

Notice is hereby given of the

## **Risk and Assurance Committee - Komiti tūraru me te whakaaetanga**

**Wednesday 11 December 2024 at 1:00 pm**

Environment Southland Council chamber, 220 North Road, Invercargill  
24/R&A/74

### **Committee Members**

Mr Andrew Douglas (Independent Chair)

Cr Alastair Gibson

Cr Lyndal Ludlow

Cr Jeremy McPhail

Cr Phil Morrison

Cr Jon Pemberton

Cr Maurice Rodway

Chairman Nicol Horrell (*ex officio*)



# Agenda

*This meeting will be livestreamed through YouTube and will be available to view on our website.*  
<https://www.es.govt.nz/about-us/live-stream>

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Amy Kubrycht

**General Manger People & Governance**

RECOMMENDATIONS IN COUNCIL REPORTS ARE NOT TO BE CONSTRUED AS COUNCIL POLICY UNTIL ADOPTED BY COUNCIL

## Terms of reference - Risk and Assurance Committee

The council assigns the committee responsibilities from time to time, and the committee provides advice and reports to the Council on governance, risk management, and internal control.

The committee will review the effectiveness of the following aspects of governance, risk management and internal control:

1. Oversight of risk management across Council (including Council controlled organisations). This incorporates corporate disciplines and systems and infrastructure and facilities, including:
  - risk policy, framework and strategy;
  - Council's "risk appetite" statement;
  - the effectiveness of risk management and internal control systems including all material financial, operational, compliance and other material controls including health and safety and business continuity and resilience;
  - new and/or emerging risks, and any subsequent changes to risk register;
  - draw Council attention to any other issues that the committee believes may negatively impact attainment of organisational mission and/or goals.
2. Internal and external audit and assurance, including:
  - internal audit plans and programmes of work;
  - assurance reports dealing with audit findings, conclusions and recommendations (including CCOs);
  - management of the relationship with Council's external auditors;
  - management's responsiveness to findings and recommendations;
  - the Office of the Auditor General plans, findings and other matters of mutual interest.
3. Integrity matters, including employee, contractor and elected member interests and ethics- based policies and issues.
4. Monitoring of compliance with laws and regulations.
5. Significant projects and/or programmes of work focussing on the appropriate management of risk.
6. Council's compliance with the requirement to prepare external information through its long-term plan, annual plan and annual report and other external reports required by statute.

## **1 Welcome I Haere mai**

## **2 Apologies I Ngā pa pouri**

At the time of the agenda closing, no apologies had been received for this meeting.

## **3 Declarations of interest**

At the time of the agenda closing, no declarations of interest had been received for this meeting.

## **4 Public forum, petitions and deputations I He huinga tuku korero**

At the time of the agenda closing, no public forum, petitions or deputations were received for the meeting.

## **5 Confirmation of minutes I Whakau korero**

Attached are the minutes from the Risk and Assurance Committee meeting held 9 October 2024.

## Minutes of the Risk and Assurance Committee - Komiti tūraru me te whakaaetanga

Held at Environment Southland, 220 North Road, Invercargill  
on Wednesday, 9 October 2024 at 10:00 am

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### Present:

Mr Andrew Douglas (Independent Chair)  
Cr Alistair Gibson  
Cr Lyndal Ludlow  
Cr Jeremy McPhail  
Cr Phil Morrison  
Cr Jon Pemberton  
Cr Maurice Rodway  
Chairman Nicol Horrell (ex officio)

Ms Wilma Falconer (Chief Executive)  
Mrs Bethia Gibson (Acting General Manager, Corporate Services)  
Ms Mariette Geldenhuys (Meeting Secretary)

## 1 Welcome I Haere mai

The chairperson welcomed everyone to the Risk and Assurance committee meeting for Wednesday 9 October 2024, and opened the meeting with a karakia.

## 2 Apologies I Ngā pa pouri

### Resolved:

**Moved Cr Ludlow, seconded Cr Pemberton that apologies for lateness be accepted on behalf of Chairman Horrell.**

Carried

## 3 Declarations of interest

At the time of the agenda closing. No declarations of interest had been received for this meeting.

## 4 Public forum, petitions and deputations I He huinga tuku korero

At the time of the agenda closing, no public forum, petitions or deputations were received for the meeting.

## 5 Confirmation of minutes I Whakau korero

### Resolved:

**Moved Cr Ludlow, seconded Cr Rodway that the minutes of the Risk and Assurance committee meeting held on 11 September 2024 be confirmed as a true and accurate record.**

Carried

Risk and Assurance Committee - Komiti tūraru me te whakaaetanga - Minutes - 9 October 2024



## 6 Notification of extraordinary items/urgent business | He panui autia hei totoia pakihi

At the time of the agenda closing, there had not been any extraordinary or urgent business notified.

## 7 Questions | Patai

At the time of the agenda closing, no questions had been received.

## 8 Chairman and councillors reports | Ngā purongo-a-tumuaki me ngā kaunihera

There were no Chairman or councillor reports.

## 9 Reports

### 9.1 2023-24 Annual Report and Summary

The purpose of this item was for the Committee to review the draft 2023-24 Annual Report and draft 2023-24 Annual Report Summary ahead of the adoption at the Extraordinary Meeting of Council on 23 October 2024.

The committee asked management to review some aspects of the report, and make changes or add further information to make it easier for readers of the report to understand Council's performance.

#### **Resolved:**

**Moved Cr McPhail, seconded Cr Ludlow that Council:**

- 1 receive the report - 2023-24 Annual Report and Summary;**
- 2 receive the draft 2023-24 Annual Report;**
- 3 receive the draft 2023-24 Annual Report Summary;**
- 4 request the provision of additional information as discussed during the meeting;**
- 5 request changes to the information as discussed during the meeting;**
- 6 recommend the 2023-24 Annual Report to Council for adoption at its extraordinary meeting 23 October 2024, subject to any final changes required by Council and/or the audit team.**

**Carried**

*10:30 – Cr Gibson left the meeting.*

## 10 Extraordinary/urgent business | Panui autia hei totoia pakihi

There were no notifications of extraordinary or urgent business.



## 11 Public excluded business | He hui pakihī e hara mo te iwi

**Resolved:**

Moved Chairman Horrell, seconded Cr McPhail that in accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest/s protected by section 7 of that act, that the public be excluded from the following parts of the proceedings of this meeting, namely:

Confirmation of public excluded minutes - Risk and Assurance Committee meeting 11 September 2024.

- 11.1 2023-24 Audit Management Report
- 11.2 Governance Level Risk Management Overview

The general subject matters to be considered while the public is being excluded, the reason for this resolution in relation to the matter, and the specific grounds for excluding the public, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are set out below:

GENERAL SUBJECT MATTER	REASON FOR PASSING THE RESOLUTION	GROUNDS UNDER S.48(1)
Confirming of public excluded minutes – Risk and Assurance Committee meetings 11 September 2024	To prevent disclosure or use of official information for improper gain or advantage	S.7(2)(j)
11.1 2023-24 Audit Management Report	To carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations).	S.7(2)(i)
11.2 Governance Level Risk Management Overview	To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	S.7.(2)(h)

**Carried**

## 12 Termination

There being no further business, the chairman closed the meeting at 12:40 pm.

## **6 Notification of extraordinary items/urgent business I He panui autaiā hei totoia pakihi**

At the time of the agenda closing, no notifications of extraordinary or urgent business had been notified.

## **7 Questions I Patai**

There were no questions asked by the councillors.

## **8 Chairman and councillors reports I Ngā purongo-a- tumuaki me ngā kaunihera**

At the time of the agenda closing, no Councillor Reports were received for the meeting.

## 9 Reports

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### 9.1 Risk Management Report

**Report by:** Tania Cribb, Risk Assurance & Internal Audit Officer

**Approved by:** Amy Kubrycht, General Manager People & Governance

**Report Date:** 11 December 2024

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#### Purpose

To provide an update to the committee on organisational risk, the risk management programme, and the business continuity programme.

#### Summary

This report provides an update to the committee on the risk management programme and associated work within the organisation. This report excludes risks related to health and safety, which are reported separately.

#### Recommendation

**It is recommended that the Risk and Assurance Committee resolve to:**

- 1 Receive the report - Risk Management Report.

#### Background

##### Risk Management Programme

The Risk Management Framework document and policy were approved by the executive and presented to this committee in June 2024.

With the foundational risk management documents now completed, the focus has shifted to operational risk management. This approach concentrates on the operational and day-to-day risks encountered and managed within teams.

We have developed a "how-to" guide to support staff in identifying, documenting, assessing, and managing operational risks. This guide covers the basics of risk management, clarifies its scope and limitations, and outlines the types of risks typically encountered at Environment Southland. It provides staff with instructions for identifying and assessing risks using likelihood and consequence tables, understanding preventive and mitigating controls, and applying tools like "bow-tie analysis" to map these controls. The guide also outlines the process for reporting and escalating both emerging and identified risks, specifying who should be informed. Additionally, template documents, including departmental risk registers and bow-tie analysis templates, have been created to complement the "How-to Guide."

We will first introduce an overview of our risk management program and the above-mentioned guide and templates to the Leadership Forum, allowing for a Q&A session. This will allow the departmental managers an opportunity to understand the risk management approach we are introducing ahead of meetings with their staff.

The next steps are to continue to develop a shared understanding of risk management across the organisation with staff regularly attending department meetings to support staff to refresh and refine identification of operational risks and their controls.

Updates on actions and delivery timelines for outstanding elements are as follows:

Element	Description	Status
Risk Management Framework implementation programme across the organisation	<ul style="list-style-type: none"> <li>Develop tools to allow staff to record, assess and manage operational risks.</li> </ul>	November 2024
	<ul style="list-style-type: none"> <li>Develop and deliver a presentation to the leadership forum/tier 3 managers.</li> </ul>	November/December 2024
	<ul style="list-style-type: none"> <li>Introduce risk management at divisional Team meetings.</li> </ul>	December 2024
	<ul style="list-style-type: none"> <li>Regular attendance at team meetings and support as required</li> </ul>	Ongoing from December 2024

### Strategic Risk Deep Dives

At each committee meeting, in-depth reviews of our top risks are presented to this committee. These comprehensive reviews enable risk owners to gain a thorough understanding of each risk, support informed decision-making for effective management, and offer assurance to governance that risks are well-understood and actively managed.

The table [attached](#) details the deep dives that will be presented to the committee over the coming meetings.

Deep dives due to be presented to this committee include:

- ‘We manage health & safety risks which may adversely affect staff and the community’

A workshop with the Executive was scheduled in November to review of the strategic risks, however this workshop has been postponed until Q3 at the earliest to allow new Executive members to settle into their roles. This change in scheduling will give the new Executive team time to undertake a review of their strategic risks and prepare for the workshop.

### Business Continuity Programme

Following the review of the Business Continuity training and the Exercise Kea report from Kestrel Group, the executive has been presented with the [attached](#) recommendations. After review, the Executive approved the final action plan, and actions will now be advanced in coordination with the organisation.

The focus has been on updating critical processes by meeting with each department manager to review the details of workarounds identified for these processes during the business impact analysis workshops. This approach has enabled managers to reassess the content of these workarounds, providing an opportunity to view the information with a fresh perspective. This has allowed managers to re-evaluate areas such as:

- Number of staff required for critical processes and/or number of available qualified staff
- IT requirements, particularly access to software and websites
- Internal resources, particularly complimentary business units
- External resources, particularly service providers

Some of these changes relate to improvements that have been made in some areas to qualified and available staffing and the addition of resources such as truck radios in Catchment Operations. Some managers removed specific staff names and moved to more generic job titles.

These processes clearly reflect our increasing reliance on IT hardware and software. This information will be shared with our Information Systems team and the Risk team will work with them to ensure we can support the inclusion of this information in their disaster recovery planning.

Work will continue to be progressed as per the attached action plan.

### Fit with strategic framework

OUTCOME	CONTRIBUTES	DETRACTS	NOT APPLICABLE
Managed access to quality natural resources			X
Diverse opportunities to make a living			X
Communities empowered and resilient			X
Communities expressing their diversity			X

### Attachments

1. Action plan BCP October 2024 [9.1.1 - 3 pages]
2. Schedule for Risks to be discussed at RAC Oct2024 (1) [9.1.2 - 1 page]

### Action plan

The following recommendations and associated actions are based on facilitator observations, debriefing and participant feedback forms.

Area	Comments	Action	Due	Responsibility
Business Response Team	Review primary and alternates nominated for the Business Response Team to ensure: <ul style="list-style-type: none"> <li>Right people are identified for the roles.</li> <li>Those functions that have limited resources e.g. Comms that there are alternates identified and trained within the organisation.</li> <li>Consider if CE and alternate are unavailable who would be responsible for the activation of the BRT?</li> </ul>	Review current BRT considering the following: <ul style="list-style-type: none"> <li>Should the BRT be role-specific or person-specific</li> <li>Is the person in the role the right person for the team?</li> <li>Authority to activate the BRT.</li> </ul> <u>Update:</u> BRT and alternates have been identified. The BRT is a combination of role-specific and person-specific. BCP will reflect the BRT however on completion of the organisational restructure, the BRT could change again. Training opportunities for the BRT are being considered once the organisational restructure is complete. Activation of the BRT in the absence of the CE/alternate would be an Executive Team member.	Complete	Paul le Roux/Amy Kubrycht
	Confirm the most appropriate communication medium to activate the BRT.	Agree on the preferred method of activation.	Complete	Paul le Roux/Tania Cribb
	Review BRT roles and responsibilities. Ensure all team members are familiar with the content of the plan e.g. forms, agenda guidelines etc.	Ensure all BRT have a copy of the plan and are familiar with their roles and responsibilities. This may require further training.	April 2025	Paul le Roux/Tania Cribb
	Undertake further exercises to provide continuing experiential training which will enhance ES's capability and capacity in responding to events impacting business-as-usual services e.g.	Schedule exercise within the next 12 months. <b>To be decided following completion of the organisation restructure</b>	March 2025	Paul le Roux/Tania Cribb

Area	Comments	Action	Due	Responsibility
	<ul style="list-style-type: none"> <li>utilise normal fire alarm testing to convene the team and consider the 'what ifs'.</li> <li>business response team table-top exercise using existing scenarios for those who were not present or for alternates to undertake the primary role for the experience.</li> <li>exercise incorporating the business e.g. managers/team leaders</li> </ul>			
BCP	Update plans to incorporate changes identified during training/exercise. <ul style="list-style-type: none"> <li>review/update the activation/notification procedures.</li> <li>critical services list in order.</li> <li>include meeting agenda and relevant checklists.</li> </ul>	Update the plan accordingly and to incorporate Kestrel's comments. <b>To also include changes to the organisational structure</b>	31 December 2024	Tania Cribb/Kestrel Group
	Review and update processes identified during Business Impact Analysis workshops to confirm criticality timeframes.	Review all BIA's and review/agree with all departments on their critical processes and timeframes.	Completed	Tania Cribb/Kestrel Group
	Review and update critical process workarounds to reflect the impact if IT and/or laptops are unavailable, and staff do not have personal devices.	Agree with all departments on their critical processes and resources.	Completed	Tania Cribb
	Identify critical staff to undertake contingency strategies albeit for a limited timeframe.	Agree with all departments on their critical processes and resources. <b>To be decided following completion of the organisation redesign process</b>	April 2025	Paul le Roux/Tania Cribb
Evacuation	Ensure wardens (if the chief warden is unavailable) are familiar with the requirements of the business response team e.g. regular updates.	Provide information on BRT to the deputy fire warden. Consider having more than 1 deputy.	Complete	Paul le Roux

