ERMF Boundaries

The ERMF applies to the management of organisational risks that may materially impact the delivery of ORC's strategy, objectives, and operations. It establishes the principles, governance, and processes for consistent identification, assessment, treatment, and reporting of enterprise-level risks.

The ERMF shapes and guides operational risk-related activity (as the first line of risk defence) but it does **not** supersede specialist business function risks, which have their own dedicated international standards known as ISO frameworks, policies, or regulatory requirements. These include, but are not limited to:

- Climate and environmental risk
- Asset management
- Investment and market risk
- Insurance and actuarial risk
- Treasury, capital, and liquidity risk
- Technical, compliance, or regulatory risks governed under function-specific policies

The management of specialist risks should ensure that ISO principles are applied and aligned alongside the ERMF. This ensures decisions appropriately balance cost, risk, and performance. Risks may be identified, assessed, monitored, and reported through the ERMF, with risk appetite informing levels of service, strategies and funding decisions.

Ownership, oversight, and reporting of such risks remain the responsibility of the relevant business function. The ERMF does not supersede, duplicate, or assume accountability for these specialist risk domains.

By delineating organisational risks from functional or technical risks, the ERMF provides clarity of scope, ensures accountability sits with subject matter experts, and maintains focus on enterprise-wide risk management.

### **R1.3 - ERMF Model**

The ERMF Model presents a comprehensive and integrated approach to risk management, including core risk strategy, the risk control cycle, key business enablers, and the tools/supports that ORC will leverage. It also maintains a sense of relativity between the core components of the framework and the simple tools that sit at its outer edge, as at times there can be a tendency to over-focus on a single tool, rather than recognising its purpose as part of a broader system design.

This model will be used to manage the phases of development over the next 1-5 years and provide a 'wheel' for continuous improvement, until a leading practice approach to risk management and assurance is achieved and maintained sustainably.

While the ERMF is comprehensive, it is important to recognise that staff will not generally interact with the whole model but rather engage with a small number of elements that are intended to seamlessly inform their normal business activities.

The local government sector is currently operating within a period of significant and ongoing reform, with evolving expectations relating to governance, affordability, accountability, financial stewardship, service delivery, and regulatory oversight.

While the final shape and timing of these reforms continue to develop, there are clear and consistent signals for councils to transform within a fiscally constrained environment. These drivers will increase the overall focus on value, efficiency, prioritisation, and risk alignment.

Building ORC's risk capability through a clear Enterprise Risk Management Framework (ERMF) positions the organisation to credibly strengthen and assure consistent risk-related decision-making, priority alignment, and well-managed exposure, to better position ORC's agility and adaptation to future regional structures.

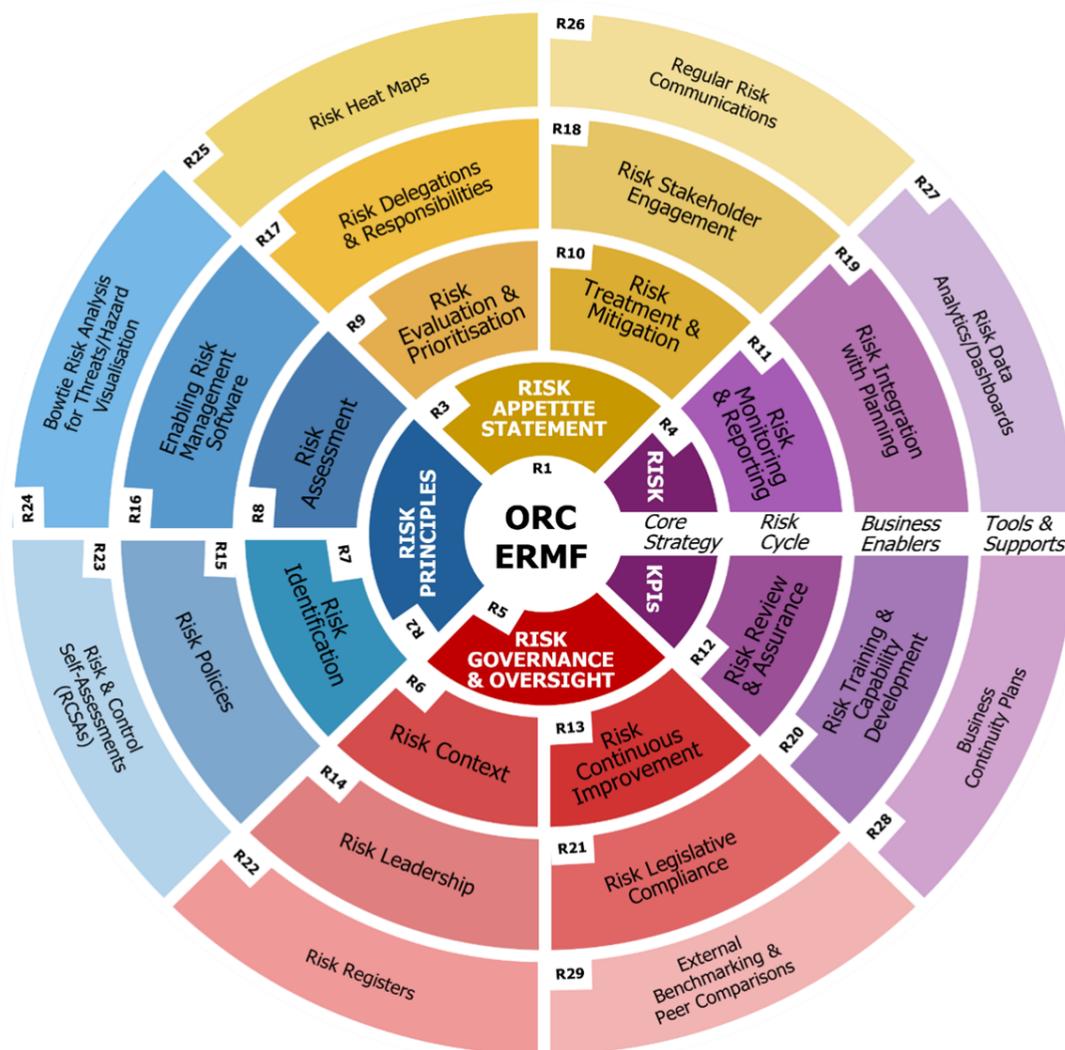
**R1.4 - ERMF Approach Alignment**

This approach also aligns (and must continuously be realigned) with ORC’s:

- Long-Term Plan (LTP) and Annual Plans
- Audit and Risk Committee (ARC) oversight expectations
- Statutory requirements under the Local Government Act
- Improvement intent towards best practice, via global standard: ISO 31000 (guidelines for effective risk management).

Figure 1: ERMF Model

POSITION:	REFERENCE:	COMPONENT:	DESCRIPTION:	REVIEW FREQ:	OWNER:
Centre	R1	Risk Core	Built on a hub of leading ERM practice	Every LTP year	OPP
First Ring	R2–R5	Risk Strategy	Foundations for ERM leadership and governance oversight	Every LTP/AP year	ARC/ELT
Second Ring	R6–R13	Risk Cycle	Systematic lifecycle of risk identification, assessment, treatment, and improvement	Every ISO update	OPP
Third Ring	R14–R21	Risk Organisational Enablers	The capabilities and systems to embed ERM into business operations	Every AP year	ELT
Outer Ring	R22–R29	Risk Tools & Supports	Specific mechanisms for implementation and reporting	Every LTP year	OPP



## Enterprise Risk Management Core Strategy

### Summary

Effective risk strategy sets the tone for a consistent and principles-based risk culture. This shapes how risk is understood, discussed, and acted upon across all levels of the organisation. Clear risk strategy also provides much needed clarity on the balance between opportunity and exposure, ensuring that both governance and executive decision-making operate within pre-agreed tolerance levels.

The ERMF supports the desired risk culture for ORC, and a strong commitment to nurturing a robust, positive risk culture. A robust risk culture empowers ORC to be forward-thinking and resilient, managing risks proactively, responsibly seizing opportunities, whilst also maintaining the trust of the community.

### Section R2: Risk Principles

The foundational guides for an organisation’s risk culture and consequent actions. At its core, ISO 31000 states that effective risk management must create and protect value, be integrated into governance and culture and be tailored to context.

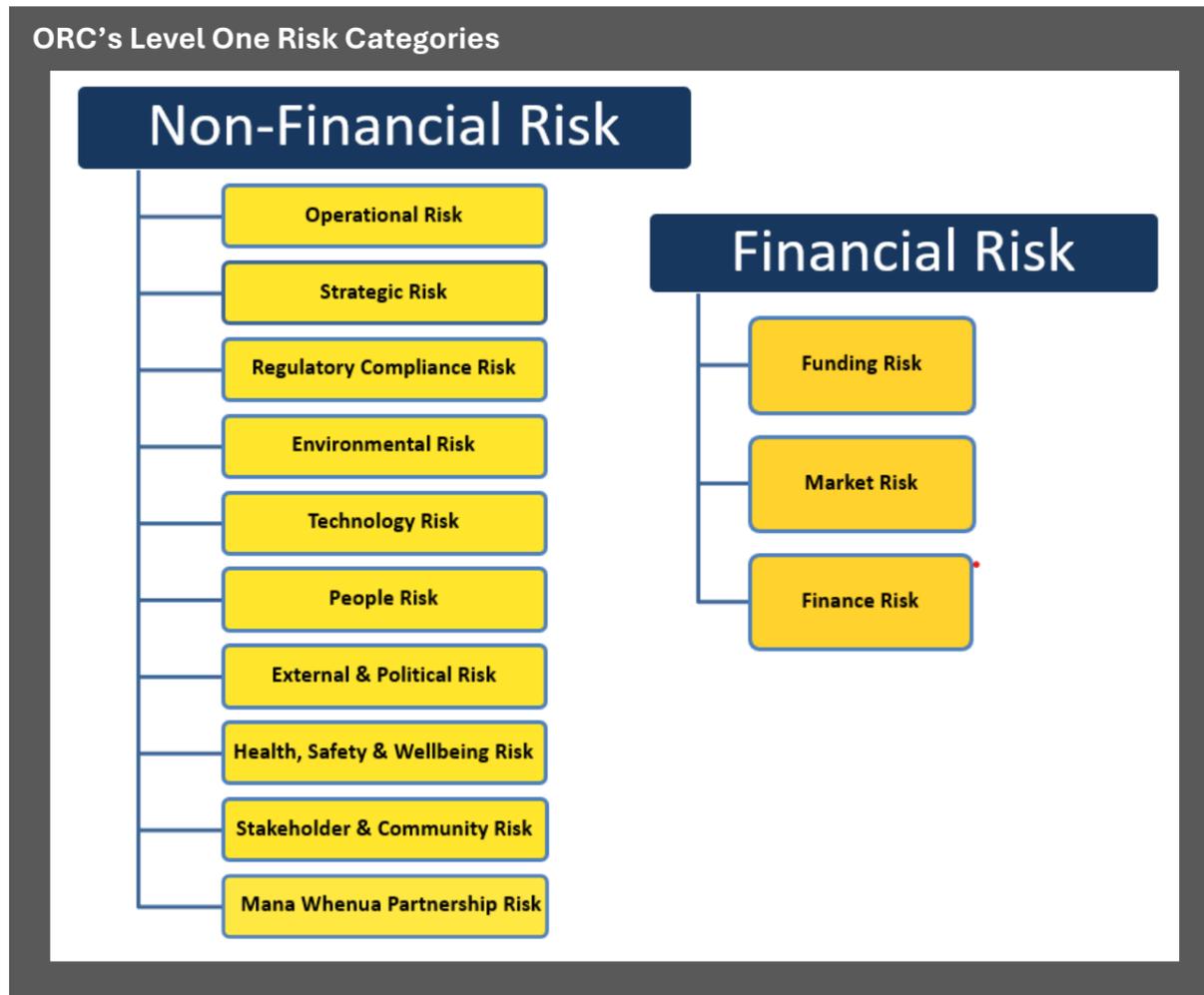
ORC’s risk management approach is guided by the following key principles:

 <p><b>Integrated &amp; Embedded</b></p> <p>Risk management is part of how we plan, deliver and make decisions. It is not a separate activity.</p>	 <p><b>Consistent &amp; Proportionate</b></p> <p>We use a consistent approach across ORC, and apply risk management in a comparable, right-sized, fit-for-purpose way.</p>	 <p><b>Inclusive &amp; Transparent</b></p> <p>We involve the right people at the right time — across the ORC and within our communities to communicate risk clearly, and support the building of trust and accountability.</p>	 <p><b>Data-driven &amp; Accountable</b></p> <p>Decisions are based on the best available information, professional judgement and local knowledge, with uncertainty and assumptions clearly documented.</p>	 <p><b>Reflective &amp; Improving</b></p> <p>We focus on continuous improvement, anticipating, detecting and responding to change. We learn from our experiences to strengthen our culture and approach.</p>
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**Section R3: Risk Appetite**

Risk appetite helps an organisation stay within its pre-defined safe boundaries, defining how much risk the organisation is willing to take in pursuit of its goals, while managing potential negative impacts.

ORC’s risk appetite is shaped by many factors, including ORC’s risk categories which group ORC’s risks for clarity.



Risk appetite is expressed through Risk Appetite Statements and Risk Key Performance Indicators (KPIs) within the Risk Appetite Framework. These guide, and support consistent risk management, across all business decision-making.

**R3.1 – Risk Appetite Statements**

The ORC’s Risk Appetite Statements define how much risk ORC is willing to accept in pursuit of our objectives by balancing opportunity against exposure, and defined in the Risk Appetite Framework ensuring both Governance and ELT have clarity on tolerance levels.

**Section R4: Risk KPIs**

Risk KPIs are aligned to ORC’s risk appetite statements for each Level 1 risk category. This provides observable and trackable metrics that indicate to leaders whether ORC’s actual risk exposure is within acceptable limits or moving beyond tolerance.

Risks will be managed through the Risk Management System Opal3 which is a system integrated with ORC financial and non-financial performance metrics. This will support visibility and a holistic view of our risk profile and progress towards ORC’s goals.

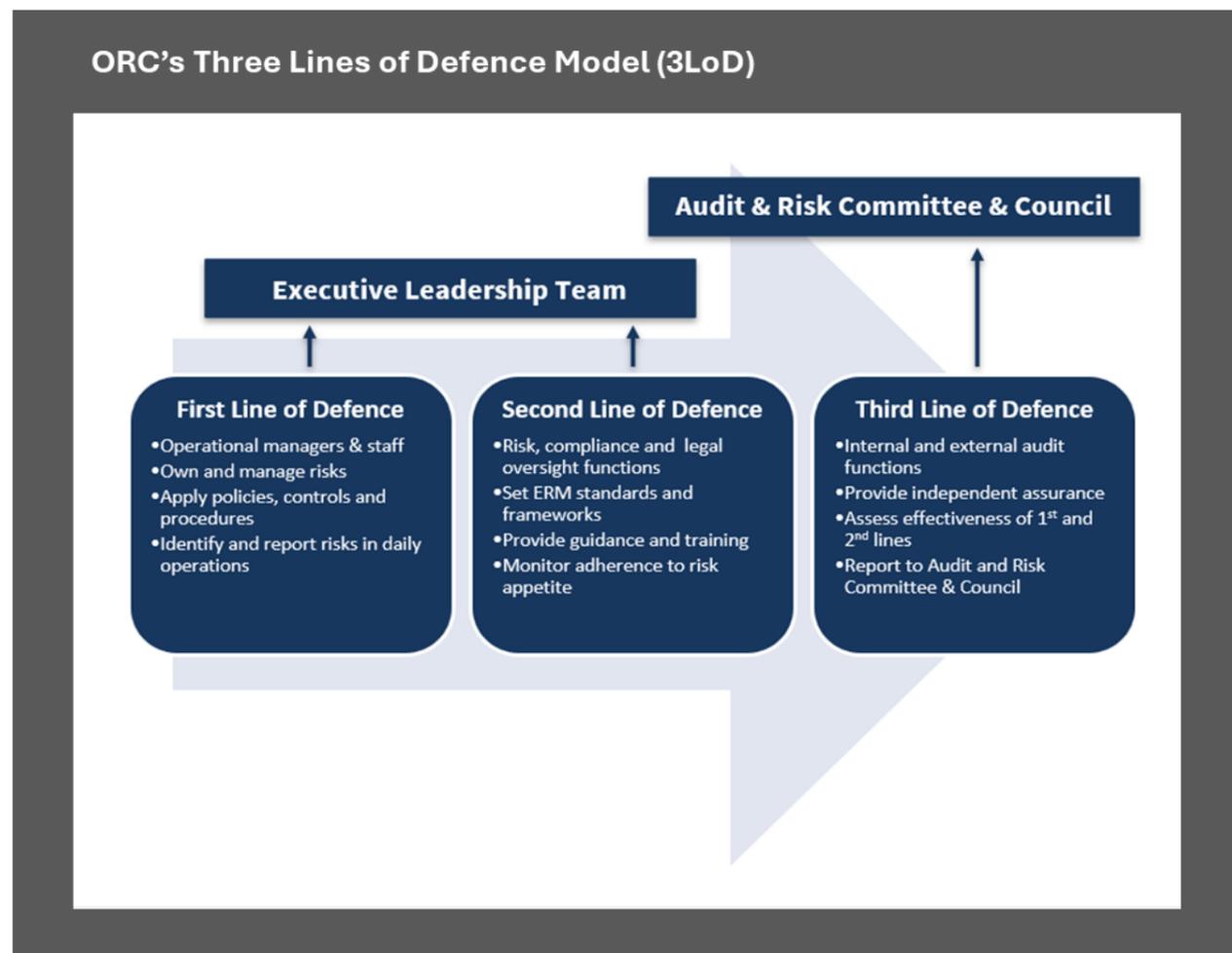
ORC Risk KPI reporting will include:

- Quarterly updates to ELT and ARC on performance
- Urgent updates to ELT for significant risk events (historical or predicted)
- Immediate escalation of any breaches of the defined risk thresholds in the Risk Appetite Framework.

