

Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee



Kaupapataka Wātea | Open Agenda



Notice is hereby given that an ordinary meeting of Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee will be held on:

Ko te rā | Date: Tuesday 30 September 2025
Wā | Time: 9:00am
Wāhi | Venue: Council Chambers
35 Kenrick Street
TE AROHA

Ngā Mema | Membership

Tiamana | Chairperson

Jaydene Kana

He mema tūtahi | Independent Member

Joanne Aoake

Manuhuia | Mayor

Adrienne Wilcock

Koromatua Tautoko | Deputy Mayor

James Thomas

Kaunihera ā-Rohe | District Councillors

Bruce Dewhurst

Kevin Tappin

Gary Thompson

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Kāinga Ipuranga | Website: www.mpdc.govt.nz



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1 Whakatūwheratanga o te hui | Meeting Opening

2 Karakia | Prayer

3 Ngā whakapāha/Tono whakawātea | Apologies/Leave of Absence

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

4 Pānui take ohore | Notification of Urgent Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

- (a) The local authority by resolution so decides; and
- (b) The presiding member explains at the meeting, at a time when it is open to the public,-
 - (i) The reason why the item is not on the agenda; and
 - (ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

- (a) That item may be discussed at that meeting if-
 - (i) That item is a minor matter relating to the general business of the local authority; and
 - (ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but
- (b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”

5 Whākī pānga | Declaration 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.

6 Whakaaetanga Mēneti | Confirmation of Minutes

Minutes, as circulated, of the Ordinary meeting of Komiti o te Mōrearea me te Tūmaru | Risk & Assurance Committee, held on 17 June 2025

7 Pūrongo me whakatau | Decision Reports

7.1 Chair's Update, Self Assessment Results and Review of Charter

CM No.: 3079089

Te Kaupapa | Purpose

The purpose of this report is to:

- provide a Chair's update
- provide the results of the Committee Members' self assessment and allow discussion
- provide opportunity for members to review and provide comment on the Risk and Assurance Charter ahead of the local election on 11 October 2025.

Rāpopotonga Matua | Executive Summary

The Chair's update (attached) includes reflections on events attended, summarises the Self Assessment results and provides thanks.

The Self Assessment responses are attached in full for information.

The Charter (attached) was last reviewed in November 2024 with no changes recommended.

Tūtohunga | Recommendation

That:

1. The information be received.
2. The Committee provide feedback to Council on the Charter *[feedback to be specified]*.

Horopaki | Background

Risk and Assurance Self Assessment

Each year as part of its work programme the Risk and Assurance Committee completes a self assessment of its performance during the calendar year. A survey link was distributed to all members and requested to be completed by 15 September 2025.

Charter

On 20 February 2023 the Risk and Assurance Committee undertook a full review of the previous Audit and Risk Committee's Charter where amendments to the title, objectives, authority, composition, meetings and responsibilities were suggested.

OAG guidance is that a Charter should formally document the accountability, authority, duties, membership, role, and responsibilities of the audit committee. The Charter should be approved by the governing body and reviewed and confirmed each year.

The Charter should include the Committee's:

- objective (its role or purpose, the governance framework/context within which it operates, and how it relates to other governance mechanisms/committees)
- authority (the power or authority it has to fulfil its objectives)

- composition and tenure of members (the size of the audit committee, the sort of members it has, how new members are appointed and reappointed, how long members remain on the audit committee, and how members (including the chairperson) are removed in the event of non-performance)
- responsibilities
- administrative arrangements (meetings, attendance and quorums, decision-making and voting, secretariat, conflict of interest provisions, induction)
- performance assessment arrangements
- systems and schedules for reviewing the Charter.

Ngā Tāpiritanga | Attachments

A.  MPDC - RAC Chair Report - 190925



B.  RAC self-assessment 2025 results



C.  Risk and Assurance Committee Charter - ADOPTED 22 March 2023 (*Under Separate Cover*)

Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins Kaitohu Mātāmua Kāwana Senior Governance Advisor	
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Approved by	Tamara Kingi Kaiārahi Kāwana Governance Team Leader	
	Sandra Harris Pou Kaupapahere, Rāngai Mahitahi me te Kāwana Policy, Partnerships and Governance Manager	

TE KAUNIHERA AA-ROHE O MATAMATA-PIAKO DISTRICT COUNCIL
KOMITI O TE MOOREAREA ME TE TUUMARU/RISK AND ASSURANCE COMMITTEE
SEPTEMBER 2025 – CHAIR REPORT

Teena koutou e ngā rau rangatira maa,

Welcome to our final Risk and Assurance Committee meeting for the 2022–2025 triennium. In preparation for the upcoming local government elections, the Office of the Controller and Auditor-General (OAG) have provided the following guidance to Committee chairs, for Council's to carefully manage communications during the pre-election period so that sitting candidates do not gain an unfair advantage over non-sitting candidates which I've attached for transparency: [OAG - Elections](#). My best wishes to all candidates that have put up their hand to serve the Matamata-Piako Community in the 2025–2028 triennium.

The OAG have also published a [report](#) on their insights from their 2023/24 audits and their observations from across the local government sector which I also share for transparency. The OAG state: "Overall, given the context of significant financial challenges and ongoing reform, councils have continued to provide the essential services that New Zealanders rely on every day, and we commend them for this. However, we remain concerned about the viability of the local government sector, as these cost and reform pressures are making it more difficult for councils to balance their budgets and be financially sustainable."

We have an extensive agenda today, so the focus of my report is to:

1. Outline my reflections from the most recent events I've attended
2. Summarise the 2025 Self-assessment survey results
3. Thank the Committee members and MPDC Team

1. Reflections on events attended

Forum	Summary Reflections	
Institute of Directors Webinar 7 August 2025 Privacy and cyber breaches: Lessons from front-line responders	The top 5 ways businesses were compromised in a cyber-attack and the top 5 impacts:	
	Method of compromise	Impacts of cyber-attack or breach
	1. By an email phishing attack	1. Supply chain disruption
	2. Through an unsecured website	2. Operational or business disruption
	3. Through an unsecured application	3. Personally identifiable info accessed or stolen
	4. Through a third-party attack or breach	4. Claim on cyber insurance
	5. DDoS attack	5. Faced financial extortion by a cyber criminal
	Suggestions and the IoD - Cyber Risk: A practical guide for governors' consideration:	
	▪ Include cyber-security as a standing agenda item and include on the risk register. ▪ Mandate a comprehensive breach response plan covering all critical assets and the threats they face. Test the plan through periodic exercises and live simulations to validate response times, communications protocols, technical controls and decision-making authority. Amend the plan to reflect lessons learned. ▪ Have clearly defined governance and escalation protocols and designate responsibility at each phase (preparation, detection, containment, recovery, post incident review). ▪ Determine the content and timing of reporting to governors. ▪ Even with best technology human factors including staff awareness and culture, clear roles and communications are often the weakest link, so governors should prompt management to support regular staff training, phishing simulations and post-breach debriefs. ▪ Asking pertinent questions, for example: How are emerging threats detected? Which third parties hold our sensitive data?	

OAG Forum on Governing cyber security risks 22 August 2025	Cyber security checklist for governors - Set clear expectations for cyber security risk management - Ensure appropriate cyber security risk mitigation and incident response controls are in place - Have the necessary and current capability to govern cyber security - Invest the time to support cyber security Some resources for governors in governing cyber security risks: Article: Mind the gap: Governing cyber security risks, including the checklist above. Standards: Minimum Cyber Security Standards and NCSC Cyber Security Framework. Podcasts: Smashing Security, Risky Business, Cyber Security Archives.
OAG Forum on Insights for governors from OAG inquiry work 19 September 2025	The inquiry work focused on contract management, gifts and hospitality, and sensitive expenditure. Some key questions for Risk and Assurance Committee's to consider included: - Do you have a good sense of the risks associated with these topics? - Do you know if your organisation has up-to-date policies? - How do you know policies are being followed? - What reporting do you get on the management of these issues? - Do you hear from the staff involved in that management? - Do you hear from the auditor (external or internal) on these issues? - Are there 'champions' in your organisation? - Do you know about the unusual? Other considerations discussed in the forum included: - Mayoral funds: Is there a policy for use and regular reporting on usage? - Staff conflicts of interest: Are these regularly reported? - Sensitive expenditure: Are these regularly reported? - Koha payments: Are these regularly reported?

2. 2025 Self-assessment survey results - Summary

Annually, the Risk and Assurance Committee members complete a self-assessment survey aligned to the Committee's Charter and designed to highlight the effectiveness of the Committee and opportunities for improvement. 86% of Committee members completed the self-assessment survey with positive sentiment about the Committee's effectiveness - the results are summarised in the table below with the full results included in the appendix.

#	Question	Results/Trends in comments
1	The RAC Charter is clear in articulating the Committee's responsibilities	100% of respondents either strongly or somewhat agreed
2	The RAC Annual Work plan ensures the Committee can meet its responsibilities outlined in the Charter	100% of respondents strongly agreed
3	Comments on improving the RAC Charter or Annual Work plan	- Membership length guides understanding of Charter and how issues fit into the Work plan and council overall - Charter should include measurable commitment to Te Tiriti o Waitangi - Work plan should consider iwi engagements/understanding settlements - Achieve what we need to, without taking on too much - Engagement improved with 1-page work plan outlining upcoming work
4	Comments on improving the RAC composition	- Chair skills important for direction, understanding and an alternate view - Composition should consider skills needed by Council next triennium
5	The RAC Committee composition enables the Committee to meet its responsibilities outlined in the Charter	100% of respondents either strongly or somewhat agreed

#	Question	Results/Trends in comments
6	The RAC papers are received with sufficient time for members to prepare for Committee meetings	100% of respondents either strongly or somewhat agreed
7	The RAC papers contain the right amount and quality of information for members to make decisions and meet its responsibilities outlined in the Charter	100% of respondents either strongly or somewhat agreed
8	Comments on improving the RAC papers timeframe or content	- Earlier the better* to provide value-added feedback - Lots of reading, so more executive summaries would be helpful * Under LGOIMA 1987, the minimum notice of agendas and reports before a meeting is 2 working days
9	The frequency of RAC meetings is appropriate	100% of respondents strongly agreed
10	The duration of RAC meetings is sufficient for members to discuss and conclude the agenda without undue pressure	100% of respondents either strongly or somewhat agreed
11	The RAC Chair enables an environment where members are given the opportunity to voice their comments before recommendations presented in the papers are voted on	83% of respondents strongly agreed and 17% of respondents neither agreed nor disagreed
12	Comments on improving RAC meetings, including improvements in chairing RAC meetings	- Meetings are well run, everyone has opportunity to provide input in a non-judgmental environment - Chair well prepared, easy to engage with, seeks consensus, is inclusive - Utilise Work plan to spread the Committee workload, to enable enough time on the agenda for value-added feedback
13	The RAC is effective in reviewing the integrity of Council's financial management and reporting processes	100% of respondents either strongly or somewhat agreed
14	The RAC is effective in reviewing the scope, time and effectiveness of Council's internal audit programme	83% of respondents either strongly or somewhat agreed and 17% of respondents neither agreed nor disagreed
15	The RAC is effective in reviewing the scope and timeliness of Council's external audit activity	100% of respondents either strongly or somewhat agreed
16	The RAC is effective in reviewing Council's process for monitoring compliance with laws and regulations.	100% of respondents either strongly or somewhat agreed
17	The RAC is effective in reviewing Council's risk management activities and their effectiveness	100% of respondents either strongly or somewhat agreed
18	Comments on improving the RAC's performance	- Risk management can be subjective and requires background knowledge but as a group we have the skills and experience necessary - Workshops to better inform issues with implications for the Work plan - More opportunities to improve members' risk management proficiency

#	Question	Results/Trends in comments
19	Information sessions are provided to RAC members to support their understanding of Council's Finance, Internal Audit, External Audit, Compliance and Risk Management activities	67% of respondents either strongly or somewhat agreed and 17% of respondents neither agreed nor disagreed and 17% of respondents somewhat disagreed
20	Comments on support needed to improve the RAC's performance	- Additional workshop sessions on some topics - Thanks to the support team who do an excellent job in supporting the committee and are key for the agenda to flow seamlessly - More opportunities to improve members' finance/audit proficiency
21	Other comments not previously shared	- Congratulations everyone on a job well done - Nga mihi nui ki a koutou - Proud of the work of the Committee and the MPDC Team

Also, Committee members will have the opportunity to review and strengthen the Committee Charter which is on today's agenda, based on their experience and membership on the Committee for the 2022–2025 triennium.

3. Thanks

My sincere thanks to everyone for their contributions to the Risk and Assurance Committee for the 2022–2025 triennium, especially Mayor Adrienne, Councillors, Committee members and our dedicated staff members.

I am proud of what this Committee has achieved, including but not limited to some new and improved activities:

- Simplifying of our Committee's Charter
- Chair and CEO reporting, to set the scene for governance good practice and organisational activities
- Reporting on significant projects and risks, including developing top risks and deep dives into those risks
- Reporting on the status of audit recommendations and organisation policies
- Annual work planning on a page, to more easily outline the Committee's upcoming work

Again, thank you all – Nei ra te mihi ki a koutou katoa.

No reira rau rangatira maa, teenaa koutou, teenaa koutou, teenaa koutou katoa.

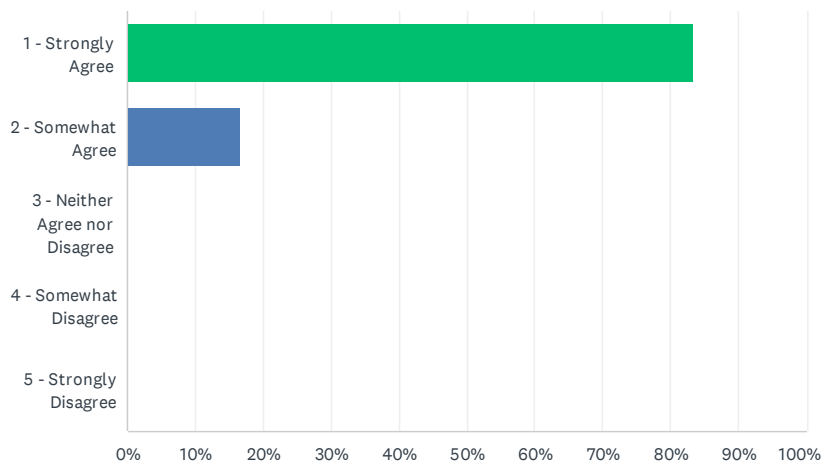
Recommendation

That the Risk and Assurance Committee receives the report.

Jaydene Kana
Chair, Risk and Assurance Committee
19 September 2025

Q1 The Risk and Assurance Committee (RAC) Charter is clear in articulating the Committee's responsibilities.

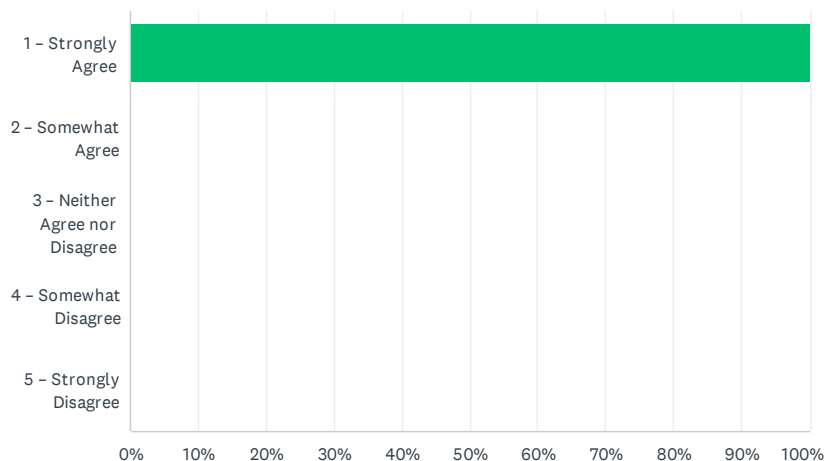
Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
1 - Strongly Agree	83.33%	5
2 - Somewhat Agree	16.67%	1
3 - Neither Agree nor Disagree	0.00%	0
4 - Somewhat Disagree	0.00%	0
5 - Strongly Disagree	0.00%	0
TOTAL		6

Q2 The RAC Annual Work plan ensures the Committee can meet its responsibilities outlined in the Charter

Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	100.00%	6
2 – Somewhat Agree	0.00%	0
3 – Neither Agree nor Disagree	0.00%	0
4 – Somewhat Disagree	0.00%	0
5 – Strongly Disagree	0.00%	0
TOTAL		6



Q3 Please share any comments on improving the RAC Charter or Annual Work plan:

Answered: 5 Skipped: 1

#	RESPONSES	DATE
1	No comments	8/15/2025 10:29 AM
2	The longer you are a member the more you understand the charter. The work plan helps guide that understanding but for the first year it's discovery of how issues fit into the plan and with the council overall	8/14/2025 4:41 PM
3	The charter should articulate MPDC commitment to Te Tiriti and create measures to audit against. The annual plan should consider engagements with iwi and understanding of settlements that impact on MPDC as items to be audited / risk	8/13/2025 1:37 PM
4	Just making sure we don't take on too much. Achieve what we need to	8/13/2025 10:39 AM
5	Engagement with annual work plan is significantly improved by reducing the document to one page. Populating the reports (including policies) to be received throughout the triennium makes it easier for RAC to easily understand the upcoming work.	6/29/2025 2:10 PM



Q4 Please share any comments on improving the RAC composition:

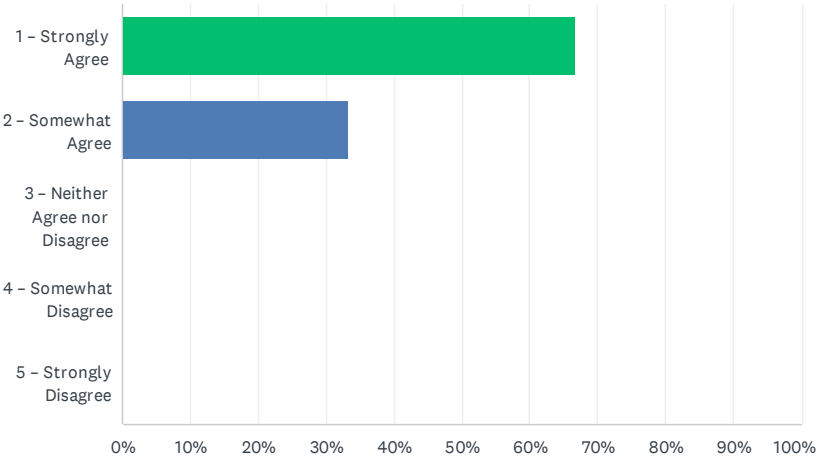
Answered: 5 Skipped: 1

#	RESPONSES	DATE
1	No comments	8/15/2025 10:29 AM
2	The current chairs skills are important for the direction and understanding of the business of RAC. An alternate view helps with balance of opinion.	8/14/2025 4:41 PM
3	Ka pai	8/13/2025 1:37 PM
4	It seems to work well at present so unsure re improving	8/13/2025 10:39 AM
5	Composition should take into account the skills needed, given the opportunities and risks faced by the Council in the next triennium e.g. Project Management given the significant CAPEX programme.	6/29/2025 2:10 PM



Q5 The RAC Committee composition enables the Committee to meet its responsibilities outlined in the Charter

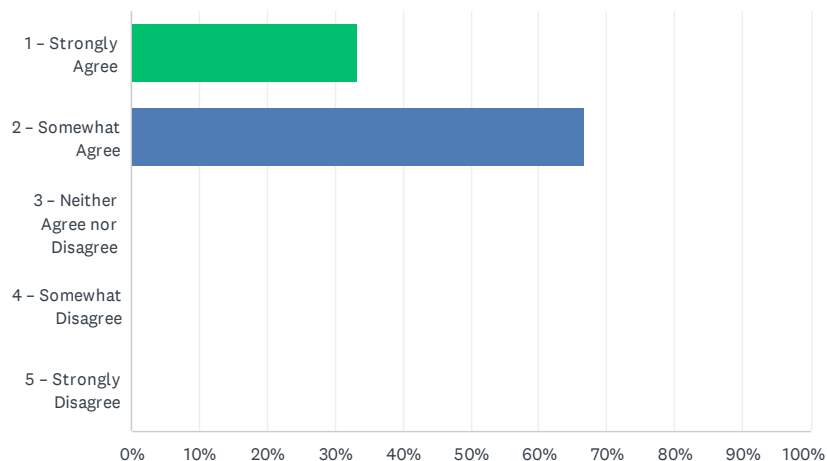
Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	66.67%	4
2 – Somewhat Agree	33.33%	2
3 – Neither Agree nor Disagree	0.00%	0
4 – Somewhat Disagree	0.00%	0
5 – Strongly Disagree	0.00%	0
TOTAL		6

Q6 The RAC papers are received with sufficient time for members to prepare for Committee meetings

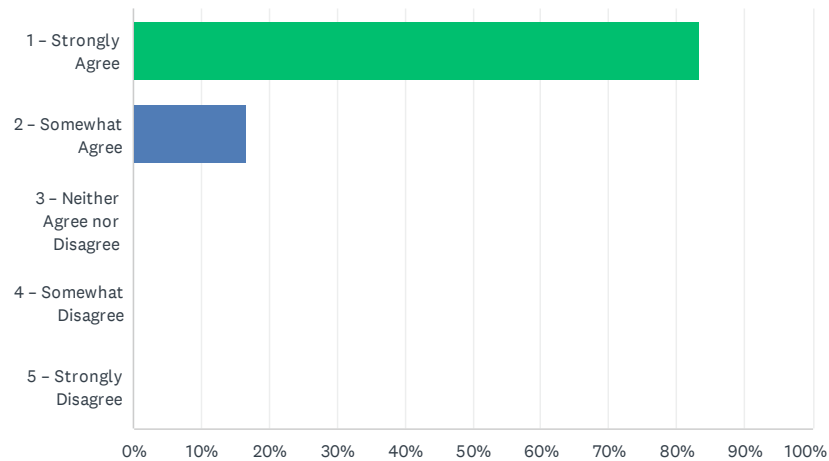
Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	33.33%	2
2 – Somewhat Agree	66.67%	4
3 – Neither Agree nor Disagree	0.00%	0
4 – Somewhat Disagree	0.00%	0
5 – Strongly Disagree	0.00%	0
TOTAL		6

Q7 The RAC papers contain the right amount and quality of information for members to make decisions and meet its responsibilities outlined in the Charter

Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	83.33%	5
2 – Somewhat Agree	16.67%	1
3 – Neither Agree nor Disagree	0.00%	0
4 – Somewhat Disagree	0.00%	0
5 – Strongly Disagree	0.00%	0
TOTAL		6



Q8 Please share any comments on improving the RAC papers timeframe or content:

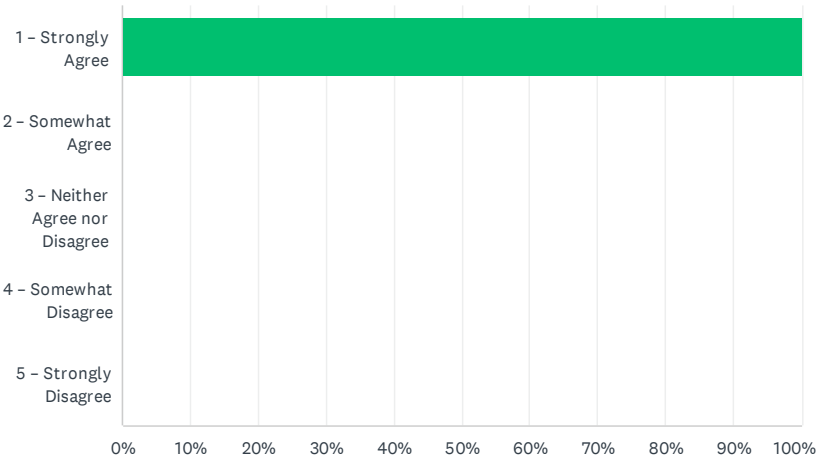
Answered: 5 Skipped: 1

#	RESPONSES	DATE
1	Earlier would always be better. But understand the time and effort required to get them to us as soon as practicable after cutoff date.	8/15/2025 10:29 AM
2	Timing on receiving the papers is important earlier the better, however some times this is not always possible due to constraints from circumstances outside the control of the team	8/14/2025 4:41 PM
3	No comment	8/13/2025 1:37 PM
4	A lot of reading!!! Sometimes more executive summaries would be helpful	8/13/2025 10:39 AM
5	It can be difficult to fully comprehend the content in all the papers and provide value-added feedback if they are not all received within a reasonable timeframe.	6/29/2025 2:10 PM



Q9 The frequency of RAC meetings is appropriate

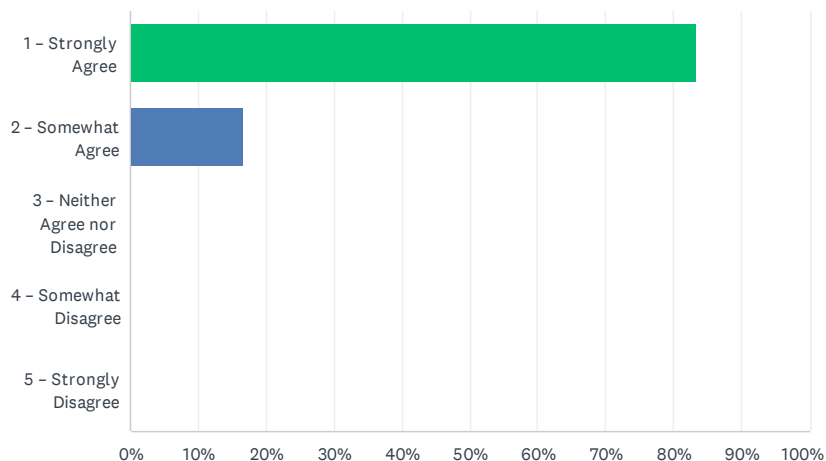
Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	100.00%	6
2 – Somewhat Agree	0.00%	0
3 – Neither Agree nor Disagree	0.00%	0
4 – Somewhat Disagree	0.00%	0
5 – Strongly Disagree	0.00%	0
TOTAL		6

Q10 The duration of RAC meetings is sufficient for members to discuss and conclude the agenda without undue pressure

Answered: 6 Skipped: 0

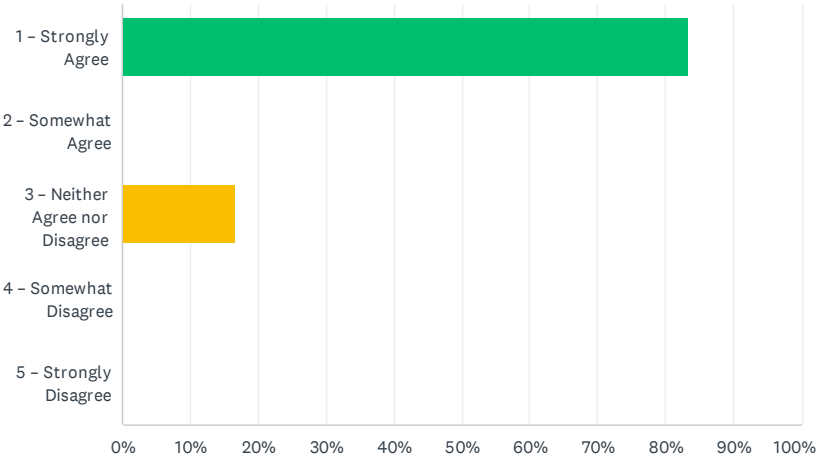


ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	83.33%	5
2 – Somewhat Agree	16.67%	1
3 – Neither Agree nor Disagree	0.00%	0
4 – Somewhat Disagree	0.00%	0
5 – Strongly Disagree	0.00%	0
TOTAL		6



Q11 The RAC Chair enables an environment where members are given the opportunity to voice their comments before recommendations presented in the papers are voted on

Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	83.33%	5
2 – Somewhat Agree	0.00%	0
3 – Neither Agree nor Disagree	16.67%	1
4 – Somewhat Disagree	0.00%	0
5 – Strongly Disagree	0.00%	0
TOTAL		6



Q12 Please share any comments on improving RAC meetings, including improvements in chairing RAC meetings:

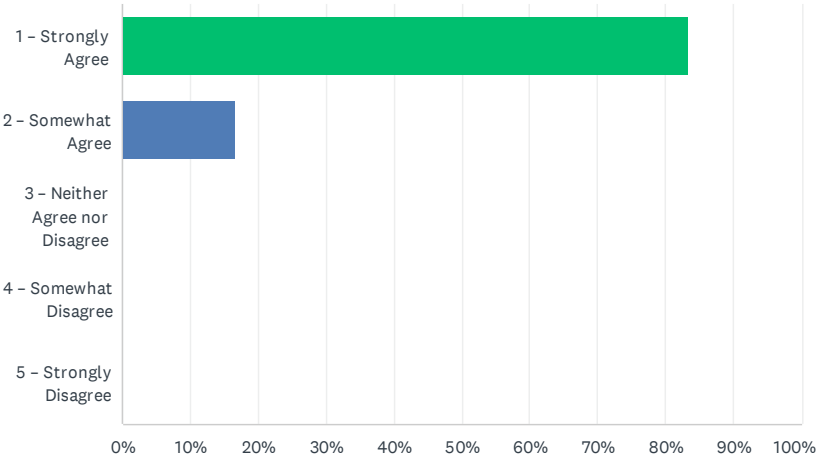
Answered: 5 Skipped: 1

#	RESPONSES	DATE
1	Meetings are well run by our Chair. Everyone has the opportunity to provide input in a non judgemental meeting environment.	8/15/2025 10:29 AM
2	Keep current chair	8/14/2025 4:41 PM
3	We have an amazing Chair. Always well prepared, easy to engage with, seeks consensus, easy to feel included.	8/13/2025 1:37 PM
4	Jadene is an awesome chair with exceptional knowledge	8/13/2025 10:39 AM
5	In the next triennium, utilise the annual work plan to spread out the standing reports, risk deep dives and policy reviews to enable RAC to have enough time on the agenda to provide value-added feedback.	6/29/2025 2:10 PM



Q13 The RAC is effective in reviewing:The integrity of Council's financial management and reporting processes

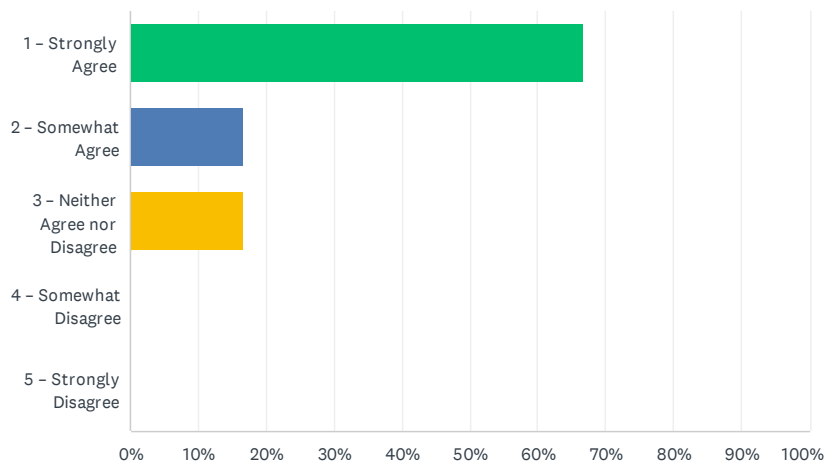
Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	83.33%	5
2 – Somewhat Agree	16.67%	1
3 – Neither Agree nor Disagree	0.00%	0
4 – Somewhat Disagree	0.00%	0
5 – Strongly Disagree	0.00%	0
TOTAL		6

Q14 The RAC is effective in reviewing: The scope, time and effectiveness of Council's internal audit programme

Answered: 6 Skipped: 0

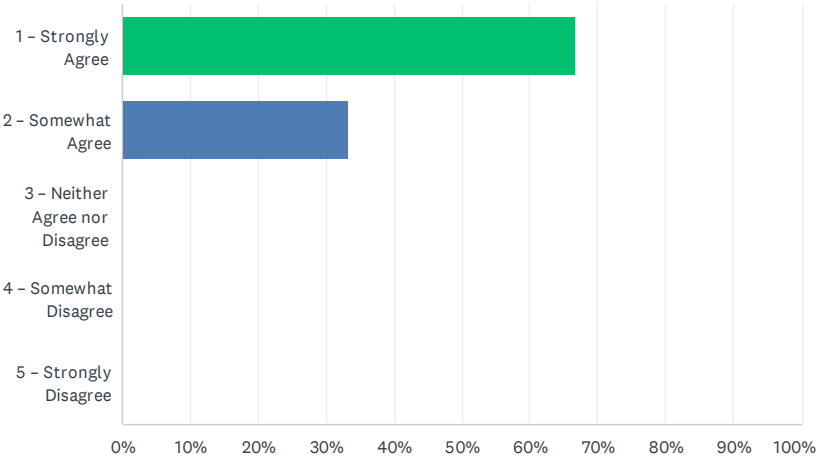


ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	66.67%	4
2 – Somewhat Agree	16.67%	1
3 – Neither Agree nor Disagree	16.67%	1
4 – Somewhat Disagree	0.00%	0
5 – Strongly Disagree	0.00%	0
TOTAL		6



Q15 The RAC is effective in reviewing: The scope and timeliness of Council’s external audit activity

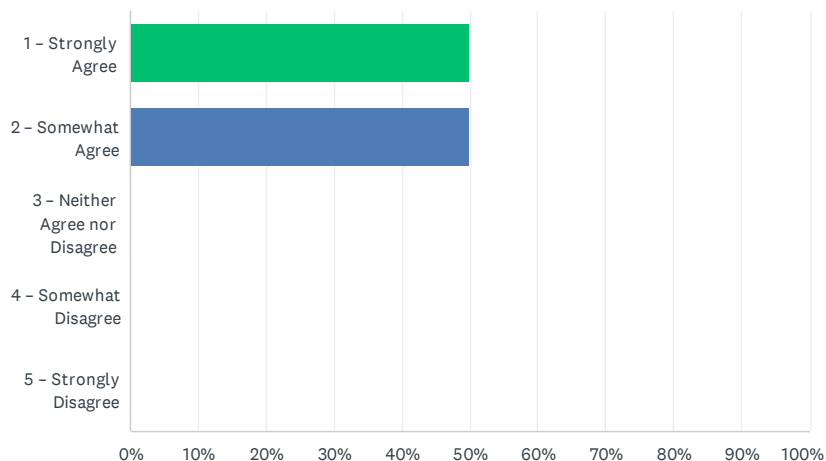
Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	66.67%	4
2 – Somewhat Agree	33.33%	2
3 – Neither Agree nor Disagree	0.00%	0
4 – Somewhat Disagree	0.00%	0
5 – Strongly Disagree	0.00%	0
TOTAL		6

Q16 The RAC is effective in reviewing: Council's process for monitoring compliance with laws and regulations.

Answered: 6 Skipped: 0

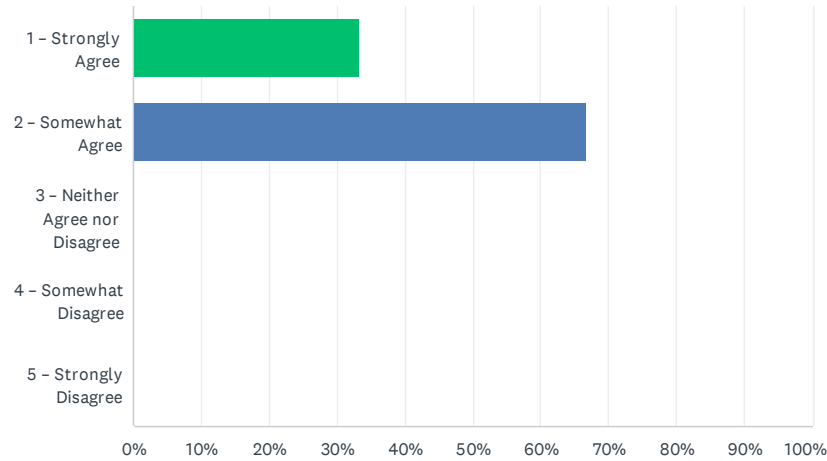


ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	50.00%	3
2 – Somewhat Agree	50.00%	3
3 – Neither Agree nor Disagree	0.00%	0
4 – Somewhat Disagree	0.00%	0
5 – Strongly Disagree	0.00%	0
TOTAL		6



Q17 The RAC is effective in reviewing: Council's risk management activities and their effectiveness

Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	33.33%	2
2 – Somewhat Agree	66.67%	4
3 – Neither Agree nor Disagree	0.00%	0
4 – Somewhat Disagree	0.00%	0
5 – Strongly Disagree	0.00%	0
TOTAL		6



Q18 Please share any comments on improving the RAC's performance

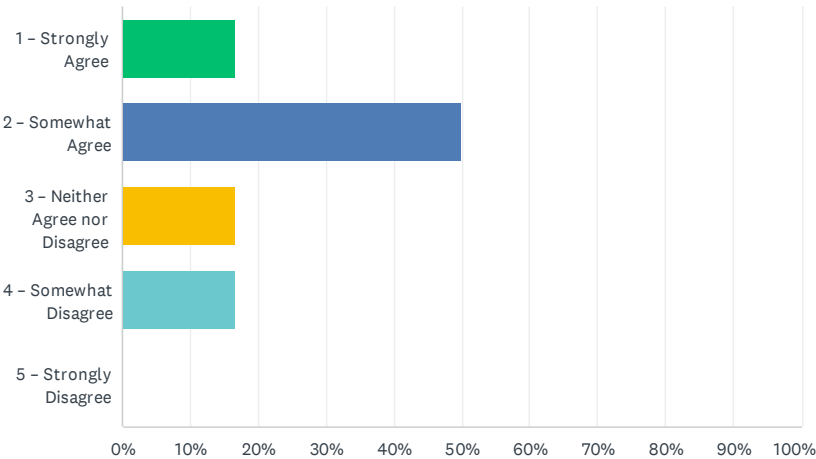
Answered: 5 Skipped: 1

#	RESPONSES	DATE
1	Risk management can be very subjective and requires a lot of supposed background knowledge, which may not be available to all committee members. I understand there is no real solution to this, given the different backgrounds of our committee members. But as a group I believe we have the skills and experience necessary to provide a well rounded solution based response to our brief.	8/15/2025 10:29 AM
2	Workshops to better inform issues when new legislation may occur and has implications for the workplan	8/14/2025 4:41 PM
3	Other than Te Tiriti & the future impacts of Settlements, everything else, ka pai	8/13/2025 1:37 PM
4	Hard to think of anything	8/13/2025 10:39 AM
5	More opportunity for RAC members to become more proficient and provide added value feedback on the risk management framework and reporting.	6/29/2025 2:10 PM



Q19 Information sessions are provided to RAC members to support their understanding of Council’s Finance, Internal Audit, External Audit, Compliance and Risk Management activities

Answered: 6 Skipped: 0



ANSWER CHOICES	RESPONSES	
1 – Strongly Agree	16.67%	1
2 – Somewhat Agree	50.00%	3
3 – Neither Agree nor Disagree	16.67%	1
4 – Somewhat Disagree	16.67%	1
5 – Strongly Disagree	0.00%	0
TOTAL		6



Q20 Please share any comments on support needed to improve the RAC's performance:

Answered: 5 Skipped: 1

#	RESPONSES	DATE
1	Additional non streamed workshop sessions on some topics would be advantageous. (Just my opinion)	8/15/2025 10:29 AM
2	The support team do an excellent job when supporting the committee. They are the key for the agenda to flow seamlessly. So more support for the team to do their job. Thank you team	8/14/2025 4:41 PM
3	Highlights, more pictures, graphs	8/13/2025 1:37 PM
4	As above	8/13/2025 10:39 AM
5	Opportunity for independent RAC members to engage in sessions on finance, external audit, compliance and risk management activities please.	6/29/2025 2:10 PM



Q21 Please share any other comments not previously shared above:

Answered: 4 Skipped: 2

#	RESPONSES	DATE
1	No other comments. Congrats everyone on a job well done, under an inspirational Chair.	8/15/2025 10:29 AM
2	Nga mihi kia koutou mo Te tautoko kia ahau kia matou	8/14/2025 4:41 PM
3	Nga mihi nui	8/13/2025 1:37 PM
4	I'm proud of the work the RAC have completed across the triennium and thank the MPDC Team for their reporting to and supporting of the Committee.	6/29/2025 2:10 PM

7 Pūrongo me whakatau | Decision Reports

7.2 Chief Executive's Update

CM No.: 3094455

Te Kaupapa | Purpose

The purpose of this report is for the Chief Executive to update the Committee on organisational matters relevant to the Risk and Assurance Committee's Terms of Reference.

Rāpopotonga Matua | Executive Summary

Chief Executive, Manaia Te Wiata, in attendance to present the Chief Executive's Update which is attached to the agenda.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Tāpiritanga | Attachments

A¹. Chief Executive Risk & Assurance Committee Update September 2025



Ngā waitohu | Signatories

Author(s)	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	
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Approved by	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	
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Chief Executive Report to the Risk and Assurance Committee – September 2025

Introduction

This report provides an update on current issues related to the Risk and Assurance Committee, excluding agenda items.

1. Te Ohu Takatū Anamata | Future Ready Group Summary

Te Ohu Takatū Anamata (Future Ready Group) continues to meet to coordinate and guide the organisation's response to legislative changes, while overseeing legislation tracking and submissions.

There is reference to the value of this Group in the report on the risk of Failure to respond to political change.

As noted in that report, the scope and extent of legislative changes proceeding or being considered, emphasises the importance of the Group.

Key Risks

The key risks this Group helps to mitigate are discussed in more detail in the report on the risk of Failure to respond to political change.

2. Waikato Waters Limited

The establishment of the Company and appointment of the Board Chair and two directors have been completed.

Waikato Waters Transition team is operational and Council has established its own transition team, led by Fiona Vessey.

While it is early in the transition process, all parties understand the significant work involved to achieve the goal, a seamless transfer.

Additional costs to Council for the transition are being ring-fenced so as not to impact on normal operating budgets.

Key Risks

A full risk register has been developed and included on the agenda for the Risk and Assurance Committee meeting.

4. Department of Internal Affairs Performance Metrics

The performance metrics for all Councils were published and there has been no noticeable public reaction to Council's information.

Key Risk

Potential reputational impacts from comparisons of performance metrics

5. Business Continuity

AON was commissioned to complete a high-level review of Council business continuity plans.

The Executive team has received the review and has decided to :

- Develop a business Resilience Framework next year to enhance the business continuity planning.
- Undertake a review of the Plans for the highest risk activities (water, wastewater, cemeteries, solid waste, roading, IT)

Key Risk

Unexpected incidents or events that threaten operational continuity and service provision

6. 2026/2027 Annual Plan

The Annual Plan 2026/2027 project is underway. A timeline, risk register, and issues register have been developed, and a project team established. There are several emerging issues that we will be managing over the coming period:

A) Transition of Water and Wastewater to Waikato Waters Ltd

The transition will take place in October 2026, and therefore during the period of the Annual Plan 26/27. We will need to work closely with our internal waters Transition Group, our Long Term Plan project group, and with advice from Taituarā to ensure the Annual Plan is well placed to accommodate this change. We are also likely to seek legal advice regarding the implications of differences in capital investment between the Water Services Delivery Plan and the Long Term Plan for the 26/27 year.

B) Waitoa Water Decision (including budget allocation and potential triggering of LTP amendment)

We are seeking legal advice regarding whether a decision on Waitoa Water is likely to trigger an LTP amendment (LTPA). Our assumption is that even if a LTPA is required, this process could happen independently of any Annual Plan consultation (if needed). However, it may be

necessary to include some budget allocation in the Annual Plan for any possible future Waitoa Water decision.

C) Changes to the Local Government Act (LGA)

There are a number of upcoming changes to the LGA that have may have implications for the Annual Plan (removal of wellbeing (sooner), rates cap, structure of groups of activities (later)). Staff will stay connected in with advice for the local government sector to remain on top of the changes, and to manage these changes as they apply to the Annual Plan

Key risk

Ensuring the Annual Plan remains compliant and feasible when significant legislative, organisational, or operational changes occur during the planning and implementation period

9 Significant Projects

There are three specific projects that were identified should be reported to each meeting of the Risk and Assurance Committee. The project team advises that there are no significant matters to report. I have commented briefly on these projects below:

Matamata Wastewater Treatment Plant upgrade

The project is proceeding as planned. There is an ongoing risk of non-compliance with our resource consent discharge requirements. The risk initially arose in the desludging stage of the project which has now been completed. The current risk arises from the risk of overflow from high rainfall weather events. This has occurred as a portion of the sewer ponds have been reclaimed to create a building platform for the new treatment plant. The Operations team implemented additional mitigation measures to reduce the risk.

There have also been instances where discarded materials have been found near the treatment discharge to the Mangawhero stream. The presence of the material is culturally offensive. The source of the materials is unknown. Staff have removed as much of the material as possible and the situation is being monitored.

The Project team has regular discussions with Manawhenua and Waikato Regional Council about the project.

Open Country Stadium - Matamata

The joint project involving Matamata Futures, Matamata Indoor Recreation Charitable Trust Matamata College and Ministry of Education is proceeding on budget and on time.

Council underwrote the project to allow construction to proceed and to secure favourable contract prices.

It was also expected that the remaining community funding would be easier to secure if construction had commenced.

At the last Project Steering Group meeting it was confirmed that the remaining community funding had been secured.

Matamata Domain Playground

This is a joint project between Matamata Futures and Council.

Council has committed \$1.5 million to the project.

Matamata Futures has committed the balance and has raised over \$1 million to date.

The project is structured so that the procurement and construction will align with the capital contributions of the respective parties.

Matamata Futures is responsible for playground equipment procurement and installation.

Council is responsible for surfacing and landscaping. These works are currently out for tender.

7 Pūrongo me whakatau | Decision Reports

7.3 Recommendation to Re-establish Risk and Assurance Committee in the 2025-28 Triennium

CM No.: 3089830

Te Kaupapa | Purpose

To provide the basis for a recommendation from the outgoing Risk and Assurance Committee, to the incoming Mayor and Council, that the Risk and Assurance Committee be re-established by the incoming Council in the new triennium.

Rāpopotonga Matua | Executive Summary

Council has a well-established Risk and Assurance Committee, however it must be formally re-established each triennium if it is to continue. The Committee is operating well and adding significant value. It is operating in alignment with good practice guidance and it is strongly recommended by management that the Committee continue, as it is seen as a key means of significantly strengthening Council's risk management and assurance culture. A resolution is sought to recommend that the Committee be re-established in the new triennium on a very similar basis to current.

Tūtohunga | Recommendation

That:

1. **The Committee receives and notes this report.**
2. **The Committee recommends to the incoming Mayor and Council, that the Risk and Assurance Committee be re-established by the incoming Council in the new triennium, on a similar basis to the currently existing Committee, including being of a similar size and maintaining an independent chair and independent member position.**

Horopaki | Background

At the end of a Council triennium (its three-year elected term), any committees or sub-committees established by that Council – generally by virtue of the mayoral powers provided by section 41A(3) of the Local Government Act 2002 (the Act) – are deemed to be discharged unless the local authority has resolved otherwise. This deemed discharge is provided for in section 30(7) of the Act.

On this basis, assuming the incoming Mayor and Council are inclined to have a Risk and Assurance Committee operating in the next triennium they must re-appoint that committee, and the chair and members of that committee.

Ngā Take/Kōrerorero | Issues/Discussion

Charter and Self-Assessment

The Risk and Assurance Committee has been operating under an adopted Charter. The Charter document is important because it gives the Committee a clear mandate and, among other matters, defines its objectives, authority and responsibilities. The current Charter was approved by Council at its meeting of 22 March 2023, after review and recommendation by the Committee, and

therefore a Council-agreed Charter has governed the Committee's activity and work programme for all but the first two meetings of the current triennium, a necessary delay that allowed engagement on the Charter and development of a simplified document.

Having a Charter in place and the approval of that Charter by the governing body, ie Council, is recognised good practice, endorsed by the Office of the Auditor-General, as set out in their guidance document 'Setting up a council's Audit and Risk Committee', accessible via [Setting up, and getting the most out of, your Audit and Risk Committee — Office of the Auditor-General New Zealand](#).

The Independent Chair of the Committee will be leading a review of the current Charter via another item on this agenda, to enable a reviewed and potentially updated Charter for the new triennium to already be developed before the start of the new triennium, well-informed by knowledge and learnings gained in the current triennium.

The recent annual self-assessment that the Committee will consider at this meeting will also inform the Charter review. An annual self-assessment is another good practice initiative with a focus on building and improving on what is already in place. The self-assessment has been informed by individual survey responses.

Achievements over the current triennium

The work of the Committee is well-planned with annual work programmes agreed in advance for each year. Each meeting begins with a Chair's update and a Chief Executive update which are valuable whole of organisation context-setting and information-sharing tools for the Committee.

A Quarterly Risk Report has become a feature of the current calendar year's meetings, this will become an increasingly important tool aiding the Committee in its oversight of enterprise risk management and the effectiveness of Council's risk management framework. It has also been a means of reporting the results of a recent risk maturity assessment.

The Committee now has the benefit of a developed 'Top Risks' approach which maintains its focus on the risks that could result in the non-achievement of any or all of Council's strategic objectives. This keeps the Committee focussed on what matters the most. Since the latter part of 2024, 'deep dive' sessions have been introduced at each meeting to enable the Committee and management to drill into each of these risks on a cyclical rotation that ensures consideration of each risk, each year. The deep dives are designed to provide assurance to both the Committee and management that robust management of those risks is in place.

The Committee has had regular focus this calendar year on three key capital projects – the Matamata Wastewater Treatment Plant upgrade, the build of the new Matamata Stadium and the development of a new destination playground in the Matamata Domain. It is important for the Committee to maintain oversight of the risks involved in these large capital spend projects.

There have been regular safety and wellness updates (which include staff culture), organisation-wide project management updates, procurement updates, and monitoring of audit recommendations. The Committee has also maintained oversight of Council's key accountability documents – the 2024-34 Long Term Plan, Annual Plans, and the Annual Report which it considers and has the opportunity to comment on prior to Council adoption. Before the end of the triennium the Committee and Independent Chair will also have opportunity to provide input into the work currently being done on a climate change risk assessment and a separate agenda item will cover the development of a climate resilience strategy.

A number of policies are brought to the Committee for comment and endorsement during the review process. A recent policy, planning and reporting stocktake will assist the Committee's oversight of this going forward. Over the past two years the Committee has considered:

- The various funding and financial management policies required by section 102 of the Local Government Act 2002, being the Liability Management and Investment Policies, the

Revenue and Financing Policy, the Development Contributions Policy, and the Rates Remissions Policy

- Asset Capitalisation Policy
- Procurement Policy
- Conflict of Interest Policy, and
- (scheduled on this agenda) the Sensitive Expenditure Policy and the Fraud and Corruption Policy. The Liability Management policy will also be considered again.

Annual updates have been provided to the Committee on the following:

- IT/Web-security audits
- Insurance renewals
- LGOIMA requests
- Delegations
- Legislative compliance

Potential Focus in the new triennium

A Risk and Assurance Committee is seen as crucial to good practice governance and risk management.

It is suggested that much of the Committee's focus in the new triennium will be building on the good base that has already been developed. Management has a desire to strengthen Council's risk management culture and a strong and active Risk and Assurance Committee is key to enabling this.

It is recommended that the work programmes described above are continued, this is core business of the Committee in carrying out the responsibilities that would be expected under a Charter.

Among the areas that are proposed to be further developed are:

- Active advancement of the implementation of a new Risk Management Framework
- Quarterly Risk Reporting: this and the covering risk update report is proposed to be expanded on an ongoing basis as one of the key mechanisms to assist the Committee in its oversight role. The report will provide important updates each quarter on what is being worked on in the wider enterprise risk management space, progress updates on the agreed work plans, top risk updates (key risk indicators / new mitigations) and emerging risk updates. This report can also be further developed over time as an assurance mechanism, providing the Committee with content that enables the governance of assurance measures that are in place in the organisation including internal audit, particularly as and when potential internal audit programmes are developed.
- The 'Top Risks' focus will be enhanced with an annual review and re-confirmation process established.
- Consideration can also be given to the introduction of Risk and Assurance Committee workshop sessions, aimed at developing a broader understanding of enterprise risk, fuller deep dives in specific areas, and to build up greater understanding and proficiency in areas such as finance and audit as commented on in the self-assessment survey, or on upcoming matters on the Committee's work programme.