Area	Comments	Action	Due	Responsibility
	Consider the implications of staff taking laptops, and phones (in a backpack) in an evacuation.	<p>Create an IT equipment cache or grab bag that is stored in an alternate location.</p> <p><u>Update:</u> There is no need for an IT equipment cache or grab bag. With the wider use of Cloud-based access, most IT applications are accessible remotely. Access for server-based applications will be accessible via VPN. Staff are in the habit of taking IT home with them. If there is a total loss of building, IT will be able to recall any IT that individuals have at home, both personal and work. Phones are also a good resource allowing for initial communications in an event.</p>	Complete	Jane Carroll
	Familiarise all staff of expectations if unable to return to the facility during an evacuation e.g. relocating to an alternate temporary location, contacting staff who are at offsite meetings etc.	Discuss with fire wardens and ensure the procedure is updated.	Complete	Paul le Roux
	Review facilities available in the church e.g. kitchen, and office and determine if a BRT resource kit could be stored securely on site.	Review facilities for adequacy to run a response.	Complete	Paul le Roux

## Schedule for Risks to be discussed at Risk Assurance Committee Meetings 2024/25

Risk Item	Responsible ELT Member	Audit and Risk Committee meeting
<ul style="list-style-type: none"> <li>• BS1 – Our information systems function effectively (cyber, hardware failure, data corruption)</li> <li>• SSE1 – Community and stakeholders support councils approach to delivering required outcomes</li> </ul>	GM Business Services GM Strategy, Science and Engagement	16 Nov 2023
<ul style="list-style-type: none"> <li>• CE2 – We have a good understanding of Te Tiriti and relationships with iwi</li> </ul>	Chief Executive	27 March 2024
<ul style="list-style-type: none"> <li>• CE3 – We have effective leadership and decision making</li> <li>• BS2 – We have key information to enable effective decision making</li> </ul>	Chief Executive GM Business Services	19 June 2024
<ul style="list-style-type: none"> <li>• PC4 – We are resilient to disruptions caused by natural disasters and/or similar man-made events</li> </ul>	GM People and Customer	11 September 2024
<ul style="list-style-type: none"> <li>• PC1 - We manage health &amp; safety risks which may adversely affect staff and the community</li> </ul>	GM People and Governance	11 December 2024
<ul style="list-style-type: none"> <li>• ICM1 - We provide equitable and sustainable assets that the community expects over the long term</li> <li>• PGR - We address sector reforms and adapt to change</li> <li>• SSE2 – We maintain momentum of direction of travel</li> </ul>	GM Integrated Catchment Management GM Strategy, Policy and Science GM Strategy, Policy and Science	Q3 2025
<ul style="list-style-type: none"> <li>• PC3 - We perform our work within a legal framework and complying with all legal obligations</li> <li>• BS3 - Our financial strategy provides affordable and sustainable assets and services that the community expects</li> </ul>	GM People and Governance GM Corporate Services	Q4 2025
<ul style="list-style-type: none"> <li>• CE1 - Central government have trust and confidence in council (as an organisation)</li> <li>• PC2 - We maintain staff capacity and capability</li> </ul>	Chief Executive GM People and Governance	Q1 2025

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## 9.2 Internal Audit report

**Report by:** Tania Cribb, Risk Assurance & Internal Audit Officer

**Approved by:** Amy Kubrycht, General Manager People & Governance

**Report Date:** 11 December 2024

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### Purpose

To update the committee on Council's internal audit programme, and progress and actions arising from two recent internal audits.

### Summary

This report provides an update to the committee giving an overview of, and update on, the internal audit programme being undertaken by PwC. It also provides an update on the two audits that PwC have undertaken and proposed future audits.

### Recommendation

**It is recommended that the Risk and Assurance Committee resolve to:**

- 1 Receive the report - Internal Audit report.

### Report

#### Internal audit programme overview

Internal audit, along with risk management, business continuity, and legal compliance, forms the foundation of total assurance, which is essential for effective governance. Good governance fosters trust and confidence in public services and empowers decision-makers to make well-informed decisions.

Internal audit by definition is:

- an independent assurance activity;
- designed to add value and improve an organisation's operations;
- helps an organisation accomplish its objectives.

PwC has begun to undertake a rolling programme of audit activity for a period of three years, focusing on the following key areas:

- procurement/contract management – completed in March 2024;
- asset management – completed in June 2024
- accounts payable/accounts receivable – delayed due to organisational restructuring
- cyber security;
- payroll;
- rates process;
- stakeholder engagement;
- legislative compliance.

Once an audit has been undertaken by PwC, a report is submitted for review by the responsible General Manager. PwC then reports its findings to this committee and an action plan is agreed. Progress on actions is to be reported to this committee.

## Status of the 2024 internal audit programme

The table below summarises our progress with the internal audits planned for 2024

Programme	Action	Estimated Completion
Procurement/contract management	<ul style="list-style-type: none"> <li>Audit completed.</li> <li>Work has commenced on elements of the action plan proposed in PwC's report; however, the plan is now being reviewed after a change in General Manager.</li> </ul>	June 2024 See below progress update
Asset management	<ul style="list-style-type: none"> <li>Programme of work scoped.</li> <li>Field work completed.</li> <li>Draft report received and being reviewed by management</li> </ul>	May 2024 June/July 2024 August 2024
Next audits to be identified	Programme of work to be defined – see note below	Moved to 2025

## Progress Updates

### ❖ Procurement/contract management action plan progress

Following a change in General Manager, there has been a review of the audit report's recommendations, and the work programme has been reshaped. The key actions that have been agreed and resourced are:

- Review and update the procurement policy and guidance
- Develop and roll out guidance on contract management
- Continue the rollout of the new centralised contract register and associated training
- Develop a new process which requires contracts to be reviewed as part of the invoice approval process
- Develop a business case for a technology solution that uses automated workflows and enforces segregation of duties as part of the invoice approval process, and supports the use of purchase orders
- As part of the organisational redesign project, develop a new role that focuses on supporting good procurement and contract management practices

The next set of key actions will be:

- If the business case is approved, implement the solution
- If a new role is formed and filled, develop a programme of work that supports improved procurement and contract management activity

### ❖ Asset management internal audit

PwC has provided its draft report for the recent asset management audit and feedback was provided. A revised report was provided by PwC in late October and has been considered by the Executive. A management response to the audit is being prepared and will be presented to the Committee at its next meeting.

### ❖ Proposed upcoming internal audits:

The proposed internal audits of accounts payable and receivable, and cyber security have been deferred until next year.

- The accounts payable and receivable audit one would best be done after the technology solution to support good procurement and contract management had been operational for at least 4 months.
- The cyber security audit is scheduled for Q1 in 2025, and the terms of reference will be shaped up before the end of this calendar year so that work can commence on the audit early in the new year.

## Fit with strategic framework

OUTCOME	CONTRIBUTES	DETRACTS	NOT APPLICABLE
Managed access to quality natural resources			X
Diverse opportunities to make a living			X
Communities empowered and resilient			X
Communities expressing their diversity			X

## Attachments

Nil

## 9.3 Health and Safety Report

**Report by:** Paul le Roux, Health, Safety & Risk Manager

**Approved by:** Amy Kubrycht, General Manager People & Governance

**Report Date:** 11 December 2024

### Purpose

To provide a report on the operation of the Health, Safety, and Wellbeing (HSW) Management System.

### Summary

The Council operates a Health, Safety and Wellbeing Management System that is subject to continuous improvement. The following summarises the activity in the quarter to 30 September 2024:

- 15 Incidents with 1 requiring first aid treatment, 1 near miss, 3 no treatment, 4 psychosocial/wellbeing, 6 vehicle/property damage (none of which are due to speeding).
- 35 staff attended various trainings since the last report.
- Update on Aggressive Customer Task Force activities.
- H&S support on Waituna lagoon reopening.
- Update on AvidPlus audit recommendations.
- 37 Catchment Operations contractors' health and safety annual assessments approved.

### Recommendation

**It is recommended that the Risk and Assurance Committee resolve to:**

- 1 Receive the report - Health and Safety Report.

### Background

It is intended that the Council receive updates on the organisation's health, safety and wellbeing activities. These updates include a quarterly governance report on the implementation, development and operation of the health, safety and wellbeing management system.

### Operations Report

#### General operations

One (1) injury was reported, requiring first aid treatment for a cut finger. No medical treatment cases were reported for this quarter. There has been a reduction in aggressive customer-related incidents; however, a concerning incident was reported. Further information on the incident is shared in this report's notable incident/events section.

The HSW team supported the Catchment Operations team with the Waituna Lagoon reopening. The team assisted with developing an appropriate health and safety plan and was onsite to review H&S arrangements. The opening proceeded safely and without any incidents.

The HSW team has continued supporting the Catchment Operations team with their contractors' health and safety annual assessments. Contractors are assessed as new or reregistering of hourly catchment rates. There has been a real focus on contractor training records, especially any contractors that use chainsaws for any hazardous tree removal, e.g., willows in waterways. New contractors are assessed against our pre-qualification criteria, which include training records, hazard register, emergency procedures, PPE register, accident register, and plant and equipment checklist. 37 contractor reviews have been completed to date and have been loaded into Cotiss, which is the new contractor register software.

For employees to take reasonable care of their own health and safety, it is crucial for Environment Southland to provide them with suitable induction, relevant information, adequate training, instruction or supervision. The following table shows the work that we have done in this area for the reporting period.

Table 1: summary of the health and safety training activities undertaken for this reporting period.

Course	Attendance
New H&S inductions – Employees	6
New H&S inductions – Contractors	2
First Aid Training Foundation (Level 1)	5
First Aid Revalidation	11
CERT Situational Safety Training	12
Permit Issuer	3
Permit Receiver	3

General operational activities are summarized in Table 2 – Operational activities.

Item	Descriptor	Frequency	Update
H&S Rep Committee meetings	Meetings are held monthly, and agenda and minutes available to all staff on the Intranet	Monthly	One meeting is held each month, as scheduled, during the period, (except for January). Next meeting December 2024.
Electrical tag and test	Annual check of Environment Southland equipment, computers and cords to ensure new or replacement items are compliant	Annually	Completed in May 2024. The next check is scheduled July 2025.
Hazardous substances register	All chemicals on-site checked against the chemical register and material data sheets	Ongoing	Completed October 2023. The next scheduled audit is October/November 2024.
Hazards and risk ID	Full Environment Southland hazard register review	Annually	The entire register is being reviewed and updated as part of the organisation-wide risk review
Compliance – External audit	External third-party audit	Ongoing	The last audit was undertaken in 2023. The next audit is scheduled in November 2025.
Vehicle first aid fire/extinguisher checks	Review of all extinguishers and first aid kits for the Environment Southland fleet vehicles	Annually	Completed September 2024 Next review September 2025

### Notable incidents/events

A trespass notice has been issued against a person who became aggressive towards staff responding to a pollution line report of an unauthorised burn. Bodycam footage of the incident has been supplied to police, who will decide if criminal charges are warranted. Environment Southland issues trespass notices when the safety and wellbeing of staff are being threatened. It is an infrequent penalty only used as a last resort. During the terms of a trespass notice (usually 6 months), should the individual require Environment Southland assistance, they are given a means to communicate and participate and a single point of contact

within the organisation. The notice, effective for all Environment Southland properties, will be in force for six months.

### **Continuous Improvement**

As previously reported, Environment Southland has set up an Aggressive Customer Task Force to risk assess and recommend treatments for the threat of aggressive behaviour towards staff. The task force activities for this reporting period have been to complete stage 3 and finalise a detailed recommended action plan. This plan will be presented to the Executive team for approval. The task force has now been disbanded and will only meet every 6 months to track progress against the final approved action plan.

This quarter, the HSW team commenced with a review of the Health, Safety and Wellbeing Management Manual documentation. The purpose of the manual is to ensure that systems and procedures are in place and consistently applied to guide, manage, and review the Health, Safety and Wellbeing Management System (HSWMS) for all of Environment Southland. The manual has 10 sections and includes a range of forms and templates. Sections 1 and 2 have been reviewed this quarter. The review is scheduled for completion in Q3 2024/25.

The Field Work Policy, which sets our standard for working in the field, is also under review and will be replaced with a Lone and Remote Working standard. This standard will set minimum requirements and is supported by a guidance document on how to meet the requirements in the standard. A first draft of the standard has been reviewed and will be going to the Health and Safety Committee for final review. The document will then be approved and disseminated across the organisation.

These reviews are part of the overall Health and Safety programme of work to make improvements to our HSWMS and to focus on and manage critical risk as recommended by our auditor.

### **Consultation**

The Health and Safety Committee (HSC) provides an opportunity to share divisional health and safety information, review policy, suggest improvements and provide guidance on health and safety matters to employees. The HSC is the link between the Officer of the PCBU and the workers to ensure there is a clear and effective communication pathway for health and safety issues. Health and safety representatives (HSR) attend monthly HSC meetings.

Lucy Hicks (General Manager Integrated Catchment Management) is the new Executive representative on the HSC and attended her first HSC meeting in July.

HSRs have expressed concern about the number of incidents involving aggressive customers. HSRs have gone back to their divisions to understand what checks are in place when dealing with potentially risky customers that will inform their risk assessments e.g., any warnings in the IRIS system. These checks have been shared by the HSRs at an HSC meeting.

HSRs have asked their divisions to collate what divisional training for high-risk activities is being undertaken and provide this information to the H&S team. This has been updated in our people management system – People inc.

Controls for 9” grinder disc use are not clear in the hazard register. 9” discs, if used incorrectly, are known to shatter causing significant injury. HSR confirmed that their divisions do not use 9” grinder discs. The Hazard register updated to reflect the ban on 9” grinder discs.

### **Assurance**

As previously reported, Robyn Bennett from AvidPlus undertook a health and safety audit in November 2023. The audit was a follow-up audit from 2021 and verified action taken on recommendations identified as part

of the 2021 assessment. See attachment 2 for an update on key observations made by the auditor and subsequent action taken to address them.

In September, annual vehicle fire extinguisher checks and services were undertaken. Building fire extinguishers were checked in August as part of the building warrant of fitness checks.

### Risk and hazard summary

EROAD reporting has been provided each month to managers since July and guidance has been provided to all managers in how to interpret those reports, and how to institute appropriate conversations with staff about that data. There has been little change in the number or types of events reported during this time. Environment Southland covers the second-largest geographical area of any regional council in New Zealand. EROAD is fitted to all ES vehicles and is an important tool in ensuring the safety and wellbeing of our staff in the field. The speeding events recorded are moderate short duration over-speeds consistent with travelling through changes in speed zones or overtaking.

The following are some key metrics for the quarter – July to September:

<b>Fleet number km's travelled</b>	198 917
<b>Total number of speeding events (exceeding+10km/h)</b>	884
<b>Total number of high (+20 km/h) speeding events</b>	39
<b>Harsh braking</b>	193
<b>Harsh acceleration</b>	35

### Health and Wellbeing

Mental Health Awareness Week was celebrated in September. The campaign raises awareness about mental health issues. Daily information was posted on Workplace for the week.

Workplace H&S awareness posts for the month included:

- Winter driving conditions
- September self-care calendar
- Sneeze and cough Etiquette

Routine support programs continued for the month:

- Regular employee assistance programme (EAP) onsite visits.
- Physiotherapist visits and inductions.

