Kaunihera | Council

Ngā Tāpiritanga – Pūrongo | Attachments – Reports

ATTACHMENTS UNDER SEPARATE COVER

Notice is hereby given that an ordinary meeting of Matamata-Piako District Council will be held on:

Ko te rā | Date:	**Wednesday 8 October 2025**
Wā | Time:	**9:00**
Meeting Room:	**Council Chambers**
Wāhi | Venue:	**35 Kenrick Street TE AROHA**

TAKE | ITEM NGĀ IHINGA | TABLE OF CONTENTS WHĀRANGI | PAGE

Liability Management Policy

Commented [LR1]: To be updated to new policy template before approval

Our vision is

To minimise the cost of borrowing used to fund the capital development of the Community's assets

Council's commitment

Council's commitment is to:

- Minimise our long term borrowing costs within approved risk parameters
- Minimise our exposure to adverse wholesale interest rate and credit margin movements, maturity and interest rate re-pricing concentrations
- Maintain appropriate liquidity levels and manage cash flows to meet known and reasonable unforeseen funding requirements.
- Minimise exposure to credit risk
- Comply with, monitor and report on financing/borrowing covenants and ratios under the obligations of our lending/security arrangements and this policy
- Comply with the requirements of the Local Government Act 2002

Management of borrowings

Council will:

- Consider and approve its forecast borrowing requirements by approving its Long Term Plan and each Annual Plan.
- Manage financial assets and debt on a net portfolio basis (borrowings less cash instruments).
- Prudently and effectively manage borrowings and liabilities having regard to:
  - Interest rate and credit margin exposure
  - Liquidity and funding exposure
  - Counterparty credit exposure
  - Debt repayment
  - Borrowing limits and financial covenants
  - Security arrangements

  (Procedural guidance on each of these matters is set out in appendix one).

- Delegate authority to the Chief Executive Officer to initiate any actions in terms of this policy, including the authority to execute any documents on behalf of Council.

This policy covers internal and external borrowings. Any other Council liabilities are managed in the course of the Council's day-to-day operations.

Borrowing limits

Council will:
- Ensure that the following parameters are not exceeded:

Item	Borrowing limit
Net external debt[1] as a percentage of total revenue[2]	<175%
Net interest[3] on external debt as a percentage of total revenue	<15%
Net interest on external debt as a percentage of annual rates income[4] (debt secured under debenture)	<20%
Liquidity: (Liquid investments + external debt + unutilised committed debt facilities) / external debt	>110%

Commented [BJ2]: We have presumed there is no need to change these LGFA limits.

Commented [LR3R2]: Confirmed

Interest rate exposure

Movements in interest rates can affect Council's financial performance and funding requirements. Interest rate risk management seeks to minimise interest costs and risks as interest rates change.
To manage interest rate risk on debt Council will:
- Utilise mechanisms including
  - setting risk control limits on fixed and floating rates
  - setting risk control limits on the use of interest rate instruments (under the guidance of independent external advisors) on a portfolio basis

[1] Net external debt is defined as external debt less liquid financial assets and investments. Liquid financial assets and investments are defined as cash, bank deposits and any fixed interest and equity investments that are held for other than strategic purposes. For LGFA reporting purposes borrower notes are deducted from external debt to determine net external debt.

[2] Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue. Revenue excludes non-government developer contributions and vested assets (including found assets and the revaluation of derivatives and assets).

[3] Net Interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.

[4] Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other Local Government Authorities (LGAs) for services provided and for which the other LGAs rate.

Liquidity and funding

Financial assets and funding sources need to be managed to ensure that Council can meet all of its obligations as they fall due.
Council will:

- Utilise mechanisms to manage liquidity and funding risk including:
  - cashflow management and forecasting,
  - maintenance of unutilised committed stand-by and debt facilities and liquid funds,
  - having risk control limits that enforce spreading of funding maturities,
  - pre-funding of existing and forecast debt requirements,
  - accessing long term debt where available and cost effective, to assist with spreading of term profile of funding risk

Credit exposure

Prudent credit management can reduce Council's risk of loss from a counterparty failing to meet its obligations. Liquidity risk for borrowings is relevant for the undrawn portion of any committed, stand--by or ~~bank~~ debt facility, where the counterparty has a contractual obligation to provide funds to Council. Credit exposure from derivative and other financial contracts relates to the default of the counterparty leading to non-payment of their contractual obligations. To manage these risks, Council will:

- Set limits on the acceptable credit rating for counterparties.
- Ensure legal documentation is independently reviewed by Council's legal counsel.

