

I hereby give notice that an ordinary meeting of the Audit, Risk and Investment Committee will be held on:

Date: Tuesday, 24 August 2021
Time: To follow Council
Venue: Tararua Room
Horizons Regional Council
11-15 Victoria Avenue, Palmerston North

AUDIT, RISK AND INVESTMENT COMMITTEE AGENDA

MEMBERSHIP

Chair	Cr AL Benbow
Deputy Chair	Cr EM Clarke
Councillors	Cr RJ Keedwell
	Cr SD Ferguson
	Cr JM Naylor
	Cr NJ Patrick
	Cr GJ Turkington

Michael McCartney
Chief Executive

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Palmerston North 4442

Full Agendas are available on Horizons Regional Council website
www.horizons.govt.nz

for further information regarding this agenda, please contact:
Julie Kennedy, 06 9522 800

CONTACTS	24 hr Freephone : 0508 800 800	help@horizons.govt.nz		www.horizons.govt.nz
SERVICE CENTRES	Kairanga Cnr Rongotea & Kairanga-Bunnythorpe Rds, Palmerston North	Marton 19-21 Hammond Street	Taumarunui 34 Maata Street	Woodville Cnr Vogel (SH2) & Tay Sts
REGIONAL HOUSES	Palmerston North 11-15 Victoria Avenue	Whanganui 181 Guyton Street		
DEPOTS	Levin 120-122 Hokio Beach Rd	Taihape 243 Wairanu Rd		
POSTAL ADDRESS	Horizons Regional Council, Private Bag 11025, Manawatu Mail Centre, Palmerston North 4442			
FAX	06 9522 929			

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PX4	Committee to consider whether any item in the Public Excluded minutes can be moved into the public domain, and define the extent of the release.	

AGENDA

1 Welcome/Karakia

2 Apologies and Leave of Absence

At the close of the Agenda no apologies had been received.

3 **Public Forums:** Are designed to enable members of the public to bring matters, not on that meeting's agenda, to the attention of the local authority.

Deputations: Are designed to enable a person, group or organisation to speak to an item on the agenda of a particular meeting.

Requests for Public Forums / Deputations must be made to the meeting secretary by 12 noon on the working day before the meeting. The person applying for a Public Forum or a Deputation must provide a clear explanation for the request which is subsequently approved by the Chairperson.

Petitions: Can be presented to the local authority or any of its committees, so long as the subject matter falls within the terms of reference of the council or committee meeting being presented to.

Written notice to the Chief Executive is required at least 5 working days before the date of the meeting. Petitions must contain at least 20 signatures and consist of fewer than 150 words (not including signatories).

Further information is available by phoning 0508 800 800.

4 Supplementary Items

To consider, and if thought fit, to pass a resolution to permit the Committee/Council to consider any further items relating to items following below which do not appear on the Order Paper of this meeting and/or the meeting to be held with the public excluded.

Such resolution is required to be made pursuant to Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended), and the Chairperson must advise:

- (i) The reason why the item was not on the Order Paper, and
- (ii) The reason why the discussion of this item cannot be delayed until a subsequent meeting.

5 Members' Conflict of Interest

Members are reminded of their obligation to declare any conflicts of interest they might have in respect of the items on this Agenda.

Minutes of the fifth meeting of the eleventh triennium of the Audit, Risk and Investment Committee held at 1.00pm on Tuesday 23 March 2021, in the Tararua Room, Horizons Regional Council, 11-15 Victoria Avenue, Palmerston North.

PRESENT Crs RJ Keedwell (Acting Chair), AL Benbow (via audio visual link), SD Ferguson, JM Naylor (via audio visual link), NJ Patrick, and GJ Turkington.