Good Practice Considerations

As indicated earlier in this report, the Office of the Auditor-General has identified and outlined good practice specific to New Zealand local government and accessible via [Setting up, and getting the most out of, your Audit and Risk Committee — Office of the Auditor-General New Zealand](#).

Specifically, this sees the following areas as important aspects of good practice:

- Having a dedicated risk committee established with a risk management and advisory focus
- The committee having active interaction with and access to the Chief Executive
- Having a mix of Councillors and independent members, noting that the guidance in all cases refers to members in plural, rather than just singular, reinforcing the benefits that come from having more than one independent member
- An independent chair who can give “... *objective advice and assurance*”
- Having a mandate in the areas of “... *governance, risk management and internal control matters, external reporting and audit matters.*”
- A committee of 5 to 7 members, enabling the right mix of competencies and experience while still enabling efficient, focussed discussion
- Council officers should be advisors to, not members of, the committee
- All elected members having visibility of the committee’s work, while only some are members
- Rotation / staggering of members terms on the committee and terms that ensure the continuing independence of independent members and chairs, a two triennium maximum term is suggested
- Regular reporting directly to Council with particular focus on the work programme, ‘Top Risks’, and self-assessment
- At least four meetings a year with a further meeting as necessary to focus on Council’s Annual Report
- Deep dives on top risks
- A Terms of Reference or Charter document to give the committee clear purpose.

The current Risk and Assurance Committee at Matamata-Piako District Council is operating in good alignment with this guidance and it is strongly recommended that this continues.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Ken Morris Kaitohutohu Mōrearea, Kai-whakahaere ā Pakihi hoki Consultant Risk and Business Excellence Advisor	
Approved by	Kelly Reith Group Manager, Corporate, People & Relationships	

7 Pūrongo me whakatau | Decision Reports

7.4 Policy Review - Preventing Fraud and Corruption Policy and Sensitive Expenditure Policy

CM No.: 3088998

Te Kaupapa | Purpose

This report provides an updated 'Preventing Fraud and Corruption Policy' and an updated 'Sensitive Expenditure Policy' for the Committee's review and recommendation to Council for adoption.

Rāpopotonga Matua | Executive Summary

This report presents updated versions of two cornerstone policies for the Committee's review and endorsement – the Preventing Fraud and Corruption Policy and the Sensitive Expenditure Policy. These policies are fundamental to maintaining public trust and confidence in the Council by seeking to ensure the highest standards of integrity among elected members, staff, and contractors.

The Preventing Fraud and Corruption Policy adopts a zero-tolerance approach and has been developed in accordance with the Ministry of Justice fraud and corruption policy framework. The policy aims to raise awareness of fraud and corruption indicators while establishing clear requirements for prevention, detection, and response.

The Sensitive Expenditure Policy takes a principles-based approach requiring all expenditure to withstand public scrutiny through the 'front page of the newspaper' test, ensuring among other things that spending is reasonable, moderate, and serves a justifiable business purpose consistent with Council objectives. It aligns with the comprehensive good practice guidance on sensitive expenditure issued by The Office of the Auditor-General.

Both policies have undergone Executive team review and staff consultation processes, and both policies have been reviewed by Audit New Zealand ('Audit'), who have indicated their management report items on these matters are now closed. In the case of the Sensitive Expenditure Policy, Audit noted a small number of minor matters for consideration but were clear that these were not significant and did not impact their comfort on the policy generally meeting the requirements outlined in their best practice guidelines. On this basis, the Executive team, while considering these matters, chose not to action them further.

The Risk and Assurance Committee's consideration of both policies is sought, along with a formal recommendation to Council that it adopt these policies.

Tūtohunga | Recommendation

That:

1. The Committee receives and notes this report.
2. The Committee recommends to Council that it adopt the updated 'Preventing Fraud and Corruption Policy' and the updated 'Sensitive Expenditure Policy'.

Horopaki | Background

The Preventing Fraud and Corruption Policy and the Sensitive Expenditure Policy are cornerstone policies for a Council. Trust and confidence in public organisations is driven by competence, reliability, and integrity and is very quickly eroded if these elements are seriously questioned. It is crucial that Council and its elected members, staff and contractors are seen as adhering to the highest standards of integrity and these policies seek to ensure that in setting clear standards for behaviour around sensitive expenditure and preventing fraud and corruption.

These policies are described as cornerstone policies because they are not simply administrative, they are foundational to risk management and protecting the organisation's fundamental capacity to operate.

Council's current Sensitive Expenditure Policy was last reviewed in July 2019 and its Fraud and Corruption Policy in February 2023, although in both cases Audit New Zealand has been highlighting the need for review and strengthening. The current review has sought to address those concerns.

Ngā Take/Kōrerorero | Issues/Discussion

The Preventing Fraud and Corruption Policy

The purpose of this policy is to raise awareness on how to recognise fraud and corruption and the behaviours and circumstances associated with it, and to set-out specific requirements for the prevention, detection and response to any suspected fraud and corruption or the red flags associated with fraud and corruption.

The policy is based on a zero-tolerance approach to fraud and corruption with the Executive management team to set the 'tone at the top'. The zero-tolerance approach promotes a culture within the organisation where fraud and corruption are unacceptable.

The good practice guidance for preventing fraud and corruption in New Zealand public and private sector organisations comes from a Ministry of Justice fraud and corruption policy framework. Our policy review has ensured that the updated policy complies with this framework.

The updated policy has been through Executive team review, a staff consultation process, and has secured the approval of Audit New Zealand who have indicated that their management report item on this matter is now closed.

The Sensitive Expenditure Policy

The Sensitive Expenditure Policy is designed to ensure all of Council's expenditure is reasonable and subject to a standard that would be expected of a local authority. A key test is that all expenditure must be able to withstand public scrutiny, (the 'front page of the newspaper' test).

The policy takes a principles-based approach to making sensitive expenditure decisions, requiring that all expenditure must:

- Have a justifiable business purpose that is consistent with Council's objectives.
- Preserve impartiality.
- Be made with integrity.
- Be moderate and conservative when viewed from the standpoint of the public and given the circumstances of the spending.
- Be made transparently.
- Be made with proper authority.

The Office of the Auditor-General has issued comprehensive good practice guidance on sensitive expenditure and in reviewing this policy we have been careful to incorporate this guidance.

The updated policy has been through Executive team review, and a staff consultation process. Audit New Zealand has also reviewed the policy and indicated that it meets their expectations and that their management report item on this matter is now closed.

In regard to koha, additional guidance and approval requirements are currently being developed in a separate koha approval process map. Clause 18.5 of the policy requires this and on page 3 of the policy document there is yellow highlighting noting that the process map is under development. Its intended this is completed in time for the adoption of the policy.

Risk and Assurance Committee recommendation

It is in this context that the Risk and Assurance Committee's recommendation to Council, that these policies be adopted, is sought. Both policies apply to elected members as well as staff and other parties, so it is appropriate that this is where the adoption sits. Adoption by Council also demonstrates leadership on matters that are critical in regard to public trust and confidence.

Mōrearea | Risk

As noted in the Background section of this report these are cornerstone policies that are fundamental to ensuring public trust and confidence in the Council. Audit New Zealand has been raising concerns around the policies not being fully compliant with good practice expectations. The review has addressed those concerns. In adopting the updated policies and ensuring induction and regular refresher education on the provisions of these policies (as the policies require), Council is managing a key aspect of risk for the organisation.

Ngā Tāpiritanga | Attachments

A.  Preventing Fraud and Corruption Policy for RAC endorsement

B.  Sensitive Expenditure Policy for RAC endorsement (*Under Separate Cover*)

Ngā waitohu | Signatories

Author(s)	Ken Morris Kaitohutohu Mōrearea, Kai-whakahaere ā Pakihi hoki Consultant Risk and Business Excellence Advisor	
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Approved by	Kelly Reith Group Manager, Corporate, People & Relationships	
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Preventing Fraud and Corruption Policy

Department	Finance and Business Services
Policy Type	Internal
Date Adopted	XX October 2025
Review Frequency	Three Yearly
Next Review Date	October 2028
Policy Supersedes	N/a
Policy Reference	CM 3089182

Introduction

- The **purpose** of this policy is to:
- Raise awareness on how to recognise fraud and corruption and the behaviours and circumstances known to be associated with it
 - Set-out specific requirements for staff ('you') for the prevention, detection and response to fraud and corruption incidents within or involving Matamata-Piako District Council (MPDC, Council, 'we' or 'our').

Policy Objectives and Our Commitment

- This policy seeks to:
- **Prevent** fraud and corruption through robust controls
 - **Detect** incidents at the earliest opportunity
 - **Respond** appropriately to investigations and recovery
 - **Align** with Council values.

At MPDC, our vision and values are part of everyday life. This policy directly aligns with our value of "we do it right". The policy also aligns to the 'Standards of Integrity and Conduct' of the New Zealand State Services Commission, which requires public servants to be "fair, impartial, responsible and trustworthy".¹

We are committed to maintaining a culture that prevents fraud and corruption from occurring at MPDC. We will adopt a **zero-tolerance** approach to suspected, detected or identified instances of fraud or corruption. The same principles will apply in all situations, that is low level incidents will be treated in the same way as high level incidents.

- To achieve this, we will:
- Promote a staff culture where fraud and corruption are unacceptable
 - Inform you of the penalties that can be faced if convicted of fraud or corruption offences

¹ While these do not directly apply to local government they are of equal relevance to both local and central government, and the standards that the public expects of public servants it also expects of us.

- Educate you on what fraud and corruption is and what to do if you suspect fraud or corruption
- Develop and maintain effective ways (controls) to prevent fraud and corruption
- If fraud or corruption occurs:
 - Ensure a full investigation takes place
 - Take disciplinary and/or legal action where appropriate
 - Review systems and procedures to prevent similar instances occurring
 - Investigate whether there has been a failure in supervision or failure to report and take disciplinary action if appropriate
 - Record and report all discovered cases.

Coverage/Scope

Fraud and corruption may occur due to the actions of employees, suppliers or other persons that we have dealings with. This could be an individual or a group of individuals, companies, partnerships, trusts or other entities.

This policy applies to all fraud or corruption incidents, **whether suspected, alleged or proven**, that are either:

- Committed against MPDC by any person; or
- Committed by our employees against any third party.

This policy applies to all our employees. **For the purposes of this policy, the following are also included in the definition of 'employee' or 'staff':**

- Elected members and appointed committee members;
- Former employees and former elected members;
- Persons seconded to MPDC;
- Volunteers who work without reward;
- Consultants and contractors (individuals, contractor staff, sub-contractors or persons affiliated with third parties).

Policy Definitions and other Context

Fraud

The term 'Fraud' refers to the **deliberate practice of deception** in order to receive unfair, unjustified or unlawful gain; or to unjustly cause loss to another person.

Keeping this definition in mind, examples of fraud may include, but are not limited to:

- Knowingly providing false, incomplete or misleading information for gain (financial or otherwise), and/or any other dishonest purpose
- Unauthorised possession, use or misappropriation of funds or assets, whether ours or a third party's
- Deliberate mishandling of or misreporting money or financial transactions
- Unauthorised access and misuse of our systems and information for unfair, unjustified or unlawful gain
- Destruction, removal, or inappropriate use of records, furniture, fixtures, or equipment for unlawful gain
- Deliberate misuse of our resources (including work time, internet, mobile phones, photocopiers, computers, vehicles or mail services)
- Forgery or unauthorised alteration of any document or computer file or record belonging to Council.

Corruption

'Corruption' is the **abuse of entrusted power for private gain**. It can include the giving or receiving of bribes, coercion, inappropriate disclosure of records, or any similar or related inappropriate conduct.

Examples of corrupt conduct include, but are not limited to:

- The improper use of knowledge, power or resources for personal gain or the advantage of others
- Providing false, misleading, incomplete or fictitious information to circumvent our procurement processes
- Disclosing private, confidential or commercially sensitive information to outside parties without consent
- Accepting or seeking anything of 'significant value' from contractors, vendors, or persons providing services or materials to Council, noting that Council's Gifts Policy provides specific thresholds in regard to the acceptance of gifts and those thresholds are a good reference point for what constitutes 'significant value'.

Distinction from other policies

It is important to distinguish between the 'Preventing Fraud and Corruption Policy' and our other policies (e.g. Privacy) which may invoke our 'Substandard Performance, Misconduct and Disciplinary Policy'. The difference is the element of dishonesty that leads to an unfair, unjustified or unlawful loss or gain. For example:

- Using our systems to access private information for self-interest is a Privacy breach.
- Using our systems to access private information and providing that information to another person for financial reward is captured by the 'Preventing Fraud and Corruption Policy'.

Integrity-related policies are often closely aligned and may overlap. If you are unsure as to which policy applies, contact the People, Safety and Wellness (PSW) Team.

Recognising fraud and corruption risks

Generally, there are three particular conditions often associated with fraud and corruption:

- **Incentives/pressures:** management, other employees or external parties have an incentive or are under pressure, which motivates them to commit fraud or wrongdoing (for example, personal financial trouble)
- **Opportunities:** circumstances exist that allow employees to commit fraud or corruption, such as an organisation not having appropriate fraud and corruption controls in place, or employees are able to get around or override ineffective controls (for example, managers being able to approve and authorise their own sensitive expenditure)
- **Attitudes:** employees are able to rationalise committing fraud (for example, holding attitudes or beliefs such as "everybody else is doing it nowadays" or "they made it so easy for me").

Policy

Reporting a suspected fraud or corrupt act

Any person who suspects that a fraudulent or corrupt act is occurring or has occurred, **must** report this **immediately**.

Notification, either in writing or verbally, should be made to one of the following:

- The Chief Executive
- A Group Manager, or
- The PSW Manager.

Provided they are not implicated, it is the Chief Executive that will initiate any investigation action and approach so they must be advised immediately by whoever the matter has been reported to.

If you have a concern about reporting suspected fraud or corruption to any of the people listed above, then the case may be reported to any of the following:

- Mayor
- Deputy Mayor, or
- Chair of the Risk and Assurance Committee.

Reports should provide as much detail as possible, including information about the events or acts constituting the suspected fraud or corrupt act, dates, times and persons alleged to be involved, together with any documentary evidence or facts that support the allegation.

All suspected fraud, or corrupt acts, must also be immediately reported to the Chair of the Risk and Assurance Committee and our appointed external Audit Director, and insurers (where appropriate). This would normally be done by the Chief Executive directly, or by a nominee on the instruction of the Chief Executive.

All information about suspected fraud or corruption will be treated **confidentially**.

All reports of possible fraud or corruption will be treated confidentially, insofar as they will be disclosed only to those individuals and/or agencies who need to be aware of them in order to ensure that they are appropriately investigated and addressed.

However, the identity of the person making the report will need to be disclosed to any individuals that allegations are made against as part of undertaking a fair and proper investigation aligned with the principles of natural justice. We will consult (where applicable) with the person making the report about this before their identity is disclosed.

See the below section regarding Protected Disclosures, for information about protections available to employees reporting serious wrongdoing.

Protected Disclosures

Employees who report '**serious wrongdoing**' in the workplace may be protected by the Protected Disclosures (Protection of Whistleblowers) Act 2022. Any report of suspected fraud or corruption would likely meet the definition of "serious wrongdoing", particularly where it involves the improper use of public funds or resources.

Refer to the 'Protected Disclosures – Whistleblower Policy' for further details, including the procedure for making a protected disclosure and the protections provided to employees who make a protected disclosure.

Investigating a suspected fraud or corrupt act

After reviewing a complaint and undertaking any initial investigations as necessary, the Chief Executive will determine if and how an allegation will be investigated and will appoint a Council officer or external party to head the investigation.

The person appointed to head the investigation should have the appropriate levels of independence, objectivity and investigative skill. That person will be responsible for ensuring all evidential and criminal file management requirements are met including ensuring all evidence obtained during the investigation process is protected, and all reasonable steps are taken to ensure it is not altered, contaminated, lost, or destroyed. It is to be managed appropriately to support the confidentiality and the integrity of the investigation.

If the Chief Executive is implicated in the allegation, the Mayor will be responsible for determining if/how the allegation will be investigated.

A senior member of the People and Wellness team will be included in the establishment of an investigation team where the allegation relates to staff, unless they are implicated in the allegation. The People and Wellness staff member will also provide advice on employment matters.

We do not tolerate fraudulent or corrupt behaviour and have a **zero tolerance** policy to identified behaviour or incidents involving fraud and corruption.

Zero tolerance within Council means:

- **All instances of suspected fraud or corruption** will be investigated thoroughly with appropriate action taken
- **All confirmed fraudulent or corrupt activities** will be treated as **serious misconduct** in accordance with our 'Substandard Performance, Misconduct and Disciplinary Policy' and will be **promptly** referred by the person heading the investigation to the New Zealand Police, Serious Fraud Office, or other appropriate enforcement agency where legislation may have been breached, for prosecution consideration. Those same agencies will be **promptly** notified even where there is '**credible suspicion**', but not necessarily confirmation, that fraud or corruption has occurred
- We will take all appropriate measures, including potentially legal action, to **recover** any loss or expenditure attributable to fraudulent or corrupt behaviour. This includes, but is not limited to, recovery of intellectual property, physical assets, money, third party expenses incurred and investigation costs.

We will act in accordance with our legal obligations to act fairly, honestly and in good faith when conducting investigations. This will be a key consideration in the investigation process.

You must cooperate with and not impede any investigation of suspected fraud or corruption. Free and unrestricted access must be granted to the investigation team to access and review our records and premises, including any of our records held on electronic devices used for work purposes.

You will not undertake investigations into suspected fraud or corruption unless specifically assigned to do this by the person charged with heading the investigation.

At the conclusion of an investigation the person heading the investigation and the Chief Executive will report the outcome of the investigation to the Mayor, the Chair of the Risk and Assurance Committee, our appointed external Audit Director, and any other reporting requirements will be determined.

Refer to the Process Manager 'Reporting and Investigating Fraud and Corruption' process map of the investigation process.

Roles and responsibilities

We will proactively take all reasonable steps to prevent fraud and corruption by developing and maintaining a policy framework that sets out clearly the procedures, processes and expectations of employee behaviour and promotes robust internal controls for business delivery including the protection of assets, procurement, purchasing, payroll, treasury and cash management.

This will include, but is not limited to:

- Regular anti-fraud and corruption training and awareness initiatives for employees² to support them in complying with this Policy
- Our Substandard Performance, Misconduct and Disciplinary Policy, as well as our values, that clearly set out the expectations for employee behaviour
- Pre-employment screening that includes checking for criminal convictions for appropriate staff (for example, those with financial or procurement responsibilities)
- Ensuring that staff appointed to positions of responsibility are appropriately qualified, experienced and aware of their obligations in regard to fraud and the protection of our assets
- Induction processes for new staff that include fraud awareness and training on our 'Substandard Performance, Misconduct and Disciplinary Policy'
- Segregation of duties in accordance with best practice
- Appropriately robust and regular reporting that provides information about results against budget, benchmarks and expected key performance indicators;
- Robust confirmation of new suppliers
- Proper utilisation of a Centralised Contract Register
- Planned programming of internal audit work to be carried out by either internal or external parties
- A safe, documented and widely available process for employees to report suspected fraud and corruption.

Chief Executive / Executive Management Responsibilities

A key responsibility of the Executive Management team is to set the '**tone at the top**'. This is crucial to promoting a staff culture where fraud and corruption are unacceptable.

² Noting in regard to training and awareness initiatives that the definition of employees set out in the Coverage/Scope section of this document needs to be limited to a more specific focus on MPDC staff due to the practical difficulties of reaching groups included in the wider definition. That said, where it is practical, any anti-fraud and corruption training and awareness that can be delivered on a wider basis is encouraged.

Chair of the Risk and Assurance Committee

The Chair of the Risk and Assurance Committee will support the Executive Management team in setting the ‘**tone at the top**’.

Elsewhere in this policy there is requirement to advise the Chair of the Risk and Assurance Committee of any instance of suspected fraud or corruption and the outcome of any investigation. The Chair will determine whether and how such matters will be reported to the full Risk and Assurance Committee.

The Risk and Assurance Committee is also charged with monitoring the effectiveness of this policy annually, aided by a report from the Chief Executive. The Chair will support and encourage this committee oversight.

Finance and Business Services Manager and People, Safety and Wellness Manager

The Finance and Business Services Manager and the People, Safety and Wellness Manager are jointly responsible for publicising the policy, and ensuring that staff are aware of and understand their obligations.

This will be achieved through raising awareness of our fraud and corruption framework on a regular basis (but at least twice a year). Potential awareness raising measures include staff training, the weekly staff newsletter, and intranet links. The intention is to help embed a fraud and corruption-free culture.

Finance and Business Services Manager

The Finance and Business Services Manager is the owner of this policy and will also be responsible for undertaking regular fraud risk assessment reviews of transactions, activities or locations that may be susceptible to fraud. These reviews should take place at least annually.

People, Safety and Wellness Manager

The People, Safety and Wellness Manager is responsible for:

- Pre-employment screening that includes checking for criminal convictions for appropriate staff (for example, those with financial or procurement responsibilities)
- Induction processes for new staff that includes fraud awareness and education on our ‘Preventing Fraud and Corruption Policy’ and our ‘Substandard Performance, Misconduct and Disciplinary Policy’.

Managers’ Responsibilities

The day to day responsibility for the prevention and detection of fraud and corruption and other inappropriate conduct rests with Managers. Managers are responsible for:

- Demonstrating the highest standards of ethical behaviour
- Ensuring that staff appointed to positions of responsibility in their area of the business are appropriately qualified, experienced and aware of their obligations in regard to fraud, corruption, and the protection of our assets
- Identifying the risks to which systems, operations and procedures are exposed

- Developing and maintaining effective internal controls to ensure effective stewardship of funds and to prevent and detect fraud or corruption
- Ensuring these internal controls are being complied with
- Strictly adhering to delegations of authority (including the 'one up' approval principle and the amount they can authorise)
- Ensuring compliance with all our policies, procedures and guidelines
- Maintaining an awareness and sense of responsibility for the types of impropriety that may occur within their respective areas and being alert for any indication of irregularity
- Being vigilant to 'red flag' and other fraud and corruption risks, which may necessitate further due diligence and/or process change (examples of 'red flags' or situations where fraud, bribery or corruption risk may arise are outlined in Appendix 1 of this Policy)
- Ensuring employees are supported when making allegations of fraud or corruption.

Employee's Responsibilities

[Noting in this the wider definition of 'employees' set out in the Coverage/Scope section of this document]

All employees are responsible for:

- Being fair and honest in their Council activities and dealings with contractors, suppliers or customers
- Taking reasonable steps to safeguard our funds and assets against fraud, theft, unauthorised use and misappropriation
- Strictly adhering to all system security measures, segregation of duties and delegations
- In line with this policy, immediately reporting if they suspect or believe that there is evidence of irregular or improper behaviour or that fraud or corruption may have been committed
- Cooperating with and, if required, assisting in the investigation of any suspected fraud or corruption.

Effects and Risks

This policy provides assurance to employees, our elected members, auditors and the community that we have robust measures in place to prevent, detect and reduce fraud and corruption.

The Policy is designed to mitigate risks associated with:

- A less than optimal fraud and corruption prevention culture
- Poor fraud or corruption recognition by staff
- A failure to report suspicious activities
- Inconsistent handling of suspected fraud or corruption
- Evidence mismanagement
- Delayed law enforcement reporting.

Failure to follow this policy could result in financial loss, damage to our reputation and legal action.

Any person convicted of fraud or corruption charges could face severe penalties under the Crimes Act 1961 or the Secret Commissions Act 1910. The penalties can range from fines to fourteen years' imprisonment.

Monitoring, Measurement and Review

This policy will be reviewed every three years unless there is a change to related legislation in which case the review will be brought forward. The review will be reported to the Risk and Assurance Committee.

The Risk and Assurance Committee will monitor the effectiveness of this policy annually which will include a summary report from the Finance and Business Services Manager on the operation of the policy and procedures, including all initiatives undertaken by Council to increase staff awareness and support compliance with this policy.

Relevant Information

Relevant Legislation

- Local Government Act 2002
- Employment Relations Act 2000
- Human Rights Act 1993
- Privacy Act 2020
- Protected Disclosures (Protection of Whistleblowers) Act 2022
- Crimes Act 1961
- Secret Commissions Act 1910

Related Policies, Strategies or Guidelines

- Protected Disclosures - Whistleblower Policy
- Sensitive Expenditure Policy
- Gifts Policy
- Managing Conflicts of Interest Policy
- Procurement Policy and Manual
- Risk Management Framework
- Declarations of Interest (forms completed by staff)
- Substandard Performance, Misconduct and Disciplinary Policy
- Reporting and Investigating Fraud and Corruption Process Map

APPENDIX ONE: RECOGNISING FRAUD AND CORRUPTION 'RED FLAGS'

There are a number of scenarios or activities ('red flags') that may indicate a heightened risk for the potential for fraud and corruption, and require further investigation to ensure no wrongdoing has been committed. Individuals who encounter any of these red flags (depending on what seems most appropriate in the circumstances), should either:

- Report them promptly in the same manner that a suspected fraud or corrupt act would be reported under this policy, or
- At a minimum, the concern should be reported confidentially (either in writing or verbally) to the PSW Manager, who can then determine the appropriate course of action.

For clarity, if fraud or corruption is suspected then the "Reporting a suspected fraud or corrupt act" section of this policy must be followed.

FRAUD 'RED FLAGS'

These include, but are not limited to:

- An inability to account for missing assets and/ or inventory
- Orders for inventory that exceed 'normal' business use
- Purchases made outside of standard centralised processes and oversight
- Receiving an invoice or payment request that is non-standard or customised, lacks key information or is 'last minute and urgent'
- A failure to maintain a clear 'paper trail' including an absence of emails, written agreements, business documentation or record keeping
- An employee exerting an unusual degree of control over a work process, procedure or system, or being unwilling to share duties or business information (including a refusal to take leave)
- Unusual spikes in expenditure, invoice volume, financial adjustments (including 'rounded payments') and fee waivers, or the number and timing of service transactions – above and beyond business averages and trends
- A lack of segregation of key system, financial or business access, process/duties and authority (including the ability to approve personal expenditure or manage critical financial transactions end-to-end)
- A 'wheeler dealer' approach to business and disregard for process controls and business discipline.

CORRUPTION 'RED FLAGS'

These include, but are not limited to:

- A third party having a reputation for having a "special relationship" with MPDC including instances of open-ended ('evergreen') contracts or informal work agreements
- An employee or third party that has previously engaged in, or been accused of improper business practices
- An employee or third party who insists on receiving a commission or fee payment before committing to a contract or carrying out a service
- An employee or third party requesting payment be made in cash or to an unverified account (including at a different location or offshore)
- An employee or third party refusing to provide an invoice or receipt for a payment made

- An employee or third party requesting that a payment is made to 'overlook' potential legal or performance violations
- An employee or third party insisting on the use of side letters, refusing to put terms agreed in writing, or requiring the use of an agent or intermediary that is not known to MPDC
- An employee or third party requesting/being offered entertainment or gifts before commencing contract negotiations or services
- An employee receiving an invoice or making a payment that appears large given the services provided
- Unreported payments made to third parties on our behalf
- An employee having an unusually close relationships with third party vendors or customers, including an unwillingness to delegate management of a client relationship (services or portfolio)
- An employee providing/offering unauthorised access to privileged information to a third party vendor or customer
- A refusal by employees or third party vendors to complete Conflict of Interest documentation or certify compliance with our policy.

7 Pūrongo me whakatau | Decision Reports

7.5 Review of draft Liability Management Policy and draft Investment Policy

CM No.: 3094900

Te Kaupapa | Purpose

The purpose of this report is to present the draft Liability Management Policy and draft Investment Policy to the committee for their review and feedback.

Rāpopotonga Matua | Executive Summary

The Liability Management and Investment policies require an update to accommodate the impending transition of Council's Water and Wastewater services (and associated asset and liabilities) to the Waikato Waters Limited CCO entity, and also to update responsibilities under the policy. Recommended changes to these policies are provided as well as a report on performance against the policies for the 2024/25 year.

Tūtohunga | Recommendation

That:

1. The Committee receive the report
2. The Committee review the draft policies and provide comment.

Horopaki | Background

Policy review

The formal review of Council's Liability Management Policy and Investment Policy is usually undertaken every three years (in line with the review of the Long Term Plan, (LTP), and were last reviewed in January 2024, prior to the adoption of the 2024-2034 LTP. However, on occasion there is a need to review the policies outside of this cycle. A further review is now considered necessary for two key reasons:

- To ensure Council's policies are flexible enough to accommodate the impending transition of Council's Water and Wastewater services (and associated asset and liabilities) to the Waikato Waters Limited CCO entity.
- To revise responsibilities under the policy following the restructure of the Group Managers portfolio of responsibilities.

Council's independent external advisors, PWC and staff have reviewed the existing policies and have recommended amendments to address the issues above. After review by this committee the draft policies incorporating any proposed changes or comments will be recommended to Council for adoption.

Policy performance

Council is also required to report annually on the performance of the policies in achievement of objectives. This is also completed for each policy as part of this report.

Ngā Take/Kōrerorero | Issues/Discussion

Liability Management Policy

Policy performance

Under the existing Liability Management Policy, there is a requirement to annually report to “Council or Council sub-committee” on the matters i to vii following. This review has been completed for the financial year ended 30 June 2025.

i. Recommendation as to changes, deletions and additions to the Policy

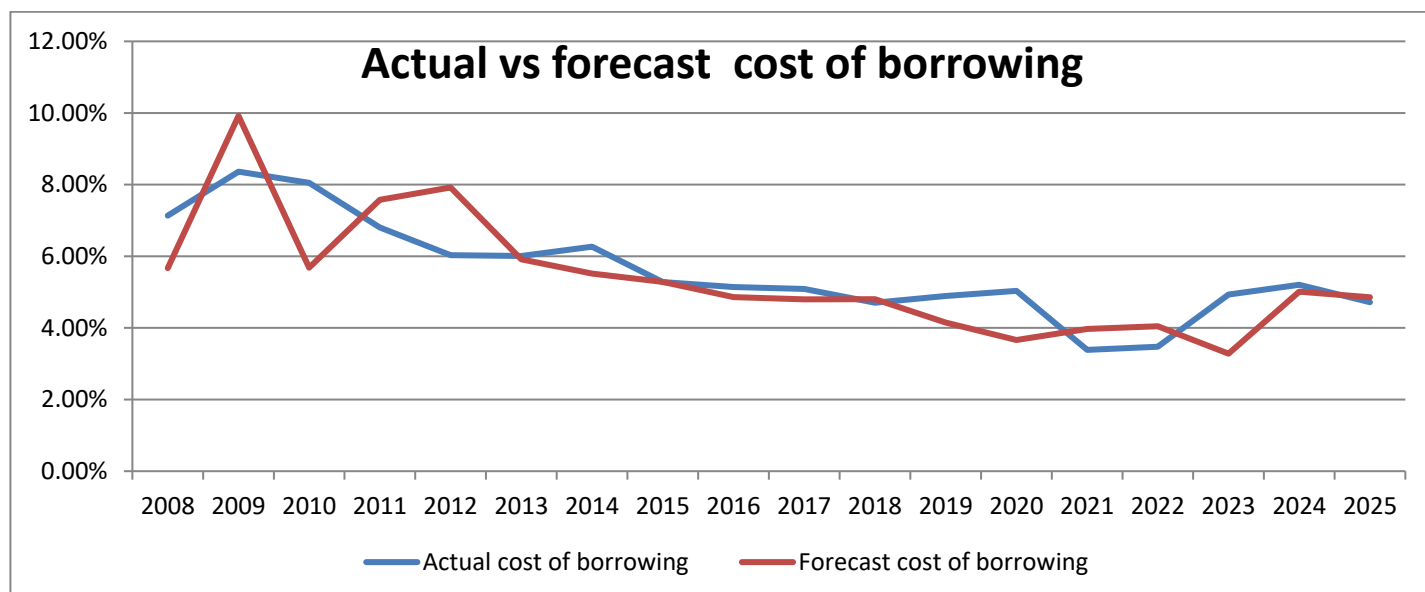
Recommended updates to the policy are attached

ii. Overview of the treasury function in achieving the stated treasury objectives, including performance trends in actual borrowing cost against budget (multi-year comparisons), and interest rate management instruments against benchmarks.

The Liability Management policy includes a number of statutory and general objectives, including minimising costs and risk and compliance with legislation and borrowing covenants. We believe that all of these objectives are being met. We have maintained our debt well within the limits set out in the policy (with the exception of the counterparty limits discussed in iii), and within financial covenants.

As provided for in the policy, and on the advice of PWC, Council started using interest rate swap instruments from 2011. This was at a time when interest rates were significantly higher and our external debt was rising significantly, largely as a result of the Morrinsville Wastewater Treatment Plant upgrade at the time. The key objective for Council’s use of interest rate swaps is to minimise exposure to adverse interest rate movements (smoothing), so as to provide certainty over interest costs into future years.

In assessing the effectiveness of Council’s interest rate swaps, we compare Council’s actual cost of borrowing with the forecasted cost of borrowing.



Since 2011 when Council first took up swaps, and particularly after 2014 when the bulk of the swaps became effective, Council's ability to forecast the cost of borrowing has improved as we have more certainty over our interest rates. This was tested more-so in recent years when interest rates rose sharply. An identified and on-going area for improvement is in the forecasting of the completion of capital works and its associated impact on overall borrowing costs.

At 30 June 2025, external debt was \$85.0 million compared to a budget of \$96.0 million, largely due to delayed progress of the Matamata Wastewater Treatment Plant upgrade project and operational Wastewater desludging work (that was to be funded from external borrowing). Note that \$13.5 million of the year end debt was pre-funding of debt due to mature in April 2026. Finance costs were \$3.3 million compared to a budgeted level of \$3.8 million. The actual cost of borrowing for FY 2025 was 4.72% compared to the budgeted cost of borrowing of 4.86%. Overall, we are satisfied that the interest rate swaps have been effective in the key objective of minimising our exposure to movements in interest rates.

iii. Summary of breaches of policy and one-off approvals outside policy to highlight areas of policy tension

Counterparty credit limits (which are limits set across both the Investment Policy and Liability Management Policy) were a source of tension in the policy during the year, with breaches reported in September to December due to cashflow management. Over the year, Council has received a better rate of return in our call account than we do for term deposits of less than 30 days duration. This meant that leading up to the payment of our creditors on the 20th of the

month, we were holding significant cash on call with our transactional bank, while still holding a significant portion of our interest rate swaps with the same bank, leading to the breach.

To help mitigate this risk, we opened a new ANZ call account during the year so that we can better manage funds between banks. We have had no breaches since doing so. We are also finalising an agreement that will allow us to transact swap transactions with ANZ, as well as our current parties, BNZ and Westpac. This will further improve our ability to manage the counterparty limits.

Also in the policy review, PWC have suggested an exception to the counterparty limits, allowing a 5-business day grace period either side of the quarterly rates instalment where the credit exposure amounts can exceed the \$15m limit. This limited window will reduce pressure over this time where daily cashflows can fluctuate significantly.

- iv. Analysis of bank lender service provision, share of financial instrument transactions etc
We have been very pleased with the continued low margins achieved through Council's participation in the Local Government Funding Agency.

Council's multi-option credit facility with Westpac has given us the opportunity to effectively manage our variable cashflows, maintain the required level of liquidity and minimise our net interest costs. Internal borrowing has been utilised where possible to minimise net interest costs.

- v. Comments and recommendations from our external auditors on the treasury function, particularly internal controls, accounting treatment and reporting
Council's external auditors annually review compliance with key policy requirements, our internal controls and accounting treatment and reporting as part of their annual audit function and have not raised any concerns or made recommendations in recent years.

- vi. An audit of the treasury system/spreadsheets and procedures should be undertaken
Council staff responsible for the operation of this policy meet on a monthly basis with PWC to discuss policy compliance, market conditions and future borrowing and strategy. PWC make themselves available to meet with Council on an as-needed basis to provide any further information or explanation required. A formal memo is provided by PWC in respect of any suggested funding and interest rate strategies, upon which staff transact within delegated authorities. No internal review of the Treasury systems and procedures has been undertaken for some time. Ideally this should be progressed in the coming months.

- vii. adherence to borrowing limits specified in the covenants of bank lenders to Council.

LGFA Financial Covenants	2025	2025	2025
	Actual	Council Limit	LGFA Limit
Net Debt : Total Revenue	73.0%	<175%	<175%
Net Interest : Total Revenue	2.8%	<15%	<20%
Net Interest : Annual Rates Income	3.8%	<20%	<25%
Available Financial Accomodation: External Indebtedness	117.3%	>110%	>110%

Council is well within the limits of our main lender, LGFA. Westpac, who provide a credit facility, and BNZ who provide a \$500,000 overdraft facility to Council, do not have any specific covenants that we measure/report to them on, but we do provide them with copies of our financial statements annually, six month reports as requested, and updated treasury policies as necessary.

Policy review – proposed amendments

PWC have recommended amendments to provide the flexibility required for the transition to Waikato Waters Limited, including;

- Outlining that any financial support or lending arrangement to a CCO or CCTO must be approved by Council.
- Considering the debt scenario created by the transition to Waikato Waters Limited when designing the interest rate hedging strategy.
- Highlighting the impact the agreed debt transfer mechanism may have on compliance with interest rate and funding limits, and allowing for retrospective reporting and approval by Council, giving Council flexibility to manage treasury proactively and in a timely manner over the transition period.

To help address an area of tension around managing counterparty credit limits (discussed further under the Issues/Discussion section (iii) following), PWC have suggested an exception to the counterparty limits, allowing a 5-business day grace period either side of the quarterly rates instalment where the credit exposure amounts can exceed the \$15m limit.

As the responsibility for treasury management has shifted from the vacant Group Manager Business Support role to the Group Manager Corporate, People and Relationships, responsibilities under the policy have been updated to reflect this.

In discussion with PWC we have also taken the opportunity to better clarify the policy review and reporting requirements by more clearly splitting and defining these as well as the frequency and who the recipient of the reports will be. Other than this, PWC and staff are not proposing any further changes to the existing policy.

Investment Policy

Policy performance

The current policy includes a number of general objectives and states the range of investments Council can hold. Each of these types of investments have varying specific objectives, management controls and levels of reporting outlined in the current policy. We believe that all of these policy objectives are being met.

Other than cash investments to manage cashflow requirements and additional borrower notes in respect of our LGFA lending, we have not made any further investments for the year ended 30 June 2025.

We have complied with our policy requirements for cash investments throughout the period, with the exception of the counterparty limits discussed in the Liability Management Policy performance review.

Investment rates have fallen over the year, with the weighted average for this year to June 2025 at 5.41% (compared to 5.92% for 2024). The Financial Strategy in our 2024-34 LTP earmarked an expected rate of return over the next 10 years of 4.91%. This will be difficult to maintain into 2025/26 with investment rates falling.

Council's external auditors annually review compliance with key policy requirements, our internal controls and accounting treatment and reporting as part of their annual audit function and have not raised any concerns or made recommendations in recent years.

Policy review – proposed amendments

There were only minor changes suggested to the Investment Policy, with no amendments required in respect of Waikato Waters Limited. As above, some responsibilities under the policy have been shifted to the Group Manager Corporate, People and Relationships (previously undertaken by the Group Manager Business Support).

The only other minor amendment was clarifying the reporting requirements to match what/how various investments are currently reported.

The proposed draft policies are attached to this report, showing the tracked changes from the current policies, and explain the reason for these minor proposed changes.

Mōrearea | Risk

Risks relating to Council's draft policies could include adopting provisions in the policies that do not comply with the covenants of the LGFA or other lenders, or that may jeopardise Council's statutory requirement to operate in a financially prudent manner, or that do not fully address the needs of Council during the transition to Waikato Waters. To mitigate these risks, Council have sought independent professional advice in the review of these policies.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

Sections 102 (2) (b) & (c) of the Local Government Act 2002 require Council to adopt a liability management policy and an investment policy.

Section 104 requires that the liability management policy adopted must state the local authority's policies in respect of the management of both borrowing and other liabilities, including—

- (a) Interest rate exposure; and
- (b) Liquidity; and
- (c) Credit exposure; and
- (d) Debt repayment.

Section 105 requires that the investment policy adopted must state the local authority's policies in respect of investments, including—

- (a) [Repealed]
- (b) The mix of investments; and
- (c) The acquisition of new investments; and

- (d) An outline of the procedures by which investments are managed and reported on to the local authority; and
- (e) An outline of how risks associated with investments are assessed and managed.

Proposed amendments to policies as outlined above are considered minor
Section 102(5) allows for the adoption of the investment and liability management policies without the requirement to use a special consultative procedure.

Local Government Act 2002 (LGA 2002) Decision-making requirements

Having regard to the decision-making provisions in the LGA 2002 and Councils Significance Policy, a decision in accordance with the recommendations is assessed as having a low level of significance.

Policy Considerations

To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Tāpiritanga | Attachments

A.  Liability Management Policy Review - RAC Sept 2025 - TRACKED CHANGES (*Under Separate Cover*)

B.  Investment Policy Review - RAC Sept 2025 - TRACKED CHANGES



Ngā waitohu | Signatories

Author(s)	Larnia Rushbrooke Pou Pūtea, Ratonga Pakihi Finance & Business Services Manager	
Approved by	Kelly Reith Group Manager, Corporate, People & Relationships	

Investment Policy



Commented [LR1]: New policy template to be applied

Our vision is

To get the best return on low risk financial investments and/or to secure long-term benefits for the community through strategic investments.

Council's commitment

Council's commitment is to:

- Prudently manage Council's financial investments from low risk investments.
- Maintain a prudent level of liquidity and flexibility to meet both planned and reasonably unforeseen cash requirements.
- Invest only in approved investment instruments and securities.
- Seek to optimise investment income
- Monitor and report on risk and performance against predetermined limits and benchmarks
- Ensure operational controls and procedures are in place that protect the Council against financial loss, opportunity cost and other inefficiencies.
- Ensure that all statutory requirements related to Council's investments are adhered to.

Investment mix

Council may:

- Invest in the following assets from time to time:
 - New Zealand Local Government Funding Agency Limited
 - Investments in other companies and entities
 - Community loans and advances
 - Property investments for strategic objectives
 - Cash and treasury investments
 - Internal loans

The specific objectives and policies related to these types of investments are detailed in appendix one.

Risk management

Council is risk averse and seeks to minimise exposure from its treasury activities. Council does not allow any transactions that are speculative in nature to be entered into. Council's investment activities expose it to a variety of financial market risks including credit risk and liquidity risk.

Credit risk is managed by the Council limiting the amount of credit exposure to any one institution or organisation. Investments in other local authorities are secured by charges over rates. Other than other local authorities, Council invests funds only

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with entities that have a Standard and Poor's (or equivalent recognised agency) credit rating of at least A-1 for short term and A for long term investments.

Liquidity risk is managed by investing only in financial assets that can be liquidated through a readily available secondary market or have a short time period before maturity as articulated within the liquid investment's definition.

Council will:

- Adopt prudent risk management practices that will include:
 - Engaging appropriate expertise when major investment strategies are being developed
 - Reference to authoritative and current economic commentaries and financial market forecasts.

The appendix to this policy contains parameters and procedures which have been established to reflect Council's risk tolerance.

Acquisition of new investments

All investment acquisitions (other than treasury investments, LGFA and internal loans) will be approved by Council, and Council will:

- Assess the acquisition of any new investments having regard for the following:
 - The requirements of the Local Government Act 2002
 - Council's policy on significance
 - Council outcomes and objectives
 - The provisions of this policy.

Application of returns on investments.

Council will:

- Apply returns on investments as outlined in the LTP or the Annual Plan or as specifically determined by Council from time to time.

Delegated authority and responsibilities

Council will:

- Delegate to the Chief Executive Officer, authority to implement this policy, except where this policy expressly states that Council resolution is required.

The Chief Executive Officer will:

- Be responsible for ensuring that appropriate procedures and controls are in place to safeguard Council's assets. These procedures and controls will be documented within Council's quality assurance programme.

The [Finance & Business Services Manager](#) ~~Group Manager Business Support~~ will:

- Ensure the administration and management of the investments is undertaken in accordance with the procedures contained within Council's quality assurance programme. This includes overseeing monthly reconciliations to the general ledger of the cash and treasury investments and other financial instruments such as LGFA borrower notes. The monthly reconciliation will be independently reviewed in accordance with the procedures contained within Council's quality assurance programme.

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Reporting requirements

The Chief Executive Officer will:

- Ensure Council is provided with the following reports on investment performance:

Investment types	Frequency	Reporting
New Zealand Local Government Funding Agency Limited	Annually	Investments reported as part of the Annual Report. Other financial instruments invested in the LGFA will be included in the investment report provided as part of the Chief Executive's monthly report to Council.
Investments in other companies and entities	Annually	Investment balances reported as part of the Annual Report. Performance of Council Controlled Entities that have not been exempted under section 7 of the Local Government Act 2002 will be reviewed bi-annually.
Community loans and advances	Annually	Investments reported as part of the Annual Report (if any) .
Property investments	Annually	Investments reported as part of the Annual Report (if any) .
Liquid and treasury investments	Monthly	Liquid and treasury investments (including reporting of compliance with approved treasury instruments and approved counterparties), will be included in the investment report provided review of compliance with Treasury Policies as part of the Chief Executive's monthly report to Council.
Internal loans	Annually	Investments reported as part of the Annual Report

Policy review

The Risk and Assurance Committee will:

- Formally review this policy at least every three years in line with the review of the Long Term Plan [or sooner if required](#).

Council will:

- Receive recommendations from the Risk and Assurance Committee and review and adopt this policy at least every three years in line with the review of the Long Term Plan.

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Appendix one

INVESTMENT POLICY PARAMETERS

New Zealand Local Government Funding Agency Limited (LGFA)

The Council may invest in shares and other financial instruments of the LGFA, and may borrow to fund that investment.

The Council's objectives in making any such investment will be to:

- Obtain a return on the investment; and
- Ensure that the LGFA has sufficient capital to become and remain viable, meaning that it continues as a source of debt funding for Council.

Because of these dual objectives, the Council may invest in LGFA shares in circumstances in which the return on that investment is potentially lower than the return it could achieve with alternative investments. If required in connection with the investment, the Council may also subscribe for uncalled capital in the LGFA and be a Guarantor.

Investments in other companies and entities

Equity investments arise from Council owning or controlling an equity holding in another entity. In general, investments in this category have and may be acquired with the primary objective of achieving strategic, efficiency, or community outcomes.

Any purchase or disposition of equity investments requires Council approval. Council will assess the acquisition of any new investments in line with the provisions of this policy. Any profit or loss arising from the sale of these investments is to be recognised in the Statement of Comprehensive Revenue and Expense.

The proceeds from the disposition of equity investments will be used firstly to repay any debt relating to the investment and then applied to the designated purpose as determined by Council.

Council recognises that there are risks associated with holding equity investments. To minimise these risks Council, through the relevant Council-committee, monitors the performance of its equity investments in Council Controlled Entities (that have not been exempted under section 7 of the Local Government Act 2002) on a twice yearly basis to ensure that the stated objectives are being achieved. Council seeks professional advice regarding its equity investments when it considers this appropriate.

Community loans and advances

From time to time Council may provide loans and/or advances to community organisations to assist with the achievement of community outcomes. The amounts involved are typically below \$500,000 and the numbers of applications received (and/or approved) are minimal.

The purpose of such investments is to achieve community outcomes. Council will assess all applications having regard for the legislated purpose of Local Government as set out in the Local Government Act 2002, the need for prudent financial management and after assessing the risk associated with the investment and the

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security provided by the other party. All such loans/advances will only proceed by resolution of Council.

Property investments for strategic objectives

Council owns property to achieve its strategic objectives, that is, property that is expected to secure long-term benefits for the community. As a general rule Council will not maintain a property where it is not essential to the delivery of relevant services. Council reviews property ownership through assessing the benefits of continued ownership in comparison to other arrangements that could deliver the same results. This assessment is based on the most financially viable method of achieving the delivery of Council services.

All rented or leased properties will be at market rentals, except as approved by Council

Any acquisitions or disposals of strategic property require the resolution of Council and any purchased properties must be supported by a current registered valuation, substantiated by management including a fully worked, capital expenditure analysis. Any minor parcels of land purchased for the purpose of roading and utility activities will be affected under the delegation of the Chief Executive Officer.

Net proceeds from the sale of surplus property will be used to reduce borrowings where appropriate, or form part of the reserves of the District, to be reinvested in new assets or the betterment of existing assets for the benefit of the present and future residents of the District. The exception to this is endowment property or other property subject to legislative restrictions, in which case any proceeds would be applied in accordance with the provisions of the legislation.

Liquid and treasury investments

Council generally operates as a "net borrower", and aims to manage its borrowings and cash assets on this basis in order to reduce the overall net cost of borrowing. Council does not usually maintain significant cash investments. Longer term investments may be held to support the level of restricted reserves though not for the balance of Council created reserves. To achieve the aim of minimising the overall cost of funds and managing debt re-financing risks, at times it may be prudent to pre-fund, and invest any surplus in treasury investments. Cash investments are also used to maintain and manage liquidity risk. A range of treasury investment instruments may be used as outlined below to achieve the desired level of returns within acceptable risk parameters.

The following policies will apply in making any such investment:

- Council's primary objective when investing is the protection of its investment capital. Accordingly, Council may only invest in approved creditworthy counterparties.
- Council invests in approved financial instruments that are of high credit quality and liquid.
- Council's treasury investment portfolio will be arranged to provide sufficient funds for planned expenditures and allow for the payment of obligations as they fall due.
- Interest income from investments is credited to general funds, except for income from investments for restricted reserve funds and other funds where interest may be credited to the particular fund.
- For liquidity purposes treasury investments incorporate all investments which are not cash or liquid investments. Liquid investments are defined as those short term

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funds which are held for operational requirements and/or used to meet liquidity buffer requirements as per the Liability Management Policy.

Each transaction should be entered into a treasury spreadsheet and a monthly report prepared to show assessed counterparty actual exposure versus limits.

Approved investment instruments

The approved investment instruments are as follows:

Category	Instrument
Liquid investments	- Overnight call deposits and term bank deposits no greater than 30 days - Bank certificates of deposit (RCDs) less than 181 days
Treasury investments	- Term bank deposits no greater than 12 months unless related to debt pre-funding or pre-funded capital expenditure. - Bank certificates of deposit (RCDs) less than 365 days. - LGFA borrower notes

All investments must be senior in ranking. The following types of investments are expressly excluded;

- Structured debt where the issuing entities are not a primary borrower/issuer
- Sub-ordinate debt (other than Borrower Notes subscribed from the LGFA), junior debt, perpetual notes and hybrid notes such as convertibles.

Interest rate management instruments are not approved instruments for investment management purposes.

Any other treasury instrument must be specifically approved by the Council on a case-by-case basis and only be applied to the one singular transaction.

Approved counterparties/issuers

Counterparty credit risk is the risk of losses (realised or unrealised) arising from a counterparty defaulting on a financial instrument where the Council is a party. Credit exposure for investments relates to funds on deposit where the counterparty is not able to pay Council interest and principal amounts owing on the due date. The credit risk to the Council in a default event will be weighted differently depending on the type of instrument entered into.

Credit risk will be regularly reviewed by the Council. Treasury related transactions would only be entered into with organisations specifically approved by the Council.

Counterparties and limits can only be approved on the basis of a long-term Standard & Poor's (S&P) credit rating (or equivalent Fitch or Moody's rating) being A and above.

The relevant counterparty limits can be found in the Liability Management Policy.

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Internal loans

Council may utilise surplus funds for the purposes of internal borrowing. Internal borrowing forms a part of the overall mix of Council investments (though will only be reported to Council on an annual basis unless otherwise requested). Internal borrowing will be used wherever possible to avoid external borrowing.

Internal loans shall be managed as commercial debt, with interest applied. The interest rate shall be calculated at the start of each financial year, and year and will be based on the mid-point between the prior year's weighted average external borrowing and investment rates.