Debt repayment

Council will:

- Make debt repayment decisions driven by Council's liquidity profile, contractual terms, debt levels and sustainable funding needs. External debt is managed on a net portfolio basis.
- Only borrow externally when it is commercially prudent to do so.
- Determine the cashflows to be used for the repayment of debt or reduction in borrowing requirements.

Security for debt

Council will:

- Offer security over borrowing by way of a charge over rates and rates revenue through the Debenture Trust Deed.
- From time to time, may offer alternative security over specific assets, with approval by Council and Trustee.

Source of funds

Council considers the following to be appropriate sources of funds:

- any New Zealand registered bank of suitable credit worthiness (as defined within the credit exposure section of the policy)~~.~~
- Council reserves, special funds, or surplus cash available for internal borrowing
- borrowing secured by the Debenture Trust Deed~~.~~
- lease to own arrangements – the counter parties shall be the open market
- Council issued commercial paper and bonds to the New Zealand Local Government Funding Agency (LGFA), LGFA stand-by facilities that is secured by the Debenture Trust Deed.

Financial support and lending activity to Council Controlled Organisations (CCO) and Council Controlled Trading Organisations (CCTO)
~~Borrowing mechanisms for Council Controlled Organisations and Council Controlled Trading Organisations.~~

To better achieve its strategic and commercial objectives, Council may provide financial support in the form of:

- Guarantees, subscribing for shares as called or uncalled capital provided to a wholly owned or multi-council owned CCO upon Council approval.

  Guarantees of financial indebtedness to CCTOs are prohibited, but financial support may be provided by subscribing for shares as called or uncalled capital. Council does not lend money, or provide any other financial accommodation, to a CCTO on terms and conditions that are more favourable to the CCTO than those that would apply if Council were borrowing the money or obtaining the financial accommodation, without charging any rate or rate revenue as security.
- D~~d~~ebt funding directly or indirectly to CCO/CCTO's. Indirect lending is where the CCO/CCTO becomes a member of the LGFA and Council provides the financial support.

~~Council guarantees of financial indebtedness to CCTO's are prohibited, but financial support may be provided by subscribing for shares as called or uncalled capital.~~

~~Council will not transact with a CCTO on terms more favourable than that of Council, if Council were not providing rates as security.~~
Any financial support or lending arrangement to a CCO or CCTO must be approved by Council.

Commented [BJ4]: Included in above bullet point.

All lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed by Council's independent legal counsel and approved by Council.

New Zealand Local Government Funding Agency Limited (LGFA)

Despite anything in this Policy, Council may borrow from the LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent we consider necessary or desirable:

- Contribute a portion of our borrowing back to the LGFA as an equity contribution to the LGFA. For example, in the form of borrower notes.
- Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself.
- Commit to contributing additional equity (or subordinated debt) to the LGFA if required.
- Secure our borrowing from the LGFA and the performance of other obligations to the LGFA or our creditors with a charge over our rates and rates revenue.
- Subscribe for shares and uncalled capital in the LGFA.

Financial exposure to the LGFA is to be reviewed annually and reported to the ~~Audit and Risk~~Risk and Assurance Committee and Council.

Management procedures, reporting and policy review

The Group Manager ~~Business Support~~ Corporate, People and Relationships will:

- Approve documented treasury and operational procedures for borrowing activities, which will be administered by the Finance and Business Services Manager.

The Chief Executive Officer will:

- Ensure reporting requirements set out in appendix one of this policy are met.~~Report to Council on borrowings on at least a quarterly basis.~~

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 more often as necessary to respond to legislative or other changes.~~.~~

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), or more often as necessary to respond to legislative or other changes. ~~in line with the review of the Long Term Plan.~~

Appendix one

LIABILITY MANAGEMENT POLICY PARAMETERS

Interest rate exposure

Objective

To manage and minimise our costs and risks arising out of interest rate movements associated with our borrowing activities.