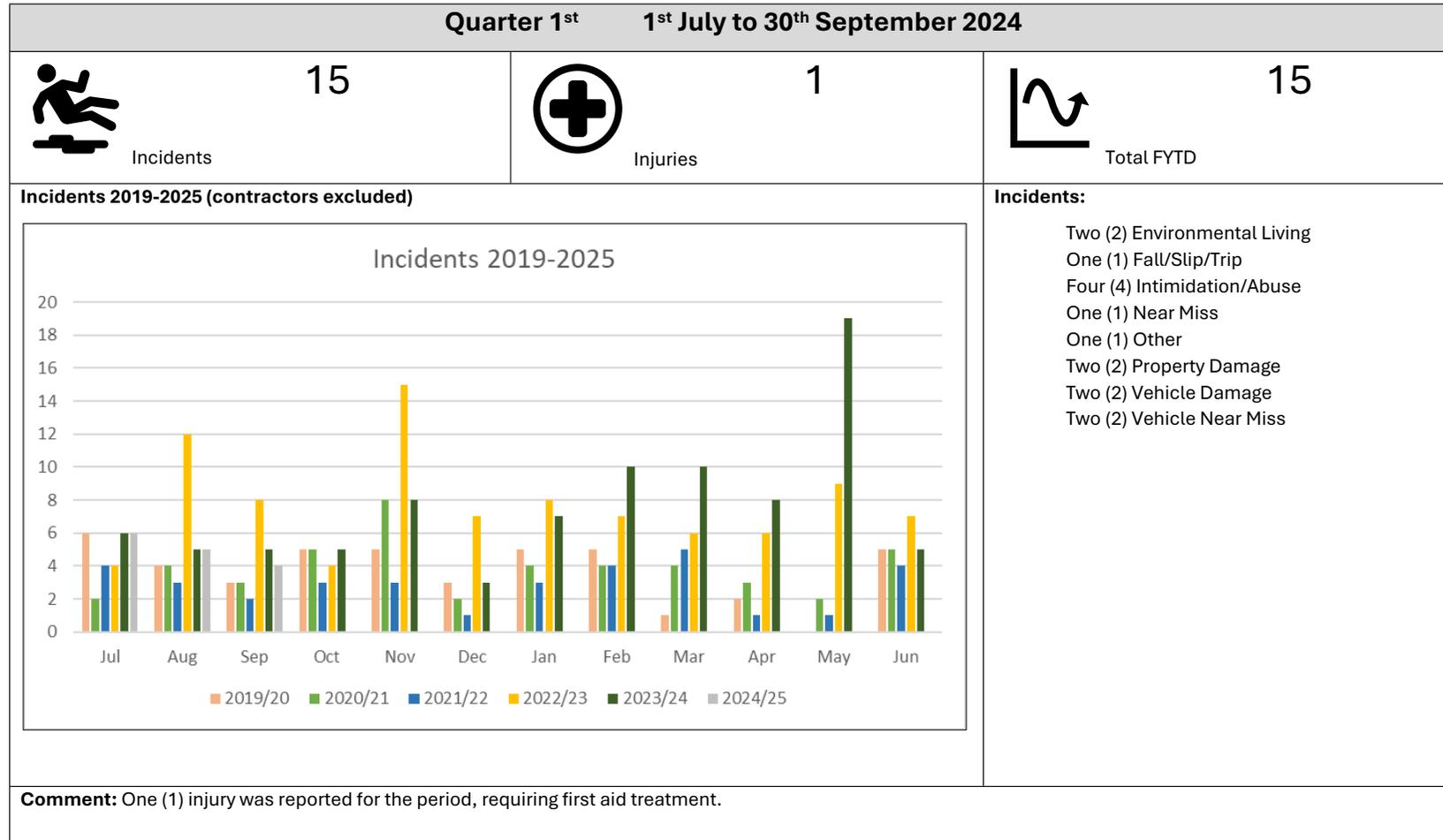
### Fit with strategic framework

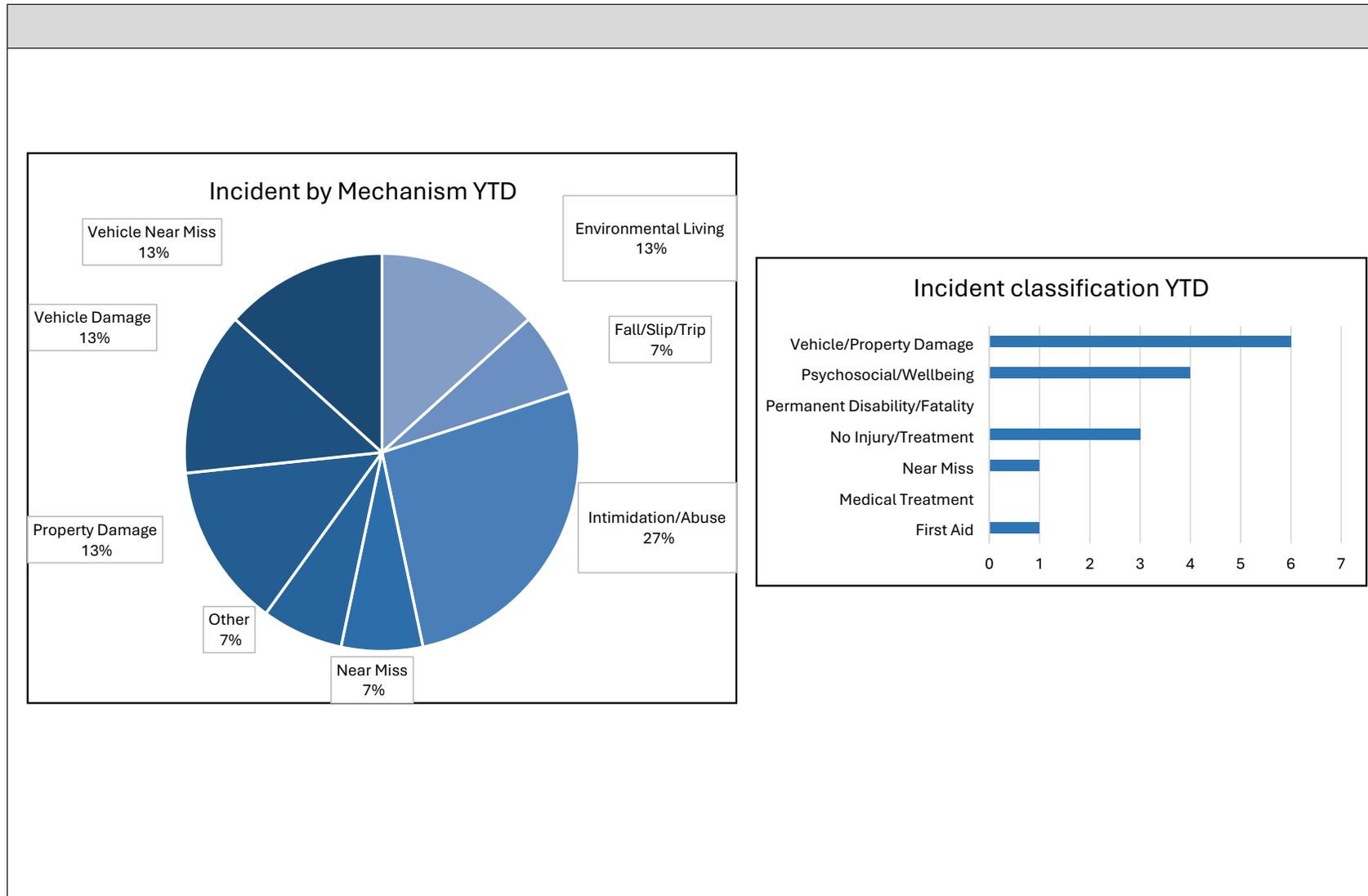
OUTCOME	CONTRIBUTES	DETRACTS	NOT APPLICABLE
Managed access to quality natural resources			X
Diverse opportunities to make a living			X
Communities empowered and resilient			X
Communities expressing their diversity			X

### Attachments

1. H S Report Attachment 1 Health and Safety Dashboard a (2) [9.3.1 - 3 pages]
2. Top audit findings v3 [9.3.2 - 3 pages]

**Attachment 1 - Health and Safety Dashboard**





**Attachment 2 - Definitions**

<b>SAFETY INCIDENT OR INJURY CAUSE</b>	
<b>Significant near miss</b>	One barrier away from a fatality, significant injury or significant damage
<b>Near miss</b>	A near miss is any safety situation that had the potential to cause harm but did not
<b>Vehicle near miss</b>	Relates to any vehicle, car, truck, Ute, motorbikes
<b>Vehicle damage</b>	Damage to a vehicle
<b>Property damage</b>	Property belonging to ES or public, damaged in any way excluding vehicles
<b>Chemical</b>	Covers all chemicals
<b>Intimidation</b>	Covers both verbal aggression and verbal threats
<b>Security</b>	Covers trespassing, bomb threats, protesters and shooters
<b>Hit by moving objects</b>	A person being hit by a moving object or the body hitting an object
<b>Non-movable objects</b>	Objects that are usually fixed or stationary e.g. doors, desks
<b>Fall/slip/trip</b>	Falls, slips and trips. Does not include fall from height
<b>Equipment failure</b>	Any situation where equipment has failed, it may/may not have caused injury
<b>Environmental climatic</b>	Hot, cold, wet or snow
<b>Environmental living</b>	Fauna or flora e.g. stings, bites, animals
<b>Electricity</b>	Any exposure to electricity resulting in electric shock
<b>Body stressing</b>	Stress or pressure applied to the body by a movement or activity, resulting in body tissue being pulled stretched, compressed or crushed

<b>INCIDENT CLASSIFICATION BY TYPE</b>	
<b>No Injury/treatment/damage</b>	An incident occurred but no injury or minor injury/damage has been sustained and no treatment or repair required
<b>EAP / support</b>	Support available to staff where there might be a situation where they may be distressed in some way. There are varying levels of support depending on the situation
<b>Vehicle/equipment damage</b>	A vehicle or property has required to be repaired, often will involve insurance
<b>First Aid (FA)</b>	Immediate treatment that requires no further intervention from a health professional
<b>Medical treatment (MTI)</b>	This incident <u>may require</u> to be notified to WorkSafe. Treatment is given by a health professional and can often lead to loss time from work
<b>Permanent disability/fatality</b>	Highest level of severity, this incident <u>will require</u> to be notified to WorkSafe

**Attachment 2** - AvidPlus Health and Safety Audit – Summary of high-risk areas

AUDITOR COMMENT	PROGRESS UPDATE FOR QUARTER	RAG	DUE DATE	FURTHER ACTIVITIES TO BE UNDERTAKEN
Health and safety critical risks are still under development with one completed to date. This requires continued attention, and additional resources such as personnel and capital expenditure may be required.	<ul style="list-style-type: none"> <li>3 risks have undergone further assessment using bowtie methodology.</li> <li>4 deep dives have been undertaken and reported to RAC</li> <li>Bowtie assessment for the risk working in and around water has been completed this quarter.</li> </ul>	On track	Q3 2024/25	Assesses the effectiveness of controls which will be part of our health and safety internal audit program which is currently underway.
Oversight of training compliance remains a risk to the organisation which requires action and ongoing monitoring.	<ul style="list-style-type: none"> <li>People and Capability (P&amp;C) and H&amp;S continue to work on future training framework.</li> <li>A digital HRIS (human resource information system) has been identified, and the Information Systems team is supporting the development of a business case.</li> </ul>	On track but at risk- Resourcing to administer the training framework and potential delay in procuring and implementing a digital HRIS	Q4 2024/25	<ul style="list-style-type: none"> <li>Consolidation of all H&amp;S training which is then managed by a single control point and budget.</li> <li>Develop a comprehensive training matrix for each role.</li> </ul>
Contractor management is a risk area for the organisation, and as such Executive oversight on adherence to processes is crucial.	<ul style="list-style-type: none"> <li>Annual Catchment Operations contractor H&amp;S assessment (pre-qualification) have been completed. New contractors</li> </ul>	On track	Q2 2024/25	<ul style="list-style-type: none"> <li>New contractor management software and procedure to be rolled out across all divisions.</li> <li>Undertake a program of contractor compliance audits to assess compliance against our health and safety requirements.</li> </ul>

AUDITOR COMMENT	PROGRESS UPDATE FOR QUARTER	RAG	DUE DATE	FURTHER ACTIVITIES TO BE UNDERTAKEN
	<p>will be continuously assessed when needed.</p> <ul style="list-style-type: none"> <li>Work on loading contractors into Cotiss (contractor register) has progressed since last report. Further teams' contractors have been added to Cotiss. User and Approver training has commenced.</li> </ul>			
Risk and assurance activities for health and safety via internal audit or similar requires implementation and support.	<ul style="list-style-type: none"> <li>The main program of work has started. Section 5, Plan and Review, of the health and safety manual addresses assurance activities. Section 5 has been reviewed and updated to reflect what a 12-month internal audit program will cover.</li> </ul>	On track	Q4 2024/25	<ul style="list-style-type: none"> <li>A full and comprehensive audit and inspection program and schedule needs to be developed. Environment Southland does not have an adequate internal H&amp;S assurance program.</li> <li>Further health and safety leadership development for people leaders to upskill them to undertake meaningful audits and inspections.</li> <li>Consideration needs to be given to procure a digital health and safety management system that can track incidents, audits and actions.</li> </ul>
Additional resources may be required to implement hazardous substance management requirements. Note that this is a regulatory requirement.	<ul style="list-style-type: none"> <li>Centralised data base complete and data sheets complete.</li> <li>Handling training and spill training needs have been identified and currently seeking a training provider. Training will commence in Q3 2024/25</li> </ul>	Complete	Q1 2024/25	<ul style="list-style-type: none"> <li>Risk assessments for hazardous chemicals to be undertaken in Q3 2024/25.</li> </ul>



## 9.4 Strategic Risk Deep Dive - We manage H&S risks

**Report by:** Paul le Roux, Health, Safety & Risk Manager

**Approved by:** Amy Kubrycht, General Manager People & Governance

**Report Date:** 11 December 2024

### Purpose

The purpose of this report is to provide a 'deep dive discussion' on an organisational risk – We manage health and safety risks that adversely affect staff and the community.

### Recommendation

**It is recommended that the Risk and Assurance Committee resolve to:**

- 1 Receive the report - Strategic Risk Deep Dive - We manage H&S risks.

### Background

Council identified what it considered its 'top risks' at the end of the last triennium. Since then, staff have been undertaking a programme of work to understand and articulate those risks in a way that enables Council to undertake due diligence across those risks.

This has involved the application of the 'bowtie' analysis methodology to those risks. This methodology uses a diagram that visualises specific risks in a single, easy to understand picture. The diagram is shaped like a bowtie, creating a clear differentiation between proactive risk management (which happens before a risk crystallises in order to prevent this or minimise the chance that it might) and reactive risk management (which focuses on mitigating the impact of the risk should it happen).

