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Monday, 31 July 2023

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council**

**Risk and Assurance Committee Meeting**

*Kaupapataka*

# Agenda

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*Te Rā Hui:*  
Meeting date: **Monday, 31 July 2023**

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*Te Wā:*  
Time: **1.00pm**

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*Te Wāhi:*  
Venue: **Council Chamber  
Ground Floor  
Civic Administration Building  
Lyndon Road East  
Hastings**

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*Te Hoapā:*  
Contact: **Democracy and Governance Services  
P: 06 871 5000 | E: [democracy@hdc.govt.nz](mailto:democracy@hdc.govt.nz)**

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*Te Āpiha Matua:*  
Responsible  
Officer: **Deputy Chief Executive - Bruce Allan**

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## Risk and Assurance Committee – Terms of Reference

### Fields of Activity

The Risk and Assurance Committee is responsible for assisting Council in its general overview of financial management, risk management and internal control systems that provide:

- Effective management of potential risks, opportunities and adverse effects.
- Reasonable assurance as to the integrity and reliability of the financial reporting of Council.
- Monitoring of Council's requirements under the Treasury Policy.
- Monitoring of Council's Strategic Risk Framework.
- Monitoring of Council's legal compliance.
- Monitoring of Council's health and safety compliance.
- Monitoring significant projects, programmes of work and procurement focussing on the appropriate management of risk.
- Oversight of preparation of the Long Term Plan, Annual Report, and other external financial reports required by statute.

In light of the impacts Cyclone Gabrielle has had on the communities in the district, the Committee will pay particular attention to activities affected within its Fields of Activity, including but not limited to and always in support of the work of Council and the Standing Committees:

- Oversight of cyclone-related insurance claims and issues.
- Monitor funding implications associated with recovery costs, including oversight of the process for recoveries from government.
- Monitor valuation process for cyclone-damaged assets, including impairments particularly relating to roading.
- Support post-cyclone expenditure planning by ensuring good process is applied.

### Membership – 8 (including 5 Councillors)

- 5 Councillors - with one being the Chair of Performance and Monitoring, or its equivalent
- Independent Chair appointed by Council.
- Deputy Chair appointed by Council.
- 2 external independent members appointed by Council.
- 1 Heretaunga Takoto Noa Māori Standing Committee Member appointed by Council

### Quorum – 4 members

#### DELEGATED POWERS

Authority to consider and make recommendations on all matters detailed in the Fields of Activity and such other matters referred to it by Council.

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Monday, 31 July 2023

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*Te Hui o Te Kaunihara ā-Rohe o Heretaunga*

**Hastings District Council**

**Risk and Assurance Committee Meeting**

*Kaupapataka*

# Agenda

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*Koromatua*

**Chair:** Jon Nichols – External Independent Appointee

*Nga Kai Kaunihara*

**Councillors:** Simon Nixon (Deputy Chair), Alwyn Corban, Tania Kerr, Michael Fowler and Damon Harvey (Chair of Performance & Monitoring Committee)

*Mematanga:*

**Membership:**

Mayor Sandra Hazlehurst

External Independent Appointee: Vacancy

Heretaunga Takoto Noa Māori Standing Committee appointee: Tom Keefe

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*Tokamatua:*

**Quorum:** 4 members

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*Kaihokoe mo te Apiha*

**Officer Responsible:** Deputy Chief Executive – Bruce Allan

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*Te Rōpū Manapori me te Kāwanatanga*

**Democracy & Governance Services:** Christine Hilton (Extn 5633)

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## *Te Rārangi Take*

# Order of Business

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### **Apologies – Ngā Whakapāhatanga**

- 1.0** At the close of the agenda no apologies had been received.  
At the close of the agenda no requests for leave of absence had been received.
- 

### **2.0 Conflict of Interest – He Ngākau Kōnatunatu**

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the General Counsel or the Manager: Democracy and Governance (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

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### **Confirmation of Minutes – Te Whakamana i Ngā Minitī**

- 3.0** Minutes of the Risk and Assurance Committee Meeting held Monday 17 April 2023.  
(Previously circulated)
- 

- 4.0 Executive Overview Report** **7**
- 

- 5.0 Annual Report 2023 Update** **13**
- 

- 6.0 Treasury Activity and Funding Update** **19**
- 

- 7.0 Delegated Financial Policy update** **35**
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**8.0 Strategic Risk Register & Risk Management Framework Updates 39**

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**9.0 Health, Safety & Wellbeing Risk Management Update 43**

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**10.0 Minor Items – *Ngā Take Iti***

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**11.0 Urgent Items – *Ngā Take Whakahihiri***

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**12.0 Recommendation to Exclude the Public from Items 13 and 14 49**

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**13.0 Health & Safety Contracts - Contractors' Health & Safety Performance Report**

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**14.0 Building Warrant of Fitness (BWoF) for Boarding Houses**

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Monday, 31 July 2023

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Risk and Assurance Committee Meeting**

**Item 4**

*Te Rārangi Take*

# Report to Risk and Assurance Committee

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**Nā:** Bruce Allan, Deputy Chief Executive  
**From:** Craig Thew, Group Manager: Asset Management

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**Te Take:**  
**Subject:** Executive Overview Report

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## **1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga***

### **Insurance**

- 1.1 The Public Liability (PL) and Professional Indemnity (PI) policy has been renewed from 1<sup>st</sup> July. There was a 25% increase in premiums on last year and there are ongoing pressures within the insurance industry with PI policies due to the risk exposures to local authorities. Council still holds this policy with Marsh Ltd due to price differential on premiums with the AON policy. The major difference between these two policies is that AON's policy allows for defects that are discovered with a water tightness claim that are not a water tightness issue to be covered, whereas the Marsh policy will exclude all claims in any water tightness issue. The difference in premiums is more than double. Officers in consultation with the Building Control staff management have reviewed this risk and deemed this to be very low.
- 1.2 The November 1 renewal process has begun. The Material Damage (MD) schedule has been updated with a desktop valuation increase of 12% across the board. This was the medium percentage increase after consulting with Added Valuation, Marsh Ltd and AON.
- 1.3 The three waters schedule has also been submitted for the 1<sup>st</sup> of November renewal. The valuation this year has gone from \$1.78B to \$1.89B.
- 1.4 The Bridge schedule has also been completed for the renewal process. The total value of the bridges schedule has come down (2022 \$141m v 2023 \$123m) due to the impairment of the bridges lost in Cyclone Gabrielle. The damage caused by the cyclone and the subsequent claim has identified a shortcoming with the asset replacement values on the schedule with a significant undervalued schedule of assets. For future renewals this will need to be revisited and will see a large uplift in asset values and corresponding premiums.