IN ATTENDANCE Councillors F Gordon, B Gordon, Te Awe Awe, Kirton, Cotton (via audio visual link)
Chief Executive Mr MJ McCartney
Committee Secretary Mrs KA Tongs

ALSO PRESENT At various times during the meeting:

Mr C Grant (Group Manager Corporate and Governance), Mr G Shirley (Group Manager Regional Services & Information), Dr J Roygard (Group Manager Natural Resources & Partnerships), Dr N Peet (Group Manager Strategy & Regulation), Mr R Strong (Group Manager River Management), Mr A Smith (Chief Financial Officer), Mrs E Bethel, Ms C Holdsworth, and Mr S Mancer (Management Accountants), Mr K Russell (Operations Manager), Mr B Watson (Manager Catchment Data), Mr D Neal (Business Services Manager), Mr E Lloyd (Senior Health & Safety Advisor), Mr J Bell (Manager Investigations & Design), Ms C Morrison (Communications Manager), Mr P Beggs and Mr D Tombs (Rangitikei District Council), and Mr M Wilson, Mr S Ketley and Mr N Casey (Aon).

The Chair welcomed everyone to the meeting.

APOLOGIES

An apology for Cr Emma Clarke was submitted at the Council meeting which was held prior to the Audit, Risk & Investment Committee meeting.

PUBLIC FORUMS / DEPUTATIONS / PETITIONS

There were no requests for public speaking rights.

SUPPLEMENTARY ITEMS

There were no supplementary items to be considered.

MEMBERS' CONFLICTS OF INTEREST

There were no conflicts of interest declared.

CONFIRMATION OF MINUTES

ARI 21-16 Moved Ferguson/Patrick

That the Committee:

confirms the minutes of the Audit, Risk and Investment Committee meeting held on 24 November 2020 as a correct record, and notes that the recommendations were adopted by the Council on 23 March 2021.

CARRIED

MANAGING RISK AND INSURANCE WITHIN A HARDENING MARKET - OUR JOURNEY AND STRATEGY: A PRESENTATION FROM THE ASSET MANAGEMENT LEADERSHIP GROUP

Report No 21-33

Mr Grant (Group Manager Corporate & Governance) and Mr Strong (Group Manager River Management) provided an executive level summary of the strategy for managing risk and insurance within a hardening market and what that meant for Horizons Regional Council in regards to context. Mr Wilson and Mr Ketley from Aon spoke to a powerpoint presentation regarding risk management and insurance from both a global and governance perspective.

ARI 21-17 Moved Keedwell/Turkington

That the Committee recommends that Council:

a. receives the presentation from the Asset Management Leadership Group.

CARRIED

The meeting adjourned at 2.04pm.

The meeting reconvened at 3.26pm.

FINANCIAL PERFORMANCE FOR THE EIGHT MONTHS ENDED 28 FEBRUARY 2021

Report No 21-29

Mr Smith (Chief Financial Officer) presented this report which informed Members of the financial performance for the past eight months to 28 February 2021 against the Councils' revised budgets. Revised budgets included the Council approved end of year carry forwards along with any Council resolutions approving the use of reserves.

ARI 21-18 Moved Turkington/Ferguson

That the Committee recommends that Council:

a. receives the information contained in Report No. 21-29.

CARRIED

PERFORMANCE MEASURES - FOR THE EIGHT MONTHS ENDED 28 FEBRUARY 2021

Report No 21-30

Mr Smith (Chief Financial Officer) spoke to this report which informed Members on the eight month progress against the annual performance measures as outlined in the 2020-21 Annual Plan.

ARI 21-19 **Moved** **Ferguson/Patrick**

That the Committee recommends that Council:

- a. *receives the information contained in Report No. 21-30 and Annex.*

CARRIED

CLIMATE RESILIENCE PROJECTS UPDATE

Report No 21-31

This item updated Members on progress with delivering the Flood Protection Climate Resilience Projects. Mr Strong (Group Manager River Management) introduced the report and highlighted the demand on project management resource and the prioritisation and delivery timeframes of the current projects.

ARI 21-20 **Moved** **Keedwell/Turkington**

That the Committee recommends that Council:

- a. *receives the information contained in Report No. 21-31 and Annex.*

CARRIED

JOBS FOR NATURE PROJECT UPDATE - MARCH 2021

Report No 21-32

Dr Roygard (Group Manager Natural Resources & Partnerships) updated Council on the Jobs for Nature work programme that Council approved in July 2020 and gave an overview of the three projects; Regional Stream Fencing and Riparian Planting; Enhancing Fish Populations through Fish Passage Remediation; and Horowhenua Freshwater Management Unit Water Quality Interventions.