### Analysis

Risk Details		
<b>Name</b>	We manage health & safety risks which may adversely affect staff and the community	
<b>Details</b>	<b>Owner</b>	<b>Date of review</b>
	GM People and Customer	October 2024
<b>Current rating</b>	<b>Inherent risk</b>	<b>Residual risk</b>
	7 - Extreme	7 - Extreme
<b>Reviewed rating</b>	<b>Inherent risk</b>	<b>Residual risk</b>
	7 - Extreme	7 - Extreme

The "risk event" being addressed by this assessment is the *inability to adequately protect workers and the community, from hazards or events which compromise their physical and emotional wellbeing, while delivering Council services*. The above risk was considered in the context of what controls Council currently has, whether these are sufficient, and whether further controls are required. These controls are depicted in the table below.

Controls	
<b>Current preventative controls</b>	<ul style="list-style-type: none"> <li>• Policy, framework, and reporting align with legislative requirements and enable sound management and delivery of HSW</li> <li>• Other management systems and processes support the framework (e.g. Recruitment, accountability framework, electronic HS system, etc.)</li> <li>• Leadership of Health &amp; Safety is visible across the organization</li> <li>• Induction is prioritised, training is regularly undertaken, and competency assessed</li> <li>• Health and safety are resourced (people, money, time)</li> <li>• Work is considered, structured, and undertaken in a way that enables safe work practices</li> <li>• Staff are enabled and empowered to identify and manage health and safety.</li> <li>• HS reporting of lead and lag indicators</li> <li>• Performance management processes are effective and operative</li> <li>• Procurement and contract management (incl. HS prequalification of contractors) is done well</li> </ul>
<b>Current mitigating controls</b>	<ul style="list-style-type: none"> <li>• Policies, procedures and training</li> <li>• Appropriate types and levels of insurance in place</li> <li>• Current and effective BCP (including dedicated and trained incident management team)</li> <li>• Effective incident management, communications, PR, and support to those affected</li> <li>• Effective internal communications, access to EAP and other support</li> <li>• Stakeholder engagement and communication plans in place</li> <li>• BCP adhered to (and/or work prioritisation strategies applied)</li> <li>• Processes documented and appropriate record keeping in place</li> <li>• Access to specialist advisors</li> </ul>

## Overview

As a regional council, Environment Southland is responsible for the sustainable management of Southland's natural resources - land, water, air and coast - in partnership with the community. Southland region covers over 3.1 million hectares and spans 3400 km of coast. Environment Southland currently has 188 employees with 32 vacant roles (as of September 2024). Environment Southland has identified 5 critical health and safety risks. Critical health and safety risks are risks with a low probability but high impact in that they could lead to serious injury and harm.

Critical risks are:

- Vehicles and driving
- Working in and around water
- Lone and remote work
- People risk
- Helicopters (emerging risk)

In a typical week, Environment Southland staff could be wading through a river to look at algae one day, taking water samples in high river flows the next, and then driving off to calibrate monitoring equipment in a far-flung corner of Southland.

## Consequences

The Health and Safety at Work Act 2015 (HSWA) places a legal duty to keep our workers safe, but we also have a moral obligation not to harm those around us from any of our actions or inactions our employees may take when undertaking their work.

Poor health and safety management leads to increased accidents and injuries, resulting in physical and mental harm to employees, costly legal consequences, and operational disruptions. It damages our reputation, affects employee morale and productivity, and can lead to high absenteeism and turnover. Chronic health issues may arise from prolonged exposure to unsafe conditions, impacting workers' lives and imposing long-term costs to Environment Southland. Repeated incidents can attract regulatory scrutiny, and in severe cases, authorities may even shut down operations.

Failure to manage health and safety performance could significantly impact the communities we serve. When council-managed facilities and infrastructure aren't properly maintained, it increases the risk of accidents and injuries, potentially causing physical harm. Poor safety management can also lead to service disruptions, delivering critical and emergency services, affecting daily life and community well-being. Additionally, legal and financial repercussions from safety incidents can strain budgets, diverting funds from community projects and improvements. In the long term, the economic and social impacts of poor health and safety practices can lower the community's quality of life and hinder development efforts, making it essential to prioritise safe practices to support a thriving, resilient community.

## Prevention controls

Environment Southland has implemented a health and safety management system that meets the requirements of HSWA since its implementation in 2015. A health and safety management system (HSMS) is a system of processes that manages health and safety and maintains a high safety standard in the workplace. Environment Southland's HSMS includes an overarching commitment to manage and improve safety, processes to manage hazards, manage performance, manage contractors, employee participation, emergency procedures, and monitoring and reviewing. Together with our people and capability framework, a robust overall framework ensures that workers are kept informed and safe. Supporting our system are numerous digital tools and a large amount of documentation and data. Environment Southland is also connected to several local government interest groups that share information and expertise.

Environment Southland is committed to health and safety, and our leaders are committed to keeping workers safe. Leaders stay informed about health and safety by engaging in regular meetings with their workers and discussing and sharing health and safety practices. Leaders review incident reports and participate in managing health and safety in their areas of control. The Executive team, who hold duties as an officer under HSWA, receives regular updates and reports on health and safety performance. Health and safety performance is regularly discussed at executive meetings, and mitigation strategies are implemented to address health and safety issues and concerns. Reporting at Environment Southland is still focused mainly on lagging indicators. Reporting maturity is evolving at Environment Southland, and leading indicators are being considered as the organisation matures on its health and safety journey.

Members of the Executive Team have attended the Institute of Directors Advanced Health and Safety Governance training in 2023 and recently the Environment Southland became a member of the Business Leaders' Health and Safety Forum which is coalition of businesses and government leaders committed to improving the performance of health and safety in New Zealand. The Executive Team has been going into the field with teams to undertake safety visits. The purpose of these visits is to help the Executive Team to experience how health and safety is put into practice in the field. After each visit, feedback is given to the field team and the General Manager reports back to the Executive. There is also an Executive and management representative on the Health and Safety Committee.

Environment Southland is committed to equipping workers with the knowledge to recognize and handle unsafe situations and ensuring they are competent in delivering their work programmes. All new staff have a comprehensive induction programme that includes a general health and safety induction which provides workers with an understanding of potential hazards associated with their jobs and teaches them how to minimize risks, preventing accidents and injuries. Job specific training is also provided with regular refresher training to ensure skills are maintained. On-the-job training is also provided for certain roles, and any roles with statutory obligations are trained accordingly. Training is also extended to elected officials, which includes induction and specific training e.g. CERT. Health and safety expectations are also built into the performance management process at Environment Southland. A trained workforce positively impacts the community by enhancing public safety and fostering a culture of responsibility and well-being. Trained employees are also more empowered and engaged, often spreading a culture of safety awareness that extends beyond their workplace into their homes and community spaces.

Health and safety are priorities at Environment Southland, and all employees are empowered to stop work if they feel unsafe or if they observe unsafe work. There is a resourced health and safety team of 2 full-time employees to support the HSMS and to give advice. Employees scored "Health, safety and wellbeing is a priority at Environment Southland" in the top 10 questions (74%) in the recent Environment Southland survey, Our Voice; Waha korero 2023.

In addition, Environment Southland has employee representatives (health and safety reps) elected by their divisions. Health and safety reps are trained and meet regularly to provide support, advice, and recommendations to the Officer/s of the PCBU (CE and Executive).

When work is organised and structured with safety in mind, it becomes easier for workers to follow protocols and avoid potential hazards. A well-structured work environment reduces confusion and errors, as employees understand exactly how to perform their tasks safely and efficiently. Environment Southland does structure its work programmes but does not always put safety first. Often, work programmes have financial constraints, and therefore, costs can take precedence over safety in the planning stages. However, when the work is being executed, health and safety are at the forefront and generally structured into the physical delivery of the programme.

Environment Southland has obligations to consult, cooperate, and coordinate its activities with other PCBUs; therefore, assessing contractors before engagement provides a level of assurance. Environment Southland has processes in place to evaluate if contractors/consultants have health and safety systems in place that are satisfactory to Environment Southland's requirements. Environment Southland expects contractors to adhere to regulations, follow best practices, and prioritise risk management thus reducing the likelihood of accidents, environmental damage, and costly delays. By working with contractors who uphold high safety standards, Environment Southland demonstrates social responsibility, which strengthens trust and supports a safer, more sustainable community.

## Mitigating Controls

Mitigating controls minimise the impact should a risk materialise. Some of these controls are the same as preventative controls and have been discussed in the section above.

Environment Southland has several different types of insurance, the nature and type of which are reported through to this committee. These are reviewed regularly. The insurance market is becoming increasingly tight, and levels of cover are lowering as insurance premiums are increasing. As an example, the recent market exit by one of our insurance providers at short notice has resulted in a change in cover for our liability insurances which we will need to review during the coming year.

Environment Southland has a documented and tested business continuity plan (BCP). This plan identifies critical business functions, critical staff, critical IT, and maximum tolerable outage thresholds. Each critical business function has a “work around” if the tolerable outage has been reached. This plan is executed by a business response team that the Chief Executive activates. This plan is a “live” document and has already been through several edits to keep up with any new processes or staff changes. The plan is tested annually.

All safety incidents, accidents, work-related illnesses, and near misses must be reported, recorded, and investigated as soon after they happen as reasonably practical. Environment Southland has a strong reporting culture where employees feel encouraged to report all incidents, including near-misses, without fear of repercussions. Incident reporting provides valuable data that can reveal patterns, unsafe practices, or hidden hazards that may not be immediately visible. Investigating these incidents allows Environment Southland to identify root causes and an opportunity to address the underlying factors that contribute to unsafe conditions. Incident information is communicated at team meetings, health and safety committee meetings, and to the Executive as a monthly report. Environment Southland also uses safety alerts for any immediate actions after a significant incident.

Workers who have experienced safety incidents may face a range of physical, emotional, and psychological impacts. Physically, they may suffer injuries that range from minor to life-altering, potentially affecting their ability to work or perform daily tasks. Psychologically, they might experience anxiety, stress, or even post-traumatic stress, especially if the incident was severe. To support affected employees, Environment Southland does take compassionate and practical actions. Practical actions are immediate medical assistance, recovery and return to work plans. For psychological and emotional support, access to counseling services (EAP) is available to employees, which supports personal resilience. An EAP counsellor visits the Environment Southland offices weekly for a general walk around to chat to workers and offer support.

Internally, clear communication ensures that workers are informed about safety protocols, hazards, and preventive measures, which empowers them to take responsible actions, comply with regulations, and contribute to a safer workplace. Externally, communicating health and safety practices to the community, clients, contractors, and other stakeholders demonstrates transparency and accountability. This is particularly important where operations may impact the surrounding community or environment. Environment Southland has a dedicated and resourced stakeholder and communication function. There is a strategy in development on how Environment Southland engages with its stakeholders and how it communicates internally and externally.

Most of Environment Southland's health and safety processes are documented and are accessible digitally in the document management system, Objective. The health and safety intranet page provides quick access to the HSMS documentation with quick links to various other documentation. Statutory documentation is kept according to legislative requirements and privacy is maintained.

### Effectiveness of existing controls

Controls for managing health & safety risks that may adversely affect staff, and the community are generally in place; however, a recent follow-up external audit (November 2023) has been undertaken, and gaps have been identified. The audit covered a sample of documentation and a site inspection. Topics that were assessed included:

- Leadership and commitment
- Health and safety management
- Risk management
- Worker training
- Incident management
- Emergency management

- Contractor management
- Hazardous substances management

The auditor noted progress against previous audit findings and good support for health and safety activities at all levels across the organisation. The audit identified high risk areas that require attention. These actions and activities are reported quarterly to this committee in the health and safety report and where progress is being tracked. These findings also form part of the organisation's overall health and safety improvement programme.

## Conclusion

Environment Southland has health and safety processes in place to manage health & safety risks which may adversely affect staff and the community, and they generally meet the intention of HASWA 2015. However, there are improvements required in the systems and the culture to support where Environment Southland is on its health and safety journey. Processes are regularly audited and there are improvement programmes of work in place to address weaknesses which are reported through to this committee. Our health and safety culture is still very dependent on rules, regulations, guidelines, and reliance on supervision and enforcement from managers. Environment Southland is on the journey to becoming more interdependent, where the culture is more mature and collaborative, with employees at all levels taking shared responsibility for health and safety. Evidence of this is the improvements made in incident reporting, collaboration with the health and safety committee especially incident reporting, improved reporting to the Executive and the improved visibility of health and safety across divisions. Workers are increasingly taking the initiative and resolving risk issues before they escalate.

## Fit with strategic framework

OUTCOME	CONTRIBUTES	DETRACTS	NOT APPLICABLE
Managed access to quality natural resources			
Diverse opportunities to make a living			
Communities empowered and resilient			
Communities expressing their diversity			

## Attachments

Nil

## 9.5 2024-34 Long-term Plan Learnings

**Report by:** Dave Gibbs, Strategy & Partnership Manager

**Approved by:** Rachael Millar, General Manager Strategy, Policy & Science

**Report Date:** 11 December 2024

### Purpose

To provide the Risk and Assurance Committee with a summary of the key learnings from the 2024-34 Long-term Plan project and how these will inform future processes.

### Summary

The development of Environment Southland's 2024-34 Long-term Plan (LTP) involved a multifaceted process addressing organisational, local, regional, and global challenges, including organisation capability, core work programmes, financial sustainability, climate resilience, and community engagement. Complexity was added to the project and process with a rating review being run concurrently.

Following the adoption of the LTP in July 2024, a de-brief of the LTP project was conducted with Councillors through an online survey and Council workshop session. Three key questions were asked at the workshop:

- What were the positive aspects of the LTP?
- What were the negative aspects?
- What were the most significant learnings for you during the LTP?

Responses from both the survey and workshop have been reviewed and summarised in the report attached to this item, along with several recommendations.

Key successes identified included extensive community involvement, a strong collaborative effort between councillors and staff, and the professional delivery of the plan despite external pressures. Reported challenges included insufficient urban engagement, communication misalignment, and issues related to financial sustainability and ratepayer concerns. The learnings from this LTP cycle are key to informing future processes, ensuring more effective, inclusive, and transparent decision-making.

### Recommendation

**It is recommended that the Risk and Assurance Committee resolve to:**

- 1 Receive the report - 2024-34 Long-term Plan Learnings.

### Fit with strategic framework

OUTCOME	CONTRIBUTES	DETRACTS	NOT APPLICABLE
Managed access to quality natural resources	X		
Diverse opportunities to make a living	X		
Communities empowered and resilient	X		
Communities expressing their diversity	X		

### Attachments

1. 2024 11 19 LTP Debrief Report Councillors 1 [9.5.1 - 3 pages]

## De-brief and Learnings Report: Environment Southland 2024-34 Long-term Plan – Councillor Report

### Purpose

The purpose of this report is to provide a summary of the 2024-34 Long-term Plan (LTP) project de-brief undertaken by Environment Southland (ES) based on elected member responses to a de-brief survey, and Council workshop session. The report summarises key successes, challenges, and learnings from the LTP project, offering valuable insights to refine and improve future LTPs. Additionally, it provides recommendations to enhance the planning process, increase community engagement, and strengthen decision-making and communication for the next cycle.

### De-brief Findings

#### What worked well

- **Community engagement:**
  - Extensive early engagement was highlighted as a success, although outreach to urban populations could be improved.
  - Councillors and staff listened to a range of community groups, building on feedback to refine the plan.
  - The process supported democratic principles by including voices from across the region.
- **Collaboration and adaptability:**
  - High-quality staff contributions despite tight timeframes ensured the process was professional and comprehensive.
  - Councillors and staff worked together effectively, adapting to changing circumstances and addressing misconceptions with flexibility.
- **Process effectiveness:**
  - The timeline and structure provided focus and direction, and workshops were a valuable tool for collaboration.
  - A collective willingness to adapt ensured the plan met community needs despite external pressures.