Policy parameters

Forecast gross core external debt is the amount of total core external debt that is expected to remain outstanding for a period greater than one year. When approved forecasts are changed (signed off by the ~~Group Manager Business Support~~ Group Manager Corporate, People and Relationships or equivalent), the amount of interest rate fixing in place may have to be adjusted to ensure compliance with the policy minimum and maximum limits.

The Group Manager Corporate, People and Relationships ~~Group Manager Business Support~~ can consider and approve alternative debt forecast scenarios that make assumptions around such matters as, the delivery and timing of the capital expenditure programme and transition to Waikato Waters Limited, ~~Local Waters Done Well,~~ when designing the interest rate hedging strategy. **However, the interest rate risk position is measured and reported against the base debt forecast approved by the Group Manager Corporate, People and Relationships. ~~Group Manager Business Support~~.**

Exposure to interest rate risk is managed and mitigated through the risk control limits below. Council's forecast gross core external debt should be within the following fixed/floating interest rate risk control limits.

Debt interest rate policy parameters (calculated on a rolling monthly basis)

Debt period ending	Minimum fixed	Maximum fixed
~~Current~~	~~40%~~	~~90%~~
Year 1	40%	90%
Year 2	35%	85%
Year 3	30%	80%
Year 4	25%	75%
Year 5	20%	70%
Year 6	0%	65%
Year 7	0%	60%
Year 8	0%	50%
Year 9	0%	50%
Year 10	0%	50%
Year 11 plus	0%	25%

A fixed rate maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. ~~Maintaining a maturity profile beyond 90-days requires specific approval by Council.~~

In complying with the above Interest Rate Limits, consideration is given to ~~Local Water Done Well~~ Waikato Waters Limited and its impact on Council's agreed debt transfer mechanism, ongoing longer-term debt forecasts and risk position. Any policy limit non-compliance, greater than 90 days, that does not self-correct is approved by the CE and retrospectively reported and approved by Council.

Commented [BJ5]: This change would provide management with the flexibility to manage treasury proactively and in a timely fashion. Treasury reporting should give Council notice that any proposed strategy would create a compliance issue.

"Fixed Rate" is defined as all known interest rate obligations on forecast gross external debt, including where hedging instruments have fixed movements in the applicable reset rate.

"Floating Rate" is defined as any interest rate obligation subject to movements in the applicable reset rate.

Pre-hedging in advance of projected physical drawdowns of new debt is allowed.

Fixed interest rate percentages are calculated based on the average amount of fixed interest rate obligations relative to the average forecast gross core external debt amounts for the given period (as defined in the table above).

Interest rate risk management instruments may be used to convert fixed rate borrowing into floating rate, floating rate borrowing into fixed or hedged borrowing. Independent external advisors will be consulted when using interest rate risk management products.

The following instruments may be used and are approved for interest rate risk management activity:

Forward rate agreements ("FRA") on:
- Bank bills
- Government bonds

Interest rate swaps including:
- Forward start swaps
- Amortising swaps (whereby notional principal amount reduces)
- Swap extensions and shortenings

Interest rate options on:
- Bank bills (purchased caps and one-for-one collars)
- Interest rate swaptions (purchased swaptions and one-for-one collars with matching notional amounts, and maturity dates only)

Use of interest rate instruments:

- Any interest rate swap with a maturity beyond the maximum LGFA bond maturity must be approved by Council.
- Selling interest rate options for the primary purpose of generating premium income is not permitted, because of its speculative nature.
- During the term of the option, only the sold side of the collar can be closed out (i.e. repurchased) otherwise, both sides must be closed out simultaneously.
- Purchased borrower swaptions mature within 12 months.
- Interest rate options with a maturity date beyond 12 months that have a strike rate (exercise rate) higher than 2.00% above the appropriate swap rate cannot be counted as part of the fixed rate percentage calculation.
- Forward start period on swaps and collar strategies to be no more than 36 months, unless the start date of the new swap coincides with the maturity date of an existing swap. The new swap's notional amount must be no greater than that of the existing swap.
- Buying and selling of financial futures is not permitted due to the administrative burden.
- Any other financial instrument must be specifically approved by Council on a case-by-case basis and only be applied to the one singular transaction being approved.