ARI 21-21 **Moved** **Ferguson/Turkington**

That the Committee recommends that Council:

- a. *receives the information contained in Report No. 21-32 and Annex.*

CARRIED

PROCEDURAL MOTION TO EXCLUDE THE PUBLIC

ARI 21-22

Moved

Keedwell/Turkington

THAT the public be excluded from the following part(s) of the proceedings of this meeting. The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

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

CARRIED

General subject of each matter to be considered	Reason for passing this resolution	Ground(s) under section 48(1) for the passing of this resolution
PX1 Confirmation of Public Excluded Meeting held on 24 November 2020	s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
PX2 Risk Register Update	s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. The report refers to areas of risk which may be of a commercially sensitive nature.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
PX3 Council / Committee to consider whether any item in the Public Excluded minutes can be moved into the public domain and define the extent of the release		

The meeting adjourned to the Public Excluded part of the meeting at 3.58pm and resumed at 4.02pm.

The meeting closed at 4.03pm.

Confirmed

CHIEF EXECUTIVE

CHAIR

Report No.	21-96
Information Only - No Decision Required	

FINANCIAL PERFORMANCE FOR THE YEAR ENDING 30 JUNE 2021

1. PURPOSE

- 1.1. This report is to inform members of Council of the financial performance for the year ending 30 June 2021 compared to previous forecasts and to Councils revised budget. Revised budgets include the Council approved carry forwards along with any Council resolutions approving the use of reserves.

2. RECOMMENDATION

That the Committee recommends that Council:

- a. receives the information contained in Report No. 21-96.

3. FINANCIAL IMPACT

- 3.1. This item reports Horizons Regional Council's overall financial performance for the period ending 30 June 2021.

4. COMMUNITY ENGAGEMENT

- 4.1. There is no requirement for community engagement.

5. SIGNIFICANT BUSINESS RISK IMPACT

- 5.1. Assuming that the activities track to the 2020-21 Annual Plan and the 2020-21 revised budget, there is no significant business risk.

6. FINANCIAL REPORTING OF ACTUAL RESULTS TO REVISED BUDGET

- 6.1. Council's original Annual Plan Budget reflected Total Revenue of \$70.7M with Operating Expenses of \$63.9M and Capital Spend of \$17.6M. An additional \$12.4M Revenue was subsequently approved mainly relating to the COVID-19 recovery programs and carry forwards, with related additional Operating Expenses of \$3.4M and Capital Spend of \$14.4M.
- 6.2. For the year ending 30 June 2021 the operating surplus is \$9.25M compared to a revised budget of \$15.83M, resulting in an unfavorable variance of (\$6.58M). Lower revenue than expected drives most of this variance, with Flood Protection down \$3.6M relating to funding of capital works programs that have been delayed, Investments down \$1.2M due to lower than expected interest and dividend income and Land Management down \$1.1M related to the revaluation of the forestry assets.
- 6.3. The forecasted year end position was a surplus of \$10.2M, resulting in an unfavorable variance from actual to forecast of (\$0.98M). Investments contributes \$0.5M to this variance due to the lower than expected revenues. This will be reduced once the investment property revaluations have been completed.
- 6.4. The Investment activity is unfavourable due to lower than expected interest rates (although this is partially offset in other areas of the organisation with lower interest costs). Whilst Rate Penalty revenue is higher than anticipated this year, this has been more than offset by a greater amount of discounts and remissions provided earlier in the year.

- 6.5. The JV Forestry revaluations for the year ending 30 June 2021 have resulted in a reduction in the value of the timber harvest of the forests. This has been driven by a slight reduction in the three-year average log price to June 2021 and changes to some of the assumptions in the valuation eg an increase in cartage and logging costs. Note the forest value has still increased over the last 5 years by 160% or \$3.1M and latest indicators show the log prices increasing again. The current value of the timber harvest component of the forests is \$5M at 30 June 2021.
- 6.6. Price Waterhouse Coopers are in the process of completing a review of the JV arrangements and the accounting treatment and valuation of the forests for timber harvest and carbon credits. This will help inform the final annual report position and will be made available to Council once complete. This will include the total overall change in value of the forests (both harvest and carbon).