- 1.5 There are significant pressures in the market due to increased losses incurred by the insurers from major weather events around the world. On top of this, higher inflation, leading to higher values has meant there is pressure on capacity for insurers to cover growing asset schedules. This has seen a growth in a number of policies having loss limits put in place just to be able to secure cover. The Hawke's Bay group introduced a loss limit of \$600m last year based on modelling for the material damage policy. AON have indicated the New Zealand insurers which cover the MD policy are likely to reduce their cover. For example, QBE are Council's lead insurer and covered 25% of the placement last year. They are likely to only want to cover 20% so they can still retain their client base with the limited capacity they have to cover. This will mean the smaller sub insurers will either pick up the difference, or more sub insurers will be added.
- 1.6 Indications are premiums on a like for like basis on last year's values (so excluding our 12% valuation increase) could go up by as much as 20%. So when you add the 12% valuation increase as well, this could be a 32% premium increase. Options that Council have already explored to reduce this was the loss limit (\$600m) and also increasing the deductible. Both these options have not produced the savings we had hoped for, which has meant we are now exploring the possibility of being a co insurer. By doing this HDC could elect a percentage, say 5% that they wish to cover themselves (form of self-insuring across entire asset schedule). Matthew Wilson from AON will be in attendance at the meeting and will present further details on this option and other issues and opportunities raised by the current insurance market.
- 1.7 Insurance Claims from Cyclone Gabrielle continue to be monitored with an additional claim made to NEMA under the 60:40 funding split for damaged infrastructure. Damage claimed is in the vicinity of \$2.5m.
- 1.8 The Bridge Insurance claim has received a \$5m settlement to-date and Officers are confident that the full loss limit of \$10m will be settled. The Material Damage and Business Interruption claim is approximately \$2m and \$250,000 has been received to-date.
- 1.9 The claim process is currently going as well as can be expected and is being closely monitored by Council Staff with Jeff Tieman taking the lead.

### **Cyber Security**

- 1.10 The IMBT staff continue to make improvements to the security of Council's systems with the following key Cyber security projects underway:
1. IT Operations have formalised and implemented a Cyber Security partnership with SSS (IT security Specialists). This includes a Security event and Incident Management (SEIM) solution with cyber security experts analysing Council's core infrastructure in near real time.
  2. Implementation of Multi-factor Authentication (Approximately 60 % completed)
  3. Investigation and procurement of a secure network access control solution (Clearpass)
  4. Sam for Compliance annual audit which reflected positively.

### **Asset Management summary**

- 1.11 The ongoing response/repair, along with the recovery, and rebuild planning work is and will remain a significant focus across the group, particularly for the transportation service area. Council has done well to utilise delivery arrangements to enable surge capacity to deliver over \$66m of response work across the transport response alone. Work planning and implementation of projects continues at higher than pre-cyclone levels. Additional staff resources have been brought in and additional permanent roles have and are being created to manage the tasks ahead.
- 1.12 Funding and resourcing will be critical aspects to manage moving forward with a need to manage priorities and expectations to the resources available over time. Having early approvals of funding surety over multiple years will be a key mitigation to securing resources and managing efficiencies and obtaining wider and enduring benefits from the investments ahead. On the resourcing front



officers are working with Regional Recovery Agency (RRA) infrastructure pou partners to model the collective recovery needs, and this will need to inform some cross agency programming.

- 1.13 Work is progressing well with the updates to the Asset Management Plans for consideration in the long term plan (LTP) discussions to enable governors to provide direction on the range of priorities, risk appetite, and funding envelopes. The 3 Waters plans are being progressed on the basis of the service and asset needs so that the same information is used for the Council discussions and for the information required by the National Transition Unit (NTU).

#### **Environmental Resilience Subcommittee/Working Group**

- 1.14 The Environmental Resilience Subcommittee/Working Group met on July 25th and discussed amongst other things the Eco District Strategic Overview Review and a Report from the Climate Action Joint Committee.
- 1.15 Work continues on the understanding of Council's Carbon Emissions Footprint and further discussions are required to create a work plan for Risk and Assurance on these issues that is complimentary to the Environmental Resilience Subcommittee/Working Group.

#### **Status of Actions**

- 1.16 Attached as **Attachment 1** are the current outstanding actions from this Committee.

### **2.0 Recommendations - Ngā Tūhonga**

That the Risk and Assurance Committee receive the report titled Executive Overview Report dated 31 July 2023.

#### **Attachments:**

1↓ Status of Actions - July 2023

CG-17-6-00036



**Hastings District Council  
Risk and Assurance Committee  
Status of Actions – July 2023**

Item No.	Meeting Date	Action	Reporting Officer	Progress	Complete
1	19/09/2022	<u>Insurance</u> <ul style="list-style-type: none"> <li>Officers to investigate what could be dropped to keep insurance premiums at current level.</li> <li>Organise a full Council briefing early in new triennium on insurance to inform councillors about areas of work HDC involved in vs degree of risk Council is prepared to take.</li> </ul>	Bruce Allan	Representatives from AON to attend July Committee meeting with opportunities to reduce premium increase risk and risk share with the insurers.	Ongoing
2	19/09/2023	<u>Finance</u> <ul style="list-style-type: none"> <li>Officers to investigate locking in some HDC debt with fixed cover vs current level of floating cover.</li> </ul>	Bruce /Aaron Wilson	Update provided in the quarterly Treasury Report	
3	17/04/2023	<ul style="list-style-type: none"> <li>Officers to provide number of water meters that HDC has.</li> </ul>	Craig Thew	2,400 meters for monitoring <u>1,630</u> meters for billing 4,030	Complete
4	19/09/2022	<u>GM Asset Management</u> <ul style="list-style-type: none"> <li>Undertake a more detailed review of the 3 Waters infrastructure assets and report on the risks involved to the incoming Council in the new year.</li> </ul>	Craig Thew	TBC	
5	17/04/2023	<u>Procurement Strategy</u> <ul style="list-style-type: none"> <li>Officers to report on what was and what was not working well, including an update on post Gabrielle work.</li> </ul>	Ange/Bruce	Forecast report to be presented to the October R&A Committee	
6	17/04/2023	<u>Treasury Activity and Funding</u> <ul style="list-style-type: none"> <li>Chair to be involved in discussions with Bancorp.</li> </ul>	Aaron/Bruce	The Chair is now being invited to discussions with Bancorp	Ongoing

CG-17-6-00036





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Monday, 31 July 2023

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Item 5

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Risk and Assurance Committee Meeting**

*Te Rārangi Take*

# Report to Risk and Assurance Committee

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**Nā:** Jess Noiseux, Financial Improvement Analyst  
**From:** Aaron Wilson, Financial Controller

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**Te Take:**  
**Subject:** Annual Report 2023 Update

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## **1.0 Purpose and summary - Te Kaupapa Me Te Whakarāpopototanga**

- 1.1 The purpose of this report is to update the Risk and Assurance Committee about progress being made on year-end issues.
- 1.2 This report concludes by recommending that the report be received.

### **2023 Annual Report**

- 1.3 Staff have completed the annual year end timetable for the 2023 year. The timetable is inclusive of all the processes and requirements of the production of the Annual report and requires a high degree of coordination across Council. The extensions to reporting deadlines ceased in 2022 and the adoption date for the Annual Report returns to 31 October for 2023.
- 1.4 To meet statutory deadlines this year the date set for Council approval is 26<sup>th</sup> October with Risk and Assurance Committee meeting earlier on 17<sup>th</sup> October at which point it can receive and endorse the Annual Report for adoption. Other key dates for the audit process are:
  - Draft financial statements available for Audit 8<sup>th</sup> September
  - Full Annual report available for Audit 8<sup>th</sup> September
  - Summary Annual Report available for Audit 8<sup>th</sup> September
  - Final Audit begins – audit on-site 11<sup>th</sup> September
- 1.5 Improvements have been made to reporting processes and systems over the past few years and even with the impact on workloads from Cyclone Gabrielle, Officer are confident of providing Audit with completed draft Annual Report on 8<sup>th</sup> September.