Interest rate instruments are only sought from strongly credit rated New Zealand registered banks. Banks must have a minimum long term credit rating of single "A" (Standard & Poor's', Fitch, or Moody's).

Liquidity/Funding

Objective

To ensure that we have adequate committed financial resources to meet all our obligations as and when they arise, our liquidity and funding risk management centres on the ability to re-finance or raise new debt at a future time, at acceptable pricing (fees and borrowing margins) and terms.

Our ability to readily attract cost effective borrowing is largely driven by our ability to maintain a strong financial position, raise general rates and manage relationships with investors, financial institutions/brokers and the LGFA. External borrowing is sought from the LGFA and bank facilities.

Policy parameters

Council will manage liquidity and funding risk by:

- Appropriate cashflow management to ensure that sufficient funds are available to meet financial obligations as they fall due.
- Maintaining appropriate committed ~~short-term borrowing~~stand-by and debt facilities with Council's bank counterparties and/or with the LGFA.
- Maintaining financial investments in liquid instruments counterparties within credit risk limits.
- Liquid investments, available committed bank/loan facilities and external debt are maintained at greater than 110% over the existing external debt amount.
- Maintaining a spread of debt funding maturities to reduce concentration risk so that credit margins and overall borrowing costs are not unnecessarily increased due to market conditions.
- The Chief Executive Officer or delegate has the discretionary authority to re-finance existing debt on acceptable terms. Such action is to be reported and ratified by Council at the earliest opportunity.
- Council has the ability to pre-fund up to 18 months of forecast debt requirements including debt re-financing and pre-funded capital expenditure.

The funding maturity profile of the total committed funding in respect of all loans and committed facilities is set by the following risk control limits:

Period	Minimum	Maximum
0 to 3 years	15%	60%
3 to 7 years	25%	85%
7 years plus	0%	60%

A funding maturity profile that is outside the above limits, but self corrects within 90-days is not in breach of this Policy. ~~However, a maturity schedule outside of these limits will require specific Council approval.~~

In complying with the above Funding Limits, consideration must be given to ~~Local Waters Done Well~~ Waikato Waters Limited and its impact on Council's agreed debt transfer mechanism, longer-term Council debt funding requirements and risk position. Any policy limit non-compliance, greater than 90 days, that does not self-correct is approved by the Chief Executive and retrospectively reported and approved by Council.

Debt funding principal amounts owing on repayment date are recognised on a gross basis. Borrower notes are not netted against the gross amount for funding maturity percentage measurement purposes.

Once debt has been refinanced with a contracted term deposit (pre-funded), the term deposit amount will net off the maturing debt instrument from the funding maturity profile percentage calculation.

~~To minimise concentration risk, the LGFA require that no more than the greater of NZD 100 million or 33% of a council's borrowings from the LGFA will mature in any 12 month period.~~

Commented [BJ6]: No longer a requirement of the LGFA.

Liquid investments are defined as those investments held for operational requirements and/or used to meet liquidity buffer requirements and include:

- Overnight bank, call deposits at 100% of principal amount
- Bank term deposits no greater than 30 days at 100% of principal amount
- Bank registered certificates of deposit (RCD's) maturing in less than 181 days at 100% prevailing market value

Financial support and lending activity to Council Controlled Organisations and Council Controlled Trading Organisations

~~**Borrowing Mechanisms for CCO and CCTO organisations**~~

Any financial support or lending arrangement to a CCO or CCTO must be approved by Council. ~~Any debt funding arrangement directly or indirectly to a CCO/CCTO must be approved by Council.~~ In recommending an arrangement for approval the following is considered:

- Financial and credit risk profile of the CCO/CCTO.~~Credit risk profile of the borrowing entity~~, and the ability to repay interest and principal amount outstanding on due date
- Impact on Council's credit standing, debt cap amount (where applied), lending covenants with the LGFA and other lenders and Council's future borrowing capacity.
- The form and quality of security arrangements provided
- The guarantee fee or lending rate given factors such as; CCO or CCTO financial/credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc. ~~The lending rate, given factors such as: CCO or CCTO credit profile, external Council borrowing rates, borrower note and liquidity buffer requirements, term etc~~
- Financial support and lending arrangements to the CCO or CCTO must be~~Lending arrangements to CCO/CCTO must be~~ documented on a commercial arm's length basis. A term sheet, including matters such as borrowing costs, interest payment dates, principal payment dates, security and expiry date is agreed between the parties
- Accounting and taxation impact of the financial support and on-lending arrangement.
- ~~on-lending arrangements~~.