7. CAPITAL EXPENDITURE

- 7.1. The 2020-21 Annual Plan had a capital budget of \$17.560M. Council's capital budget has been growing year on year by approximately \$3M per year. Of the budget for the year, \$11.152M is for the River Management team's infrastructure projects. Key projects included in the Annual Plan were; Reid's Line floodway upgrade, Rural Upgrade Project, Lower Whanganui River Training Structures, Parewanui stopbank upgrade, Foxton drainage and flood protection upgrade.
- 7.2. Council's other notable capital projects identified in the Annual Plan included Lake Horowhenua restoration works, silviculture & forestry improvements, Environmental Data site operation & upgrades, vehicle & plant replacements as well as building improvements & site developments.
- 7.3. Subsequent to the annual plan being adopted, Council approved the carry forwards from the 2019-20 financial year which arose from project delays, COVID-19 lockdown and the timing of works being completed across the end of the financial year. The approved carry forwards totalled \$2.945M. This resulted in the revised capital budget for the year increasing from \$17.560M to \$20.505M.
- 7.4. Central Government's response to COVID-19 resulted in funding being given to Regional Councils' who applied with appropriate projects that met the criteria. Horizons were successful in securing funding for two tranches of work – Jobs for Nature and Climate Resilience projects. These projects resulted in a further increase on the current year's capital project of \$6.755M and \$4.720M respectively. This took the total revised capital budget for council in the 2020-21 financial year to \$31.975M.
- 7.5. Council's forecast capital spend for the end of year was \$20.621M. The predicted underspend almost entirely coming from the River Management team as a result of delays on the some key projects, most notably the Lower Whanganui River Training Structures and the Rural Upgrade Project. Both projects have suffered delays during the year that have been outside council officer's control. An over-ambitious budget for the Climate Resilience projects in the current year has also contributed to a lower forecasted position at 30 June when compared to the revised budget. Some of the effects of these project delays have been re-budgeted into the 2021-31 LTP.
- 7.6. Council's actual year end position when compared to the forecast was \$1.1M less than forecasted as a result of underspends in Corporate (\$340k), Schemes (\$290k), Information (\$204k), Land & Water Management (\$186k) and minor other budgets of (\$80k). These underspends are as a result of contractor availability over the last month to get the last minor bits of work completed within the year and also vehicle purchases that were not able to be processed by year end due to global shipping issues.
- 7.7. Actual results compared to revised budgets are significant, however the reasons for the lower forecast position apply to the actual result. The actual result was (\$12.457M) lower

than the revised budget. Underspends resulted from Schemes (\$10.951M), Corporate (\$724k), Emergency Management (\$313k) Information (\$266k) and Land Management (\$174k).

- 7.8. Both Schemes and Corporate have suffered project delays as well as some contractor availability to complete some work. Corporate was also impacted by vehicle purchases not being able to be processed by year end due to global supply issues and continuation of two information projects. Majority of this work has either been re-budgeted or will asked to be carried forward to the new financial year. Emergency Management capital works have suffered a delay as a result of suitably technically qualified people being re-directed to various Covid-19 response elements both of internal staff and external contractors. An internal vacancy has resulted in the (\$131k) underspend on the GIS project within the Information activity. A further (\$121k) was not spent on Environmental Data sites because of international supply chain issues, also within the Information activity. Design delays of the irrigation system at one of our nurseries have resulted in this work now needing to occur in the 2021-22 financial year.

8. NON FINANCIAL PERFORMANCE MEASURES

- 8.1. Of the six Groups of Activities reported on in our Annual Reports, Land and Water Management, Biosecurity and Biodiversity Management as well as the Transport group are reporting improvements on the previous year. Regional Leadership and Governance is showing minor decreases in performance with Flood Protection & Control works as well as Investments remaining unchanged. Overall we achieved 79.82% of the targets for the 2020-21 year compared to 71.07% for 2019-20. These results are subject to audit and will likely change as a result of that.

