

**517<sup>th</sup> Meeting of the  
Canterbury Regional Council**

**Additional Documents**

**Thursday 27 August 2020 at 11.00am  
200 Tuam Street, Christchurch**

**Item**

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## 7.1.1 Performance, Audit and Risk Committee

### Council report

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<b>Date of meeting</b>	27 August 2020
<b>Author</b>	Vivienne Ong, Committee Advisor
<b>Endorsed by</b>	Miles McConway, Director Finance and Corporate Services

### Purpose

1. For the Council to receive the minutes from the Performance, Audit and Risk Committee held on 13 August 2020.

### Recommendations

That the Council:

1. receives and confirms as correct record of minutes of the Performance, Audit and Risk Committee meeting held 13 August 2020
2. receives the summary of the financial reports for the period ending 30 June 2020
3. notes the resolutions made by the Committee under delegated authority.

### Attachments

- Unconfirmed minutes – Performance, Audit and Risk Committee, 13 August 2020
- Summary of Financial report for period ending 30 June 2020

# **Minutes of the 157<sup>th</sup> meeting of the Performance, Audit and Risk Committee held in the Council Chamber, Environment Canterbury, 200 Tuam Street, Christchurch on Thursday, 13 August 2020 at 2.05pm**

## **Contents**

1. Apologies
2. Conflicts of Interest
3. Call for General Business
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  - 5.4 Financial Health Reports June 2020
6. Risk
  - 6.1 Health and Safety
  - 6.2 Risk Standing Report
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  - 7.1 COVID-19 Reporting and Year End Audit Process
8. Public Excluded
9. Notices of Motion
10. Extraordinary and Urgent Business
11. General Business
12. Questions
13. Next Meeting
14. Closure

## **Present**

Committee Chair, Cr John Sunckell  
Graeme McGlinn, Independent Member

Cr Claire McKay  
Cr Grant Edge

Cr Ian Mackenzie  
Chair Jenny Hughey

## **Management and officers present**

Stefanie Rixecker (Acting Chief Executive)  
Katherine Trought (Director Strategy & Planning)  
Nadeine Dommissie (Chief Operating Officer)  
Tim Davie (Acting Director Science)  
Catherine Schache (General Counsel)  
Katherine Harbrow (Chief Financial Officer)  
David Perenara-O'Connell (Senior Strategy Manager)  
Matthew Bennett (Principal Health and Safety Advisor)  
Nicholas Hill (Risk and Business Improvement Manager)  
Stewart Gibbon (Senior Manager Public Transport)  
Tarsha Triplow (Team Leader Corporate Reporting)  
Vivienne Ong (Committee Advisor)

Report writers and supporting staff were also in attendance.

## Welcome

Councillor Sunckell welcomed everyone to the Performance, Audit and Risk Committee meeting.

### 1. **Apologies**

An apology was received from Councillor Megan Hands.

### 2. **Conflicts of interest**

There were no conflicts of interest recorded.

### 3. **Call for general business items**

No items were put forward for consideration under General Business.

### 4. **Deputations and petitions**

No petitions or requests for deputations were received.

### 5. **Performance**

#### 5.1 **Action List**

*Refer page 11 – Performance, Audit and Risk Committee Agenda*

During discussion advice was given that procurement and contract management would be Councillor workshopped. A paper was being prepared on sustainable and ethical commercial property procurement.

#### **Resolved**

**That the Performance, Audit and Risk Committee:**

- 1. receives the Action List report**

Cr Edge / Graeme McGlinn  
CARRIED

#### 5.2 **Public Transport Financial Update**

*Refer page 12 – Performance, Audit and Risk Committee Agenda*

Stewart Gibbon reported on financial impacts of COVID-19 up to the period of June 2020.

Discussion centred on:

- Timaru on demand transport (MyWay) trial to date had been very successful and community engagement continued to be positive.
- The change in the Employment Relations Act and the public transport interim industry agreement ensuring driver break entitlements; and the anticipated progress of being 100% compliant by March 2021.