All financial support and lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed and approved by Council's independent legal counsel.

~~All lending arrangements must be executed under legal documentation (e.g. loan, guarantee) reviewed by Council's independent legal counsel and approved by Council.~~

Credit exposure

Objective

To minimise our risk of default on the part of any counterparty that has a contractual obligation to make any payments to us.

Policy parameters

Proposed counterparties to borrowing transactions will be assessed to ensure that there is reasonable certainty that obligations under borrowing facilities will be honoured. Financial related transactions will only be entered into with organisations specifically approved by the Council. Counterparties and limits can only be approved on the basis of long-term single "A" and above credit ratings (Standard & Poor's', or equivalent Fitch or Moody's) and/or a short-term credit rating of A-1 or above.

In conjunction with the Investment Policy, positions should be spread amongst a number of counterparties to avoid concentrations of credit exposure. The following matrix guide will determine limits:

Counterparty	Minimum long term credit rating	Total maximum per counterparty ($m)[5]
NZ Government	N/A	Unlimited
NZ Local Government Funding Agency (LGFA)	AA-	Unlimited
NZ Registered Bank	A	15.0

Note these limits are a total across both the Investment Policy and Liability Management Policy and are not cumulative. There is a policy exception for Council's transactional bank where credit exposure amounts can exceed the $15m limit for a period of five business days either side of ~~from~~ the ~~date that~~ quarterly rates instalment due ~~revenue is to be received.~~ date.

Commented [LR7]: This will reduce pressure when leading up to the 20th payment run, where we are holding cash to pay creditors, but we also have a lot of cash coming in for the upcoming rates instalment. We have already mitigated the risk by opening a new ANZ call account during last year that we can shift funds to from our BNZ call account. But this just gives us a few days grace to avoid breaching policy.

In determining the usage of the above gross limits, the following product weightings will be used:

- Investments (e.g. bank deposits) – transaction principal amount x weighting 100% (unless a legal right of set-off exists).
- Interest rate risk management (e.g. swaps, FRAs) – transaction Notional x maturity (years) x 3%.
- Foreign exchange – transactional face value amount x the square root of the maturity (years) x 15%.

Debt repayment

Objective

To ensure that we can repay debt in a timely manner from appropriate sources.

Policy parameters

We will manage external debt on a net portfolio basis and will only externally borrow when it is commercially prudent to do so. We may determine that all or any part of the following cashflows may be used for the repayment of debt or reduction in borrowing requirements:

- depreciation charges for activities
- the proceeds of asset sales if we consider it appropriate

[5] Total counterparty exposure includes; financial instruments for investments and risk management instruments.

- contributions from other parties in terms of any contractual arrangements
- renewal loans
- specific revenue streams as determined by us (e.g. repayment of rental housing loans from rental housing income or loan repayment rates).

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate.

Borrowing limits

Objective
To ensure that our debt is maintained within prudent limits.

Policy parameters
Borrowings will be managed to ensure that the following parameters are not exceeded:

Item	Borrowing limit
Net external debt[6] as a percentage of total revenue[7]	<175%
Net interest[8] on external debt as a percentage of total revenue	<15%
Net interest on external debt as a percentage of annual rates income[9] (debt secured under debenture)	<20%
Liquidity: (Liquid investments + external debt + unutilised committed debt facilities) / external debt	>110%

Debt will be repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits, a loan may be rolled over or re-negotiated as and when appropriate. Disaster recovery requirements are to be met through the liquidity ratio amount.