#### Challenges and areas for improvement

- **Urban engagement and inclusion:**
  - A recurring issue was insufficient inclusion of urban populations, which created an imbalance that potentially favoured rural interests.
  - Councillors and staff must ensure urban communities feel equally heard and represented in future processes.
- **Leadership and communication:**
  - Differing levels of Councillor knowledge and participation.
  - More direct and transparent communication is needed to clarify goals and align staff and councillors before decisions are made public.
  - Instances of undermining and inappropriate public criticism affected trust and credibility.
- **Operational and financial sustainability:**
  - The process felt rushed at times, particularly near the end.
  - Financial concerns, such as debt sustainability and unsustainable rate increases, were frequently noted.

- o A rating review should have been a separate discussion, as it complicated the LTP process.
- **Community challenges and misconceptions:**
  - o Dealing with community misconceptions consumed significant time and effort.
  - o The growing fracturing and vulnerability of communities complicates engagement and planning.

### Key learnings

- **Community focus:**
  - o Greater focus on the urban population is necessary to balance engagement across the region.
  - o Ratepayer concerns and feedback should be incorporated earlier into the process.
- **Preparation and training:**
  - o First-time councillors need more support, including orientation on the LTP process, "war stories" from experienced councillors, and counselling to navigate the complexities.
  - o A mechanism for collective critical reflection during and after the process would improve alignment and outcomes.
- **Improved communication and tools:**
  - o The website and social channels are under utilised; these should be optimised to improve transparency and accessibility.
  - o Clearer and more direct communication would reduce misconceptions and foster alignment.
  - o Alignment on messaging before public release of information.
- **Process enhancements:**
  - o Introduce more concise planning at the start, tying in relevant workstreams and ensuring focused execution.
  - o Trust and mutual support among councillors and staff are crucial for managing tense situations effectively.
  - o Push learnings from this LTP process into the next cycle to refine and improve.
- **Adaptability to challenges:**
  - o Recognise that global influences and other external pressures will make future planning increasingly complex.
  - o Strengthen mechanisms to manage these evolving challenges, balancing immediate needs with long-term sustainability.

### Recommendations

The following recommendations have been developed based on the identified successes, challenges, and learnings.

1. **Start earlier**
  - o Begin the LTP process earlier to prevent rushing near the end and ensure alignment.
2. **Broaden engagement:**
  - o Actively reach out to a diverse range of communities through targeted engagement, ensuring that their needs and concerns are considered alongside those of rural communities. Of particular focus could be those communities and audiences that are less well represented through engagement and consultation.
3. **Provide better Councillor training and support:**

- o Develop a more comprehensive training package for new councillors as a part of their induction, including "war stories" from experienced councillors to prepare them for the LTP process.
- o Ensure that regular briefings and workshops for councillors take them on the LTP 'journey' to ensure they are well-informed and involved throughout the process.

**4. Enhance communication strategies:**

- o Develop a clear process to improve alignment between staff and councillors on messaging, ensuring consistent and clear communication before public announcements.
- o Ensure that the communication on separate discussions and options (ie rating review and the focus of the LTP) are clear throughout the process to prevent confusion and ensure focused discussions.
- o Optimise the website, social media, and other channels to provide accessible and transparent information to the public, reducing the risk of information overload.

**5. Incorporate a critical reflection mechanism:**

- o Implement a mechanism for collective reflection before, during, and after the LTP process. This would involve councillors and staff critically assessing the process, identifying areas for improvement, and incorporating learnings into future cycles.

**Conclusion**

The 2024-34 Long-term Plan process for Environment Southland, while largely successful in achieving its objectives, revealed several key areas for improvement. By addressing the challenges identified, particularly around engagement, communication, and financial sustainability, Environment Southland can further strengthen its planning process for future LTP cycles. Implementing these recommendations will ensure that the council is better positioned to serve the diverse needs of the community, build stronger governance frameworks, and deliver work programmes to achieve positive outcomes for Southland.

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## 9.6 Insurance update - November 2024

**Report by:** Tracey Adendorff, Team Leader Finance Operations

**Approved by:** Bethia Gibson, General Manager Corporate Services

**Report Date:** 11 December 2024

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### Purpose

To provide an update to the Risk and Assurance Committee on Council's insurance.

### Summary

The purpose of this item is to provide an update on Council's general insurance that was renewed on 1 November 2024 for the year to 1 November 2025. In addition, it includes an overview of all Council insurance held, excluding infrastructure insurance which is discussed in the next item.

The total cost of general insurance is \$210k (excluding GST) which is an increase of \$29k (16%) from last year.

### Recommendation

**It is recommended that the Risk and Assurance Committee resolve to:**

- 1 Receive the report - Insurance update - November 2024.

### Background

The general insurance policies insure Council assets, other than infrastructure assets, business interruption, and various liabilities. It excludes income protection insurance and public liability insurance, which have different renewal dates.

The liability insurance renewal period will be aligned with the general insurance renewal for the 2025/2026 year. Income protection insurance will be renewed on 31 March 2025.

### Increased premiums

Table one below details the overall premium increase of \$29k (16%). The premium increase is mainly due to increases to both material damage, rural assets and specialised equipment valuations.

The material damage premium has increased by \$23k due to the Stead Street pump station being added to the insurance schedule once it was completed. Rural assets and specialist monitoring equipment premiums have increased due to increased valuations which are a result of inflationary provisions.

**Table one - Premium comparison to last year (Excluding GST)**

Class of insurance	2024/25 (\$)	2023/24 (\$)	\$ increase (decrease)	% increase (decrease)
Aon risk services fee	17,000	17,000	0	0%
<b>Asset</b>				
Aviation hull and liability (drones)	3,118	3,379	(261)	(8%)
Commercial hull	6,782	6,187	595	10%
Commercial motor	40,652	40,507	145	0%
Marine cargo	0	551	(551)	0%
Material damage and business interruption	72,751	49,929	22,822	46%
Rural assets and dwelling	23,515	20,755	2,760	13%
Specialist monitoring equipment	16,772	11,823	4,949	42%
<b>Liability</b>				
Crime	8,090	8,800	(710)	(8%)
Employers' liability	1,520	1,430	90	6%
Environment impairment	0	1,357	(1,357)	0%
Personal accident	13,476	13,939	(463)	(3%)
Statutory liability	6,745	6,050	695	11%
<b>Total</b>	<b>210,421</b>	<b>181,707</b>	<b>28,714</b>	<b>16%</b>

**Overview of general insurance cover**

The Summary of Council insurance held – 2024/2025 gives an overview of all Council insurance held, excluding infrastructure insurance.

Aviation hull

This policy covers Council's UAV's (drones), flight legal liability and public legal liability.

Council owns six drones and of these, five drones have a hull value under \$5k. On review, these five drone hulls were removed from the policy which resulted in a premium decrease of 8% compared to last year. All six drones are still covered for flight and public legal liability.

Crime

Council has not taken insurance cover in the past for losses due to cyber-crime. Separate cover for social engineering fraud cover was considered. This would cover the scenario where a fraudster is paid in error. Aon offered a sum insured limit of \$50k, with an additional premium of \$5k. Council staff considered cost versus benefit and decided against this.

The premium has decreased by 8% because placement is now provided under the National Government Liability programme which has a more competitive premium.

### Commercial hull

Council staff reviewed the marine hull asset schedule and advised that sums insured should be increased from \$556k to \$819k to better reflect current replacement value.

Aon advised that insurers could provide additional terms when valuations are provided by a Marine Specialist. This process is underway.

### Commercial motor

Motor vehicle values have increased due to an additional vehicle being added to the vehicle schedule and increased estimated market values. The renewal is completed in August each year and is based on vehicles held at the time.

Council staff explored various excess options and the impact on the premium. The best scenario was to retain the current deductible of \$500, with free windscreen repairs and replacements.

### Employer's liability

This is an automatic add-on with the statutory liability policy. It covers employees sustaining a personal injury that is not covered under ACC. An example of a claim under this policy is for an employee who witnesses the serious harm or death of another person whilst working which causes post-traumatic stress.

### Environment impairment liability

Council previously held Environmental Impairment liability insurance with Marsh as this formed part of the total liability insurance package held by the Collective.

Aon has since confirmed that this insurance cover is unnecessary for Regional Councils, as it solely covers activities which belong to Territorial Authorities. As a result, staff excluded this cover for the 2024/2025 year.

### Material damage and business interruption

There has been an increase in sum insured of \$9.7m which is mostly due to including the Stead Street pump station. The Stead Street pump station building was valued by Aon at \$8.4m and contents for \$2.6m.

### Marine cargo

Marine cargo insurance has been excluded this year as it has rarely been used in the past, and we do not anticipate needing it in the year ahead. Also, it can be purchased individually for one off events.

### Personal accident

This premium has decreased because it is based on the number of employees as of 31 March 2024. This means that there were less people employed at that time.

### Rural assets and dwelling

The value of rural dwellings has gone up by \$209k as detailed in Table two due to inflationary provisions.

Council staff explored options of increasing this deductible with Aon. They provided a range of options for consideration. Lessees are responsible for the cost of rural asset insurance, both the premium and any deductible. Council staff decided to leave the deductible as is and undertake a review of all the insurance policies before the next renewal. The review will include lessee feedback.

Council has 10 properties that have buildings and asset insurances. Of these, six properties are insured by council and four properties are privately insured.

### Specialised monitoring equipment

The sum insured increase of \$40k detailed in Table two relates to inflationary provisions.

### Statutory liability

There has been a small increase of in premium due to inflation.

Table two - Sum insured comparison to last year

Class of insurance	2024/25 (\$)	2023/24 (\$)	\$ increase (decrease)
<b>Asset</b>			
Commercial hull	555,692	555,692	0
Commercial vehicle	2,370,598	2,098,927	271,671
Material damage and business interruption	33,345,500	23,634,900	9,710,600
Rural assets	1,875,997	1,875,997	0
Rural dwellings	2,973,808	2,765,294	208,514
Specialist monitoring equipment	2,000,000	1,960,000	40,000
<b>Liability</b>			
Statutory liability	2,000,000	2,000,000	0
Employers' liability	2,000,000	2,000,000	0
Crime	500,000	500,000	0
Personal accident	194 *	202 *	(8) *

\* Number of employees

### **Comparison to budget**

The total 2024/2025 insurance budget (excluding infrastructure) is \$516k.

Council will be over budget by about \$60k this year as detailed in Table 3 below. Actuals in table three below are aligned to the renewal period, not the financial year end. A prepayment adjustment will be made at financial year end to align with budget.

Table three – Premium compared to budget (Excluding GST)

Insurance class	Renewal	2024/25 Actual (\$)	2024/25 Budget (\$)	\$ Variance	
Income protection insurance	1 April 2025	166,587	220,041	(53,454)	
General insurance	1 November 2025	210,421			
Liability insurance *	1 November 2025	139,189			
General and liability insurance			236,085	103,314	
<b>Total</b>		<b>516,197</b>	<b>456,126</b>	<b>60,071</b>	

\* Includes Harbour Master and Wreck removal with renewal date of 30 June 2025.

### Liability Insurance

The second excess layer of professional indemnity and public liability insurance has been progressed by Aon with the overseas market. Council is currently in discussions with Aon and the Collective about this second layer.

### Fit with strategic framework

OUTCOME	CONTRIBUTES	DETRACTS	NOT APPLICABLE
Managed access to quality natural resources			X
Diverse opportunities to make a living			X
Communities empowered and resilient			X
Communities expressing their diversity			X

### Attachments

1. Summary of Council insurance held - 2024 - 2025 (excluding infrastructure) [9.6.1 - 4 pages]

## Summary of Council insurance – 2024/2025

General insurance						
Policy	Insurer	Description	Cover	Excess	Claims 2023/24	Claims 5 years
Aviation hull and liability	Precision Autonomy	Drone Hull Flight Legal Liability Public Legal Liability	Drone Hull: Various per agreed value Flight Legal Liability: \$10m Public Legal Liability: \$10m	1% of agreed value  \$2.5k	Nil	Nil
Business interruption	NZI Insurance	This provides cover post loss under your Material Damage policy.  Additional Costs: This provides cover following an insured event. E.g. fire in office building and the costs to arrange for colleagues to work from an alternative premise.  Claim Preparation: This allows for expenses incurred by assessing, preparing or certifying details following an insurable event.	Limit of liability \$300k Made up of <ul style="list-style-type: none"> <li>• Additional costs \$250k</li> <li>• Claim Preparation Costs \$50k</li> </ul>	24 hours Transport routes 14 days Utilities 72 hours	Nil	Nil
Commercial hull	Vero Marine Insurance New Zealand Ltd	The total values declared at the inception of each period of Insurance shall represent the full replacement value of the property insured. In the event of a claim for actual or constructive total loss of the equipment insured the Insurer will the full replacement cost at the time of the loss up to but not exceeding the value declared. Cover applies to any damage caused to third party property up to \$1m.	Hoiho: \$25.5k Kewa: \$270k Remotely Operated Q-Boat: \$45k Toroa: \$45k Waitai: \$150k Waituna Lagoon: \$20k	\$0.5k \$2k \$0.3k \$0.5k \$1k \$1.5k	Nil	\$1.5k
Commercial motor	NZI Insurance	Any person (regardless of being an employee) is insured under the policy if they have Council permission to use the vehicle. This includes drivers under 25 years of age.  All motor vehicles presently existing or subsequently acquired, owned, hired (in and out), leased, rented, loaned, borrowed, or used by or on behalf of the Insured, or are in the lawful custody or control of the Insured, or in which the Insured has an insurable interest or for which the Insured has received instructions to insure.	Fleet Value \$2.4m	1% of market value minimum \$0.5k	\$28.4k	\$81.6k

Policy	Insurer	Description	Cover	Excess	Claims 2023/24	Claims 5 years
Crime	Berkshire Hathaway Speciality Insurance Company (60%)  QBE Insurance (Australia) Limited (40%)	Provides cover for loss of your own money or money that you are responsible for (including by electronic funds transfer), arising out of the fraudulent actions of employees or external parties	\$500k	\$25k	Nil	Nil
Employers liability	Berkshire Hathaway Speciality Insurance Company (60%)  QBE Insurance (Australia) Limited (40%)	This provides cover for any claim made against Environment Southland that was brought by an employee for damaged for bodily injury including damage and defence costs as a result of an employee sustaining bodily injury. It also covers any punitive or exemplary damage and defence costs as a result of the employee sustaining bodily injury.  This policy has a retroactive date of unlimited. This allows for the Insurer to response to a claim made and reported to the insurer during the policy period relating to act error or omission regardless of when it occurred.	\$2m	\$2k	Nil	Nil
Material damage	NZI Insurance	This provides cover for Accidental Loss and Damage caused to the property owned by Environment Southland. Cover is replacement value based on valuations received.	Sum Insured \$33m Made up of <ul style="list-style-type: none"> <li>• Building \$27.8m</li> <li>• Contents \$5.2m</li> </ul> Capital Additions - \$1m This allows for property acquired during the period of insurance not notified to Aon. Property in the Course of Construction - \$1m Sustainable Rebuilding Costs - \$100k	\$1k Landslip \$10k	Nil	\$2.9k
Personal accident	Chubb Insurance New Zealand Limited	This policy covers all employees of Environment Southland, 365 days of the year and allows for all new employee employed over this insured period. A list of employees is declared at renewal. Payment is paid to Environment Southland on an accepted claim and is at the discretion of Environment Southland to pass these funds onto the employee.	Maximum \$2.5m Per person \$100k	Nil	Nil	\$5k