## **Resolved**

**That the Performance, Audit and Risk Committee:**

- 1. receives the financial update on Public Transport.**

Cr Mackenzie / Cr McKay  
CARRIED

### **5.3 Portfolio Financial Report June 2020**

*Refer page 20 – Performance, Audit and Risk Committee Agenda*

Katherine Harbrow and Tarsha Triplow presented the Portfolio Financial Report for the period ended 30 June 2020.

## **Resolved**

**That the Performance, Audit and Risk Committee:**

- 1. receives the Portfolio Financial Report for the period ended 30 June 2020.**

Chair Hughey / Graeme McGlinn  
CARRIED

### **5.4 Financial Health Reports June 2020**

*Refer page 29 – Performance, Audit and Risk Committee Agenda*

Kathrine Harbrow and Tarsha Triplow gave an overview of financial results for the period ended 30 June 2020 and provided an update of the cash position. The Committee assessed and understood the areas of identified risk and workings coming through the organisation over the next 6 – 12 month period.

After outlining the process of debt collection, it was confirmed the process would include the Committee being made aware of debtor issues.

## **Resolved**

**That the Performance, Audit and Risk Committee:**

- 1. receives the monthly Financial Health Report for the period ended 30 June 2020**
- 2. notes the table of Council approved unbudgeted expenditure listed in the Financial Health Report**

Cr McKay / Graeme McGlinn  
CARRIED

## **6. Risk**

### **6.1 Health and Safety Report**

*Refer page 36 – Performance, Audit and Risk Committee Agenda*

Matthew Bennett summarised the analysis of the health and safety events and activities for the period up to 30 June 2020. The key findings relating to incident management and lone/remote worker tracking was discussed.

The use of benchmarking against other regional councils was raised, with a decision not to put too much resource into benchmarking, but rather use resource to manage risks, improvements and corrective actions.

## **Resolved**

**That the Performance, Audit and Risk Committee:**

- 1. receives the Health and Safety Governance report.**

Cr Edge / Chair Hughey  
CARRIED

## **6.2 Risk Standing Report**

*Refer page 45 – Performance, Audit and Risk Committee Agenda*

Nick Hill provided updates on the Internal Audit Plan, and the current Alert Level 2 COVID-19 situation. He outlined the response to disruption management and gave assurance the organisation was well prepared.

## **Resolved**

**That the Performance, Audit and Risk Committee:**

- 1. receives the Risk Standing report as an update on risk management activities**
- 2. advises staff that there are no issues requiring additional risk assurance**

Cr McKay / Cr Mackenzie  
CARRIED

## **7. Audit**

### **7.1 COVID-19 Reporting and Year End Audit Process**

Katherine Harbrow presented this item.

Members were comfortable with the minor Level of Services not achieved (primarily due to timing of COVID-19 lockdown), and noted the impact would be negligible.

## **Resolved**

**That the Performance, Audit and Risk Committee:**

- 1. notes the process for COVID-19 reporting and the dates relating to the year-end audit and adoption of the Annual Report**

Graeme McGlenn / Cr McKay  
CARRIED

## 8. Public Excluded

### Resolved

#### 1. That the public be excluded from the following part of the proceedings of this meeting.

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

Item No.	Minutes/Report of	General Subject of each matter considered	Reason for passing this resolution to each matter	Ground(s) under section 48(1) for the passing of this resolution
1.1	Sensitive Expenditure Report – June 2020	Updates	Good reason to withhold exists under section 7	Section 48(1)(a)

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceeding of the meeting in public are as follows:

Item No.	
1.1	<p>Enable the Council holding the information to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations) – Section 7(2)(i)</p> <p>Protect information where the making available of the information would be likely unreasonably to prejudice the commercial position of the person who supplied or who is the subject of the information – Section 7(2)(b)(ii)</p>

*That appropriate officers remain to provide advice to the Committee.*

Cr McKay / Chair Jenny  
CARRIED

The meeting went into public excluded session from 3.01pm to 3.03pm.