**Section R5: Risk Governance**

ISO 31000 states that risk leadership must establish the tone, resources, and accountability structures needed to embed risk management across strategy, operations, and culture.

ORC’s risk governance function will ensure that risks are effectively identified, managed, and monitored with appropriate oversight. The governance structure incorporates the Three Lines of Defence (3LoD) model to ensure clear roles, independence, and robust decision-making:



### R5.1 – Risk Governance Key Partners

The governance elements of the ORC ERMF are:

**1. Risk Function (Senior Risk & Assurance Business Partner)**

Leads the risk management function, ensuring integration of risk considerations into both strategic and operational decision-making and leadership of risk management. The risk function operates independently, reporting directly to the Chief Executive and the Audit and Risk Committee (ARC), and provides leadership in embedding a strong risk culture

**2. Executive Leadership Team (ELT)**

Acts as the primary forum for executive leaders to discharge their risk management responsibilities. ELT provides visibility of key risks, ensures accountability for risk-based decisions, and maintains alignment with ORC's strategy and values.

**3. Audit and Risk Committee (ARC)**

ARC is the core component of strong risk governance, providing independent oversight of ORC's risk management and compliance activities. ARC reviews the effectiveness of risk management processes, ensures significant risks are appropriately managed, and makes recommendations to Council where required.

**4. ORC Council:**

Holds ultimate accountability for risk management and ensures the ERMF aligns with organisational objectives and statutory obligations. Council reviews risk governance outcomes and supports the resourcing of risk management priorities.

### R5.2 – Risk Governance Oversight

Governance oversight ensures that ORC's risk management processes remain transparent, evidence-based, and responsive to change.

Structured transparent reporting ensures that critical risk and control issues are promptly escalated to the Executive Leadership Team (ELT) and Audit and Risk Committee (ARC). Regular dashboards and heatmaps provide visibility of exposures, trends, and changes in the organisational risk profile. Reports also include analysis of emerging risks, appetite breaches, and control effectiveness, enabling informed governance discussion.

Oversight reviews occur annually and as required, following significant incidents or context shifts. They assess the continued adequacy of the governance framework against ORC's operating environment, regulatory obligations, and community expectations.

Learnings from audits, post-incident reviews, and external benchmarking drive continuous improvement, with the findings feeding directly into the annual OPP Risk Workplan priorities and ERMF maturity assessment.

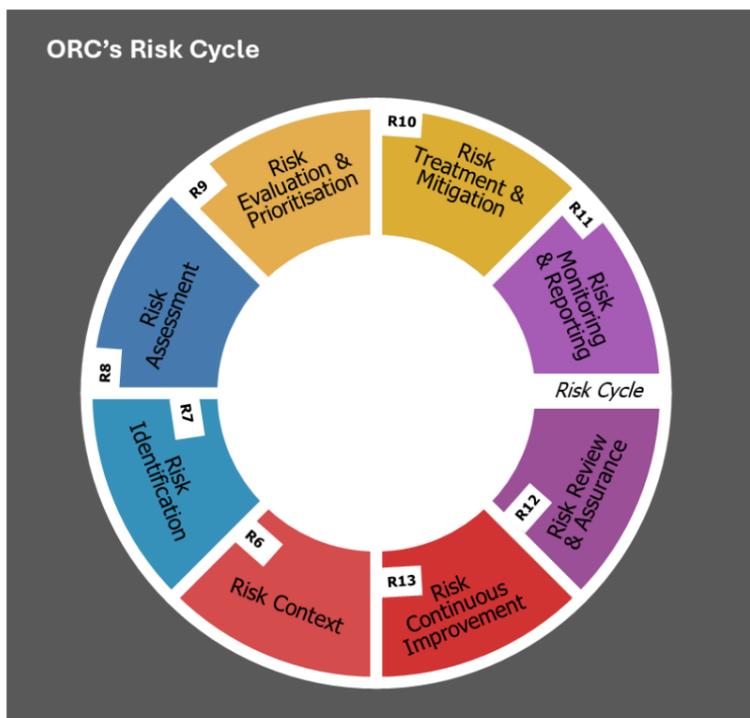
## Risk Management Lifecycle

### Summary

Effective risk strategy requires an integrated risk governance cycle to ensure clear leadership oversight, accountability through monitoring and reporting, and continuous learning. It systematically identifies, assesses, and prioritises risks across the organisation to then design and implement targeted treatment and controls.

ISO 31000 recommends a cyclical method of identifying, analysing, evaluating, treating, monitoring, and communicating risk to ensure informed and adaptive decision-making.

ORC manages risk throughout the full risk management lifecycle, a systemic process that helps us manage potential risks effectively end to end.



N.B. The first draft Risk KPIs to be approved as part of ELT Risk Workshop

## Section R6: Risk Context

ORC's risk management approach is grounded in a clear understanding of its context. Defining context ensures that risk identification, analysis, and evaluation are aligned to ORC's strategic objectives, statutory functions, and operating environment.

### External Context

ORC operates within a dynamic regional and national environment influenced by:

- Legislative obligations under the Local Government Act, Resource Management Act, and other statutes,
- Expectations of ratepayers, mana whenua, and the wider community,
- Environmental conditions and the effects of climate change,
- Economic and political factors affecting funding and service delivery,
- Evolving technology and data systems that support regulatory and environmental functions.

### Internal Context

Internally, ORC's risk environment is shaped by:

- Its strategic priorities and long-term community plan,
- Governance arrangements and decision-making processes,
- Organisational culture and capability,
- Resource availability and capacity constraints,
- Relationships between directorates, projects, and partnerships.

#### R6.1 – Emerging Risk Assessments & Horizon Scanning

Emerging risk assessments and risk horizon scanning look *outward and forward* to provide ORC's early warning systems to identify, analyse and prepare for emerging risks and trends that could impact ORC in the future such as Generative Artificial Intelligence.

The intent is to continuously scan internal and external environments, to anticipate risks and opportunities before they materialise, with the insights feeding into Risk Registers

## Section R7: Risk Identification

The systematic capture of existing and emerging strategic and operational risks. This is the starting point for identifying risks by drawing on internal and external sources, including staff expertise, historical data, incident trends, and environmental scanning.

Utilising risk identification and assessment tools within this step (Risk & Control Self Assessments - RCSAs) is critical to giving a holistic view of the current risks across ORC as well as being able to identify future risk factors.

ERMF

Core Strategy

**Risk Cycle**

Business Enablers

Tools &amp; Supports

## Section R8: Risk Assessment

The systematic evaluation of risks to enable the visibility and prioritisation of action/effort.

### R8.1 – Change Impact Assessments

Change impact assessments get triggered whenever ORC undertakes any significant change or key projects/programmes. They systematically assess how proposed changes could alter risk exposure, control effectiveness, or appetite alignment *before* implementation. They look inward and ahead to ensure ORC's ERMF is adaptive, and future-ready

## Section R9: Risk Evaluation & Prioritisation

The systematic determination of which risks require active management, and which can be accepted, aligned with appetite thresholds.

## Section R10: Risk Treatment & Mitigation

The systematic design and implementation of responses to risk.

This includes the review of incident management, which acts as a connection between the frontline experience of issues and events with risk strategy.

The insights gathered feedback into risk registers, RCSAs, and continuous improvement.

### R10.1 – Incident Management

When issues or near-misses occur, they highlight where controls may be weak, outdated, or misapplied. Capturing and analysing these events ensures lessons are not lost but translated into practical improvements.

Each incident should trigger a structured review that records what happened, why it happened, and how recurrence can be prevented. Insights are then fed into the risk register, RCSAs, and training programmes so that systemic trends can be addressed rather than treated as isolated events.

Effective incident management also reinforces ORC's culture of psychological safety to encourage staff to report concerns early without fear of blame.

## Section R11: Risk Monitoring & Reporting

The systematic mechanism of transparency and accountability for risk management effectiveness.

ERMF

Core Strategy

**Risk Cycle**

Business Enablers

Tools &amp; Supports

**Section R12: Risk Review & Assurance**

The independent validation that ORC's risk management approach is effective, providing confidence to Governance, Executive and the Community.

**Section R13: Risk Continuous Improvement**

We will seek to build and sustain a learning culture and mindset to reflect on, research for and continuously strengthen the ORC ERMF.

Promoting openness about both successes and failures is key to being able to reflect back in order to progress forwards with improvements. Lessons learned should be shared from incidents and near misses, to enable the integration of these insights into processes and training to continuously improve the ERMF and organisational resilience.

## Enterprise Risk Management Business Enablers

### Summary

It is important for an organisation to identify and nurture the key enablers that make risk management effective and sustainable across its business. This ensures strong leadership commitment, clear accountability, and alignment with policy, planning, and legislative requirements. Supported by technology, training, and meaningful stakeholder engagement, these enablers embed risk awareness into everyday decision-making and strengthen the capacity to deliver leading practice ERM with confidence.

For risk management to thrive at ORC, it must be enabled by the right people, systems, and structures. Business enablers are the 'connective tissue' of the ERMF. These enablers set the pace of ERMF maturity over time.

### Section R14: Risk Leadership

Visible leadership commitment to risk management is key to building a strong and sustainable culture. Visible sponsorship from ELT and ARC signals that risk management is valued, not merely required.

Leaders at every level should model balanced decision-making, openly discussing uncertainties and trade-offs rather than avoiding them. By embedding risk conversations into team meetings, project reviews, and planning forums, leaders can demonstrate that managing risk is a normal part of doing good business at ORC (and not a separate compliance task).

Leadership commitment also means ensuring adequate resourcing, time, and recognition for risk activities. When leaders acknowledge and reward proactive risk identification or lessons learned, they reinforce a culture where people feel safe to raise concerns early. Over time, this builds organisational confidence and maturity, aligning ORC's tone from the top, with the day-to-day behaviours of staff.

### Section R15: Risk-Related Policies

A clear and accessible policy framework provides the foundation for consistent risk management practice. ORC's policies define the 'rules of the road' to set out clear expectations.

Regular policy reviews from a risk perspective should remain current with emerging risks, legislative updates, and organisational learning. Cross-referencing with the ERMF will ensure that a consistent risk language can develop.

### Section R16: Risk Management Enabling Technology

Technology systems should actively support risk management processes, including risk dashboards, risk analysis tools, and integration with ORC's broader systems.

Technology is a core enabler of enterprise risk management, turning data into insight, and insight into action. ORC's risk management platform should create a single source of truth for decision-makers.

### Section R17: Risk Delegations & Responsibilities

Clear assignment of risk roles and responsibilities provides a mechanism to ensure that accountability is appropriately embedded at all levels. Managing risk is part of everyone's job.

The 3LoD model will be supported by clear delegations and escalation pathways within the Risk Appetite Framework and Risk and Control Self Assessments. Teams should know when to escalate an issue, how to document it, and what decisions sit within their authority. Leaders can then integrate risk management into their planning and operations. Ongoing performance reviews should reinforce these expectations.

### Section R18: Risk Stakeholder Engagement

The ERMF is primarily an internal governance tool, but external perspectives are essential to understanding ORC's wider risk context. Engagement with iwi partners, community groups, and other stakeholders provides insight into emerging risks, community expectations, and the broader impact of ORC's decisions.

Within the ERMF, these perspectives are supporting input and will feed through to inform:

- **Risk appetite setting:** ensuring tolerance levels reflect community values; and
- **Risk communication and reporting:** promoting transparency and accountability.

This ensures that external partner and stakeholder perspectives are systematically considered within ORC's risk management processes, while engagement itself remains governed by ORC's wider partnership and engagement frameworks.

### Section R19: Risk Integration with Planning

Risk registers and appetite statements should inform planning. Embedding risk into ORC's Long-Term Plan, Annual Plan, and budgeting processes ensures that operational choices are made with cognisance of uncertainty and consequence. Risk insights inform scenario testing, priority setting, and budget allocation, to help decision-makers weigh potential benefits against exposure. This alignment also ensures that performance measures and risk indicators form part of one integrated reporting suite.

### Section R20: Risk Training & Capability Development

Building capability is fundamental to embedding a confident and consistent risk culture. The OPP Risk training approach will combine workshops and practical scenario-based exercises tailored to real ORC challenges. These activities will bring the ERMF to life, demonstrating how tools like RCSAs connect to everyday work.

Providing regular training and building maturity from basic awareness to adaptive management will equip employees with the knowledge and skills needed to identify, assess, and manage risks will build staff confidence and competence in managing risks.

ERMF

Core Strategy

Risk Cycle

**Business Enablers**

Tools &amp; Supports

### **Section R21: Risk Legislative Compliance**

Compliance with legislative obligations is non-negotiable. Key obligations arise under the Local Government Act 2002, which requires prudent stewardship of resources, sound decision-making, and clear accountability.

Assurance processes, including internal audit and external review, provide independent confirmation that ORC is meeting its duties and can demonstrate due diligence when challenged.

## Risk Management Tools & Supports

### Summary

An organisational ERMF comes to life at the people-level through the supporting tools, processes, and insights that turn awareness into action. Tools and supports, embed ownership, simplify key risk aspects to enable data-driven decisions. Together, these practices build resilience, transparency, and continuous improvement across the organisation.

ORC's risk management tools have been chosen to provide an accessible suite of tools to simplify complex concepts, enable early visibility of issues, and help leaders focus attention where it matters most. These tools are scalable, ensuring that teams of all sizes can apply consistent methods appropriate to their level of responsibility.

### Section R22: Risk Registers

The Risk Register is ORC's central repository for recording, tracking, and managing both strategic and operational risks. It ensures that risks are documented in a consistent format, linked to relevant controls, and assigned to accountable owners.

A regularly updated and well-maintained Risk Register will provide a single touchstone for ORC's risk profile. It supports prioritisation and escalation, enabling ORC to focus effort where it will deliver the greatest value.

### Section R23: Risk & Control Self-Assessments (RCSAs)

RCSAs are a core element of ORC's risk management framework. They provide a structured process for business units to identify, assess, and manage risks within their areas of responsibility. RCSAs promote ownership at the operational level (Line One in the Three Lines of Defence (3LoD) model) while providing leadership and assurance functions with valuable insight into the organisation's risk environment.

The purpose of RCSAs is to:

- Enable teams to understand and evaluate their key risks and controls.
- Support a culture of accountability and continuous improvement
- Provide transparent, consistent risk information to inform reporting, decision-making, and assurance activities.

RCSAs are a *critical* self-assessment tool that empowers teams to evaluate their own risks and control effectiveness. They encourage ownership for teams and provide rich operational insight for leadership and risk assurance functions.

Through RCSAs, teams identify risks and assess both inherent risks (before controls) and residual risks (after controls), these are then 'sized' for overall risk level using the Risk Impact Matrix by establishing the likelihood and impact if the risk materialises. This allows for additional action to mitigate the risk if required. The results are recorded in a Risk Register, allowing transparent aggregation and reporting across the organisation.

RCSAs strengthen ORC's culture of accountability by ensuring every team reflects upon its contribution to managing risk.

RCSAs will be completed across business units, key processes, and projects. RCSAs rank risks by impact using the Risk Impact Matrix to guide the sizing of risks both at inherent risk level (before considering controls) and residual risk level (after considering controls). All risks and their risk ratings are recorded in the risk register to allow reporting and escalation of significant risks to ELT and ARC.

### **Section R24: Risk Bowties**

Risk bowtie diagrams provide a visual method of illustrating the relationship between a risk, its causes, and its consequences. They help decision-makers quickly appreciate complex risk scenarios and the effectiveness of key controls.

Bowties are especially useful for high-impact risks, where multiple causes or outcomes overlap. By making these risks visible, they support informed discussion at ELT, ARC, and Council level.

Integrating bowtie diagrams into risk reporting encourages their current use within Health & Safety and supports a consistent language across ORC.

### **Section R25: Risk Heat Maps**

Heat maps offer a visual snapshot of risk severity and distribution across the organisation. By plotting risks according to likelihood and consequence, they provide a simple yet powerful way to identify concentration areas and shifts in exposure over time.

Regularly updated heat maps will enable ORC's leadership to track trends, spot emerging risk clusters, and confirm whether mitigation actions are having the intended effect.

When integrated with dashboards, they will form a key part of ORC's governance reporting toolkit, ensuring transparency and comparability across directorates and projects.

### **Section R26: Regular Risk Communications**

Consistent communication will underpin a robust risk culture at ORC. Regular (aligned with the broader OPP) will keep staff, councillors, and stakeholders informed of key risks, lessons learned, good practices, and progress against workplans.

Communications will also reinforce the message that risk management is everyone's responsibility, not just a specialist function.

### **Section R27: Risk Data Analytics/Dashboards**

Dashboards and data analytics will help ORC see patterns across directorates, track key indicators linked to appetite statements, and spot trends that warrant escalation. Over time, predictive analytics can highlight emerging issues before they become incidents.