Policy	Insurer	Description	Cover	Excess	Claims 2023/24	Claims 5 years
Rural assets and dwellings	Client Placement Facility (business division of IAG New Zealand Limited)	Rural Assets - This provides cover for Accidental Loss and Damage caused to the property owned by Environment Southland. Cover is a mixture of replacement by area and replacement value.  Rural Dwelling - This provides cover for Accidental Loss and Damage caused to the property owned by Environment Southland. Cover is replacement value. An inflationary provision is added each year.	Rural Assets: \$1.9m Rural Dwelling: \$3m Natural Disaster	\$0.5k	Nil	Nil
Specialised monitoring equipment	NZI Insurance	Fire and specified perils	\$2m	\$2.5k	Nil	\$39k
Statutory liability	Berkshire Hathaway Speciality Insurance Company (60%)  QBE Insurance (Australia) Limited (40%)	This provides cover for any claim made against Environment Southland, for unintentional breaches of New Zealand law which results in prosecution. These acts include Consumer Guarantees Act, Building Act, Fair Trading Act and Health and Safety in Employment Act 1992.  This policy has a retroactive date of unlimited. This allows for the Insurer to respond to a claim made and reported to the insurer during the policy period relating to act error or omission regardless of when it occurred.	\$2m	H&S \$25k RMA \$25k Other \$10k	Nil	Nil

Income protection insurance						
Policy	Insurer	Description	Cover	Excess	Claims 2023/24	Claims 5 years
Income protection	Asteron Life Limited	This policy provides permanent employees with a replacement of their salary up to 75% should they be unable to work due to illness or injury.	Up to 75% of salary per employee. Limit of \$8k per month per employee which equates to 75% of \$128k annual salary. Staff with salaries above \$128k are limited to the \$8k benefit level unless they go through underwriting. The maximum benefit any one employee could insure up to is \$20k per month.	3 month wait period	\$59k	\$541k

Liability insurance							
Policy	Insurer	Description	Cover	Excess	Claims 2023/24	Claims 5 years	
Harbour Masters liability	Berkshire Hathaway Specialty Insurance Company	All sums for which the Insured becomes legally liable to third parties whilst exercising the Statutory powers and duties of Harbour Master	\$25m	\$50k	Nil	Nil	
Professional indemnity	Berkshire Hathaway Specialty Insurance Company	Claims first made against the insured and notified during the period of insurance alleging civil liability, by any act, error, omission or conduct that occurred in connection with the insured's Professional Business Practice	\$15m	\$25k	Nil	Nil	
Public liability	Berkshire Hathaway Specialty Insurance Company	Liability to third parties for property damage and/or personal injury arising from or in connection with the Insured's operations, for all amounts which the Insured is held legally liable to pay	\$15m	\$10k	Nil	Nil	
Wreck removal liability	Berkshire Hathaway Specialty Insurance Company	All sums for which the Insured becomes legally liable to third parties whilst exercising the Statutory powers and duties of Harbour Master	\$5m	\$200k	Nil	Nil	

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## 9.7 Changes to postal delivery

**Report by:** Tracey Adendorff, Team Leader Finance Operations

**Approved by:** Bethia Gibson, General Manager Corporate Services

**Report Date:** 11 December 2024

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### Purpose

To update the Risk and Assurance Committee of proposed changes to postal delivery

### Summary

New Zealand Post (NZ Post) have proposed several changes to postal delivery. Council staff have considered the impact and risk this will have on Council services, in particular, delivery of annual fees and charges and rates invoices.

### Recommendation

**It is recommended that the Risk and Assurance Committee resolve to:**

- 1 Receive the report - Changes to postal delivery.

### Background

The government is proposing a change to the deed of understanding it has with NZ Post. They include:

- Urban delivery to decrease from three days to two days;
- Rural delivery to decrease from five days to three days; and
- Requiring clusters of post boxes.

Council uses NZ Post and DX Mail for delivery of about 700 annual fees and charges invoices and 34,000 annual rate invoices. Staff expect that the change to delivery dates will not have a severe impact on these processes.

The clustering of post boxes already occurs in rural settings. The impact of this change into future urban areas is uncertain.

The two main reasons for this belief are:

1. Council posts or emails rates invoices in the first week of October each year. Council rates are due on the last Friday of November. Ratepayers have sufficient time to organise their rate payment.
2. Council is promoting email delivery of rates notices. Council currently has about 7,000 ratepayers that receive their rates invoice by email. Council is actively promoting the change to email delivery.

The Ministry of Business, Innovation and Employment is consulting on these changes and submissions are due by 10 December. Council staff will update the Committee on the outcome.

### Fit with strategic framework

OUTCOME	CONTRIBUTES	DETRACTS	NOT APPLICABLE
Managed access to quality natural resources			X
Diverse opportunities to make a living			X
Communities empowered and resilient			X
Communities expressing their diversity			X

### Attachments

1. Uploads discussion-document-moving-towards-a-financially-sustainable-mail-service [9.7.1 - 16 pages]



# Moving towards a financially sustainable mail service

Discussion document – Proposed changes to the Deed of  
Understanding between New Zealand Post and the  
Government of New Zealand – 2024 Review

OCTOBER 2024



MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT  
HIKINA WHAKATUTUKI

Te Kāwanatanga o Aotearoa  
New Zealand Government

## **Ministry of Business, Innovation and Employment (MBIE) Hīkina Whakatutuki – Lifting to make successful**

MBIE develops and delivers policy, services, advice and regulation to support economic growth and the prosperity and wellbeing of New Zealanders. MBIE combines the former Ministries of Economic Development, Science and Innovation, and the Departments of Labour, and Building and Housing.

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Information, examples and answers to your questions about the topics covered here can be found on our website: [www.mbie.govt.nz](http://www.mbie.govt.nz) or by calling us free on: +64 4 917 0199.

Images and graphs were provided by NZ Post for use in this document.

### **Disclaimer**

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October 2024

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## How to have your say

### Making a submission

The Ministry of Business, Innovation and Employment (MBIE) seeks written submissions on the issues raised in this document by 5pm on 10 December. We are interested in hearing from any interested persons, including individuals, businesses, and community organisations. Your submission may respond to any or all of the questions posed to submitters.

You can find a template for submissions on our website, alongside this discussion document, at <https://www.mbie.govt.nz/have-your-say>. Where possible, please include evidence to support your views, such as examples or references to independent research or facts and figures. Please include your contact details in the template form when providing your submission.

You can make your submission:

- via email as a Microsoft Word document to [CommunicationsPolicy@mbie.govt.nz](mailto:CommunicationsPolicy@mbie.govt.nz); or
- via mail to: Communications Policy, Building, Resources and Markets, Ministry of Business, Innovation & Employment, PO Box 1473, Wellington 6140.

Please direct any questions that you have in relation to the submissions process to [CommunicationsPolicy@mbie.govt.nz](mailto:CommunicationsPolicy@mbie.govt.nz).

### Use and release of information

The information provided in submissions will be used to inform MBIE's analysis and will inform advice to Ministers. MBIE intends to upload copies and/or summaries of submissions received to MBIE's website at [www.mbie.govt.nz](http://www.mbie.govt.nz). MBIE will consider you to have consented to uploading by making a submission, unless you specify otherwise in your submission. If your submission contains confidential information or you otherwise wish us not to publish, please:

- indicate this on the front of the submission template, with any confidential information clearly marked within the text, and
- provide a separate version excluding the relevant information for publication on our website.

Submissions remain subject to request under the Official Information Act 1982. Please set out clearly in the cover letter or email accompanying your submission if you have any objection to the release of any information in the submission, and in particular, which parts you consider should be withheld, together with the reasons for withholding the information. MBIE will take such objections into account and will consult with submitters when responding to requests under the Official Information Act 1982.

The Privacy Act 2020 establishes certain principles with respect to the collection, use and disclosure of information about individuals by various agencies, including MBIE. Any personal information you supply to MBIE in the course of making a submission will only be used for the purpose of assisting in the development of policy advice in relation to this consultation. Please clearly indicate in the cover letter or email accompanying your submission if you do not wish your name, or any other personal information, to be included in any summary of submissions that MBIE may publish.

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## Summary

*Mail is important to New Zealanders but the use of the mail service is steadily declining*

New Zealand Post (NZ Post) has a long history in New Zealand. Since the 19<sup>th</sup> century, it has connected Kiwis both to the world and to each other. Today, NZ Post employs over 4,500 people, has over 880 postal outlets, and continues to play a valuable role in the way we communicate.

Addressed mail (such as letters and postcards) continues to be important to New Zealand society, but the amount of mail New Zealanders are sending and receiving is decreasing every year. In 2002, approximately a billion mail items went through NZ Post's service. Last financial year this dropped to 187 million and is forecast to decrease to 107 million items by 2028.



*Changes are proposed to obligations on NZ Post following a 2024 Review*

NZ Post's minimum mail service obligations are outlined in the Postal Deed of Understanding (the Deed). The Deed is an agreement between the Government and NZ Post which covers, among other things, the minimum number of postal delivery days, delivery points and retail stores. The Deed was last reviewed in 2013. It was scheduled for review in 2018, but subsequently extended to 2024.

Given ongoing decline in the use of the mail service and the years since the last Deed Review, it is time to consider whether changes should be made to the Deed to reflect New Zealanders' declining use of the mail network. Changes also need to be considered to allow the mail service to continue in a commercially sustainable way.

As part of this Review the Ministry of Business, Innovation & Employment (MBIE), on behalf of the Minister for Media and Communications, has developed proposals in discussion with NZ Post for changes to some of the obligations in the Deed. Key proposals for change include reductions in the minimum number of urban and rural delivery days and the number of mandated postal retail outlets.

If changes to the Deed are progressed following this consultation process, this does not mean that changes to NZ Post services would necessarily, or immediately, follow. The Deed outlines the *minimum* obligations for NZ Post. However, NZ Post will still make operational decisions regarding its service offering, which may include continuing to offer current service levels where this remains commercially viable.

*We are seeking your feedback on the proposals in this document*

The purpose of this discussion document is to seek your feedback on your use of the mail service and on the proposed Deed changes as part of the 2024 Review. The document gives a brief overview of NZ Post's mail service, statistics on mail usage and the proposals we are seeking feedback on. It also sets out next steps following the consultation period.

Before providing advice to the Government about progressing changes to the Deed, MBIE would like to hear from you on how the changes may impact you, your business and/or community. Your feedback will play a crucial part in the Government's decision-making process. Thank you for taking the time to read this discussion document and to provide your feedback.

## Introduction to this discussion document

### Purpose

1. This discussion document seeks feedback on proposed changes to NZ Post's minimum obligations under the Deed.
2. The Deed only covers the delivery of addressed mail (such as letters and postcards). NZ Post's courier parcel business and its other services are not in scope of the Deed or this discussion document.

### Structure

3. This discussion document:
  - a. explains the context for the consultation and background on the Deed
  - b. outlines proposals for changes to the Deed as part of the 2024 Review
  - c. seeks feedback on your use of the mail service and the proposed changes to the Deed.

### Scope of consultation

4. The proposals in scope of this consultation take into account New Zealand's declining mail volumes, decreasing reliance on mail, and the increasing cost per mail item for NZ Post to deliver the mail service under the Deed. The objective of this consultation is to enable NZ Post to provide a commercially sustainable mail service in a way that meets the changing needs of New Zealanders.
5. We understand there are matters adjacent to mail delivery that may be top of mind for some people. One such issue is the Saturday delivery of newspapers and parcel items in rural areas. NZ Post stopped delivering on Saturdays in June this year as the service was not commercially viable to maintain. Mail has not been delivered on Saturdays in rural areas for over eight years due to very low volumes.
6. Newspapers and courier items (and their delivery) are not in scope of the Deed and so we are not seeking feedback on this matter. Further, we are not considering bringing in additional requirements to the Deed that it does not currently cover. The focus of this consultation is a reduction in proposed minimum requirements under the Deed, given declining mail volumes and reliance on mail, to allow for NZ Post to provide a commercially sustainable mail service.

### Next steps

7. Consultation on the proposals in this discussion document closes on 10 December. MBIE will review feedback from submissions, have further discussions with NZ Post and provide advice to the Government on final proposals to conclude the Review of the Deed. Shareholding Ministers with an interest in the Deed Review, including the Minister of Finance, will also be consulted.
8. Following this, any changes to the Deed will be drafted and signed by the parties to the Deed – the Minister for Media and Communications and NZ Post. The revised Deed will be published on MBIE's website and changes will also be communicated to key stakeholders.

## Background on mail in New Zealand

*This section outlines our current understanding of how New Zealanders use the mail service and how that has changed over time. The section concludes with questions for you on how you use the mail service now and how you intend to use it in the future.*

### NZ Post

9. NZ Post is currently New Zealand's sole designated postal operator under the Postal Services Act 1998. It supplies postal services both within New Zealand and between New Zealand and other countries. NZ Post became a State-Owned Enterprise in 1987. As a State-Owned Enterprise, NZ Post's principal objective is to operate as a successful business. This includes being as profitable and efficient as comparable businesses that are not owned by the Crown, being a good employer and exhibiting a sense of social responsibility.

### Overview of the Deed of Understanding

10. The obligations for a nationwide mail network are set out in the Deed, which is an agreement between NZ Post and the Crown. The Deed governs mail delivery frequency, delivery points and NZ Post's retail presence. It does not set mail prices, as these are set commercially by NZ Post. The Deed of Understanding was first established in 1989. The last substantive changes were made to it in 2013.
11. In summary, the current Deed mandates that NZ Post has at least 880 retail points of presence, with at least 240 of those being staffed. It sets urban delivery at not less than three days per week and most rural delivery at five days per week. It requires that NZ Post extend its mail delivery network to the extent there is demand, unless it is operationally impracticable or not commercially sustainable to do so. The Deed also prevents the introduction of a rural delivery fee for mail receivers (noting this does not include rural charges on parcel senders).

### Universal Postal Service Obligation

12. New Zealand is a member of the Universal Postal Union, where NZ Post is our representative. As a member of the Universal Postal Union, New Zealand has obligations to have a universal postal service. We have discretion about how we meet those obligations.
13. The Deed is how we meet our Universal Postal Union obligations for a Universal Service. The Deed sets the requirements of the Universal Service Obligation as they apply to mail carried by NZ Post in New Zealand.

### Who is using the mail service

14. NZ Post data from FY2024 revealed that from the around 182 million mail items carried in New Zealand that year, the majority (approximately 64%) were sent by private businesses or organisations. The public sector sent around 35% of mail, with individuals accounting for less than 1%. This indicates that New Zealanders are generally receivers rather than senders of mail.
15. We understand that mail is still an important service to many New Zealanders. We also understand that it may be of particular importance to New Zealanders who do not have reliable access to broadband, are at risk of digital exclusion, rural communities and older people.