## 9. Notices of motion

There were no notices of motion.

## 10. Extraordinary and Urgent Business

There was no extraordinary or urgent business.

## 11. General Business

There was no General Business.

12. **Questions**

There were no questions.

13. **Next Meeting**

The next meeting will be held on 1 October 2020.

14. **Closure**

The Committee congratulated Miles McConway for successfully identifying a commercial property opportunity which would be beneficial to Environment Canterbury, and commended him on his excellent due diligence.

The Chair declared the meeting closed at 3.05pm.

CONFIRMED

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Date

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Chairperson





## Reporting Period

7/1/2019

6/30/2020

## Previous Period (YTD)

Category	Revenue \$	Expenditure \$	Surplus/Deficit \$
Actual	170.20M	159.72M	10.49M
Budget	171.55M	172.85M	-1.30M
Variance	-1.34M	-13.13M	11.79M
% Var	-0.78%	-7.60%	
Forecast	170.35M	166.14M	4.20M
Variance	-0.14M	-6.43M	6.29M

## Current Period (YTD)

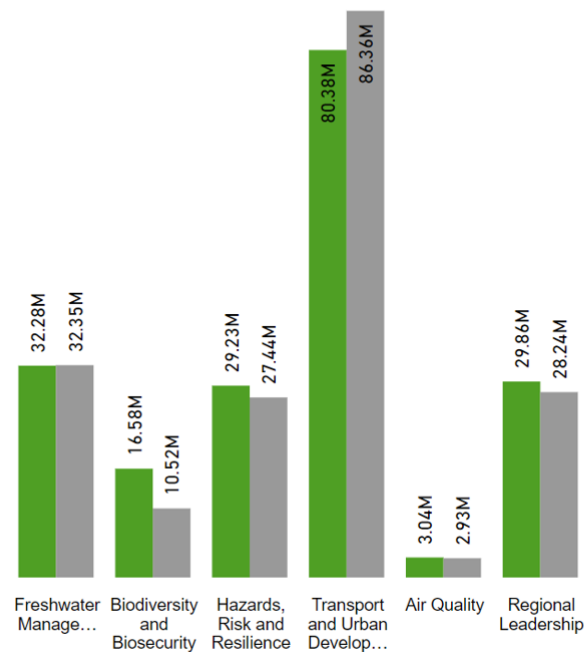
Category	Revenue \$	Expenditure \$	Surplus/Deficit \$
Actual	191.37M	185.97M	5.40M
Budget	187.84M	189.29M	-1.45M
Variance	3.54M	-3.32M	6.85M
% Var	1.88%	-1.75%	
Forecast	190.83M	188.07M	2.76M
Variance	0.54M	-2.10M	2.64M

## Current Month Movement

Category	Revenue \$	Expenditure \$	Surplus/Deficit \$
Actual	21.17M	26.26M	-5.09M
Budget	16.29M	16.45M	-0.15M
Variance	4.88M	9.81M	-4.93M
% Var	29.94%	59.66%	
Forecast	20.49M	21.93M	-1.44M
Variance	0.68M	4.33M	-3.64M