Guarantees/contingent liabilities and other financial arrangements

Council may act as guarantor to financial institutions on loans or enter into financial arrangements for organisations, clubs, Trusts, or Business Units, when the purposes of the loan are in line with Council's strategic objectives. Council approval must be sought for any guarantees or financial arrangements to organisations, clubs, Trusts, or Business Units.

Council is not allowed to guarantee loans to Council-controlled trading organisations under Section 62 of the Local Government Act.

Council will ensure that sufficient funds or available committed bank facilities exist to meet amounts guaranteed. Guarantees given will not exceed any amount agreed by Council or an appropriate Council Committee in aggregate. The Finance and Business Services Manager would be responsible for monitoring and reporting on guarantees on a quarterly basis to Council.

Foreign currency

Council may from time to time be exposed to foreign exchange risks through the occasional purchase of foreign exchange denominated services, plant and equipment etc. Significant commitments over NZ\$100,000 will be hedged using foreign exchange contracts, once expenditure is approved and legally committed. Both spot and forward foreign exchange contracts can be used by Council.

The following instruments may be used for risk management activity:

Category	Instrument
Foreign exchange risk management	Forward foreign exchange contracts
	Foreign currency deposits
	Spot foreign exchange

8 Ngā Pūrongo Whakamārama | Information Reports

8.1 Half-Yearly Update on the Policy, Planning and Reporting Stocktake

CM No.: 3087709

Te Kaupapa | Purpose

To provide the Risk and Assurance Committee with a regular update on the Policy, Planning, and Reporting Stocktake, including the status of any documents scheduled for review.

Rāpopotonga Matua | Executive Summary

The Policy, Planning and Reporting Stocktake (Stocktake) has been updated following the feedback received in June from the Risk and Assurance Committee (Committee).

The first attachment includes external and internal documents the Committee have indicated they want to view.

The second attachment includes external and internal documents the Committee have indicated they do not want to view but want to have the opportunity to have oversight over the full list for information only.

Tūtohunga | Recommendation

That:

1. The information be received.
2. The Committee provide any feedback on the Policy, Planning and Reporting Stocktake [*feedback to be specified*].

Horopaki | Background

Council policies, plans, and reports form the foundation of our strategic direction, operational delivery, and community engagement. Over time, these documents accumulate across departments, often in response to changing legislation, evolving community needs, and emerging priorities. Without regular review, this can lead to duplication, misalignment, or outdated guidance that may hinder effective decision-making.

A stocktake of existing policies, plans, and reports is a proactive step to ensure our governance framework remains coherent, current, and fit for purpose. This process will:

- Provide visibility over the full suite of Council documents, including those that are active, under review, or no longer relevant.
- Support consistency and alignment across departments by identifying overlaps, gaps, and opportunities for integration.
- Improve accessibility for staff, elected members, and the public by creating a centralised and searchable record.
- Enable better strategic planning by clarifying existing commitments and informing future policy development.
- Ensure compliance with statutory obligations and best practice by identifying documents that require updating or rescinding.

- This Stocktake will also contribute to improved transparency and accountability, helping Council demonstrate that its decisions are informed by a clear and up-to-date policy framework.

Ngā Take/Kōrerorero | Issues/Discussion

Since the recent Stocktake presentation to the Committee, staff have added Taituara's Mandatory Register of Documents to the document internally. This provides an internal check against all mandatory documents under legislation.

Mōrearea | Risk

The Stocktake has been developed to assist in oversight of policy reviews to ensure that regular reviews are undertaken and statutory timeframes for review are complied with. The risk of not reviewing the policies could result in policies not reflecting best practice and they may fail to comply with new legislation/regulations where relevant.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata-Piako District Council's Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE		MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION	
TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. ‘The heart of our community is our people, and the people are the heart of our community.			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive	He wāhi e poipoi ai tō tātou taiao A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga A place to belong and create

All community outcomes are relevant.

Ngā Tāpiritanga | Attachments

A.  RAC Documents - September 2025



B.  For Information Only - Non-RAC Documents - September 2025



Ngā waitohu | Signatories

Author(s)	Charlotte Walker Kaitohu Kaupapahere Paetahi Graduate Policy Advisor	
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Approved by	Sandra Harris Pou Kaupapahere, Rāngai Mahitahi me te Kāwana Policy, Partnerships and Governance Manager	
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EXTERNAL ACTIVE POLICIES, PLANS AND REPORTS

Team Responsible	Title	CM Number	Review	Adopted	Review Due	Council	E-Team	RAC	Legislation	Consultati	GM Responsible	Status	Comments
Policy, Partnerships & Governance	Annual Plan	2745722	Annually	30/06/2025	30/06/2026	Yes	No	Yes	Yes	Yes	Kelly Reith		
Policy, Partnerships & Governance	Annual Report	2971648	Annually	27/11/2024	31/10/2025	Yes	No	Yes	Yes	No	Kelly Reith	In development	
Planning	Housing and Business Assessment	2798802	3 Years	16/10/2023	16/10/2026	Yes	Yes	Yes	No	No	Ally van Kuijk		
Finance and Business Services	Investment Policy 2024-34	2834792	3 Years	24/01/2024	24/01/2027	Yes	Yes	Yes	Yes	No	Kelly Reith	In development	To be discussed at Sept RAC meeting – need to amend to accommodate 3 waters
Finance and Business Services	Liability Management Policy 2024-34	2834775	3 Years	24/01/2024	24/01/2027	Yes	Yes	Yes	Yes	No	Kelly Reith	In development	To be discussed at Sept RAC meeting – need to amend to accommodate 3 waters
Policy, Partnerships & Governance	Long Term Plan 2024-2034	2879188	3 Years - LTP	03/07/2024	30/06/2027	Yes	No	Yes	Yes	Yes	Kelly Reith		
Policy, Partnerships & Governance	LTP Development Contributions Policy 2024-2034	2878808	3 Years - LTP	03/07/2024	30/06/2027	Yes	No	Yes	No	Yes	Kelly Reith		
Finance and Business Services	LTP Financial Strategy 2024-34	2836272	3 Years - LTP	03/07/2024	30/06/2027	Yes	Yes	Yes	Yes	Yes	Kelly Reith		
Assets, Strategy and Policy	LTP Infrastructure Strategy 2024-34	2878842	3 Years - LTP	03/07/2024	30/06/2027	Yes	Yes	Yes	Yes	Yes	Fiona V		
Finance and Business Services	LTP Remission and Postponement of Rates 2024-34	2838064	3 Years - LTP	03/07/2024	30/06/2027	Yes	Yes	Yes	Yes	Yes	Kelly Reith		
Finance and Business Services	LTP Revenue and Financing Policy 24-34	2879188	3 Years - LTP	03/07/2024	30/06/2027	Yes	Yes	Yes	Yes	Yes	Kelly Reith		
Assets, Strategy and Policy	Transportation Procurement Strategy	2695660	3 Years	12/09/2022	01/09/2025	Yes	Yes	Yes	No	Yes	Fiona V	Due for review	
Policy, Partnerships & Governance	Significance and Engagement Policy	2766159	3 Years	23/08/2023	01/08/2026	Yes	No	Yes	Yes	Yes	Kelly Reith		
Policy, Partnerships & Governance	Board Appointments and Remuneration Policy	2897229	5 Years	24/07/2024	24/07/2029	Yes	No	Yes	Yes	No	Kelly Reith		
Legal	Delegation Policy and Delegation Register 2023	2960164	Annually	30/10/2024	31/12/2025	No	No	Yes	No	No	Ally van Kuijk		
Planning	Growth Strategy 2009	1415147	10 Years	09/10/2013	01/10/2023	Yes	Yes	Yes	No	Yes	Ally van Kuijk	In development	

INTERNAL ACTIVE POLICIES, PLANS AND REPORTS

Team Responsible	Title	CM Number	Review	Approved	Review Due	Council	E-Team	RAC	Legislation	Internal Consultation	GM Responsible	Status	Comments
Assets, Strategy and Policy	Asset Management Policy	2282806	3 Years	01/07/2019	01/07/2022	No	Yes	Yes	No	No			
Finance and Business Services	Capitalisation Policy	1201066	3 Years	15/05/2012	15/05/2015	No	Yes	Yes	No	Yes	Kelly Reith	In development	Reviewed at RAC meeting in June. Awaiting final approval from E-Team.
Finance and Business Services	Fraud and Corruption Policy	2731028	3 Years	07/02/2023	01/02/2026	No	Yes	Yes	No	Yes	Kelly Reith	In development	To be discussed at Sept RAC meeting
People, Safety and Wellness	Managing Conflict of Interest	3058224	3 Years	01/07/2025	01/07/2028	No	Yes	Yes	No	Yes	Kelly Reith		
Finance and Business Services	Procurement Policy	1852859	3 Years	27/08/2025	27/08/2028	Yes	Yes	Yes	No	Yes	Kelly Reith		
People, Safety and Wellness	Protected Disclosures-Whistle-Blower Policy	3041434	3 Years	03/06/2025	03/06/2028	No	Yes	Yes	No	Yes	Kelly Reith		
Finance and Business Services	Sensitive Expenditure 2019	2189221	3 Years	24/07/2019	01/07/2022	No	Yes	Yes	No	Yes	Kelly Reith	In development	To be discussed at Sept RAC meeting.
Legal	Legislative Compliance	2960095	Annually	30/10/2024	31/10/2025	Yes	No	Yes	No	No	Ally van Kuijk	In development	

Item 8.1

Attachment A

EXTERNAL ACTIVE POLICIES, PLANS AND REPORTS

Team Responsible	Title	CM Number	Review	Adopted	Review Due	Council	E-Team	RAC	Legislation	Consultati	GM Responsible	Status	Comments
Assets, Strategy and Policy	Active Reserves Management Plan 2009	1414644	10 Years	18/10/2013	Not Applicable	Yes	No	No	Yes	Yes	Fiona V	Due for review	Statutory requirement under Reserves Act 1977. Good practice to review 10 years or as required. Review less of a priority than the passive reserves.
Assets, Strategy and Policy	Cemeteries Policies and Procedures Manual	1414711	3 Years	18/10/2013	18/10/2016	No	No	No	No	No	Fiona V	Under review	Technical & Operational Procedures. Updated as required. Currently being updated.
Policy, Partnerships & Governance	Code of Conduct	2652157	Elections	09/11/2022	09/11/2025	No	No	No	No	No	Kelly Reith		
Assets, Strategy and Policy	Community Facilities and Buildings Activity Management Plan	2832082[v2]	Annually	21/03/2024	21/03/2027	No	No	No	No	No	Fiona V		Informs the LTP
Assets, Strategy and Policy	Community Group Leases and Licenses Policy	2734147	3 Years	09/07/2023	09/07/2026	Yes	No	No	No	No	Fiona V		
Policy, Partnerships & Governance Community Compliance and Protection	Dangerous and Insanitary Buildings	3028663	5 Years	07/05/2025	07/05/2030	Yes	No	No	Yes	Yes	Kelly Reith		
Assets, Strategy and Policy	Development Manual 2010	1073405	As Required	21/10/2015	Not Applicable	No	No	No	No	No	Fiona V		
Digital Enablement	Digital Strategy	2077395	As Required	01/10/2018	Not Applicable	No	No	No	No	No	Jenni C		
Planning	District Plan	2965977	As Required	06/11/2024	Not Applicable	Yes	No	No	Yes	Yes	Ally van Kuijk	Ongoing	
Assets, Strategy and Policy	District Tree Strategy	1816747	As Required	01/01/2010	Not Applicable	Yes	No	No	No	No	Fiona V	New format under development	Reformatting and updating currently as 'Tree Policy'. Strategic elements to move to the Parks & Open Spaces Strategy. Operational procedures to be removed and industry good practice guides to be cited instead.
Policy, Partnerships & Governance	Dog Control Policy and Practices 2023/2024	2953965	Annually	18/10/2024	18/10/2025	Yes	No	No	Yes	No	Ally van Kuijk		In progress
Policy, Partnerships & Governance	Easter Trading Policy	2600533	5 Years	11/05/2022	11/05/2027	No	No	No	No	No	Kelly Reith		
Policy, Partnerships & Governance	Elected Members' Remuneration, Allowances and Expenses Policy	2897229	Elections	27/03/2024	30/11/2025	Yes	No	No	Yes	No	Kelly Reith		
Policy, Partnerships & Governance	Fees and Charges	2851629	Annually	07/05/2025	07/05/2026	Yes	No	No	No	Yes	Kelly Reith		
Assets, Strategy and Policy	Firth Tower and Stanley Landing Management Plan	1414648	10 Years	18/10/2013	18/10/2023	Yes	No	No	Yes	Yes	Fiona V	Due for review	Statutory requirement under Reserves Act 1977. Good practice to review 10 years or as required. Not identified as a priority by Council.

EXTERNAL ACTIVE POLICIES, PLANS AND REPORTS

Team Responsible	Title	CM Number	Review	Adopted	Review Due	Council	E-Team	RAC	Legislation	Consultati	GM Responsible	Status	Comments
Policy, Partnerships & Governance	Gambling Venue Policy	3028824	3 Years	07/05/2025	07/05/2028	Yes	No	No	No	Yes	Kelly Reith		
Assets, Strategy and Policy	General Policies Reserve Management Plan 2019	2807589	10 Years	19/12/2023	19/12/2033	Yes	No	No	Yes	Yes	Fiona V	Operative	Statutory requirement under Reserves Act 1977. Good practice to review 10 years or as required. Most recent updates in 2024 & 2025 to reflect changes in bylaws etc.
Assets, Strategy and Policy	Infrastructure Code of Practice	1073405	As Required	21/10/2015	Not Applicable	Yes	No	No	No	No			
Policy, Partnerships & Governance	Local Alcohol Policy 2023	2769283	6 Years	23/08/2023	01/08/2029	Yes	No	No	No	Yes	Kelly Reith		
Policy, Partnerships & Governance	Local Governance Statement	2666246	Elections	04/12/2022	04/12/2025	No	No	No	Yes	No	Kelly Reith		
Policy, Partnerships & Governance	LTP Growth Projections	2879188	3 Years - LTP	03/07/2024	30/06/2027	Yes	No	No	No	Yes	Kelly Reith		
Assets, Strategy and Policy	Parks and Open Spaces Strategy 2021-2051	2699495	5 Yearly	30/06/2021	30/06/2026	Yes	No	No	No	Yes	Fiona V	Operative	Light review planned prior to next LTP. Mainly to look at Growth & Demand and potential impact of intensification and to incorporate strategic elements about trees.
Policy, Partnerships & Governance	LTP Strategic Direction	2755186	3 Years - LTP	24/05/2023	24/05/2026	Yes	No	No	Yes	Yes	Kelly Reith		
Policy, Partnerships & Governance	Sustainability Policy	1414625	3 Years	22/02/2012	22/02/2015	Yes	No	No	No	No	Kelly Reith	In development	A Climate Resilience Strategy is currently under development, along with updating the Waste Minimisation and Management Plan. The need for this policy will then be reviewed.
Assets, Strategy and Policy	Matamata Aerodrome Management Plan 2010	1414647	10 Years	10/11/2010	10/11/2020	No	No	No	No	No	Fiona V	In development	Statutory requirement under Reserves Act 1977 & Ngati Haua Claims Settlement Act 2014. Under review to reflect treaty settlement legislation. Hope to have draft by mid 2026.
Policy, Partnerships & Governance	Matamata Place Plan	2990874	As Required	01/07/2024	Not Applicable	Yes	No	No	No	No	Kelly Reith		
Building	Matamata-Piako BCA Complaints Policy	3025339	As Required	04/05/2021	Not Applicable	No	No	No	No	No	Ally van Kuijk		
Policy, Partnerships & Governance	Mayoral Fund Policy	2763152	Elections	21/08/2023	21/08/2026	Yes	No	No	No	No	Kelly Reith		
Policy, Partnerships & Governance	Morrinsville Place Plan	2990875	As Required	01/07/2024	Not Applicable	Yes	No	No	No	No	Kelly Reith		

EXTERNAL ACTIVE POLICIES, PLANS AND REPORTS

Team Responsible	Title	CM Number	Review	Adopted	Review Due	Council	E-Team	RAC	Legislation	Consultati	GM Responsible	Status	Comments
Policy, Partnerships & Governance	Multi and Single-Year Community Grants Policy	2820933	3 Years - LTP	27/09/2024	27/09/2027	Yes	No	No	No	No	Kelly Reith		
Policy, Partnerships & Governance	Natural, Cultural and Built Heritage Grant Policy 2024	2821019	3 Years - LTP	24/06/2023	24/06/2026	Yes	No	No	No	No	Kelly Reith		
Assets, Strategy and Policy	Numbering of Properties, Naming of Roads, Access Ways and Open Spaces	2230793	Annually	02/10/2019	02/10/2020	Yes	No	No	No	No	Fiona V	In development	
Assets, Strategy and Policy	Parks and Open Spaces Activity Management Plan 2024-54	2832033[v3]	3 Years - LTP	20/03/2024	20/03/2027	No	No	No	No	No	Fiona V		Informs LTP
Assets, Strategy and Policy	Wastewater Activity Management Plan	2803631	3 Years - LTP	03/07/2024	30/06/2027	Yes	No	No	No	Yes	Fiona V		
Assets, Strategy and Policy	Stormwater Activity Management Plan	2798635	3 Years - LTP	03/07/2024	30/06/2027	Yes	No	No	No	Yes	Fiona V		
Assets, Strategy and Policy	Water Management Plan	2800634	3 Years - LTP	03/07/2024	30/06/2027	Yes	No	No	No	Yes	Fiona V		
Assets, Strategy and Policy	Roading Activity Management Plan	2807477	3 Years - LTP	12/12/2023	30/06/2027	Yes	No	No	No	Yes	Fiona V		
Assets, Strategy and Policy	Land Transport Activity Management Plan 2024-34	2804772	3 Years - LTP	11/12/2023	11/12/2026	Yes	No	No	No	Yes	Fiona V		
Assets, Strategy and Policy	Land Transport Activity Management Plan Programme Business Case	2803903	3 Years - LTP	08/12/2023	08/12/2026	Yes	No	No	No	Yes	Fiona V		
Assets, Strategy and Policy	Land Transport Activity Management Plan Strategic Case	2803900	3 Years - LTP	08/12/2023	08/12/2026	Yes	No	No	No	Yes	Fiona V		
Assets, Strategy and Policy	Passive Reserves Management Plan 2009	1414645	As Required	18/10/2013	Not Applicable	Yes	No	No	No	Yes	Fiona V	Due for review	Statutory requirement under Reserves Act 1977. Good practice to review 10 years or as required. Splitting based on park category. On workplan to do Nature Parks & Outdoor Adventure Parks this year. Community & Amenity Parks to follow. Work delayed due to other priorities.
Assets, Strategy and Policy	Play, Active Recreation and Sport Plan	2974870	10 Years	22/05/2024	22/05/2034	Yes	No	No	No	No	Fiona V		Replaced District Sports Facility Action Plan 2018.
Policy, Partnerships & Governance	Policy on Dogs	2513267	10 Years	14/09/2016	14/09/2026	Yes	No	No	Yes	Yes	Kelly Reith	In development	
Policy, Partnerships & Governance	Pre-Election Report	3051859	Elections	01/07/2025	18/07/2028	No	Yes	No	Yes	No	Kelly Reith		
Policy, Partnerships & Governance	Pride of Place - Community-led Initiatives Grant Policy	2962090	2 years	23/07/2025	30/06/2027	Yes	No	No	No	No	Kelly Reith		
Policy, Partnerships & Governance	Psychoactive Substances Policy (Local Approved Products Policy) 2024	2864528	5 Years	22/05/2024	01/07/2029	Yes	No	No	No	Yes	Kelly Reith		

EXTERNAL ACTIVE POLICIES, PLANS AND REPORTS

Team Responsible	Title	CM Number	Review	Adopted	Review Due	Council	E-Team	RAC	Legislation	Consultati	GM Responsible	Status	Comments
Assets, Strategy and Policy	Road Naming Strategy	2278369	Annually	02/10/2019	02/10/2020	Yes	No	No	No	No	Fiona V	Due for review	
Assets, Strategy and Policy	Safer Travel - A Road Safety Strategy	1089447	3 Years	01/05/2012	01/05/2015	No	No	No	No	No	Fiona V	Due for review	
Assets, Strategy and Policy	Signage Strategy	1816912	6 Years	13/07/2016	13/07/2022	Yes	No	No	No	No	Fiona V		This is the high level strategy. Needs minor update to reflect Te Reo Policy. Specifications that give effect to this strategy are in the Signage Manual
Policy, Partnerships & Governance	Smoke Free Outdoor Spaces Policy	2864512	3 Years	03/07/2024	03/07/2027	Yes	No	No	Yes	Yes	Kelly Reith		
Policy, Partnerships & Governance	Standing Orders	3028485	3 Years	26/03/2025	31/12/2025	Yes	No	No	No	No	Kelly Reith		
Planning	State of the Environment Report	3032816	5 Years	16/11/2023	16/11/2028	Yes	No	No	Yes	No	Ally van Kuijk		
Assets, Strategy and Policy	Stormwater Requirements	2405305	As Required	01/12/2019	Not Applicable	No	No	No	No	No	Fiona V		
Policy, Partnerships & Governance	Submissions Policy	2790045	3 Years	01/12/2023	01/12/2026	Yes	No	No	No	No	Kelly Reith		
Policy, Partnerships & Governance	TAB Venue Policy	3028817	3 Years	07/05/2025	07/05/2028	Yes	No	No	No	Yes	Kelly Reith		
Assets, Strategy and Policy	Te Aroha Domain Reserve Management Plan 2006	1164578	10 Years	01/05/2006	01/05/2016	Yes	No	No	Yes	Yes	Fiona V	Due for review	Statutory requirement under Reserves Act 1977. Good practice to review 10 years or as required. Direction from Council was that they did not see this one as a priority.
Policy, Partnerships & Governance	Te Aroha Place Plan	2990876	As Required	13/12/2023	Not Applicable	Yes	No	No	No	No	Kelly Reith		
Assets, Strategy and Policy	Waste Management and Minimisation Plan 2021-2027	2463460	6 Years	30/06/2021	30/06/2027	Yes	No	No	Yes	Yes	Fiona V		
Assets, Strategy and Policy	Waste Minimisation Grants Policy 2021	2336499	3 Years	08/12/2021	08/12/2024	Yes	No	No	No	No	Fiona V		
Assets, Strategy and Policy	Morrinsville Recreation Ground Framework Plan	2730470	As Required	01/11/2022	Not Applicable	Yes	No	No	No	No	Fiona V		Informs LTP and projects
Assets, Strategy and Policy	Sponsorship and Naming Rights Policy	3023527	As Required	25/06/2025	Not Applicable	Yes	No	No	No	No	Fiona V		
Assets, Strategy and Policy	Hetana Street Reserve Framework Plan	2786376	As Required	25/10/2023	Not Applicable	Yes	No	No	No	No	Fiona V		Informs LTP and projects
Water & Wastewater	Water Demand Management Plan	2965884	Annually	12/11/2024	12/11/2025	Yes	No	No	No	No	Fiona V		
Operations	Water Master Plan	2885598	5 Years	04/03/2024	04/03/2029	Yes	Yes	No	Yes	No	Fiona V		
Planning	Efficiency and Effectiveness Report		5 Years	16/11/2020	16/11/2025	Yes	No	No	Yes	No	Ally van Kuijk	In development	

INTERNAL ACTIVE POLICIES, PLANS AND REPORTS

Team Responsible	Title	CM Number	Review	Approved	Review Due	Council	E-Team	RAC	Legislation	Internal Consultation	GM Responsible	Status	Comments
People, Safety and Wellness	Attending Emergency Response Callouts	2101430	3 Years	05/04/2016	01/04/2019	No	Yes	No	No	Yes	Kelly Reith	Due for review	Scheduled to be reviewed by June 2026
People, Safety and Wellness	Council Vehicle Policy	2679093	3 Years	09/12/2022	01/12/2025	No	Yes	No	No	Yes	Kelly Reith		
Customer Experience	Customer Services Policy	1539620	3 Years	02/10/2014	02/10/2017	No	Yes	No	No	No		Due for review	
People, Safety and Wellness	Family Violence Policy	2796517	3 Years	15/11/2023	15/11/2026	No	Yes	No	No	Yes	Kelly Reith		
People, Safety and Wellness	Drug and Alcohol Policy	3033251	3 Years	01/04/2025	01/04/2028	No	Yes	No	No	Yes	Kelly Reith		
Growth and Regulation	Electronic Recordings Policy	2437060	3 Years	01/01/2020	01/01/2023	No	Yes	No	No	No		In development	
People, Safety and Wellness	Fatigue and Stress Management Policy	2845627	3 Years	02/04/2024	02/04/2027	No	Yes	No	No	Yes	Kelly Reith		
People, Safety and Wellness	Flexible Ways of Working Policy	2655025	3 Years	22/08/2022	22/08/2025	No	Yes	No	No	Yes	Kelly Reith		Due this month - aiming to review by 30 June 2026
People, Safety and Wellness	Gift Policy 2023	2748556	3 Years	01/07/2023	01/07/2026	No	Yes	No	No	Yes	Kelly Reith		
People, Safety and Wellness	Harassment (including bullying and discrimination) Policy	2859246	3 Years	07/05/2024	07/05/2027	No	Yes	No	No	Yes	Kelly Reith		
People, Safety and Wellness	Health and Exposure Monitoring Policy	2845621	3 Years	02/04/2024	02/04/2027	No	Yes	No	No	Yes	Kelly Reith		
People, Safety and Wellness	Health and Safety Policy	1532991	3 Years	08/08/2022	08/08/2025	No	Yes	No	No	Yes	Kelly Reith	Due for review	
People, Safety and Wellness	Immunisation Policy	2845630	3 Years	02/04/2024	02/04/2027	No	Yes	No	No	Yes	Kelly Reith		
People, Safety and Wellness	Leave Policy	3061466	3 Years	29/05/2025	29/05/2028	No	Yes	No	No	Yes	Kelly Reith		
Iwi Relationships	Māori Language Policy	2260444	3 Years	11/09/2019	01/09/2021	No	Yes	No	No	Yes	Kelly Reith	Due for review	Aiming for completion by 30 June 2026
Communications	Media Policy	2451920	3 Years	30/06/2021	01/06/2024	No	Yes	No	No	No		Due for review	Scheduled to be reviewed by June 2026
Customer Services	Mobile Phone Policy	1548940	3 Years	03/11/2014	03/11/2017	No	Yes	No	No	No		Due for review	
People, Safety and Wellness	Providing References for Staff Policy	2101443	3 Years	20/03/2015	01/03/2018	No	Yes	No	No	Yes	Kelly Reith	Due for review	Archive once Recruitment Policy has been reviewed (confirm with Exec Team) To incorporate into the Recruitment and Selection Policy
People, Safety and Wellness	Recruitment and Selection Policy	2101444	3 Years	20/03/2015	01/03/2018	No	Yes	No	No	Yes	Kelly Reith	Due for review	Scheduled to be reviewed by June 2026
People, Safety and Wellness	Relocation Expenses Policy	2101445	3 Years	20/03/2015	01/03/2018	No	Yes	No	No	Yes	Kelly Reith	Due for review	Scheduled to be reviewed by June 2026
People, Safety and Wellness	Remuneration Policy	3089176	3 Years	03/09/2025	03/09/2028	No	Yes	No	No	Yes	Kelly Reith		
People, Safety and Wellness	Safety and Wellness Policy	3029921	3 Years	02/04/2025	02/04/2028	No	Yes	No	No	Yes	Kelly Reith		
Communications	Social Media Policy	1932715	3 Years	30/06/2017	30/06/2020	No	No	No	No	No		Due for review	Scheduled to be reviewed by June 2026

INTERNAL ACTIVE POLICIES, PLANS AND REPORTS

Team Responsible	Title	CM Number	Review	Approved	Review Due	Council	E-Team	RAC	Legislation	Internal Consultation	GM Responsible	Status	Comments
People, Safety and Wellness	Staff Making Submissions Policy	3033431	3 Years	01/05/2025	01/05/2028	No	Yes	No	No	Yes	Kelly Reith		
People, Safety and Wellness	Storage of Employee Records Policy	2101427	3 Years	20/03/2015	01/03/2018	No	Yes	No	No	Yes	Kelly Reith	Due for review	Scheduled to be reviewed by December 2026
People, Safety and Wellness	Substandard Performance, Misconduct and Disciplinary Policy	3038087	3 Years	01/05/2025	01/05/2028	No	Yes	No	No	Yes	Kelly Reith		
People, Safety and Wellness	Visitors Policy	1829847	3 Years	29/05/2012	29/05/2015	No	Yes	No	No	Yes	Kelly Reith	Due for review	To be archived once Promapp process is updated. To be complete by December 2025.
Customer Experience	Voicemail Policy	1539423	3 Years	02/10/2014	02/10/2017	No	Yes	No	No	No		Due for review	
People, Safety and Wellness	Workplace Support Policy	2982627	3 Years	04/11/2024	04/11/2027	No	Yes	No	No	Yes	Kelly Reith		
Iwi Relationships	Tangata Whenua Engagement Guidelines	1846856	As Required	22/04/2015	Not Applicable	No	Yes	No	No	Yes	Kelly Reith	In development	Looking to supersede this document with a policy and aiming to complete by December 2025
People, Safety and Wellness	Learning and Development Policy	3038082	3 Years	01/05/2025	01/05/2028	No	Yes	No	No	Yes	Kelly Reith		
Risk	Risk Management Policy	2642461	3 Years	28/09/2022	28/09/2025	No	Yes	No	No	Yes	Kelly Reith	In development	May be archived and Risk Management Framework to supersede.

ACTIVE BYLAWS

	Team Responsible	Title	CM Number	Review	Adopted	Review Due	Council	E-Team	RAC	Legislation	Consultation	Comments/Status
1	Policy, Partnerships and Governance	Freedom Camping Bylaw	2801045	5 Years	08/11/2023	22/11/2028	Yes	No	No	No	Yes	
2	Policy, Partnerships and Governance	Water Supply Bylaw	2161411	10 Years	17/05/2017	17/05/2027	Yes	No	No	No	Yes	
3	Policy, Partnerships and Governance	Wastewater Bylaw	2158935	10 Years	17/05/2017	17/05/2027	Yes	No	No	No	Yes	
4	Policy, Partnerships and Governance	Trade Waste Bylaw	2627356	10 Years	24/06/2020	24/06/2030	Yes	No	No	No	Yes	
5	Policy, Partnerships and Governance	Stormwater Management Bylaw	2433459	10 Years	17/05/2017	17/05/2027	Yes	No	No	No	Yes	
6	Policy, Partnerships and Governance	Community Safety Bylaw	3030435	10 Years	07/05/2025	07/05/2035	Yes	No	No	No	Yes	
7	Policy, Partnerships and Governance	Cemeteries Bylaw	3030131	10 Years	07/05/2025	07/05/2035	Yes	No	No	No	Yes	
8	Policy, Partnerships and Governance	Land Transport Bylaw	2670563	10 Years	17/05/2017	17/05/2027	Yes	No	No	No	Yes	
9	Policy, Partnerships and Governance	Introductory Bylaw	2601782	10 Years	24/06/2020	01/06/2030	Yes	No	No	No	Yes	
10	Policy, Partnerships and Governance	Dog Control Bylaw	1817277	10 Years	14/09/2016	14/09/2026	Yes	No	No	No	Yes	
11	Policy, Partnerships and Governance	Solid Waste Management and Minimisation Bylaw	2878256	10 Years	14/02/2024	14/02/2034	Yes	No	No	No	Yes	
12	Policy, Partnerships and Governance	Alcohol Licensing Fees Bylaw	3028658	5 Years	07/05/2025	07/05/2030	Yes	No	No	No	Yes	

8 Ngā Pūrongo Whakamārama | Information Reports

8.2 Risk Update and Quarterly Risk Report - September 2025

CM No.: 3094502

Te Kaupapa | Purpose

The purpose of this report is to provide a risk management update and a quarterly risk report for the information of the Committee.

Rāpopotonga Matua | Executive Summary

Robust risk management is essential to Council achieving its strategic objectives and this Committee has responsibility for the oversight of enterprise risk management at Matamata-Piako District Council and the effectiveness of Council's risk management framework.

The Quarterly Risk Report, attached, has been developed to aid the Committee in its work. It reports on the progress made in the delivery of the 2025 Risk Management Work Plan, proposes a 2026 Risk Management Work Plan, and provides a 'Top Risks' update and an emerging risks commentary.

The 'Top Risks' update has been considerably extended as promised to include Key Risk Indicator (KRI) information, and a status update on the implementation of the additional mitigating controls set out in the 2025/26 'Top Risks' document. The KRI reporting will continue to develop over time and we trust the Committee will see this information as valuable in its oversight work.

Management believe that good progress is being made in strengthening Council's risk management culture and look forward to delivering on the proposed 2026 Risk Management Work Plan, subject to the Committee's endorsement of that work plan.

A further attachment to this report is a letter from David Robson of Aon, reporting the findings of his desktop review of Council's Business Continuity Management (BCM) documentation. This was programmed in the 2025 Risk Management Work Plan and his findings have informed further BCM work in the proposed 2026 Risk Management Work Plan.

Tūtohunga | Recommendation

That:

1. The report is received;
2. The attached Quarterly Risk Report September 2025 is received, and the proposed Risk Management Work Plan 2026 contained within it is endorsed by the Committee;
3. The attached report on the desktop review of business continuity management documentation by David Robson of Aon is also received.

Horopaki | Background

The Quarterly Risk Report attached to this report, has been developed to aid the Committee in its work. It reports on the progress made in the delivery of the 2025 Risk Management Work Plan together with a 'Top Risks' update and an Emerging Risks update. It is intended to prompt

discussion at the Committee meeting. The report for this quarter also proposes a Risk Management Work Plan for 2026.

The intention is that this report will continue to be further developed in future quarters as a key reporting mechanism for the Committee and Council. For instance, for this quarter, Key Risk Indicators for the 'Top Risks' are reported for the first time, as is a status update on the implementation of the proposed new mitigation controls for the 2025/26 'Top Risks'. With the KRIs, only some of the indicators are reported on at this stage, as reporting continues to be developed for the others.

Ngā Tāpiritanga | Attachments

A  Quarterly Risk Report September 2025



B  Aon Report - Desktop Review of BCM



Ngā waitohu | Signatories

Author(s)	Ken Morris Kaitohutohu Mōrearea, Kai-whakahaere ā Pakihi hoki Consultant Risk and Business Excellence Advisor	
Approved by	Kelly Reith Group Manager, Corporate, People & Relationships	



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Quarterly Risk Report

September 2025

Executive Summary

- Since the previous report to this Committee, MPDC have continued to focus on delivery of the Risk Management Work Plan 2025 and this work is now complete
- Specific updates are provided on two key elements of this programme of work – the Risk Management Framework and Business Continuity Management
- A proposed Risk Management Work Plan 2026 is provided for endorsement
- A 'Top Risks' update is also provided along with a first time reporting of some of the 'Top Risks' Key Risk Indicators (KRIs) and a status update on the implementation of proposed new mitigation controls
- There is also an emerging risks commentary



Risk Management Work Plan 2025



A road map was developed for MPDC’s Risk Management work in 2025.

The status of the key deliverable actions on the 2025 Work Plan follows:

Risk Maturity Assessment	Gauge current levels of risk maturity to inform the 2025 Risk Management Work Plan	✓	Completed, as reported in June
Organisational and Strategic Risk Register Review	Review format and current content. This will include a review of the ‘Top Risks’ and their mitigations	✓	Completed, as reported in June
Risk Management Framework (RMF)	Evaluate current policy level documentation and consider if a RMF would be a suitable alternative to standard management policy	✓	Completed, refer this report
Business Continuity Management (BCM) Review	Desk-top review and evaluation of current business continuity arrangement.	✓	Completed, refer this report

Risk Management Framework

- As signalled in June, management propose adoption of a new Risk Management Framework (RMF) for the organisation
- Much of this has been drafted, but not yet completed, as other priorities were advanced
- That said, the new draft framework has been successfully piloted in the development of the Climate Change Risk Assessment work and the creation of the Waters Transition Risk Register
- Completion, adoption and implementation of the new RMF remains a priority throughout the remainder of this year and in the proposed Risk Management Work Plan 2026



Business Continuity Management

- The desk-top review and evaluation of current business continuity arrangements has been completed, and Aon's report is provided as an attachment to this agenda item
- Management propose development of a Business Resilience Framework for the organisation tying together Business Continuity, Crisis Management and Emergency Management in an integrated framework in line with good practice
- Further review of current Business Continuity Plans (BCPs) in critical activities will also be advanced to ensure adequacy, while developing a template that can be used for future iterations
- Both of these elements appear in the proposed Risk Management Plan 2026



Proposed Risk Management Work Plan 2026

A road map has been developed for the second year of the Council’s Risk Management programme.

The proposed Risk Management Plan 2026 has been developed to further build on the foundations set in 2025.

It is presented here for discussion and endorsement:

Task	Description
Risk Maturity Assessment	Re-assess current levels of risk maturity to measure increases since initial assessment in 2025
Embed Risk Management	Complete and adopt the Risk Management Framework and embed it in the organisation via training and awareness programmes, and intentional leveraging of a risk lens into organisational culture so it becomes “how we operate”.
Business Resilience	Development of a Business Resilience Framework, further review of current Business Continuity Plans (BCPs) in critical activities to ensure adequacy, and development of a template that can be used for future iterations



Top Risks Update

SUMMARY OF TOP RISKS

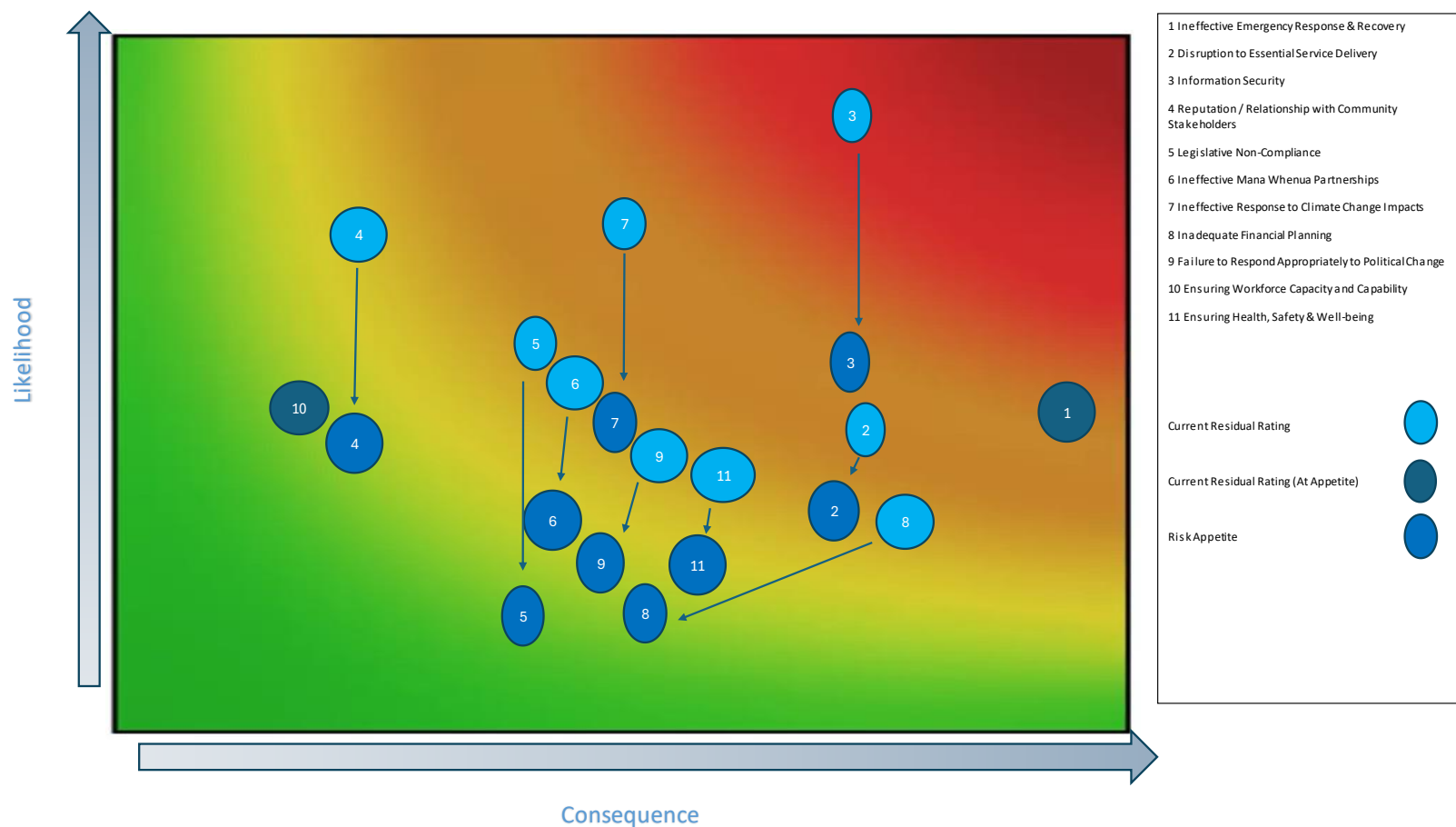
	1	2	3	4	5	6	7	8	9	10	11
	Ineffective Emergency Response & Recovery	Disruption to Essential Service Delivery	Information Security	Reputation / Relationship with Community Stakeholders	Legislative Non-Compliance	Ineffective Mana Whenua Partnerships	Ineffective Response to Climate Change Impacts	Inadequate Financial Planning	Failure to Respond Appropriately to Political Change	Ensuring Workforce Capacity and Capability	Ensuring Health, Safety & Well-being
INHERENT RISK RATING											
Consequences	Extreme	Very High	Very High	High	High	High	High	Very High	High	High	Extreme
Likelihood	Almost Certain	Almost Certain	Almost Certain	Likely	Likely	Almost Certain	Likely	Possible	Likely	Likely	Likely
INHERENT RISK RATING	EXTREME	EXTREME	EXTREME	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH	VERY HIGH	EXTREME
CURRENT RESIDUAL RISK RATING											
Consequences	Extreme	Very High	Very High	Moderate	High	High	High	Very High	High	Moderate	High
Likelihood	Possible	Possible	Almost Certain	Likely	Possible	Possible	Likely	Unlikely	Possible	Possible	Possible
CURRENT RISK RATING	VERY HIGH	VERY HIGH	EXTREME	HIGH	HIGH	HIGH	VERY HIGH	HIGH	HIGH	MODERATE	HIGH
RISK APPETITE											
Consequences	Extreme	Very High	Very High	Moderate	High	High	High	High	High	Moderate	High
Likelihood	Possible	Unlikely	Possible	Possible	Rare	Unlikely	Possible	Unlikely	Unlikely	Possible	Unlikely
RISK APPETITE RATING	VERY HIGH	HIGH	VERY HIGH	MODERATE	LOW	MODERATE	HIGH	MODERATE	MODERATE	MODERATE	MODERATE
TREND IN RISK STATUS											
TREND	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔	↔



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Top Risks Update

TOP RISKS HEAT MAP

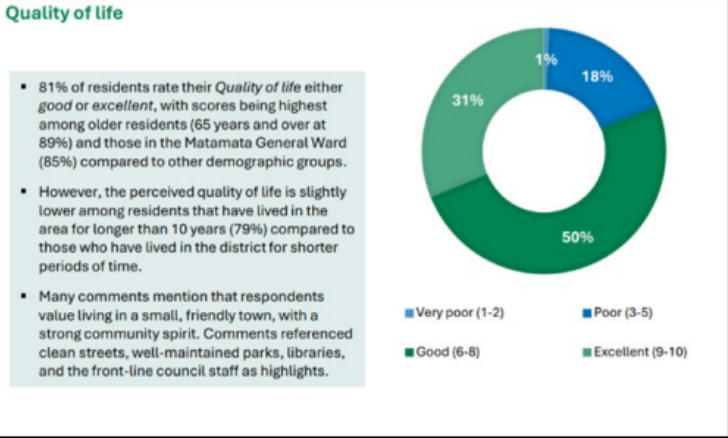
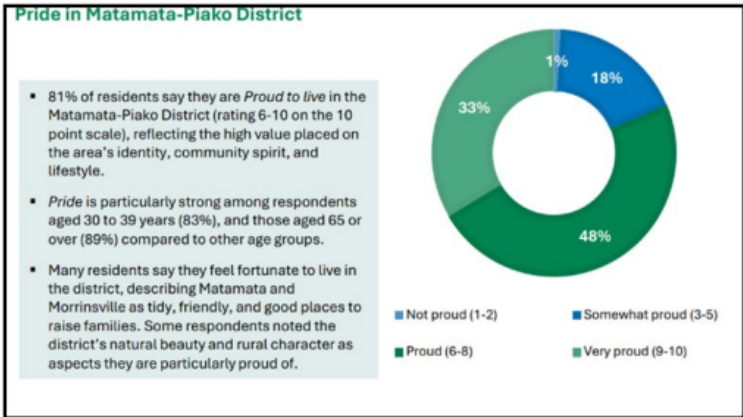
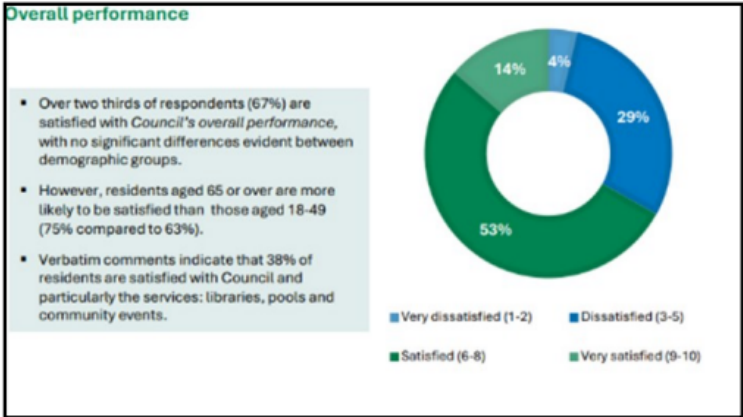


Top Risks Update

KEY RISK INDICATORS

Reputation / Relationship with Community Stakeholders (Risk #4)

The 2025 Residents' Survey Report was provided by Key Research in July 2025, three high level graphs reporting the results are shown here



Reputation / Relationship with Community Stakeholders (Risk #4)	
Participation in Triennial Elections	
2025 Elections	2022 Elections
Mayor – 1 vacancy 3 candidates	Mayor – 1 vacancy 3 candidates
Morrinsville – 4 vacancies 6 candidates	Morrinsville – 4 vacancies 8 candidates
Te Aroha – 3 vacancies 7 candidates	Te Aroha – 3 vacancies 6 candidates
Matamata – 4 vacancies 7 candidates	Matamata – 4 vacancies 6 candidates
Māori Ward—1 vacancy 1 candidate—no election	Māori Ward—1 vacancy 1 candidate—no election
Total candidates 24	Total candidates 24



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Top Risks Update

KEY RISK INDICATORS

Reputation / Relationship with Community Stakeholders (Risk #4)			
Level and Quality of Community Interaction in Engagement Processes, some examples from 2025 Calendar Year			
Local Waters Done Well—refer also Risk #9 on later page	May 2025	Multi-channel campaign / engagement that reached thousands of residents: - Over 5,300 Antenno notifications issued - Full-page adverts placed in three local newspapers - Approx. 3,000 reached via Facebook posts and stories - Featured in three email newsletters with open rates between 39.4% and 59.4% 1,131 unique visits to the consultation webpage - Three online articles with over 500 views each - Three Business After 5 events (one per town) - Two webinars hosted by the Mayor and CEO, with 49 subsequent video views - Three community information sessions with small but engaged attendance	21 formal submissions received While the number is modest, the depth of some submissions and the engagement data indicate the topic reached a broad audience. We expected lower submissions due to having a preferred option (which can give the impression a decision has already been made), water reform fatigue, and controversial aspects of the previous water reform largely dealt with in this government's reform programme. In the months leading up to the consultation period, this topic also received regular national and regional media coverage, highlighting the issues all Councils were facing with water infrastructure.
Policies and By-laws consultation	Feb/Apr 2025 (following significant pre-consultation in 2024)	Website hits: <i>MPDC Let's Talk consultation site</i> Home page - 33,975, Alcohol Licensing Fees Bylaw - 438, Cemeteries Bylaw - 869, Community Safety Bylaw - 681, Dangerous and Insanitary Buildings Policy - 327, Fees and Charges - 583, Gambling and TAB Venue Policies - 1,066 <i>MPDC main website</i> Community pop-in sessions - Let's talk - created on 27 February - 296 Kōrero Mai Let's Talk - created on 6 March - 436 Also used Electronic Direct Mail (EDM), newspapers, a webinar, pop-in sessions, a handout, Antenno, and Facebook	Submissions received: - Community Safety Bylaw —12 - Cemeteries Bylaw—7 - Gambling and TAB —19 - Alcohol Licensing Fees Bylaw—4 - Fees and Charges—3 - Dangerous, Affected and Insanitary Buildings Policy—3
Vintage Tractor Day	March 2025	Promoting Firth Tower, partnerships (like the Waikato Vintage Tractor and Machinery Club), and the history of farming in the Matamata-Piako district	380 visitors
Dogs in Togs	March 2025	Promoting Swim Zone Morrinsville and encouraging responsible dog ownership	80 dogs (and their owners)
Elections 2025	Jul/Oct 2025	Seeking to increase enrolments by 5% and number of votes also by 5%	All seats have enough candidates to require an election, except the Māori Ward seat where there was just 1 candidate for the 1 seat
Climate-ready Matamata-Piako	May/June 2025	Council engaged with the community about our district's response to climate risks via a three question online survey from 21 May to 15 June 2025, gathering feedback to inform a Climate Resilience Strategy. Utilised Antenno, Facebook, local papers, e-newsletter, received 800 hits on a web-article, and 2,300 visits to consultation page	A total of 140 online survey responses, along with valuable input at community events and written submissions.

Top Risks Update

KEY RISK INDICATORS

Information Security (Risk #3)

SAM for Compliance Score		Privacy Breaches Quarter ended June 2025	
September 2025	85.05%	One incident — unauthorised access to a users email account with potential exposure of email content Internal Privacy Act assessment carried out and determined formal notification not required	
September 2024	75.36%		
Year-on-Year ↑	9.69%		

Phishing Trends

January 2025 to June 2025

Successful breaches (email account compromised as noted below)	1
Attempted breaches (reported by staff, no breach)	4
All incidents contained with minimal impact	

Malware and Other Security Incursions

July 2024 to June 2025

2 incidents detected		
Incident 1	October 2024	Sophos firewall detected and blocked malicious traffic from a device
Incident 2	February 2025	Email account compromised through phishing attack. Attacker accessed emails and sent spam
Both incidents contained with no significant damage		

Ineffective Strategic Partnerships with Mana Whenua, Iwi, Hapū and Māori (Risk #6)

Rangatira to Rangatira meetings in quarter ended 30 June 2025	3
Te Manawhenua Mo Matamata-Piako forum (TMF) meetings in 2025 calendar year (to date)	4

Two TMF representatives have been part of the Climate Resilience Strategy working group along with two elected members and staff (meetings were held on 24 July and 1 September). An additional online hui is planned for TMF members to provide feedback on the draft Climate Resilience Strategy in late September.

Council has provided support to celebrate Te Ao Māori in the quarter ended 30 June 2025. This has involved grants to four community-focussed activities celebrating Matariki.

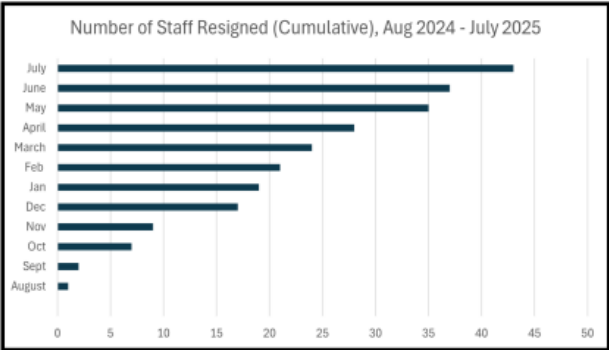
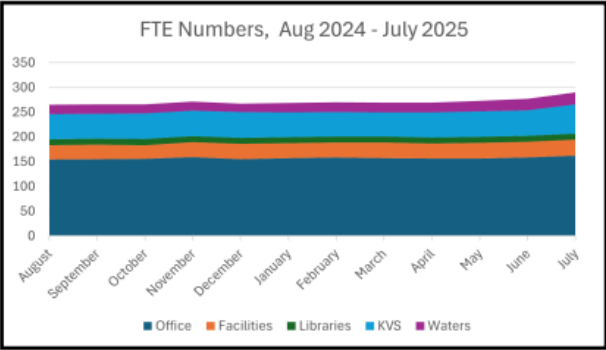
Six iwi have contacted Council to begin the process of formalising a Mana Whakahono ā Rohe agreement through the Resource Management Act .