16. Despite significant investment in telecommunications infrastructure, rural internet is generally more likely to face capacity constraints and come at a higher cost than urban internet. Therefore, rural communities may be more likely to depend on mail. Although the availability of low earth orbit satellite services has greatly improved rural communities' broadband options.
17. We are aware that some people, notably older New Zealanders, are more likely to value and use the mail service. For some the physical delivery of mail creates an important sense of community and security or is easier to use than digital alternatives.
18. However, data from NZ Post consumer research showed that while 60% of those living rurally said that the mail service had an essential personal connection to them or their family in 2018, this dropped to 44% in 2024. The same 2024 data showed those aged 55+ did not see mail as being much more important than other services such as television, email and mobile phones.
19. Māori are identified by the Department of Internal Affairs as possibly being more likely to be digitally excluded, and thus possibly more affected by changes to the mail service than non-Māori. We are interested in understanding the importance that receiving or sending mail holds for Māori.

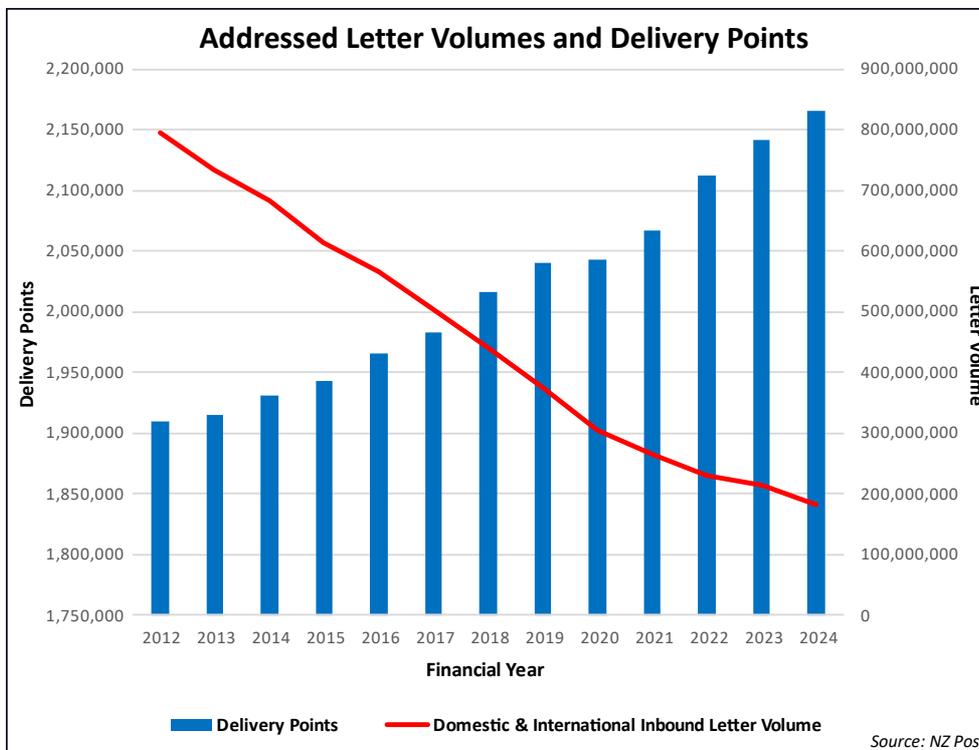
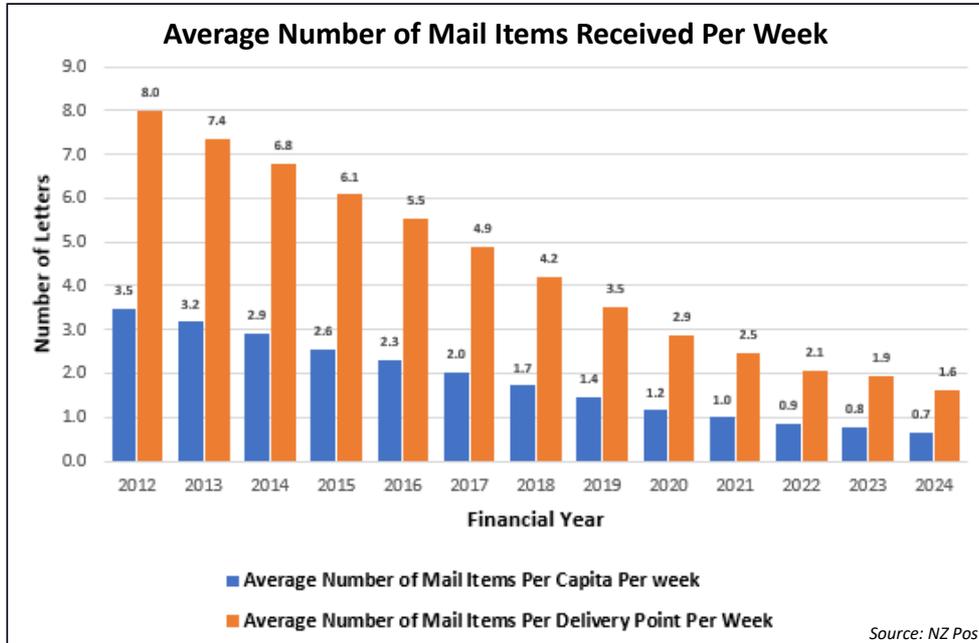
### **Reasons public and private organisations currently send mail**

20. We understand the main reasons businesses and organisations currently send mail are:
  - a. Demand from customers: businesses may continue to use mail if their customers want to receive information by mail. For instance, customers may want to receive credit or debit cards in the mail as opposed to picking them up physically.
  - b. Ability to contact a broad customer base: organisations that need to contact a broad customer base may determine mail is the best method of communication.
  - c. Availability of address information: a business may send letters to an address without knowing who lives there. Digital communication relies on obtaining access to personal contact details.
  - d. Digital transformation is still underway: organisations may rely on mail while developing a digital alternative, for example, building a bespoke IT system, or a website and app with the necessary capabilities.
  - e. Some public sector organisations currently have a legislative requirement to post information to addresses.

### **Declining mail volumes and how use of mail has changed**

21. Like many countries overseas, mail use in New Zealand is declining due to social and technological change. Many people are increasingly communicating in other ways, including via phones and online.
22. Since the last time the Deed was substantially reviewed in 2013 there have been significant improvements to New Zealanders' access to digital connectivity. Both the Government and the telecommunications sector have invested in the transformation of New Zealand's telecommunications networks. By the completion of the current Government programmes, more than 99.8% of New Zealanders will have access to improved broadband connectivity.

23. In New Zealand, the uptake of digital technologies has led to substantial decline in mail. At current volumes, urban areas receive two letters a week on average, and rural areas receive three. The first graph below shows the decreasing number of letters received per person (per capita) and the decreasing amount received over time per delivery point (a letterbox or PO box).



24. Letter volumes delivered domestically have declined from approximately 733 million since 2013 to 182 million in 2024. Notably, there has been growth in the number of delivery points during that time. The graph on page 7 shows how delivery points (physical locations, like a letterbox, where you can receive mail) have increased over the past twelve years, while letter volumes (shown by the red line) have decreased. This means that while NZ Post is delivering to more locations than ever, mail volumes continue to decline.
25. While the country's population is growing, the letters sent by volume have decreased every year. This shows that even as New Zealand grows, we are using the mail service less and less.
26. Similar trends are occurring in other countries, with some examples of how those countries are responding set out below.

#### Responses in other countries experiencing mail decline

- **Australia:** Australia has reviewed Community Service Obligations (CSO) – the Australian Government's equivalent to the Deed of Understanding. Changes include reducing number of delivery days, developing new pricing pathways and updating the geographic classification for post office outlets.
- **Denmark:** The Danish Government released its national post carrier PostNord from its delivery obligations in early 2024. The country will have no national postal provider but has plans to contract out provision of mail services for blind people and those in remote island communities.
- **United Kingdom:** Royal Mail has repeatedly sought to reduce its six-day service obligation citing rising costs. Royal Mail's regulator, Ofcom, released a Discussion Document in January 2024 outlining options for reforming the mail service.

#### **Measures undertaken previously to respond to mail decline**

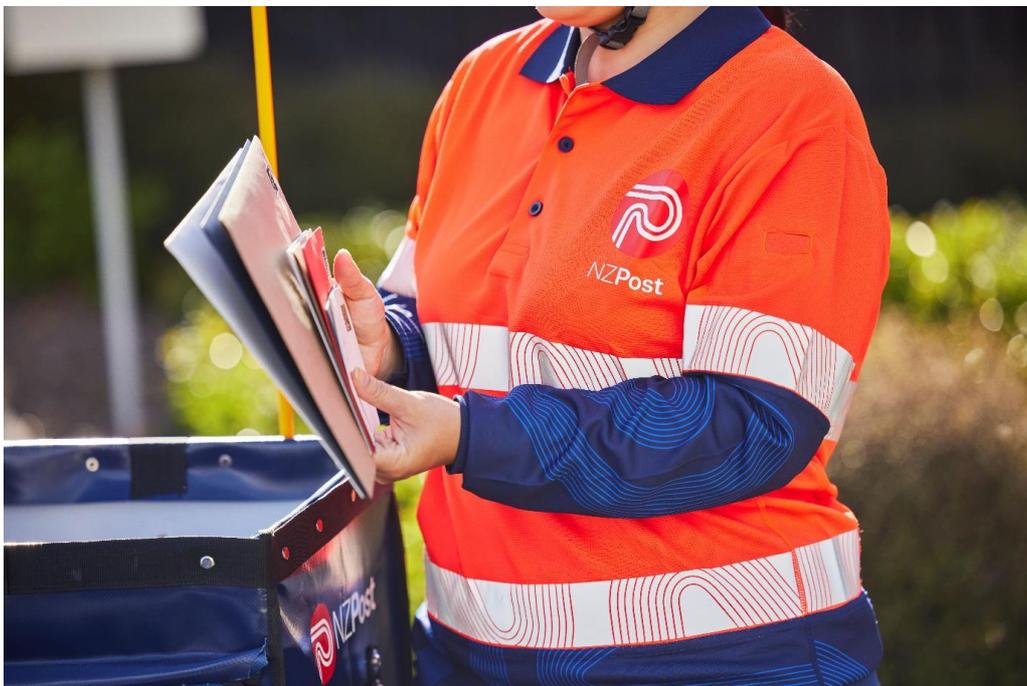
27. There have already been a number of previous changes and interventions made to respond to ongoing mail decline in New Zealand, namely:
  - From 2015, following the 2013 Deed Review, delivery days in urban areas were gradually reduced from six to three days a week. Then in 2016, delivery days in rural areas were reduced from six to five days a week.
  - In 2020, NZ Post was provided with \$130 million (over three years) in government funding so it could continue to meet its mail network obligations in the face of mail decline.
28. Given that no changes have been made to the Deed since 2013 and that mail volumes continue to drop, the cost to deliver each letter is increasing. The Deed obligations drive a fixed level of cost that then needs to be spread over a declining number of mail items and an increasing number of delivery points. NZ Post cannot recover the costs of maintaining its network through mail price increases alone.
29. Therefore, there is a need to consider changes to the Deed to ensure it remains fit for purpose. It is our goal to strike the right balance to ensure the mail service is commercially sustainable and reasonably meets the communication needs of New Zealanders.

*Questions for organisations and businesses*

1	What sector of the economy does your business or organisation operate in?
2	Roughly how many letters does your business or organisation send in a month? And how many do you receive?
3	Are you planning to undertake any programmes to reduce your business' or organisation's reliance on mail e.g. transitioning toward digital alternatives. Why/why not?
4	Is there some amount of mail you still need or expect to send even if your business uses alternative communication channels?

*Questions for individuals*

5	Roughly how many letters do you send in a week?
6	What is your main reason for using the mail service, versus other means of communication e.g. face-to-face, email, online etc.?
7	What types of communications do you regularly receive by mail? For example, bank statements, utility (telephone, electricity) bills, rates bills and hospital notifications.



## Proposed changes to Deed of Understanding

*This section provides an overview of some of NZ Post’s primary service obligations as outlined in the Deed, and proposed changes to these as part of the 2024 Review, for your feedback.*

### Review of current obligations under the Deed

30. MBIE and NZ Post have been in discussion about providing greater flexibility in the Deed as part of the 2024 Review. The funding that NZ Post received in 2020 has now been exhausted. NZ Post now needs to operate a commercially sustainable mail service, i.e. without operating at a financial loss or seeking funding from the Government (e.g. funded by the taxpayer).
31. The proposed changes in this section are intended to allow NZ Post sufficient flexibility to achieve commercial sustainability while still responding to New Zealanders’ ongoing need for mail.
32. The Deed obligations are minimum standards. These minimums do not prohibit NZ Post from providing a higher level of service based on demand, or continuing current service levels where it is viable to do so. Any significant changes would be subject to customer communications by NZ Post ahead of the planned change, in addition to NZ Post’s internal processes.
33. The following sections outline key service obligations in the current Deed, and proposed Deed changes. We are interested in hearing your feedback on the proposals outlined below.

### Changes to minimum delivery frequency

Area of Deed	Current obligations	Proposed future obligations
<p><b>Mail delivery frequency</b></p> <p>The minimum number of times per week NZ Post must deliver mail to delivery points on its network.</p> <p><i>Note: A rural address has a rural delivery number, which you can confirm by checking your address on the address and postcode finder tool on the NZ Post website.</i></p>	<p>Minimum <b>three</b> days per week in urban areas.</p> <p>Minimum <b>five</b> days per week in rural areas.</p> <p>Minimum <b>five</b> days per week to PO boxes and Private Bags.</p> <p>Urban delivery days must be non-consecutive (i.e. there is a space between days on which mail is delivered).</p>	<p>Minimum <b>two</b> days per week in urban areas.</p> <p>Minimum <b>three</b> days per week rural areas.</p> <p>Minimum <b>two</b> days per week to PO Boxes and Private Bags.</p> <p>Language around non-consecutive days will be removed to provide operational flexibility, noting that NZ Post has commercially set, published targets on mail delivery timeframes.</p>

34. Looking at actual mail volumes, addresses in urban areas currently receive around two letters per week and addresses in rural areas receive three. The proposed changes bring the minimum requirements on NZ Post in line with how New Zealanders are currently using the service.
35. We are also proposing to provide a mechanism for NZ Post to update its classification of rural and urban areas based on objective demographic change (for instance, zoning or Statistics NZ data). Currently the Deed defines rural areas as places to which NZ Post’s rural delivery service delivered to as of 30 June 2013. Changing this would reflect the growth of urban areas and provides flexibility for NZ Post to redesignate areas as appropriate.

*Questions for stakeholders*

<b>8</b>	How would the proposed delivery frequency changes impact how you send and receive mail, if NZ Post were to operate at the proposed minimum levels?
<b>9</b>	Do you believe your area is correctly classified as either urban or rural (i.e. you have a Rural Delivery number in your address). If not, why not?



**Changes to where NZ Post would be required to deliver mail**

Area of Deed	Current obligations	Proposed future obligations
<p><b>Commitment to add new delivery points</b></p> <p>For example, when there is a need to extend the mail network for new addresses to be able to receive mail.</p>	<p>NZ Post must add new delivery points to the extent there is demand for it, unless operationally impracticable, or if to do so would jeopardise the commercial sustainability of the postal services it provides pursuant to the Deed.</p>	<p>Retain this requirement, but explicitly clarify that new delivery points can include a range of collective forms, such as communal delivery points including nests (at the developer or another’s cost), counters, community mailboxes and other communal delivery points.</p>
<p><b>Conversion of pre-existing delivery points</b></p> <p>This concerns the number of existing individual delivery points NZ Post may be permitted to turn into communal delivery points.</p>	<p>No more than <b>3%</b> of total delivery points may be comprised of counter services or community mailboxes.</p>	<p>NZ Post will not switch more than <b>5%</b> per year of its pre-existing delivery points to communal delivery points. Reasonable notice of these changes must be provided.</p>
<p><b>Overall limit on communal delivery points</b></p>	<p>No more than <b>3%</b> of total delivery points may be comprised of counter services or community mailboxes.</p>	<p>To facilitate the changes above, this limit will be removed. As detailed above in this table, any new delivery points can be communal delivery points, but NZ Post is not allowed to switch more than 5% of its pre-existing delivery points to communal delivery points per year.</p>

36. Delivery points are physical locations at which you can receive mail. These could include letterboxes, PO Boxes, localised communal hubs or collection points. Mail is currently typically delivered to letterboxes.