- 1.6 There are amendments to the Public Benefit Entity (PBE) reporting standard PBE FRS 48 *Service Performance Reporting* that Officers have assessed will result in minor added disclosures required in the 2022/2023 Annual Report.
- 1.7 The impact of Cyclone Gabrielle will be threaded throughout the Annual Report, with significant disclosures likely required around the condition of damaged assets as at 30 June 2023. Officers expect to see significant impairments and write offs to roading infrastructure assets as a result of damage to the network from the Cyclone. There damage to other infrastructure assets (e.g. parks, 3 waters) and land and buildings, albeit on a much smaller scale. The methodology to determine impairment values for the infrastructure network will be difficult and requires officers to assess asset damage into three categories:
- **Asset destroyed/of no further economic value/uneconomic to repair and therefore due for demolition** e.g., bridges or culverts completely washed away, tangible lengths of road washed out and requiring re-build or re-routing of roads. These assets are written off, with the value of the write off expensed and the revaluation reserve of the asset recycled through other comprehensive income.
  - **Asset impaired – that is, the capability of the asset to provide the service level expected is significantly reduced for a period of time.** E.g., roading sections significantly damaged and requiring *temporary* repairs or re-routing. Essentially a repair job that needs an engineering design to correct/fix on a permanent basis (as opposed to relatively quick works to get the asset up and running again). These assets are impaired, initially through revaluation reserve and then depending on the size of the impairment there may be a need to expense a portion.
  - **Assets only requiring restorative maintenance – that is, these assets are able to be brought back into service relatively easily with maintenance type work.** E.g., removal of slips and debris on roads, repairs of small sections of roads that have been damaged, damage where if not repaired would result in safety risk or road progressively degrading at a faster rate due to initial damage incurred. No impairment is necessary here.
- 1.8 There will also be updated disclosures in relation to the Water Services Reform Programme.
- 1.9 Every year there are revaluations of various classes of assets that are performed on a rotational basis on a set schedule. This year it is the roading, parks and heritage asset classes that will be revalued (along with libraries which is done every year). These valuations are being completed and are as at 30<sup>th</sup> June 2023.
- 1.10 Since 2021, Council has received a qualified audit opinion over the activity groups' statement due to issues in two separate performance measures:
- Incomplete information about the number of complaints Council received related to 3 waters complaints. This is due to the manner in which after hour calls are recorded by the service provider. Officers continue to work with the after hour calls service provider to ensure correct information is provided for reporting.
  - Insufficient data to reliably measure real water loss from the Council's networked water reticulation system. This is likely to be a qualification issue again this year, as the number of water meters required to produce a statistically reliable real water loss measure is higher than Council currently has.

### **2023 Audit Plan**

- 1.11 In April Ernst & Young (EY) provided their finalised Audit Plan for the year. The Audit Plan outlines audit logistics, specific areas of focus for EY and areas of potential risk for the Council. A copy of the finalised plan was presented at the previous Risk and Assurance Committee in April as a late attachment. The areas that Audit have identified in their Audit Plan as being areas of focus are:
- Emergency works and Funding;

- Infrastructure assets (including impairment and valuations);
- Integrity of Rates Strike, Rates invoicing and collection;
- Grants and Subsidies;
- Non-financial performance information reporting;
- Core controls over expenditure, procurement and tendering; and
- Debt.

#### **Interim audit**

- 1.12 EY were onsite during April and have completed their interim audit. Stuart Mutch, EY Audit Director will be at the Risk and Assurance meeting to talk to this item.
- 1.13 The Audit Update Summary attached (see **Attachment 1**) outlines EY's key focus areas, including areas of the Annual Report that they expect will require additional focus. These include:
- Accounting for central government funding
  - Insurance claims
  - The implications of accelerated use of the landfill to manage Cyclone damage material on the landfill closure provisioning and Emission Trading Scheme obligations
  - Increased levels of debt to fund cyclone recovery activity
- 1.14 EY have not reported any issues in the work they have completed to date.

## **2.0 Recommendations - Ngā Tūtohunga**

That the Risk and Assurance Committee receive the report titled Annual Report 2023 Update dated 31 July 2023.

### **Attachments:**

- 1 [↓](#) Financial Management - Audits - External audit - EY FIN-07-01-23-476  
Interim - 2023 Hastings DC Audit Update Summary  
31 July 2023









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Monday, 31 July 2023

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Item 6

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Risk and Assurance Committee Meeting**

*Te Rārangi Take*

# Report to Risk and Assurance Committee

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*Nā:*  
From: **Aaron Wilson, Financial Controller**

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*Te Take:*  
Subject: **Treasury Activity and Funding Update**

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## **1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga**

- 1.1 The purpose of this report is to update the Risk and Assurance Committee on treasury activity and funding issues.
- 1.2 Since the last update in on the 17<sup>th</sup> of April, Council has borrowed a further \$20m to manage the increased cashflow requirements driven by the increased spend due to Cyclone Gabrielle. In addition, Council has in July 2023 borrowed \$31m additional funds to prefund 2023/24 capital expenditure and entered another forward start contract for \$29m for debt maturing in April 2024.
- 1.3 Officers have increased the level of cover in relation to external debt over the period by taking out two swaps totalling \$21m. In addition, \$40m of the loans and forwards start contracts detailed in the previous paragraph have been fixed over several maturities to ensure appropriate ongoing debt cover in line with policy.
- 1.4 The Council's year ended total external debt was \$292m as at 30th June 2022. Current total external debt updated to 31<sup>st</sup> July 2023 is \$323m.
- 1.5 Council has received the report from Standard & Poors Global (S&P) and have been downgraded from a 'AA' rating to a 'AA-' with a stable outlook.
- 1.6 Council is currently compliant with its Treasury Management Policy.
- 1.7 The Reserve Bank of New Zealand (RBNZ) has agreed to leave the Official Cash Rate (OCR) at 5.5% at its last review on 12 July 2023.

## **2.0 Recommendations - Ngā Tūtohunga**

That the Risk and Assurance Committee receive the report titled Treasury Activity and Funding Update dated 31 July 2023.

### 3.0 Background – *Te Horopaki*

- 3.1 The Hastings District Council has a Treasury Policy which is a summarised version of the Treasury Management Policy and forms part of the 2021-2031 Long Term Plan. Under these policy documents, responsibility for monitoring treasury activity is delegated to the Risk and Assurance Committee.
- 3.2 Council is provided with independent treasury advice by Miles O'Connor of Bancorp Treasury Services and receives daily and monthly updates on market conditions.
- 3.3 Under the Treasury Policy, formal reporting to Council occurs quarterly and regular more in-depth treasury reporting is provided for the Risk and Assurance Committee.