Top Risks Update

KEY RISK INDICATORS

Ensuring Workforce Capacity and Capability (Risk #10)

Staff Numbers, Resignation and Turnover Stats



Whole of organisation staff turnover for the rolling 12 months ended 31 July 2025 was 14.01%

This compares with annual whole of organisation turnover for the years ended 30 June	2025: 12.81%	2024: 10.65%	2023: 19.05%	2022: 17.03%	2021: 18.53%
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Top Risks Update

KEY RISK INDICATORS

Ineffective Emergency Response and Recovery (Risk #1)

Emergency Management Update

- ✓ New sub-regional CDEM arrangement in place with Matamata-Piako, Hauraki and South Waikato DCs
- ✓ EMM (Emergency Management Manager) appointed
- ✓ Critical positions of Controller, Recovery Manager, Emergency Management Officer (EMO), Welfare Manager, Response Manager, and all function managers filled and/or in training
- ✓ Quarterly update going to Council 24 September and Te Manawhenua Forum on 7 October

68% Score achieved in May 2025 annual exercise — an increase on previous and classed as ‘Advancing’

Failure to Respond Appropriately to Political Change (Risk #9)

Te Ohu Takatū Anamata (Future Ready) meetings in 2025 calendar year (to date)	8
Active participation in regional and national working groups in quarter ended 30 June 2025—Rural/Provincial, LGNZ (all Councils), Zone 2, FutureProof and associated meetings	12

Waikato Waters Done Well Consultation (refer also Risk #4 on earlier page)

Number of submissions—21

For CCO model: 12 (57%) | Against CCO model: 6 (29%) | Unclear/no position: 3 (14%)

Key Themes:

- Clear majority support for Council Controlled Organisation model
- Modest formal response despite broad community reach

Conclusion:

While formal submissions were limited, engagement data shows the topic reached a broad audience. The CCO model has clear majority support among respondents.

Top Risks covered in ‘Deep Dive’ and Other Reports

A number of ‘deep dive’ reports on the Top Risks are on the agenda for this meeting. The Top Risks covered in this regard are:

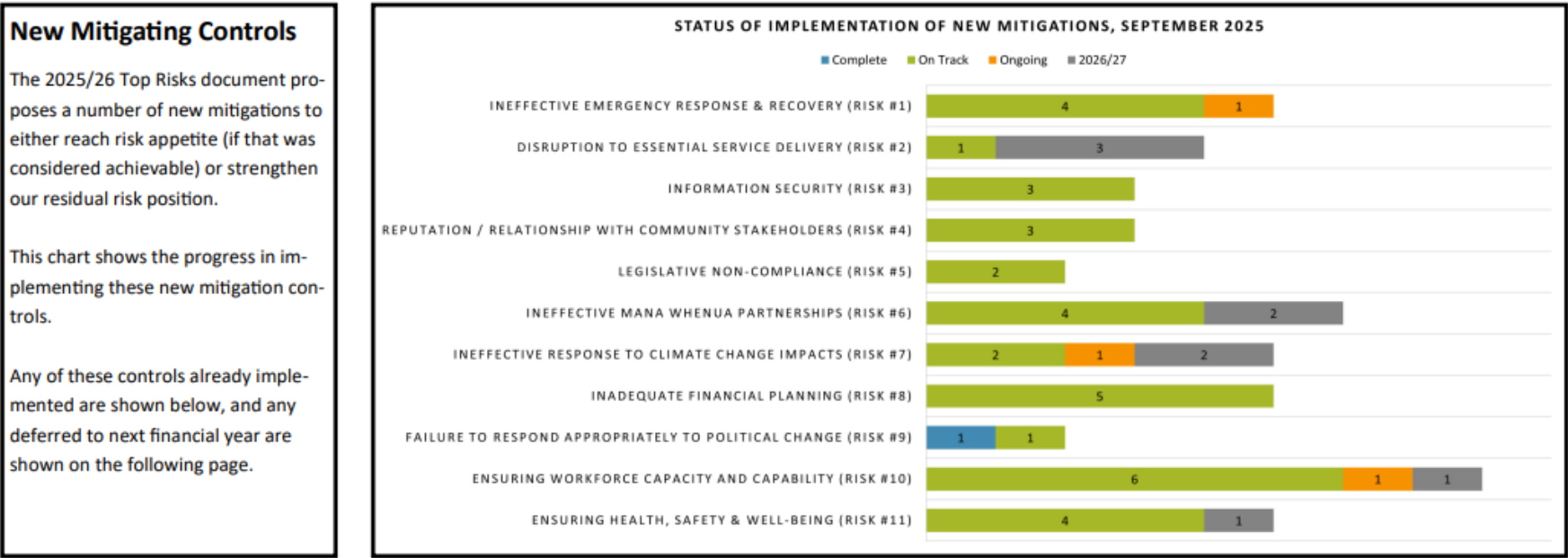
- ◆ Legislative non-compliance (Risk #5)
- ◆ Inadequate financial planning (Risk #8)
- ◆ Ineffective response to climate change impacts (Risk #7)
- ◆ Failure to respond appropriately to political change (Risk #9)

For Risk #5 the annual compliance attestation, a Building Consent Authority (BCA) compliance report, and LGOIMA / Ombudsman statistics are also included in this agenda. Because there is already considerable focus on these risks for this meeting, KRI information isn’t necessarily included for these risks in this quarter’s report.



Top Risks Update

TOP RISK MITIGATION IMPLEMENTATION MONITORING



Completed - New Mitigating Controls Implemented			
RISK #9	New Mitigating Controls to Implement	Status	Comment
FAILURE TO RESPOND APPROPRIATELY TO POLITICAL CHANGE			
Failure to anticipate or correctly identify and respond to/accommodate political changes in central government creating misalignment and lack of integration between central government agenda and legislative reforms, and council strategic plans and objectives. There is also potential adverse economic and social impact on the community.	Submission of Water Services Delivery Plan to Minister by September 2025 in line with legislative requirement	Complete	Approved by Council at a special meeting on 13 August 2025 and submitted to the Minister

Top Risks Update



TOP RISK MITIGATION IMPLEMENTATION MONITORING

Deferred - New Mitigating Controls Deferred to 2026/27 Year		
RISK #2	New Mitigating Controls to Implement	Comment
DISRUPTION TO ESSENTIAL SERVICE DELIVERY		
Significant or prolonged disruptions to operations through asset failure, natural catastrophes, technology and/or communication failure, power outage, or cyber-attack, which may result in financial loss or reputation damage, loss of trust and confidence in Council and possibly loss of life	Fully developed operations maintenance strategies in place and funded	This work will begin 2025/26. This work is currently only identified for three Waters.
	Review and re-adoption of Business Continuity Plans	Desktop review of current state of Business Continuity Planning and development of an improvement plan complete and to be presented to RAC in September 2025
	Improved workforce capacity and capability via cadetship programmes and other potential joined up solutions	Building internal capacity and capability is most certainly an organisational focus. However via cadetship programmes or other potential joined up solutions is not currently a priority given the transitional change space we are currently in.
RISK #6	New Mitigating Controls to Implement	Comment
INEFFECTIVE STRATEGIC PARTNERSHIPS WITH MANA WHENUA, IWI, HAPŪ AND MĀORI		
Negative outcomes associated with a failure to proactively develop and maintain partnership, meet legislative responsibilities, and understand and mitigate shared risks. Adverse outcomes may involve difficulty delivering key projects, lost opportunity, and compromise of the ongoing partnership for all involved.	Review of iwi capacity and in-house resource availability at MPDC, including potential forward ability to respond to potential settlement agreement requirements	This will be added to Te Ohu Tūhono team's work programme for the 2026/27 year
	Identify what the Tiriti / Treaty principles mean to Council	Align with mana whakahono ā rohe agreement work.
RISK #7	New Mitigating Controls to Implement	Comment
INEFFECTIVE RESPONSE TO CLIMATE CHANGE IMPACTS		
Council's response may not be sufficient for the district to effectively adapt to the effects of climate change, or mitigate our own climate impact. This may result in a reduction in levels of service, an increase in community vulnerability, and/or financial and reputational damage.	Implementation of planned priority actions on Climate Change Rivermap - including completion of current risk assessment work, integration of risk assessment into infrastructure planning processes and development of climate resilience strategy	Risk assessment near completion and due to be reviewed by E Team, and then presented to Council / RAC on 24 September. Integration into AMPs etc plus additional work to follow. Climate Resilience Strategy underway, aiming to take to TMF and Council early October for endorsement to incoming Council, planning consultation March 2026, adoption June 2026. Integration into LTP budget process to follow.
	Critical gaps in hazard data identified and work commissioned to fill these gaps (wildfire, heat, wind), potentially in collaboration with others	
RISK #10	New Mitigating Controls to Implement	Comment
ENSURING WORKFORCE CAPACITY AND CAPABILITY		
Failure to adequately recruit, retain and develop skilled and capable staff, leading to inadequate workforce capacity and capability, and compromise of ability to deliver on councils objectives and the delivery of services and projects on a timely, cost-effective basis, with flow-on adverse effect to organisational well-being, reputation and finances.	Improved focus on Succession Planning	
RISK #11	New Mitigating Controls to Implement	Comment
ENSURING HEALTH, SAFETY AND WELL-BEING		
A failure to develop a strong health, safety and well-being culture, and any failure to keep staff, elected members, contractors and the public safe and well, can lead to injuries, illness, poor mental well-being, difficulty in maintaining workforce capacity and potentially fatalities, with significant legal, financial service delivery and reputational consequence.	External H&S audit - to be considered after transition to Local Water Done Well	

Emerging Risks

The following table notes some key emerging risks identified across the local government sector via professional networks, the local environment and from a national/global perspective. There may not be sufficient knowledge around the following risks for their formal addition to the organisational risk register, due to their emerging state, but a ‘watching brief’ should be kept on them.

Risk	Rating	Commentary
Systems Improvements Bill	Moderate	The Bill is intended to help address cost of living concerns. When councils were consulting on their 2024-34 long-term plans, rates were cited as a driver of household inflation. Rates rises across the sector had been the highest they had been in 20 years and were forecast to continue rising strongly in the early years of those LTPs.
Rates Capping	Moderate	The government is considering options to control rate rises - including placing a cap on how much local councils can increase rates. This could result in implications to planned and service deliverables, with dates identified as soon as 1 st July 2026
Changes to the Building Act	Opportunity	Changes to the Building Act will signal a move towards proportionate liability. The government plans to replace the model with a proportionate system, with each party only liable for the share of work they carry out.





19 September 2025

Kelly Reith
Group Manager
Hautū Rangatōpū, Tāngata me ngā Hononga | Group Manager Corporate, People & Relationships
Te Kaunihera Ā-rohe o Matamata-Piako | Matamata-Piako District Council
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BUSINESS CONTINUITY PLANNING

Business Continuity Plans (BCPs) are strategic frameworks designed to ensure that an organisation can continue its operations during and after a disruptive event. These plans are crucial for minimising the impact of unforeseen incidents such as natural disasters, cyber-attacks, or other emergencies that could interrupt business operations.

Purpose of Business Continuity Plans

Risk Management: BCPs help identify potential risks and vulnerabilities within the organisation. By understanding these risks, strategies can be developed to mitigate them.

Operational Resilience: The primary goal of a BCP is to ensure that critical business functions can continue without significant interruption. This resilience is vital for maintaining customer trust and protecting the organisation's reputation.

Compliance and Legal Requirements: Many industries have regulatory requirements mandating the implementation of BCPs. Compliance with these regulations is essential to avoid legal penalties.

Financial Stability: By minimising downtime and operational disruptions, BCPs help protect the financial health of an organisation.

Components of Business Continuity Plans

Risk Assessment: Identifying potential threats and assessing their impact on business operations.

Business Impact Analysis (BIA): Evaluating the timing and effects of disruptions on different business functions and processes.

Recovery Strategies: Developing strategies to recover and restore business operations. This includes identifying alternative processes, resources, and locations.



Plan Development: Documenting the procedures and protocols to be followed during a disruption.

Testing and Training: Regularly testing the BCP to ensure its effectiveness and training employees on their roles and responsibilities during an emergency.

Maintenance and Review: Continuously updating the BCP to reflect changes in the business environment and emerging threats.

Implementation of Business Continuity Plans

Communication: Establishing clear communication channels to ensure that all stakeholders are informed during a disruption.

Coordination: Collaborating with internal teams and external partners to execute the BCP effectively.

Resource Allocation: Ensuring that necessary resources, such as personnel, technology, and facilities, are available to support recovery efforts.

Monitoring and Evaluation: Continuously monitoring the situation and evaluating the effectiveness of the BCP to make necessary adjustments.

In summary, Business Continuity Plans are essential for safeguarding an organisation's operations against unexpected disruptions. By proactively preparing for potential risks, businesses can ensure operational resilience, compliance, and financial stability.

Review of MPDC Business Continuity Plans

A review has been carried out on a selection of BCPs. The plans are found to be thorough and informed, and the following opportunities for improvement are offered for consideration. The BCP for Cemeteries is used for targeted feedback but is applicable across all plans:

1. **Testing Program:** It is crucial to establish a regular testing program for the BCP to ensure its effectiveness and readiness in an actual emergency. Without testing, the plan's reliability remains uncertain.
2. **Document Length:** The current length of the document (37 pages) may hinder quick decision-making during an emergency. Consider creating a shorter, more concise version that highlights critical information and action steps.



3. **Business Impact Analysis (BIA):** A BIA should be integrated with the BCP to provide clear timing for tolerable outages and the point at which the BCP should be enacted. This ensures that the plan is not only about the "who" and "what" but also the "when."
4. **Outdated Internet Figures:** Update any figures or data that are 10 years old to ensure the plan reflects current conditions and resources.
5. **Document Format:** The tables and graphs give the document a static feel. Consider making the document more dynamic and actionable, focusing on immediate steps rather than future-oriented plans.
6. **External Contracts:** Clarify and finalise any external contracts that are currently marked as "TBC" (To Be Confirmed). These contracts are critical for backup plans and should be solidified.
7. **Essential Functions:** Page 23 should focus more on the "what" rather than the "how." For example, when discussing the creation of digital and hard copies of records, provide a template or checklist to ensure consistency and completeness.

Other Feedback

The council's *Guide to Preparing Business Continuity Plans* is a comprehensive and well-constructed document that provides clear, actionable advice for developing BCPs. However, it is noted that the template for completing these plans is held separately from the Guide. For ease of use and to encourage consistency, it is recommended that the template be incorporated directly into the guide. This integration would streamline the process for users and reduce the risk of oversight or confusion. In actioning this recommendation the template should also be reviewed with a focus on developing a template that will result in shorter, more concise BCP documents, refer finding 2 above.

While not all BCPs were reviewed as part of this assessment, a common theme among those sighted is a focus on core infrastructure services such as roading and water. It is important to acknowledge that other council activities and services—although not immediately identified as critical—may have significant interdependencies with these core functions. These interdependencies can elevate their criticality in a disruption scenario and therefore warrant inclusion in the BCP review process.

Adopting a formal *Business Resilience Framework* would be a valuable step toward centralising, creating, and maintaining BCPs across the council. Positioning this framework under the existing Risk Management Framework would naturally support a risk-based approach to business continuity management, ensuring alignment with broader organisational risk objectives.

Given the scale of review required to refine existing plans to a pragmatic length and standard, the need to 'gap fill' for some activities and services without current BCPs, and the need to conduct a business impact analysis (BIA) for each activity to establish recovery priorities and risks, a



meaningful investment of time and resources will be necessary. As business interruptions can occur unexpectedly, it is recommended that this work be prioritised and completed as soon as possible. Engaging a dedicated resource (potentially a seconded internal resource) to work alongside subject matter expertise (SME) within the business activity areas of the organisation for this project would help expedite completion and ensure quality outcomes. Aon, together with Ken Morris of KM Solutions + Advisory, would be pleased to assist with aspects of this work—delivering a high standard of output while ensuring the most cost-effective solution for the council.

Recommendations

1. **Content Review:** Evaluate the current BCP documents to identify and remove non-essential information. This will make the plans more concise and easier to use during emergencies. This work would be assisted by a prior review of the BCP template to better focus the length and content of the BCP documents.
2. **Consider other activities and services:** BCPs should be developed for other critical activities and services including those with significant interdependencies with core functions.
3. **Business Impact Analysis (BIA):** Conduct BIAs for each plan to understand the potential impact of disruptions and prioritise resources and recovery strategies accordingly.
4. **Triggers for Review:** Establish a procedure that requires a review of the BCP whenever there is a significant change, such as an event or a key staffing change. This ensures the plan remains relevant and effective.
5. **Testing Program:** Create a testing program to ensure that all plans are reviewed for accuracy and effectiveness in a live environment. This could range from a desktop scenario-based review to a full activation.
6. **Other recommendations:** The other more minor matters noted in the previous two sections of this report should be addressed alongside these recommendations.
7. **Consultation with Experts:** Consider engaging with experts, such as Aon, to assist in meeting these objectives and ensuring the BCPs are comprehensive and effective.

By addressing these points, the BCP can become a more effective tool for managing emergencies and ensuring business continuity is practical and actionable.

8 Ngā Pūrongo Whakamārama | Information Reports

8.3 Waters Transition Risk Register

CM No.: 3093222

Te Kaupapa | Purpose

The purpose of this report is to present the Waters Transition Risk Register as it currently stands, to the Risk and Assurance Committee, to give visibility of:

- the key risks in this programme of work,
- the associated mitigation actions and key risk indicators, and
- a rating of the residual risk levels associated with those risks.

Rāpopotonga Matua | Executive Summary

With Council's decision on 25 June 2025 to approve the Waikato Water Done Well option as its model for delivering water and wastewater services in accordance with the Local Government (Water Services Preliminary Arrangements) Act 2024, it set off a programme of work to ensure a successful transition of this business activity to the new model, and a refocus of the activity of the residual organisation.

This programme of work is considerable, and it carries significant risk. To ensure that risk is well-managed a Waters Transition Risk Register has been developed to identify:

- the key risks of the transition work programme
- the level of inherent risk in each of those key risks
- the mitigation actions already in place to assist in reducing the level of that inherent risk
- the key risk indicators that assist in demonstrating the effectiveness of the mitigations
- a rating of the residual risk levels associated with those risks, after mitigation, and
- other mitigations that can potentially be considered to reduce the level of risk further.

The attached register should be considered an initial draft. It has only recently been developed and is currently being tested with the internal Waikato Waters Transition Group (the 'Transition Group') and other subject matter experts throughout the organisation. The identified mitigations, both current and potential additional mitigations, will be further reviewed and are likely to be added to as the transition progresses.

Risk appetite will be considered by this Committee in due course, providing greater assurance as to whether the identified mitigations are sufficient.

The register will be reviewed and updated regularly by the Transition Group (likely on a monthly basis) and provided to this Committee to support its oversight of risk management in this significant programme of work.

Any insights the Committee may wish to provide will be welcomed and highly valued.

Tūtohunga | Recommendation

That:

1. The report is received.

Horopaki | Background

Council's Risk and Assurance Committee operates under a charter that gives it responsibility for overseeing Council's risk management activities. Moving Council's water and wastewater business out of Council's direct management and into a multi-Council owned Council Controlled Organisation (CCO) business is a major transformative project that carries significant risk, both for the transition of that activity, as well as for the residual Council organisation that will remain. The Risk and Assurance Committee will play a key oversight role in ensuring that any significant risk associated with this programme of work is identified and managed well.

The Waters Transition Risk Register, developed and attached to this report, will serve as an important tool to support the Committee in fulfilling its responsibilities. The register will be maintained as a live document, with regular review and updates by the Transition Group and provided to the Committee on an ongoing basis.

Ngā Take/Kōrerorero | Issues/Discussion

The Waters Transition Risk Register currently, identifies 38 significant risks, reported in order of residual risk rating from 'Very High' to 'Low'. While this may appear to be a large number, it reflects a considerable programme of work that is transformative in nature. The identified risks relate not only to the transfer of water and wastewater services from one organisation to another, but also to the impacts on the residual Council business.

The Executive Summary notes that the risk register provided with this agenda should be treated as an initial draft. It has only recently been developed and is still being tested with Council's internal Transition Group and other subject matter experts throughout the organisation. The identified mitigations, both current and potential will continue to be reviewed and are likely to be further developed and added to over time.

It should also be noted that we appear to be ahead of our partner councils in developing a Waters Transition Risk Register. Direct enquiries with three of those councils indicate that one is at an early draft stage, while the other two have not yet commenced this work. On this basis, staff welcome any insights the Committee may wish to provide regarding the identified risks, mitigations, and risk ratings

A useful prompt in that regard might be to consider what success looks like for this transition. In that regard the thinking in developing the register has largely been around:

- Maintaining the wellbeing of the organisation and staff
- Ensuring no undue impact on our community, noting that this is crucial infrastructure that must be delivered sustainably
- Avoiding any regulatory or legislative failure.

Mōrearea | Risk

The Waters Transition Risk Register is focussed on managing risk well. It has been prepared in line with Council's Risk Management Framework that is currently being reviewed and revamped.

Ngā Tāpiritanga | Attachments

 Waters Transition Risk Register September 2025



Ngā waitohu | Signatories

Author(s)	Ken Morris Kaitohutohu Mōrearea, Kai-whakahaere ā Pakihi hoki Consultant Risk and Business Excellence Advisor	
Approved by	Fiona Vessey Hautū Whakahaere Group Manager Operations	

MATAMATA-PIAKO DISTRICT COUNCIL

PROJECT RISK REGISTER

WATERS TRANSITION RISK REGISTER

September 2025



1	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	IMPACT ON STAFF WELLBEING	Executive Team	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY	The all encompassing nature of the transition with the tight deadlines involved and the extent of change involved could result in significant stress and wellbeing concerns for staff	Almost Certain	Very High	• Normal activity management and oversight remains in place via GM, E-Team, Council • Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • This includes the People, Safety and Wellness Manager subject matter expertise • Various Co-Lab subject matter expertise groups, such as the people and capability managers group and the IT managers group meeting regularly and liaising on transition matters • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Takatu Anamata (Future Ready Group) still in place and actively involved in understanding impact of legislative reform (including this) on the organisation • Reporting in place to Council and RAC • External Employee Assistance Programme (EAP) in place	• Measures of staff engagement levels • Normal activity reporting remains in place • Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas •	Likely	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Workplans will be used as a means of determining required work priorities and sufficiency of resource • Our Managers and Executive will have to ensure they use their regular interactions with their people and other staff feedback mechanisms to 'pulse check' staff and team wellbeing • Short-term contract resource may need to be considered to assist • Specialist change management resource may need to be brought on to assist • Consideration of establishment of a Project Governance Group post-election, including Elected Members and members of Executive Team that the internal Waikato Waters Transition Group will report to • Strong internal communications should assist to reduce this risk, support staff confidence and assist staff retention • •
	PROJECT PHASE									
	Planning		Extreme	Very High			To be determined			

2	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	FAILURE TO MAXIMISE OPPORTUNITIES FOR COUNCIL AND ITS STAFF	Executive Team	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY	There is risk that Council will fail to maximise potential opportunities for Council and its staff going forward. This is a complex project. It involves a de-coupling of a major part of the business, while other significant legislative change impacting residual parts of the business is running concurrently with this. Council needs to be mindful of transitioning Waters well, ensuring compliance with the other legislative changes, and maximising opportunity for Council and its staff.	Likely	Extreme	• Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • This includes the People, Safety and Wellness Manager subject matter expertise • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Takatu Anamata (Future Ready Group) still in place and actively involved in understanding impact of legislative reform (including this) on the organisation • Reporting in place to Council and RAC • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place •	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • •	Likely	Very High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • A turning of mind to what does MPDC look like post-waters should be a key focus. This is a latent strategic opportunity that can be pursued. It is likely outside the scope of the LWDW transition team and will require focussed horizon scan thinking by the Executive Team and Council with the seeking of wider staff input and feedback to harness collaborative thinking • Specialist change management resource may need to be brought on to assist • An External Relationship Plan should be developed to maximise opportunities to build and leverage relationship, fully involve MPDC in collaborative meetings, and avoid 're-inventing the wheel' • Strong internal communications should be put in place to assist in reducing this risk • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • •
	PROJECT PHASE									
	Planning		Extreme	Very High			To be determined			

MATAMATA-PIAKO DISTRICT COUNCIL

PROJECT RISK REGISTER

WATERS TRANSITION RISK REGISTER

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3	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	ADVERSE IMPACT ON ORGANISATIONAL CULTURE	People Safety and Wellness Manager There is risk that due to the significance of this change and its organisational impact, that there could be significant adverse impact on the well-regarded organisational culture that has developed at MPDC over a long period of time.	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY		Almost Certain	Very High	• Normal activity management and oversight remains in place via GM, E-Team, Council • Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • This includes Engagement and Communications and People, Safety and Wellness Manager subject matter expertise • Various Co-Lab subject matter expertise groups, such as the people and capability managers group and the IT managers group meeting regularly and liaising on transition matters • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Takatu Anamata (Future Ready Group) still in place and actively involved in understanding impact of legislative reform (including this) on the organisation • Reporting in place to Council and RAC •	• Annual staff survey will measure staff perception of organisational culture • Normal activity reporting remains in place • Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • •	Likely	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Strong internal communications will be required to reduce this risk • Specialist change management resource may need to be brought on to assist • May need to consider introducing regular timely measures of employee engagement and perception of organisational culture • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •
	PROJECT PHASE						Planning	Extreme		
4	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	POTENTIAL FOR HEIGHTENED HEALTH AND SAFETY RISK	People, Safety and Wellness Manager There is risk that with the pressures of transition and the potential for significantly stretched staff resource, that there could be heightened Health and Safety risk across the organisation.	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY		Likely	Extreme	• Normal activity management and oversight remains in place via GM, E-Team, Council • Normal Health, Safety and Wellness risk assessment and management practices remain in place and will continue to be applied throughout the transition period • Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • This includes the People, Safety and Wellness Manager subject matter expertise • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC	• The normal Health, Safety and Wellness measures and reporting • Normal activity reporting remains in place • Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • •	Possible	Very High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Workplans will be used as a means of determining required work priorities and sufficiency of resource • Our Managers and Executive will have to ensure they use their regular interactions with their people and other staff feedback mechanisms to 'pulse check' staff and team health and safety comfort • Short-term contract resource may need to be considered to assist • Consideration of establishment of a Project Governance Group post-election post-election, including Elected Members and members of Executive Team that the internal Waikato Waters Transition Group will report to • •
	PROJECT PHASE						Planning	Extreme		

MATAMATA-PIAKO DISTRICT COUNCIL

PROJECT RISK REGISTER

WATERS TRANSITION RISK REGISTER

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5

RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
REGULATORY NON-COMPLIANCE	GM Infrastructure Assets and Operations There is risk that stretched resourcing due to loss of staff or pressures in transition will result in regulatory non-compliance, leading to risk of prosecution and other legal risk. This is of particular concern given the introduction of new water quality regulations by Taumata Arawai	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
RISK CATEGORY		Possible	Extreme		Possible	Very High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • • •	
Legal and Regulatory Compliance									
PROJECT PHASE		Planning	Very High			Very High	Tolerance	To be determined	

6

RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
ENVIRONMENTAL DAMAGE OR CONTAMINATION	GM Infrastructure Assets and Operations There is risk that 'stretched' resourcing due to loss of staff or pressures in transition results in poor network management resulting in environmental damage or contamination and potential public health risk, distress in the community and reputational damage.	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
RISK CATEGORY		Possible	Extreme		Possible	Very High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • • •	
Environmental Well-being									
PROJECT PHASE		Planning	Very High			Very High	Tolerance	To be determined	

MATAMATA-PIAKO DISTRICT COUNCIL

PROJECT RISK REGISTER

WATERS TRANSITION RISK REGISTER

September 2025



7	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	INFORMATION SECURITY VULNERABILITY	Information Technology Manager There is risk that the transfer of data during transition leads to information security vulnerabilities	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY Information Technology, Information		Likely	Extreme			Possible	Very High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Confirmation of appropriateness / level of third party security arrangements • Potentially notification of increased risk throughout this period to our insurance brokers for notification to our Cybersecurity insurers
	PROJECT PHASE Planning		Extreme				Very High		Tolerance	
									To be determined	
8	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	FAILURE TO REALISE POTENTIAL BENEFITS	Chief Executive There is risk that if our partners in WWL don't have shared values, objectives and approaches, that we may not fully realise the potential benefits of WWDW for our district and region.	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY Achievement of strategic objectives		Likely	Very High			Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • An External Relationship Plan should be developed to maximise opportunities to build and leverage relationship, fully involve MPDC in collaborative meetings, and avoid 're-inventing the wheel' • Specialist change management resource may need to be brought on to assist • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •
	PROJECT PHASE Planning		Very High				High		Tolerance	
									To be determined	

MATAMATA-PIAKO DISTRICT COUNCIL

PROJECT RISK REGISTER

WATERS TRANSITION RISK REGISTER

September 2025



9	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk		
	RESISTANCE TO ORGANISATIONAL CHANGE	Executive Team	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?	
	RISK CATEGORY Achievement of strategic objectives	There is risk of resistance to organisational change leading to non-achievement of wider strategic objectives and failure to take advantage of significant opportunity for Council and its staff. This risk extends beyond Waters staff to being a potential risk for all staff, including those who will remain with Council	Likely	Extreme	• Normal activity management and oversight remains in place via GM, E-Team, Council • Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • This includes the People, Safety and Wellness Manager subject matter expertise • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Takatu Anamata (Future Ready Group) still in place and actively involved in understanding impact of legislative reform (including this) on the organisation • Reporting in place to Council and RAC • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place •	• Normal activity reporting remains in place • Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Strong internal communications will be required to reduce this risk • Specialist change management resource may need to be brought on to assist • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •	
	PROJECT PHASE Planning		Extreme				High		Tolerance		To be determined

10	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk		
	DISTRACTION FROM OTHER KEY PROJECTS	Executive team	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?	
	RISK CATEGORY Achievement of strategic objectives	There is risk that focus on Waters transition (incl WWDW information requests) diverts focus away from other key organisational projects such as the Annual Plan and the new LTP impacting delivery of those key legislative documents	Likely	Very High	• Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Other experienced local government consultant support in place and readily available to assist in managing pressures • Takatu Anamata (Future Ready Group) still in place and actively involved in understanding impact of legislative reform (including this) on the organisation • Reporting in place to Council and RAC • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place •	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Workplans will be used as a means of determining required work priorities and sufficiency of resource • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •	
	PROJECT PHASE Planning		Very High				High		Tolerance		To be determined

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11	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk			
	PROTECTION OF MPDC RATEPAYER INTERESTS	Executive Team If Council is not across key transition / establishment documents (WWL Constitution, Shareholders Agreement and Transfer Agreement) and decisions such as cross-subsidisation / investment priority / affordability limits, etc, to ensure MPDC ratepayer interests are protected and loss of control fears do not become a reality, there is risk that these things will eventuate with resulting reputational damage and loss of trust and confidence.	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?		
	RISK CATEGORY		Likely	Very High			Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • An External Relationship Plan should be developed to maximise opportunities to build and leverage relationship, fully involve MPDC in collaborative meetings, and avoid 're-inventing the wheel' • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • Specific MPDC commissioned legal or other expert review where appropriate • •		
	PROJECT PHASE											
	Planning		Very High				High		Tolerance			
									To be determined			
12	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk			
	MISUNDERSTANDING OF LEGISLATIVE CONTEXT	Communications and Engagement Manager There is risk that the community may not understand that WWDW is Council's response to the Government's legislative requirements in its Local Waters Done Well legislation. If this is not understood the parts of the community that oppose the proposed change may perceive Council badly and this can impact trust and confidence	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?		
	RISK CATEGORY		Possible	Very High			Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Determine a mechanism for regular and timely checking in on community sentiment and the effectiveness of our communication approach so it can be adapted if necessary • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • •		
	PROJECT PHASE											
	Planning		Very High				High		Tolerance			
									To be determined			

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RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk		
		Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?	
DAMAGE TO COUNCIL REPUTATION DUE TO IMPORTANCE OF THE PROJECT	Chief Executive			• Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Takatu Anamata (Future Ready Group) still in place and actively involved in understanding impact of legislative reform (including this) on the organisation • Reporting in place to Council and RAC • Established Project Management Framework • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place • Shareholders Forum established (Mayors of participating Councils)	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •	
RISK CATEGORY Reputation	This is a very high profile project given it relates to transitioning crucial network infrastructure into a new business entity. There are multiple Council entities involved and strong government interest. There is risk that if the MPDC-related transition doesn't go well there will be considerable impact on Council's reputation.	Likely	Very High							
PROJECT PHASE Planning		Very High				High		Tolerance		To be determined

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RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk		
		Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?	
RISK OF GOVERNMENT INTERVENTION	Chief Executive			• Good communication channels already established with DIA relationship manager and Minister, they are well aware and supportive of WWDW • Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC • Established Project Management Framework • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place • Shareholders Forum established (Mayors of participating Councils)	• Ministerial sign-off of WWDW councils WSDPs (expected soon) • Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • • •	Unlikely	Very High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • An External Relationship Plan should be developed to maximise opportunities to build and leverage relationship, fully involve MPDC in collaborative meetings, and avoid 're-inventing the wheel' • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •	
RISK CATEGORY Reputation	There is potential for Government intervention with resulting loss of reputation if the transition is not managed well.	Possible	Very High							
PROJECT PHASE Planning		Very High				High		Tolerance		To be determined

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RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
INSUFFICIENT FINANCIAL BUDGET PROVISION	Executive Team	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
RISK CATEGORY Financial	There is risk that due to difficulties in accurately determining assumptions and assessing the likely cost of this complex transition project, Council hasn't made appropriate budgetary provision for the costs of the many aspects of the transition (which will be significant). This could likely result in the need to reprioritise spend budgeted on BAU in the Waters space and in other parts of the organisation to this project, and/or the need to set higher rates.	Likely	Very High	• Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC • Established Project Management Framework • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place •	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • The Transition Agreement with WWL should allow for subsequent cost recovery from WWL (after transition) • An exercise to identify and regularly re-assess cost assumptions and projections needs to be implemented • Executive Team will need to closely monitor spend on this project on a monthly basis, will need to develop a means of properly recording and regularly reporting this through • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • •
PROJECT PHASE Planning		Very High				High		Tolerance	

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RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
STRANDED OVERHEADS	Executive Team	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
RISK CATEGORY Financial	There is risk that stranded overheads post transition will result in the need for higher rates	Likely	Very High	• Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place •	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • An exercise to identify potential stranded overheads needs to take place and mitigations determined • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • •
PROJECT PHASE Planning		Very High				High		Tolerance	

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RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
INADEQUATE COST TRACKING SYSTEMS	Executive Team There is risk of cost tracking systems failing to provide sufficient insight into project cost which could lead to unanticipated cost overruns and the need to reprioritise spend or cover those costs through higher rates	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
RISK CATEGORY		Likely	Very High	• Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place •	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Executive Team will need to closely monitor spend on this project on a monthly basis, will need to develop a means of properly recording and regularly reporting this through • An exercise to identify and regularly re-assess cost assumptions and projections needs to be implemented • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •
PROJECT PHASE						Very High	High	To be determined	
Planning									

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RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
POORLY MANAGED RECORDS TRANSFER PROCESSES	Information Manager A big part of the transition process will be the transfer of records to the new WWL entity. This process will be resource intensive and will need to be managed well to ensure it is successfully executed. There will be need for ongoing records and data transfer over time.	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
RISK CATEGORY		Likely	Very High	• Established IT and Records management expertise already in-house • Council has purchased Ad Point Fly which is a well-recognised records transfer tool • Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Various Co-Lab subject matter expertise groups, such as the people and capability managers group and the IT managers group meeting regularly and liaising on transition matters • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC • Established Project Management Framework • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place •	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Development of specific monitoring and reporting mechanisms to manage and measure progress on matters like this • Short-term contract resource may need to be considered to assist • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • •
PROJECT PHASE						Very High	High	To be determined	
Planning									

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19	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	POORLY MANAGED DATA TRANSFER PROCESSES		Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY	A big part of the transition process will be making data available and/or permanently transferring that data to the new WWL entity. This process will be resource intensive and will need to be managed well to ensure it is successfully executed. There will be need for ongoing records and data transfer over time.	Likely	Very High	- Established IT expertise already in-house - Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project - Various Co-Lab subject matter expertise groups, such as the people and capability managers group and the IT managers group meeting regularly and liaising on transition matters - Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council - Reporting in place to Council and RAC - Established Project Management Framework - Strong collective oversight by the WWDW Council CE's in place - WWL already has Establishment Board and strong and experienced team in place	- Fortnightly WWTG meetings scheduled and happening - Standing WWDW item on Council and RAC agendas - WWDW Council CE meetings scheduled and happening	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: - Confirmation of appropriateness / level of third party security arrangements - Development of specific monitoring and reporting mechanisms to manage and measure progress on matters like this - Short-term contract resource may need to be considered to assist - Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team
	PROJECT PHASE	Planning	Very High				High		Tolerance	
									To be determined	

20	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	BREAKDOWN OF PARTNERSHIP WITH MANA WHENUA		Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY	Waters activities, whether water supply or wastewater or stormwater management are of crucial importance to mana whenua in relation to their kaitiaki responsibilities. There is risk that if we do not partner well with mana whenua in a respectful and culturally sensitive manner (recognising their interests and allowing the time and logistics that are necessary) as we transition to the new arrangements, then mana whenua will feel uninformed, disengaged and disappointed with the WWDW proposition, and relationship and trust will break down and impact partnership into the future	Likely	Extreme	- Established Te Manawhenua Mo Matamata-Piako Forum and dedicated Te Ono Tuhono team already established - Māori Ward Councillor in place - Rangatira to Rangatira meetings in place with active Iwi - Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project - Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council - Reporting in place to Council and RAC - Established Project Management Framework - Strong collective oversight by the WWDW Council CE's in place - WWL already has Establishment Board and strong and experienced team in place	- Te Manawhenua Mo Matamata-Piako Forum and Rangatira to Rangatira meetings scheduled and happening - Fortnightly WWTG meetings scheduled and happening - Standing WWDW item on Council and RAC agendas - WWDW Council CE meetings scheduled and happening	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: - Active involvement of Te Ono Tuhono advice in the project as relevant - Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team
	PROJECT PHASE	Planning	Extreme				High		Tolerance	
									To be determined	

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RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
SUPPLIER / CONTRACTOR FAILURE	GM Infrastructure Assets and Operations There is risk of supplier and contractor arrangements becoming pressured and not fulfilled through transition time with competing demands from other purchasers, and recognition that individual Council arrangements will be ceasing. This leads to risk of supplier failure and operational impacts.	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
RISK CATEGORY		Likely	Very High			Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •
Operational Performance and Capability									
PROJECT PHASE		Very High				High	To be determined		
Planning									

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RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
OPERATIONAL FAILURE AND OUTAGES	GM Infrastructure Assets and Operations There is risk of operational failure and outages throughout the transition period, particularly if staff resources are compromised due to uncertainty of what the future looks like, and/or loss of key staff to other entities	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
RISK CATEGORY		Likely	Very High			Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Short-term contract resource may need to be considered to assist • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •
Operational Performance and Capability									
PROJECT PHASE		Very High				High	To be determined		
Planning									

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23	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	NON-ACHIEVEMENT OF CAPITAL PROJECTS	GM Infrastructure Assets and Operations	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY	There is risk that the capital programme could be compromised with lower levels of delivery throughout the transition period, particularly if staff resources are compromised due to uncertainty of what the future looks like, and/or loss of key staff to other entities	Likely	Very High	• Normal activity management and oversight remains in place via GM, E-Team, Council • Established project management reporting • Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • This includes the People, Safety and Wellness Manager subject matter expertise • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC • Strong internal communications should support staff confidence and assist staff retention • Strong collective oversight by the WWDW Council CE's in place •	• Normal activity reporting remains in place • Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Short-term contract resource may need to be considered to assist • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • • •
	Operational Performance and Capability									
	PROJECT PHASE		Planning	Very High			High		Tolerance	

24	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	LOSS OF STAFF CAPACITY IN WATERS ACTIVITY	GM Infrastructure Assets and Operations	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY	There is a risk that uncertainty of what the future looks like could result in loss of staff in the Waters activities as they seek greater job security elsewhere. Some Waters staff may have opportunity to move early to roles in WWL or other entities that transition earlier than MPDC. Recruitment processes would also be impacted by uncertainty and the state of change. If these risks eventuate the loss of staff during transition could result in significant operational impact	Likely	Very High	• Normal activity management and oversight remains in place via GM, E-Team, Council • Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • This includes the People, Safety and Wellness Manager subject matter expertise • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC • Strong collective oversight by the WWDW Council CE's in place •	• Normal activity reporting remains in place • Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Short-term contract resource may need to be considered to assist • Strong internal communications will be needed to support staff confidence and assist staff retention • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • • •
	Operational Performance and Capability									
	PROJECT PHASE		Planning	Very High			High		Tolerance	

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25	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk		
	LOSS OF STAFF CAPACITY IN WIDER COUNCIL BUSINESS	Executive Team	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?	
	RISK CATEGORY Operational Performance and Capability	Staff uncertainty in the wider Council business of what Council might look like post-waters might result in loss of staff in those areas and difficulties recruiting, resulting in insufficient resource to maintain wider service delivery.	Likely	Very High	• Normal activity management and oversight remains in place via GM, E-Team, Council • Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • This includes the People, Safety and Wellness Manager subject matter expertise • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC •	• Normal activity reporting remains in place • Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Strong internal communications will be needed to support staff confidence and assist staff retention • Short-term contract resource may need to be considered to assist on to assist • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •	
	PROJECT PHASE Planning		Very High				High		Tolerance		To be determined

26	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk		
	LACK OF CLARITY IN WHAT IS REQUIRED FOR SUCCESSFUL TRANSITION	MPDC Waikato Waters Transition Group	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?	
	RISK CATEGORY Project Management	Lack of clarity in what is required for successful transition and poor definition of responsibility leads to significant project inefficiencies, staff frustration and higher costs, and impacts on timeframes.	Likely	Very High	• WWL already has Establishment Board and strong and experienced team in place • WWL utilising a lot of the former National Transition Units (NTU) collateral and already secured information • Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Various Co-Lab subject matter expertise groups, such as the people and capability managers group and the IT managers group meeting regularly and liaising on transition matters • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Takatu Anamata (Future Ready Group) still in place and actively involved in understanding impact of legislative reform (Including this) on the organisation • Reporting in place to Council and RAC • Strong collective oversight by the WWDW Council CE's in place • Shareholders Forum established (Mayors of participating Councils)	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •	
	PROJECT PHASE Planning		Very High				High		Tolerance		To be determined

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27	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk			
	POOR ARRANGEMENTS AROUND SERVICE LEVEL AGREEMENTS, DEPOT SHARE ARRANGEMENTS, STORES AND FLEET TRANSFER, AND ON-GOING MANAGEMENT OF CRMs	MPDC Waikato Waters Transition Group	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?		
	RISK CATEGORY Project Management	There is risk that sub-optimal arrangements are put in place around matters such as service level agreements, depot sharing (with three entities to share the depot in future), transfer of vehicles and store stock, and ongoing management of CRMs, that if not well thought out could result in ongoing inefficiencies, frustration and failure to realise benefits to the extent they could be.	Almost Certain	High			• Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC •	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • The Transition Agreement with WWL will address and provide certainty on these matters. It must be well-negotiated with WWL • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •
	PROJECT PHASE		Very High						High		Tolerance	
	Planning										To be determined	

28	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk			
	INSUFFICIENT PEOPLE RESOURCE	Executive Team	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?		
	RISK CATEGORY Project Management	There is risk that there is insufficient people resource to continue BAU activity as well as transition requirements (incl WWDW information requests)	Almost Certain	Very High			• Normal activity management and oversight remains in place via GM, E-Team, Council • Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • This includes the People, Safety and Wellness Manager subject matter expertise • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC •	• Normal activity reporting remains in place • Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • • •	Possible	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Short-term contract resource may need to be considered to assist • Strong internal communications will be needed to support staff confidence and assist staff retention • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •
	PROJECT PHASE		Extreme						High		Tolerance	
	Planning										To be determined	

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29	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	READINESS FOR TRANSITION DEADLINE	MPDC Waikato Waters Transition Group	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY	There is risk that both internal and external expectations to meet the currently planned 1 October 2026 transition date for MPDC's waters business to move to WWL could lead to a transition that is rushed, poorly-advised, or otherwise premature resulting in a messy transition that has impact on staff and Council. If this was to eventuate it would have impact on Council's reputation and staff and community trust and confidence in Council.	Possible	Very High	• Agreed WWDW arrangements provide for the possibility of a delayed transition for councils. Although we continue to work to the planned date of 1 October 2026 ultimately the actual date of transition will be subject to a 'go / no go' decision by the Chief Executive on the advice of the internal Waikato Waters Transition Group and any MPDC Project Governance Group post-election that might be established. • Focused internal Waikato Waters Transition Group involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Various Co-Lab subject matter expertise groups, such as the people and capability managers group and the IT managers group meeting regularly and liaising on transition matters • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place •	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • • •	Unlikely	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •
	Reputation									
	PROJECT PHASE		Planning	Very High						
Planning										

30	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	FAILURE TO DISCLOSE CRITICAL RISK	Chief Executive	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY	There is risk that Council might fail to disclose a significant financial, health and safety or legal risk in the Critical Risk Assessment that WWL will require of all participating councils, exposing WWL to the consequences of that risk and MPDC to reputational damage (the focus here on MPDC disclosing all of its critical risks, the same expectations will apply to and be managed within our WWDW partner councils)	Likely	High	• Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • This includes Council's Consultant Risk and Business Excellence Advisor subject matter expertise • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC • Established Project Management Framework • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place •	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • • •	Unlikely	Moderate	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • • •
	Reputation									
	PROJECT PHASE		Planning	Very High						
Planning										

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31	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk			
	JUDICIAL REVIEW	Chief Executive	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?		
	RISK CATEGORY Reputation	There is risk that ratepayers who disagree with the WWDW decision could seek to contest the decision via mechanisms such as a judicial review which would have significant reputational impact as well as cost and organisational implications	Possible	Very High			• Council's adoption of its WSDP went smoothly with good unity in the Council Chambers • Good communication channels already established with DIA relationship manager and Minister, they are well aware and supportive of WWDW • Minister of LG has indicated support for WWDW and WSDPs of partnering Councils expected to be soon approved • Robust communications approach and resource in place • Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC • Established Project Management Framework • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place •	• Ministerial sign-off of WWDW councils WSDPs (expected soon) • Measure of community sentiment on WWDW • Fortnightly LWDW meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • • •	Unlikely	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Determine a mechanism for regular and timely checking in on community sentiment and the effectiveness of our communication approach so it can be adapted if necessary • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • •
	PROJECT PHASE Planning											
				To be determined								

32	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk			
	MINISTERIAL APPROVAL NOT SECURED	Chief Executive	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?		
	RISK CATEGORY Reputation	Although Council is pressing ahead with its WWDW plans, its WSDP (Water Services Delivery Plan) and those of the other WWDW Councils have not yet been approved by the Minister of Local Government, exposing Council to some risk that these WSDPs will not be approved and therefore impacting the ability to progress WWL in currently proposed form	Possible	Very High			• Good communication channels already established with DIA relationship manager and Minister, they are well aware and supportive of WWDW • Minister of LG has indicated support for WWDW and WSDPs of partnering Councils expected to be soon approved • Robust WWL communications approach and resource in place • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place • Shareholders Forum established (Mayors of participating Councils)	• Ministerial sign-off of WWDW councils WSDPs (expected soon) • WWDW Council CE meetings scheduled and happening • • •	Unlikely	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • • •
	PROJECT PHASE Planning											
				To be determined								

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33	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
			Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY									
	ELECTION AND ORGANISATIONAL STABILITY RISK FOR MPDC AND OUR WWL PARTNER COUNCIL'S	Chief Executive								
	Community Trust and Perception	There is risk that due to the close timing of the 3-yearly elections so soon after the decision to become part of WWDW and the start of transition processes, that this could become a contentious election issue for MPDC and our WWDW partner Councils. This could have impact on council reputation and the election result, which has further impact on those councils and organisational stability. Although the WWL documentation binds Council's to the decisions they have made and therefore removes the risk of reversing decisions and withdrawal from WWDW, there remains potential for significant political 'noise' around this matter which could be difficult and de-stabilising	Possible	Very High	- Council's adoption of its WSDP went smoothly with good unity in the Council Chambers, this was also the case for our partner Councils - Minister of LG has indicated support for WWDW and WSDPs of partnering Councils expected to be soon approved - Robust WWL communications approach and resource in place - Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project - This includes Communications and Engagement and People, Safety and Wellness subject matter expertise - Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council - Takatu Anamata (Future Ready Group) still in place and actively involved in understanding impact of legislative reform (including this) on the organisation - Reporting in place to Council and RAC - Established Project Management Framework - Strong collective oversight by the WWDW Council CE's in place - WWL already has Establishment Board and strong and experienced team in place - Shareholders Forum established (Mayors of participating Councils)	- Ministerial sign-off of WWDW councils WSDPs (expected soon) - Measure of community sentiment on WWDW - Fortnightly LWDW meetings scheduled and happening - Standing WWDW item on Council and RAC agendas - WWDW Council CE meetings scheduled and happening	Unlikely	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: - Determine a mechanism for regular and timely checking in on community sentiment and the effectiveness of our communication approach so it can be adapted if necessary - Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team
	PROJECT PHASE Planning		Very High				Moderate		Tolerance	
									To be determined	

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34	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk				
	FAILURE TO ENGAGE OUR COMMUNITY AND/OR KEY STAKEHOLDERS	Communications and Engagement Manager	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?			
	RISK CATEGORY Community Trust and Perception	There is risk that if we do not communicate well with our community and key stakeholders, they will not engage well with the transition and this will lead to lack of buy-in, and opposition and potentially challenge to the project, all of which will impact a project that is already complex, has significant impact, and is subject to tight timeframes. There could also be impact on ongoing support and relationship. Our communication approach will need to clearly articulate the case for change and how the proposed solution will answer that.	Likely	Very High			Possible	Moderate	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: - Determine a mechanism for regular and timely checking in on community sentiment and the effectiveness of our communication approach so it can be adapted if necessary - Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team			
	PROJECT PHASE Planning		Very High								Moderate		Tolerance
35	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk				
	INEFFICIENCIES IN THE PROJECT DUE TO REDUCED AWARENESS OF MPDC PROCESSES AND SYSTEMS	MPDC Waikato Waters Transition Group	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?			
	RISK CATEGORY Project Management	There is risk that external consultants playing key roles in the project are not sufficiently aware of MPDC processes and systems leading to inefficiencies in the project.	Possible	Moderate			Unlikely	Moderate	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: - Appropriate induction and system / process support processes will need to be in place to mitigate this risk - Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team			
	PROJECT PHASE Planning		Moderate								Moderate		Tolerance

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36	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	INSUFFICIENT SKILL AND EXPERTISE	Executive Team	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY Project Management	Insufficient skill and experience available in-house to manage transition	Likely	Very High	• Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place •	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • •	Unlikely	High	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •
	PROJECT PHASE Planning		Very High				Moderate		Tolerance	
37	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	DIMINISHED FUTURE SERVICE LEVELS	Executive Team	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY Community Trust and Perception	There is risk that the service levels provided by a new and enlarged WWL entity may not be as good as those provided by Council currently, with this leading to a loss of community trust and confidence	Possible	High	• WWL has dedicated focus as a network provider, customer focus will be a focus area for them • Shareholders Forum established (Mayors of participating Councils) to enable local voice to come through and protect local interests • WWL already has Establishment Board and strong and experienced team in place • Strong collective oversight by the WWDW Council CE's in place	• WWL reporting on customer service metrics • Shareholder forum meetings and interaction with the WWL Board • • •	Unlikely	Low	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • WWL development of customer service reporting metrics • • •
	PROJECT PHASE Planning		High				Low		Tolerance	
38	RISK	Risk Owner and Risk Description	Inherent Risk Rating		What are we already doing?	Key Risk Indicators	Residual Risk Rating		Status of Risk	
	POOR PARTICIPATION IN PRE-TRANSITION STAFF TRAINING	GM Infrastructure Assets and Operations	Likelihood	Consequence			Likelihood	Consequence	Risk Appetite	What can we do to reach appetite / strengthen our position?
	RISK CATEGORY People - Health, Safety and Well-being	It is likely there will be a need for a staff training package to be rolled out to all the staff that will transition from Councils to WWL, prior to transition. MPDC will need to ensure opportunity is provided for all our transitioning staff to participate in that training. Without participation they may be poorly equipped for their new roles.	Possible	High	• Focused internal Waikato Waters Transition Group (WWTG) led by GM Infrastructure Assets and Operations and involving MPDCs key subject matter experts meeting on a fortnightly basis to ensure a sound cross-organisational approach to this project • Appointment of part-time MPDC Project Director to provide project management oversight - this person also performing the same role for another WWDW Council • Reporting in place to Council and RAC • Strong collective oversight by the WWDW Council CE's in place • WWL already has Establishment Board and strong and experienced team in place •	• Fortnightly WWTG meetings scheduled and happening • Standing WWDW item on Council and RAC agendas • WWDW Council CE meetings scheduled and happening • •	Rare	Moderate	To be determined	Additional mitigations have been identified to enable us to reach appetite / strengthen our position: • Consideration of establishment of a Project Governance Group post-election including Elected Members and members of Executive Team • • •
	PROJECT PHASE Planning		High				Low		Tolerance	

8 Ngā Pūrongo Whakamārama | Information Reports

8.4 Top Risks Deep Dive: Ineffective response to climate change impacts

CM No.: 3062068

Te Kaupapa | Purpose

Over the last year, Council has identified the top risks to the organisation as a whole. The Risk and Assurance Committee have requested that we undertake a deep dive into the top risks. This item explores risk #7: *Ineffective response to climate change impacts*, and discusses the controls in place to reduce this risk.