Dashboards and analytics can transform inputs from RCSAs, incidents, and emerging risk assessments, to highlight patterns, correlations, and potential blind spots, improving foresight and preparedness.

When reviewed regularly by ELT and ARC, they enable data-driven conversations and informed decision-making.

### Section R28: Business Continuity Plans

Business Continuity Plans will provide a simple framework for responding to disruptions, ensuring that essential services continue or are restored quickly after an event, minimising operational downtime and community impact.

Integrating BCP insights into the Risk Register ensures that continuity risks are actively managed, avoid being siloed, and link response plans with broader resilience objectives.

ORC's BCP approach will be consistent with leading practice and ISO 22301: Security and Resilience – Business Continuity Management Systems, ensuring that planning, response, and recovery processes are systematic and auditable.

### Section R29: External Benchmarking

External benchmarking and peer comparisons with other councils and organisations can identify best practices to ensure ORC learns from others and stays aligned with sector maturity.

External benchmarking provides objective context for ORC's risk maturity and practices. Comparing ourselves with peer councils and sector leaders will highlight our strengths, gaps, and opportunities to learn from others.

Regular benchmarking exercises support continuous improvement, demonstrating ORC's commitment to transparency and leading practice.

### ERMF Conclusion

The ERMF is a living framework, within which every person has a role to play in managing risk at ORC. The framework will be reviewed every three years, or when there is any significant regulatory or organisational change that would materially impact this framework. This ensures continued alignment with ORC's strategic direction, long term planning, legislative obligations, and ISO 31000.

The Risk and Assurance function will coordinate reviews, active engagement, and report any changes to ELT and ARC, ensuring ongoing connection with the regional context, continuous improvement, and sustained organisational resilience.



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2025 OPP: Risk v1.0 – Approved: Date TBC

## Risk Management Maturity Uplift Roadmap

### Purpose

This uplift roadmap was developed off the back of assessing ORC's current risk management capability (against established best practice), to identify the current strengths and opportunities for improvement. This insight defines a pragmatic, structured roadmap that can be used to uplift risk maturity, in alignment with ORC's strategic objectives, governance expectations, and accountability obligations.

### Approach

Using a diagnostic maturity assessment against the components of the Enterprise Risk Management Framework (ERMF), to inform a response roadmap for improvement, provides a clear, forward-focused plan for developing ORC's risk management capability.

### Maturity Assessment Development

The maturity assessment was developed using a structured, evidence-based methodology, drawing on:

1. Established frameworks: including ISO31000 and sector guidance for local government risk management.
2. Organisational documents: existing risk registers, prior audit reports and reviews, policies and Long-Term Plans.
3. Stakeholder input: meetings with employees across different business units to understand how risk has been identified, assessed, and managed in practice.
4. Comparative Analysis: benchmarking ORC's current practices against public sector and risk management maturity model.

### Maturity Uplift Roadmap Development

The roadmap has been developed by translating the key findings of the maturity assessment into a prioritised sequence of actions, that balances quick wins with medium and long-term actions to achieve a pragmatic approach to sustainable capability uplift and risk informed decision-making. It ensures that the associated improvement efforts are targeted, evidence-based, and are designed to embed consistent, transparent and accountable risk practices across the organisation.

This roadmap will strengthen ORC's resilience, accountability, and confidence in decision-making.

## Current State Risk Management Maturity Assessment

A diagnostic look was taken at ORC’s current practice across all aspects of the Enterprise Risk Management Framework (ERMF) with each component receiving a score for capability.

This scoring key used is as follows:

### Maturity Assessment Scoring Key

Level	Descriptor	Definition	What this looks like in practice
1	<b>AD-HOC</b>	Processes are informal, inconsistent, and/or reliant on individuals.	Reacting to risk-related problems as they arise.
2	<b>DEVELOPING</b>	Some structures are in place, but they are inconsistent and reactive.	Early signs of risk management awareness. The early shoots of a systemic approach are growing but they are patchy.
3	<b>DEFINED</b>	Well documented and applied consistently across ORC.	Good risk management awareness and practice, that is aligned with the ERMF, and which is consistent and robust across ORC.
4	<b>INTEGRATED</b>	Embedded across planning, decisions, culture and reporting.	Risk management is naturally integrated appropriately into all layers of decision-making and resource allocation.
5	<b>OPTIMISED</b>	Continuous improvement, where risk informs strategic learning and advantage.	Risk management integration allows us to optimise our efforts and impact across ORC.

### Desired Future State – Level 3 ‘Defined’

The ultimate aim is to progress to Level 5 – ‘Optimised’, across all EMRF components. However, strategically, as an intermediate step, the plan is to lift all components up to Level 3 – ‘Defined’ within the 2025-27 timeframe. This is very intentional given how busy ORC currently is progressing several other key strategic change initiatives. This pragmatic approach will balance progress, against our ambitions for achieving excellence in the long term.

### Current State Maturity Assessment

This scoring key was then applied to the ERMF components to create a maturity snapshot of the current state of ORC’s risk management capability and informs a maturity uplift plan.

N.B. Some components are very interrelated and naturally form groupings for assessment.

### Establishing Priorities to Define Our Maturity Uplift Roadmap

The priority to address the components of the ERMF was influenced by the following factors:

- Strategic Impact: the criticality of influence on governance, accountability, or risk informed decisions.
- Current Maturity Level: the lower the score, the more foundational the gap.
- Dependency: whether the action enables other improvements.
- Resourcing and timing: Balancing ‘quick wins’ with long term enablers.

This priority key used is as follows:

#### Roadmap Priority Assessment Key

Priority Level	Definition	Benefit of Addressing
<b>HIGH PRIORITY</b>	Critical gaps that undermine core risk management capability or governance, if not addressed immediately.	Foundational aspect, that will enable consistent, transparent oversight of risk and supports uplift from reactive to proactive risk culture.
<b>MEDIUM PRIORITY</b>	Important elements that strengthen integration, efficiency, and sustainability of risk management once foundational elements are in place.	Builds consistency and drives organisational ownership and continuous improvement.
<b>LOW PRIORITY</b>	Longer-term, enabling components that require foundational maturity before delivering full benefit.	Supports optimisation and data-driven maturity uplift once risk is embedded culturally and procedurally.

#### Phasing for the Maturity Uplift Roadmap

This phasing (as noted below) is driven by the current state maturity, the priority level, and the complexity/breadth of the actions required to close the gap. The opportunity for quick wins will be balanced with actions needing longer Year 2 and Year 3 timeframes to achieve them, and ensure the changes are embedded sustainably.

The phasing has also been aligned with the corporate planning cycle, to ensure that where possible, improvements can be sequenced collaboratively within ORC’s existing cadence for improvement action.

#### Maturity Uplift Roadmap - Prioritised & Phased Maturity Snapshot

Framework Component	Ref #	Current Maturity Level	Priority Actions	Target Maturity Level	Priority	Phase	Owner
<b>Risk Governance, Leadership &amp; Roles</b>	R5, R14, R17	<b>2 Developing</b>	<ul style="list-style-type: none"> <li>• Refresh and approve the Enterprise Risk Management Framework.</li> <li>• Embed clear roles, responsibilities, and governance oversight developed Frameworks.</li> </ul>	<b>3 Defined</b>	High	Quick Win (0-12mths)	OPP Risk
<b>Risk Appetite, Tolerance &amp; Context</b>	R3, R4, R6	<b>1 Ad Hoc</b>	<ul style="list-style-type: none"> <li>• Develop a formal risk appetite and tolerance statement with thresholds for key risk categories.</li> </ul>	<b>3 Defined</b>	High	Quick Win (0-12mths)	OPP Risk

<p><b>Risk Identification, Assessment &amp; Analysis</b></p>	<p>R7, R8, R9, R16, R23</p>	<p><b>1 Ad Hoc</b></p>	<ul style="list-style-type: none"> <li>Implement a consistent RCSA cycle with a standard scoring matrix across ORC.</li> <li>Build capability through developing training materials</li> </ul>	<p><b>3 Defined</b></p>	<p>Medium</p>	<p>Medium (1-3 yrs)</p>	<p>OPP Risk</p>
<p><b>Risk Treatment, Monitoring &amp; Continuous Improvement</b></p>	<p>R10, R11, R13, R26</p>	<p><b>2 Developing</b></p>	<ul style="list-style-type: none"> <li>Establish formal review cycles and documented mitigation plans for all high/medium risks.</li> <li>Implement digital dashboards and a lessons-learned process for continuous improvement.</li> </ul>	<p><b>3 Defined</b></p>	<p>Medium</p>	<p>Medium (1-3 yrs)</p>	<p>OPP – Risk</p>
<p><b>Risk Culture, Policy &amp; Capability</b></p>	<p>R2, R15, R20</p>	<p><b>2 Developing</b></p>	<ul style="list-style-type: none"> <li>Implement Risk Policy, with communications to the wider business.</li> <li>Embed leadership-driven risk culture initiatives with business planning and strategy.</li> </ul>	<p><b>3 Defined</b></p>	<p>Medium</p>	<p>Medium (1-3 yrs)</p>	<p>OPP – Risk</p>
<p><b>Risk Tools, Data, Heatmaps &amp; Dashboards</b></p>	<p>R21, R24, R25, R27</p>	<p><b>1 Ad Hoc</b></p>	<ul style="list-style-type: none"> <li>Introduce heatmaps/analytics to support decision-making.</li> <li>Progressively automate reporting and evaluate a central digital risk system.</li> </ul>	<p><b>3 Defined</b></p>	<p>Medium</p>	<p>Long (3-5 yrs)</p>	<p>OPP – Risk</p>
<p><b>Integration, Stakeholder &amp; Business Continuity</b></p>	<p>R18, R19, R28</p>	<p><b>2 Developing</b></p>	<ul style="list-style-type: none"> <li>Implement/validate BCPs.</li> <li>Develop stakeholder communication plans and integrate risk into business processes such as project teams and procurement.</li> </ul>	<p><b>3 Defined</b></p>	<p>Low</p>	<p>Medium (1-3 yrs)</p>	<p>OPP – Risk</p>

Assurance, Registers & Benchmarking	R12, R22, R29	1 Ad Hoc	<ul style="list-style-type: none"> <li>Conduct assurance and benchmarking against independent reviews.</li> <li>Maintain registers, track improvements, and refresh the roadmap annually.</li> </ul>	3 Defined	Medium	Medium (1-3 yrs) ?	OPP – Risk
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**Conclusion**

The assessment and prioritisation methodology applied has developed a clear, staged Maturity Uplift Roadmap to uplift ORC’s risk management capability from Level 2 – ‘Developing’ to Level 3 – ‘Defined’ within the 2025-27 timeframe.

The OPP Risk & Assurance function will follow the Maturity Uplift Roadmap target of Level 3 – ‘Defined’ risk management capability, with updates provided to ELT to ensure progress and uplift is documented and tracked. As defined in the Maturity Uplift, the majority of work will be driven and completed by OPP Risk & Assurance function and escalated to ELT and ARC when endorsements or input is required, or risk exceeds agreed thresholds.

## Audit & Risk Committee Meeting Short Term Look Ahead



## 6.2. Treasury Report

**Prepared for:** Audit and Risk Committee  
**Report No.** A&R2602  
**Activity:** Governance Report  
**Author:** Nick Donnelly, General Manager Finance  
**Endorsed by:** Nick Donnelly, General Manager Finance  
**Date:** 19 March 2026

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### PURPOSE

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

### EXECUTIVE SUMMARY

- [2] The latest Bancorp Treasury Reporting Dashboard is reported to each meeting of the Audit and Risk Committee. This report provides an overview of Council's debt position and management of that debt in accordance with Council's Treasury Management Policy.
- [3] As at 31 December 2025 Council had \$25.0 million of core debt through the Local Government Funding Agency (LGFA). Total debt including on-lending to Port Otago and accrued interest / interest payable on maturity was \$178.6 million. All borrowing was 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 limits. This includes the use of interest rates swaps for \$12.5 million of debt.

### RECOMMENDATION

*That the Audit and Risk Committee:*

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

### BACKGROUND

- [5] Council borrows core debt through the Local Government Funding Agency (LGFA). As at 31 December 2025 the amount borrowed was \$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 allowing 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 December 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] As at 31 December 2025 the weighted average cost of funds of 4.52% is 0.52% above the assumption used in Annual Plan 2025-26 of 4.00%.

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

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

- [13] As at 30 June 2025 Port Otago on-lending is \$149.9 million which is \$0.1 million under the maximum amount of \$150.0 million permitted under the on-lending agreement. Note this amount is principle only and excludes interest payable on maturity.

**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] Nil.

**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] Nil.

**Communications Considerations**

- [20] Nil.

**NEXT STEPS**

- [21] Nil.

**ATTACHMENTS**

1. Bancorp Treasury Reporting Dashboard December 2025 [6.2.1 - 7 pages]



# Treasury Reporting Dashboard

**31 December 2025**

PRIVATE AND CONFIDENTIAL



Audit and Risk Committee - 19 March 2026



# Economic Commentary

## Global

2

In Q4 2025, major central banks continued their monetary easing, with a clear focus on supporting growth amid cooling inflation, labour market softening in some regions, and persistent uncertainties from geopolitical tensions and trade policies.

The global environment featured a gradual easing in advanced economies, though at varying paces and with increasing signs of divergence entering 2026. Inflation continued to moderate toward targets in most regions, but remained sticky in services and above target in the US, prompting a more cautious approach.

The Fed pursued a measured easing path in Q4 2025, delivering additional 25 basis point cuts (including in December), bringing the Federal Funds target range to 3.50%–3.75% by year-end. This followed earlier reductions, totalling around 75–100 bps for the year.

Key drivers included a cooling labour market, sticky but declining inflation, and risk management priorities. The December decision was split (e.g., 9-3 or similar), reflecting divisions on the balance between employment risks and inflation persistence. Longer-term yields remained elevated, with the 10-year Treasury closing the year at 4.12%.

Overall, Q4 2025 marked the maturing phase of the global easing cycle: supportive financial conditions supported asset prices, but central banks grew more selective, preparing for potential policy divergence in 2026 amid uncertainties such as trade fragmentation and geopolitical risks.

Global growth remained resilient but modest (IMF projections around 3.2% for 2025), with inflation declining further – setting the stage for more range-bound or status quo policies in early 2026.

## New Zealand

	OCR	90 day	1 year swap	2 year swap	3 year swap	5 year swap	10 year swap
30-Sept-25	3.00%	2.80%	2.56%	2.62%	2.78%	3.10%	3.68%
31-Dec-25	2.25%	2.49%	2.61%	2.93%	3.19%	3.56%	4.09%
Change	-0.25%	-0.31%	+0.05%	+0.31%	+0.41%	+0.46%	+0.41%

During the December 2025 quarter the Reserve Bank of New Zealand (“RBNZ”) appeared to signal that it had completed its aggressive easing cycle that began in mid-2024, with the Official Cash Rate (“OCR”) reaching a multi-year low. The final move came on 26 November 2025, when the Monetary Policy Committee (“MPC”) voted 5–1 to reduce the OCR by 25 basis points to 2.25% – its lowest level since mid-2022. This followed a larger-than-expected 50 bps cut to 2.50% in October 2025, bringing cumulative reductions since the peak (5.50% in August 2024) to 325 bps. The statement marked the last *Monetary Policy Statement* ahead of the new Governor Anna Breman taking office in December.

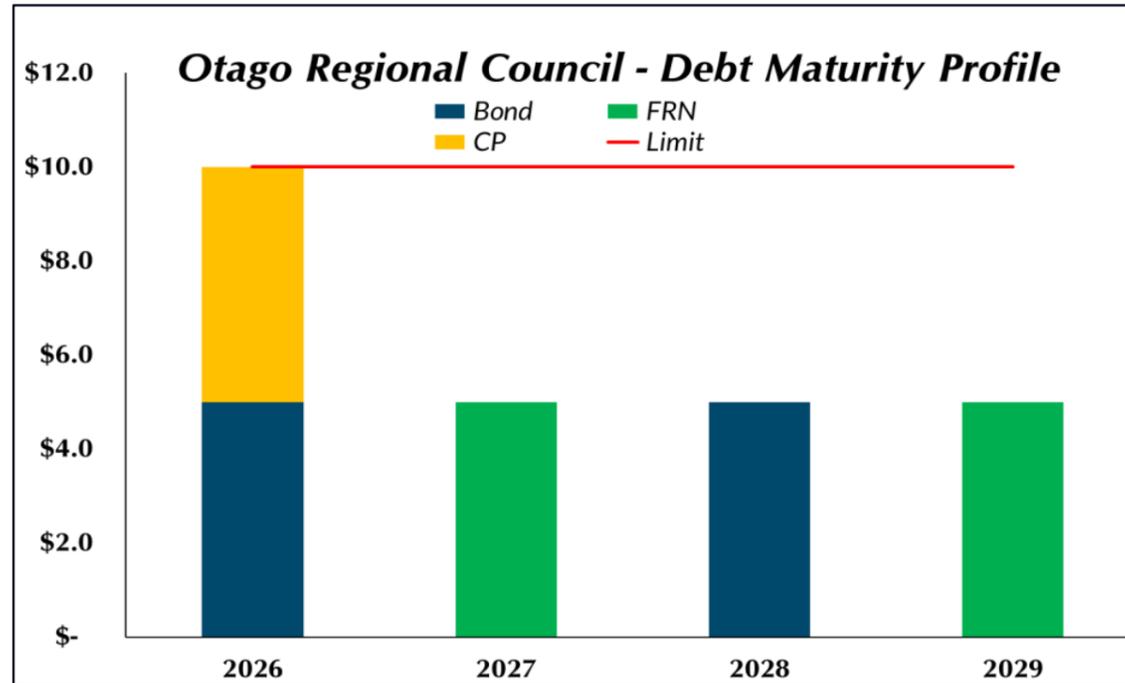
The market reaction to the unexpectedly hawkish cut was extreme, with the 5-year swap rate up from 3.14% on the day of the OCR announcement to 3.77% on 15 December. The extent of the movement prompted the new Reserve Bank Governor to issue a statement that essentially said the markets had gone too far, stating that “*Financial market conditions have tightened since the November decision, beyond what is implied by our central projection for the OCR.*” As a consequence of the statement, 5-year swap rates retreated to 3.52%. Overall during the quarter the yield curve steepened considerably with the spread between the 90 day rate and the 5 year swap rate increasing from 0.30% on 1 October to 1.04% on 31 December.