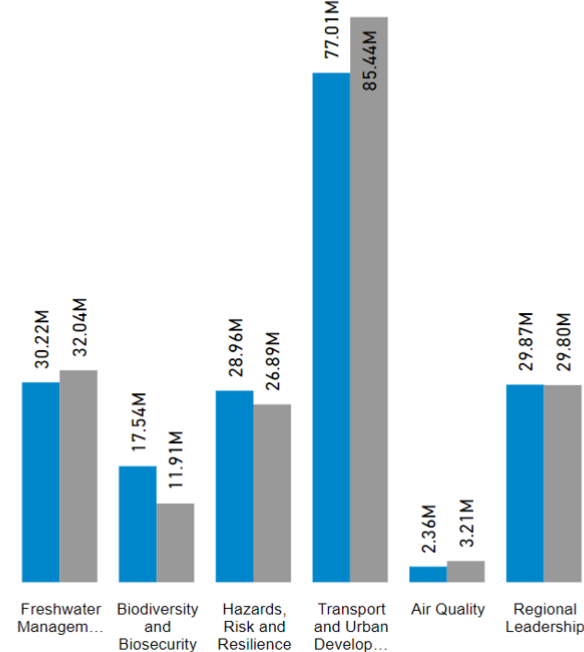
## Revenue

● YTD Actual ● YTD Budget



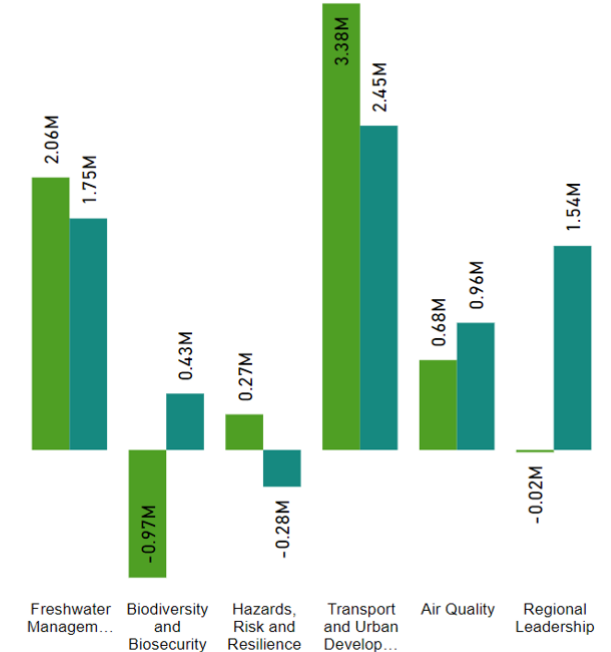
## Expenditure

● YTD Actual ● YTD Budget



## Surplus/Deficit

● YTD Actual ● YTD Variance to Budget



7/1/2019

6/30/2020

## FINANCIAL HEALTH REPORT

YTD Actual Expenditure Vs Full Year Budget



**98.25%**

YTD Actual/Full Year Budget %

Category	Actual \$	Budget \$	Variance \$	% Var	Forecast \$	Variance \$
Revenue	191.37M	187.84M	3.54M	1.88%	190.83M	0.54M
Expenditure	185.97M	189.29M	-3.32M	-1.75%	188.07M	-2.10M
Surplus/Deficit	5.40M	-1.45M	6.85M		2.76M	2.64M

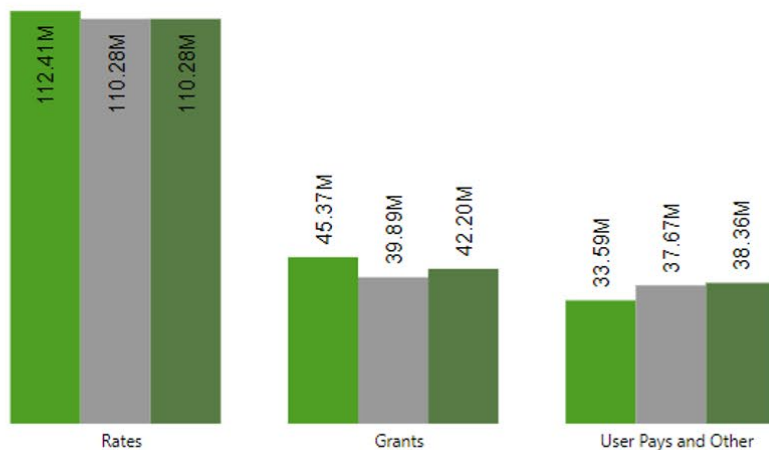
### Revenue

Grants are over budget due to additional funding for the Canterbury Regional Economic Development Strategy in Regional Leadership, the Concours programme in Hazards, Risk and Resilience and the Wilding Conifer programme in Biodiversity and Biosecurity. This is partially offset by the lower grant funding in the Public Transport delayed projects. User Pays and Other are under budget due to lower consent fees and lower fare revenue in Public Transport.