Rāpopotonga Matua | Executive Summary

Ineffective response to climate change impacts has been identified as one of Council's top risks.

The inherent risk rating for this risk is Very High and after considering the controls we have in place, the residual rating remains at Very High.

The information in this report provides further detail on the risks, risk controls and the focus of improvement actions. The purpose of this item is to provide the committee the opportunity to understand the risk in more depth and give them the opportunity to ask questions or make suggestions to improve Council's response to the risk.

A full extract of the Top Risk document in relation to this risk is attached.

Other related documents are provided for reference:

- MPDC Organisational Climate Risk Assessment 2025 Summary Report (*attached*)
- MPDC Organisational Climate Risk Workbook (*circulated separately*)
- Draft Climate Resilience Strategy (*attached*)

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Take/Kōrerorero | Issues/Discussion

What is the risk and are its consequences fully understood?

The risk description for this risk is:

Council's response may not be sufficient for the district to effectively adapt to the effects of climate change, or mitigate our own climate impact. This may result in a reduction in levels of service, an increase in community vulnerability, and/or financial and reputational damage.

Potential consequences of the ineffective response to climate change impacts risk are as follows:

Summary:

Failure to respond effectively to climate impacts could result in damage to Council infrastructure, disruption to services, reductions in levels of service and increased maintenance and recovery costs. The organisation could face regulatory non-compliance, reputational harm, and loss of public trust. At a community level, there could be increasing risks to public safety and health, environmental degradation, and a decline in overall community wellbeing.

Council's understanding of the direct consequences to its own assets, services and operations, in the current day and the longer term, is developing, and is the current area of focus. Work to understand impacts at the community level, especially cascading and longer term impacts is still to be programmed, but is signalled in the draft Climate Resilience Strategy.

Detailed response:

Consequences if Risk Materialises		
Consequence	To Council	To Community
Operational performance and capability	Service delivery disruption (e.g. roading, waste, emergency management) due to climate-related events.	Declining levels of service impacting community wellbeing.
Damage or loss to property and assets	Damage to property and assets from more frequent and severe weather events, leading to higher repair and replacement costs.	Rates impact, decline in levels of service.
Financial	Increased costs for maintenance, insurance, and resilience measures.	Economic impacts on the community such as rising rates, reduced productivity, property value decline, and business interruptions.
Legal and regulatory compliance	Risk of litigation, or penalty for non-compliance.	Lack of trust in Council due to non-compliance.
People – health, safety and wellbeing	Risks to health and safety of staff during extreme weather events (e.g. storms), or from changing conditions (e.g. heat).	Public health and safety impacts including injury, or loss of life (extreme weather events) and illness, long term health impacts (changing conditions), and mental health impacts.
Community trust and perception	Reputational damage if Council is perceived as failing to act, leading to loss of public trust and reduced ability to influence.	Lack of trust in Council leading to disengagement, or dissatisfaction.
Relationship with mana whenua	Impact on relationship with mana whenua if Council is not protecting sites of cultural importance from climate impacts or supporting mana whenua to adapt.	Impacts on mana whenua's ability to increase resilience of marae and wāhi tapu.
Environmental wellbeing	Impacts on the natural environment, biodiversity, water quality in areas under	Environmental degradation including biodiversity loss, water scarcity, soil erosion,

Consequences if Risk Materialises		
Consequence	To Council	To Community
	Council control.	and reduced ecosystem health.
Climate resilience	Council is not able to fulfil its role in providing services (e.g. roading) and functions (e.g. Civil Defence Emergency Management) to the community in an effective way.	Communities do not have the knowledge, resources, support, guidance to be able to adapt and prepare for climate impacts. Communities are increasingly vulnerable to impacts.

Are the Consequences Fully Understood?

Council's understanding of the direct consequences to its own assets, services and operations, in the current day and the longer term, is developing, and is the current area of focus.

The recently completed Organisational Climate Risk Assessment (attached) is contributing to a better understanding of the consequences by providing both quantitative and qualitative information about climate risks to Council:

- Council's flood modelling has been analysed to quantify asset exposure to flood hazard in the current and future climate; next steps include combining this information with other metrics such as criticality and asset condition to build a fuller picture of risk, and to inform prioritisation of adaptive actions.
- The qualitative analysis has brought together knowledge held across the organisation to build a more comprehensive picture of Council's understanding of climate risk to its assets, services and operations in the current day. In addition, it has provided us with new information about the possible impacts at mid and end of century under two climate scenarios. It also captures current and possible adaptive capacity.

Understanding of impacts and vulnerabilities at the community level in the current day is developing, through Council's Civil Defence Emergency Management function. Work to understand the longer term cascading, and interconnected risks to the community is still to be programmed, but is signalled in the draft Climate Resilience Strategy, and is also within scope of the Civil Defence Emergency Management work programme.

The initial risk rating for this risk is Very High.

What are the controls in place, and how do they mitigate the risk?

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)	Level of effectiveness*
* Noting this is a subjective rating and has been used to indicate the level of effectiveness of the control		
Adaptation:		
Senior Policy Advisor resource committed into this area and actively involved in regional	Preventative - Provides dedicated expertise and capacity to lead climate change initiatives, influence policy, and share best practice from other councils. Builds organisational capability to	Partially effective

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)	Level of effectiveness*
knowledge-sharing.	respond early to emerging climate risks.	
Climate Change Rivermap developed with clearly articulated priorities and funded strategic actions.	Preventative - Provides a clear, strategic pathway for climate adaptation and mitigation actions, ensuring resources are directed to the highest priorities. Reduces the chance of fragmented or reactive responses.	Partially effective
Focus groups on Climate Change, Energy and Carbon Management.	Preventative - Engages staff across the organisation to gather role-specific perspectives, strengthen buy-in, and co-design solutions. Improves decision making by incorporating varied knowledge.	Partially effective
Investment in scientific hazard, loss and network modelling to ensure knowledge is up to date.	Preventative - Ensures decisions are based on robust, current data, allowing for early risk identification and informed investment in adaptation measures.	Effective
Plans and strategies are aligned to consider Climate Change at a high level (Long Term Plan, Infrastructure Strategy, Climate Change Rivermap, Future Proof Strategy, Operational Resilience Water Strategy, Water Master Plan, Waste Management and Minimisation Plan).	Preventative - Embeds climate change considerations into long term planning, ensuring a whole-of-council approach that avoids inconsistent or short term thinking.	Effective
Tonkin + Taylor engaged to develop an organisational Climate Risk Assessment for Council to identify key climate risks across our assets, services and people and assess the moderating effect that adaptation can bring over various time periods.	Preventative - Provides a specialist, evidence-based assessment of risks, enabling targeted adaptation actions and prioritisation of resources.	Effective
Civil Defence Emergency Management arrangements well developed in case of severe weather event.	Preventative and Corrective - Ensures rapid and coordinated response to climate-related emergencies, minimising harm to people, property, and infrastructure.	Effective
Ongoing programme to increase climate change knowledge of staff and elected members.	Preventative - Builds organisational capability and supports informed decision making. Encourages proactive integration of climate considerations across all work areas.	Partially effective
District Plan rules changed to encourage	Preventative - Embeds water efficiency measures at the design stage, contributing to	Partially effective

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)	Level of effectiveness*
water sustainability in new developments.	reducing vulnerability to drought and water scarcity in the future.	
Mitigation:		
Emissions inventory undertaken in FY24.	Preventative - Establishes a baseline for greenhouse gas emissions, enabling the setting of targets and tracking of progress towards reductions.	Partially effective
Food scraps separation at kerbside collection.	Preventative - Reduces landfill emissions by diverting organic waste, supporting council's emissions reduction goals.	Partially effective

What level of risk is the council prepared to take?

With these controls in place, the risk rating remains Very High.

Council's risk appetite for this risk has been identified as High.

Council has a strategic programme of funded climate focussed work in place (Climate Change Rivermap) which seeks to address climate risks to Council and the community. However, climate impacts are wide ranging and likely to increase over time. For these reasons, the realistic level of appetite is seen as high.

Recent changes to risk context

Legislative context

- **Local Government Official Information Act Amendment Act 2023** – mandates disclosure of natural hazard and climate impact information in property files.
- **National Policy Statement on Natural Hazard Decision Making (Draft)** – considering the impact of climate change on natural hazards will become part of decision making under the Resource Management Act.
- **Emergency Management legislation changes** are currently out for consultation.
- **Local Government Act amendments** to remove the wellbeings, and other changes yet to be finalised.
- **Amendments to the Waste Minimisation Act 2008 and the Litter Act 1979** including changes to how the waste levy is allocated to territorial authorities, and what they can spend the money on

Climate context

- **Global temperature** continues to rise (*see Figure 1. below*).
- **Costs of extreme weather events in New Zealand** continue to rise (*see Figure 2. below*).

Energy and emissions context

- **Gas availability and security of supply** continues to decline, with associated cost increases. MPDC uses gas to heat the Morrinsville Pool, there is also a small gas supply at the Waharoa Aerodrome. MPDC has a gas contract which currently provides certainty around supply and cost. The gas contract runs out in 2028. Natural gas contributes to MPDC's emissions profile (See Figure 3. below).
- **Newly published emissions data** shows that the Waikato had the largest increase in emissions of any region in 2024. (See Figure 4. below).

Data context

- **Downscaled climate projections for New Zealand** have been developed by Earth Sciences NZ and have been provided down to the district level [link](#)
- **Waikato Regional Council Climate Hazards and Risks Report** has been released and provides a solid base of background information for our region [link](#) (see Figure 5. below).
- **Local government climate scenarios** have been developed by and for the sector.

Council context

- **Transition of Water and Wastewater activities** to Waikato Waters Ltd in October 2026 will significantly alter MPDC's emissions profile, removing all the Wastewater emissions and a sizeable part of the electricity emissions. (see Figure 3. below)
- **MPDC's annual residents survey**, conducted by Key Research, showed that of a random weighted sample of residents, 64% think it is important or very important for Council to take a leadership role in climate change response for our community. (see Figure 6. below)

Figure 1. Global surface air temperature anomalies for June [link](#)

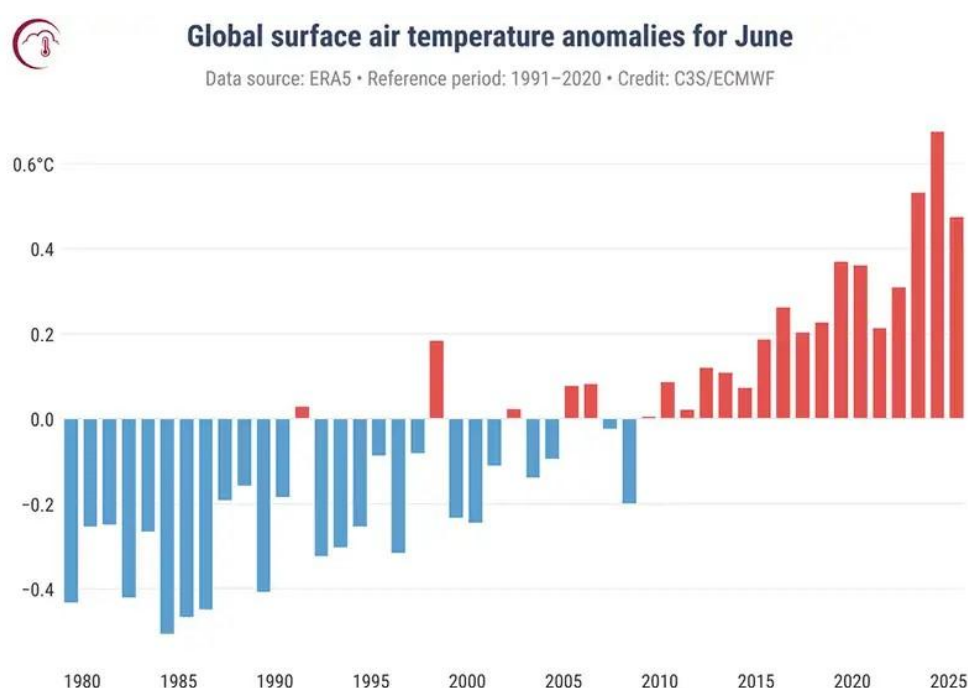


Figure 2. Cost of natural disasters in New Zealand

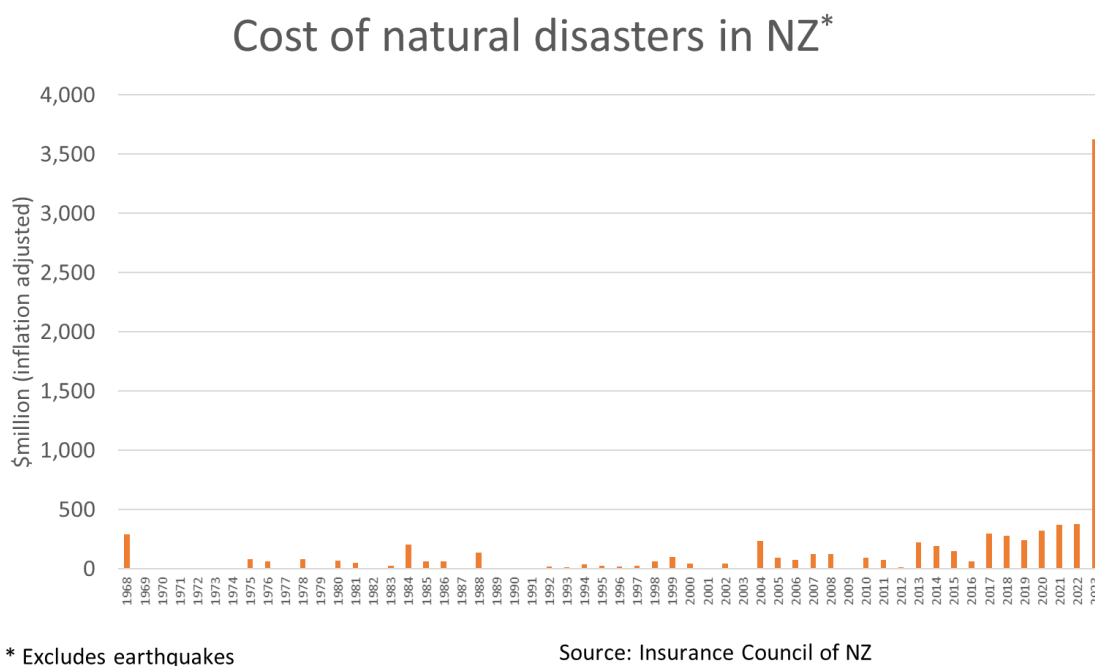


Figure 3. Matamata-Piako District Council's Greenhouse Gas Emissions Profile FY24

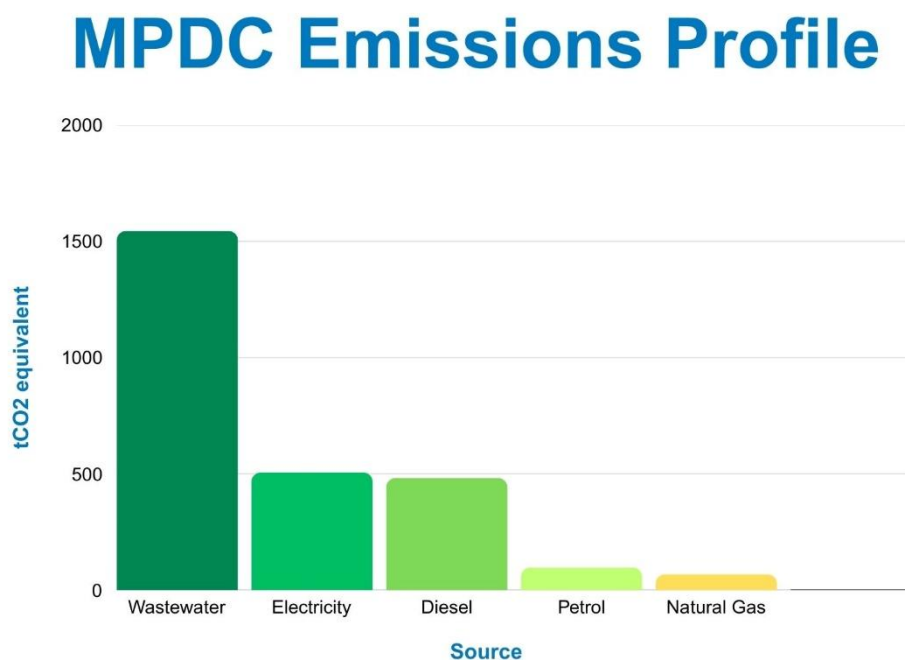
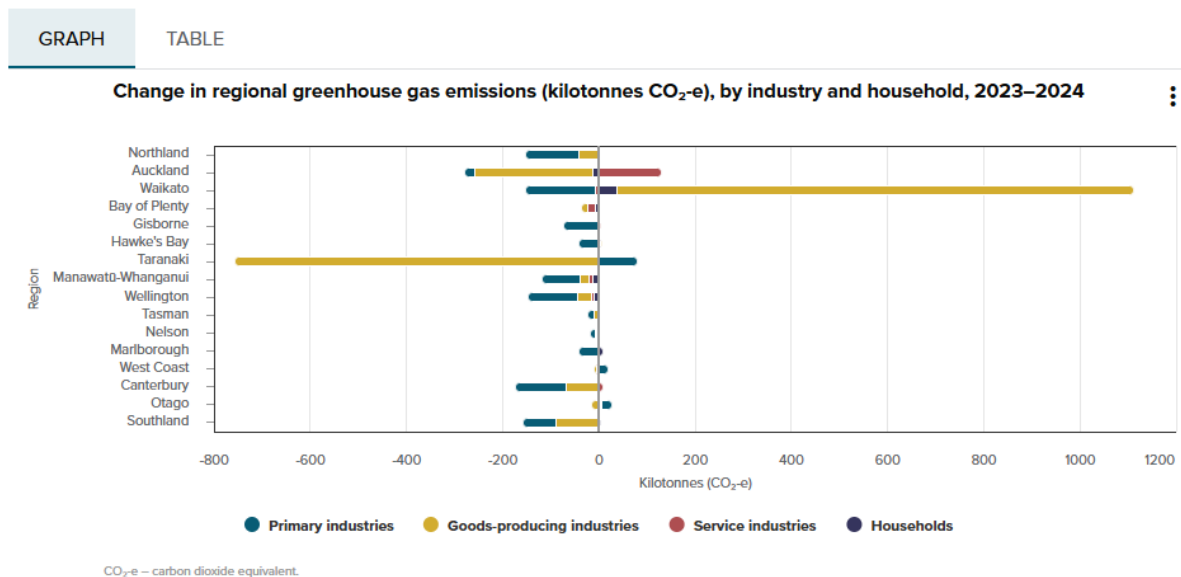


Figure 4: Change in regional greenhouse gas emissions 2023-2024



Stats NZ

Waikato had the largest increase in emissions, up 960 kilotonnes (7.1 percent), due to electricity, gas, water, and waste services.

Source: Stats NZ [link](#)

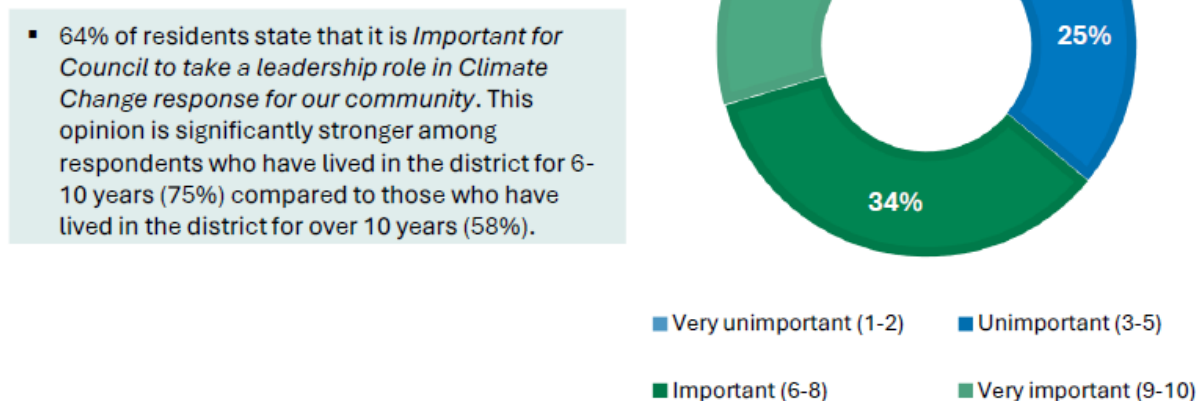
Figure 5: Assessment of climate hazard exposure by district

	Flooding (Fluvial and Pluvial)*	Coastal hazards	Extreme weather	Higher temperature	Dryness and drought	Increased fire weather	Groundwater rise and salinity stress	Landslides and soil erosion	Marine heatwaves and ocean chemistry changes	Decreased frost
Thames Coromandel	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓✓	✓✓✓	✓✓✓	✓
Hauraki	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓	✓✓✓	✓
Waikato	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓✓	✓✓	✓✓	✓	✓✓	✓
Hamilton City	✓✓	N/A	✓✓	✓✓✓	✓✓✓	✓	N/A	✓	N/A	✓
Matamata-Piako	✓✓✓	N/A	✓✓✓	✓✓✓	✓✓✓	✓✓✓	N/A	✓	N/A	✓
South Waikato	✓	N/A	✓	✓✓	✓✓	✓✓	N/A	✓	N/A	✓✓
Waipā	✓✓	N/A	✓	✓✓	✓✓	✓	N/A	✓✓	N/A	✓
Otorohanga	✓✓	✓✓	✓✓✓	✓✓	✓	✓	✓	✓✓✓	✓	✓✓
Waitomo	✓✓✓	✓✓	✓✓✓	✓	✓	✓	✓	✓✓✓	✓	✓✓
Taupō	✓✓	N/A	✓✓✓	✓	✓✓✓	✓	N/A	✓✓✓	N/A	✓✓✓
Rotorua Lakes (WRC area)	✓	N/A	✓✓	✓	✓✓	✓	N/A	✓✓	N/A	✓✓✓

*Waikato Regional Council and/or other district councils provide and manage flood protection and land drainage schemes throughout the region. Waikato Regional Council manages flood protection and land drainage in Waikato District, Hauraki District, Thames Coromandel District, Matamata-Piako District, Waipā District and Taupō District. Hauraki and Otorohanga District Councils manage their own flood protection and land drainage for parts of their districts.

Figure 6: MPDC Annual Resident's Survey 2024-2025

Climate change response



Have any incidents occurred that have stress tested the rigor of the above controls?

Extreme weather events will test Council's preparedness to respond. Processes, for example to monitor costs over time of maintenance and repairs following extreme weather events, are still to be put in place.

Trends in the Key Risk Indicators

Six key risk indicators have been identified for this risk, updates provided as below.

Adaptation

1) Progress made on Climate Change Rivermap priority actions

Update: Progress has been made across all five workstreams (Stormwater, Rubbish, Strategy, Water, Wastewater)

Stormwater workstream

The focus for stormwater is on reducing risk to our communities. We're modelling how our urban stormwater systems perform under future climate conditions, so we can understand the risks and plan for resilience. We've also increased our maintenance and water quality monitoring programmes to help reduce flooding risk and better manage what's discharged into our waterways.

Rubbish workstream

The focus is on both waste minimisation and waste separation, including keeping food waste out of landfill. We're also separating e-waste, batteries, whiteware and tyres from general

waste at the transfer stations, and degassing refrigeration. We are tracking what the government is doing next in relation to emissions from organics and construction and demolition waste (wood). We are also beginning to work internally to look at our organisational sustainability.

Strategy workstream

There are five key areas of work:

- Growing governance knowledge: Council and committee members have taken part in workshops on climate risks, insurance, emissions, and adaptation.
- Building organisational knowledge: We've completed an emissions inventory and organisational climate change risk assessment, and staff were involved in climate-related workshops.
- Developing a climate resilience strategy together with lwi to guide our response and planning.
- Growing community resilience: the focus to date has been on gathering community feedback on concerns and priorities for responding to climate risks.
- Planning in an integrated way: climate change is now treated as a top risk for our organisation, and we're working more closely with regional partners.

Water workstream

A key challenge for us going forward is the availability and quality of the water we supply to our community. Looking at water availability for the catchments in our region, we know that the Waihou catchment has sufficient capacity but the Piako catchment is under very high pressure with water use well above sustainable levels year round.

We're working on fixing leaks in the network, we've installed network water meters on Council's water pipes to understand and manage water loss within Council's network, and we're requiring grey water systems in new developments and working with the regional council to develop a regional water management plan. This work continues as we prepare to transition the management of our water assets to the new sub regional council controlled organisation, Waikato Waters Ltd.

Wastewater workstream

We're working to reduce environmental risks from wastewater. Extreme weather events bring large amounts of rainfall in a short period of time which can overwhelm the network resulting in overflows.

We have a programme of work underway to reduce stormwater entering the wastewater network and to upgrade our treatment plants to meet future demand and improve discharge quality. This work also continues as we prepare for the transition to Waikato Waters Ltd.

2) Identified gaps in data and in existing plans and strategies

Update: The Climate Risk Assessment has provided information about where risks and adaptive actions are well understood and where further work is needed. This will now be further analysed and next steps developed.

3) Rising costs for infrastructure maintenance, repair and renewal (natural hazard) Increase in Customer requests related to climate change dynamics, e.g. storm, flooding, heat

Update: Processes yet to be put in place to track these.

4) Claims against Council in relation to climate change matters such as development in areas with identified / identifiable hazards

Update: Over the last couple of years Council has received two claims related to natural hazard impacts, one relating to erosion and one relating to heavy rainfall, Council was found to not have any liability in either of these claims and they did not progress.

5) Customer perception of preparedness for climate change via Annual Resident Survey

Update: Survey result on leadership presented above. Survey on preparedness not yet in place.

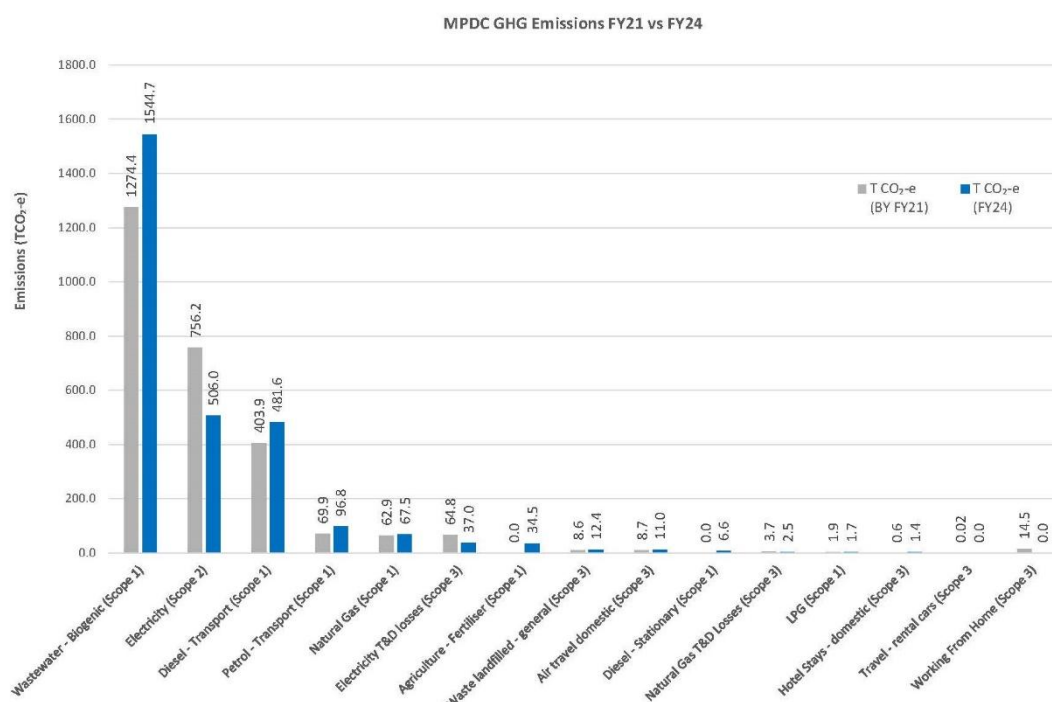
Mitigation

6) Emissions inventory showing increase in emissions

Update: There has been an increase in Council's emissions from 2021 to 2024. (see Figure 7. below)

Figure 7: MPDC Greenhouse Gas Emissions FY21 vs FY24

Figure 3: FY24 GHG Gross emissions by source (TCO₂e)



What actions are planned to further reduce the risk level?

Council is currently operating outside of assessed appetite. Appetite is considered achievable if the following adaptation mitigations are successfully introduced:

1. Climate change considerations integrated into internal decision making processes for example procurement and project management

Update: This work is part of the work programme for the Strategy workstream of the Climate Change Rivermap.

2. Implementation of planned priority actions on Climate Change Rivermap - including completion of current risk assessment work, integration of risk assessment into infrastructure planning processes and development of climate resilience strategy

Update 1: Climate Risk Assessment complete (*Summary Report attached*). Next steps to integrate the results into infrastructure planning are outlined in the report.

Update 2: Climate Resilience Strategy at well-developed draft stage. The three focus areas identified are as follows. (*Draft Strategy attached*).

1. Council resilience

Ensuring Council can continue to deliver services to our communities into the future.

- Understanding local impacts
- Building resilient assets and services
- Strengthening Council as an organisation

2. Community adaptation and preparedness

Helping communities stay safe, informed and involved in decisions that affect them.

- Keeping communities out of harm's way
- Supporting people to be prepared and make informed decisions
- Working with communities to plan for the future

3. Council and community sustainability

Reducing our impact on the environment and supporting positive action to protect and restore the natural world.

- Supporting people's connection and care for te taiao / our environment
- Reducing the community's impact
- Reducing Council's impact

3. Development of a programme of strategic work for inclusion in the next Long Term Plan, including budget for a community level climate risk assessment to prioritise areas of the district in which to carry out local level community adaptation planning

Update: A range of next steps signalled in Draft Climate Resilience Strategy

4. Critical gaps in hazard data identified and work commissioned to fill these gaps (wildfire, heat, wind), potentially in collaboration with others

Update: Signalled in Draft Climate Resilience Strategy

5. Developed approach for communication with our communities about flood risk

Update: This is currently being developed, will be further informed by the learnings from upcoming consultations, and will come into effect later in 2026

6. Ongoing programme to increase climate change knowledge of staff and elected member

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

The table below outlines Council's roles and responsibilities in managing climate risk

Legislation	Roles and responsibilities for local government
Resource Management Act 1991 and associated National Policy Statements	Section 6(h) "the management of significant risks from natural hazards" be recognised and provided for as a matter of national importance. Section 7(i) requires all persons exercising functions and powers under the RMA to have particular regard to the "effects of climate change"
Civil Defence Emergency Management Act 2002	Section 64(1) A local authority must plan and provide for civil defence emergency management within its district. Local authorities are required to establish a joint Civil Defence Emergency Management Group for their region. Their role is to identify hazards and mitigation activities, and gaps in hazard knowledge and inefficiencies in mitigation.
Local Government Act 2002	Provide a long term focus for the decisions and activities of council. Provide integrated decision making and coordination of the resources of council, managing its assets, liabilities and general finances prudently and in a manner that promotes the current and future interests of the community. Recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi. (Part 1, section 4) Establish and maintain processes to provide opportunities for Māori to contribute to the decision making processes of council, consider ways it may foster development of Māori capacity to contribute to decision making and provide relevant information to Māori for these purposes. (Part 6, section 81).
Local Government Official Information Act Amendment Act 2023	Section 44B (1) Natural hazard information to be included in land information memoranda: (a) natural hazards: (b) impacts of climate change that exacerbate natural hazards.
Climate Change Response (Zero Carbon) Amendment Act 2019	On request, councils must provide information to the Minister of Climate Change about its governance, risk identification, and management of climate change impacts.
National Adaptation Plan	Councils must have regard to the plan when changing District Plans.
National Emissions Reduction Plan	Councils must have regard to the plan when changing District Plans.
National Policy Statement on Natural Hazard Decision Making (Draft)	The proposed NPS-NHD will support local authorities in managing significant risks from natural hazards as a matter of national importance under section 6(h) of the RMA. It will add weight to the consideration of natural hazards in RMA decision making because it is a higher-order document than a local authority regional policy statement or plan. Considering the effects of climate change on natural hazards is part of determining the extent of the natural hazard and the risks associated with an event.
Auditor General	The statutory purposes of a long term plan include integrated decision making,

Legislation	Roles and responsibilities for local government
expectations for local government	taking a long term focus for the council's decisions and activities, and being accountable to communities. Climate change is an issue with long term implications, and it needs to be integrated into the council's processes, plans, and strategies.
Waikato Regional Policy Statement	District Plans should assume a climate change scenario of temperature increase of at least 2.1C by 2090

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

The Climate Change Rivermap sits within the Strategy and Engagement activity. The strategy workstream of the Rivermap is funded from reserves.

Ngā Tāpiritanga | Attachments

- A.  Risk 7: Ineffective response to climate change impacts
- B.  MPDC Climate Risk Assessment 2025 Summary Report (*Under Separate Cover*)
- C.  Draft Climate Resilience Strategy (*Under Separate Cover*)

Ngā waitohu | Signatories

Author(s)	Anne Gummer Kaitohu Kaupapahere Mātāmua Senior Policy Advisor	
Approved by	Sandra Harris Pou Kaupapahere, Rāngai Mahitahi me te Kāwana Policy, Partnerships and Governance Manager	
	Kelly Reith Group Manager, Corporate, People & Relationships	

RISK #7	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
INEFFECTIVE RESPONSE TO CLIMATE CHANGE IMPACTS	GM People, Governance & Relationships						Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
	Council's response may not be sufficient for the district to effectively adapt to the effects of climate change, or mitigate our own climate impact. This may result in a reduction in levels of service, an increase in community vulnerability, and/or financial and reputational damage.	Very High	Adaptation: • Senior Policy Advisor resource committed into this area and actively involved in regional knowledge-sharing • Climate Change Rivermap developed with clearly articulated priorities and funded strategic actions • Focus groups on Climate Change, Energy and Carbon Management • Investment in scientific hazard, loss and network modelling to ensure knowledge is up to date • Plans and strategies are aligned to consider Climate Change at a high level (LTP, Infrastructure Strategy, Climate Change Rivermap, Future Proof Strategy, Operational Resilience Water Strategy, Water Master Plan, Waste Management and Minimisation Plan) • Tonkin + Taylor engaged to develop an organisational Climate Change Risk Assessment for Council to identify key climate change risks across our assets, services and people and assess the moderating effect that adaptation can bring over various time periods • CDEM arrangements well developed in case of severe weather event • Ongoing programme to increase climate change knowledge of staff and elected members • District Plan rules changed to encourage water sustainability in new developments Mitigation: • Emissions inventory undertaken in FY24 • Food scraps separation at kerbside collection	Adaptation: Progress made on Climate Change Rivermap priority actions	Adaptation: Identified gaps in data and in existing plans and strategies	Adaptation: Rising costs for infrastructure maintenance, repair and renewal (natural hazard) Increase in CRMs related to climate change dynamics, eg storm, flooding, heat	Very High	High	Council is currently operating outside of assessed appetite. Appetite is considered achievable if the following adaptation mitigations are successfully introduced : • Climate change considerations integrated into internal decision making processes for example procurement and project management • Implementation of planned priority actions on Climate Change Rivermap - including completion of current risk assessment work, integration of risk assessment into infrastructure planning processes and development of climate resilience strategy • Development of a programme of strategic work for inclusion in the next Long Term Plan, including budget for a community level climate change risk assessment to prioritise areas of the district in which to carry out local level community adaptation planning • Critical gaps in hazard data identified and work commissioned to fill these gaps (wildfire, heat, wind), potentially in collaboration with others • Developed approach for communication with our communities about flood risk • Ongoing programme to increase climate change knowledge of staff and elected members
				Adaptation: Claims against Council in relation to climate change matters such as development in areas with identified / identifiable hazards	Adaptation: Customer perception of preparedness for climate change via Key Research survey	Mitigation: Emissions inventory showing increase in emissions	Tolerance		
							Outside of Appetite		

8 Ngā Pūrongo Whakamārama | Information Reports

8.5 Top Risks Deep Dive: Legislative non-compliance

CM No.: 3064765

Te Kaupapa | Purpose

Over the last year, Council has identified the top risks to the organisation as a whole. The Risk and Assurance Committee have requested that we undertake a deep dive into the top risks. This item explores risk #5: Legislative non-compliance, and discusses the controls in place to reduce this risk.

Rāpopotonga Matua | Executive Summary

Legislative non-compliance has been identified as one of Council's top risks. The inherent risk rating for this risk is very high and after considering the controls we have in place, the residual rating drops to high. The information in this report provides further detail on the risks, risk controls and the focus of improvement actions. The purpose of this item is to provide the committee the opportunity to understand the risk in more depth and to provide an opportunity to ask questions, or make suggestions to improve Council's response to the risk.

A full extract of the Top Risk document in relation to this risk is provided in Attachment 1.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Take/Kōrerorero | Issues/Discussion

What is the risk and are its consequences fully understood?

The risk description for this risk is:

The potential for Council to fall short of meeting its legal obligations, leading to fines, penalties, damages, personal liability, or even imprisonment. These risks arise from various sources, including misunderstandings of legislative clauses or regulations, inadequate internal controls, or failures in monitoring and enforcement.

While this risk is identified as an individual risk, it also spans a number of the other risks as well.

Potential consequences of the legislative non-compliance risk are as follows:

- Legal liability and enforcement action
- Loss of public trust and reputational damage
- Financial implications (investigations, fines, compensation)
- Loss of typical Council functions such as food national programs and building consent function

The inherent risk rating for this risk is very high, due to the potential consequences noted above.

What are the controls in place, and how do they mitigate the risk?

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)	Level of effectiveness 1 = low and 5 = High (noting this is a subjective rating and has been used to indicate the level of effectiveness of the control)
Knowledge of well qualified, professional staff	Staff are encouraged to keep up to date with legislative changes in their areas. This often can happen organically through the channels that they are apart of through their role as well and through L and D opportunities.	3
Annual compliance attestation using a spreadsheet tool developed by Legal Counsel.	Staff sign this off using their qualified knowledge, but there is always the risk that they don't know what they don't know. The sign off is at a high level and does not get down to the individual sections. We are proposing an action to investigate a system that will identify Council's legal obligations and provide a way to manage and report on compliance.	2
Specific delegations in place for various decision-making actions	This is a useful control as a preventative measure to ensure that staff are legally compliant when undertaking tasks as part of their role. Ensuring that they are delegated the necessary powers or warranted to undertake specific actions. The addition of Loco-delegations, (which we are implementing this financial year) will help ensure compliance through the six months review that is completed of the legislation by an external legal firm. This guarantees that the delegations necessary for Council to undertake their duties are identified.	3
Horizon scanning for change via Legal Counsel and via established relationships with external legal providers, professional memberships and sector knowledge forums such as Taituarā	Legal Counsel does their best to keep up to date with changes but the number of changes over such a large legislative base is challenging. Sometimes our external legal firms provide information on legislative changes occurring but that is often only for larger more significant changes.	1
Te Ohu Takatū Anamata (Future)	The Te Ohu Takatū Anamata Group is a cross organisation working group set up	3

Ready Group) reviews impact of proposed legislative changes assists with submissions, etc.	to ensure that Council has oversight on what legislations changes are on the horizon and to ensure that we have a robust framework and understanding to respond appropriately.	
Identified changes incorporated into SOPs, policies, strategies, plans and processes	Promapp allows for staff to suggest changes but this is dependent on individuals updating it at this stage.	1
Legal issues arising or already actioned reported to E Team on a bi-monthly schedule	This is more often a corrective measure to ensure that staff have acted accordingly and what lessons can be learnt. If an issue has been caught early it will also act as a preventative measure in the hopes of stopping it from becoming a bigger issue. It also ensure there is transparency and that the correct procedure is being followed (e.g. insurance notified).	4
Training and development of our staff	We are working towards every staff member having an L&D framework which identifies key learning and development that is required for the position. For some legislation such as LGOIMA and Privacy we are undertaking a Council wide initiative to ensure that our people understand their responsibilities. Managers/Team Leaders are responsible for updating their staff on legislative changes and ensuring changes to SOPs, plan, policies and processes are updated.	3
Established performance measures monitor compliance with some of our key legislative requirements	Performance measures are a clear way of recording compliance enabling the identification of corrective measures where appropriate.	5
Internal and external reporting such as NMS, consent monitoring, etc.	Like the performance measures this helps to identify where council has been non-compliant and where corrective measures are necessary.	3

What level of risk is the council prepared to take?

With these controls in place, the risk rating reduces to High. Council has an objective to:

- minimise any risks of becoming legally liable or having enforcement action taken against us; and
- maintain public trust in our reputation and ensure that we don't have any financial implications impacting the ratepayer such as investigations, fines or compensation.

However, due to the nature of Council's business and the vast number of actions taken by staff on a daily basis, it is impossible to entirely eliminate the risk as human error is unable to be removed. However, through the correct tools and training, Council are able to ensure that staff are knowledgeable of what they are required to be compliant with, and we have processes and systems in place to manage and report on this. For this reason, the realistic level of appetite is seen as low.

Management continues to strive toward continuous improvement and more information on planned activities is included in this report. Two key actions that we are initiating this year are the implementation of Locodelegations and the investigation of a legal compliance tool such as ComplyWith.

Recent changes to risk context

The increase in legislative changes happening currently under urgency, can make it difficult for staff to have time and resources to identify and implement the changes required with the necessary speed, and then to begin undertaking those tasks. Some of the legislative changes also have cost implications which haven't been budgeted for, which increases the complexity of compliance.

Staff have also experienced an increased number of customers coming to Council requesting Council to resolve matters and threatening legal action if nothing is done regardless of our legal obligations / involvement. This societal change increases the risk of Council's liability should the incorrect action be taken or advice given.

Have any incidents occurred that have stress tested the rigor of the above controls?

Yes, any claim received by Council (legitimate or not) tests the controls. This ranges from complaints through the Ombudsman, Disputes Tribunal and Court proceedings. However as noted before legal compliance spans across everything Council does and therefore only a small amount of matters have been stress tested.

Trends in the Key Risk Indicators

Four key risk indicators have been identified for this risk:

- Annual compliance attestation outcomes
- Issues identified from various compliance audits - Building Act, Waters, etc.
- Number of legal claims made against Council, adverse findings by the Ombudsman
- Negative media attention to specific breach/incident.

The Executive Team has recently began receiving bi-monthly updates of Council's ongoing legal liabilities as broken down by items that are notified to insurance, active claims accepted by insurance, Waitangi Tribunal, Disputes Tribunal, Ombudsman Complaints, Employment and Judicial Reviews. This report keeps the Executive Team up to date of critical legislative compliance matters that are ongoing. A summary of these are presented to Council through the CEO Report.

Staff are currently reviewing one of the indicators namely, negative media attention, as this is very subjective and Council is usually an easy target for media, whether it is justified or not. Therefore, we are working through whether this indicator actually represents Council's risk or there is a better indicator/s that paint our legal compliance picture.

What actions are planned to further reduce the risk level?

Council is currently operating outside of assessed appetite. Achieving appetite is challenging given the wide ambit of legislation that Council is subject to and the reliance on key staff to ensure compliance. It is however considered achievable over time if the following mitigations are successfully introduced:

- Investigation into and possible introduction of a more developed, systemised tool for comprehensively identifying key legislative requirements (including new legislative changes) and reporting on an annual attestation of whether or not they've been complied with. One possible tool which is well-utilised in NZ local government, is 'Comply With'. A tool like this would draw on a fuller and wider sector knowledge-base than what could be built in-house.
- Continued education programmes on the importance of legislative compliance. These could include, for example, education on privacy requirements and the consequences of these being breached. Another example where general staff education would be valuable is in the LGOIMA space and the requirements for openness and transparency that this drives.
- The implementation of Locodelegations, this outlines the legislation that Council has available to be delegated as part of its everyday duties. Similar to ComplyWith, it draws on a more robust and sector wide knowledge that we can draw on. Ongoing legal review of the system also provides assurance.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

Council is covered by numerous pieces of legislation, to Council staff's best ability this is captured in the legislative compliance attestation that is presented to Risk and Assurance Committee and Council yearly.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

The legal compliance function and activities are provided for within existing budgets.

Ngā Tāpiritanga | Attachments

A↓. Risk 5: Legislative non-compliance



Ngā waitohu | Signatories

Author(s)	Ellie Mackintosh Rōia Legal Counsel	
Approved by	Ally van Kuijk Hautū Tipu me te Whakamatua General Manager Growth & Regulation	

RISK #5	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators	Status of Risk		
					Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
LEGISLATIVE NON-COMPLIANCE	GM Growth & Regulation						
	The potential for Council to fall short of meeting its legal obligations, leading to fines, penalties, damages, personal liability, or even imprisonment. These risks arise from various sources, including misunderstandings of legislative clauses or regulations, inadequate internal controls, or failures in monitoring and enforcement.	Very High	- Knowledge of well qualified, professional staff - Annual compliance attestation using a spreadsheet tool developed by Legal Counsel - Specific delegations in place for various decision-making actions - Borizon scanning for change via Legal Counsel and via established relationships with external legal providers, professional memberships and sector knowledge forums such as Taituara - Te Ohu Takatū Anamata (Future Ready Group) reviews impact of proposed legislative changes assists with submissions, etc - Identified changes incorporated into SOPs, policies, strategies, plans and processes - Legal issues arising or already actioned reported to E Team on a bi-monthly schedule - Training and development of our staff - Established performance measures monitor compliance with some of our key legislative requirements - Internal and external reporting such as NMS, consent monitoring, etc	Annual compliance attestation outcomes Issues identified from various compliance audits - Building Act, Waters, etc Number of legal claims made against Council, adverse findings by the Ombudsman	High	Low	Council is currently operating outside of assessed appetite. Achieving appetite is challenging given the wide ambit of legislation that Council is subject to and the reliance on key staff to ensure compliance. It is however considered achievable over time if the following mitigations are successfully introduced: - Investigation into and possible introduction of a more developed, systemised tool for comprehensively identifying key legislative requirements (including new legislative changes) and running and reporting on an annual attestation of whether or not they've been complied with. One possible tool in that regard that is well-utilised in NZ local government is 'Comply With'. A tool like this would draw on a fuller and wider sector knowledge-base than what could be built in-house. - Continued education programmes on the importance of legislative compliance. These could include, for example, education on privacy requirements and the consequences of these being breached. Another example where general staff education would be valuable is in the LGOMA space and the requirements for openness and transparency that this drives.
				Negative media attention to specific breach/incident	Tolerance		
					Outside of Appetite		

8 Ngā Pūrongo Whakamārama | Information Reports

8.6 Top Risks Deep Dive: Inadequate financial planning

CM No.: 3064769

Te Kaupapa | Purpose

Over the last year, Council has identified the top risks to the organisation as a whole. The Risk and Assurance Committee have requested that we undertake a deep dive into the top risks. This item explores risk #8: *Inadequate financial planning*, and discusses the controls in place to reduce this risk.

Rāpopotonga Matua | Executive Summary

Inadequate financial planning has been identified as one of Council's top risks. The inherent risk rating for this risk is very high and after considering the controls we have in place, the residual rating drops to high. The information in this report provides further detail on the risks, risk controls and the focus of improvement actions. The purpose of this item is to provide the committee the opportunity to understand the risk in more depth and give them the opportunity to ask questions, or make suggestions to improve Council's response to the risk.

A full extract of the Top Risk document in relation to this risk is provided in Attachment 1.

Tūtohunga | Recommendation

That:

1. The information be received

Ngā Take/Kōrerorero | Issues/Discussion

What is the risk and are its consequences fully understood?

The risk description for this risk is:

Failing to manage revenues, expenses, assets, liabilities, and investments prudently can jeopardize the Council's financial stability and compromise its ability to serve both current and future needs. It can also adversely impact the predictability of the rates, and fees and charges that ratepayers are required to pay, and the affordability of those charges. Effective financial stewardship is essential for long-term sustainability.

Potential consequences of the inadequate financial planning risk are as follows:

Reduced Financial Sustainability

- Long-term inability to meet operational and capital commitments.
- Depletion of reserves, leading to insufficient funds for unforeseen events (eg natural disasters) or economic shocks.

Increased Rates, Fees, and Charges

- Unpredictable or sharp increases in rates and user fees to cover budget shortfalls.
- Reduced affordability for residents, potentially increasing financial hardship and community dissatisfaction.

Service Delivery Disruptions or Decline

- Reduced service levels due to cost-cutting or budget constraints.
- Inability to maintain core infrastructure, facilities, or community services.

Inability to Fund Strategic or Growth Initiatives

- Stalled or cancelled projects that support community wellbeing, growth, and development.
- Missed opportunities to leverage central government or private sector funding.

Non-compliance with Legislative and Regulatory Requirements

- Breaches of statutory obligations under the Local Government Act 2002 (e.g. balanced budget requirement, long-term plan).
- Increased risk of audit findings and regulatory scrutiny.

Impact on ability to borrow

- Inability to meet/maintain borrowing covenants, resulting in difficulty obtaining funding and/or at higher borrowing costs.
- Reduced investor and stakeholder confidence in Council's financial governance.

Reduced Community Trust and Confidence

- Erosion of public trust in Council's ability to manage public funds responsibly.
- Increased public and media scrutiny, reputational damage, and potential political fallout.

Operational Inefficiencies

- Poor alignment of funding with service delivery needs, leading to inefficiencies or duplication.
- Resource constraints hindering staff capability and performance.

Asset Deterioration and Deferred Maintenance

- Inability to fund asset renewals or timely maintenance, leading to higher lifecycle costs or asset failures.
- Safety and regulatory risks arising from ageing or poorly maintained infrastructure.

Loss of Strategic Agility

- Inflexibility to respond to emerging challenges (e.g. climate adaptation, housing demand, or demographic shifts).
- Delayed decision-making due to financial uncertainty.

The initial risk rating for this risk is very high.

What are the controls in place, and how do they mitigate the risk?