37. In the current Deed, NZ Post must maintain delivery to at least 1,910,010 delivery points. Since 2013, NZ Post has already extended its delivery footprint beyond this minimum number, so it has been outdated for some time. For clarity, under the proposed change to the Deed, NZ Post would retain its obligation to extend its network while allowing for it to convert some existing delivery points to communal points as outlined above.

*Question for stakeholders*

**10** If you were moving to a location that was not currently within NZ Post’s mail network footprint (e.g. not receiving mail delivery), how would you feel about receiving mail at a community collection point, or other means than through a letterbox at your property?



**Changes to requirements regarding NZ Post’s retail presence**

Area of Deed	Current obligations	Proposed future obligations
<p><b>Total number of postal outlets</b></p> <p>For example, NZ Post branded post shops or other stores that offer postal services on behalf of NZ Post.</p>	<p>At least <b>880</b> points of presence, comprised of physical outlets and self-service kiosks.</p> <p>At least 240 ‘manned’ points of presence where customers can receive personal assistance from an NZ Post employee or agent and can access a wider range of products and services over and above basic postal services.</p>	<p>Minimum of <b>500</b> points of presence, with a possible step down to a minimum of <b>400</b> over time.</p> <p>NZ Post has indicated that rural areas would not be disproportionately affected by this proposed change in comparison to urban areas, given certain urban areas are currently overserved.</p> <p>NZ Post has noted that over half of its retail service points are in a location where another store is also serving that neighbourhood.</p>

38. In the current Deed, there must be a minimum of 880 points of presence (which can include self-service kiosks) around the country, and at least 240 of these must offer personal customer

assistance. Most of these 880 service counters are inside other retail shops. This means practically that many people have access to postal outlets where they can go to buy stamps, send letters, or make an enquiry about the mail services that are available.

39. Under the proposed changes for a revised Deed, NZ Post would be required to maintain at least 500 points of presence initially, possibly allowing it to decrease to a minimum of 400 over time. This reduced requirement reflects the cost to NZ Post to maintain its network of postal outlets, as we understand that it currently overserves certain urban areas to reach this requirement. The 880 minimum was set in, and has remained unchanged, since 1989.
40. While the proposed change would be a reduction in the minimum required number of points of presence, NZ Post has commercial incentives to retain its retail network to meet customers' needs given the rise in parcel items being sent through its network. Its retail stores are also used for people to drop-off parcel items.
41. NZ Post has said that any change, if made as a result of a new minimum number, will not disproportionately impact rural areas compared to urban areas. We note rural customers can also access mail services directly from the rural delivery driver in their area. Changes would also not be implemented immediately following Deed changes or without appropriate notice.
42. In addition to the proposed reduction in the minimum number of points of presence, we are interested in hearing the public's views on whether the existing requirement that NZ Post must maintain at least 240 'manned' points of presence should be carried over into the revised Deed.

#### *Questions for stakeholders*

<b>11</b>	Do you typically require assistance when sending mail items (not parcels) at a postal outlet and what type of assistance do you require and/or receive?
<b>12</b>	Do you believe the existing requirement of at least 240 manned points of presence should be maintained in the revised Deed?

#### **Future Review date for a revised Deed of Understanding**

43. The Deed has been required to be reviewed every five years. Given the rapidly changing environment that NZ Post is operating in with regards to increasing costs and declining mail volumes, we propose that a shorter term would be more appropriate for the next Review of the Deed, following any changes from this 2024 Review. The proposal would be to include the requirement for a review to be conducted three years after the date a revised Deed is signed.
44. We are also considering including the option of an earlier review if mail volumes were to decline more rapidly than anticipated, such as if they were to fall below 120 million mail items per year, there may be an additional reduction in minimum requirements. This additional provision would recognise that at substantially lower volumes, the changes proposed in this discussion document may not be sufficient for the Deed requirements to be commercially sustainable.

#### *Questions for stakeholders*

<b>13</b>	Do you have any feedback on the proposal for the next Review of the Deed to take place by three years from the date of any revised Deed following the 2024 Review?
<b>14</b>	Do you have any thoughts about the trigger point for an earlier review in the case of steeper mail decline?

## Other matters

### Access to the postal network

45. The Deed requires NZ Post to provide other postal operators with access to its mail delivery network. These postal operators include DX Mail and New Zealand Mail, among others. The requirement is intended to support competition within postal services. This requirement means that other postal operators can rely on NZ Post's network to deliver their letters 'the last mile' to areas where it is not commercially viable for them to do so.
46. NZ Post has multiple private access agreements with postal operators that allow access to its network. It is also notable that other pieces of competition legislation, including the Commerce Act 1986, apply regardless of any Deed obligation. Therefore, there is a question as to whether it is necessary to include the access obligation in the Deed.
47. We are seeking views on whether this provision should remain in the Deed. We are interested to hear, notably from registered postal operators, whether they have concerns about removing this provision from the Deed.

#### Question for stakeholders

15

What is your view on the need to retain the current obligation in the Deed for NZ Post to provide other postal operators with access to its delivery network?

### Potential proposals to recover Customs and MPI costs from NZ Post

48. New Zealand Customs Service and the Ministry for Primary Industries (MPI) released a joint consultation document on 4 September titled *Recovering the Costs of Goods Management Activities at the Border*.
49. This paper discusses options that include recovering the costs of screening international mail from NZ Post. We note that that these proposals may impact costs for NZ Post and may require consideration of further changes to the Deed beyond the 2024 Review.
50. We are not seeking feedback on this matter. However, we note that depending on the outcome of the Customs and MPI consultation and final proposals there may be further implications for the Deed. If you have any feedback on the Customs and MPI consultation, please submit that directly to those agencies (noting their consultation period closes on 31 October).

## 9.8 Annual Activity Report

**Report by:** Amy Kubrycht, General Manager People & Governance

**Approved by:** Amy Kubrycht, General Manager People & Governance

**Report Date:** 11 December 2024

### Purpose

To present to the Risk and Assurance Committee the annual plan of items to be delivered on, by the committee, and to obtain ongoing input on the proposed plan.

### Recommendation

**It is recommended that the Risk and Assurance Committee resolve to:**

- 1 Receive the report - Annual Activity Report.
- 2 Provide any feedback to shape the programme of work the Committee for the coming year.

### Background

The table below sets out the standard activity plan along with the future and to-be-developed items.

Changes to previously reported items are highlighted in blue.

The specific timing of the items is indicative and may vary to manage the size of the agenda and the timing of events. Staff seek the committee's input each meeting to continually develop the plan and to ensure the optimal effectiveness of the committee.

The committee is asked to note the following:

- There will not be a critical risk deep dive as part of the Health and Safety report this meeting as we are doing a full deep dive on health and safety as part of our rolling programme of deep dives of our top risks.
- The internal audit item scheduled for this committee has been postponed until next meeting because management has not yet finalised the response to this which it would like to present to the committee along with the report.
- The draft legislative compliance review report has only just been received and has not yet been considered by management. It will also be deferred to the next meeting.
- There is an item on our external audit findings inclusive of our management response.
- There is an update on the learnings from the Long Term Plan process at this meeting.
- There is an item on changes to postal delivery.
- There are items relating to our insurance renewals.

This is our last meeting for the current year. Next year's meetings are in the process of being scheduled. There will be an Annual Activity report developed for next year. If the Committee has any feedback on the nature, type or frequency of reporting, this can be incorporated into next year's programme of work.

Risk & Assurance Activity Report Timetable 2024							
		Frequency/ person	20 Mar	19 Jun	11 Sept	9 Oct *	11 Dec
Quarterly Reporting	Organisational risk report	Quarterly	✓	✓	✓		✓
	Critical/Strategic risk deep dive	Quarterly	✓	✓	✓		✓
	Internal Audit Programme	Quarterly	✓	✓	✓		✓
	Health & Safety	Quarterly	✓	✓	✓		✓
	Government Funded Projects	Quarterly	✓	✓	✓		✓
	Chief Executive's report	Quarterly	✓	✓	✓		✓
	Cybersecurity report	Quarterly		✓			✓
	Annual Activity Plan	Quarterly	✓	✓	✓		✓
Annual Planning and Reporting (including Annual and Long-Term Plans)	Audit Fee Proposal and Engagement Letter	Annually		✓			
	Draft Annual Report	Annually			Update	✓	
	LTP Development Progress Report	Quarterly	✓	✓			✓
	LTP Consultation Document	Annually	✓				
	External Audit	As per audit schedule.			LTP Audit report	✓	✓
Practice Review	LGOIMA and Privacy	Bi-Annually		✓			✓
	Conflict of interest/Members interests	Annually	✓				
	OAG Updates	As available	TBC	TBC	TBC	TBC	TBC
	Legislative compliance	Annually			✓		☒
	Policy Update	Annually					✓
	Risk scanning/review	Annually		✓			
Insurance	Insurance report	Annually		✓	✓		✓

## Risks/Opportunities

There are no risks associated with this paper.

## Views of affected parties

This paper is a standing item to ensure the views of the committee are sought on a rolling basis as to the programme of work and reporting.

## Fit with strategic framework

OUTCOME	CONTRIBUTES	DETRACTS	NOT APPLICABLE
Managed access to quality natural resources			X
Diverse opportunities to make a living			X
Communities empowered and resilient			X
Communities expressing their diversity			X

## Attachments

Nil

At the time of the agenda closing, no extraordinary/urgent business had been notified.

## 11 Public excluded business | He hui pakihi e hara mo te iwi

In accordance with section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest/s protected by section 7 of that act, that the public be excluded from the following parts of the proceedings of this meeting, namely:

**Confirmation of public excluded minutes – Risk and Assurance Committee 9 October 2024**

**11.1 Cybersecurity Risk Report**

**11.2 2023-24 Audit Management Report**

**11.3 LGOIMA – Summary of Enquiries for 1 January to 30 June 2024**

**11.4 Legislative compliance**

**11.5 Policy Update**

**11.6 Governance Level Risk Management Overview**

The general subject matters to be considered while the public is being excluded, the reason for this resolution in relation to the matter, and the specific grounds for excluding the public, as specified by Section 48(1) of the Local Government Official Information and Meetings Act 1987 are set out below:

GENERAL SUBJECT MATTER	REASON FOR PASSING THE RESOLUTION	GROUND UNDER S.48(1)
Confirmation of public excluded minutes – Risk and Assurance Meeting 9 October 2024	To prevent disclosure or use of official information for improper gain or advantage	S.7(2)(j)
Item 11.1 Cybersecurity Risk Report	To prevent disclosure or use of official information for improper gain or advantage	S.7(2)(j)
Item 11.2 2023-24 Audit Management Report	To carry on without prejudice or disadvantage, negotiations (including commercial and industrial negotiations)	S.7(2)(i)
Item 11.3 LGOIMA – Summary of Enquiries for 1 January to 30 June 2024	To protect the privacy of natural persons, including that of deceased natural persons	S.7(2)(a)
Item 11.4 Legislative compliance	To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	S.7(2)(h)
Item 11.5 Policy Update	To maintain professional privilege	S.7(2)(g)
Item 11.6 Government Funded Projects – Risk Management Report	To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.	S.7(2)(h)
Item 11.7 Governance Level Risk Management Overview	To enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities	S.7(2)(h)



## 11.1 Cybersecurity Risk Report

**Report by:** Jane Carroll – Information Systems Manager

**Approved by:** Bethia Gibson, General Manager Corporate Services

<b>Section under the act</b>	The grounds on which part of the Council or committee may be closed to the public are listed in s48(1) of the Local Government Official Information and Meetings Act 1987 (the act)
<b>Sub-clause and reason</b>	S.7(2)(j) - to prevent the disclosure or use of official information for improper gain or advantage.

## 11.2 2023-24 Audit Management Report

**Report by:** Mariette Geldenhuys, Personal Assistant

**Approved by:** Bethia Gibson, General Manager Corporate Services

<b>Section under the act</b>	The grounds on which part of the Council or committee may be closed to the public are listed in s48(1) of the Local Government Official Information and Meetings Act 1987 (the act)
<b>Sub-clause and reason</b>	S.7(2)(c) - to protect information which is subject to an obligation of confidence where the making available of the information would be likely to (i) prejudice the supply of similar information, or the information from the same source, where it is in the public interest that such information should continue to be supplied, or (ii) would likely otherwise damage the public interest.

## 11.3 Local Government Official Information and Meetings Act 1987 - Summary of Enquiries for 1 January to 30 June 2024

**Report by:** Mariette Geldenhuys, Personal Assistant

**Approved by:** Amy Kubrycht, General Manager People & Governance

<b>Section under the act</b>	The grounds on which part of the Council or committee may be closed to the public are listed in s48(1) of the Local Government Official Information and Meetings Act 1987 (the act)
<b>Sub-clause and reason</b>	S.7(2)(a) - to protect the privacy of natural persons, including that of deceased natural persons.

## 11.4 Policy Update

**Report by:** Mariette Geldenhuys, Personal Assistant

**Approved by:** Amy Kubrycht, General Manager People & Governance

<b>Section under the act</b>	The grounds on which part of the Council or committee may be closed to the public are listed in s48(1) of the Local Government Official Information and Meetings Act 1987 (the act)
<b>Sub-clause and reason</b>	S.7(2)(g) - to maintain professional privilege.

## 11.5 Infrastructure Insurance renewal

**Report by:** Mariette Geldenhuys, Personal Assistant

**Approved by:** Bethia Gibson, General Manager Corporate Services

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<b>Section under the act</b>	The grounds on which part of the Council or committee may be closed to the public are listed in s48(1) of the Local Government Official Information and Meetings Act 1987 (the act)
<b>Sub-clause and reason</b>	S.7(2)(f)(ii) - maintain the effective conduct of public affairs by protecting members or employees of Council in the course of their duty from improper pressure or harassment

## 11.6 Government Funded Projects - Risk Management Report

**Report by:** Ali Meade, Biosecurity and Biodiversity Operations Manager

**Approved by:** Lucy Hicks, General Manager Integrated Catchment Management

**Report Date:** 5 December 2024

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<b>Section under the act</b>	The grounds on which part of the Council or committee may be closed to the public are listed in s48(1) of the Local Government Official Information and Meetings Act 1987 (the act)
<b>Sub-clause and reason</b>	S.7(2)(h) - to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.

## 11.7 Governance Level Risk Management Overview

**Report by:** Mariette Geldenhuys, Personal Assistant

**Approved by:** Wilma Falconer, Chief Executive

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<b>Section under the act</b>	The grounds on which part of the Council or committee may be closed to the public are listed in s48(1) of the Local Government Official Information and Meetings Act 1987 (the act)
<b>Sub-clause and reason</b>	S.7(2)(h) - to enable any local authority holding the information to carry out, without prejudice or disadvantage, commercial activities.