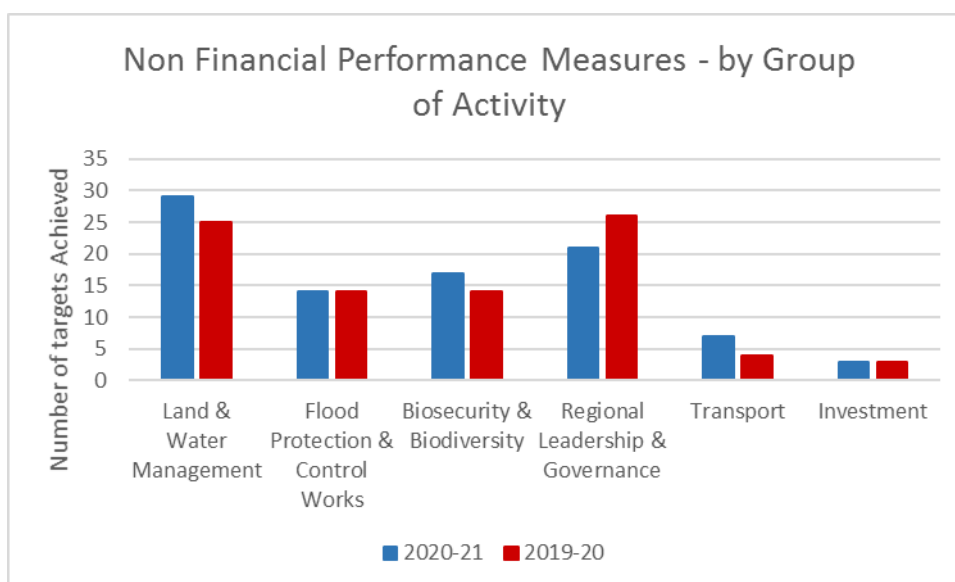
- 8.2. Summarised details are in the table below:

Group	No. of measures	Achieved June 2021	Not available or applicable	Not achieved	% Achieved 2020-21
Land Management	6	6	0	0	100%
Water Quality and Quantity	19	19	0	0	100%
Resource Consent and Pollution Management	9	4	2	3	57%
River and Drainage – General	9	3	1	5	38%
River and Drainage – Schemes	25	11	5	9	55%
Biosecurity	12	12	0	0	100%
Biodiversity	5	5	0	0	100%
Community Relationships	10	3	7	0	100%
Environmental Reporting	6	6	0	0	100%
Emergency Management	8	7	0	1	88%
Governance	4	2	2	0	100%
Information	3	3	0	0	100%
Hapū and Iwi Relationships	1	0	1	0	-
Strategic Management	1	0	0	1	0%
Road Safety	1	1	0	0	100%
Transport Planning	4	4	0	0	100%
Passenger Services	4	2	0	2	50%
Investment	5	3	0	2	60%
	132	91	18	23	80%

- 8.3. Summary of all of Council's achievement for performance targets is shown in the pie graph below;



- 8.4. The below graph shows a summary of performance by group of activity from the current year compared with the previous year;



9. ACCOUNTS RECEIVABLE

- 9.1. Accounts receivable as at 30 June 2021 is **\$2.2M** (this does not include rates).

SUNDRY DEBT		INVOICE AMOUNTS						INVOICE AGES			
MONTH	TOTALS	Under \$1k	\$1k to \$5k	\$5k to \$20k	\$20k to \$50	\$50k to \$100k	Over \$100k	Current	1 month	2 month	3+ months
JUNE 2021	\$2,199,671.76	\$41,300	\$268,196	\$421,011	\$392,281	\$237,680	\$839,204	\$2,017,008	\$26,296	\$6,476	\$149,892
Percentage	100%	1.88%	12.19%	19.14%	17.83%	10.81%	38.15%	91.70%	1.20%	0.29%	6.81%
No. of Invoices	569	385	119	45	12	3	4	294	13	18	114
MAY 2021	\$3,105,126.28	-\$16,202	\$166,157	\$278,497	\$310,638	\$0	\$2,366,036	\$878,331	\$31,077	-\$322	\$2,196,040
Percentage	100%	-0.52%	5.35%	8.97%	10.00%	0.00%	76.20%	28.29%	1.00%	-0.01%	70.72%
No. of Invoices	391	274	72	32	10	0	2	184	39	10	206
APR 2021	\$3,488,153.62	\$20,430	\$170,697	\$265,353	\$189,683	\$0	\$2,841,990	\$1,257,489	-\$322	\$2,115,127	\$115,860
Percentage	100%	0.59%	4.89%	7.61%	5.44%	0.00%	81.48%	36.05%	-0.01%	60.64%	3.32%
No. of Invoices	509	392	74	33	5	0	4	263	8	73	96