### 4.0 Discussion – *Te Matapakitanga*

- 4.1 Council's debt portfolio is managed within macro limits set out in the Treasury Policy. It is recognised that from time-to-time Council may fall out of policy due to timing issues. The Treasury Policy allows for officers to take the necessary steps to move Council's funding profile back within policy in the event that a timing issue causes a policy breach.
- 4.2 Council's current total external debt is \$323.7m as at 19th July 2023. (\$292.7 as at 30th June 2023). Offsetting this are \$22.9m of bank deposits (\$2.3m as at 30th June 2023), giving a net external debt position of \$300.8m. This is supported by the Treasury Position 31st July 2023 Report (**Attachment 1**).
- 4.3 The bank deposits totalling \$22.9m are to fund a significant capital spend budget in the 23/24.
- 4.4 Standard and Poors Global (S&P) Update – S&P conduct annual ratings review on Council's Outlook based on a set of five metrics. These metrics are, Economy, Financial Management, and Budgetary performance, Liquidity, and Debt burden. (**Attachment 2**)
- 4.5 S&P have completed their review on Council's outlook and considering the complexities Council face in terms of infrastructure repair costs relating to Cyclone Gabrielle, have made the following statement:
- 4.6 *Hastings District Council (Hastings) is facing up to NZ\$800 million in costs to repair its local road network after Cyclone Gabrielle hit the Hawke's Bay region in February 2023.*
- 4.7 *The rebuilding process will add to Hastings' already-large capital program, resulting in sustained large after-capital deficits and rising debt. The repair bill will limit Hastings' capacity to defer capital spending without creating infrastructure backlogs, hampering budgetary flexibility notwithstanding support from the Crown.*
- 4.8 *As a result, we lowered our long-term issuer credit rating on Hastings to 'AA-' from 'AA' and removed it from CreditWatch negative. The outlook is stable.*
- 4.9 *The stable outlook reflects our view that Hastings will maintain strong liquidity despite its growing debt burden, as it incurs large deficits related to the repairs of its transport network. We expect Hastings to enter into further funding agreements with the Crown, which would heavily subsidize road works in 2024 and beyond.*
- 4.10 In tandem with this analysis, officers forecasted cash flows needed considering the large capital spend underway in Council. In consultation with Bancorp treasury advisors, Council borrowed \$31m, with a mix of fixed and floating and over different maturities. This is in addition to the \$20m borrowed for cashflow cover in June 2023.

- 4.11 In addition, officers have entered into forward start contracts for \$29m, these contracts are to cover loans maturing 15<sup>th</sup> April 2024.
- 4.12 Officers have also added swap contracts of \$21m that will become live 2026 and 2027 to provide additional hedging further out to maintain a prudent level of cover in the outyears of the debt profile.
- 4.13 The mix of floating and fixed loans and forward start loans augment the hedging of external debt that the swaps provide.
- 4.14 An overview of contracts that have been undertaken since the last quarterly report has been included in the table below:

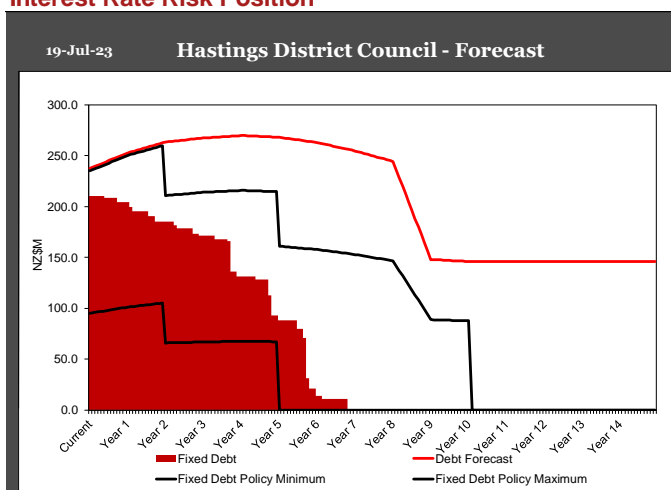
Loans				
Type	Deal Date	\$(M)	Maturity Date	Rate
Fixed	Jun-23	20.0	15-Apr-27	5.32%
Floating	Jul-23	20.0	15-Apr-25	OCR +0.265%
Floating	Jul-23	11.0	15-Apr-26	OCR +0.350%

Forward Start Contracts starting April 2024				
Type	Deal Date	\$(M)	Maturity Date	Rate
Floating	Jul-23	9.0	15-Apr-26	OCR +0.48%
Fixed	Jul-23	20.0	15-Apr-27	5.43%

Swap Contracts				
Start Date	Maturity Date	Value \$(M)	Rate	
15-Apr-26	15-May-29	10.0	3.92%	
15-Apr-27	15-May-30	11.0	4.02%	

- 4.15 It should also be noted on the Treasury position dashboard, Council’s cost of funds is now at 4.93%.
- 4.16 Officers are comfortable with the level of cover currently in place in relation to the level of debt held. With the level of cover shown in the graph below.

**Interest Rate Risk Position**



- 4.17 With the likelihood of increased levels of debt that will be incurred over the next five or so years officers are in consultation with Bancorp advisers looking to increase hedging to maintain an optimum level where swaps become “cheaper” whilst within treasury parameters.
- 4.18 In July 2023 the Reserve bank has kept the official cash Rate (OCR) at 5.5%.

## 5.0 Next steps – *Te Anga Whakamua*

- 5.1 Council officers will continue to work with Bancorp Treasury Services to keep Council’s financing costs to a minimum, maintaining adequate liquidity, while maintaining compliance with Council’s Treasury Policy.

### Attachments:

<a href="#">1</a>	Treasury Dashboard 31 July 2023	FIN-09-01-23-213
<a href="#">2</a>	S&P Ratings Report	FIN-15-5-23-795

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## Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

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### Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

[Link to the Council’s Community Outcomes – Ngā Hononga ki Ngā Putanga ā-Hapori](#)

This proposal promotes the economic wellbeing of communities in the present and for the future.

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### Māori Impact Statement - *Te Tauākī Kaupapa Māori*

There are no known impacts for Tangata Whenua.:

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### Sustainability - *Te Toitūtanga*

This report promotes sustainable financing costs ensuring the economic wellbeing of communities in the present and for the future.

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### Financial considerations - *Ngā Whakaarohanga Ahumoni*

This report will ensure that financing costs are kept within Council’s existing budgets.

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### Significance and Engagement - *Te Hiranga me te Tūhonotanga*

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of minor significance.

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### Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho*

There has been no external engagement:

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### Risks

The purpose of this report and the Treasury Policies it refers to, assist officers to manage Council’s treasury risk.

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REWARD – <i>Te Utu</i>	RISK – <i>Te Tūraru</i>
To assist officers to manage Council’s Treasury risk; Finances, Reputation.	Cashflows and finance costs; Finances, Service Delivery, Reputation.

**Rural Community Board – *Te Poari Tuawhenua-ā-Hapori***

There are no implications for the Rural Community Board:



























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Monday, 31 July 2023

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Item 7

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Risk and Assurance Committee Meeting**

*Te Rārangi Take*

# Report to Risk and Assurance Committee

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**Nā:**  
**From: Jess Noiseux, Financial Improvement Analyst**

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**Te Take:**  
**Subject: Delegated Financial Policy update**

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## **1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga**

- 1.1 The purpose of this report is to present the updated Delegated Financial Policy (DFA) to the Committee for information.
- 1.2 This report looks at Councils officer's review of the DFA Policy and what changes to the policy have been made.
- 1.3 A detailed review of the DFA policy was completed and approved by the Lead Team in May 2022. This resulted in significant amendments to simplify and streamline the policy and remove duplications between the DFA policy and the newly completed Procurement Policy.
- 1.4 In reviewing the DFA policy recently, officers have made draft changes to:
  - strengthen the DFA processes to follow in an emergency event; and
  - provide further clarification on how 'one-up' approvals will occur in the context of the newly created Deputy Chief Executive position.
- 1.5 The DFA Policy has been presented to the Committee as part of a revolving review of Council Policies. Some policies (like this one) are presented for information only purposes and are approved by the Lead Team and other more legislated policies are presented seeking the Committee's endorsement prior to being approved and adopted by Council.
- 1.6 Examples of policies requiring approval from Council include the Treasury Policy, Revenue and Financing Policy, Rates Remissions Policy etc.