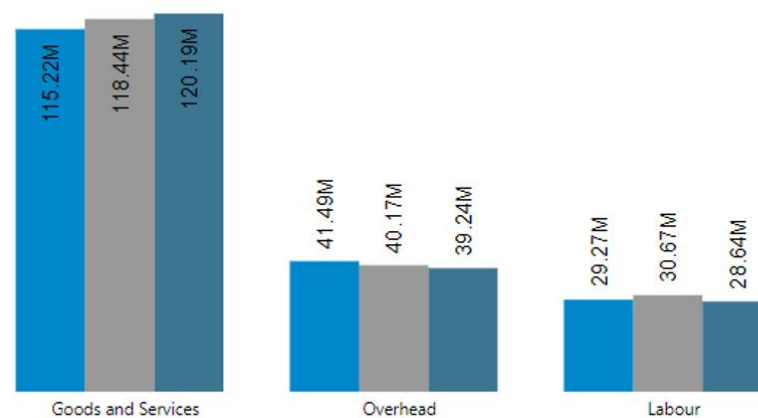
### Expenditure

Goods and Services expenditure is under budget mostly in Consultancy and Contractors in Public Transport due to the delayed NZTA projects, and in Freshwater Management relating to postponement of Plan Change 7 in the RMA Water Framework. Labour is below budget due to vacancies across the portfolios. Higher overhead costs reflect the additional Covid-19 costs.

● YTD Actual Revenue ● YTD Budget Revenue ● YTD Forecast Revenue



● YTD Actual Expenditure ● YTD Budget Expenditure ● YTD Forecast Expenditure



## Cash and Bank

as at 6/30/2020

**34.1M**

### Cash

**5.5M**

### Metrocard

**3.0M**

### Investment

**25.6M**

### Investment Details (\$000)

\$	Maturity	Days	Rate
6000	28/07/2020	90	1.50%
500	28/07/2020	182	2.81%
6000	26/10/2020	181	2.12%
1000	14/12/2020	216	2.21%
600	14/12/2020	241	2.50%
2100	6/04/2021	274	1.83%
1300	16/04/2021	270	1.64%

## Total Actual Cash & Bank

34.1M

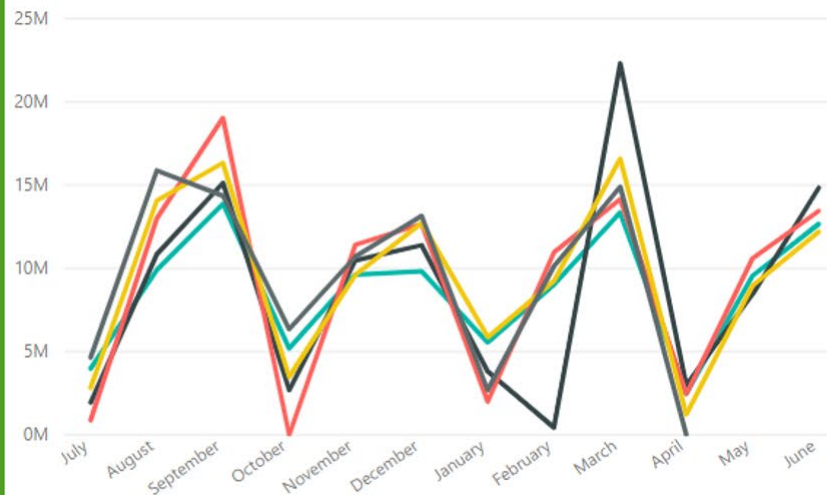
Cash Reserve Policy: 12.8M

## Financial Position

Cash and Bank	34.12M
Other Current Asset	20.67M
Non Current Asset	991.05M
Current Liabilities	-22.50M
Non Current Liabilities	-55.31M
<b>Net Assets</b>	<b>968.03M</b>