The consensus view is that the new Governor will be cautious around inflation and would need to see a material surge in growth to contemplate any change in the OCR until 2027, which is when we see the first hike.

AS AT 30 JUNE 2025

# Funding and Liquidity

3



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  
**\$178.6m**  
 Funds Drawn from LGFA, including on-lending to Port Otago

Liquidity = cash deposits, term deposits and managed fund  
**\$66.8m**

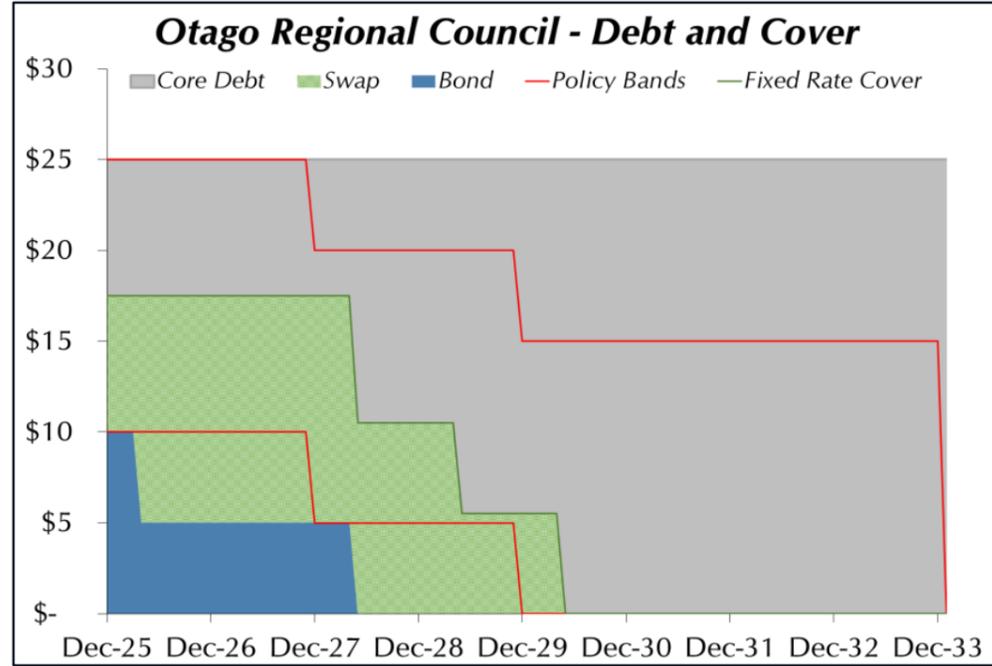
Liquidity Ratio based on total Council debt which includes the on-lending to Port Otago  
**137.4%**

Cost of Funds as at 31 December  
**4.52%**

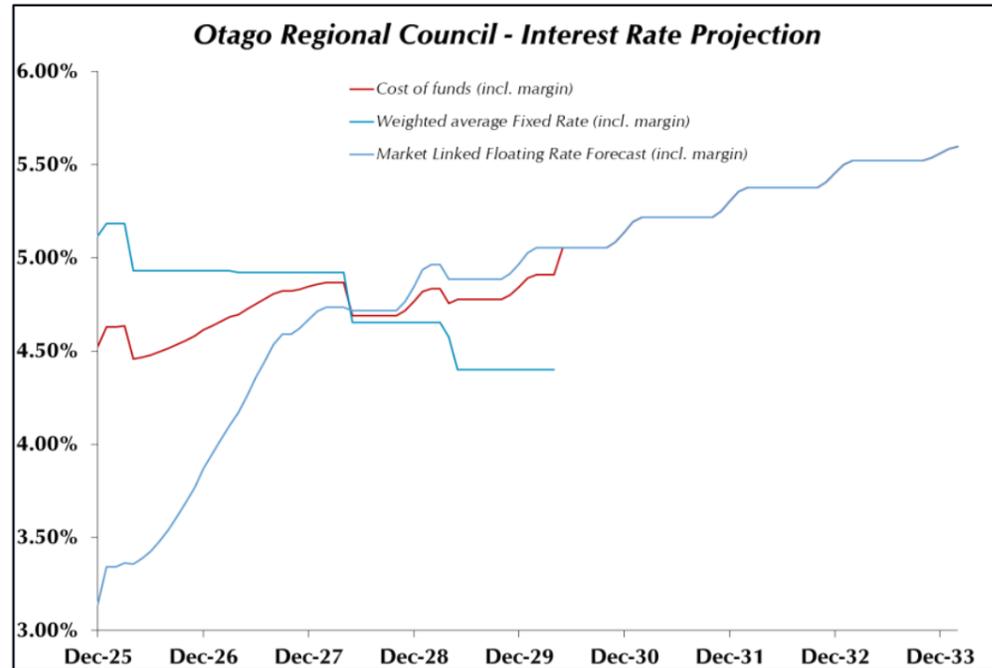
AS AT 30 JUNE 2025

# Interest Rate Risk Management

4



<b>Current % of Debt Fixed</b>	70.0%
<b>Current % of Debt Floating</b>	30.0%
<b>Value of Fixed Rate (m)</b>	\$17.5
<b>Weighted Average Cost of Fixed Rate Instruments</b>	4.84%
<b>Value of Floating Rate (m)</b>	\$7.5
<b>Current Floating Rate</b>	2.49%
<b>Current Floating Rate (incl margin)</b>	3.14%
<b>All Up Weighted Average Cost of Funds Including Margin</b>	4.52%
<b>Total Facilities In Place</b>	\$25.0



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

# Otago RC Borrowing from the LGFA and Swaps

5

As at 31 December 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 (“FRNs”), and Fixed Rate Bonds (“FRBs”). Details of the debt and swaps as at 30 December 2025 is as follows.

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	28-Jan-26	3.46%	0.20%	\$5,000,000
LGFA FRB	15-Apr-26	5.70%	N/A	\$5,000,000
LGFA FRN	15-Apr-27	3.245%	0.70%	\$5,000,000
LGFA FRB	15-May-28	5.70%	N/A	\$5,000,000
LGFA FRN	20-Apr-29	3.575%	1.05%	\$5,000,000
<b>TOTAL</b>				<b>\$25,000,000</b>

Counterparty	Notional	Start	Maturity	Rate
BNZ	\$2,000,000	15-Apr-25	15-May-28	3.52%
BNZ	\$5,000,000	15-Apr-26	15-May-29	4.115%
BNZ	\$5,500,000	15-Apr-25	15-May-30	3.73%

# LGFA Borrowing Rates

6

Listed below are the credit spreads and applicable interest rates as at 31 December 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%	2.69%	N/A
6 month CP	0.20%	2.75%	N/A
April 2027	0.58%	3.07%	3.26%
May 2028	0.68%	3.17%	3.66%
April 2029	0.72%	3.21%	3.94%
May 2030	0.74%	3.23%	4.16%
May 2031	0.88%	3.37%	4.45%
May-2032	0.95%	3.44%	4.66%
April 2033	1.00%	3.49%	4.82%
May 2035	1.11%	3.60%	5.12%
April 2037	1.15%	3.64%	5.30%

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### 6.3. Managed Fund Portfolio Performance Update

**Prepared for:** Audit and Risk Committee  
**Report No.** A&R2603  
**Activity:** Governance Report  
**Author:** Nick Donnelly, General Manager Finance  
**Endorsed by:** Nick Donnelly, General Manager Finance  
**Date:** 19 March 2026

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#### PURPOSE

- [1] To present the Q4 2025 Portfolio Performance Report from Council's Investment Manager, JB Were, for the period ended 31 December 2025.

#### EXECUTIVE SUMMARY

- [2] The latest quarterly portfolio performance report for the Managed Fund is reported to each meeting of the Audit and Risk Committee.
- [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 December 2025 was \$32,148,438 an increase of \$2,256,604 for the financial year. This includes an increase over the last quarter of \$775,761.
- [5] The portfolio's return for the quarter was +2.64% for the quarter, 1.33% ahead of the benchmark return of +1.31%. Over the past 12 months the portfolio return has been 10.12% against a benchmark return of 9.24%, implying an outperformance of 0.88%.

#### RECOMMENDATION

*That the Audit and Risk Committee:*

- 1) **Notes** this report and the attached Q4 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 December 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. JBWere Quarter 4 2025 Portfolio Performance [**6.3.1** - 6 pages]

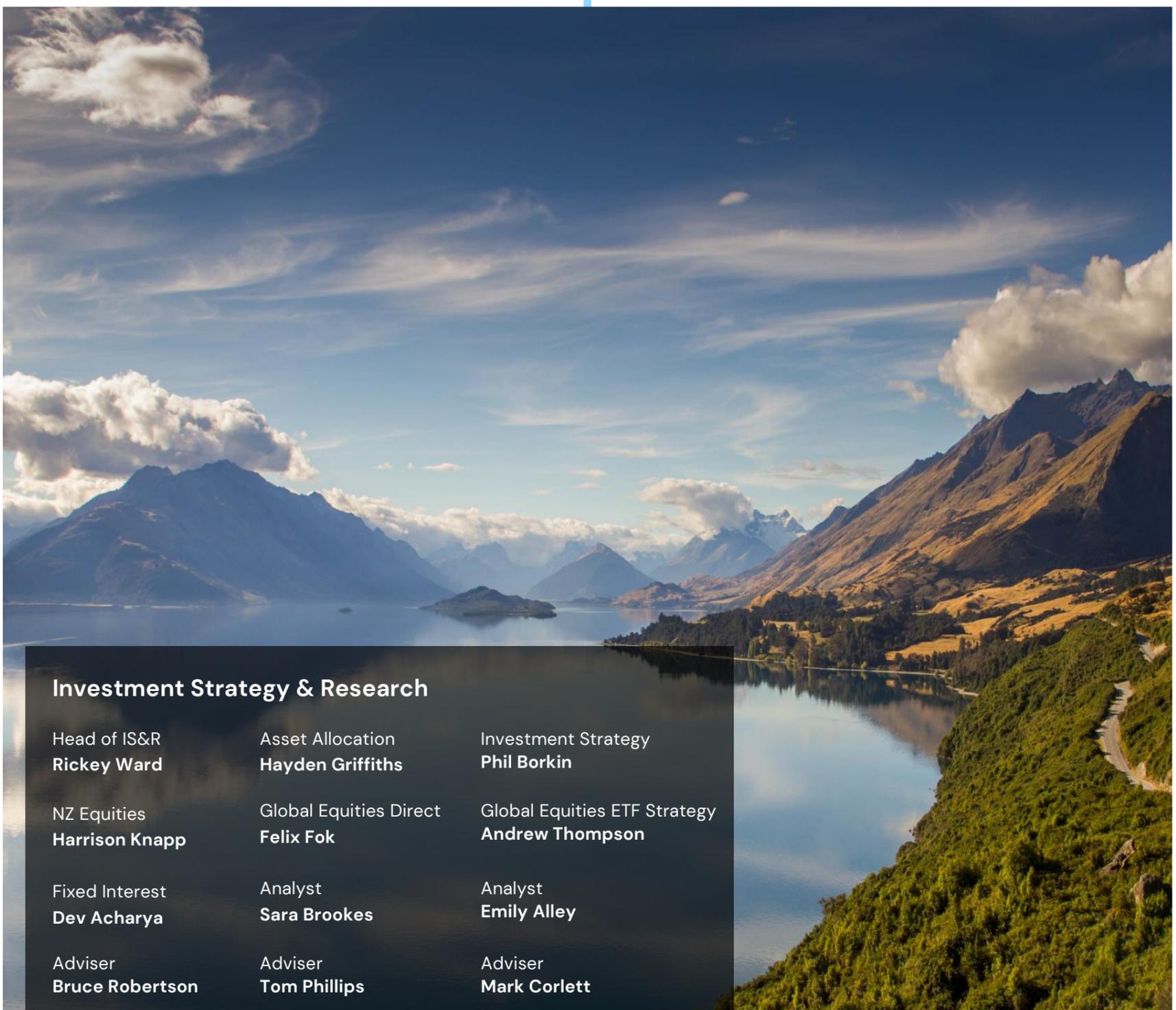
# JBWere

## Q4 2025 Portfolio Performance



Prepared by JBWere New Zealand

29 January 2026



### Investment Strategy & Research

Head of IS&R  
**Rickey Ward**

Asset Allocation  
**Hayden Griffiths**

Investment Strategy  
**Phil Borkin**

NZ Equities  
**Harrison Knapp**

Global Equities Direct  
**Felix Fok**

Global Equities ETF Strategy  
**Andrew Thompson**

Fixed Interest  
**Dev Acharya**

Analyst  
**Sara Brookes**

Analyst  
**Emily Alley**

Adviser  
**Bruce Robertson**

Adviser  
**Tom Phillips**

Adviser  
**Mark Corlett**

## Market Commentary

The portfolio continued to increase following another event-filled few months to close out 2025. Investors faced a complex landscape over the December quarter marked by shifting economic policies, geopolitical developments, and changing sentiment across asset classes. Key themes included concerns about the sustainability of the artificial intelligence (AI) trade, bouts of instability in global credit markets, significant policy moves by central banks, and the impact of both domestic and international political events.

## Portfolio Summary

**The portfolio returned 2.6% during the quarter, against the benchmark return of 1.3%. Over the past one and three years, the portfolio has increased by 10.1% and 37.5%, respectively.**

Over the quarter, the portfolio continued to benefit from positive contributions across both domestic and global fixed interest asset classes, however the majority of the fixed income related performance was driven by NZ fixed interest. The US Federal Reserve resumed easing with a total of 50bps worth of cuts, although dissenting views on the committee suggest an uncertain path forward.

NZ equities achieved another strong quarter, increasing 4.0% for the quarter. This brings the 12-month rolling performance to 7.4% versus a benchmark return of 3.3%. This level of performance is pleasing especially given the subdued underlying local economic backdrop, outlining the importance of strong portfolio construction. The portfolio's holdings in Fisher & Paykel Healthcare (FPH) and Mainfreight (MFT) delivered strong results which was reflected in share price reactions. Furthermore, the portfolio also benefitted from the rebound in construction and housing related stocks such as Fletcher Building (FBU), Ryman Healthcare (RYM) and Summerset (SUM). We remain constructive on the NZ equity market heading into CY26.

The Australian component of the portfolio decreased by -2.2% over the quarter, impacted by AI and valuation scrutiny for technology-driven growth stocks such as NextDC (NXT) and Xero (XRO). The divergence of mining stock performance has been increasingly difficult in Australia as small cap names have outperformed large caps. We continue to prefer quality, liquid, and diversified plays over pure play single commodity alternatives.

During the quarter the global equities component increased 9.1%. Micron, Samsung Electronics, and Alphabet were the top-performing stocks during the quarter. While much of the Tech sector saw profit-taking during the quarter, select names (particularly memory chip names) continued to perform well on AI-linked demand, and Alphabet continued to go from strength to strength, emerging as a genuine AI 'winner'. Elsewhere, Merck outperformed, helped by a broader Healthcare sector rebound. On the other hand, the weakest-performing exposure during the quarter was Alibaba, which was dragged down by an earnings miss and concerns over the level of AI-related capex being spent by the company. Home Depot was also notably weak after the company cut its full-year outlook as consumers appeared to delay home improvement projects. During the quarter we made a number of changes to the global equities component to align it with current conviction levels.