## **2.0 Recommendations - Ngā Tūtohunga**

That the Risk and Assurance Committee receive the report titled Delegated Financial Policy update dated 31 July 2023.

### 3.0 Background – *Te Horopaki*

- 3.1 Hastings District Council has a Delegated Financial Policy as an essential part of having an effective and efficient governance and management system in place. The aim of the DFA policy is to outline statutory responsibilities, duties and powers and ensure they are carried out at the most effective and efficient levels.
- 3.2 The DFA policy is owned by the previous GM Corporate role, now the Deputy Chief Executive, with sponsorship from the Lead Team. There are no statutory requirements for review of this policy by Council.
- 3.3 A draft DFA policy was originally created in February 2018, reviewed and amended in 2019, and then reviewed again in 2022 before being presented to the Lead Team for approval in May 2022.
- 3.4 The DFA policy has two main principles:
  - No expenditure or other financial commitments may be made without authorisation by an officer holding either specific delegated authority or the appropriate Delegated Authority Level;
  - All expenditure is to be approved on a ‘one-up’ basis. I.e., expenditure must be approved by an officer’s line manager, rather than by another officer at the same level (even if they may have a higher DFA level). This is intended to prevent any circumstance where an officer might feel obligated or pressured to approve an item of expenditure.

### 4.0 Discussion – *Te Matapakitanga*

- 4.1 In 2022, officers completed extensive work to bring the policy into line with Council templates, remove unnecessary information, and streamline the document from the previous drafts. This resulted in the following amendments:
  - All references to the procurement processes for committing Council to purchase goods or services that were already covered under the newly created Procurement Policy were removed to avoid duplication.
  - All thresholds referencing to procurement were removed to avoid confusion between authorisation required for non-tendered goods or services and goods or services that require a tender process. The DFA policy references to the Procurement Policy and Procurement manual if further detail is required but focusses more on the process for operational and capital expenditure that falls outside the tender process.
  - Terminology updates were made to bring the policy into line with best practise.
  - Emphasis on purchase order approvers responsibilities, specifically that officers are acknowledging that the goods and services to be procured are for legitimate business purposes and have been coded correctly.
  - Inclusion of the authorisation level tables that outline the dollar limits for each Delegated Authority Level in the normal course of business, as well as the DFA levels for Emergency Management which apply in an emergency event.
- 4.2 Recently, due to the organisational structure changes that have been implemented, wording has been included to make clear that the Deputy Chief Executive approving other GM requests qualifies under the “one-up” principle. The DCE role is the “2IC” role in the organisation and it is therefore appropriate for the DCE to approve requests from other GM roles.

- 4.3 Officers have also added in wording to make clear the procedures and practices to follow in an emergency event situation. The DFA policy already outlines the current authorisation levels in an emergency event, these specifically outline authorisation levels for the Controller, Response Manager and Logistics Manager roles as follows:

HDC Delegated Financial Authorities				
Incident & Emergency Management				
Only applies to local emergency events				
Authorisation Levels			Purchase Card Limits	
Authorisation Levels	Role	Limit	Limit per Card Transaction (exc GST)	Card Limit per month (ex GST)
Level 2	Controller	\$750,000	\$2,000	\$5,000
Level 3	Response Manager	\$100,000	\$1,500	\$3,000
Level 4	Logistics Manager	\$10,000	\$1,500	\$3,000

- 4.4 For the latest draft version of the DFA policy please refer to attachment 1. The highlighted changes in this draft reflect amendments made because of points 4.2 and 4.3 above. All highlighted changes are to be confirmed through the policy approval process with the Lead Team.

## 5.0 Next steps – *Te Anga Whakamua*

- 5.1 Council officers will take the latest revision of the DFA policy to the Lead Team meeting for approval within the next month.

### Attachments:

<a href="#">1</a>	Delegated Financial Authority Policy - V1.2 DRAFT	PMD-02-06-03-23-48	Under Separate Cover
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## Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

### Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

### Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This proposal promotes the <Enter text> wellbeing of communities in the present and for the future.

### Māori Impact Statement - *Te Tauākī Kaupapa Māori*

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There are no know impacts for Tangata Whenua

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#### **Sustainability - *Te Toitūtanga***

This report promotes sustainable finance practices ensuring the economic wellbeing of communities in the present and for the future.

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#### **Financial considerations - *Ngā Whakaarohanga Ahumoni***

This report will ensure that Council has an appropriate policy in place to appropriately and effectively approve expenditure commitments.

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#### **Significance and Engagement - *Te Hiranga me te Tūhonotanga***

This decision/report has been assessed under the Council's Significance and Engagement Policy as being of minor significance.

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#### **Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho***

There has been no external engagement.

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#### **Risks**

There are no implications.

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#### **Rural Community Board – *Te Poari Tuawhenua-ā-Hapori***

There are no implications.

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Monday, 17 July 2023

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*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Risk and Assurance Committee Meeting**

**Item 8**

*Te Rārangi Take*

# Report to Risk and Assurance Committee

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**Nā:** Steffi Bird, Risk Assurance Advisor  
**From:** Regan Smith, Chief Risk Officer

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*Te Take:* Strategic Risk Register & Risk Management Framework Updates  
**Subject:**

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## **1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga**

1.1 The purpose of this report is to provide the Committee with an overview of proposed changes and to seek the Committee’s endorsement of the updates for the following documents:

- Strategic (Tier 1) Risk Register
- Enterprise Risk Management Policy & Framework

### **1.2 Strategic Risk Register**

- The register of Council’s strategic risks has been reviewed recently, with particular attention to the effects of Cyclone Gabrielle, and the proposed updated register is provided as **Attachment 1**.
- The following statement provides an overarching summary of the current risk profile at Hastings District Council:
  - *The impacts of Cyclone Gabrielle have significantly changed the Hastings District’s landscape and the foundations of many communities, with this, Council’s risk profile has also altered. At a strategic level the need to address climate adaptation, the uncertainty regarding future land use and challenges to fiscal stability will affect the ability to deliver an effective recovery from the cyclone and achieve Long Term Plan goals. At an operational level, staff and elected members have been working under increased pressure and high workloads through the initial response and this continues as the transition to recovery occurs. With this, comes greater exposure to wellbeing consequences, potential for errors in work and higher attrition rates.*
- No changes have been made to the titles, descriptions, or inherent risk levels for items on the strategic register. There are proposed changes to the current likelihood and impact

assessments for several risks resulting in adjusted current risk levels. Changes to the risk levels can be summarised as:

Strategic (T1) Risk	Revised current risk level	Change from
Significant operational service failure	Extreme	High
Financial sustainability	High	Low
Truth decay	High	Medium

- Status updates have been included for the impact that Cyclone Gabrielle is considered to have had on each risk to support the amended current levels of risk.
- The current financial and reputation impacts (consequences) for the risk; Failure of climate adaptation, have changed in this update. However, these do not change the risk score due to the risk already being rated extreme. It is acknowledged that as cyclone recovery work is planned for and initiated, there is opportunity to rebuild previously aging assets to current standards/codes. The completed works could be assessed as effective mitigation against this risk, thereby reducing the risk level.
- In relation to the significant operational service failure risk, the below table provides a summary of the enterprise (tier 2) risk register, including changes to the current risk levels recently approved by the Lead Team. These risks aggregate into significant operational service failure on the strategic (tier 1) register.