Control	Why is this control in place and how does it mitigate the risk (preventative or corrective)	Level of effectiveness (noting this is a subjective rating and has been used to indicate the level of effectiveness of the control in managing the risk)
Plans, Strategies and Policies in place include LTP, Annual Plan, Financial Strategy, Infrastructure strategy, Revenue and Financing Policy, Liability Management and	Preventative - these provide a structured and forward-looking framework for financial decision-making. They help align spending with priorities, ensure financial sustainability, and guide prudent investment and borrowing	Effective (80%)

Investment Policies to guide decision making, Investment and Borrowing		
Monthly financial reporting, including treasury policy metrics, for management overview and presentation to Council	Corrective - timely identification of variances supports early intervention and ensures financial performance remains on track. Enables ongoing monitoring of financial performance against plans.	Partially effective (70%)
Finance team with assigned responsibilities, established relationships with debt collection agency, LGFA, credit facilities in place	Preventative - clear accountability and access to credit facilities reduce the risk of uncoordinated or reactive financial responses. Debt collection helps recover funds efficiently.	Partially effective (70%)
External audit of Annual Report and LTP	Corrective - provides independent assurance that financial planning and reporting are accurate, transparent, and in line with legal and accounting standards. Highlights areas for improvement.	Effective (80%)
Risk and Assurance Committee overview of financial policies, audit recommendations and implementation, etc.	Preventative - offers governance-level scrutiny of financial management, ensuring policies are robust, recommendations are actioned, and risks are actively managed.	Effective (80%)
Triaging and appropriate reporting of any potential and actual legal claims against Council to ensure councils liability is limited and insured position is maximised	Corrective - ensures financial exposure from legal claims is identified early, managed, and that insurance coverage can be applied. Helps protect Council's financial position.	Effective (80%)
Established insurance broker, conducts annual review of insurances on renewal	Preventative - ensures adequate financial protection against unexpected events. Annual reviews ensure coverage remains appropriate as circumstances change.	Effective (80%)
Independent, external Treasury advisory expertise engaged	Preventative - brings specialised knowledge to support sound financial decisions, particularly in borrowing, investment, and managing treasury risk.	Effective (80%)
Asset data and asset management plans continually being improved	Preventative - enhances the accuracy of long-term financial forecasting and capital planning, ensuring future costs are understood and planned for.	Partially effective (70%)

What level of risk is the council prepared to take?

With these controls in place the current risk rating reduces to high.

While this rating reflects the complexity and long-term nature of financial planning in the local government environment, this rating is outside of appetite (moderate).

This risk is closely linked to Council's ability to meet its responsibilities as a steward of public resources, and to provide essential services and infrastructure in a financially sustainable manner. Reducing the level of risk, even gradually, will benefit Council in several ways:

Strengthening Financial Sustainability

Moving toward a lower risk level will support more sustainable financial decision-making, helping to manage funding pressures over the long term and maintain flexibility in a changing economic environment.

Supporting Affordability and Predictability

Improved financial planning helps avoid unexpected or sharp increases in rates and charges, making it easier for the community to plan and budget, and supporting equitable access to services.

Enabling Long-Term Planning and Delivery

Reducing this risk enhances Council's ability to deliver on the priorities in the Long-Term Plan, including key infrastructure, renewal, and community projects, by ensuring the necessary funding is available and well-managed.

Maintaining Community and Stakeholder Confidence

A clear commitment to ongoing improvement in financial management strengthens public trust in Council's decision-making and demonstrates responsible governance to both the community and central government.

Building Organisational Resilience

While some financial risks are difficult to eliminate entirely, especially in a dynamic economic and regulatory environment, taking steps to reduce this risk supports greater organisational agility and preparedness for future challenges.

More information on planned activities to reduce the residual rating to moderate are included in this report.

Recent changes to risk context

Current cost of living challenges for our community make affordability and Council's efficient use of ratepayers funds even more imperative.

From 1 October 2026, Council will transfer water and wastewater operations to a new CCO entity – Waikato Waters Limited. While this move is expected to bring long-term financial benefits and improved delivery of service for our Community, it will also create some immediate financial challenges in terms of accommodating stranded overheads, and potentially some impact on business as usual operations as time is required from staff to support the transition phase. We are progressing work to develop a better understanding of the post-transition resourcing needs across Council, which will help to determine stranded overheads. Funding implications will be considered in the development of the 2026/27 Annual Plan. To help address the impact on business as usual, a resource has been bought in to help coordinate the transition process.

While there are a number of key legislative changes underway affecting Local Government, the most significant in terms of financial planning is the Local Government (System Improvements) Amendment Bill. This bill proposes amendments to the Local Government Act 2002 to address public concern about rising council rates by refocusing local government on core services, improving fiscal discipline, and strengthening council accountability and performance measurement. Rates capping is also under consideration with this bill, which could have a significant impact on what Council can deliver and how it will deliver services and fund them in the future. Staff are maintaining a watching brief on the progress and potential impact of this legislation.

Have any incidents occurred that have stress tested the rigor of the above controls?

In developing the draft budget for the 2025/26 year, initial projections indicated an increased rate requirement of 7.65%. This increase was deemed unacceptable given the 5.8% increase set out

in the LTP and Financial Strategy, so further detailed scrutiny of spending priorities and funding options was applied to ensure the limit was not exceeded, while still meeting agreed levels of service.

Audit recommendations around the capitalisation of work in progress over recent years have driven an improved focus on these processes and more timely capitalisation of projects in 2024/25.

Trends in the Key Risk Indicators

Five Key risk indicators have been identified for this risk:

- Monthly financial reporting indicates:
 - Likelihood of non-achievement of budget through either diminishment of revenue or cost increase
 - Negative changes in debt metrics, including covenant provisions, or policy compliance
- Trends in resource and building consent levels / development contribution collection levels. Achievement of key LTP or Annual Plan assumptions – this is a new key risk indicator and we will start reporting on this in the next quarter
- Level of CAPEX delivery vs budget - this is a new key risk indicator and we will start reporting on this in the next quarter
- Rates collection percentages – this will be reported in the first quarterly financial report.
- Significant unfavourable changes identified in December and March financial reforecasts – this indicator will be reviewed in January and February following the financial reforecasts

What actions are planned to further reduce the risk level?

Council is currently operating outside of assessed appetite.

Appetite is considered achievable if the following mitigations are successfully introduced:

- Approval of Water Services Delivery Plan (WSDP) by the Minister of Local Government with Water and Wastewater ownership and management transferred to a new Waikato Waters entity
- Introduction of regular monitoring of key LTP and Annual Plan assumptions and key financial metrics
- Active monitoring of Capital Delivery Programme
- Regular scan of wider economic and demographic insights data relevant to the district (via sources such as Community Compass, Infometrics)
- Strategic review of insurance arrangements

Ngā Tāpiritanga | Attachments

A↓. Risk 8: Inadequate financial planning



Ngā waitohu | Signatories

Author(s)	Larnia Rushbrooke Pou Pūtea, Ratonga Pakihi Finance & Business Services Manager	
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Approved by	Larnia Rushbrooke Pou Pūtea, Ratonga Pakihi Finance & Business Services Manager	
	Kelly Reith Hautū Tāngata, Kāwana me ngā Hononga Group Manager People, Governance & Relationships	
	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	

RISK #8	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators	Status of Risk		
					Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position?
INADEQUATE FINANCIAL PLANNING	GM People, Governance & Relationships						
	Failing to manage revenues, expenses, assets, liabilities, and investments prudently can jeopardize the Council's financial stability and compromise its ability to serve both current and future needs. It can also adversely impact the predictability of the rates, and fees and charges that ratepayers are required to pay, and the affordability of those charges. Effective financial stewardship is essential for long-term sustainability.	Very High	- Plans, Strategies and Policies in place include LTP, Annual Plan, Financial Strategy, Infrastructure strategy, Revenue and Financing Policy to guide decision making, Investment and Borrowing - Monthly financial reporting, including treasury policy metrics, for management overview and presentation to Council - Finance team with assigned responsibilities, established relationships with debt collection agency, LGFA, credit facilities in place - External audit of Annual Report and LTP - Risk and Assurance Committee overview of financial policies, audit recommendations and implementation, etc - Triaging and appropriate reporting of any potential and actual legal claims against Council to ensure councils liability is limited and insured position is maximised - Established insurance broker, conducts annual review of insurances on renewal - Independent, external Treasury advisory expertise engaged - Asset data and asset management plans continually being improved	Monthly financial reporting indicates: - Likelihood of non-achievement of budget through either diminishment of revenue or cost increase - Negative changes in debt metrics, including covenant provisions, or policy compliance Rates collection percentages Significant unfavourable changes identified in December and March financial reforecasts	High	Moderate	Council is currently operating outside of assessed appetite. Appetite is considered achievable if the following mitigations are successfully introduced : - Approval of Water Services Delivery Plan (WSDP) by the Minister of Local Government with Water and Wastewater ownership and management transferred to a new Waikato Waters entity - Introduction of regular monitoring of key LTP and Annual Plan assumptions and key financial metrics - Active monitoring of Capital Delivery Programme - Regular scan of wider economic and demographic insights data relevant to the district (via sources such as Community Compass, Infometrics) - Strategic review of insurance arrangements Tolerance Outside of Appetite

8 Ngā Pūrongo Whakamārama | Information Reports

8.7 Top Risks Deep Dive: Failure to respond appropriately to political change

CM No.: 3071747

Te Kaupapa | Purpose

Over the last year, Council has identified the top risks to the organisation as a whole. The Risk and Assurance Committee have requested that we undertake a deep dive into the top risks. This item explores *Risk #9: Failure to respond appropriately to political change*, and discusses the controls in place to reduce this risk.

Rāpopotonga Matua | Executive Summary

Failure to respond appropriately to political change has been identified as one of the Council's top risks.

The inherent risk rating for this risk is Very High, and after considering the controls in place, the residual rating drops to High.

This report provides further detail on the risks, risk controls, and the focus of improvement actions. The purpose of this item is to give the committee an opportunity to understand the risk more deeply and to ask questions or suggest ways to strengthen the Council's response to it.

A full extract of the Top Risk document in relation to this risk is provided in Attachment 1.

Tūtohunga | Recommendation

That:

1. The information be received

Ngā Take/Kōrerorero | Issues/Discussion

What is the risk and are its consequences fully understood?

The risk description for this risk is:

Failure to anticipate or correctly identify and respond to/accommodate political changes in central government creating misalignment and lack of integration between central government agenda and legislative reforms, and council strategic plans and objectives. There is also potential adverse economic and social impact on the community.

Potential consequences of the Failure to respond appropriately to political change risk are as follows:

Strategic and Service Delivery Impact - *inability to meet strategic goals, impacts on level of service, and community outcomes not supported*

We could struggle to achieve our strategic objectives and maintain the service standards our community expects when political changes redirect priorities or funding. Our long-term planning may become ineffective, community projects could be cancelled or delayed, and service quality

might decline as we're forced to redirect resources to meet conflicting government requirements rather than addressing genuine community needs.

Financial and Compliance Impact - *significant financial impacts on Council, legislative non-compliance*

Political misalignment could create substantial financial pressure through stranded investments in projects that no longer align with government priorities, as well as increased costs to meet new regulatory requirements. We may also face legal exposure when unexpected policy changes make it challenging for us to maintain full compliance with our statutory obligations.

Community and Resident Impact - *adverse economic and social impacts on the community, customer/resident dissatisfaction*

Our residents may experience frustration with inconsistent service delivery and cancelled projects. The district economy could be impacted by changes in government policy that affect Council or Business investments. There could also be flow-on social challenges that impact on local communities and/or Council.

Organisational Impact - *staff uncertainty*

Policy changes could create uncertainty among our people about their roles and our strategic direction. This might undermine our ability to attract and retain the skilled professionals we need, while our existing staff could struggle to maintain performance standards amid constantly shifting organisational priorities.

Inherent Risk Rating

The inherent risk rating is Very High because Council operates within a legislative framework that the central government can fundamentally change at any time. Our functions, powers, and statutory obligations are set out in legislation, meaning Parliament can remove, modify, or add to these requirements without our input.

We must follow legally mandated processes to prepare and implement our core planning documents—the Long Term Plan, District Plan, and Annual Plan—along with numerous other statutory requirements. When government policy or legislative changes happen quickly or without sufficient consultation, we could face significant challenges in

- Amending our plans to keep pace with the policy\legislative changes
- Maintaining compliance while continuing to deliver the services our community expects.

The Very High rating indicates that political change is largely outside our control, yet the consequences can be substantial.

What are the controls in place, and how do they mitigate the risk?

Risk Control	Strategic & Service Delivery Impact	Financial & Compliance Impact	Community and Resident Impact	Organisational Impact	Effectiveness
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Active horizon scanning through external legal and technical advisors and professional memberships (LGNZ, Taituara, CEs forum, Zone 2, Rural Provincial)	Creates multiple channels to identify policy shifts early, enabling assessment of potential impacts and options to respond. Provides ability for collective responses to political changes		Provides access to sector-wide expertise and shared learning	Partially effective
Te Ohu Takatū Anamata (Future Ready Group) reviews impact of proposed legislative changes and assists with submissions -	Provides dedicated forum to assess proposed legislative changes and consider submissions and options to respond.	Provides opportunity for proactive communication about potential changes rather than reactive damage control	Build capability to understand and prepare for policy changes, reducing staff uncertainty	Effective
Active participation in FutureProof forums and working groups alongside Waikato Regional Council, Hamilton City, Waikato and Waipa District Councils	Ensures Council's strategic plans align with regional infrastructure and growth planning where necessary. This should provide greater justification and support for Council's strategic direction.		Provides access to additional expertise for staff to understand the impact of potential changes or provide an additional channel to influence the Government	Partially effective

Political climate monitoring	Provides early warning of policy direction changes, allowing strategic pivot before formal announcements				Not effective
Engagement with Iwi Groups and Te Manawhenua Mo Matamata-Piako forum	Provides an opportunity to understand and take account of Manawhenua perspectives		Maintains strong relationships with Manawhenua		Partially effective
Full involvement in Waikato Waters Done Well and other regional working groups to optimize regional collegial support, lesson learning and efficiencies		Spreads compliance costs across multiple councils, provides collective bargaining power		Provides access to sector-wide expertise and shared learning.	

With these controls in place, the risk rating reduces to High.

The controls can be grouped into two general approaches:

- Detect changes early
- Collaborative approaches and strategic partnerships to understand changes and develop appropriate responses

As noted in the discussion on the Inherent risk, political policy changes are largely out of the control of Council.

The target risk level is moderate, which was considered achievable by:

- Complying with the legislative requirements regarding water service delivery plans
- Active transition planning for the change in the delivery of waters services (October 2026) and the residual flow on impacts to the organisation.

The Secretary of Local Government has approved Council's water service delivery plan. The transition planning for the delivery of waters services is underway.

Recent changes to the risk context

The table in attachment B lists various Government Policy announcements made over 2024 and 2025, and the status of these changes.

The tables show that the Government has predicted legislative changes that have happened and are happening. The challenges and risks come from the uncertainty between the policy announcement and the introduction of the legislation, i.e. the detail.

In conclusion, while the risk context has not changed in terms of the Government's reform intentions:

- The cumulative effect of concurrent changes across all our functions presents new challenges in maintaining operational effectiveness while adapting to multiple legislative requirements.
- The wide-ranging nature of these changes indicates we should get ready for possible structural reforms to the sector itself.

Have any incidents occurred that have stress tested the rigor of the above controls?

While some surprises have arisen from the policy changes when actual legislation has been implemented, there has been no significant impact on the Council's strategic direction.

The most significant matter has been the need to halt work on two plan changes.

Trends in the Key Risk Indicators

Four key risk indicators have been identified for this risk:

- Te Ohu Takatū Anamata (Future Ready Group) actively operating
- Active participation in regional and national working groups
- Continued watching brief on central government opinion polls and any changes in focus of political parties
- Analysis of submissions on Waikato Waters Done Well consultation

The risk controls have generally been effective in enabling the Council to understand the general implications of policy changes.

We have not made any progress in reviewing central government opinion polls. This may be more relevant as we get closer to the national elections.

What actions are planned to further reduce the risk level?

As noted earlier, we are making progress to achieve the desired risk appetite.

Our existing controls have assisted us in understanding policy directions and implications.

Moving forward, we are creating a framework to evaluate the cumulative impact of proposed legislative changes on the organisation and Council strategies.

Ngā Tāpiritanga | Attachments

A↓. Risk 9: Failure to respond appropriately to political change



B↓. Top Risk 9 – Risk Context for political change



Ngā waitohu | Signatories

Author(s)	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	
Approved by	Manaia Te Wiata Tumu Whakarae Chief Executive Officer	

RISK #9	Risk Owner and Risk Description	Inherent Risk Rating	What are we already doing?	Key Risk Indicators			Status of Risk		
FAILURE TO RESPOND APPROPRIATELY TO POLITICAL CHANGE	Chief Executive						Residual Risk Rating	Risk Appetite	What can we do to reach appetite / strengthen our position
	Failure to anticipate or correctly identify and respond to/accommodate political changes in central government creating misalignment and lack of integration between central government agenda and legislative reforms, and council strategic plans and objectives. There is also potential adverse economic and social impact on the community.	Very High	• Active horizon scanning through external legal and technical advisors and professional memberships - LGNZ, Taituara, CEs forum, Zone 2, Rural Provincial • Te Ohu Takatū Anamata (Future Ready Group) reviews impact of proposed legislative changes assists with submissions, etc • Council is an active participant in the various FutureProof forums and working groups alongside Waikato Regional Council, Hamilton City and Waikato and Waipa District Councils • Some monitoring of political climate • Engagement with Iwi Groups and Te Manawhenua Mo Matamata-Piako forum • Full involvement in Waikato Waters Done Well and other regional working groups to optimise wider regional collegial support, lesson learning and efficiencies in approach • Consultation is underway on Waikato Waters Done Well	Te Ohu Takatū Anamata (Future Ready Group) actively operating	Active participation in regional and national working groups	Continued watching brief on central government opinion polls and any changes in focus of political parties	High	Moderate	Council is currently operating outside of assessed appetite. Appetite is considered achievable if the following mitigations are successfully introduced : •Submission of Water Services Delivery Plan to Minister by September 2025 in line with legislative requirement •Active transition planning in response to Waters, what do we want MPDC to look like post-waters transition
				Analysis of submissions on Waikato Waters Done Well consultation			Tolerance		
							Outside of Appetite		

TOP RISK 9 – RISK CONTEXT FOR POLITICAL CHANGE

Policy Area	2024 Announcement	2025 Implementation Status	Unexpected Details/Impacts	Status
Māori Ward Referendums	April 2024: Government announced councils with Māori wards established without polls must hold referendums at 2025 elections	July 2024: Local Government (Electoral Legislation and Māori Wards) Amendment Act passed. MPDC voted August 2024 to retain ward subject to poll	Short 6-month timeline between announcement and required council decisions created pressure	Implemented
Water Services Reform	August 2024: Government outlined Local Water Done Well framework with council-led delivery models	September 2024: Local Government (Water Services Preliminary Arrangements) Act passed. Water Services Delivery Plans due September 2025	The time all the legislation took to be passed. As a result certain assumptions were made creating a risk of non-compliance. The delays also created uncertainties for staff.	Implemented
Four Wellbeings Removal	December 2024: Government announced removal of "four wellbeings" from Local Government Act purpose	July 2025: Local Government (System Improvements) Amendment Bill introduced to Parliament	Bill includes additional financial performance measures and transparency requirements not in original announcement	In Progress
Rates Capping	2024: Prime Minister mentioned at LGNZ conference, political pressure building	2025: Minister stated proposal to go to Cabinet by Christmas 2025, investigating Australian model	Government proceeding despite S&P downgrading 18 councils and sector opposition	Policy Development
RMA Reform Programme	September 2024: Minister Bishop announced comprehensive three-phase RMA reform with Phase 2 including four packages of reforms through Second Amendment Bill	2025: Phase 2 progressing - consultation on four packages of National Direction changes occurred May-August 2025. Second Amendment Bill expected by end 2025	Extensive scope - seven new national direction instruments, amendments to 14 existing ones. Complex consultation timeframes with multiple overlapping processes	In Progress
RMA District Plan Freeze	No advance warning - separate from announced reform programme	July 2025: Bishop announced immediate halt to district and regional plan reviews at LGNZ conference	Plan Change 61 and 49 halted.	Surprise Implementation

Item 8.7

Attachment B

TOP RISK 9 – RISK CONTEXT FOR POLITICAL CHANGE

Performance Benchmarking	August 2024: General "back to basics" messaging	2025: DIA establishing benchmarking system for public comparison of council performance	Scope and detail of performance metrics created frustration for many Council that there was no provision for "context" to be provided to explain metrics.	Implemented and developing
Development Contributions	2024: Government signalled review of development contributions regime	2025: Announced replacement with new development levies system	Timing and transition arrangements still unclear, affecting current infrastructure funding	Policy Development
Building Consent Processing Reform	September 2024: Minister announced investigation of major building consent system reform to address inconsistencies across 67 BCAs. May 2024: Announced minor variations regulations	August 2025: Major announcement of "biggest changes since 2004" - shifting to proportionate liability system, mandatory insurance for builders, new BCA structure. September 2024: Minor variations regulations implemented	No major surprises	Major Announcement Made

8 Ngā Pūrongo Whakamārama | Information Reports

8.8 Building Consent Authority - 2025 Routine Reassessment

CM No.: 3086142

Te Kaupapa | Purpose

To inform the Risk and Assurance Committee of the Building Consent Authority's current performance in meeting Accreditation requirements.

Rāpopotonga Matua | Executive Summary

The Building Consent Authority (BCA) Accreditation Scheme sets out the minimum policies, procedures and systems that a building consent authority must have, and consistently and effectively implement, to perform its building control functions.

International Accreditation New Zealand (IANZ) has been appointed by the Ministry of Business, Innovation and Employment (MBIE) to assess all BCA's, to ensure compliance with the Building (Accreditation of Building Consent Authorities) Regulations 2006.

IANZ undertook an on-site reassessment of council's BCA on 25-28 March 2025, a copy of their report is attached.

Tūtohunga | Recommendation

That:

1. The report be received.

Horopaki | Background

The Building Act 2004 (the Act) requires that a territorial authority must act as a BCA for its district and gain both accreditation and registration to carry out building control functions (i.e. processing applications, inspections, and certifying). The Act requires the Chief Executive of MBIE to specify the minimum frequency of accreditation assessments in the New Zealand Gazette. The Act requires that some form of accreditation assessment must be undertaken at least once every three years. The Gazette notice however, narrows this timeframe to two years.

International Accreditation New Zealand (IANZ) was appointed by the Ministry of Business, Innovation and Employment (MBIE) to assess all BCA's.

Failure to meet the requirements of an assessment may lead to a BCA having their accreditation revoked and unable to carry out building control functions in their district.

The objectives of the BCA accreditation scheme are that:

1. all building consents authorities have:

- appropriate, documented and implemented policies, procedures and systems
- appropriate, documented and implemented effective quality assurance systems
- sufficient skills and resources to undertake their statutory functions
- employees and contractors with appropriate building control competencies and qualifications.

2. it supports:

- territorial and regional authorities to transfer their consenting functions where they wish
- building consent authorities to enter into outsourcing arrangements with other building consent authorities
- building consent authorities to align nationally, across a region or a policy, procedure or system.

Ngā Take/Kōrerorero | Issues/Discussion

Assessment

The full on-site assessment by IANZ included a team of experts auditing: the BCA's quality assurance system, policies and procedures; a number of completed building consents, code compliance certificates, compliance schedules, 'in the field' building inspections; and various other functions.

A formal report was then produced determining compliance or otherwise with the Building (Accreditation of Building Consent Authorities) Regulations 2006 and advising the BCA of any non-compliances and/or recommendations that are required to be met. The full assessment report is attached.

The Lead assessor noted in the report that the BCA *"had made many improvements to their systems and implementation. Although a small number of non-compliances were identified during the assessment, many of these were able to be resolved during the assessment or the BCA was actively working to address the identified issues"*.

Findings

The BCA received 7 general non-compliances and 16 recommendations.

Non-Compliance definitions

- Serious non-compliance – is where one or more of the minimum policies, procedures and systems required by the Regulations is absent or not appropriate for purpose. Serious non-compliance may also include where a BCA has failed completely to implement one or more of the required policies, procedures or systems. Or it may be a failure to consistently and effectively implement a policy, procedure or system (or part thereof) required by the regulations over two or more assessment cycles (as was the case for the two serious non-compliances received).

- General non-compliance - is where a BCA has failed to consistently and effectively implement a policy, procedure or system (or part thereof) required by the regulations.
- Recommendation - is where the future potential for non-compliance with the policies, procedures and systems required by the Regulations is identified. No current action is required for the BCA's accreditation to continue.
- Advisory note - is where there is the potential to improve the required policies, procedures and systems or their implementation. No current action is required for the BCA's accreditation to continue.

Action Required

The BCA provided an action plan to IANZ, which was accepted on 14/04/2025. The action plan detailed how the BCA would address the identified non-compliances. The action plan was then implemented and all non-compliances cleared by 19/06/2025.

Mōrearea | Risk

Risk

The BCA's risk, both to the Territorial Authority, as a BCA and as an organisation accredited by IANZ was assessed. The BCA was considered to pose a Low Risk. The Risk Decision was made for the following reasons:

- The BCA only had a small number of findings raised during the assessment, with many of these being small issues resolved during the assessment period.
- The BCA demonstrated a strong commitment to continuous improvement and ensuring that good records were maintained of any changes made.
- The BCA had made good progress regarding addressing their issues with Compliance Schedules which had been the subject of repeat non-compliances over the last few assessments. Although a few issues remained, these were now seen to meet a much higher standard.

Next Accreditation Assessment

The BCA's next Routine Reassessment is planned for March 2027.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

Policy Considerations

1. To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Te Tākoha ki ngā Hua mō te Hapori me te here ki te whakakitenga o te Kaunihera | Contribution to Community Outcomes

Matamata Piako District Council's Community Outcomes are set out below:

MATAMATA-PIAKO TŌ MĀTOU WĀHI NOHO OUR PLACE	MATAMATA-PIAKO DISTRICT COUNCIL TE ARA RAUTAKI STRATEGIC DIRECTION
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TŌ MĀTOU WHAKAKITENGA OUR VISION			
Matamata-Piako District is vibrant, passionate, progressive, where opportunity abounds. 'The heart of our community is our people, and the people are the heart of our community.'			
TŌ MĀTOU WHĀINGA MATUA OUR PRIORITIES (COMMUNITY OUTCOMES)			
			
He wāhi kaingākau ki te manawa A place with people at its heart	He wāhi puawaitanga A place to thrive	He wāhi e poipoi ai tō tātou taiao A place that embraces our environment	He wāhi whakapapa, he wāhi hangahanga A place to belong and create

All of the above community outcomes are relevant to this report are as follows.

Ngā Tāpiritanga | Attachments

- A.  100360 Matamata-Piako Report with all GNCs cleared) (ID 901788) (Under Separate Cover)

Ngā waitohu | Signatories

Author(s)	Sarah Jones Āpiha Whakahaere Whakamatua me te Kouniga o ngā Hanganga Building Control Administration & Quality	
Approved by	Daniel Kruger Pou Whakamatua Hanganga Building Control Manager	
	Ally van Kuijk Hautū Tipu me te Whakamatua General Manager Growth & Regulation	

8 Ngā Pūrongo Whakamārama | Information Reports

8.9 Annual Report and Summary 2024/25

CM No.: 3086562

Te Kaupapa | Purpose

To present the Annual Report and Summary 2024/25 for information and for the Committee to provide feedback if desired.

Rāpopotonga Matua | Executive Summary

Council is required to prepare and adopt an Annual Report and Summary every year under the Local Government Act 2002 (LGA).

The Annual Report and Summary provided to the Committee (circulated separately) is a draft and is current at the time of writing this report as the Audit process is ongoing.

The final Annual Report and Summary is currently scheduled for adoption by Council on 8 October 2025. Audit New Zealand will provide a verbal update at the meeting.

Tūtohunga | Recommendation

That:

1. The information, including the Annual Report and Summary for 2024/25 is received.
2. Any feedback from the Committee is provided (*feedback to be specified*).

Horopaki | Background

Council is required to produce an Annual Report and Summary by 31 October each year. Due to the local elections on 11 October 2025, staff have worked closely with the audit team to prepare and complete the Annual Report and Summary prior to the elections and allow the current Council to adopt its Annual Report.

An updated audit milestone letter is attached for information, this is an updated timeline from the audit engagement letter provided to the Committee at the previous meeting.

Ngā Take/Kōrerorero | Issues/Discussion

Financial performance:

Update to be provided at the meeting.

Non-financial performance:

At the time of writing this report 45 of the 56 performance measures set in the Long Term Plan 2024-34 were achieved (80%). One was not measured as it is a measured triennially and is set to be measured in 2025/26.

This is an overall improvement from the previous year, where 38 of 65 measures (58%) of our measures were achieved.

The increase in overall achievement is due to several factors, including the change in the Annual Customer Survey scale. The full survey results can be accessed here for information
<https://www.mpdcc.govt.nz/reports/annual-customer-survey-results>.

Mōrearea | Risk

Due to the local elections this year, staff have worked with Audit to develop an early adoption timeline. There is a moderate to high risk that the adoption date could be delayed until after the election. This would mean the incoming Council would adopt the Annual Report of the previous Council. Staff will work through these arrangements with Audit if necessary.

Timeframes

Key Task	Dates
Pre-final audit	16 June - 27 June 2025
Final audit	From 1 September 2025
Draft financial and non-financial information provided to Audit	29 August 2025
Audit send feedback to staff on draft information	15 September 2025
Full draft Annual Report and Summary to Audit	19 September 2025
Audit send feedback to staff on draft report and summary	29 September 2025
Verbal Audit clearance	3 October 2025
Council meeting adoption	8 October 2025

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

The Annual Report cost is provided for within the Strategies and Plans activity budgets. The Annual Report and audit are funded from general rates.

Ngā Tāpiritanga | Attachments

 Signed audit milestone letter annual report 2025



Ngā waitohu | Signatories

Author(s)	Olivia Picard Kaitohu Kaupapahere Policy Advisor	
Approved by	Niall Baker	

	Kaiārahi Tima Kaupapahere Policy Team Leader	
	Sandra Harris Pou Kaupapahere, Rāngai Mahitahi me te Kāwana Policy, Partnerships and Governance Manager	
	Kelly Reith Group Manager, Corporate, People & Relationships	



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Level 14, Shortland & Fort
88 Shortland Street, Auckland 1010
PO Box 1165, Auckland 1140

25 June 2025

Kei te whakaihu waka, tēnā koe

Subject: Urgent - supporting timely 25J adoption

Thank you for your ongoing engagement with me and for the work already underway to progress the completion and adoption of your 2025 annual report.

I understand your council has chosen to adopt their annual report by 8 October 2025, and that this has been discussed with both council management and elected officials.

Based on the information in your project plan and the progress you have made to date, I have concerns about your council's ability to meet this timeline. While Audit New Zealand has allocated the necessary resources to allow us to complete the audit within your timeframe and as efficiently as possible, key actions must be monitored and completed as planned to avoid any delays.

To support your plan, we have summarised the key items and their timing in the attached PDF to support your plan. I encourage you to review this carefully and, where relevant, to reflect these items in your plan.

As you know, I am working with several other councils across the sector to audit their 2025 Annual Reports. Delays in reviewing or providing good-quality information may affect our ability to meet your timeline. I am committed to working with you to meet the planned timeline, but not at our people's or other clients' expense.

Please keep in touch and let me know as soon as possible if your timelines or plans change.

Nāku iti nei, nā

René van Zyl
Appointed Auditor

**Agreement to be signed**

We acknowledge that the updated key dates of the audit set out herein form part of the Audit Plan dated 31 March 2025 and are in keeping with our understanding of the arrangements for the audit.

Signed

Date

Name
Title


MANAVA TE MATI
CEO

1/7/2025



Schedule of important dates in the audit process

#	Description	Information required from Council	Date due
Pre-final visit (16 June to 27 June)			
1	Trial Balance - financials	Trial Balance as at 31 May 2025	Monday 16 June 2025
2	Property, plant and equipment (PPE) (revaluation)	Key information supporting the valuation, such as: - Unit rates analysis against recent construction contracts or vested assets data. Please provide us the analysis and the supporting contracts/data used. - Process documentation for in-house processes associated with the revaluations.	Monday 16 June 2025
3	PPE - Fair value assessment	Council's formal fair value assessment for buildings	Monday 16 June 2025
4	Expenditure	- Expenditure listings. - We will select our sample for testing and will request for supporting invoices and evidence of approval.	Monday 16 June 2025
5	Sensitive expenditure	- Credit card statements. - Listing of expenses incurred by the Mayor, Councillors and Chief Executive from 1 July 2024 to 31 May 2025. - We will select our sample for testing and will request for supporting documentation and evidence of approval.	Monday 16 June 2025
6	KMP	- KMP remuneration paid as per the payroll system. - Chief Executive's employment contract. - KMP's remuneration letters related to the 2025 year.	Monday 16 June 2025
7	Councillors	Councillors GL listing	Monday 16 June 2025



#	Description	Information required from Council	Date due
8	Personnel costs (bonuses and severance payments)	- List of bonuses. - List of severance payments.	Monday 16 June 2025
9	SSP	Result as at 31 May 2025 and supporting workings and listing for the following measure: The number of dry weather sewage overflows from our wastewater system, (expressed per 1,000 connections per year to Council’s wastewater system).	Monday 16 June 2025
Final audit (begins 1 September)			
10	Draft financial statements	Draft financials including all the notes to the financial statements.	Friday 29 August 2025
11	Draft Statement of Service Performance	Draft Statement of Service Performance section of the annual report.	Friday 29 August 2025
12	Funding impact statements	Draft funding impact statements (Whole of Council and for each GOAs) including: - Variance explanations. - Reconciliation to the SOCRE.	Friday 29 August 2025
13	Trial balance	Trial balance (mapped to the financial statements).	Friday 29 August 2025
14	PPE (revaluation)	Revaluation reports provided by Valuers. We will also require the following during the final audit: - Susanne’s assistance to address revaluation enquiries. - Meeting with the valuers. Key information supporting the valuation, such as: - Detailed valuation calculations, including units (length, size), unit rates, and useful lives or depreciation rates for major assets classes within roading and 3 waters.	Monday 1 September 2025



#	Description	Information required from Council	Date due
		- Methodology applied in relation to useful lives, remaining useful lives and unit rates/replacement costs, overhead rate, asset listing/asset records, physical quantities, age and condition. - Unit rates analysis against recent construction contracts or vested assets data. Please provide us the analysis and the supporting contracts/data used. - Justifications for assumptions or judgements made in relation to any of the above. - Roading – justification for the price index used in the roading valuation especially if there is a difference in the CGPI and the NZTA price index. - Assessment of useful lives - Justification for significant changes to useful lives compared to last revaluation performed. - Data/completeness: - How the valuer ensured that all the assets in the asset listing are included in the valuation, and that the valuation does not include assets that were not in the asset listing? - Condition assessments.	
15	PPE (Addition, Disposals, Depreciation, useful lives)	- PPE movement schedule. - Fixed Asset Register as at 30 June 2025 (including depreciation rates and useful lives). - Reconciliation between the fixed assets register and the PPE note. - Additions Listings (reconciled to the PPE note additions figure). - Disposals Listings (reconciled to the PPE note disposals figure). - Significant capital projects - comparison against budget (for each GOA). - Please ensure that supporting documentation for the assets additions, capitalisations and disposals are available upon requests. We will aim to select our sample for testing when the listings are ready.	Monday 1 September 2025



#	Description	Information required from Council	Date due
16	PPE (Impairment)	Council's formal assessment of Impairment.	Monday 1 September 2025
17	Capital commitments	Capital register and supporting capital contracts to significant commitments (if any).	Monday 1 September 2025
18	Going concern	Council's formal going concern assessment.	Monday 1 September 2025
19	Cash flow	- Completed cash flow. - Council's workings to support the cash flow.	Monday 1 September 2025
20	Rates Revenue	- Rate strike for FY25. - Approved rates resolution from the Council minutes.	Monday 1 September 2025
21	Statement of Service Performance	Supporting information and workings to the reported result for all material measures as per the audit plan.	Monday 8 September 2025
22	Personnel costs (including KMP and Councillors)	Remuneration banding disclosure supporting workings.	Monday 8 September 2025
23	Receivables	- Aged Debtors report. - List of all invoices issued for June and July 2025. - List of all credit notes issued for July and to date in August 2025. - Assessment regarding Council's impairment for receivables.	Monday 8 September 2025
24	Payables and deferred revenue	- Aged payables report. - Bank statements for July and to date August 2025. - List of all invoices issued for July and to date August 2025.	Monday 8 September 2025



#	Description	Information required from Council	Date due
25	Other financial assets (Investments in CCO and other entities)	Waikato Regional Airport Limited audited Financial Statements.	Monday 8 September 2025
26	Journals	- List of Journals for FY25. - Arrange meeting for Audit to view extraction of listing.	Monday 8 September 2025
27	Financial prudence disclosures	- Council's financial prudence disclosures. - Council's workings to support the calculation of the graphs/tables.	Monday 8 September 2025
28	Draft financial statements and performance reporting	Audit feedback to send to Council.	Monday 15 September 2025
29	Summary Annual Report	Completed draft Summary Annual Report to send to Audit NZ.	Monday 22 September 2025
30	Draft Annual Report review - Full	Complete draft Annual Report including financials and performance reporting to send to Audit NZ.	Monday 22 September 2025
31	Full Annual Report	Audit feedback to send to Council.	Monday 29 September 2025
32	Summary Annual Report	Audit feedback to send to Council.	Monday 29 September 2025
33	Verbal audit clearance	Verbal audit clearance to Council.	Friday 3 October 2025
34	Audit report	Signed audit report dated 8 October 2025 sent to Council.	Friday 3 October 2025
35	Council meeting adoption	Council adoption of the annual report.	Wednesday 8 October 2025

8 Ngā Pūrongo Whakamārama | Information Reports

8.10 Interim Audit Report and Audit Recommendations Update

CM No.: 3089272

Te Kaupapa | Purpose

To provide the Committee with the Interim Audit Report (June 2025) and the Audit Recommendations update for information.

Rāpopotonga Matua | Executive Summary

The Interim Annual Report audit concluded 27 June 2025, after the previous Committee meeting. There were no new recommendations, and the recommendations tracker has been updated to reflect new staff comments.

Tūtohunga | Recommendation

That:

1. The information be received.

Horopaki | Background

Audit New Zealand is Council's external auditor appointed by the Office of the Auditor-General. Audit New Zealand works with Council throughout the year reviewing our internal controls and auditing our key documents like the Long Term Plan and Annual Report.

Following each interim and final audit of an Annual Report or Long Term Plan, Council is issued an Audit Report that notes any findings or recommendations on how Council can improve its control environment and processes. These recommendations are rated as either 'High', 'Medium', or 'Low', which determines how quickly the recommendation should be addressed by Council. The categories are as follows:

Priority	Timeframe
High	Addressed without delay
Medium	Generally within 6 months
Low	Generally to be addressed within 6 – 12 months

The recommendations tracker includes all audit recommendations in one document and the recommendations are listed in the order of priority.

Mōrearea | Risk

The audit recommendations reflect Council's control environment, the issues facing the Council and how these are being addressed. The outstanding recommendations reflect ongoing risks to Council and audit processes for Annual Reports and Long Term Plans.

Ngā Tāpiritanga | Attachments

A.  Interim Audit Report 2024/25 (*Under Separate Cover*)

B.  Audit Recommendations Tracker



Ngā waitohu | Signatories

Author(s)	Olivia Picard Kaitohu Kaupapahere Paetahi Graduate Policy Advisor	
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Approved by	Niall Baker Kaiārahi Tīma Kaupapahere Policy Team Leader	
	Sandra Harris Pou Kaupapahere, Rāngai Mahitahi me te Kāwana Policy, Partnerships and Governance Manager	
	Kelly Reith Group Manager, Corporate, People & Relationships	

Audit Recommendation Tracker

Focus area/issue	Year First raised	Document related to	Recommendations	Priority	Status as of interim Audit report 2024/25	Staff comments
Timely capitalisations – PPE	2023/24	Annual Report	Management should tighten the procedures and controls around asset capitalisations to ensure that assets are correctly classified for inclusion in the financial statements.	High	In progress	As part of our project management reporting framework, we ensure that projects are only marked as completed and officially closed once the capitalisation process has also been finalised. To support this, we have incorporated a specific responsibility into the role of our Project Systems Officers. Each month, they review all capital Work Orders (WOs) and follow up with Project Managers on any projects where the final expenditure is close to the WO estimate. This ensures timely capitalisation of completed works and maintains the integrity of our financial reporting. - Assets and Projects Manager.
Quality and timeliness of information – PPE	2023/24	Annual Report	The quality of supporting listings and evidence in relation to property, plant and equipment needs significant improvement. We recommend that management implements quality control processes to ensure that listings provided to audit reconcile to the financial statements and relevant supporting information is available in a timely manner.	High	In progress	This recommendation will likely remain until our Auditors see some improvement in the next LTP project. - Finance Manager
Assets under construction	2021/22	Annual Report	That Assets under construction should be reviewed at year end and be reflected within the appropriate Property, Plant and Equipment line item to the financial statements when it is available for use. There were a number of assets that should have been capitalised in the prior years held in work in progress at 30 June 2024. During the audit management evaluated work in progress and adjusted the financial statements.	High	In progress	Staff have focused on capitalisation for 2024/25 and particularly capitalising old work orders. - Assets Manager

Audit Recommendation Tracker

Financial model and forecasts	2021/31 & 2024/34	LTP CD and final audit	2024-34 LTP CD: Management should review their processes to identify areas where controls can be implemented. It would also be beneficial to spread the knowledge of the model across a wider group of individuals, to ensure future proofing of the process going forward. 2024-34 LTP: Overall, we did not note additional controls implemented. We encourage the Council to consider this in preparation for the next LTP. In addition, the following matters noted during the audit can be considered: <u>Financial model – Trade and other receivables</u> There is a direct relation between trade and other receivables and revenue, and we noted that as cash from revenue increases every year, there is a correlating increase in trade and other receivables. We concluded that the relationship is reasonable. We understand that management had not considered this correlation initially and consider this figure to be a “balancing figure” in the statement of financial position. It is important that management completes an analysis of the trade and other receivables balance to consider whether it is reasonable and supported. This analysis should also be reviewed to improve controls around this balance. <u>Financial model – Integrity checks</u> We noted inconsistencies between the balance sheet and the cashflow. We note the preparation of the financial model has manual processes i.e., using excel spreadsheets. This inherently creates a risk that formulas or figures are not updated or pulled through correctly to the final document which is used for the financial forecasts. Matamata-Piako DC Report to Council (LTP) - Final.docx 11 Recommendation First raised StatusManagement should perform a review which includes integrity/sense checks on the excel documents. This will ensure internal consistency between excel documents and consequently the financial forecasts.	High	In progress	Key staff involved in the LTP have been regularly meeting over the last year to consider future improvements to the LTP process, and the SEBS group is looking at potential system tools/improvements, which may enable us to get away from relying on spreadsheets in the future. This recommendation will likely remain until our Auditors see some improvement in the next LTP project. <u>Financial model – Trade and other receivables</u> Noted – this will be considered in future modelling. <u>Financial model – Integrity checks</u> Noted – this will be considered in future modelling and hopefully addressed as we are able to incorporate more sophisticated modelling tools. - Finance Manager
Variances in PPE WIP and additions listings	2021/22	Annual Report	That management perform reconciliations of the PPE WIP and additions listings to the general ledgers on a regular basis. Variances should be investigated and resolved timeously.	High	In progress	The capital spreadsheets are generally working well however we were unable to completely reconcile these to the General Ledger at 30 June 2025, due to issues created by the paper capitalisations from last year. Going forward, and without paper capitalisations to deal with, we expect this will be a much smoother process. - Finance Manager
Compliance with the Local Government (Rating) Act 2002	2020/21	LTP	The Council engaged external legal experts to conduct a review of relevant aspects of the Council’s rating practice, including the Funding Impact Statement and draft rates resolution. Management made several improvements to these documents following this legal review. However, one matter remains outstanding. This relates to the 50% discount on metered water rates given to Matamata farm properties if payment is made by the due date.	High	Not yet progressed	Council has previously accepted the risk of legal challenge around the discount applied to the Matamata farm properties as low. The matter was not prioritised for review in the early stages of the LTP development given the uncertainties around Council’s future involvement in the delivery of water services. Council may wish to reconsider this going forward, but still accept the risk as low.
Depreciation not correctly backdated	2023/24	Annual Report	Management should investigate the reasons why the system is not calculating depreciation correctly using the install date (date when asset was actually completed) rather than the found date (when asset was capitalised) and take appropriate action.	Medium	In progress	Asset Finda does not automatically calculate and backdate depreciation. This will be done manually at the end of the financial year. - Asset Manager

Audit Recommendation Tracker

Internal charges for NZTA claim	2023/24	Annual Report	We recommend the District Council reviews its processes for recording labour time for internal charges for workorders (which form part of the NZTA claim) to ensure that the labour time is captured in a timely manner for labour charges to be included as part of the NZTA claims.	Medium	Sent for closing	This was not deemed an issue, NZTA have been happy with the time sheeting for MPDC. Staff are completing timesheets on a weekly basis. Staff request this recommendation be closed. - Assets and Projects Manager.
Useful lives disclosed for accounting policy	2023/24	Annual Report	The Council should review the accounting policy for useful lives included in the financial statements and ensures that it is consistent with the useful lives adopted.	Medium	In progress	This was reviewed following the revaluations completed for 30 June 2025. We would expect the Auditors to close this recommendation if no further inconsistencies are found. - Finance Manager
Improvements to the infrastructure strategy	2024/34	LTP CD	The Council should consider adding disclosures regarding funding arrangements, potential costs savings or efficiencies and possible legislative changes to the infrastructure strategy that is adopted as part of the LTP.	Medium	Sent for closing	Noted. Sent to Audit for closing. This will be addressed in the next LTP process - Assets Manager
Controls around feedback/comment s by Committees	2024/34	LTP	Where feedback and comments are provided by Council Committee members, Council should implement a process to ensure that feedback is recorded and addressed. The feedback could either be formally documented in the minutes or shared through a separate process and management should keep a record of how the feedback was dealt with.	Medium	Sent for closing	All feedback is now formally captured in the minutes. This has been sent to Audit for closing. - PPG Manager As this was part of the LTP 2024 process it will be closed off for the next LTP process in 2027 – Audit
Quality of asset data used for Three-Water renewals forecasting - stormwater	2024/34	LTP	The Council should carry out a review of pipes assigned the default install date and ascertain a more accurate timeframes as to when the pipes were installed. This will enable Council, in the absence of a recent condition assessment, to prepare more accurate age-based renewals forecasts in the future.	Medium	Not yet progressed	This is ongoing and will be addressed in the next LTP process - Assets Manager
Ability to self-change delegation limits	2022/23	Annual Report	Ensure that any changes in delegation limits in the system (Authority) are appropriate/approved by an independent individual who does not have financial delegation to make purchases. The District Council should investigate removing the ability, for certain individuals, from changing their own delegation limit.	Medium	Not yet progressed	Transferring the responsibility for financial delegations to the PSW team will not in itself resolve the issue raised. While access to purchasing permissions (i_pu046) in Authority is limited to certain staff (three in Finance currently), the system does not have any controls to prevent those with access from adding or changing their own delegation. We will look to develop an audit report showing all changes to purchasing permissions that will then need to be independently reviewed on a regular basis. – Finance Manager
Accounting for financial instruments – LGFA borrower notes	2022/23	Annual Report	Ensure the LGFA borrower notes are measured at fair value and accounted for in line with the standard. This balance was not material for the financial year. As the District Council enters more loans going forward, this balance may become material. The District Council should still ensure that the accounting complies with the standards.	Medium	Sent for closing	Staff have provided an assessment of fair value of the borrower notes at 30 June 2025 to the auditors. We will ask our Auditors to close this recommendation going forward as it will be addressed on an as needed basis. - Finance Manager

Audit Recommendation Tracker

Bank Reconciliation - unreconciled items	2022/23	Annual Report	Bank reconciliations should be performed in a timely manner and consider upgrading the reconciliation software to ensure that it is more feasible to reconcile all unmatched items within a month.	Necessary	In progress	Upgrading the system is not a practicable option at this point. Susan, our Assistant Accountant has put significant time and effort into developing a excel based solution that runs outside of Authority that significantly assists with the matching process, and had resulted in much more timely resolution of unmatched balances. At 30 June, the number of reconciling or unmatched items is minimal. I am confident that after Audit review as part of the final 24/25 audit, that they will be able to confirm that any perceived risk has been addressed in this area. – Finance Manager
Broken Authority Reports (performance reporting)	2022/23	Annual Report	The District Council should resolve the issues within the system causing performance reports to be broken. The District Council’s ability to generate the raw data deteriorated and processes were put in place to ensure that the data was available for audit in the form of pdf documents extracted throughout the year. We performed additional alternative audit work to confirm the completeness of data. However, the issues within the system remain unresolved.	Medium	Not yet progressed	Digital Enablement team is working on a Power BI solution to replace old Authority Crystal Reports--WIP Authority 7.1p42 UAT is in its final stages of sign off, then we can apply the patch to the live environment. This patch version have a number of bug fixes, including fixes to the Browse to Excell which a lot of users have reported not working in current patch version and this option is largely used for generating data/reports. - IT Manager
CRM Reliability for substantiating the response time (performance reporting)	2022/23	Annual Report	We recommend that Council introduce a job card where Trello is used. Based on the sample tested we noted, the majority of jobs had job cards with only a small portion not having job cards.	Medium	In progress	Work is ongoing. We have tested integration in one direction and are building the reverse direction integration which is where the dates/times etc for performance measures gets written back to the CRM. Digital Manager
Expected credit loss assessment	2022/23	Annual Report	Ensure that the report for the aged trial balance is generated on balance date each year and consider whether updates to the system can be made to enable aged debtors reports to be generated at specific dates.	Medium	Sent for closing	Upgrading the system is not a practicable option at this point. The aged trial balance is scheduled to be generated on balance date 2025 as it was in 2024. We will ask our Auditors to close this recommendation going forward as there is no outstanding risk. - Finance Manager
Fraud risk assessment	2021/22	Annual Report	That Council updates its fraud risk assessment, which was last reviewed in 2018, to gain a better understanding of the fraud risks that may impact the District Council.	Medium	Not yet progressed	Work is underway to update our assessment in line with Audit's recommendations - Corporate, Policy, and Relationships Group Manager
Lapses in New User onboarding process	2022/23	Annual Report	Follow due process for all new staff appointed through the completion/approval of the "Computer User Form".	Medium	In progress	Short-term solution of addressing immediate compliance gaps while transitioning to the new ITSM-based process is in place. Long-term solution to streamline the process soon to kick off. - IT Manager

Audit Recommendation Tracker

Register of pecuniary interest	2021/22	Annual Report	All interests should be declared by elected members to ensure that the District Council complies with the Local Government Act pecuniary interests' requirements.	Medium	Sent for closing	Have all been updated and we have a regular review process in place. This has been sent to Audit for closing - PPG Manager This has been sent to Audit for closing , we expect this to be closed in the next audit report' report
Property, plant, and equipment – Depreciation	2020/21	Annual Report	We recommend management consult with other local authority users of AssetFinda, or the software company itself, to better understand the rationale for the AssetFinda approach to depreciation and confirm this remains appropriate. It is important that the Council's underlying accounting records are the basis of the depreciation used in the financial statements to align with the applicable accounting standards rather than the valuers' reports. In section 4.1.2 to this report, we noted several instances of the AssetFinda system not correctly backdating depreciation.	Medium	Resolved	Closed
Segregation of duties – Journals	2021/22	Annual Report	Consider implementing an electronic system to allow for delegations to be incorporated into the journals system (Authority) and to implement a control to ensure journals are approved before they are posted.	Medium	Sent for closing	Upgrading the system is not a practicable option at this point. To continue to help mitigate the risk of unauthorised journals, staff will continue with regular manual retrospective reviews of journals by a person independent to journal processing, checking the completeness of the journal population, accuracy, checking appropriate approval and supporting documentation. We will ask our Auditors to consider closing this recommendation on the basis that we have adequate mitigating controls in place. - Finance Manager Audit NZ - We can close this recommendation given management's mitigating control in place. Because the system has not been rectified, the risk still exists and therefore we won't be taking a controls reliance approach from our audit's perspective.
Sensitive expenditure policies	2020/21	Annual Report	We recommend management update sensitive expenditure policies to include recent guidance	Medium	Sent for closing	The Sensitive Expenditure Policy was updated and Audit have reviewed and confirmed it meets the requirements outlined in their best practice guidelines and are satisfied that this issue can be closed off - Audit NZ
Valuation of property, plant, and equipment – valuers' recommendations for improvement	2018/19 & 2019/20	Annual Report	The District Council should: • Implement the external roading valuer's recommendations to improve the overall completeness and accuracy of data used for valuations. • Consider the recommendations included in the peer review of Three Waters infrastructure and implement an action plan to address these. Consider applying these recommendations to other asset classes held on a revaluation basis. There were no revaluations undertaken for 2024 therefore progress will be assessed in future audits. We understand the recommendations are being considered as part of the District Council's improvement plan. The status remains unchanged.	Medium	In progress	The recommendations are being considered as part of the District Council's improvement plan and will be incorporated into the 2025 re-valuations. - Asset Manager

Audit Recommendation Tracker

Suspense account reconciliations not prepared and reviewed monthly	2018/19	Annual Report	Monthly reconciliations of suspense accounts should be prepared and independently reviewed. Reconciliations were prepared and reviewed on an ad hoc basis.	Medium	In progress	Unlikely Audit will close this recommendation in 24/25 as the reconciliations, while much improved, are still largely prepared/reviewed on an ad-hoc basis. This comes down to available resources to complete the work which is largely a manual process that gets most focus towards the end of year. - Finance Manager
Test organisational business continuity and disaster recovery plans	2017/18	Annual Report	The District Council should document and test its organisational business continuity and IT disaster recovery plans. IT has developed an IT Disaster Recovery Plan (DRP) and we understand that Council has started work to develop a (BCP). Neither the BCP nor DRP have been tested fully. Management have indicated that this is a project that is to be finalised during the 2025 financial year	Medium	In progress	This is ongoing - Digital Manager
Performance Framework – Rooding	2024/34	LTP	Under PBE FRS 48, para 11 (which will apply to the statement of service provision in council's annual report), except as otherwise required by legislation, an entity shall present service performance information for the same reporting period as the financial statements. In relation to the condition of footpaths, the measure is a DIA mandatory measure, and it would be reasonable to generally expect annual measurement and reporting. In addition, we would generally expect core infrastructure, such as footpaths, to be monitored regularly. We understand there are financial implications and other limitations to the Council. We encourage management to consider assessment of condition of footpaths to be done annually instead of every three years.	Low	Disagree	This work will not be completed annually. - Assets Manager
Fraud policy and procedures improvements	2022/23	Annual Report	We have recommended improvements to the Council's fraud policy or procedures to ensure these are in line with good practice. Our 2023 Report to Council has outlined the items that should be reflected in the Council's fraud policy and procedures.	Low	Sent for closing	We have reviewed the draft policy against the fraud policy guidelines from the OAG and the Ministry of Justice. We are satisfied that the revised MPDC policy aligns with the good practice guidelines. Consequently, we will be closing our prior year recommendation as resolved - Audit NZ
PE capitalisation - Internal costs	2022/23	Annual Report	2023/24 Audit recommendation: A control should be put in place to independently review the spreadsheet that captures the time charged by staff to be capitalised to projects. The review should also consider whether the costs meet the requirements of PBE IPSAS 17: Property, plant and equipment to ensure that the costs are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Our work indicated that Three Waters assets is the only asset class that does not have its internal time charged hours independently reviewed.	Low	In progress	This will be reviewed in the 2025/26 financial year, an informal review is currently completed within the 3 waters unit. - Asset Manager
Policies to update	2017/18	Annual Report	• Capitalisation Policy (updated in 2012).	Low	Sent for closing	The capitalisation policy was reveiwed and approved by E-team in September 2025 - Finance Manager
		Annual Report	• Council Vehicle Policy (updated in June 2014).	Low	Resolved	This Policy was updated in December 2022, as noted in the 2022/23 interim Audit report. This recommendation can be closed. – People, Safety, and Wellness Manager. Audit have indicated this can be closed. Audit NZ have confirmed this can be closed.