*We remain constructive on the NZ equity market heading into CY26*

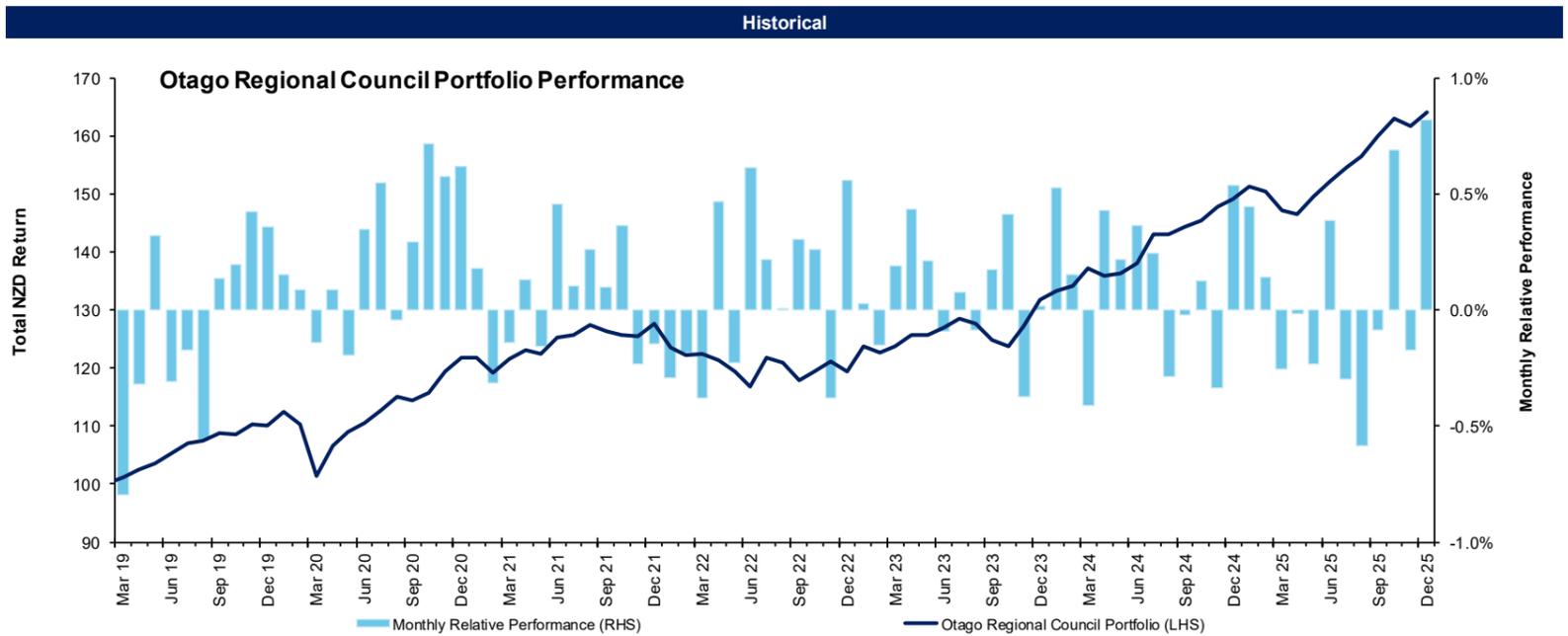
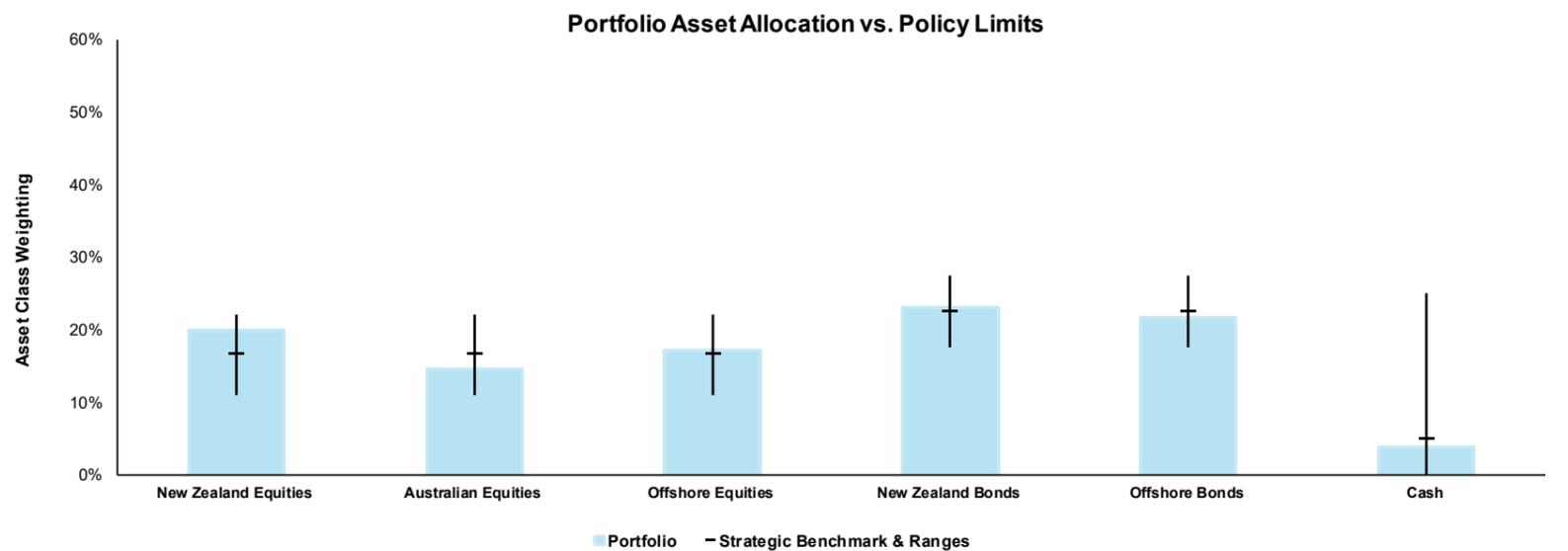
*Alphabet continued to go from strength to strength, emerging as a genuine AI 'winner'*



## Portfolio Performance Otago Regional Council

Period End: 31-Dec-25

Asset Class <i>(Before Fees)</i>	Strategic Allocation %	Benchmark Index	By Asset Class <sup>1</sup>								
			3 Months			1 Year			3 Years		
			Portfolio	Benchmark	Relative	Portfolio	Benchmark	Relative	Portfolio	Benchmark	Relative
Cash	5	S&P 90 Day Bank Bill Index	0.92	0.69	+0.23	4.00	3.55	+0.45	15.68	15.23	+0.45
NZ Bonds	22.5	S&P Corporate A Grade Bond Index	2.10	0.21	+1.89	7.95	5.49	+2.46	28.59	21.06	+7.53
Global Bonds	22.5	Barclays Capital Global Aggregate Index \$NZ Hedged	0.85	0.39	+0.46	4.95	3.73	+1.22	13.92	13.92	-0.00
NZ Equities	16.7	S&P/NZX 50 Gross Index	3.96	1.93	+2.03	7.38	3.34	+4.04	23.30	18.09	+5.22
Australian Equities	16.7	S&P/ASX 200 Accumulation Index	-2.17	0.57	-2.74	5.33	15.76	-10.43	53.00	49.48	+3.52
Global Equities	16.7	MSCI AC World Index	9.06	4.30	+4.76	29.12	19.19	+9.93	108.66	93.18	+15.48
<b>Total</b>	<b>100</b>		<b>2.64</b>	<b>1.31</b>	<b>+1.33</b>	<b>10.12</b>	<b>9.24</b>	<b>+0.88</b>	<b>37.52</b>	<b>33.16</b>	<b>+4.36</b>



**General Notes:**

- Returns are time weighted (TWR) and are prior to JBWere fees.
- The Strategic Asset Allocation weightings have been adjusted from 01/10/2025 onwards to reflect the new SAA under the updated Investment Mandate.



Overview			
	3 Months	1 Year	3 Years
<b>Opening Value</b>	<b>\$31,372,677.53</b>	<b>\$29,369,432.34</b>	<b>\$23,828,588.72</b>
Cash Deposits	-	-	-
Cash Withdrawals	-	-	-
Other Cash Movements	-	-\$23.96	-\$71.00
Stock Transfers In	+\$1,165.34	+\$4,766.82	+\$12,951.71
Stock Transfers Out	-	-	-
Other Stock Movement	-	-	-
Net Adjustments	+\$1,165.34	+\$4,742.86	+\$12,880.71
<i>Investment Return</i>			
Capital Change	+\$556,307.13	+\$1,913,224.34	+\$5,780,591.82
Gross Income	+\$272,333.47	+\$1,049,771.02	+\$3,076,813.21
<b>Gross Closing Value</b>	<b>\$32,202,483.47</b>	<b>\$32,337,170.56</b>	<b>\$32,698,874.46</b>
Tax & Expenses	-\$35,723.54	-\$140,209.90	-\$416,993.03
Imputation / Tax Credits	-\$18,321.91	-\$48,522.64	-\$133,443.41
<b>Net Closing Value</b>	<b>\$32,148,438.02</b>	<b>\$32,148,438.02</b>	<b>\$32,148,438.02</b>
<i>FX Hedging Positions (from last rollover)</i>			
Profit & Loss	-	-	-
<b>Grand Total</b>	<b>\$32,148,438.02</b>	<b>\$32,148,438.02</b>	<b>\$32,148,438.02</b>

## Market Outlook

- **Supportive market forces from 2025 are expected to persist, yet some clear crosscurrents require close monitoring.**
- **Our base case is for the global economy to navigate these crosscurrents and for any growth hiccups to prove temporary. But the economic cycle is maturing, and with it comes evolving risks.**
- **We are constructive overall, but the margins for ongoing favourable economic outcomes are becoming a little finer.**

The outlook for the global economy and financial markets is shaped by both a continuation of **supportive fundamental trends** and a growing set of crosscurrents that demand careful attention from investors. The past year has demonstrated the resilience of global growth, buoyed by strong corporate earnings, technological innovation (particularly around AI), and generally favourable financial conditions. As we move into 2026, many of these positive factors appear set to persist, providing a constructive backdrop for risk assets, even as the economic cycle matures and risks become more nuanced.

**Global growth is expected to remain steady, with consensus forecasts pointing to a 2.9% expansion, in line with the average pace of the last decade.** This projection is underpinned by accommodative financial conditions, ongoing business investment in technology, and targeted fiscal stimulus measures in key economies such as the US, Germany, and Japan. Private sector balance sheets are generally robust, offering additional cushion against potential shocks, while central banks, led by the US Federal Reserve, retain some capacity to ease policy further if needed. These tailwinds should help offset the lingering effects of elevated tariffs and other policy uncertainties, offering a degree of resilience to global markets.

Regionally, **the US remains a key driver of global growth, having weathered sizable policy and tariff headwinds recently.** Productivity gains and the accelerating adoption of AI have contributed to strong corporate performance, even as broader growth has been more modest and the labour market subdued. The outlook for 2026 hinges on the continued integration of transformative technologies, supportive fiscal measures, and monetary easing, which together should broaden growth and help lift labour demand. Inflation is expected to moderate as tariff impacts fade and wage pressures remain contained, further supporting ongoing expansion.



China's economy has also shown resilience, with export-led growth, particularly in tech-intensive sectors, offsetting persistent weakness in domestic demand and the property market. While government support is ramping up and some headwinds may gradually abate, structural challenges such as excessive leverage, demographic shifts, and deflationary pressures are likely to cap the extent of any upswing. The authorities' focus on expanding market share in high-value-added manufacturing will continue to shape regional and global dynamics, especially for competing economies in Asia and Europe.

Europe enters 2026 with reasons for cautious optimism, as stronger household incomes, increased fiscal spending in Germany, and a healthier banking sector support a modest recovery. However, political and competitive risks, particularly those stemming from China's export strategy, remain, and the outcome of ongoing Ukraine peace talks could materially impact the region's growth prospects. Overall, while a pick-up in growth is anticipated, persistent uncertainties warrant a measured approach.

Australia faces capacity constraints and stubborn inflation, increasing the likelihood of the Reserve Bank of Australia tightening in the first half of the year. **New Zealand appears poised for a recovery, supported by looser financial conditions, decent rural incomes, and stabilising labour markets.** However, risks remain from continued housing market sluggishness, ongoing fiscal restraint, and political uncertainty ahead of a tight election.

**Despite this broadly favourable macro picture, several crosscurrents could challenge the benign narrative.** Fiscal easing in major economies coincides with large structural deficits, raising questions about long-term sustainability. The contrast between subdued labour demand and robust investment in business capital equipment may argue for the successful integration of new technologies (AI & automation); however, there remains a fine line before labour market weakness becomes disruptive. Rising capital requirements for AI infrastructure and increased debt financing make the sector more sensitive to liquidity and funding conditions. Additionally, while household balance sheets appear healthy overall, a widening gap between low- and high-income households persists, with the former still contending with cost-of-living pressures.

Inflation pressures remain mostly contained, but pockets of stubborn price growth could limit some central banks' ability to respond to future challenges. Geopolitical risks, ranging from trade tensions to the potential for conflict, continue to cast a shadow over the global outlook. In this environment, humility is essential when making forecasts, as alternative scenarios could easily emerge depending on how these crosscurrents develop.

**For financial markets, the expectation is for another year of relatively solid returns from global equities, supported by robust earnings growth, lower interest rates, and ongoing technological innovation.** However, elevated valuations and finer margins for error mean that diversification and risk management will be more important than ever. Bond markets should deliver steady returns, with short-term yields anchored by further central bank easing, while longer-term rates remain sensitive to fiscal and policy risks. Currency markets may see modest headwinds for the US dollar as growth differentials narrow, with a recovering New Zealand economy supporting a modestly stronger NZD.

In summary, while the global economic and financial market outlook for 2026 is constructive, investors should remain vigilant to the evolving set of risks and crosscurrents. A balanced, diversified approach, grounded in an appreciation for the distribution of risks, remains the prudent strategy for navigating the year ahead.



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## 6.4. People and Safety Report

**Prepared for:** Audit and Risk Committee

**Report No.** A&R2601

**Activity:** Governance Report

**Authors:** 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:** 19 March 2026

---

### PURPOSE

- [1] This report summarises activities and information on health, safety, and wellbeing (HSW), and people and culture (HR) at ORC (Otago Regional Council) for the 2025/26 year to date.

### EXECUTIVE SUMMARY

#### Health, Safety and Wellbeing (HSW)

- [2] Otago Regional Council continues to manage critical risks through bow-tie analysis, with progress across vehicles, contractor management, hazardous substances, mental health, and fatigue. Updates to key policies and procedures, including Traffic Management and Incident Reporting, have been completed.
- [3] Since the previous report, 17 September 2025, 41 incidents have been recorded, including 16 involving staff and 25 involving contractors or members of the public, with most minor and managed through review, communication and follow-up actions. Staff engagement remains active through the Health and Safety Committee, safety communications, training and the 2026 Wellbeing Programme, and work continues across priority risk areas and operational controls. ORC continues to maintain effective controls and proactively manage health, safety, and wellbeing risks across its operations.

#### People and Culture

- [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] Following the government announcements about local government reform, ORC has continued to attract good numbers of applicants and successfully recruit people of a high calibre. Staff turnover is fairly stable, however we are not taking this for granted. Staff retention is a key focus area currently along with supporting staff through change and phase 2 implementation of our new Human Resources Information System (HRIS).
-

**RECOMMENDATION**

*That the Audit and Risk Committee:*

- 1) **Notes** this report.

**HEALTH, SAFETY AND WELLBEING REPORT**

**CONTEXT**

- [6] ORC has duties under the Health and Safety at Work Act 2015 and subsequent regulations to ensure the health, safety and wellbeing of employees, and all other persons, at, or in, the vicinity of work or subsequently affected by the work. This duty is upheld through ORC’s health and safety management system, which is guided by good practice and continuously improved via a Plan-Do-Check-Act cycle.
- [7] This report provides commentary and updates in relation to risks, efficacy of controls, incidents, work programmes and a range of key performance indicators to enable the Audit and Risk Committee to exercise due diligence obligations under the Act. HSW key performance indicators are provided in Attachment 1.
- [8] 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.

**RISK**

**Critical Risk Management**

- [9] Nine critical risks are outlined within ORC’s Critical Risk Management Plan. ORC has a work programme in progress to review all its critical risks via bow-tie analysis. Progress in reviewing each risk is outlined below.

*Summary of ORC’s Critical Risks and Progress with Bow-Tie Analysis*

<b>Critical Risk</b>	<b>Residual Risk</b>	<b>Bow-Tie Analysis Status</b>	<b>Updates</b>
Contractor Management	Moderate	Initial workshop completed	Consultation completed on updated contractor management policy.  Recommendations from review of contractor management procedures in progress.
Vehicles	Moderate	Initial workshop completed	Active monitoring and management of speeding and driver behaviour via E-Road fleet management system.  Reducing speed is an ongoing focus (see table 1 below)

			Traffic Management Procedure completed.  Drug and Alcohol Policy published and took effect from the 1 <sup>st</sup> of September.
Lone, Remote, or Isolated Work	Moderate	Initial workshop completed	The Lone, Remote and Isolated Policy is in final review and nearing publication.  Currently working with teams to optimise the use of in-reach devices, app and buddy system.
Fatigue	Moderate	Initial workshop completed	Fatigue Management Policy and toolbox to be reviewed.
Violence and Aggression	Moderate	Initial workshop completed	The occupational violence & aggression policy is to be reviewed. Duress procedure redevelopment is in the early stages of development. The lockdown procedure redevelopment has been completed which included an organisational wide drill and additional improvements following. Alongside the lockdown drill the e-text guideline was published and training was successfully implemented.
Fall from height or between levels	Moderate	Initial workshop completed	No recent updates.
Mental Health	Moderate	Initial workshop completed	Updated Wellbeing Policy published; 2026 Wellbeing Programme published. Mental Health Bowtie resulted in a significant number of potential improvements to explore to mitigate psychosocial risks
Hazardous Substances	Low	Initial workshop completed	Recurring audit regime is in place.  The team have been working with the Whare Runaka project team to ensure appropriate controls are in place for the management of hazardous substances.
Water Hazards	Low	Initial workshop completed	While some teams have specific protocols for working around water, this isn't the case in all situations. 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.