[6] Net external debt is defined as external debt less liquid financial assets and investments. Liquid financial assets and investments are defined as cash, bank deposits and any fixed interest and equity investments that are held for other than strategic purposes. For LGFA reporting purposes borrower notes are deducted from external debt to determine net external debt.

[7] Revenue is defined as earnings from rates, government grants and subsidies, user charges, interest, dividends, financial and other revenue. Revenue excludes non-government developer contributions and vested assets (including the revaluation of derivatives and assets).

[8] Net Interest is defined as the amount equal to all interest and financing costs less interest income for the relevant period.

[9] Annual Rates Income is defined as the amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received from other Local Government Authorities (LGAs) for services provided and for which the other LGAs rate.

Security arrangements

Objective

To provide appropriate security that does not restrict our operations or limit control of Council community and strategic assets, whilst being sufficiently attractive to lenders to secure competitive borrowing margins, fees, interest rates and terms.

Policy parameters

Council offers security by way of a charge over rates and rates revenue through the Debenture Trust Deed. Under a Debenture Trust Deed, Council's borrowing is secured by a floating charge over all Council rates levied under the Local Government (Rating) Act 2002. From time to time, with Council and Trustee approval, specific security may be offered by providing a charge over one or more of our assets.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset, which it funds (e.g. an operating lease, or project finance).
- We consider a charge over physical assets to be appropriate.
- Any pledging of physical assets must comply with the terms and conditions contained within the Debenture Trust Deed.

Source of funds

Appropriate sources of funds are specified in the policy. In evaluating strategies for new borrowing (in relation to source, term, size and pricing) we take into consideration the following:

- available liquidity and terms on offer by the LGFA and banks
- our overall debt maturity profile, to ensure concentration of debt is avoided at reissue/rollover time
- the outlook on LGFA and bank credit margins
- ensuring that the implied finance terms and conditions within the specific debt (e.g. project finance) are evaluated in terms such as cost/risk limitation compared to the terms and conditions we could achieve in our own right
- legal documentation, security arrangements and financial covenants.

Alternative strategies for new borrowings considered in this evaluation process are documented for review purposes. Our ability to readily attract cost effective borrowing is largely driven by our ability to rate, maintain a strong financial position and manage our relationships with financial institutions/LGFA.

Reporting requirements

Reporting requirement	Frequency	Author/Reviewer	Recipient
Compliance with Liability Management Policy parameters including: – Interest rate risk – Liquidity risk – Funding risk – Credit exposure	At least quarterly	Finance and Business Services Manager	Council
Adherence to borrowing limits specified in the covenants of lenders to Council	At least quarterly	Finance and Business Services Manager	Council
Annual Liability Management overview report, including: - Overview of the treasury function in achieving the stated policy objectives, including performance trends in actual borrowing cost against budget (multi-year comparisons) - Summary of breaches of policy and one-off approvals outside policy to highlight areas of policy tension - Recommendation as to whether any changes, deletions and additions to this Policy are required - Analysis of bank lender service provision, share of financial instrument transactions etc - Comments and recommendations from our external auditors on the treasury function, particularly internal controls, accounting treatment and reporting	Annually	Finance and Business Services Manager/Group Manager Corporate, People and Relationships	Risk and Assurance Committee

Commented [du8]: reporting against LGFA covenants not shown on the dashboard summary - should report at least quarterly

Review of Liability Management Policy (which may be incorporated with the Annual Liability Management Overview report)	At least every 3 years	Finance and Business Services Manager/Group Manager Corporate, People and Relationships	Risk and Assurance Committee, and Council.

~~**Policy review**~~

~~**Objective**~~

~~To uphold and maintain current Liability Management Policy best practice standards.~~

~~**Policy parameters**~~

Commented [LR9]: Replaced with Reporting Requirements table above

~~Each external loan will be monitored on an annual basis over the term of the loan, and benchmarked against the other identified options at the time the loan was raised. This will enable Council's performance in the achievement of the objectives set out in this policy to be assessed and reported to Council.~~

Commented [LR10]: Discussed with PWC - this is not a typical way to measure performance of the achievement of the objectives set out in the policy. This clause was unique to MPDC. PWC confirmed the key measure of performance is to monitor actual borrowing costs compared to budgeted borrowing costs (which is covered now in the reporting requirements table above). As such, by discussion we propose this paragraph should be removed from the policy.