Enterprise (T2) Risk	Current risk level	Change from
Infrastructure service failure	Extreme	High
Inadequate available funds	High	Medium
Corruption and fraud incidents	High	Medium
Loss of key knowledge	High	Medium
Natural / human-made disaster	Extreme	No change
Information security breach / technology failure	High	No change
Ineffective regulatory oversight	Medium	No change
Procurement failure	Medium	No change
Business interruption	Medium	No change
Officer error / omission	Medium	No change
Failure to meet legal obligations	Medium	No change
Community services failure	Medium	No change

- There is a recommendation to introduce two new risks to the strategic risk register, one being an opportunity risk called ‘Effective strategic partnerships’, and a new threat risk ‘Liability for legal challenge’.
- Effective partnerships have always been considered vital to achieving Council’s goals, and inclusion of this proposed new risk is in recognition of the new recovery environment, requiring many agencies to work together for significant community activities and outcomes.
- As Council begins to enter an agreement with the Crown regarding Category 3 property buyouts, the exposure to being liable for legal challenge from property owners could be substantial if not managed appropriately.
- The Committee is also asked to consider whether there is a need to have the corruption and fraud risk escalated from the tier 2 register to the tier 1 register, in the current environment.

### 1.3 Enterprise Risk Management Policy & Framework



- A review of the Risk Framework and Policy was due in April this year. This review was delayed in light of the impacts of Cyclone Gabrielle and has now been completed.
- After reviewing the Risk Framework and Policy no changes were considered necessary at this time. The update to the strategic risk register presented in this paper reflects the immediate change in operating context caused by the Cyclone. However, work is yet to be completed to incorporate recovery objectives into the Council Long Term Plan (LTP). Once this has been done the risk appetite statements in the risk Framework will be updated to reflect any changes in LTP goals.

## 2.0 Recommendations - *Ngā Tūtohunga*

- A) That the Risk and Assurance Committee receive the report titled Strategic Risk Register & Risk Management Framework Updates dated 17 July 2023
- B) That the Committee endorse the following documents and recommend that they be presented to Council;
  - i. The proposed Strategic risk register
  - ii. The updated Enterprise Risk Management Policy & Framework

### Attachments:

1 ⇨	Proposed changes to HDC Strategic Risk Register	IRB-3-15-23-65	Under Separate Cover
2 ⇨	Hastings District Council Enterprise Risk Management Policy and Framework V5.2	PMD-9-3-23-73	Under Separate Cover

## Summary of Considerations - *He Whakarāpopoto Whakaarohanga*

### Fit with purpose of Local Government - *E noho hāngai pū ai ki te Rangatōpū-ā-Rohe*

The Council is required to give effect to the purpose of local government as set out in section 10 of the Local Government Act 2002. That purpose is to enable democratic local decision-making and action by (and on behalf of) communities, and to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

### Link to the Council's Community Outcomes – *Ngā Hononga ki Ngā Putanga ā-Hapori*

This proposal promotes the local infrastructure, local public services and regulatory functions wellbeing of communities in the present and for the future.

### Māori Impact Statement - *Te Tauākī Kaupapa Māori*

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Supports robust identification of risks affecting Long Term Plan goals.

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### **Sustainability - *Te Toitūtanga***

Supports robust identification of risks affecting Long Term Plan goals.

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### **Financial considerations - *Ngā Whakaarohanga Ahumoni***

No financial impacts.

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### **Significance and Engagement - *Te Hiranga me te Tūhonotanga***

This report has been assessed under the Council's Significance and Engagement Policy as not being of significance for community consultation.

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### **Consultation – internal and/or external - *Whakawhiti Whakaaro-ā-roto / ā-waho***

The updated risk register has been consulted with internal risk owners.

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### **Risks**

Opportunity: Robust understanding of current strategic risk and framework for mitigating those risks.

<i>REWARD – Te Utu</i>	<i>RISK – Te Tūraru</i>
Reliable practices are in place to monitor and manage material risks to Council activities.	Framework may not be matched to Council needs. This has been mitigated through continual improvement based on use of the risk management tools.

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### **Rural Community Board – *Te Poari Tuawhenua-ā-Hapori***

No impact:

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Monday, 31 July 2023

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Item 9

*Te Hui o Te Kaunihera ā-Rohe o Heretaunga*

**Hastings District Council: Risk and Assurance Committee Meeting**

*Te Rārangi Take*

# Report to Risk and Assurance Committee

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*Nā:*  
From: **Jennie Kuzman, Health, Safety and Wellbeing Manager**

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*Te Take:*  
Subject: **Health, Safety & Wellbeing Risk Management Update**

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## **1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga**

- 1.1 The purpose of this report is to provide an update to the Risk and Assurance Committee in regard to the management of Health and Safety risks within Council.
- 1.2 This report provides information on:
  - General Update
  - Wellbeing Risk Management
  - Health Risk Management – Health Monitoring

## **2.0 Recommendations - Ngā Tūtohunga**

That the Risk and Assurance Committee receive the report titled Health, Safety & Wellbeing Risk Management Update dated 31 July 2023.

## **3.0 Background – Te Horopaki**

- 3.1 The purpose of this report is to provide information to the Committee in regard to the management of Health and Safety risks within Council.
- 3.2 This issue arises due to the Health and Safety at Work Act 2015 and the requirement of that legislation for Elected Members to exercise due diligence to ensure that Council complies with its health and safety duties and obligations.

## 4.0 Discussion – Te Matapakitanga

### 4.1 General Update

4.2 The table below highlights the priority work for the HDC Health, Safety & Wellbeing Team for the remainder of 2023.

**Table 1: Health and Safety Priority Work Plan 2023**

<p><b>Policies/Frameworks to be reviewed:</b></p> <ul style="list-style-type: none"> <li>• Conflict &amp; Violence Management Policy.</li> <li>• Mauri Tū Mauri Ora (Wellbeing) Framework.</li> <li>• Overarching Asbestos Management Plan.</li> <li>• Health &amp; Safety Manual.</li> <li>• Rehabilitation &amp; Fit-For-Work Policy.</li> </ul>	<p><b>Health &amp; Safety critical risk profiles to be developed:</b></p> <ul style="list-style-type: none"> <li>• Mental Wellbeing / Stress.</li> <li>• Asbestos.</li> <li>• Hazardous Substances.</li> </ul>
<p><b>Exposure Monitoring &amp; Health Risk Assessments to be completed at:</b></p> <ul style="list-style-type: none"> <li>• Ōmarunui Landfill: Vibration and Hazardous Substances.</li> <li>• Aquatics/Splash Planet: Noise, and Hazardous Substances.</li> <li>• Tomoana Showgrounds: Noise, Vibration, and Hazardous Substances.</li> <li>• Water Operations: Hazardous Substances</li> <li>• Cemetery Operations: Hazardous Substances</li> </ul>	<p><b>Internal Audits to be completed:</b></p> <ul style="list-style-type: none"> <li>• Annual Facility Inspections.</li> <li>• Audits of Contracts that undertake High-Risk activities.</li> <li>• Safe Plus Assessment.</li> </ul>

### 4.3 Wellbeing Risk Management

#### 4.4 Background

4.5 Council has twelve critical Health, Safety & Wellbeing risks, of which three are classified as Psychosocial (Wellbeing) risks: Conflict and Violence, Stress, and Fatigue. These risks are collectively managed under Council's Mauri tū Mauri ora (Wellbeing) Framework alongside team-specific policies and procedures. The Framework was adopted in 2019, and the HSW team is currently completing a review of it.