**Update on Addressing Other Current or Emerging Risks and Strengthening Controls**

- [10] *Asbestos management:* Asbestos is present in four ORC properties, requiring Asbestos Management Plans (AMPs). Surveys have now been completed for all sites, and updated procedures have been published, supported by asbestos awareness training.
- [11] *Speed management:* E-Road reports are continuing to be sent to managers monthly, along with guidance on facilitating constructive conversations about overspeed events.

**Table 1: Monthly Overspeed Incidents by Speed Category**

Row Labels	Completed last month (January)	Previous completed month (December)	FY 24/25 average	YTD average
10-19 KMP Overspeed	222	263	249.86	222
20-29 KMP Overspeed	18	9	11.14	18
>29 KMP Overspeed	0	0	0.29	0
Grand Total	240	272	261.29	240

- [12] *Lithium battery safety* – The team is currently identifying specific risks within ORC and developing safety guidance to mitigate potential incidents.
- [13] *Emergency preparedness* – the team has completed a re-development of emergency procedures for the organisation which includes an update to our emergency flip charts and the introduction of an emergency warden pocket guide.

**SAFETY EVENTS & INCIDENT REPORTING 19 August 2025 - 10 February 2026**

**Summary**

- [14] 41 incidents have occurred since the last report including:
  - 16 related to ORC staff
  - 25 relating to contractors – reported by contractors or members of the public
- [15] Refer to the HSW Dashboard for a breakdown of incidents by type.

**Staff Incidents**

- [16] A range of incidents involving ORC staff were reported during the period, including manual handling injuries, exposure to harmful gases, dust or vapours, and exposure to hazardous substances. Incidents involving moving machinery or parts were also recorded, along with psychological impacts. Muscular or soft tissue stress and strain, unsafe behaviours, slips, trips and falls at the same level, and vehicle-related incidents involving ORC vehicles were among the reported types. Most incidents were minor in severity and did not result in lost time. Actions taken in response have included incident reviews, discussions with staff, and follow-up to support safe work practices and wellbeing.

**Contractor Related Incidents**

- [17] The majority of contractor and member of public incidents were vehicle-related incidents not involving ORC vehicles, predominantly associated with bus operations and customer-reported events. Other incident types recorded included contact with electricity, slips, trips and falls, unsafe behaviours, and a small number of incidents resulting in minor ill health effects. Most incidents were minor in nature and did not result in lost time. Actions taken in response have included incident reviews, communication with operators, and follow-up where required to support safe operations and manage customer-related risks.

**WORKER ENGAGEMENT AND COMMUNICATIONS**

- [18] Recent engagement with staff included Health and Safety Committee (HSC) meetings held in October and November 2025. These meetings provided a forum for Health and Safety Representatives, standing members, Support Services, and ELT representatives to share updates from across workgroups, discuss risks and hazards identified, and provide feedback on health, safety, and wellbeing matters.
  
- [19] Key discussion areas included progress on the Critical Risk Bow Tie Project, development of draft action plans, safe operating procedures, contractor management, lone and remote work considerations, vehicle and trailer safety, and planning for seasonal and summer field activities. The Committee also received updates on wellbeing initiatives, mental health activities, drug and alcohol policy implementation, and emerging safety issues raised through operational teams and Support Services.
  
- [20] Broader engagement was supported through regular communications, including the December 2025 HSW Newsletter. This edition included an ELT leadership reflection, project updates, wellbeing and summer safety guidance, information on organisational change, refreshed first aid guidance, and seasonal safety messaging, reinforcing both health and safety priorities and wellbeing support available to staff.
  
- [21] In early 2026, the Safe Start 2026 campaign was launched, including a recorded message from the Chief Executive and resources focused on supporting staff through change, reinforcing speaking-up expectations, promoting wellbeing initiatives, and providing visibility of the 2026 safety training calendar. This supported a consistent and proactive start to the year, linking safety, wellbeing, and reporting expectations in a single communication.

Safety Alerts

[22] Safety Alerts are critical safety warnings or information that is sent out to all staff:

Name	Summary
Safety Alert: Trailer Detached from Vehicle	This Safety Alert was issued following an incident where a trailer detached from a vehicle during low-speed operation due to a missing hitch pin and clip. While the safety chains prevented further harm, the incident highlighted the importance of thorough pre-use vehicle and trailer checks. The alert reinforces key towing safety requirements, including verifying hitch connections, safety chains, load limits, and trailer condition prior to towing. Work is underway to develop a trailer SOP to further support consistent and safe towing practices.
Safety Alert: Stealth Canopy Doors Opening with Force	This Safety Alert addresses a hazard identified with newly installed stealth vehicle canopies, where rear doors can open suddenly and with force when the release button is pressed. The alert highlights the risk of head or facial injury to unprepared users and outlines immediate control measures, including standing clear during operation, warning other users, and the installation of clear warning signage on affected vehicles. The alert was targeted to Team Leaders, Managers, and Health and Safety Representatives to support awareness and local risk management.

## TRAINING

- [23] Between 19 August 2025 and 5 February 2026, a total of 177 staff have completed training across key areas including 4wd, defensive driver, drug and alcohol awareness (for people leaders and H&S reps) fire extinguisher, first aid, side by side, outdoor first aid, river safe and situational safety. A safety training calendar has been developed to improve planning and coordination, support team efficiency, and provide greater visibility of upcoming training opportunities for staff and people leaders.

## WELLBEING

- [24] The 2026 Wellbeing Programme has now been published, providing a structured, year-round approach to supporting staff wellbeing across physical, mental, financial, and social domains. The programme is aligned to the Te Whare Tapa Whā model and includes initiatives such as influenza vaccinations, financial wellbeing seminars, mental health workshops, physical activity challenges, sun skin checks, and continued promotion of EAP and other wellbeing supports. A scheduled calendar of activities and communications has been developed to improve visibility and encourage participation across the organisation.
- [25] Participation data from 2025 indicates the programme continues to perform well overall, with strong or increasing engagement across several initiatives, including EAP usage, wellbeing challenges and seminars. While some initiatives saw natural variation year-to-year, overall uptake remains positive and reflects continued staff interest in wellbeing support, and the programme will continue to be monitored and refined through 2026 based on participation trends, staff feedback and emerging wellbeing priorities.

## HEALTH, SAFETY AND WELLBEING PLAN 2024-2027

- [26] 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. The team have recently completed a review of the workplan including a revision to the structure for 25/26 FY and beyond. Projects have been realigned to high and moderate priority. Key Updates include:
- [27] **Drug and Alcohol Policy:** Following consultation with staff, ELT, and Health and Safety Representatives, the Drug and Alcohol Policy has been finalised. It took effect from 1 September 2025, supported by awareness training.
- [28] **Bow Tie Project:** All bow tie workshops are now complete, with staff from across the organisation contributing to each critical risk. Bow tie diagrams have been completed following staff consultation, with a draft critical risk action plan developed alongside adjusted critical risk profiles. The critical risk action plan has a total of 85 actions, spread between low, medium and high priority with many of the actions addressing multiple critical risk areas. The draft plan will soon be shared with staff and a working group of senior leaders, and some key operational leaders will be established to prioritise actions and inform the development of a roadmap for implementation.

- [29] **Contractor Management:** A review of the contractor management process has been completed with input from the contractor working group, leading to a new policy and SharePoint register. The draft policy went out for consultation (closed 15 August), and the HSW team is now working through feedback and improvement actions.
- [30] **Wellbeing Policy:** The Wellbeing Policy has been reviewed, and the revised version is now published. Key updates include a clearer risk-based approach to wellbeing hazards, a holistic wellbeing model based on *Te Whare Tapa Whā*, and guidance on psychosocial risk, workplace culture, and how to raise concerns. The 2026 wellbeing programme was released in January.
- [31] **Incident management procedure:** A new procedure has been published, which aims to strengthen the quality, consistency, and timeliness of incident reporting and investigation, supporting learning, prevention, and compliance under the Health and Safety at Work Act 2015. It also aligns with ongoing work to refine health and safety performance indicators, particularly lead indicators.
- [32] **HSW Policy Statement:** The HSW Policy Statement has been revised and published. Updates improve alignment with organisational values and the current HSW workplan and vision. The statement will feature as a standalone document and has also been integrated into the updated HSW manual.
- [33] **Traffic management procedure:** A new traffic management procedure has been developed and has been published. It outlines ORC's approach to road and roadside work, as well as onsite traffic management.
- [34] **LeadSafe:** A LeadSafe package has been developed as a comprehensive health, safety and wellbeing leadership resource for people leaders. It is designed to strengthen day to day leadership behaviours that influence safety culture, wellbeing and performance alongside building capability in legal duties, risk management and incident learning. LeadSafe will support people leaders to lead by example, foster trust and psychological safety, support staff wellbeing, communicate clearly, involve workers and contractors, and embed continuous learning, providing practical tools and guidance that can be applied in everyday work to achieve consistent, safe, and healthy outcomes across ORC.

## PEOPLE AND CULTURE

### Recent Activities

- [35] Key focus areas and achievements in the last quarter (to date 12 February 2026) include:
- **Implementation of the HRIS (Phase 1)** – our new system (Pulse) provides modern and centralised HR processes in one easy-to-use system and will save time for staff, people leaders and support teams. Phase 1 included:
    - **Recruitment** – an enhanced recruitment system which is easier to use and with improved collaboration and evaluation tools. As part of the project, we also completed a refresh of our career page.

- **Onboarding** – the new onboarding platform enables us to provide a more streamlined and consistent experience for new employees and improves efficiency for people leaders and support teams involved in the process.
- **Core HR** – this module holds all employee and position data in one place, improving accuracy and access to information. New forms and approval workflows were built to align to ORC policies and provide automation and increased visibility of progress with requests.
- **Coordinating the annual employee engagement survey** – a pulse survey was conducted between 10<sup>th</sup> to 19<sup>th</sup> November, so was before the announcements about reform. 84% of staff participated and the overall engagement score increased by 3% to 63%. A result that we are really proud of is that 81% indicated they would recommend ORC as a great place to work. This is an employee net promoter score of +77. However overall, the results indicate we still have plenty of areas for improvement. See attachment 3 for more information.
- **Piloted an emerging leaders programme** – this programme is designed to support individuals stepping into leadership roles formally or informally by developing the foundational mindsets, behaviours and capabilities required for effective leadership. An initial group of 26 people took part, and their feedback will be included as part of a review of this programme.
- Recent policies reviewed and published include the Code of Conduct, Good Employer Policy Statement and Conflict of Interest and Gifts Policy. Supported staff consultation processes in engineering and executive assistance areas.
- Training for people leaders on managing under performance and disciplinary processes was conducted in line with the new Performance Management and Disciplinary Policy and Procedures.
- **The quarterly staff induction session** was successfully conducted with the participation of 8 new team members. Cr Andrew Noone spoke along with our CE Richard Saunders and Deputy CE Amanda Vercoe.
- People and Culture are progressing implementation of the recent **Employment Relations Act amendments**, including updating IEA templates and related processes, with rollout planned for early March. Work is underway to assess the impact of the new contractor ‘gateway test’ on our contractor engagement practices.

### People Strategy 2024 – 2027

[36] The People Strategy 2024-2027 aims to support a high performing workforce, positive and inclusive culture, and position ORC as an employer of choice. Progress in delivering the strategy is reviewed quarterly.

[37] Key projects and initiatives in progress include:

- **HRIS Project (Phase 2)** – including a Learning Management System (LMS) and a performance module.
- The **LMS** will allow Council to manage mandatory training and requirements more efficiently, provide one-source of truth for all learning records, allow

managers to assign learning to staff and give staff access to a range of on-line learning courses.

- The **Performance** module will empower staff and people leaders with an on-line system for setting performance objectives and development actions, tracking and updating progress throughout the year and conducting the mid-year and end of year reviews. ELT and Managers will have improved visibility of performance plans and progress for staff within their directorate / teams.

### **Human Resources Dashboard Reporting**

#### [38] Workforce snapshot information:

- 366 total staff (headcount), 333 permanent / 33 fixed term
- FTE of 356.11 (as at 12/02/2026)
- 13 current vacancies as at 12/02/2026
- Average tenure is 4.98 years
- Average annual leave balance, 16.9 days
- Average sick leave taken, 6 days (last 12 months)
- Annual staff turnover of 13.2% (for the 12 months to 12/02/2026, excluding fixed term terminations)

#### [39] Workforce mobility – Q1 and Q2 2025/26:

- Eight internal sideways moves
- Seven internal promotions/upwards moves
- Eight internal secondments commenced

#### [40] Recruitment snapshot – Q1 and Q2 2025/26:

- Roles that have been advertised: 39
- Roles successfully filled: 43
- 1021 job applications received, an average of 26.2 applications per role

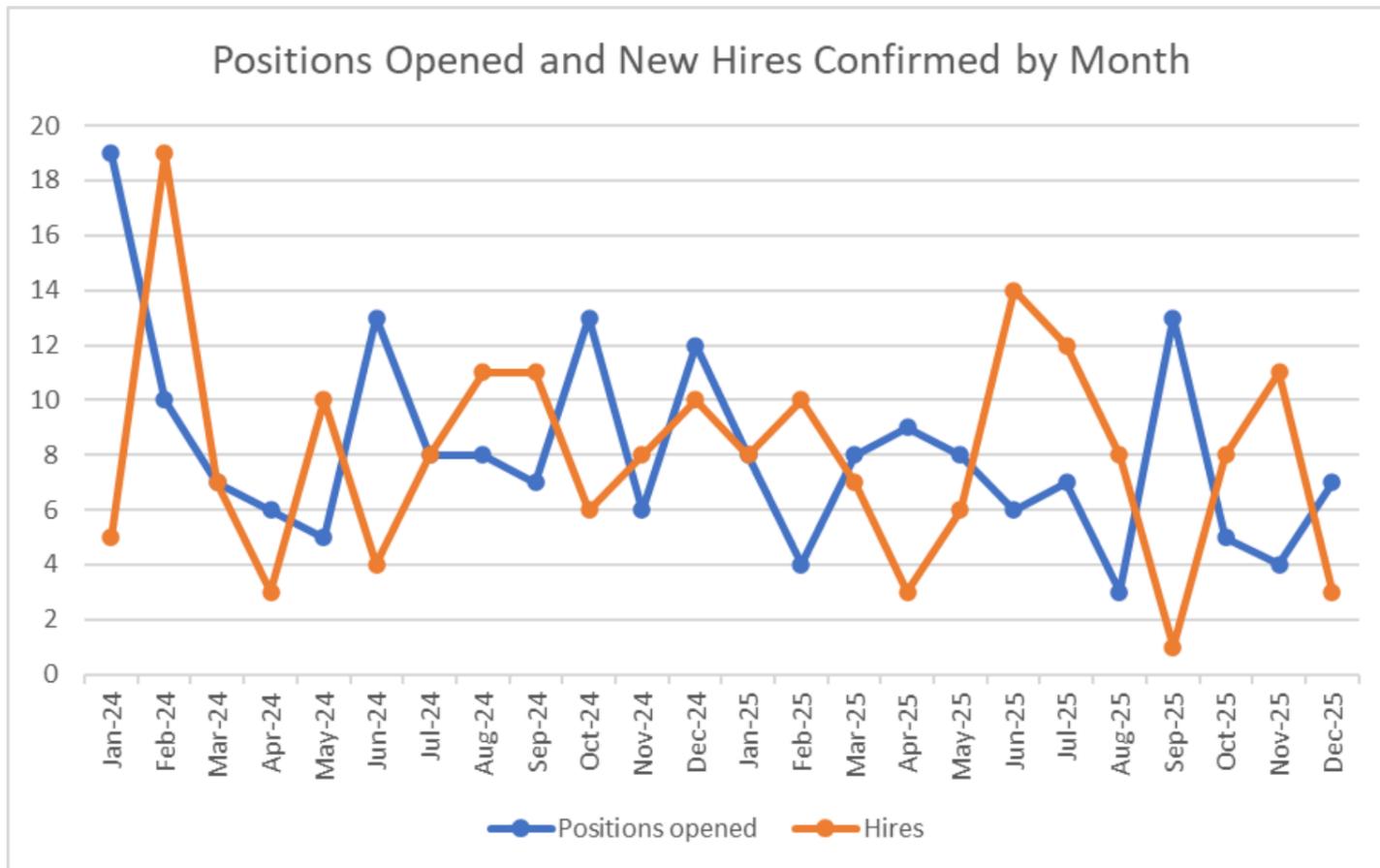


Figure 4: Monthly number of positions opened and new hires from January 2024 to December 2025

[41] Staff turnover Tracking:

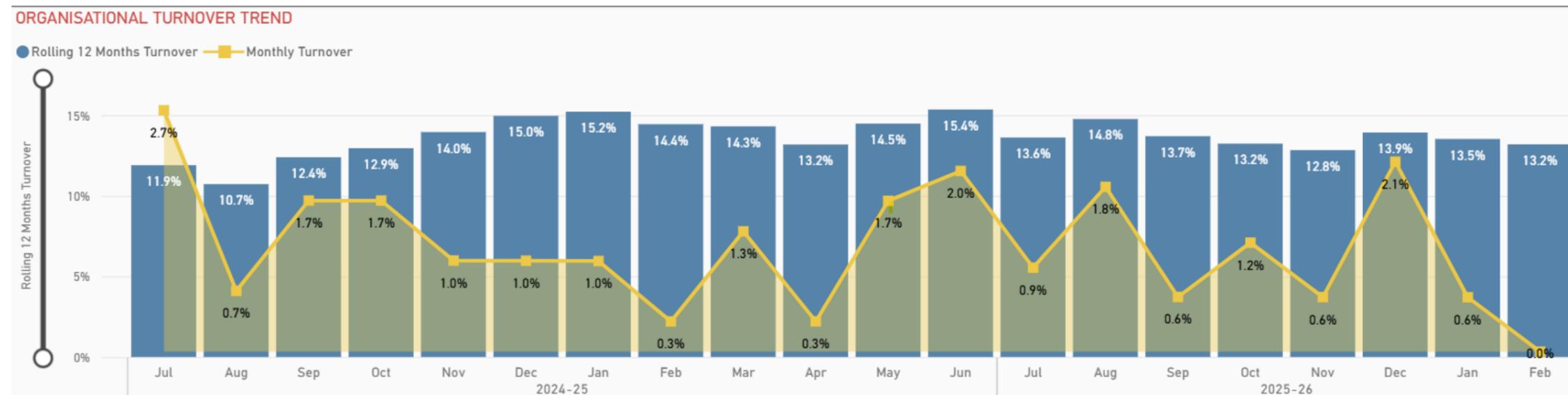


Figure 5: Tracking of permanent staff turnover for 2024/25 financial year and 2025/26 year to 12/02/2026

[42] As per ELT’s current priorities we are proactively focusing on staff retention and supporting our people through change. A refresher of the Leading Through Change training for people leaders will be rolled out shortly and the People and Culture team will share retention tools available via our regular partnering meetings with managers.