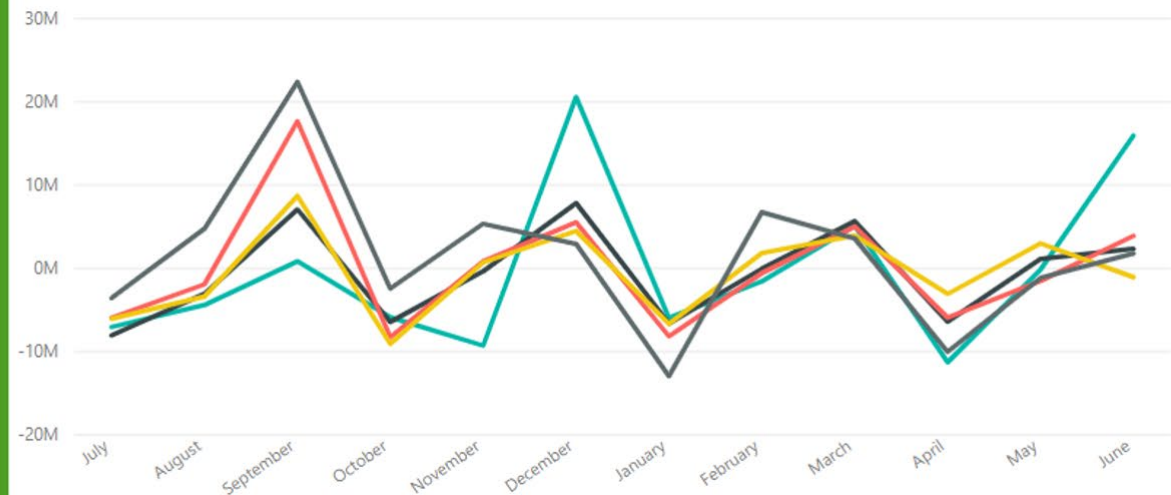
## Rates Revenue Tracking Against Previous Years

Financial Year ● 2016 ● 2017 ● 2018 ● 2019 ● 2020



## Cash and Bank Balance Tracking Against Previous Years

Financial Year ● 2016 ● 2017 ● 2018 ● 2019 ● 2020



# Hearing Panel to hear and decide Changes to the Fees and Charges Policy (June 2020)

## Council report

<b>Date of meeting</b>	27 August 2020
<b>Author</b>	Cindy Butt, Governance Team Leader
<b>Endorsed by</b>	Catherine Schache, General Counsel

## Purpose

- For the Council to receive the minutes from the Hearing Panel meetings to:
  - hear submissions to the Changes to the Fees and Charges Policy (June 2020) held on 13 August 2020; and
  - deliberate submissions to the Changes to the Fees and Charges Policy (June 2020) held on 21 August 2020.
- There is one recommendation for Council to consider:
  - Commissions staff to review and implement improvements to the overall transparency and efficiency of consent processing in order to inform the development of the Long-Term Plan 2021-31, including review of the Fees and Charges Policy.

## Recommendations

That the Council:

- Receives the minutes of the Hearing Panel meetings to:**
  - hear submissions to the Changes to the Fees and Charges Policy (June 2020) held on 13 August 2020; and**
  - to deliberate submissions to the Changes to the Fees and Charges Policy (June 2020) held on 21 August 2020.**
- Commissions staff to review and implement improvements to the overall transparency and efficiency of consent processing in order to inform the development of the Long-Term Plan 2021-31, including review of the Fees and Charges Policy.**
- Notes the resolutions made by the Hearing Panel under delegated authority.**

## **Attachments**

- Minutes of the Hearing Panel to hear submissions to the Changes to the Fees and Charges Policy (June 2020) held on 13 August 2020; and
- Minutes of the Hearing Panel to deliberate Changes to the Fees and Charges Policy (June 2020) held on 21 August 2020.