The current balance (being one month or less) makes up 92.9% of total receivables. The debt over three months old is being actively managed.

10. INVESTMENT

10.1. MWRC Holdings

10.1.1. The 23 Victoria Avenue site is not yet fully tenanted so is performing financially as expected given the situation. Management are continually investigating opportunities to ensure this tenancy is filled as quickly as possible. The dividend originally indicated in the 2020-21 Statement of Intent was slightly reduced in light of this.

10.1.2. Hobson Wealth Portfolio value at 30 June 2021 was \$3.958M, an increase of \$715k in the current year.

10.2. Cash Investments

10.2.1. As at 30 June 2021 Horizons had a cash balance of \$7.6M. This is slightly higher than usual given the delays in some of our capital projects.

10.2.2. Interest rates continued to remain much lower than what was budgeted for in the Annual Plan. Treasury staff actively monitored cash as well as interest rates to maximize any potential interest income streams.

11. SWAPS

11.1. At 30 June Council had four active interest rate swaps. These swaps in total fix \$7M of Council's debt at what was at the time historically low interest rates. Given the current interest rate climate, it was not intended to renew swaps as they become due. If new information regarding potential increases of interest rates comes to light, treasury staff will reconsider the use of interest rate swaps at that time.

11.2. The table below details the swaps in place at 30 June 2021:

Counterparty	Amount	Term (yrs.)	Start Date	End Date	Fixed Rate
ASB	1,000,000	4.50	22 Mar 17	24 Sep 2021	3.90%
ASB	2,000,000	5.00	18 Sep 17	30 Sep 2022	4.47%
ASB	2,000,000	8.00	22 Mar 16	22 Mar 2024	4.54%
ASB	2,000,000	7.00	18 Sep 17	18 Sep 2024	3.87%

11.3. Council had taken on a large amount of debt within a short space of time back in the 2018/19 financial year, there was a near breach of policy regarding our interest rate exposure. To mitigate this, treasury advice received was to enter into two new swaps with one commencing on 15 April 2022 and the other on 15 April 2024. The interest rates on the new swaps are considerably lower than previous swaps Council has entered into.

11.4. The table below details the two forward swaps that have been entered into on 30 June 2021:

Counterparty	Amount	Term (yrs.)	Start Date	End Date	Fixed Rate
BNZ	4,000,000	3.00	15 Apr 24	15 Apr 2027	2.00%
BNZ	4,000,000	6.00	15 Apr 22	15 Apr 2028	1.80%

12. EXTERNAL LOANS

12.1. The below schedule details the loans that Horizons has borrowed externally. Excluding the one loan noted in the table below from Westpac, all other loans have been borrowed through the **Local Government Funding Agency (LGFA)**. The borrowing rates provided by LGFA have consistently been cheaper than alternative borrowing options. Council could further reduce interest expense by getting a credit rating. This is being investigated by staff, given the level of borrowing and the potential savings that would result from this. The

grey shading through the table denotes those loans which have been borrowed on behalf of MWRC Holdings and directly on-lent to the holding company. Excluding the MWRC Holdings debt, Council's core debt position is \$37M.