[43] Staff Numbers:

The Long-Term Plan (LTP) provides for a total of 361.3 full-time equivalent (FTE) positions for the 2025/26 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. Figure 6 shows current staff numbers versus budget.



## 25/26 FTE Report as at pay period ending 30/01/2026

Report generated on 12 February 2026 at 12:53:18 PM

Directorate	Homebase Desc	Staff Name	Position Description	Employee Status	Location	FTE	Headcount	Bgt FTE
☒ Chief Executive						1.0	1.0	2.0
☒ Environmental Delivery						112.7	117.0	112.5
☒ Finance						20.7	21.0	22.0
☒ People & Corporate						48.7	49.0	44.6
☒ Regional Planning & Transport						26.9	27.0	36.3
☒ Science & Resilience						103.3	105.0	102.8
☒ Strategy & Customer						42.4	45.0	41.1
<b>Total</b>						<b>355.7</b>	<b>365.0</b>	<b>361.3</b>

Figure 6: FTE Report (as at 30/01/2026)

## **CONSIDERATIONS**

### **Strategic Framework and Policy Considerations**

[44] Nil.

### **Financial Considerations**

[45] Nil.

### **Significance and Engagement**

[46] Nil.

### **Legislative and Risk Considerations**

[47] Nil.

### **Climate Change Considerations**

[48] Nil.

### **Communications Considerations**

[49] Nil.

## **ATTACHMENTS**

1. HSW Critical Risks Profiles as of 5 February 2026 [6.4.1 - 7 pages]
2. Health Safety and Wellbeing Dashboard February 2026 [6.4.2 - 7 pages]

## Health, Safety & Wellbeing Critical Risk Profiles as of 5 February 2026

*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			
<b>Risk Description</b>	<p>Inadequate contractor management risks the health and safety of employees, contractors, visitors, and members of the public.</p> <p>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.</p> <p>A range of potential hazards and risks may arise from inadequate contractor prequalification, training, supervision, and communication.</p>	Initial risk level	High
<b>What we know about this risk in our business</b>	<p>Contractor engagement occurs across the Otago Regional Council including construction, maintenance, and specialised tasks such as aviation, public transport, and pest management.</p> <p><b>We've had 215 contractor related incidents since 2022. 55% percent of these incidents were minor, 22% moderate, 22% near miss occurrences and 3% major.</b></p>	Residual risk level	Moderate
<b>How we manage the risk</b>	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.		
<b>Control development</b>	The updated Contractor Management Policy is now out for consultation. Recommendations from the review of contractor management procedures are currently in progress.		

Vehicles – Driving Operations			
<b>Risk Description</b>	<p>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</p>	Initial risk level	High

	<p>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.</p>		
<b>What we know about this risk in our business</b>	<p>We've had 54 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.</p>	Residual risk level	Moderate
<b>How we manage this risk</b>	<p>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</p>		
<b>Control development</b>	<p>Alcohol and Drug Policy is published and took effect from the 1<sup>st</sup> of September 2025.                  Traffic Management Procedure published in February 2026.</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>Additionally, a bow tie analysis was completed for on-road vehicle operations.</p> <p>Vehicle bow tie analyses have been completed</p>		

<b>Lone, Remote or Isolated Work</b>			
<b>Risk Description</b>	<p>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.</p> <p>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.</p>	Initial risk level	High

<b>What we know about this risk in our business</b>	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
<b>How we manage this risk</b>	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.		
<b>Controls development</b>	The Lone, Remote and Isolated Policy is in final review and nearing publication.  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).  A lone, remote and isolated work bow tie analysis has been completed.		
<b>Fatigue</b>			
<b>Risk Description</b>	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
<b>What we know about this risk in our business</b>	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
<b>How we manage this risk</b>	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.		
<b>Controls development</b>	Mental Health Strategy (commencing 2025)  Upcoming review of Fatigue Management Policy and toolbox		
<b>Violence &amp; Aggression</b>			
<b>Risk Description</b>	This risk refers to any behaviour or action that involves physical or verbal aggression, threats, harassment, intimidation, or any other form	Initial risk level	High

	of violence, whether initiated by an employee, customer, or any other individual present in the workplace environment.		
<b>What we know about this risk in our business</b>	<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><b>We've had 48 violence and aggression related since 2022, 67% of these incidents were minor, 32% moderate, 1% major.</b> Most of the violence and aggression incidents are experienced within the Customer Experience, Compliance and Transport Teams.</p>	Residual risk level	Moderate
<b>How we manage this risk</b>	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.		
<b>Controls development</b>	<p>Revision of duress procedures is in development (all customer facing sites)</p> <p>PLH duress procedure review completed – September</p> <p>Two bow-tie analyses have been completed for occupational violence and aggression:</p> <ul style="list-style-type: none"> <li>• Whare Runaka reception area</li> <li>• Violence and aggression during field activities</li> </ul>		

Falls from height or between levels			
<b>Risk Description</b>	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
<b>What we know about this risk in our business</b>	<p>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.</p> <p>No incidents have been related to this risk in the last 2 years.</p>	Residual risk level	Moderate
<b>How we manage the risk</b>	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.		

<b>Control development</b>	<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>
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<b>Psychosocial / Mental Health</b>			
<b>Risk Description</b>	<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; <b>task</b> (<i>demands, role clarity, workplace environment, remote and isolated work</i>), <b>individual</b> (<i>role autonomy, development opportunities, work-life balance, meaning and purpose</i>), <b>social</b> (<i>workplace culture, support, violence and aggression, workplace relationships</i>), and <b>organisational</b> (<i>psychological safety, organisational justice, reward and recognition, change</i>).</p>	Initial risk level	High
<b>What we know about this risk in our business</b>	<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><b>We have had x10 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.</b></p>	Residual risk level	Moderate
<b>How we manage the risk</b>	<p>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.</p>		
<b>Control development</b>	<p>Stay at work &amp; return to work procedure to be developed</p> <p>Mental health strategy to be developed</p> <p>The 2025 wellbeing programme has been released; <b>the Wellbeing Policy has now been implemented.</b></p>		

Water Hazards			
<b>Risk Description</b>	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
<b>What we know about this risk in our business</b>	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.  Working around water has not been a contributing factor to incident reports in the past 2 years.	Residual risk level	Low
<b>How we manage the risk</b>	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.		
<b>Control development</b>	Working around water guideline to be developed.  Working around water bow tie analysis completed.		

Hazardous Substances			
<b>Risk Description</b>	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
<b>What we know about this risk in our business</b>	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.  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).	Residual risk level	Low
<b>How we manage the risk</b>	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		

	<p>substance policy &amp; procedure, and elimination of hazardous substances from ORC depots where possible.</p>
<p><b>Control development</b></p>	<p>Upcoming review of hazardous substance policy &amp; 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>



**Health, Safety and Wellbeing Dashboard**

**Reporting Period: 19 August 2025 – 10 February 2026 (Q1 - Q3)**

Note: The Health, Safety and Wellbeing (HSW) Dashboard is in early development and will be improved over time based on feedback and as more data becomes available

**Part 1 - Lead Indicators**

Lead indicators provide information about proactive and preventative activities the Council is taking to reduce risk and further improve HSW outcomes. Lead indicators provide early insights into the effectiveness of our health, safety and systems and practices.

Key Lead Indicators				
Metric	This Quarter (20 Nov 25 – 5 Feb 26)	Last Quarter (20 Aug – 19 Nov 25)	Previous Quarter (10 May – 19 Aug 25)	12 Month Trend
Health & Safety Representatives trained	100%	100%	100%	
Site Audits completed^	12	7	1	
Staff Participation in Safety Training	35	142	95	
Near Misses reported	2	1	0	
Hazards reported	1	0	0	
Overall Wellbeing scores	N/A	N/A	77%	
Safety plans reviewed or supported *	14	10	8	
Safety meetings held	For future development			
Participation in wellbeing events				
Improvement actions completed				
Safety observations held				
Standard Operating Procedures reviewed				

^ Site Audits completed – currently represents HSW building audits and Engineering – Operations team site audits only. A clear process and data capture to be determined.

\* Safety plans reviewed or supported: this data excludes safety plans reviewed for contractors

**Insights on Lead indicators**

- Trained and highly engaged Health & Safety reps remains a strength of HSW practice and improvement at ORC.
- Participation in wellbeing events remains strong – e.g. 160 people took part in the 15 Minute Challenge in August and 29 staff gave blood in 2025.
- Staff participation in training will vary across the year, depending on the number of training events scheduled.
- Increasing near miss reporting will be a focus through implementation of the new incident management and investigation procedure.



**Audit & Risk Subcommittee  
19 March 2026**

**Part 2 - Lag Indicators**

Lag indicators provide retrospective insights into HSW performance by measuring events and impacts that have already occurred. These indicators are essential for understanding the outcomes of our HSW practices and identifying areas where further improvement is needed.

Key Lag Indicators				
Metric	This Quarter (20 Nov 25 – 10 Feb 26)	Last Quarter (20 Aug – 19 Nov 25)	Previous Quarter (10 May – 19 Aug 25)	12 Month Trend
Total Recordable Injuries *	2	0	3	→
Violence, aggression & abuse incidents **	2	8	2	↓
Psychological impact	1	1	3	→
Work related ACC injury claims	1	0	1	→
Average Sick Days Taken in The Last 12 Months	6.0	N/A	5.74	→

\*Total Recordable Injuries include serious harm, lost time injuries, medical treatment injuries and restricted work injuries.

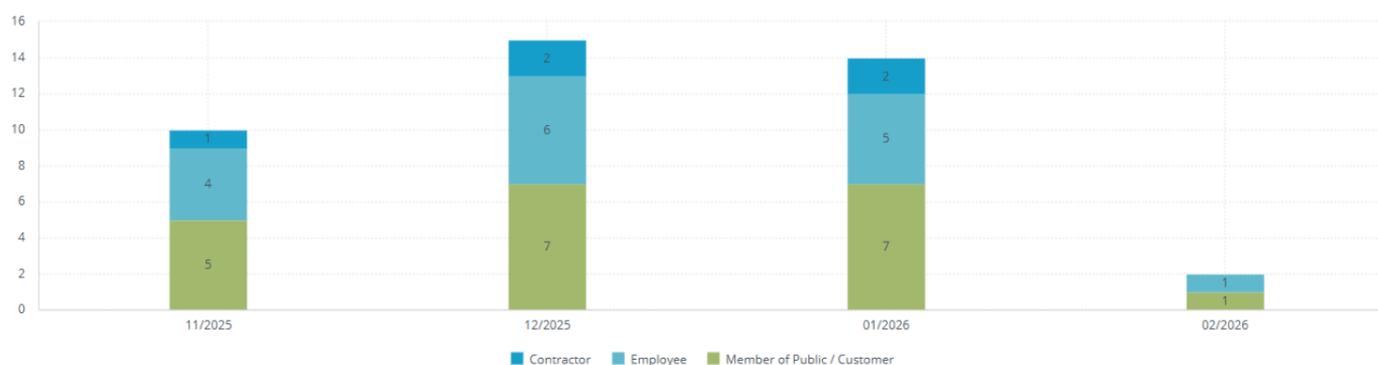
\*\* Violence, aggression & abuse incidents – measures the number of instances when ORC employees have been subjected to violence, aggression or abuse either in person, via the phone or other media.

**Insights on Lag indicators**

- We will consider ways to include other moderate events that don't result in an injury or involve violence, aggression and abuse or psychological impact to ensure we provide a holistic view of HSW performance.

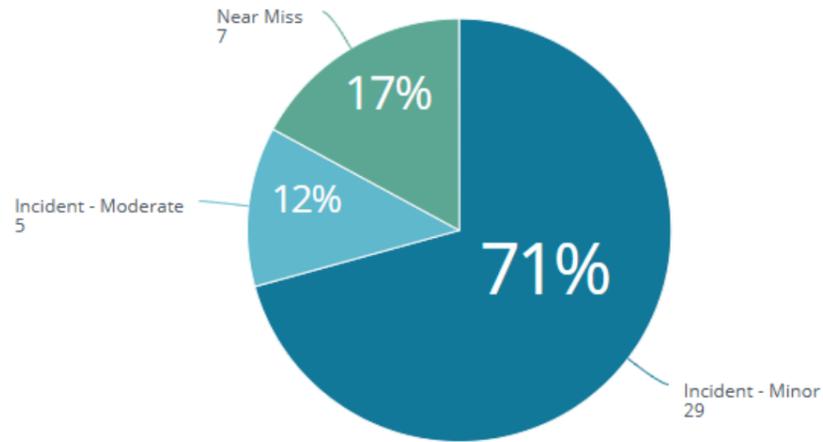
**Part Three – Incident Data for Last Quarter**

**Number of Incidents by month**

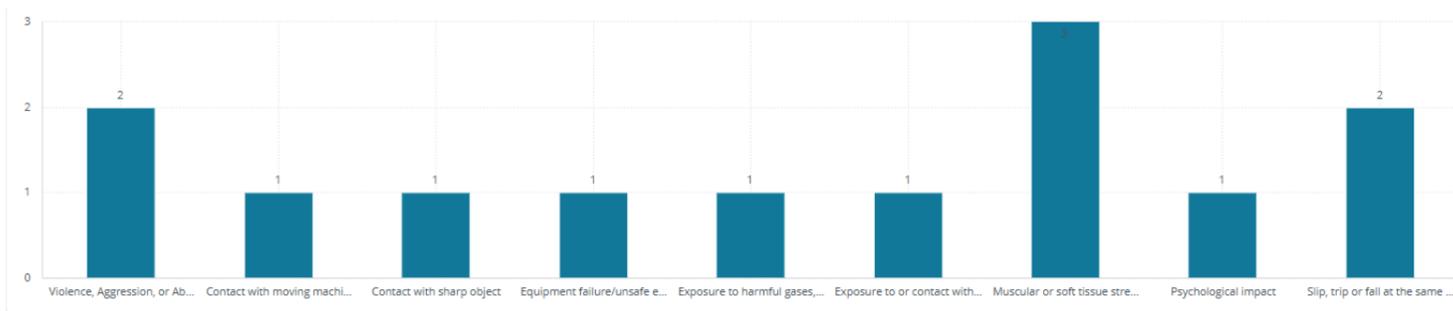


**Incidents by severity**

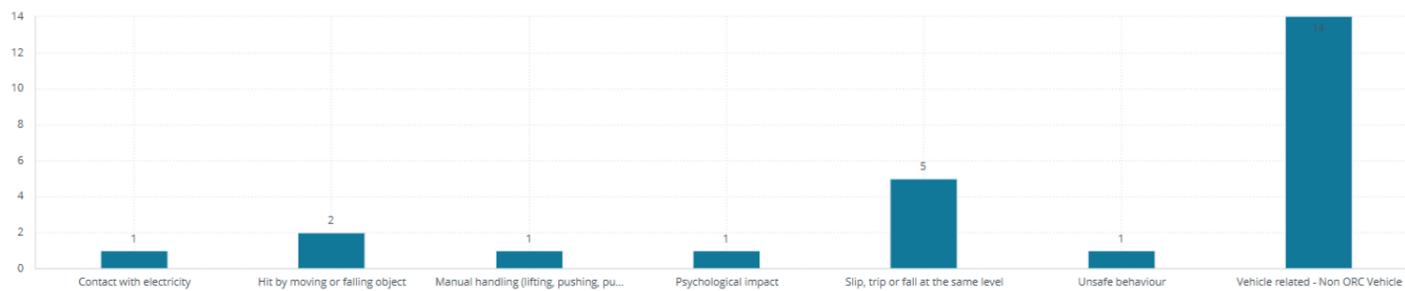
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**19 March 2026**