# **Minutes of the meeting of the Hearing Panel to Hear Submissions to the Changes to the Fees and Charges Policy (June 2020) held in the Council Chamber (and via video-link), 200 Tuam Street, Christchurch on, Thursday, 13 August 2020 starting at 11 am**

## **Present**

Councillor Claire McKay (Chair), Councillors Edge, Pham and Marshall - in person.  
Councillor Craig Pauling – via video-link

## **In attendance**

Councillor Iain Mackenzie, Nadeine Dommissie (Chief Operating Officer), Catherine Schache (General Counsel), Tania Harris (Senior Manager Operational Support), Virginia Loughnan (Consents Planning Manager) and Cindy Butt (Governance Services Team Leader)

### **1. Mihi Whakatau and Karakia**

Hearing Panel Chair Councillor Claire McKay opened the meeting at 11 am.

Cr Pauling gave a mihi whakatau and led a karakia.

### **2. Introduction**

Councillor McKay welcomed everyone to the hearing and introduced the hearing panel members to those present. Councillor McKay explained the hearing process noting the panel would consider all information provided by submitters both written and oral prior to making its decision.

### **3. Submitters**

#### **3.1 Submitter #9, Richard Shaw (via video-link)**

Mr Shaw commented that the electronic submission process was a survey/tick box exercise that restrained feedback. He was concerned that the language used e.g. “will” not “may” pre- determined the outcome.

Mr Shaw submitted that proposing changes to charges above CPI in a COVID recovery environment was inappropriate. The proposed increases are indiscriminate and a burden on rural dwellers. He said Council was double dipping as recovery of actual costs should be covered by general rates. He said the process appears open-ended and people who must pay should have the cost broken down, recorded and presented to them. In conclusion he advised making applications expensive will push people to not bother.

Mr Shaw answered questions of clarification and said the principle of cost-recovery needs to be fair and applied across all council activities. He said there was no justification to increase fees and charges above CPI and they should be part of general rates.

### **3.2 Submitter # 21, Andrea Chalmers**

Ms Chalmers advised her farming background and experience and gave examples of the various consent applications and compliance costs required for her farming operation. She supported option 1 to keep charges the same and make up the shortfall from general rates. She explained the increased cost of compliance meant there was less investment to put back into the farm. She was concerned about reducing the life of a consent from 35 to 10 years, and the associated increase in compliance costs. She said the high turnover of consent staff impacted the length of time to process applications, and the applicant should not have to fund “training and upskilling” of consent staff. In conclusion Ms Chalmers said applicants should know an estimate of the time and cost to process an application and if the cost is exceeded by 10% this should be explained by way of a detailed account of the overrun(s).

### **3.3 Submitter # 22, Mid-Canterbury Independent Irrigators Inc, represented by Andrea Chalmers**

Ms Chalmers explained they were a small group of independent irrigators that did not have corporate backing or resources. The group supported option 1 to keep charges the same and make up the shortfall from general rates. Ms Chalmers submitted the groups concern about the move to short term consents and the associated costs, the need to have suitably qualified staff to process consent applications, and the need for an explanation of any consent cost overruns.

Ms Chalmers answered questions of clarification and suggested the possibility of “bundling” consents (e.g. water – take, divert, dam, use) to enable one consent/one charge, and would like to know the breakdown of their general rates contribution. She added that when an application is renewed it would be helpful to have an indication of how long the process will take so applicants can budget accordingly. In conclusion Ms Chalmers said she was aware of pre-application meetings and agreed they were valuable.

### **3.4 Submitter # 18, Des Winter**

Mr Winter advised his farming background and the types of consents operating on his farm. He said the consent application process needed to be streamlined to be more efficient, and that applications should be assessed and processed by suitably competent, experienced and skilled staff. He concluded it was not appropriate to increase charges in a COVID recovery environment.

Mr Winter answered questions of clarification and agreed the concept of providing applicants with cost estimates and an overrun mechanism was a good idea and agreed applying a CPI rating to increases was a reasonable way forward.