Type	Term	\$ Value	Interest Rate	Date Maturing
Fixed	6 mo	5,000,000	0.55%	2-Aug-21
Floating (Westpac)	7 yrs	5,000,000	Currently 0.97%	18-Aug-21
Fixed	6 mo	4,000,000	0.58%	31-Aug-21
Fixed	6 mo	3,000,000	0.58%	31-Aug-21
Fixed	3 yrs 8 mo	4,000,000	2.71%	14-Apr-22
Floating	5 yrs	2,500,000	Currently 0.93%	21-Aug-22
Floating	6 yrs	2,500,000	Currently 0.98%	21-Aug-23
Fixed	4 yrs 9 mo	2,000,000	2.09%	15-Apr-24
Fixed	5 yrs 10 mo	2,500,000	3.54%	15-Apr-24
Fixed	5 yrs 10 mo	2,500,000	3.75%	15-Apr-25
Fixed	5 yrs 2 mo	2,000,000	2.81%	15-Apr-25
Fixed	5 yrs 2 mo	5,000,000	2.81%	15-Apr-25
Fixed	6 yrs 4 mo	4,000,000	3.25%	15-Apr-25
Fixed	7 yrs 2 mo	2,000,000	2.97%	15-Apr-26
Fixed	8 yrs 2 mo	2,000,000	3.12%	15-Apr-27
Floating	7 yrs	3,000,000	Currently 1.05%	15-May-28
Fixed	9 yrs 10 mo	3,000,000	3.19%	15-Apr-29
		54,000,000		

13. INTERNAL LOANS

- 13.1. As we are only part way through finalising the end of year positions, the internal loan balances are currently unable to be presented. Given some of the delays in the capital program for River Management, the closing balance for these loans are likely to be less than forecast. Many of the schemes have multiple loans, covering various work programs and also have variable repayment dates. Interest is charged to the schemes based on the average interest expense incurred by Council over the previous financial year. The estimated closing balance for the just completed year forms the basis of the loan repayment budget for the 2021-31 Long Term Plan. As a result of the likely lower balances than anticipated, this will have a timing issue that will be rectified in the upcoming Annual Plan.
- 13.2. The schemes have drawn internal loans at varying times based on the need for capital upgrade works or new infrastructure and as a result have many differing dates due for the repayment of the loans.
- 13.3. As part of the LTP, taking into account scheme rate rises and affordability for some schemes, there was a revision of loan repayment dates for the currently drawn internal loans. The longest current loan due date is now 30 June 2046. There are two loans due to be repaid at that date, the loan associated with the Reid's Line Upgrade and the loan associated with the Lower Whanganui River Training Structures.
- 13.4. In the latter part of the new 2021-31 LTP, some new loans also have a term of 20 years, taking the repayment dates out as far as 30 June 2049. This loan doesn't commence until the 2029 financial year.
- 13.5. Pre-2004 floods, Council had a large amount of cash on hand. At the time the Council made the decision to lend the cash out to the schemes to help with the infrastructure project that followed the event. This is the main reason for the mismatch between the internal loan balance and the core external debt balances.

14. SIGNIFICANCE

- 14.1. This is not a significant decision according to the Council's Policy on Significance and Engagement.

Scott Mancer
FINANCIAL ACCOUNTING TEAM LEADER

Adrian Smith
CHIEF FINANCIAL OFFICER

David Neal
ACTING GROUP MANAGER CORPORATE & GOVERNANCE

ANNEXES

There are no attachments to this report.

Public Excluded Section

RECOMMENDATION

That the public be excluded from the remainder of the Council meeting as the general subject matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution follows.

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

General subject of each matter to be considered	Reason for passing this resolution	Ground(s) under section 48(1) for the passing of this resolution
PX1 Confirmation of Public Excluded Meeting held on 23 March 2020	s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities.	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
PX2 Cyber Security Risks	s7(2)(b)(i) - the withholding of the information is necessary to protect information where the making available of the information would disclose a trade secret. s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. To protect our cyber security position..	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
PX3 Risk Register Update	s7(2)(h) - the withholding of the information is necessary to enable the local authority to carry out, without prejudice or disadvantage, commercial activities. The report refers to areas of risk which may be of a commercially sensitive nature..	s48(1)(a) The public conduct of the part of the meeting would be likely to result in the disclosure of information for which good reason for withholding exists under section 7.
PX4 Council / Committee to consider whether any item in the Public Excluded minutes can be moved into the public domain and define the extent of the release		