~~This Policy is to be formally reviewed on an annual basis. The General Manager Business Support, or equivalent, has the responsibility to prepare a review report that is presented to the Council or Council sub-committee. The report will include:~~

- ~~recommendation as to changes, deletions and additions to the Policy~~
- ~~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~~
- ~~summary of breaches of policy and one-off approvals outside policy to highlight areas of policy tension~~
- ~~analysis of bank lender service provision, share of financial instrument transactions etc~~
- ~~comments and recommendations from our external auditors on the treasury function, particularly internal controls, accounting treatment and reporting~~
- ~~an audit of the treasury system/spreadsheets and procedures should be undertaken~~
- ~~adherence to borrowing limits specified in the covenants of bank lenders to Council~~

Commented [du11]: more a part of internal process (not standard requirement)

Commented [du12]: reporting against LGFA covenants not shown on the dashboard summary - should report at least quarterly

~~The Council receives the report, approves policy changes and/or rejects recommendations for policy changes.~~

Commented [LR13]: Replaced by reporting requirements table above

Statutory matters

- All borrowing, investments and incidental financial arrangements (e.g. use of interest rate hedging financial instruments) will meet requirements of the Local Government Act 2002, and incorporate the Liability Management Policy and Investment Policy.
- We do not borrow in foreign currency in terms of section 113 of the Local Government Act 2002.
- We also ensure we are consistent with the Local Government (Financial Reporting and Prudence) Regulations 2014 and, in particular, Schedule 4.
- All projected borrowings are to be approved as part of the Annual Plan process or resolution of Council before the borrowing is affected.
- All legal documentation in respect to borrowing, investments and financial instruments will be approved by our solicitors prior to the transaction being executed.
- We will not transact with any Council Controlled Trading Organisation (CCTO) on terms more favourable than those achievable by Council itself.
- A resolution of Council is not required for hire purchase, credit or deferred purchase of goods if:
    - The period of indebtedness is less than 91 days (including rollovers); or
    - The goods or services are obtained in the ordinary course of operations on normal terms for amounts not exceeding in aggregate, an amount determined by resolution of Council.

Manaaki Whenua, Manaaki Tangata

Matamata-Piako Climate Resilience Strategy 2026-2036

Draft

Plan on a page

[Visual summary of whole strategy]

Vision

Goal

Focus areas

Ngā Hua I Contents

Mihi I Acknowledgement

To be inserted.

He Kupu Whakataki I Introduction

Matamata-Piako is a vibrant rural district in the Waikato, with closely connected communities and an economy based on the natural resources of the area. We have important transport links to Auckland, Hamilton and Tauranga, precious natural places such as our awa and maunga, and community spaces such as libraries, sports facilities and marae that all help to make this a great place to live. And throughout the district we have individuals and groups working to support the wellbeing of our people and environment in many different ways.

The towns, rural areas and settlements in our district have developed here over time based on a temperate climate. However our weather is becoming more unpredictable, and more extreme. In the years ahead, in Matamata-Piako, we are likely to face both increasingly frequent and severe storms and floods, and more hot days, water shortages and risk of fire and drought.

These changes will have impacts for many aspects of our lives, including our home, school, and work life, our marae, our sports and recreation choices, our cultural practices, and our health. By working together, we can respond to these challenges and prepare and adapt in ways that help protect the things that matter most, for now, and for the future.

We all have our part to play. This strategy is about how Council plans to play its part and take practical steps in ensuring we can continue to provide services to the community and support our communities to be adaptable and continue to thrive. It's not about Council imposing rules and regulations on residents but rather ensuring that we are supporting the wellbeing and aspirations of our community. By understanding and communicating the risks, by adapting and investing to minimise the impacts, by reducing our contribution to the risks, and by preparing to respond effectively when extreme weather events happen, we will be doing our part to help ensure our people and environment can thrive into the future.

This strategy has been a collaboration between Council and Te Manawhenua Forum, including detailed input and oversight from a working group made up of elected members, Forum members and executive staff. It has also been guided by in depth community feedback, and staff expertise from across the organisation. We're grateful to everyone who has contributed to the development of this strategy that will help guide our decision-making into the future.