### 3.5 **Submitter # 19, Chris Allen (via video-link)**

Mr Allen said the consent application process needed to be consistent and asked why ECan subsidised some of its activities but not others. He urged Council to consider a UAGC rates approach at its next annual plan review. He said the consent application process needed to be streamlined so it was smart, open, transparent and focused on efficiencies for getting 'bang for buck'.

Mr Allen answered questions of clarification and said the best way to socialise the breakdown of consent costs was to work with key stakeholders. He believed a UAGC rates approach had wider community benefit. When considering the idea of providing applicants with cost estimates, he said ECan needed to get the basics right, then signal a cost estimate but base it on reasonable land use consent charges. Mr Allen agreed it was reasonable for ECan to charge fees for staff time (and apply an annual CPI increase) but said the charges should be market driven and based on levels of service to ensure accountable, open and transparent delivery of service. He considered a fair subsidy from general rates would be between 20-30% (to be consistent) and should factor the greater public good.

## 4. **Closing remarks**

Councillor McKay thanked everyone for their participation and advised the panel would deliberate next week at a time and date to be determined.

Councillor Pauling closed with a mihi whakatau and karakia.

**The hearing closed at 12.21 pm.**



# **Minutes of the meeting of the Hearing Panel to deliberate submissions to the Changes to the Fees and Charges Policy (June 2020) held in the Council Chamber (and via video-link), 200 Tuam Street, Christchurch on, Friday, 21 August 2020 starting at 10 am**

## **Present**

Councillor Claire McKay (Chair), Councillors Edge, Pham and Marshall - in person.  
Councillor Craig Pauling – via video-link

## **In attendance**

Catherine Schache (General Counsel), Tania Harris (Senior Manager Operational Support), Virginia Loughnan (Consents Planning Manager), Adrienne Lomax (Senior Strategy Advisor) and Cindy Butt (Governance Services Team Leader)

### **1. Welcome/introduction**

Hearing Panel Chair Councillor Claire McKay opened the meeting at 10 am.

### **2. Apologies**

There were no apologies.

### **3. Conflicts of Interest**

There were no conflicts of interest declared.

### **4. Report to the Hearing Panel to hear and decide submissions to the Changes to the Fees and Charges Policy (June 2020)**

It was noted the hearing panel was delegated authority to decide the matter and therefore that a further Council decision would not be needed.

Each panel member spoke in support of option 2 to: *'increase consent planning officer charge-out rate to a level that will allow recovery of actual and reasonable costs from the date the new rates are implemented from 1 September 2020.'* noting option 2 is consistent with Council's revenue and finance policy. In support of option 2 the hearing panel strongly advocated a full review be done of the Fees and Charges Policy to consider the various themes from submitters that include ideas to improve efficiency and transparency of consent application processing services.

Councillors wished to acknowledge and thank submitters for their participation and feedback, and staff for their work to complete the process.

## **Resolved**

**That the Hearing Panel:**

- 1. receives the summary of the submissions on the proposed changes to the Fees and Charges Policy and staff advice (attachment 1) and agrees that the summary is an accurate reflection of the community feedback received**
- 2. directs staff on the preferred option 2: increase charge-out rates for consent applications as soon as practical, noting the further work contemplated by resolution 3 below**

Cr Pham/Cr Pauling  
CARRIED

- 3. recommends to Council that it commissions staff to review and implement improvements to the overall transparency and efficiency of consent processing in order to inform the development of the Long-Term Plan 2021-31, including review of the Fees and Charges Policy.**

Cr Marshall/Cr Pauling  
CARRIED

- 4. adopts the staff comments and instructs staff to respond to submitters noting the hearing panel's gratitude to submitters for their feedback and participation, and advising them that a future review of the Fees and Charges Policy will consider improvements to the overall transparency and efficiency of consent processing.**

Cr Edge/Cr Marshall  
CARRIED

## **5. Closing karakia**

Councillor McKay thanked everyone for their participation and invited Cr Pauling to lead to karakia to close the meeting at 10.29 am.