8 Ngā Pūrongo Whakamārama | Information Reports

8.11 Review of accounting matters in relation to the 2024/25 Financial Statements

CM No.: 3095020

Te Kaupapa | Purpose

To inform the Committee on key issues raised in the Audit Plan in relation to the financial statements, and other accounting matters including accounting estimates and policies applied in the 2025 draft financial statements.

Rāpopotonga Matua | Executive Summary

Key issues from a review of matters raised in the Audit Plan in relation to the financial statements, and other accounting matters including accounting estimates and policies applied in the 2025 draft financial statements that staff would like to bring to the Committee's attention are provided.

Tūtohunga | Recommendation

That:

1. This information be received.

Horopaki | Background

The 2025 draft financial statements are currently being audited, with the final audit beginning on 1 September. The following report highlights some key matters from the draft statements for the Committee's information.

Ngā Take/Kōrerorero | Issues/Discussion

1. Valuation of land and infrastructure assets

Land, roading, and three water assets were revalued at 30 June 2025, with land increasing by \$70 million (since the last revaluation in 2020), and roading and three water assets increasing by \$138 million and \$39 million respectively (since the last revaluation in 2023).

The valuer has noted that the significant increase in the roading valuation is as a result of a combination of the following:

- Updates to inventory quantities from construction of new assets, found or renewed assets and, aging of existing assets.
- Unit rate review across all asset types, predominantly impacting bridges, drainage, footpaths, basecourse, and surface water channels. Overheads were also reviewed and amended for all asset types as part of this exercise.
- Improvement of existing asset records through field validation surveys for drainage, traffic islands, markings, retaining walls, and road pavement assets.
- The application of the NZTA cost adjustment factors to unit rates.

These valuations highlight the rising cost of replacing essential assets like roads, water, wastewater, and stormwater infrastructure. This means that future renewals and upgrades are likely to be more expensive, which continues to put pressure on future rates.

Council has engaged qualified valuers to prepare these valuations (in the case of roading and land), and had engaged a qualified valuer to peer review the utilities valuation that was prepared in-house. We have used an internal resource to provide a high-level review of the valuation methodology, process and the resulting valuation reports to improve the quality of the valuation outcomes and to meet Audit New Zealand's expectations set out in their Audit Plan. The audit of the revaluations is currently in progress.

2. Fair value assessment of buildings (non-revaluation year)

In a year where an asset revaluation is not scheduled to be undertaken, Council must assess if there has been a material movement in the fair value (FV) of its assets compared to the carrying value. The outcome of this assessment could indicate that a revaluation is required.

Buildings were not revalued in 2025. Staff have undertaken a comprehensive FV assessment in-house using recent QV and other market property data, as well as Capital Goods Price Index as a reference. Overall we have assessed a movement in fair value of \$3.4 million (see table below). We do not assess this to be material to Council's balance sheet. Audit New Zealand have reviewed our FV assessment and have agreed with our conclusion.

Asset class	Revaluation policy	Last reval	Estimated movement in FV for 2025 \$000s	Book value at 30 June 2025 \$000s	Comments
Roading	At least every 3 years	30 June 2025	N/A	\$620,596	
Utilities	At least every 3 years	30 June 2025	N/A	\$308,824	
Buildings	At least every 5 years	30 June 2023	\$3,415	\$65,972	5.2% increase
Land	At least every 5 years	30 June 2025	N/A	\$131,128	
TOTAL			\$3,415	\$1,126,520	0.3% increase overall

3. Changes in accounting policies

There was one minor change in accounting policies this year, taking account of the following amendment to accounting standards:

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)

Amendments to PBE IPSAS 1 Presentation of Financial Reports change the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. The amendments to PBE IPSAS 1 aim to address concerns about the quality and consistency of disclosures an entity provides about fees paid to its audit or review firm for different types of services. The enhanced disclosures are expected to improve the transparency and consistency of disclosures about fees paid to an entity's audit or review firm. This standard was applied in note 5 of the Financial Statements for 30 June 2025 and applied to the comparative information of 2024.

There are no other identified changes in accounting policies for the year ending 30 June 2025. Council's accounting policies are largely based on those of the model financial statements for local government entities issued by Audit New Zealand, and staff check for updates each year and consider if there have been any significant changes to Council's activities, structure etc that may require a change to accounting policies.

4. Changes in accounting standards

There are no other key changes in accounting standards that are effective for the 30 June 2025 financial year.

5. Significant accounting estimates and judgements

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Estimating the fair value buildings: as noted above, staff have completed fair value assessment of all assets that are subject to revaluations, but not revalued in FY2025. This assessment shows that the fair value of the assets is not significantly different to the current carrying value, so does not trigger a need to complete a revaluation.
- Estimating the fair value of the equity investment in Waikato Regional Airport Limited (WRAL): MPDC has a 15.6% shareholding in the Waikato Regional Airport Limited. MPDC is currently using the proportion of ownership of the airports net assets as a proxy for fair value. We are required to review the appropriateness of this FV technique on a regular basis. In line with PBE IPSAS 41, we've considered the proportion of ownership of the airport's net assets as a proxy for fair value to be appropriate in determining the fair value for the following reasons:
 - The standard states that cost is only appropriate in limited circumstances – and we believe there is sufficient information to obtain a better estimate than cost.
 - While the best evidence is quoted prices in an active market, there is no active market for the shares in WRAL
 - No independent valuation has been performed on WRAL's FV
 - The standard states that where no active market exists, we can establish FV by using a valuation technique. The standard states that the chosen valuation technique should make maximum use of market inputs – we consider that using the company's net assets, which are largely derived from market inputs related to their PPE appears to best meet the requirements of the standard.
 - MPDC's treatment and disclosures are consistent with Waikato District Council and Waipa District Council (who both have minority shareholdings equal to MPDC).

Management has exercised the following critical judgements in applying accounting policies:

- Classification of property: Council owns a number of properties held to provide housing to elderly persons. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of the Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

- Fair value of investment in Waikato Regional Airport Limited: (as noted above).

6. Revenue – subsidies and grants

Staff have reviewed all subsidies and grants received to ensure that these are accounted for in line with their funding agreements. As a result, funding received during the previous 2023/24 year of \$72k from Ministry for the Environment, will be recorded as grants received in advance as the work for which the funds were received has still not been started at balance date 2025, and the funding agreement stipulates unspent funds at an agreed date would be repayable. (Note that this accrual was reversed after last year and missed in the first draft of the 2025 financial statements, but has been noted for inclusion in the final draft).

\$800k of Better-off funding budgeted in the 2023/24 year for Water operations was required to be recognised as grant revenue in 2024/25.

And staff have accrued \$1.2m of Better-off funding for which the work has been completed at 30 June in line with the approved programme, but the funding not yet applied for or received at balance date.

Waste Minimisation funding of \$720k received during 2024/25 was significantly more than budgeted. These funds are ring-fenced, with any unspent funds held in the Waste Minimisation Reserve fund, along with accrued interest, in line with the agreement with the Ministry for the Environment. The funds cannot be used for any other purpose.

7. Personnel costs

In previous years, our reporting of remuneration paid to the Chief Executive and Mayor in note 3, and later in the Key Management Personnel disclosures in note 21, included FBT paid on the non-financial benefits received by employees and the Mayor. We have now confirmed with Audit that the reporting should only include payments or benefits directly received by the employee or Mayor (not FBT that is paid to the IRD in respect of these benefits). The comparative information from 2023/24 has been updated to reflect this, and a disclosure has been made in notes 3 and 21 to explain the change.

8. Receivables

Staff have estimated a provision for doubtful debts on sundry debtors at 30 June 2025 of \$15k based on historical credit losses.

Of note, rates receivables have increased significantly over the year, from \$1.13m to \$1.67m, and metered water rates from \$628k to \$761k. This appears to be a fairly consistent trend across local authorities, and is likely due to the difficult economic climate and cost of living, coupled with the significant rate increases over the last few years. No provision is made for rates receivable as there are various powers under the Rating Act to recover outstanding debts.

The Rates team will continue to focus their attention on the collection of this outstanding debt. We also plan to more actively report the rates collection to Council on a monthly basis so that this can be monitored. The planned introduction of a new payment app 'Payble' for rates customers in November is hoped to improve rates collection as it did for Hamilton City Council following introduction last year. The app allows customers to self-manage their direct debits and one-off payments, and see their balances in real time. It also sends payment reminders by text and notifies customers of failed payments.

9. Non-current assets held for sale

At balance date, surplus land adjacent to the St John's building at 115 Anderson Street, Morrinsville, (that was previously the site of the Morrinsville District Museum), is subject to a sale and purchase agreement, with settlement awaiting the removal of the historical status on the title. This was also the case at 30 June 2024. The historical status was planned to be removed in pending plan change 61, however recent Government policy has meant that this plan change has been put on hold. It is likely the purchaser will need to seek a consent to get the status updated and complete the sale. It is not entirely certain that this will be completed within 12 months of balance date, however, it is most certain that the value in this land will most likely be realised by Council through its eventual sale, so we have continued to recognise the land as held for sale at balance date.

In addition, land at 61 Tower Road Matamata, previously acquired under the Public Works Act for the purpose of future roading requirements, has since been declared surplus and offered for sale to the previous owner as required under legislation. It is understood that the offer was not completed by the due date which means the land could potentially be offered to the market, or the previous owners could use other legal avenues. Again it is not entirely certain that this sale will be completed within 12 months of balance date, however, the opinion of Council's Legal Council is that the value in this land will most likely be realised by Council through its eventual sale, so we have recognised the land as held for sale at balance date.

10. Derivative financial instruments

Interest rate swaps at year end have been fair-valued by staff using Hedgebook software. Our auditors will review these valuations to confirm they are fairly stated. A loss of \$1.67m in the book value of Council's interest rate swap portfolio was recognised as at 30 June, as long term swap rates moved downward over the year.

11. Other financial assets

The measurement of Council's investment in Waikato Regional Airport Limited at fair value is discussed above. The value of Council's investment increased by \$6.15m, driven by the increased valuation of the company's investment property portfolio.

Other significant financial assets include Council's Local Government Funding Agency borrower notes of \$2.86m. These are currently recorded at face value. Staff have undertaken a fair value assessment noting only an immaterial difference.

There was no impairment of financial assets identified.

12. Property, plant and equipment – impairment

An impairment expense of \$429,000 was recognised in respect of the Matamata Squash building which was found to be below acceptable standards for seismic risk during the year. Council has yet to determine the potential cost or what steps might be taken to address the risk for this building, if at all given the building is not core to Council activities. We no longer charge a lease on the building. With very little information available at this point, and other known deterioration in the building (eg a leaking roof and water damage), in discussion with Council's property manager we have impaired the building's value by 50%. Our auditors will review this treatment and disclosure.

No further indicators of impairment for other PPE and intangible assets were identified from enquiries made.

13. Property, plant and equipment – assets under construction

With the help of some external resource, we have now largely addressed the historical WIP projects in the three waters areas. In the previous two years, there were a small number of water and wastewater projects capitalised 'on the books' at 30 June, because the work required to capitalise them in our asset system had not been completed in time. In a number of cases, this was because key staff had left without appropriate handover or completion of these administrative aspects of the projects. The process to then retrospectively capitalise some of these in our asset system during 2024/25 identified some issues, including some costs previously capitalised needing to be expensed, and some projects found to be incomplete. While the value of these projects is not material, it did highlight gaps in our processes that we have made progress on, with a much improved rate of capitalisation this year, but noting there is still room for further improvement.

14. Employee entitlements

Annual leave provisions increased by \$294k compared to last year. With an increase of 16 FTEs compared to last year, and increased market rates, it is not unexpected, however leave hours continue to be actively monitored and managed. Lieu leave (eg where staff earn mandatory leave for working public holidays) was recognised for the first time on the books this year at \$107k. This balance will also be actively managed.

15. Provisions

In estimating the long-term provisions for landfill aftercare and the Tui Mine site monitoring costs, staff use Treasury's Risk-free discount rates, which currently vary from 3.14% and 4.77%. These provisions in total have reduced compared to last year, from \$485k to \$337k, largely to work undertaken in landfill monitoring during the year.

Provisions for other minor claims made against Council are based on estimated costs and/or insurance excesses, and total \$90k for 2025 (2024: \$70k). Council does not have any claims lodged or outstanding with the Weathertight Homes Resolution Service.

16. Contingent liabilities

Staff have not been made aware of any additional contingent liabilities requiring disclosure this year. As part of the year end process, legal confirmation letters are sent out to all lawyers that Council has received legal advice from. These letters provide staff with the details of any further matters as at 30 June 2025 that may need to be provided for or disclosed as a contingent liability.

Council's disclosed contingent liabilities are the same as last year, the key matters include:

Council, together with other 72 guarantors, and 30 local authority shareholders, is a guarantor of all of LGFA's borrowings. At 30 June 2025, LGFA had borrowings totalling \$25.5 billion (2024: \$23.0 billion). Financial reporting standards require Council to recognise the guarantee liability at fair value. However, (consistent with practice across the section), we are unable to determine a sufficiently reliable fair value for the guarantee, and therefore have not recognised a liability. Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low.

Matamata-Piako District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The Scheme is in wind down, however the Council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. A call was made during 2024/25, with MPDC paying our share, being \$17k. The likelihood of any further call in respect of historical claims diminishes with each year as limitation

periods expire. However, as a result of the Supreme Court decision on 1 August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that member's claim in relation to non-weathertight defects (in a mixed claim involving both weathertight and non-weathertight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any further potential liability is unable to be quantified.

17. Equity – Council created reserves

Notably Council had planned in 2024/25 to spend \$1.5m to begin work on the operational desludging of our Te Aroha and Morrinsville Wastewater treatment ponds. \$660k of this was funded through rates, and the balance was to be borrowed. This work was delayed pending a review of the best future options for this work. The \$660k unspent funds have been ring-fenced in the Wastewater Desludging Projects reserve fund (a Council-created reserve), so that they can be applied for this purpose when work begins in future years.

18. Events after balance date

Closer to the adoption date of the Annual Report, we will agree with our auditors on a suitable and up to date disclosure in respect of what is currently happening in relation to our Council's transition of Water and Wastewater to the new Waikato Waters entity.

Mōrearea | Risk

As highlighted in the discussion above, staff and management have taken a position on a number of accounting issues in the draft financial statements, and these are subject to potential change as a result of Audit New Zealand's review and discussion, as well as due to any material events that occur subsequent to balance date and before adoption of the Annual Report. There is potential that any significant changes could affect ability to adopt the Annual Report within expected and/or statutory timeframe.

Policy Considerations

To the best of the writer's knowledge, this recommendation is not significantly inconsistent with nor is anticipated to have consequences that will be significantly inconsistent with any policy adopted by this local authority or any plan required by the Local Government Act 2002 or any other enactment.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

Ngā waitohu | Signatories

Author(s)	Larnia Rushbrooke Pou Pūtea, Ratonga Pakihi Finance & Business Services Manager	
Approved by	Kelly Reith Group Manager, Corporate, People & Relationships	

8 Ngā Pūrongo Whakamārama | Information Reports

8.12 LGOIMA Request Summary 2024/2025

CM No.: 3090115

Te Kaupapa | Purpose

The purpose of this report is to outline Council's obligation in regards to the LGOIMA Act and how Council is meeting these obligations.

Rāpopotonga Matua | Executive Summary

The Local Government Official Information and Meetings Act 1987 (LGOIMA) is the relevant legislation for requests for information. Council are required to respond to LGOIMA requests as soon as reasonably practicable and (except in some specific instances) within 20 working days.

This report sets out Council's compliance with these requirements.

Tūtohunga | Recommendation

That:

1. The information be received; and
2. The Committee provide feedback on how LGOIMAs are to be presented going forward.

Horopaki | Background

In 2016, the Audit and Risk Committee requested staff review the way in which LGOIMA requests were handled by Council including the potential for recovering costs associated with the time spent in responding.

This report has now evolved into identifying how staff have managed and responded to LGOIMAs and Ombudsman complaints.

Ngā Take/Kōrerorero | Issues/Discussion

Providing information to requestors that meets their expectations, within a reasonable timeframe can be challenging. There is also the matter of when and how much Council should charge to recover its costs in responding to these requests.

These matters need to be considered in light of the purpose of the legislation in relation to releasing information which is:

- “(a) *to increase progressively the availability to the public of official information held by local authorities, and to promote the open and public transaction of business at meetings of local authorities, in order—*
- (i) *to enable more effective participation by the public in the actions and decisions of local authorities; and*
 - (ii) *to promote the accountability of local authority members and officials,—*

and thereby to enhance respect for the law and to promote good local government in New Zealand:

(b) to provide for proper access by each person to official information relating to that person.”

Requests

Financial Year	# of Requests	Average Response Time	% Within 20 Day Timeframe	Reason for Non-Compliance
2021/22	73	8.06 days	98.63% (72/73)	Human error
2022/23	95	10.04 days	92% (87/95)	Six - human error Two - an extension of time was notified
2023/24 (to May 2024)	99	6.5 days	93.94% (93/99)	Five - human error One - an extension of time was notified
2024/2025	94	9.8 days	98.94 (93/94)	The only one not completed with 20 days had an extension added in accordance with LGOIMA.

The department that usually receives the most requests is Planning and general Council enquiries including requests that covered multiple departments.

Council's internal process was amended in 2021 to make sure that teams are working together to have the details for all LGOIMAs captured in one place so that there is no longer a separation between requests from media and public. There is now one register where LGOIMAs are recorded and containers are created to keep all the information together and making it easier to collate information.

Charging

Council has set the following charges and guidance for charging for requests, this has been in place since 2016/17.

Official information charges		
Time - first hour or part thereof		Free
Time - after first hour	Per half hour or part thereof	\$38.00
Pages copied - first 20 A4 (or smaller) pages free	Over 20 pages/per page	\$0.20
Cost of CDs, video, tapes, printing larger than A4 and other materials or viewing arrangements requested		Actual cost

The Local Government Official Information and Meetings Act 1987 (Act) makes provision for Council to make a charge for the information supplied but this charge must be reasonable and is for the cost of labour and materials involved in making the information available.

The charge represents a reasonable fee for the cost of providing information. It may include (but is not limited to) time spent:

- in searching an index to establish the location of the information*
- in locating and extracting the information from the place where it is held*
- in reading or reviewing the information*

- *in supervising the access to the information.*

Under the Act Council is not permitted to charge for:

- *locating and retrieving information which is not where it ought to be*
- *time spent deciding whether or not access should be allowed, and in what form.*

Five requestors in the 2024/25 year were informed that their requests would incur a charge. To avoid this, they all either refined the request to make it more manageable or withdrew the request entirely.

For charging Council follows the Ombudsman's guide, which can found online at the [Ombudsman's Website](#).

Mōrearea | Risk

There is always a risk that a requestor will complain to the Ombudsman about a response provided. We had not received any complaints from the Ombudsman for LGOIMA related issues within the 2024/25 financial year.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

All request for information received by Council need to be managed in accordance with the Local Government Official Information and Meetings Act 1987.

Pānga ki te pūtea, me te puna pūtea | Financial Cost and Funding Source

The actual cost to Council in responding to requests is variable, depending on the seniority of the responder, and could range from \$45 per hour to \$180 or more. Fees are set as per Ombudsman guidelines.

Staff utilise some discretion around charging. Reasons not to charge have included:

- The team responsible decided not to charge.
- The information was requested by media. Staff endeavour to not charge as they hold a high public interest threshold.
- The information should have already been available/stored in Council's digitised information system and was not. In this situation staff do not charge for the process of getting it digitised.
- The information was already collated before the collator of the request was made aware of the time it had taken.
- The information was collected through multiple teams.
- If there was a strong belief other people would be wanting the same information, for fairness did not want to charge the first requestor the administrative costs and then allow any subsequent people to have the same information for free.
- Council receives a benefit in providing the information without charging.

The cost of responding is currently absorbed into salary budgets within each team tasked with responding.

Ngā Tāpiritanga | Attachments

Ngā waitohu | Signatories

Author(s)	Ellie Mackintosh Rōia Legal Counsel	
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Approved by	Ally van Kuijk Hautū Tipu me te Whakamatua General Manager Growth & Regulation	
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8 Ngā Pūrongo Whakamārama | Information Reports

8.13 Legislative Compliance Register

CM No.: 3094030

Te Kaupapa | Purpose

The purpose of this report is to seek feedback from the Committee on the Legislative Compliance Register. This Legislative Compliance Register is one way of ensuring that Council is undertaking its activities in accordance with legislation.

Rāpopotonga Matua | Executive Summary

The Legislative Compliance Register is completed annually by staff alongside the Annual Report, to ensure that Council is meeting its legal obligations. A copy of this register has been attached for review by the Risk and Assurance Committee.

Tūtohunga | Recommendation

That:

1. The information be received; and
2. The Committee provide comment on the Legislative Compliance Register for Council.

Horopaki | Background

Committee members should note that all changes from the 2023/24 year to the 2024/25 year have been left tracked in the document. The key points for 2024/25 are noted below.

What is the Legislative Compliance Register?

The Council's Legislative Compliance Register describes how the Council ensures its activities are undertaken within the law. In line with other Council frameworks (e.g. Delegations, Risk Management and Procurement) managers (Legislation Owners) have been assigned responsibilities to ensure Council compliance with relevant New Zealand legislation and associated regulations.

Why do we need a Legislative Compliance Register?

The Council could face severe penalties for failing to comply with legislation. Consequences can include:

- loss of reputation
- loss of accreditation
- civil and criminal proceedings
- investigation and censure from monitoring bodies
- breaches of banking and other key covenants

Who is a Legislation Owner and what are their duties?

A Legislation Owner:

- is usually a member of the Management Team, sometimes junior staff are included as they hold the information required and deal with it more on a day to day basis
- is accountable for ensuring that requirements under legislation are met
- reviews changes to legislation and informs staff of any impact of these changes

- is responsible for reporting to Executive Team on an annual basis or when a serious breach is identified
- is someone who ensures that, on a day to day basis, compliance is achieved and has processes in place that enables regular monitoring to occur
- providing access to training for key staff
- ensuring that inspections have been conducted and situations assessed as appropriate
- reports of instances of breaches including the outcomes of any such instance, what steps have been taken to prevent further breaches, and where there are on-going compliance issues

The Legislative Compliance Register sets out:

- The key Acts and other legal obligations or requirements
- The general elements which have a duty or compliance requirement
- The member of staff responsible for each element, any delegations under legislation.
- What the relevant Promapp process is.
- Whether Council complies with the requirements or not and comments on this are provided.

For reporting on compliance, legislation has been grouped by the major functions of the Council. The reference to any Statute includes all relevant amendments.

Every effort has been made to identify the legislation which staff and others are likely to encounter in the normal course of their employment. It is imperative to note that the Council, its staff, agents and contractors must comply with all New Zealand statute law and common law obligations.

The list of statutes and other obligations set out in this Legislative Compliance cannot hope to be exhaustive. If staff and others learn of legislation (including new statutes or regulations) of relevance to their roles within the Council, such legislation should be referred to the Legal Counsel, for review and possible inclusion in this document.

Ngā Take/Kōrerorero | Issues/Discussion

Positive changes since 2023/24

- Local Government Official Information and Meetings Act 1987 - In 2023/24, five LGOIMAs were responded to past the 20 day deadline without justification. In 2024/25 there were no requests responded to past the 20 day timeframe without justification. There was one request that had an extension of time in accordance with legislation.
- Building Act – In 2023/24, 728 building consents were processed, 655 (90%) were completed within the statutory timeframe. For 2024/25 staff processed 738 building consents. 689 of these were processed within the statutory timeframes, a positive improvement to 93.4%.
- Resource Management Act 1991 –
 - During the 2023/24 financial year, Council received 280 consents of those 239 (85%), 41 outside the timeframe. In 2024/25, Council received 295 consents of those 272 (92%) were processed with the timeframe, a decrease to 23 outside of the timeframe.
 - Under the Resource (Consenting and Other System Changes) Management Amendment Act 2025, the obligation to undertake a review of the District Plan every 10 years has recently been removed and the Council is prohibited from notifying draft planning instruments, with some exceptions. Before this Council undertook a rolling review.
 - For 2024/25 Council did not receive any new abatement notices, infringement notices, enforcement orders, or convictions for our wastewater and stormwater.

- Biosecurity (National PA Pest Management Plan) Order 2022 – Are now compliant with this after work from staff in relation to Kauri trees.
- Search and Surveillance Act 2012, Health Act 1956, Council Bylaws - An Enforcement Policy was adopted by Council removing the underway response to these three Acts.

Under Review/Underway

Council is in the process of obtaining compliance or reviewing the process to see if/how it can be better addressed.

- Vulnerable Children Act 2014 – This policy review has been reprioritised for 2025/26 due to other priorities taking precedence. This is not a legislative requirement.

Not Compliant

There are other areas where Council is aware they are:

(a) not compliant, OR

(b) are majority compliant for the reasons outlined below.

The areas where Council are non-compliant are:

- Building Act – Although the positive improvement, this is still non-compliant. For 2024/25 staff processed 738 building consents. 689 of these were processed within statutory timeframes (93.4%).
- Resource Management Act 1991 – Resource Consent Applications – During 2024/25 Council received 295 consents of those 272 (92%) were processed with timeframe and 23 processed outside the timeframe.
- Ngāti Hinerangi Claims Settlement Act 2021 - The District Plan is in the process of being updated to record the statutory acknowledgements included in the Ngāti Hinerangi Claims Settlement Act 2021. While this should have been in the District plan as an amendment, Council staff were aware of the Settlement Legislation.
- Health Act 1956 – During 2024/25, the Te Aroha plant was not 100% compliant due to fluctuating results at the outlet of the contact. Tawari Street in Matamata, was non-compliant for one day in the compliance period, and was reported to the Water Service Authority. Council is taking a proactive stance towards full compliance.

Repetitive Non-Compliances

The following pieces of legislation are noted every year as being non-compliant and this is unlikely to change for the reasons noted below.

- Public Bodies Leases Act 1969 - A significant portion of the land Council owns is not put out for public tender every time a lease ends as Section 8 requires. This is mostly due to the costly process that would be involved for each piece of land.
- Public Records Act 2005 - Council are working towards complying with this Act by capturing logs on the MPDC website of who made changes, when, and what the changes were. Council storage of hardcopy documentation onsite does not comply (this is the situation for most councils across the country) with the above legislation. In a step towards compliance, there is now an archiving solution that manages our social media and Council website.
- Walking Access Act 2008 - There are numerous paper roads within the district. There is currently no enforcement of the requirements under this legislation and council deals with compliance on a one off basis where complaints have been received.

Mōrearea | Risk

The key risk is legislative non-compliance which could have an impact(s) of:

- loss of reputation
- loss of accreditation

- civil and criminal proceedings
- investigation and censure from monitoring bodies
- breaches of banking and other key covenants

Ngā Whiringa | Options

The Committee is invited to provide comment on the Legislative Compliance Register for Council to consider.

Ngā take ā-ture, ā-Kaupapahere hoki | Legal and policy considerations

For reporting on compliance, legislation has been grouped per the major functions of the Council. The reference to any statute includes all relevant amendments.

Ngā Tāpiritanga | Attachments

- A.  Legislative Warrant of Fitness Compliance (WOF) 2025 - For Risk and Assurance and Council (*Under Separate Cover*)

Ngā waitohu | Signatories

Author(s)	Ellie Mackintosh Rōia Legal Counsel	
Approved by	Ally van Kuijk Hautū Tipu me te Whakamatua General Manager Growth & Regulation	

8 Ngā Pūrongo Whakamārama | Information Reports

8.14 Delegation Policy and Delegation Register Amendments

CM No.: 3091695

Te Kaupapa | Purpose

The purpose of this report is to seek Committee feedback on the amendments made to the Delegation Policy and Delegation Register 2025 prior to being provided to Council for approval. Through this report we would also like to highlight that we are currently implementing a new dedicated system for delegations, and intend to workshop this with Council and Risk and Assurance in the new year prior to implementation.

Rāpopotonga Matua | Executive Summary

Under the Local Government Act 2002, Council may delegate its statutory powers and functions to Council officers and Committees. The Delegation Policy and Delegation Register provides the framework for this and illustrate all the delegations made to staff across multiple legislations. This report is to highlight all the changes that have been made over the past 12 months.

Tūtohunga | Recommendation

That:

1. The information be received, and
2. That the Committee provide feedback, if any, on the delegations amendments prior to the delegations being submitted for approval to Council.

Horopaki | Background

The Local Government Act 2002

Section 48 of the Local Government Act 2002 (LGA) provides that delegations must be carried out in accordance with Part 1 of Schedule 7 of the LGA. Clause 32(1) of Part 1 to Schedule 7 of the LGA provides that, for the purposes of efficiency and effectiveness in the conduct of a local authority's business, a local authority may delegate to a committee or other subordinate decision-making body, or member or officer of the local authority any of its responsibilities, duties, or powers excepting the powers specified under paragraphs (a)-(f) of that sub-clause.

These delegated powers fall broadly into three categories:

- Financial
- Warranted powers
- Statutory

The Policy focuses on two policy issues:

- Efficient and effective decision making - good management practice is to encourage delegation of decision making to the lowest competent level.
- Managing risk - Council has identified the 'top five risks' which are to be considered by Council and staff when making a delegation.

The Register contains information on:

- Powers retained by Council
- Mayoral powers under the LGA
- Powers delegated to Council committee's under its governance structure

- Powers delegated to Council's hearing commission under its governance structure
- Financial delegations (held by finance)
- Warranted appointments
- Statutory delegations (delegations where the highest risk has been initially assessed have been highlighted throughout the delegations document)

In the report to Risk and Assurance in October of 2024, the Committee were informed that staff would be undertaking the delegation amendments slightly differently from prior years. Previously staff would track changes into the documents and provide Risk and Assurance with the whole document even when only some small changes have been made. Now staff have been tracking changes using a spreadsheet, which outlines the changes, notes the reasons and who the delegation was approved by (either CEO or Council).

The CEO is free to delegate any powers that are already noted in the register. Any new pieces of legislation not previously included in the delegation Policy and Register need to be delegated by Council to the CEO who then can sub-delegates to staff, except where expressly stipulated.

The tracking spreadsheet is attached. The committee is welcome to view the register in its entirety at any time.

Ngā Take/Kōrerorero | Issues/Discussion

Amendments made to Delegations Policy and Register since November 2024 included:

- Three reports to Council for the Water Services Act, Land Transport Act, Resource Management Act, Natural and Built Environment Act 2023, Fast-track Approvals Act 2024 and Riskpool delegations.
- The remaining were CEO sub-delegations to staff which have all had emails provided by the CEO confirming approval of these changes.
- There have also been title changes as notified by the People and Wellness department.

New System:

Council has purchased a new system to improve our delegations policy and register and provide reports of amendments made. Staff are in the process of finishing the inputting of data, then staff will begin initiating the action plan for implementing it with Council.

Staff suspect, this system may show some areas where improvements could be made, but this will be presented to Risk and Assurance in the new year with a fleshed out action plan of what has been noted and also what the next steps are for this, along with a risk assessment.

Loco-Delegations allows for the maintenance and tracking of Council's delegations for both statutory and warranted powers. There is a six month review of the legislation completed by an external law firm to confirm that the legislation is up to date and all necessary legislation is included.

Mōrearea | Risk

This is a high risk activity, due to the fact that if there is a mistake it could mean that duties undertaken by staff are not valid and potentially illegal.

This risk is mitigated through the continuous ongoing review and yearly reporting to this committee and Council.

The implementation of Loco-Delegation will improve our legal compliance, identified as a top 11 risk.

Ngā Tāpiritanga | Attachments

A¹. Tracking Table for Delegations Register Updates - November 2024 onwards



Ngā waitohu | Signatories

Author(s)	Ellie Mackintosh Rōia Legal Counsel	
Approved by	Ally van Kuijk Hautū Tipu me te Whakamatua General Manager Growth & Regulation	

Delegations Register Update Tracker			
Date	Update Made to Delegations Register	CM # of Apporval from CEO	Notes
03-Dec-24	Addition of sections 42(2)(g) and 42(2)(h) to the Local Government Act 2002 - allowing members of the executive team to undertake employing of staff and negotiation of terms of employment.	2974231 & 2997459	Additional comment included <i>Note: as long as Manager and PSW Recruiter agree on the decision, Group Manager to approve roles below Third Tier. Roles that are Third Tier or above to be approved by CEO.</i>
18/12/2024	Amendment to reinstate the Noise Control Contractors	2983080	There were no delegations at all included for NCC in the most recent version so have reinstated their previous delegations. These were accidentally not included in the document that was carried forward to the next year, but contractors were warranted so there was no risk to Council.
23/01/2025	Addition of powers to Animal Control Security Contractors (ACSC)	2989854	There were 5 powers which ACSC didn't have delegated to them. These powers were warranted so there was no risk to Council.
13/02/2025	Amendment to reinstate the Contractor - Roading (CR)	2997458	There were no delegations at all included for CR in the latest version so have reinstated the previous delegations for CR.
29/04/2025	Added in Delegations for Parking Enforcement under sections 128D & 128E of the Land Transport Act 1998	3033161 & 3002780 & 2963967	There were no delegations at all for Parking Enforcement. Delegation provided via Council Report on 05/03/2025.
30/04/2025	The responsibilities, duties or powers under the Natural and Built Environment Act 2023 and Fast-track Approvals Act 2024 .	3021525	Delegation provided via Council Report on 30/04/2025.
20/05/2025	Amendment to financial delegations to show exclusive of GST	Corrected by Finance	Correction sent from Sangeeta
03/06/2025	The delegations under the Resource Management Act 1991 be updated to enable the Planning Manager to approve all resource consents and the Resource Consent Team Leader to approve Controlled and Restricted Discretionary resource consents	3032802	Resolution number: CO/2025/00007 - Resource Consent Delegation. Council Meeting of 28/05/2025

27/08/2025	Council delegates to the CEO the complete delegable powers under the Water Services Act 2021, including the power to further sub-delegated the powers.	Approval via Council Report	The responsibilities, duties or powers under the Natural and Built Environment Act 2023 and Fast-track Approvals Act 2024 .
	Council delegates to the CEO, Mayor and Deputy Mayor (individually) the power to exercise Council’s vote(s) in regards to Riskpool when matters arise.		

8 Ngā Pūrongo Whakamārama | Information Reports

8.15 Safety and Wellness Reports

CM No.: 3092729

Te Kaupapa | Purpose

The purpose of this report is to provide the Committee with safety and wellness reporting.

Rāpopotonga Matua | Executive Summary

The April to June 2025 Quarterly Safety & Wellness Report, the Annual 2024/2025 Safety and Wellness Report, and the July and August 2025 Safety & Wellness Updates are provided. Lucy Longstaff, Safety and Wellness Team Leader and Kate Stevens, People, Safety & Wellness Manager in attendance to discuss the reports with the committee.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Tāpiritanga | Attachments

- A.  July 2025 Safety Wellness Update

- B.  Quarterly Safety Wellness April to June 2025

- C.  Annual Safety Wellness Report 2024/2025

- D.  August 2025 Safety and Wellness Update


Ngā waitohu | Signatories

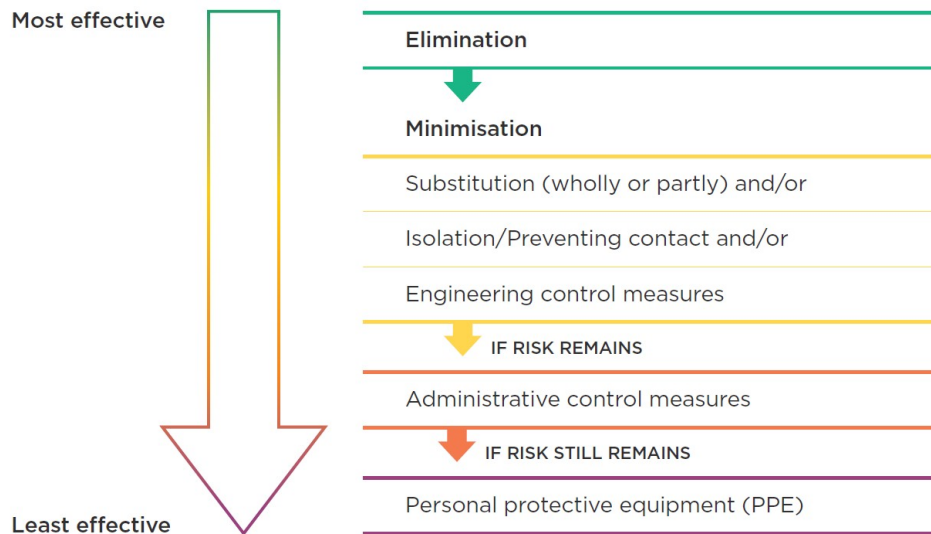
Author(s)	Kate Stevens Pou Tāngata, Haumaruru me te Oranga People, Safety & Wellness Manager	
Approved by	Kelly Reith Group Manager, Corporate, People & Relationships	

Safety & Wellness Update July 2025

Risk Management- Hierarchy of controls

As part of our ongoing focus on strengthening risk management, this month's update highlights a fundamental tool we use at MPDC to manage risks effectively and consistently. The Hierarchy of Controls. This systematic framework ranks control measures from most effective to least effective, guiding us to apply the most effective solutions first. Lower-level controls (e.g. PPE) should only be used when higher-level options are not practicable.

At MPDC, the Hierarchy of Controls isn't just a concept, it's embedded into how we manage health and safety every day. We apply it during risk reviews, when considering plant and equipment purchases, through event investigations, in critical risk audits, and during site visits. By consistently applying this framework across these activities, we can be confident that risks are being managed in line with best practice.



← Confined space entry at Turley Sewer Pump Station, demonstrating an engineering control, a tripod and winch system providing safe access/egress.

→ Work at height at Te Aroha head office, with an elevated work platform (engineering control) the operator harnessed on (PPE) and an exclusion zone in place. (administrative control)



Safety & Wellness Update July 2025

Reducing Slips, Trips & Falls

Slips, trips and falls are one of the most common causes of injury at MPDC. We've experienced a couple of slips recently, reminding us that even seemingly minor improvements and simple measures such as wearing suitable footwear with good grip can have a significant impact on reducing risk.

This month, we're spotlighting a practical example of the Hierarchy of Controls in action following slips on this ramp at the KVS depot, an investigation identified risks and led to improvements to prevent further incidents.



Previously, this access way posed a number of risks:

The Hazard

- The slope was potentially too steep
- The surface was smooth and lacked grip
- Algae growth has built up over time
- There was no handrail for support
- No warning signage was in place

After applying the hierarchy of controls to assess and mitigate the risk:

The Fix

Elimination- The steep incline was removed by replacing the ramp with a more gradual and compliant slope. The carpet was also removed and the timber updated to reduce moisture retention and prevent algae growth.

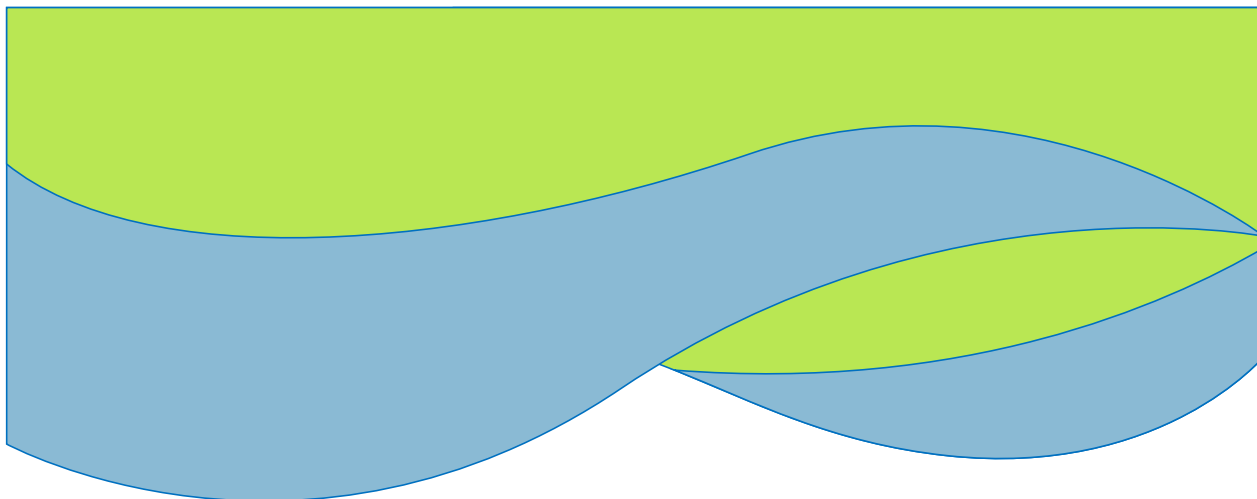
Engineering controls- Grip strips (non-slip yellow treads) were added to improve traction, and a handrail was installed to provide physical support and stability. Lighting was reviewed to confirm adequate visibility.

Administrative Controls- High-visibility caution signage was installed to alert users to potential slip hazards and promote awareness.

Result

PPE- The risks were controlled further up the hierarchy, reducing reliance on personal behaviour.

A safer, more user friendly accessway that reduces the risk of slips, trips and falls and demonstrates how the hierarchy of control works in practice.



Safety & Wellness

Quarterly report:

April - June 2025

Together we create a healthy, safe workplace where we thrive.

Executive summary

This quarter, we celebrated the World Day for Safety and Health at Work. To mark the occasion, our CEO, Manaia, shared a video reflecting on what this day means to us at MPDC. We also launched our Building Belonging Strategy, which reinforces our commitment to fostering an inclusive and supportive workplace. Matamata-Piako District Council is proud to have a richly diverse workforce—made up of individuals from various cultures, life stages, abilities, beliefs, and perspectives. We want every person at MPDC to feel a genuine sense of belonging.

We continue to see events relating to aggressive or abusive behaviour, and a review of CCTV systems across MPDC is currently underway to ensure consistency in the way these are used. Cameras can act as a deterrent and improve staff health and safety by allowing staff to monitor situations where safety is at risk.

The KVS Team have been working to prepare for the 1 July handover of the refuse transfer stations from Smart Environmental. There are multiple critical risks in relation to these sites and the People, Safety and Wellness Team have been providing support for KVS as they work through the safety and wellness risk management processes.

Performance

Strategic priorities

We identified three safety and wellness strategic priorities for the 2024/2025 year: strengthen safety and wellness leadership, engage and empower our Health and Safety Representatives and sustain our focus on critical risk. Further details and progress made on the planned tasks for these priorities is provided at the end of this report.

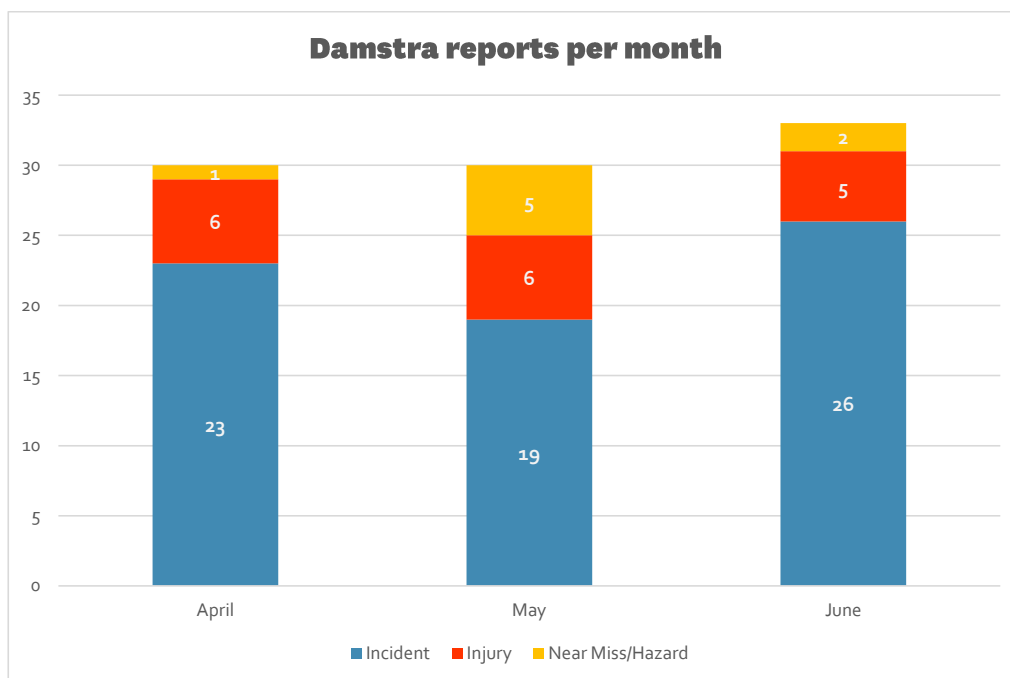
Reporting

There were six lost time injuries this quarter: a back strain (lifting), an ankle sprain (trip), three leg/knee sprains (slip or twist injury) and a hand sprain (re-aggravation of a previous injury).

The graphs and tables below provide summary data from Damstra reports.

Number of events and observations this quarter:				
Incidents	Injuries/illness	Near Miss/ Hazard	Notifiable Events	Lost Time Injuries*
68	19	8	0	6

*Lost time injury: resulting in more than one shift off work



This quarter, three reported events involved contractors, consisting of both near misses and incidents. Further details on the higher risk events are provided under the critical risk section below.



Damstra tasks*	Completed this quarter	Overdue end of this quarter	Trend for overdue actions
Corrective actions	79	23	↓ from 34 last quarter
Risk reviews	254	38	↓ from 88 last quarter
Event Investigations	93	16	↓ from 20 last quarter

Risks

Council has identified its “Top 10” critical risks as follows:



Critical risk updates:



Three critical risk audits were completed this quarter with no significant issues found, except for a minor incident involving equipment placement that was promptly resolved. The issue was addressed immediately, and preventative measures were taken by refreshing the team on correct equipment placement when working on the road to reduce the likelihood of recurrence.



During a site inspection, asbestos-containing material (ACM) was found inside a locked container, as required, but without the necessary secure wrapping. Although the ACM was non-friable at the time, the lack of proper wrapping posed a potential risk of accidental disturbance or exposure. This has since been rectified.



During the installation of geogrid on the clay base of the Te Aroha Wastewater pond bank, a contractor lost footing and slipped off the waveband, resulting in one gumboot being submerged in the wastewater pond. Corrective actions are currently underway including a review of the emergency response plan and reinforcing communication with all regular contractors about the risks associated with working on the waveband.



This month, the KVS Retic team successfully completed a confined space entry at Swimzone Matamata to clean the balance tanks. The operation was conducted safely and efficiently, showcasing excellent adherence to safety protocols and procedures.

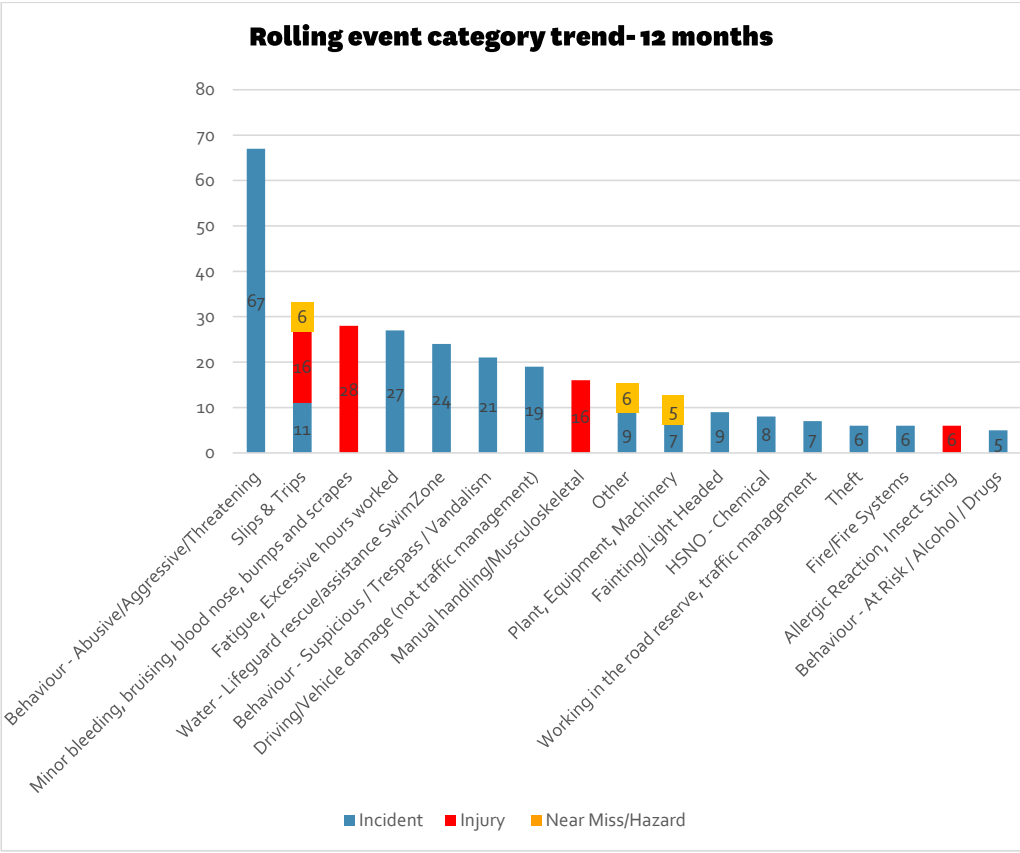


The Morrinsville Office and Library are currently undergoing significant refurbishments, with work involving work at height. Scaffolding is being utilised as a primary means of access, offering a safer and more stable working platform compared to ladders or other temporary solutions. This approach provides improved fall protection, great worker efficiency, and reduces the risk of slips or overreaching. An onsite audit found both ladder and low level scaffolding to be well set up and in good condition.