4.6 The wellbeing of staff is central to how we do things here at Council - one of our four organisational Values is "Oranga Tangata – Supporting Wellbeing". This was adopted in early 2021.

4.7 As the employer, HDC has adopted a holistic approach to support wellbeing (under its Mauri tū Mauri ora Framework), utilising the NZ Mental Health Foundation's guidance on the 'Te Whare Tapa Whā' Model<sup>1</sup>, and the 'Five Ways to Wellbeing' model<sup>2</sup>. Additionally, HDC is following the 'CEO Guide to Mental Health and Wellbeing'<sup>3</sup> and 'Protecting Mental Wellbeing at Work Guide'<sup>4</sup>, which was developed for the NZ Business Leaders Health and Safety Forum (BLHSF) by Dr Hillary Bennett and draws on international research and local experience.

4.8 The framework developed by the BLHSF within these guide documents is based upon the following principles:

<sup>1</sup> <https://mentalhealth.org.nz/te-whare-tapa-wha>

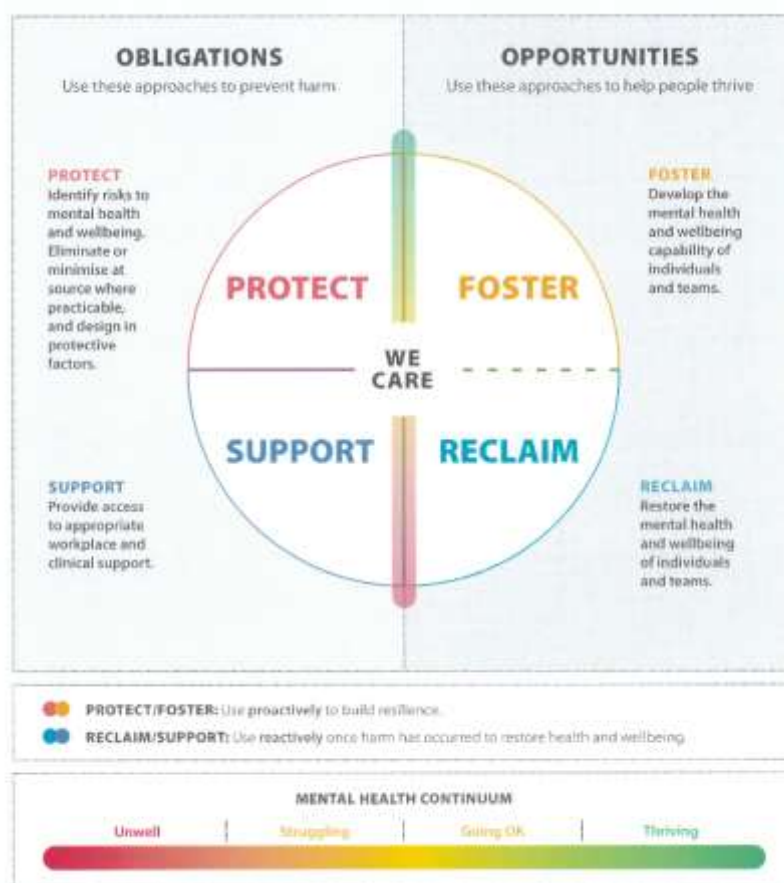
<sup>2</sup> <https://mentalhealth.org.nz/five-ways-to-wellbeing>

<sup>3</sup> <https://www.forum.org.nz/resources/mental-wellbeing-at-work/ceo-guide-mental-wellbeing/>

<sup>4</sup> <https://www.forum.org.nz/resources/mental-wellbeing-at-work/protecting-mental-wellbeing/>

- Everyone who goes to work should go home safe and healthy, both physically and mentally. This is more than a legal obligation; it is the right thing to do.
- People spend much of their time at work every week, and their experiences at work can have a positive or negative affect on their overall mental health and wellbeing.
- Work should be a place where people thrive, not just survive. Having mentally healthy and well workers is an investment – they will perform better in their jobs.
- While a workplace may not be able to prevent all causes of poor mental health and wellbeing, it can take steps to reduce some of these causes.
- Work can be good for peoples’ mental health and wellbeing. It can support recovery from mental health problems. Someone with a diagnosed mental health condition can thrive at work, with the right support.
- Anyone can suffer a period of poor mental health, and this is not a sign of weakness. At any one time within an organisation, most workers will be thriving. But people can move between thriving, struggling and being ill, and possibly off work.
- To unlock a workforce’s true potential, a mental health and wellbeing strategy should aim to both protect workers from harm and include activities to foster and support wellbeing. This requires both proactive and reactive interventions.
- Creating a healthy workplace is the joint responsibility of the individual and the organisation.

4.9 Below is a snippet from the BLHS guides showing mentally health work in a risk management context.

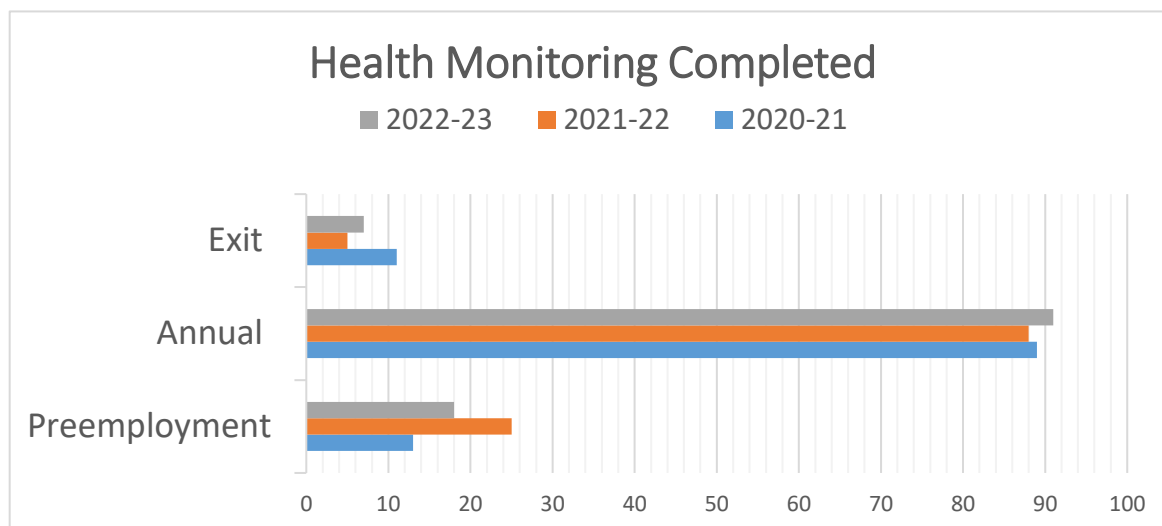


4.10 All permanent staff at Council are required to undertake ‘Mental Health Matters’ training which is run in partnership with the NZ Red Cross. This training helps to provide staff with the tools to manage their own mental wellbeing, and to support others with theirs. Additionally at-risk staff are provided with further training such as Conflict Resolution and/or Psychological First Aid training (training which

helps people learn how to assist others who are in a difficult mental health space) and are supported through regular debriefing and supervision services with a qualified Counsellor or Psychologist given what they are exposed to during the course of their work. Managers and Team Leaders are also offered regular workshops and coaching to assist with supporting staff with wellbeing issues.