**ORC Incidents by Type**



**Contractor Incidents by Type**

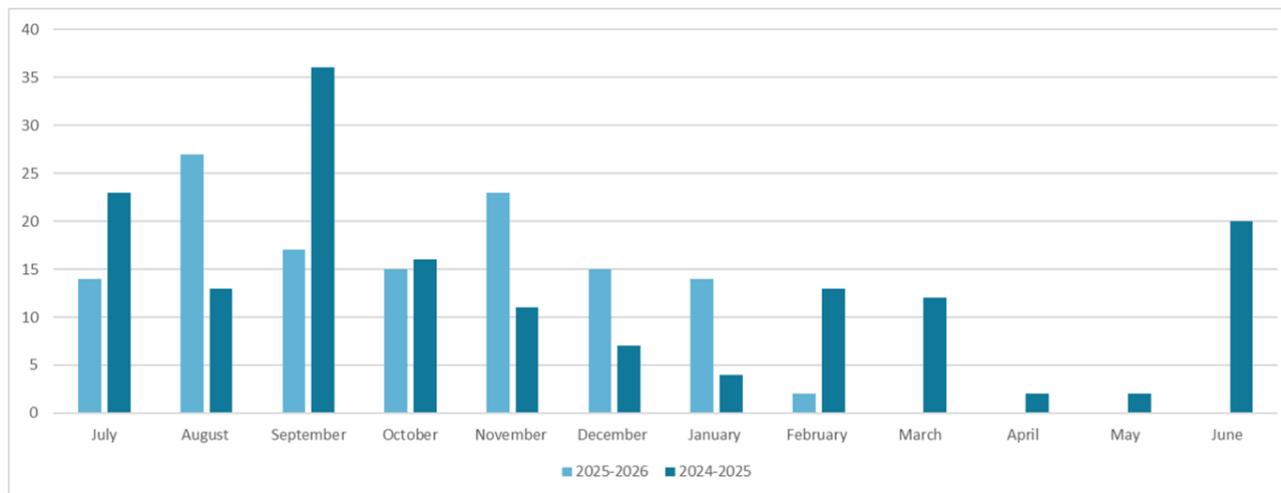




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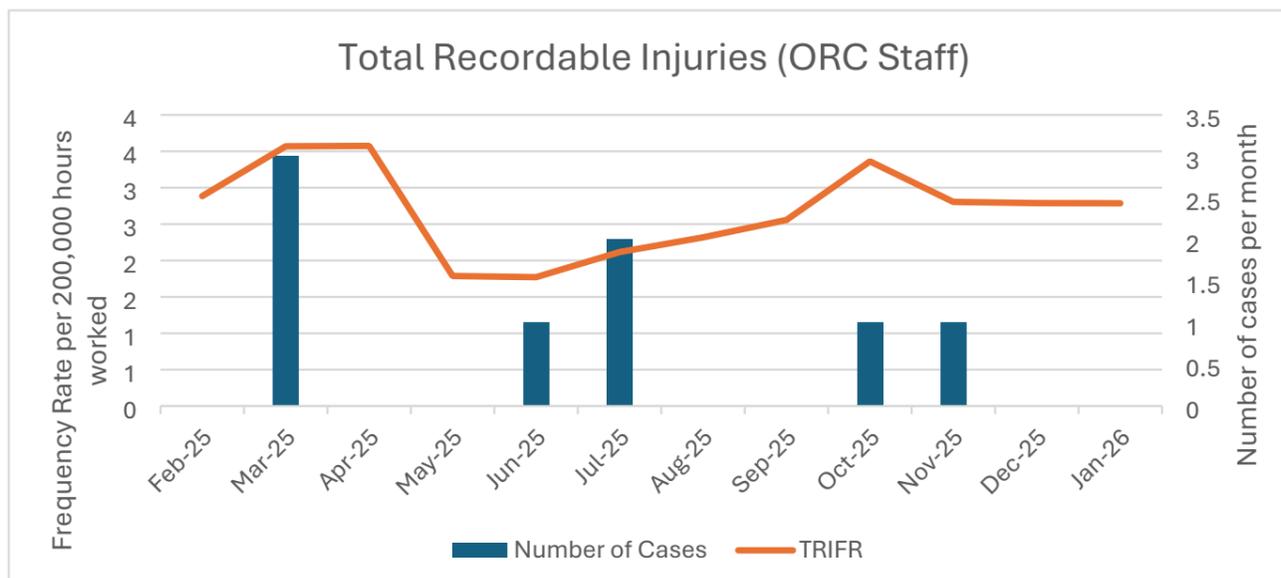
**Part Four – Incident Trends**

**Incident Comparison by Month**



**Total Recordable Injuries**

The following graph shows total recordable injuries including serious harm, lost-time injuries, medical treatment injuries and restricted work injuries incurred by ORC staff. The Total Recordable Injury Frequency Rate (TRIFR) is the total number of recordable injuries per 200,000 hours worked by ORC staff.



**Note:**

- TRIFR provides a standardized way to track ORC’s safety performance over time with respect to physical harm of workers and compare this externally.
- ORC’s TRIFR in relation to staff for the last 12 months is 2.786. This excludes contractors.
- The last report from the Business Leader’s Health and Safety Forum before they stopped benchmarking, for the 2022 calendar year had an overall TRIFR for all workers – employees and contractors of 3.58



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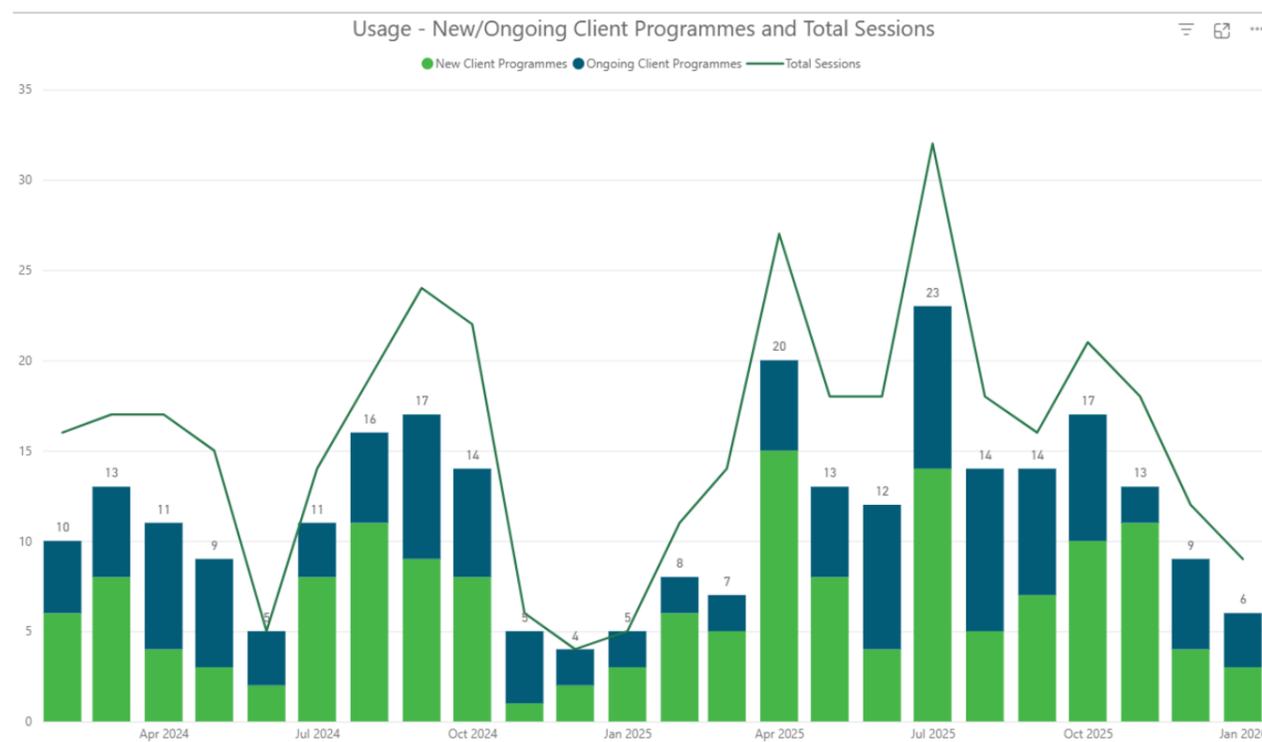
**Part Five - EAP Usage – for the 12 months to 31 January 2026**

**Annual Usage Summary:**

	Feb-25 to Jan-26	Feb-24 to Jan-25
Overall EAP Utilisation	37.9%*	28.3%
Work Issues	25%	Unknown
Personal Issues	75%	Unknown
Female	77%	69%
Male	23%	38%
Other / not specified	0%	3%

\* This compares to 5.2% for EAP customers overall

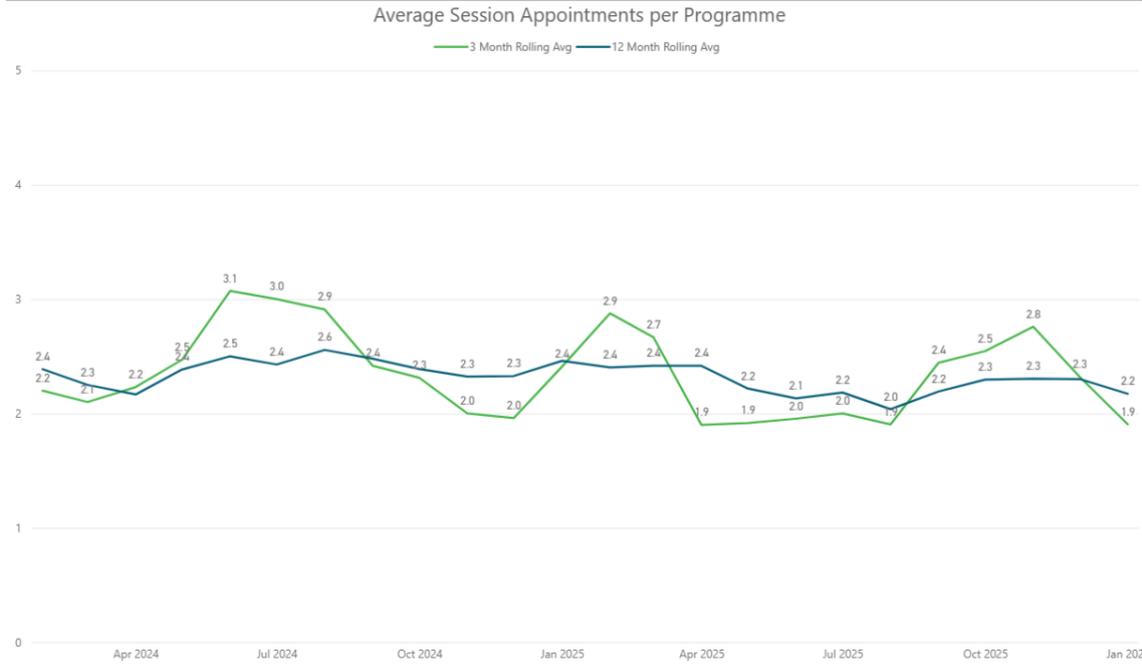
**Overall EAP Usage by Month**



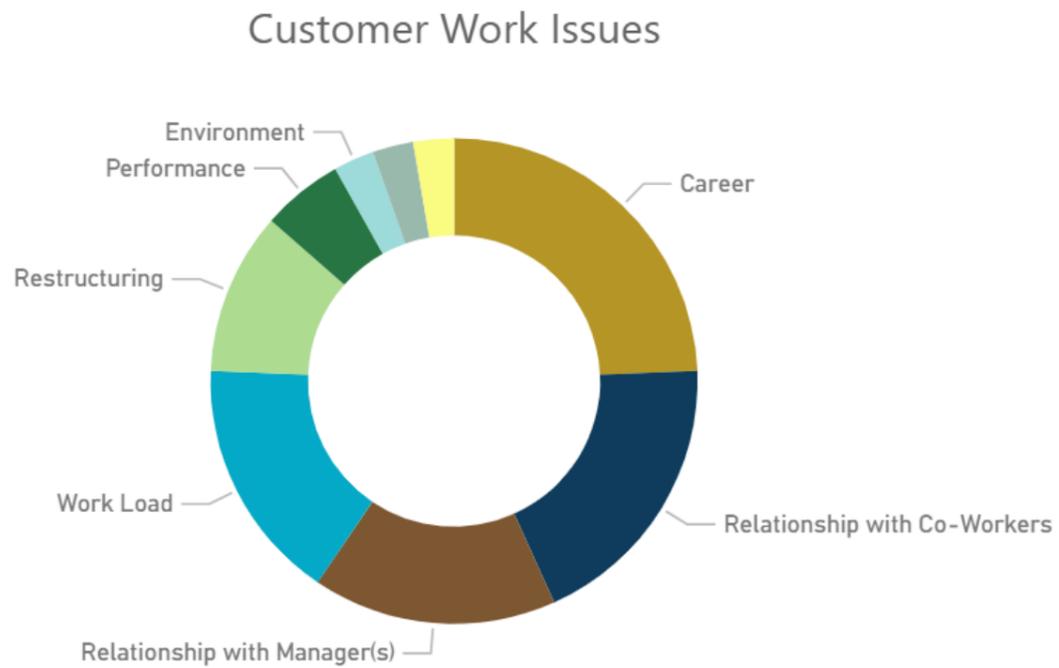


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19 March 2026**

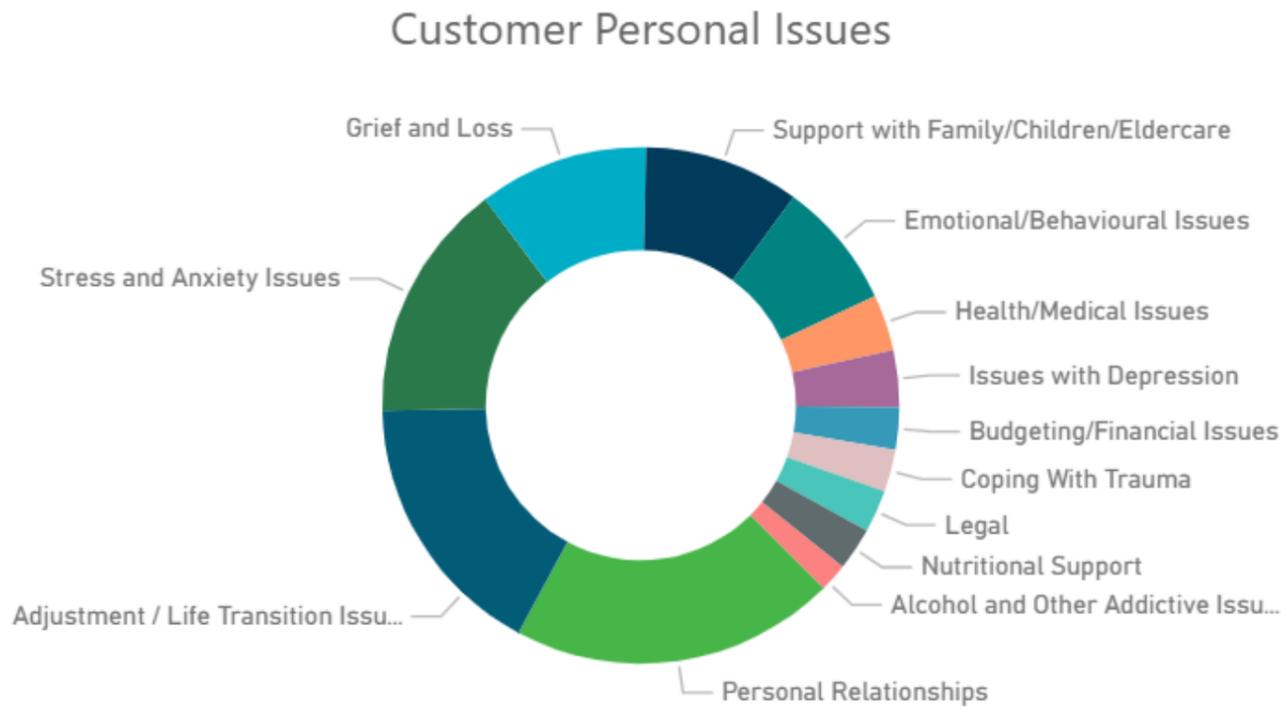
**Average Number of Sessions**



**Breakdown of Work Issues EAP Supported With**



**Breakdown of Personal Issues EAP Supported With**



**Insights on EAP Stats**

- As an organisation, as we continue to normalise talking about mental health and seeking support
- Given the level of change and uncertainty in local government we anticipate EAP usage will either increase or continue at similar levels.

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

- 2.1 Audit Management Letter
- 2.2 Managed Fund Report
- 2.3 Insurance Renewals
- 2.4 Insurance Disclosures

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:

<b>General subject of each matter to be considered</b>	<b>Reason for passing this resolution in relation to each matter</b>	<b>Ground(s) under section 48(1) for the passing of this resolution</b>
2.1 Audit Management Letter	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)	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: (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.
2.2 Managed Fund Report	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). To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h) To protect information which is subject to an obligation of confidence or which any person has been	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: (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>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>2.3 Insurance Renewals</p>	<p>To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)                  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>	<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:                  (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>2.4 Insurance Disclosures</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).                  To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities – Section 7(2)(h)                  To avoid prejudice to measures that prevent or mitigate material loss to members of the public – Section 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:                  (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.

**It will also be moved that:**

*Paul Meehan, Director and Josh Thomson, Executive Broker from BMS Risk Solutions, be permitted to remain at this meeting, after the public has been excluded, because of their knowledge of insurance information. This knowledge, which will be of assistance in relation to the matter to be discussed, and relevant to that matter having knowledge of the ORC's risk exposure.*

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.