Work at the Matamata Stadium construction site is progressing well. The structural steel erection is nearly complete, and roofing installation has now commenced. Due to several incidents involving school students jumping fences and entering the construction zone, communications were sent to the school, and a viewing window has been installed to safely satisfy curiosity. Since these combined efforts, there have been no further instances of students entering the worksite.

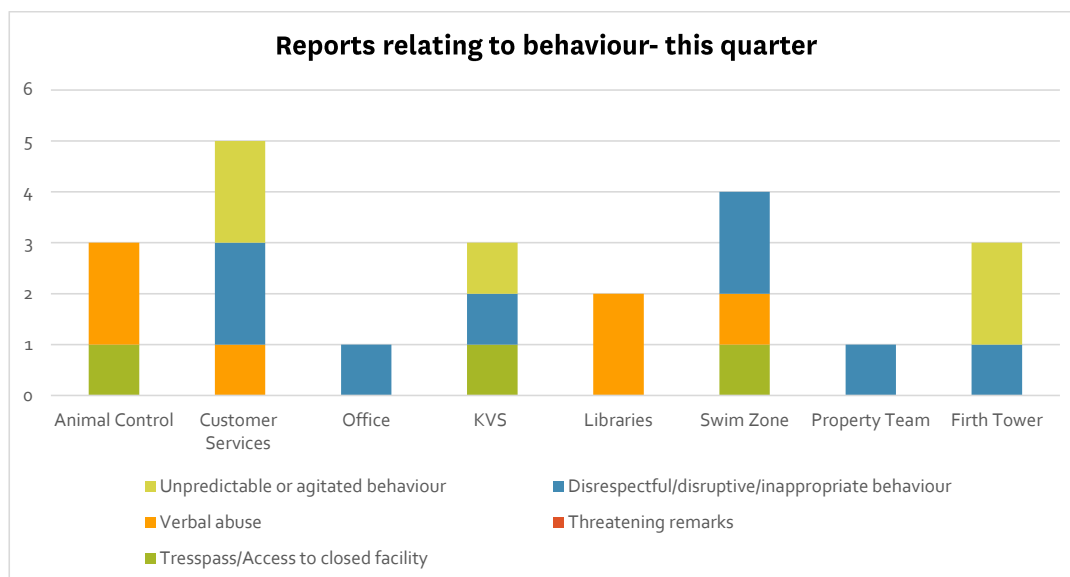


Events



This quarter, 22 events related to public behaviour were reported, continuing to be the most common type of incident. The graphs below provide a detailed breakdown of these occurrences and a summary of actions taken.

In June, we had our MPDC catch up with the local police sergeant. This meeting provided an opportunity to build a supportive relationship with our local police and to discuss increases in certain behaviours, reoccurring themes and other topics where we might benefit from some guidance. The next meeting is scheduled to take place in September and will be held at held at the Morrinsville Office, which will have undergone upgrades to enhance staff safety.

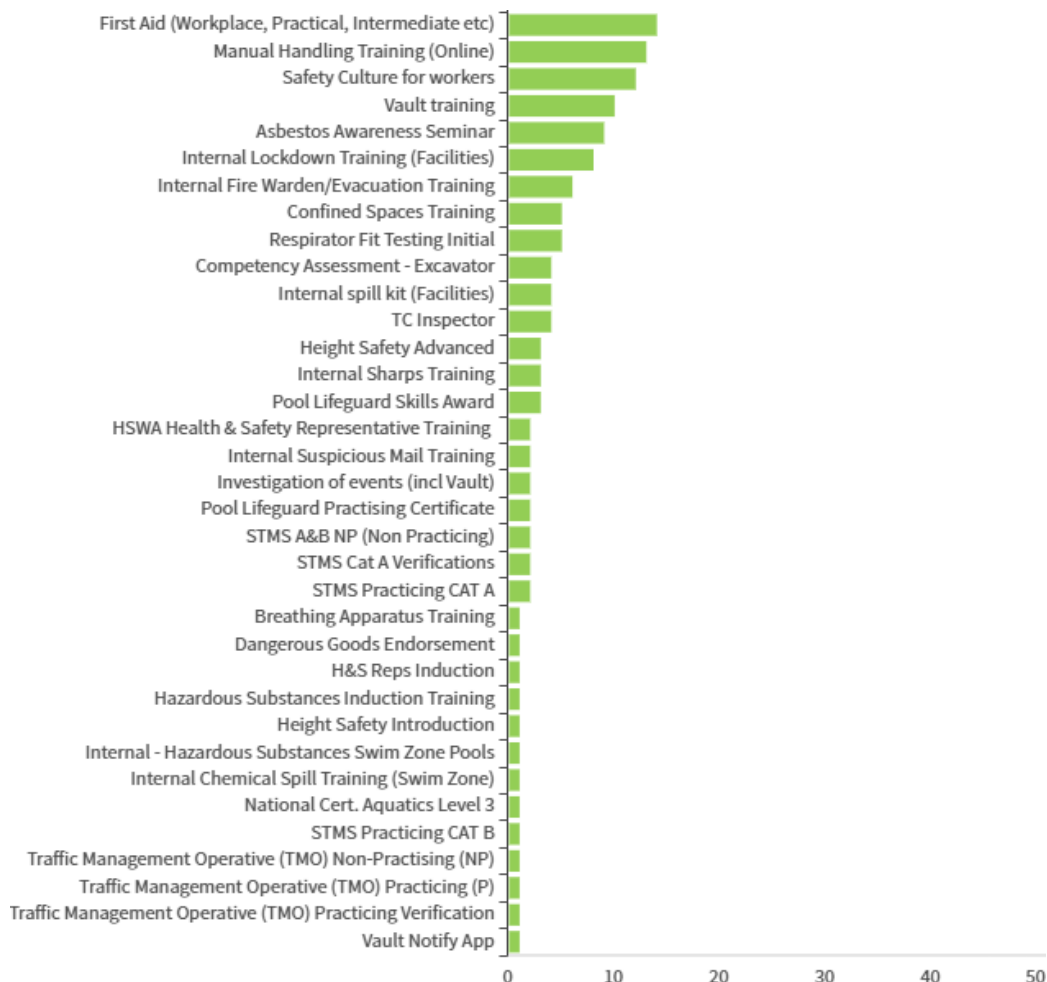


A learning team was carried out this quarter involving multiple teams across MPDC, following a phonecall involving threatening remarks. A learning team brings together those involved in an incident, event, or project or those with relevant insights, with the goal of learning and improving, whether things went well or not. Several positive aspects were acknowledged during the session, and the team is now working on further improvements identified through the discussion.

Learning and Development

The graph below shows safety and wellness related training (both internal and external) completed this quarter.

Training completed this quarter



Health Monitoring

Data for health monitoring and respirator fit testing for this quarter is shown below.

Annual health monitoring completed	25	Exit health monitoring completed	0*
Overdue health monitoring	8	Respirator Fit Testing completed	17
Pre-employment health monitoring	24	Respirator Fit Testing Overdue	6

*Many exiting staff decline health monitoring.

As shown above, there are some overdue annual health monitoring and respirator fit tests. For health monitoring, delays have been due to staff illness, injury, or leave, which has resulted in scheduled appointments being postponed. In addition, a high volume of pre-employment assessments have been required to take place, particularly for RTS staff. This has required rescheduling some annual checks. For respirator fit testing, we are currently in a catch-up phase following the internal upskilling of a team member to conduct this testing in-house.

Relationships

Engagement and Participation

One new Health and Safety representative has been elected to represent the Communications & Engagement, Te Ohu Tūhono |Iwi Relationship Team and People, Partnerships & Governance teams, with their training scheduled for July.

A Health and Safety Committee meeting was held in May, with 15 attendees, including union participation. An overview of the risk review process was provided to the committee. Since this meeting, health and safety reps have been assisting in reviewing risks from different areas of the business to provide a fresh perspective.

The committee was also given an overview of the Belonging Strategy, highlighting its key features and the importance of fostering an inclusive and supportive workplace culture. The strategy aims to strengthen staff engagement and create a sense of connection across the organisation.

Four Health and Safety Representatives attended the Health and Safety Representatives Development Day Conference and shared very positive feedback about the event.

A review of the Health and Safety Representative Engagement Plan has been completed. The updated process aims to guide representatives in their roles and clarify the responsibilities of both representatives and managers. This revised plan is now actively in use.

Group Managers are scheduling time to meet with the Health and Safety representatives within their groups to ensure alignment on health and safety priorities and to support effective implementation of safety initiatives.

Contractors

A Safety and Wellness Contractor Management upskill session took place this quarter with 35 of our Contract Managers across MPDC attending. The session focused on two key components of contractor management: conducting pre-start meetings and carrying out annual reviews. The session was well-received and provided valuable insights that will enhance our contractor management practices moving forward.

The Safety and Wellness Team have attended several pre-start meetings. In one instance, it was identified that the risk of coming into contact with underground services had not been considered by the contractor highlighting exactly why pre-start meetings are essential for identifying and addressing potential hazards before work begins.

Seven of the eight critical risk audits completed this quarter were at contractor work sites.

Resources

We provided support for newly-elected team leaders in critical risk areas such as Three Waters and Reticulation as they learn about their S&W responsibilities including event investigation and the use of our incident management system, Damstra.

Due Diligence

Lucy, the Safety and Wellness Team Leader, recently attended the Safeguard Conference, which is a valuable opportunity for learning and connection. The theme of the conference was staying curious. Cultivating the habit of curiosity keeps us alert and receptive to new thinking and helps prevent us becoming the sort of person who responds "because we've always done it this way". To make a shift in risk maturity and alignment, we need to be open to learning new strategies and approaches. Discussions also emphasised the importance of trust and how it can be built through worker led problem solving. Lucy provided the Executive Team with a brief outline of the learnings from the conference that can be put into practice at MPDC.

The Risk and Assurance Committee met in June and agreed to add 'Ensuring health, safety and wellbeing' to MPDC's top risks. They also discussed the Top Risk Deep Dive report for this risk and reflected on the hierarchy of controls in eliminating and minimising risk under the Health and Safety at Work Act, noting the number of administrative controls in place. Further work is needed to ensure that the hierarchy of controls is reflected appropriately in the controls for this risk.

Assurance

Critical risk audits

We completed eight audits relating to critical risk this quarter. Overall, the controls were effective, with any identified issues either addressed on-site or escalated to the contract manager for further action.

Risk	Audits	Work site
	1	Barrier installation in Morrinsville CBD
	1	Balance Tank Cleaning at SwimZone Matamata
	3	- Resealing of Walton Road - Matamata Connectivity Improvements - Morrinsville CBD accessibility improvements
	1	Fencing installation- Te Aroha Wastewater Treatment Plant
	2	- Reroofing at Te Aroha Library - Refurbishment work at Morrinsville Office

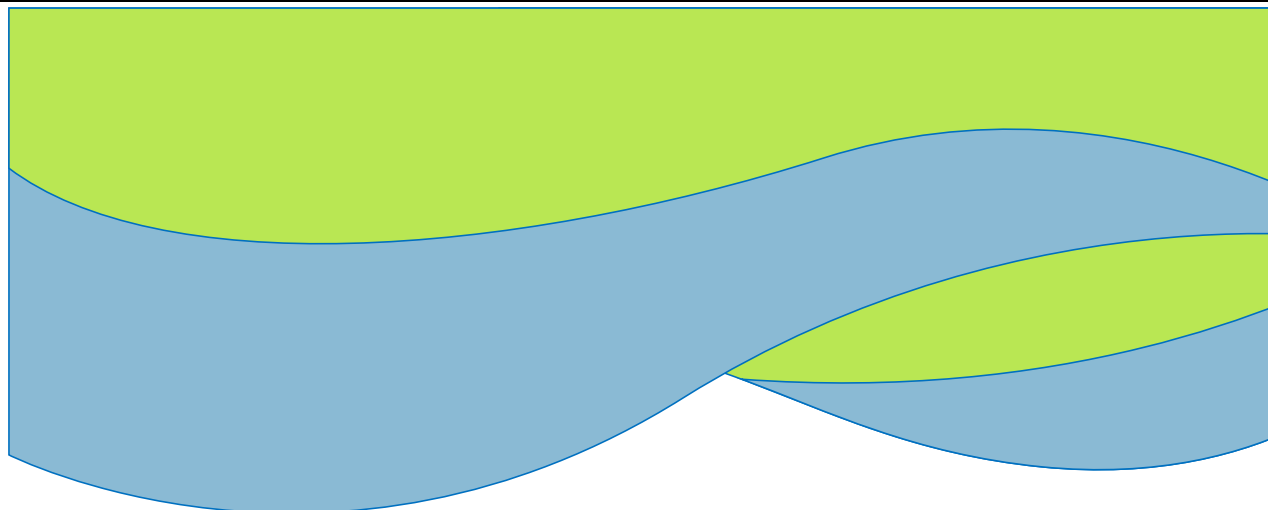
Safety and Wellness Objectives

Below is a summary of progress on our key projects relating to our objectives for this year.

1. Strengthen Safety & Wellness Leadership			
Action	Update	Status	Target Quarter
Visible leadership and building relationships: S&W team member works at key areas at least one day per month (Matamata, Morrinsville, KVS, Three Waters). Executive Team complete Leader Walk Through visits and engage with staff on site.	S&W Team regularly work at other sites. Exec Team have completed Leader Walk Through site visits. S&W continues to be the first item on the Exec Team agenda.	Completed	1-4
Provide training for managers to access information in Damstra.	Damstra has been re-configured to align with new organisational	Completed	1-2

Configure Damstra to align with the new organisational structure and set up appropriate escalations. Transition reporting in Damstra to new reporting software (Insights).	structure and escalations set. We continue to provide Damstra training to new managers and team leaders as they come aboard. Damstra has now fully transitioned to Insights for reporting and the S&W team are utilising the software and working with Damstra to resolve some teething issues. The team are continuing to upskill by attending training webinars.		
Review S&W induction programme for managers and team leaders.	Safety Culture Training has been reviewed and changes made. Review of the whole S&W induction programme is planned for the 2025/2026 year.	Underway	3-4
Clarify S&W accountabilities for Managers and Team Leaders.	S&W accountabilities for managers and team leaders drafted. Further work to be done to integrate these into Mariner 7. Planned for the 2025/2026 year.	Underway	1-3
Trial a process for leaders to celebrate good S&W practice.	Leaders are encouraged to provide informal praise regularly and formal recognition as part of Mariner7 reviews. The June Managers and Team Leaders' Day included a session on 'The art of appreciation'. An award system is currently being developed and is scheduled to be introduced at the next all-staff meeting.	Underway	2-3
2. Engage and Empower our Health and Safety Representatives			
Review work groups to align with new organisational structure and elect new reps where needed.	Work groups reviewed and new reps elected.	Completed	1-2
Review induction and training programme for H&S reps.	Commenced in Quarter 3. This work will continue into 25/26 year.	Underway	2-3
Plan a training programme for H&S Reps. Each rep completes at least one learning activity.	Four Health & Safety Reps attended the SafeSkills Conference, while another completed H&S Investigation Training. Additionally, four other reps participated in the HSR Development Day Conference. This work will continue into 25/26 year.	Underway	2-3

Build relationships between reps and third tier managers: each third tier manager has a plan for engaging with their H&S Reps.	This was reviewed and it was decided this engagement is more crucial for direct managers (as per the current process). Additionally, Group Managers are catching up with their representatives to ensure alignment on health and safety priorities and to support the effective implementation of safety initiatives.	Completed	3
Cross site auditing or risk reviews: each rep is involved in a site audit or risk review outside of their usual area of work.	Risk Reviews are underway and progressing. Examples include reviews completed at TA spas and the Matamata library, with representatives from different areas participating. This will continue on into 25/26 year.	Underway	3-4
Health and Safety Policy is reviewed with input from H&S reps.	Review of the Policy has been completed.	Completed	3-4
3. Sustain our focus on critical risk			
Critical risk audits: minimum 8 critical risk audits completed per quarter by the S&W Team.	Quarter 1: nine audits completed. Quarter 2: twelve audits completed Quarter 3: eight audits completed Quarter 4: eight audits completed	Completed	1-4
Critical risk reviews completed for confined space entry, excavation and energy risks.	Confined Space Entry critical risk review undertaken in Q2. After discussion with the Executive Team it has been decided to review the list of Top 10 S&W Risks prior to continuing with these risk reviews. This is planned for the second half of 2025.	Underway	1-4
Provide ongoing support for MPDC staff who manage contracts where critical risk-related work is undertaken. Audit completed of compliance with pre-start and annual contractor meetings.	Audit completed. Ongoing support is provided e.g. Pre Start meetings are attended by the S&W Team. An upskill session took place quarter 4 with 35 of our Contract Managers across MPDC attending.	Completed	1-4
High risk teams are completing at least one practical refresher (e.g. training scenario) relating to a critical risk per quarter with their teams.	Confined Space scenario exercise was completed at SwimZone Te Aroha with 3Waters, KVS & Facilities. Hazardous Substances is proposed for the next training scenario, this will carry over to 25/26.	Underway	3-4



Safety & Wellness

Annual Safety & Wellness Report: 2024/2025

Together we create a healthy, safe workplace where we thrive.

1. Introduction

Our vision for the safety and wellness team is:

We create a healthy, safe workplace together where we thrive.

Our three over-arching strategic priorities for the 2024/2025 financial year were:

1. Strengthen safety and wellness leadership
2. Engage and empower our health and safety representatives
3. Sustain our focus on critical risk.

The move to the Takatū Anamata | Future Ready organisational structure at the start of this year, and the changes to senior leadership with three recently-appointed Group Managers provided an opportunity to review 'how we do things' in the area of safety and wellness. Our priority of strengthening S&W leadership aligned well with the Executive team's strategic pillar of 'Our people thrive' – to empower and develop our leaders, and intentionally build a positive culture. Executive team support has helped to drive improvements in areas such as overdue corrective actions and risk reviews, and regular Managers and Team Leaders' days have been a good opportunity to promote the importance of building a positive culture (both safety and organisational culture).

We launched the Building Belonging Strategy, which reinforces our commitment to fostering an inclusive and supportive workplace. One of the benefits is improved psychological safety (feeling safe to raise concerns) which contributes to better safety outcomes through increased reporting, enhanced teamwork, fostering a culture of learning, and improved staff wellbeing and satisfaction.

There have been some changes to the safety and wellness team over the last year: we said farewell to George Konusi, welcomed Lucy Longstaff to our team as Safety and Wellness Team Leader, and Kate Stevens moved to the People, Safety and Wellness Manager role on a permanent basis. Having Lucy's fresh perspective on safety and wellness has been very valuable as she works with teams across the organisation to gain an understanding of MPDC's risk profile and our systems and processes.

Changes to the Safety and Wellness Administration Officer role (now the Health and Wellness Coordinator) allowed us to bring activities such as random drug testing and respirator fit testing in-house. We reviewed the drug and alcohol policy to transition from urine drug testing to oral fluid testing for confirmatory random testing, post-incident, and reasonable cause testing. This shift enables in-house testing while retaining urine sampling (provided externally) for pre-employment screening. In-house random testing will commence in August 2025.

We made good progress on our strategic priorities (as per the April-June 2025 quarterly report), however some items will require further work in the 2025/2026 year. These include review of induction processes for managers and team leaders and introduction of a safety and wellness award to highlight good practice. We also plan to review the list of MPDC's top ten critical risks to ensure that our priorities are aligned with appropriate high-risk areas. The trends highlighted in this

report will be reviewed with the Executive team and any additional follow up actions identified will be included in the priorities for the 2025/2026 year. In addition to other priorities the Safety and Wellness Team will continue to provide support to the Three Waters Team as they prepare to transition to Waikato Waters Limited.

Looking forward, we will be watching for the Health and Safety legislation reform (a sharper focus on providing clarity, accountability and critical risk oversight has been signalled) and WorkSafe's shift to a more focused strategy, engaging and educating stakeholders and enforcing compliance where necessary. Other changes ahead include the transition from the Code of Practice for Temporary Traffic Management (CoPTTM) to the new risk-based New Zealand Guide for Temporary Traffic Management, which will impact several of our teams and our contractors that work in the road corridor.

2. Risk Management

The quarterly safety and wellness reports and monthly updates provided over the year include detail about specific projects and risks. This report does not aim to duplicate this information, but highlights trends over the course of the year.

2.1 Reviewing and Monitoring of Risks

This year we continued with the organisation-wide review of critical risks, completing a review of the risk of working in a confined space. After discussion with the Executive team it was decided to put the remaining critical risk reviews (excavation and energy) on hold and instead review the list of Top 10 safety and wellness critical risks. This review is planned for the second half of 2025.

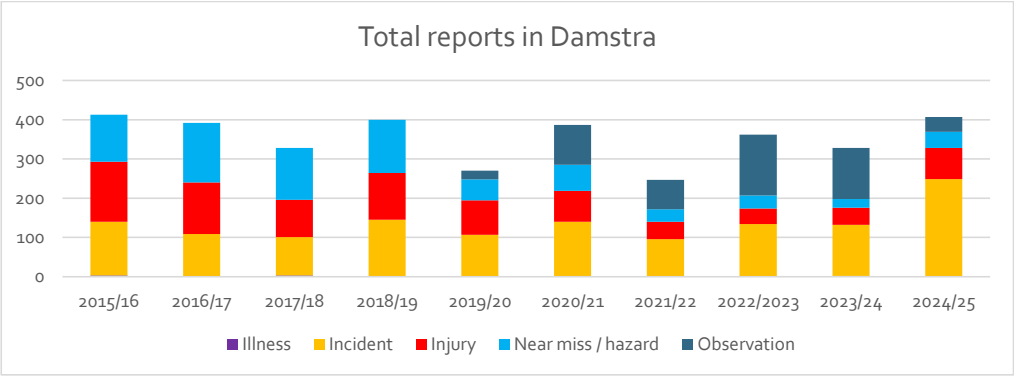
Site risk registers were scheduled for review annually, providing an important assurance activity and an opportunity for managers and team leaders to check the appropriate controls are in place and are effective. At the end of the year there were 38 risk reviews overdue, a significant improvement from the 72 overdue at the end of the previous year. We monitor progress on reviews and provide ongoing support for teams to complete these on a regular basis.

A total of 37 critical risk audits were completed this year, with the critical risk audit programme now well established. These site audits include work sites for both MPDC staff (including KVS) and work done by contractors. A template specific to the critical risk is used to ensure that the audit focusses on the key controls relevant to that risk. Where safety concerns are identified these are followed up with the contract manager and contractor to ensure that learnings are shared and follow up actions completed.

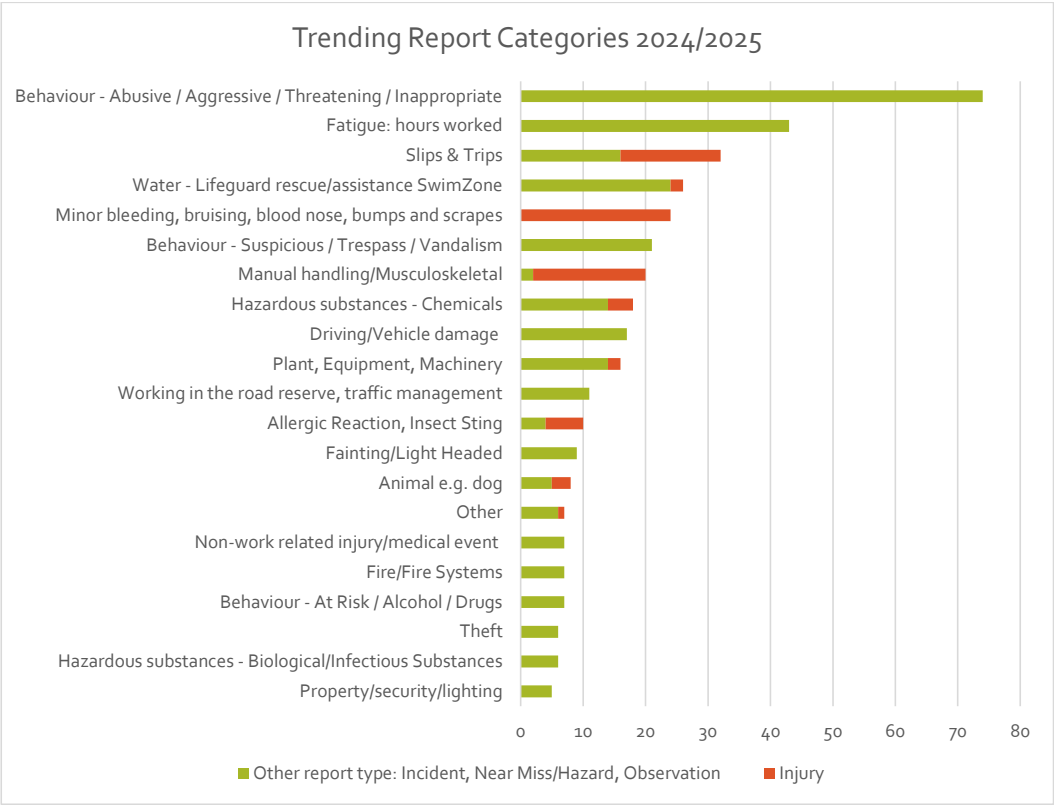
The KVS Team have worked through the safety and wellness risk management processes in preparation for the 1 July handover of the refuse transfer stations from Smart Environmental. There are multiple critical risks in relation to these sites and a significant amount of planning was required to ensure that risk assessments are completed, plant and equipment was procured and safe operating procedures are ready for induction of new staff.

2.2 Event Reporting

The graph below shows total reports in Damstra, including events and observations.



This year we phased out the use of the 'Observation' report as we found that some events were reported in the incorrect category, resulting in a delay in escalation and investigation of the event. The majority of reports that would have previously been logged as observations are now reported as incidents. The graph below shows trending categories for events combined with observations.



The most frequently-reported category continues to be abusive, aggressive, threatening or inappropriate behaviour, with a large increase in this type of event from 42 last year to 74. Other councils are also reporting an [increase in anti-social behaviour](#) towards staff, and as we provide additional training and raise awareness for our staff it is possible that there is also an increased reporting of incidents.

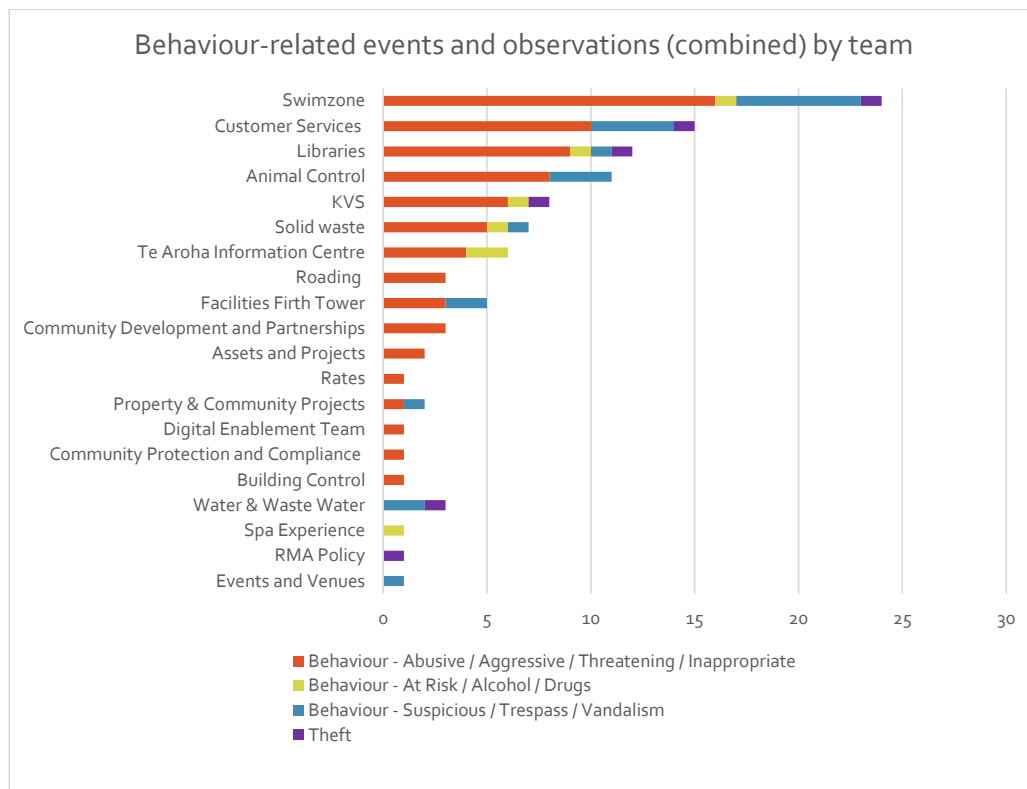
Fatigue reports decreased from 76 last year to 43 this year, noting that the reporting trigger has changed to focus particularly on working extended hours (more than 14 hours).

Further detail about these risks is provided below.

‘Other’ events ranged from a blown trunk main through to damage caused by a mobility scooter. In the second half of the year we reviewed the use of ‘other’ as a category, introducing some additional categories to reduce the number of events assigned to this category.

Behaviour

Abusive, aggressive or threatening behaviour continues to pose a risk for our staff and was the most common type of behaviour reported this year; in most cases these reports relate to verbal abuse. More detailed reporting on this risk is provided in the quarterly reports. The graph below shows the distribution of reports relating to behaviour, by team.



In comparison to last year we have seen increased reporting from Swimzone, Animal control, Solid Waste and KVS.

- Swimzone events are commonly customers becoming angry or abusive towards lifeguards and refusing to comply with instructions.
- Animal control reports relate to threatening behaviour from dog owners. This increase may be partly due to improved reporting with new staff providing a fresh perspective.
- Solid waste reports related mainly to customers becoming abusive about issues relating to kerbside collection, traffic flow at RTS or refuse transfer station closing hours.

A review of CCTV systems across MPDC to ensure consistency in the way these are used is underway and will continue into the coming year. Cameras can act as a deterrent and improve staff health and safety by allowing staff to monitor situations where safety is at risk.

In addition to Customer Conflict training (for customer-facing staff) and Personal Safety training (for field staff), we provided Thriving under Fire training for 66 staff. This course was aimed at giving staff tools to deal with challenging interactions with the public that can lead to stress and difficulty maintaining a high level of service. We will sustain a focus on managing this risk during 2025/2026 year as we anticipate this will continue to be an issue for our organisation.

Fatigue management for Three Waters

Fatigue management has been a focus for the Three Waters unit over the past two years. While occasional weather events have significantly contributed during this period, operational changes are necessary to bring overtime down to acceptable levels.

The Three waters team had identified three focus areas to improve the situation and provided an update to the Executive team in April:

- Resourcing – recruitment of a Team leader (complete) and two additional operators from 1 July (approved)
- Alarms – review and rationalisation of after-hours alarms – as a result alarms are trending down
- Engineering improvements where possible to improve system resilience – medium term solution.

This matter is ongoing and will remain a focus until a satisfactory outcome is achieved.

Slips and trips

Slips and trips was the third most common type of event reported, showing an increase from 24 last year to 32 this year. This risk is discussed further in the injury section below.

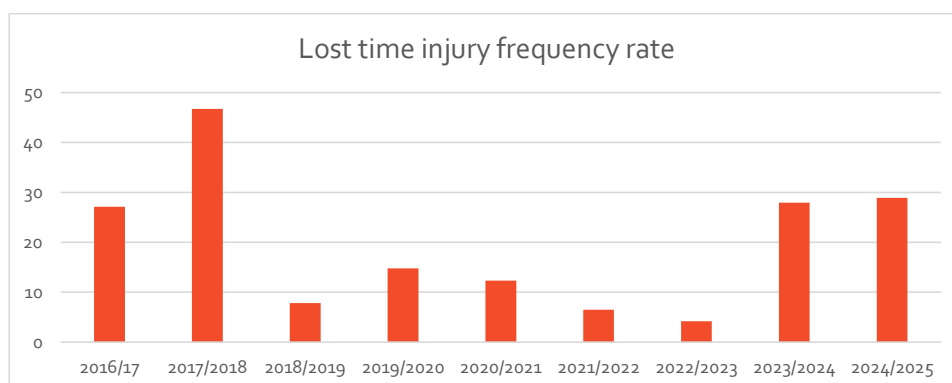
Injury data

The following graphs provide retrospective (lag) information regarding staff injuries. A Lost Time Injury (LTI) is an injury or illness resulting in one work shift or more off work. A Medical Treatment Injury is an injury that required medical intervention (i.e. doctor, hospital).

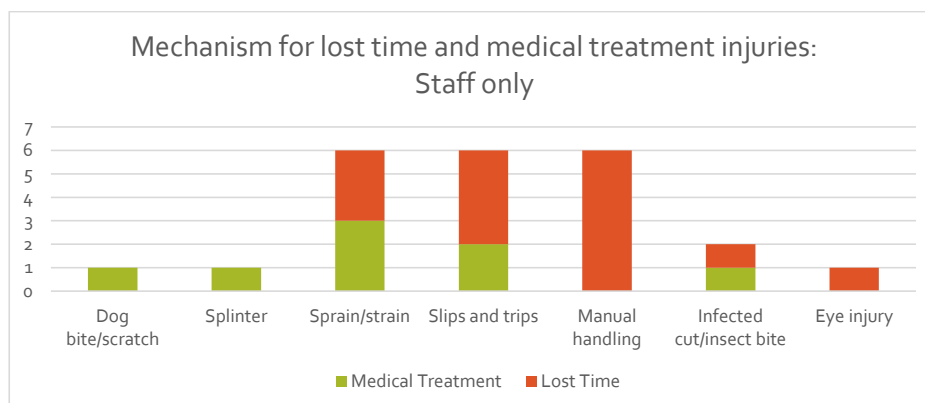
There were fifteen lost time injuries (LTI's) reported in total. Musculoskeletal injuries due to slips and trips or manual handling were the most common cause of lost time injury. The majority of staff affected by lost time injuries were from teams that operate in the field such as KVS Parks and Reserves (9 in total) and KVS Reticulation and Property Maintenance (3).

The Lost Time Injury Frequency Rate below is calculated taking into account the total number of hours worked across the organisation, providing for better comparison from year to year.

As commented last year, the number of lost time injuries had remained relatively low over the four years prior to 2023. The increase seen in the 2023/2024 year may be partly due to better data capture as the safety and wellness team now contact every staff member after an injury is logged, and MPDC now subsidises ACC surcharge costs for workplace injuries.



There were a further eight medical treatment injuries (excluding those lost time injuries) that required medical treatment. The graph below shows information about the mechanism or type of injury.



Slips and trips were a common cause of injury for staff, with causes including falling on the stairs and slips on wet surfaces such as tree roots, a slippery ramp and wet tiled floor. Preventive measures to improve safety include an additional handrail, non-slip surfaces and suitable footwear.

There is some overlap between the manual handling and sprain/strain type injuries, and of the injuries shown in the graph above, five were instances of a pre-existing injury or condition being aggravated. Four of the manual handling events resulted in a back injury.

Looking more broadly at injury types including first aid and no treatment injuries, it was noted that there were six eye injuries (of which only one was a lost time or medical treatment injury). Three of these occurred when an item recoiled unexpectedly, two were exposures to weed spray release from a split hose or when moving a pressurised backpack, and one was dirt in the eye when gardening. We will be reviewing the use of eye protection as a result of these findings.

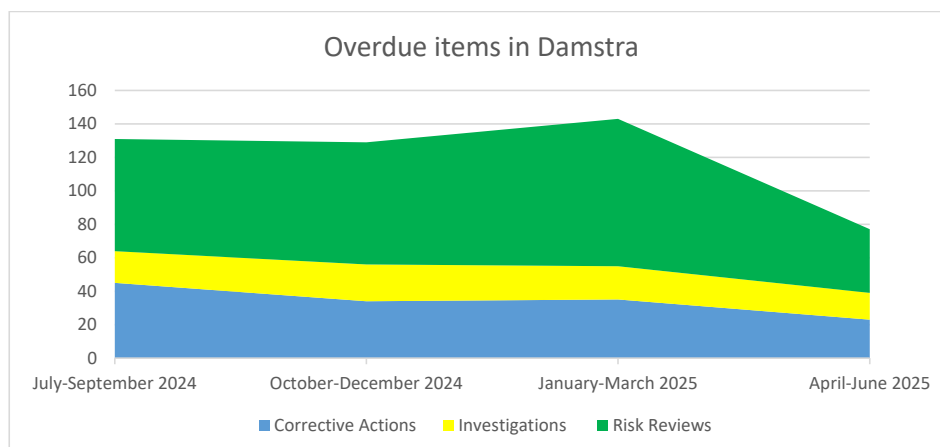
There were three dog bite injuries, all relatively minor. Two of these impacted staff who were not working in the animal control team.

While interactions with dogs can be unpredictable, we continue to look at practical ways of reducing risk. The animal control team has been learning from the experiences of other councils and industry groups and has trialled bite sticks as one potential control. In addition, the team completed Dog Safe Workplace training this year to further strengthen their skills and confidence when working with dogs.

2.3 Damstra

This has been a busy year for the Safety and Wellness Team as we updated our safety and wellness management system Damstra to align with the new Takatū Anamata | Future Ready organisation structure and worked to get accurate reporting through the new reporting tool provided by Damstra (Insights). There is still further work to be done to optimise the way we use Insights, and the team have been working with the provider to troubleshoot any issues that arise.

Damstra enables us to assign corrective actions to ensure follow up from event investigations and risk reviews. We also use the system to track risk reviews and investigations, as seen in the graph below. Overdue items are reported to the Executive team on a regular basis. We have focussed particularly on keeping the corrective actions up to date so the Executive team are able to review and prioritise these effectively.



2.3 Health and Exposure Monitoring

Health monitoring is carried out to ensure that the controls we have in place are effective (as part of our primary duty under the Health and Safety at work Act) and to support the wellbeing of our staff. Spirometry (lung function testing) was provided for staff who are at risk of exposure to silica, asbestos dust, or hazardous substances. In the past year 11 staff were referred to their GP, for example where previous health conditions prevented them from completing the test, or where results indicated a need for further assessment. Asbestos surveillance questionnaires continue to be used to monitor staff who are at risk of exposure to asbestos.

Audiometry (hearing tests) were provided for staff who are at risk of exposure to high noise levels at work. While some staff show signs of noise-induced hearing loss, these appear to be possibly age related or due to factors such as wax inclusion. There were no instances of notifiable hearing loss since baseline testing, and education on hearing protection continues to be provided.

We engaged an occupational hygienist to carry out an assessment on our Ventrac mowers as concerns had been raised about the noise and vibration when operating these. Following the assessment, a number of improvements were made, including balancing the blades, replacing the seat, and providing Grade 5 earmuffs. These changes have made a significant positive difference, with mower operators reporting they are no longer experiencing issues.

Skin checks and musculoskeletal checks were also performed where applicable, and staff who attend health monitoring are also provided with voluntary health checks such as blood pressure and cholesterol. We have observed a year on year increase in cholesterol levels being outside the normal range, and the highest number of referrals to GPs are for cardiovascular disease screening. We will look to provide further education in this area over the coming months.

To improve efficiency and reduce costs, we have brought respirator fit testing in-house. This initiative not only provides more convenient access for staff who require testing but also serves as a valuable opportunity to upskill employees on the importance of wearing respirators.

3. Overlapping Duties

We continue to provide support for contract managers with annual safety and wellness review meetings and pre-start meetings with contractors. In June we held a refresher training workshop with MPDC contract managers and sought their input into prioritising which contractors should have an annual review and clarifying which contract manager would be responsible for these.

The safety and wellness team also continued to provide support with reviewing safety plans for volunteer activities and for events organised by the public on our reserves or at event centres.

4. Engagement and Participation

This year we reviewed the Health and Safety Representative work groups to align these with the new Takatū Anamata | Future Ready organisation structure.

The Health and Safety Committee continued to meet quarterly, and a focus group of H&S representatives assisted with the review of the safety and wellness policy. The policy reinforces our commitment to fostering a workplace where all employees have a sense of belonging, feel valued, supported, and empowered and highlights the significance of both formal and informal team discussions in strengthening communication and enhancing our safety and wellness system.

In addition, H&S representatives have played an active role across the organisation this year. They have partnered with the safety and wellness team to carry out risk reviews using a 'fresh eyes' approach, contributed to safe operating procedure reviews, critical risk audits, and assessments for new building openings, and supported the embedding of safe work practices. We also invested in developing our representatives, with several attending external training and conferences to build capability and bring back new ideas. This year saw a number of new representatives join the network, further strengthening engagement and ensuring diverse perspectives are included in our safety and wellness conversations.

The staff climate survey response this year showed 92.6% of staff agreeing that MPDC places an emphasis on the safety and wellness of its staff and customers, and 90.5% agreeing that MPDC cares about their overall wellbeing (similar results to the previous year's survey of 92.5% and 89.7% respectively). The survey also highlighted some areas for improvement and planned follow up as described in the May 2025 S&W Update.

5. Governance and Leadership:

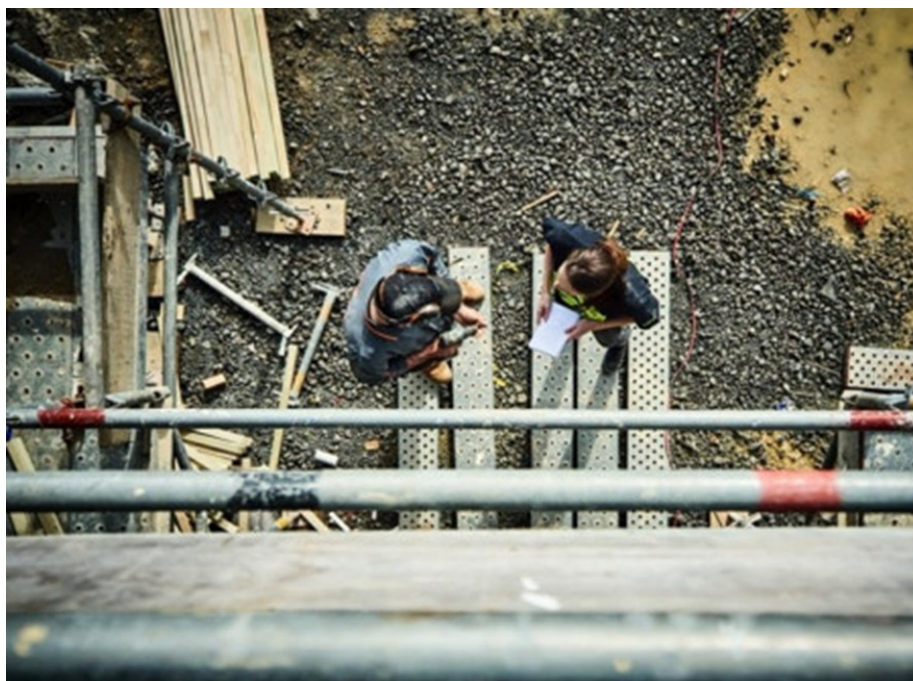
Monthly and quarterly Safety and Wellness reports continue to be provided to both elected members and the Risk and Assurance Committee. Councillors also attended three Due Diligence workshops on critical risks relating to hazardous substances at Swimzone pools, slow onset health risks (asbestos and silica) and mobile plant operation at the KVS Waihou depot.

Our newly-appointed Executive team members conducted leadership walk-throughs on a range of sites over the course of the year to gain a better understanding of the safety and wellness risks associated with MPDC's work. They also met with their health and safety representatives and each H&S Committee Meeting is attended by a member of the Executive team. The Executive team meetings continue to include a standing item for safety and wellness, with discussion topics ranging from high priority corrective actions through to recent events and investigation findings for high risk events. The Executive team have further work planned for the 2025/2026 year to use the Institute of Directors' self assessment tool to assess their own approach and practices against the guidance laid out in the Institute of Directors H&S Governance Good Practice Guide.

Safety & Wellness Update August 2025

Perception of Danger

Recently, we've been focusing not just on identifying hazards, but also on [how we perceive and respond to risk](#). Hazard identification is spotting the problem whereas risk perception is judging how dangerous we believe it is. When those two don't line up, accidents happen. Our goal is to bring both into alignment, so we treat risks with the seriousness they deserve. This was discussed at the recent Managers & Team Leaders Day, where we showed the team two photos and asked them to identify the risks. Here's what they found:



Scenario 1

Fall risk: Without visible guardrails or fall protection, a slip or loss of balance could result in a life-threatening fall.

Falling objects: Tools or materials dropped from that height could injure people below.

Scaffold safety: If the scaffold isn't properly secured or built, it could collapse.

Missing PPE: Without a harness or helmet, safety is significantly compromised.

Uneven gravel surface : Increased risk of tripping or slipping.

In this scenario, most people quickly recognise the dangers. Hazards like these often trigger a natural response of fear, anxiety, or even a raised heart rate. That's because hazards involving energy (like gravity or motion) activate the instinctive part of our brain. Over thousands of years, our brains have learned to instantly spot dangers in our environment that could threaten us. This is part of our "fight or flight" response when we see these kinds of hazards: we feel something straight away and often act on it.

Safety & Wellness Update August 2025



Scenario 2

Cave-in risk : Sandy-clayey soil is prone to collapse, especially when disturbed, posing a serious threat to anyone at the bottom.

Entrapment: A wall collapse could bury or trap a worker.

Falling debris: Loose soil or rocks from the edge could fall and injure someone below.

Limited escape options : In an emergency, exiting the excavation quickly could be difficult without proper access.

Plant & Equipment overturning risk: Uneven terrain increases the chance of machinery tipping over.

While these hazards are potentially fatal, some of them may not “feel” as dangerous to us. Most people will quickly notice the plant and equipment, but not necessarily the cave-in risk—these hazards are processed in the more advanced parts of the brain, which require conscious thought. Because they don’t trigger an immediate instinctive reaction, people may underestimate the risk if they rely only on gut instinct.

A recent US study measured hazard recognition in data collected from 4,800 worker-hours of field observations from 12 different construction trades and here’s what they found:



of hazards are
identified



of hazards are missed because
of cognitive blind spots



of hazards are missed because they are not
reasonably identifiable before work starts

This reinforces that even with good systems in place, nearly half of hazards can still slip through especially when our perception doesn’t match the real risk. That’s why MPDC’s focus on critical risk is so important: it helps us look beyond the obvious, challenge our blind spots, plan for the unexpected and put the right controls in place. Next month we will start reviewing our list of top ten critical risks to ensure we are focussing on the right risks.

**WE
CREATE.**
A healthy, safe workplace
together, where we thrive.
We are
Matamata-Piako.

te kaunihera ā-rohe o
matamata-piako
district council

8 Ngā Pūrongo Whakamārama | Information Reports

8.16 Risk and Assurance Committee Work Programme - Update September 2025

CM No.: 3093721

Te Kaupapa | Purpose

The purpose of this report is to provide an update to the Committee on the work programme.

Rāpopotonga Matua | Executive Summary

An update on scheduled reports and standing items for September 2025 is included in the work programme.

Tūtohunga | Recommendation

That:

1. The information be received.

Horopaki | Background

Prior to the commencement of each calendar year the Committee sets a work programme.

While priorities can shift during the year as unexpected issues arise, the work programme is a useful tool to enable Committee members to set their direction and to allow staff to understand the work priorities that need to be achieved.

Ngā Tāpiritanga | Attachments

[A. Risk and Assurance Work Programme - Update September 2025](#)



Ngā waitohu | Signatories

Author(s)	Stephanie Hutchins Kaitohu Mātāmua Kāwana Senior Governance Advisor	
Approved by	Tamara Kingi Kaiārahi Kāwana Governance Team Leader	
	Sandra Harris Pou Kaupapahere, Rāngai Mahitahi me te Kāwana Policy, Partnerships and Governance Manager	

Item	Team	25-Feb-25		17-Jun-25		30-Sept-25		Dec (Date dependant on elections)	
		Status	Comment	Status	Comment	Status	Comment	Status	Comment
Key			= complete		= scheduled		= incomplete		
Standing items									
Chairs update	PPG								
CEO update	PPG								
Quarterly Risk Report	PGR								
Review of top risks	Group Managers		- Essential services/infrastructure etc (initially focussing on water/wastewater) - Disasters, weather events and pandemics		- Partnerships with mana whenua, hapuu, iwi and Maaori - Communicating/engaging with stakeholders - Workforce capacity and capability - Health, safety and wellbeing		- Political change - climate impacts - compliance/legislative requirements - Financial strategy		
Safety and Wellness update	PSW								
Review of significant projects, including an update on risk of compliance with consents	Assets		No update this quarter		An update on 3 key risks: - Matamata Stadium - Matamata Playground - Matamata WWTP upgrade		Updates on 3 key risks to be provided next meeting: Matamata Stadium progressing well Matamata Playground no updates Matamata WWTP upgrade progressing well		
Project Management Report	Assets						To be considered at the next meeting		
Future Ready Update	PGR		No update required, comment included in CEO update		Update included in CEO report		Update included in CEO update		
Waikato Waters Ltd	Operations						Waters Transition Risk Register		
Update on Work Programme	PPG								
Annual Reports									
IT/web security audit	IT				Not completed/available yet				
Insurance Programme	Property								
LGOIMA Requests	Legal								
Delegations	Legal								
Legislative compliance assessment	Legal								
Risk Management Framework	Risk						Incorporated in the Quarterly Risk Report item on this agenda rather than a separate item		
Setting Work Programme/Schedule of Meetings	PPG								
Policy, Planning and Reporting Stocktake	PPG				Policy, Planning and Reporting Stocktake				
Scheduled Reports									
Self assessment / Review of Charter	PPG						Included in Chair's update		
Long Term Plan / Annual Plan	PPG		No consultation required on Annual Plan, comment included in CEO update		Annual Plan 2025/26		Annual Plan update included in CEO update		
Annual Report	PPG		Six Month Report		Audit Plan and schedule of important dates		Annual Report		
Progress tracking on audit recommendations	PPG		24/25 Audit Management Report also included		Audit recommendations – progress update				
Policy Review	Various				*Capitalisation Policy *Procurement Policy *Conflict of Interest Policy		Under a combined cover report: - Sensitive Expenditure Policy - Fraud and Corruption Policy - (and separately) Treasury Policy - renamed to Liability Management Policy and Investment Policy		
Procurement Report	Finance						To be considered at the next meeting		
Business Continuity Plans	Risk				Work on BCPs will commence in late 2025 (fourth quarter of calendar year)		Incorporated in the Quarterly Risk Report item on this agenda rather than a separate item		
Recommendation to Re-establish Risk and Assurance Committee in the 2025-28 Triennium'	Risk								

Exclusion of the Public: Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

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 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:

C1 Information Technology\Web Security Audit

Reason for passing this resolution in relation to each matter	Particular interest(s) protected (where applicable)	Ground(s) under section 48(1) for the passing of this resolution
Gain Advantage.	s7(2)(j) - The withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage. .	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.