- 4.11 For staff that are struggling due to wellbeing-related health issues (e.g., stress, anxiety, fatigue), a wellbeing meeting is held between the Manager, the Employee and a HSW Team member to discuss the situation and put in place a plan to support them (this follows Council's Rehabilitation and Fit-for-work Policy). Often this will involve using tools and resources from the UK Health and Safety Executive which have been developed to help identify work factors contributing to the situation and offer potential solutions to manage the situation going forward.
- 4.12 Council has also commenced using the BLHS Forum tools and resources for identifying work challenges and redesigning tasks to create mentally healthy work.
- 4.13 Council has an annual programme of wellbeing activities and events, including regular webinars/seminars covering a range of informative topics, Clinics with health professionals, lunchtime Yoga, Box fit and Circuit classes.
- 4.14 All staff (and their spouse and immediate dependants) have 24/7 access to confidential counselling and wellbeing services through Council's Employee Assistance Programme, provided by Instep.
- 4.15 **Current Situation:**
- 4.16 Cyclone Gabrielle has had a significant impact upon the people of Hastings district (and the wider Hawke's Bay community). This understandably has had an impact upon the wellbeing and workloads of staff employed Council.
- 4.17 Council has taken a proactive approach in supporting its staff through this, by very early on initiating wellbeing conversations with staff, providing coaching to staff and managers, and engaging with Counsellors/Psychologists to provide regular debriefing and wellbeing support sessions.
- 4.18 Recently a number of teams have shown a significant drop in their views as to how manageable their workloads are post-cyclone. This is obviously of concern. We are working to increase the staffing resource as appropriate in these areas, although it is pertinent to note that the employment market is currently rather buoyant, and this is not the simplest of times to be finding good staff.
- 4.19 **Health Risk Management – Health Monitoring**
- 4.20 Council has twelve critical Health, Safety & Wellbeing risks, several of which are classified as Occupational Health Risks (e.g., Asbestos, Hazardous Substances, Manual Handling etc).
- 4.21 Council has a legal obligation under section 36 (3(g)) of the Health and Safety at Work Act 2015 to '*ensure, so far as reasonably practicable, that the health of workers and the conditions at the workplace are monitored for the purpose of preventing injury or illness of workers arising from the conduct of the business or undertaking*'.
- 4.22 In order to identify and manage the health risks to Council workers that arise from the work tasks that they do, Council needs to both monitor the exposure and monitor the health of workers. The type of monitoring required depends upon the type of work being undertaken.
- **Occupational Exposure monitoring** measures and evaluates what workers are being exposed to while they are at work. Examples of exposure risks are noise, vibration, dusts/fibres/particulates, gases/fumes, pathogens, extremes heat/cold/Exposure. Exposure monitoring must be carried out by suitably qualified Occupational Hygienists. (*Note: An update on Exposure Monitoring was provided to the subcommittee at its September 2022 meeting*).
  - **Occupational Health monitoring** looks at whether a worker's health is being harmed because of what they are being exposed to while they are at work. Occupational Health monitoring involves a range of medical screening tests (dependant on the risk) that must be carried out by suitably qualified medical practitioners.

- 4.23 Council has a well-established Occupational Health monitoring programme and contracts a qualified Occupational Health Nurse to undertake the health monitoring screening.
- 4.24 In-line with WorkSafe approved practices, Health Monitoring is undertaken for staff identified in 'at risk roles', beginning with a preemployment screen for a candidate seeking employment in one of these roles. Once employed they receive annual health monitoring thereafter until the end of their employment where they will then be offered an exit medical screen.
- 4.25 During the 2022/2023 Financial year, 116 people (employees and candidates for employment) were screened by Council's contracted Occupational Health Nurse. This included all pre-employment, annual and exit medicals. The following graph provides a comparison with the previous two years, and as you can see numbers of staff enrolled within this programme have remained relatively stable over this period.



- 4.26 The screening tests undertaken are role dependant and can include audiometry, spirometry (lung function), vision screening, blood tests, vaccinations, blood pressure checks, physical examinations, muscular-skeletal screening, vibration screening, skin screening, asbestos medical examinations etc.
- 4.27 All screening is undertaken in accordance with WorkSafe and Ministry of Health requirements and guidelines including the requirements for informed consent and patient confidentiality. Individual records are maintained by the Occupational Health Nurse in accordance with the provisions of the Privacy Act. Any refusal to undertake monitoring is managed by the HSW Manager in accordance with WorkSafe NZ Guidelines and Employment Policies.
- 4.28 The Occupational Health Nurse provides Council with a detailed annual report, confirming whom has had testing (but not individual results), and trends by work group. With regards to any sub-optimal screening results for an individual employee, the Occupational Health Nurse will refer them to their General Practitioner or Appropriate Medical Provider (e.g., Optometrist, Audiologist) and follow up to see if the issue is now managed and they are fit for work. If the issue is still of concern, then the employee is referred to the HSW Manager, who will meet with the employee to talk through their situation in accordance with Council's Rehabilitation and Fit-for-Work Policy.

### Attachments:

There are no attachments for this report.





# HASTINGS DISTRICT COUNCIL

## RISK AND ASSURANCE COMMITTEE MEETING

MONDAY, 31 JULY 2023

Item 12

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### RECOMMENDATION TO EXCLUDE THE PUBLIC

#### SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

THAT the public now be excluded from the following part of the meeting, namely:

- 13 Health & Safety Contracts - Contractors' Health & Safety Performance Report**
- 14 Building Warrant of Fitness (BWof) for Boarding Houses**

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

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<i>GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED</i>	<i>REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED</i>	<i>GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION</i>
<b>13 Health &amp; Safety Contracts - Contractors' Health &amp; Safety Performance Report</b>	<b>Section 7 (2) (b) (ii)</b> The withholding of the information is necessary to protect information where the making available of the information would be likely to unreasonably prejudice the commercial position of the person who supplied or who is the subject of the information. The report contains sensitive Health & Safety information relating to third party activities..	<b>Section 48(1)(a)(i)</b> Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.
<b>14 Building Warrant of Fitness (BWof) for Boarding Houses</b>	<b>Section 7 (2) (a)</b> The withholding of the information is necessary to protect the privacy of natural persons, including that of a deceased person. Protect the privacy of natural persons.	<b>Section 48(1)(a)(i)</b> Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.