Ngā Pānga ā-Āhuarangi I Climate impacts

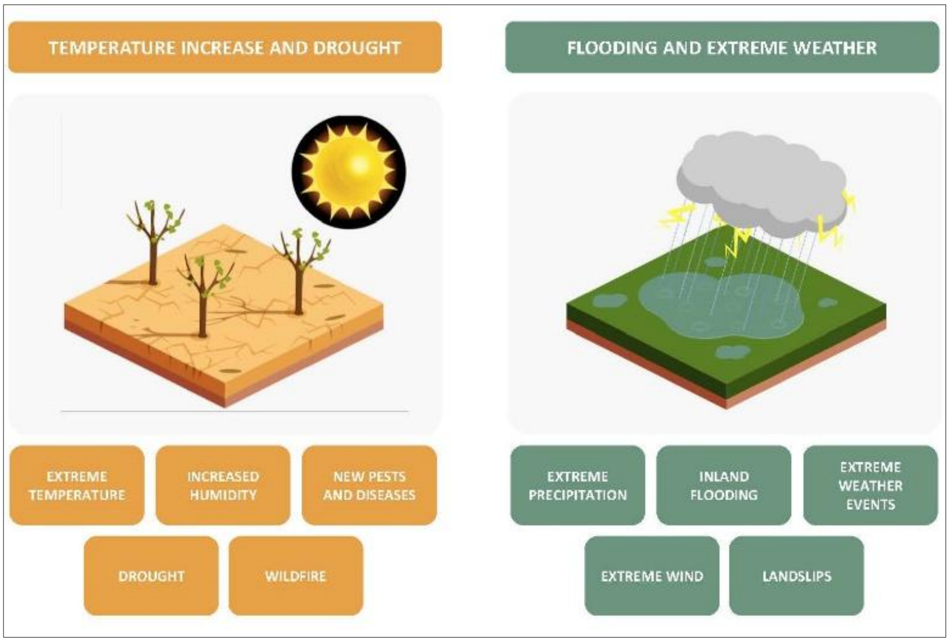
Climate hazards and risks

Changes to the climate are causing long term shifts in weather patterns around the world. Here in New Zealand, we have seen and experienced how communities are increasingly being exposed to disruptive weather events.

These events can severely impact daily life and, over time, can have long term implications for our environment, economy and ways of life. That's why it's important we understand what's happening, so we can plan ahead and protect the things that are important to us.

In our district, the main climate-related risks we face are temperature increase and drought, and flooding and extreme weather. These risks are expected to become more frequent and more severe over time

To see the sources for the information in the strategy, please see the references in the appendix at the back of the document.



Our future climate

While we can't know exactly what the future climate will look like, a range of information can help us understand what's changing, and what it could mean for us here in Matamata-Piako. We can draw on many sources to build this picture. Historical data, climate science projections, research reports, mātauranga Māori, local experience, and lessons learnt from elsewhere in the country can all contribute to our understanding.

Climate change doesn't affect every place in the same way. Even though it's a global issue, the impacts are local, and that means our responses need to be local too. For Matamata-Piako, the key climate hazards we're likely to face are extreme weather - including extreme wind, for example along the Kaimai Ranges, flooding, increased fire risk, dryness and drought, and higher temperatures.

These changes will affect our land, water, communities, and economy, and we'll need to plan carefully in order to adapt effectively.

Table 1: Assessment of climate hazard exposure by district

Council	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	✓
Ōtorohanga	✓✓	✓✓	✓✓✓	✓✓	✓	✓	✓	✓✓✓	✓	✓✓
Waitomo	✓✓✓	✓✓	✓✓✓	✓	✓	✓	✓	✓✓✓	✓	✓✓
Taupō	✓✓	N/A	✓✓	✓	✓✓✓	✓	N/A	✓✓✓	N/A	✓✓✓
Rotorua Lakes (WRC area)	✓	N/A	✓✓	✓	✓✓	✓	N/A	✓✓	N/A	✓✓✓

Source: Waikato Regional Climate Change Hazards and Risks Summary Report, 2025

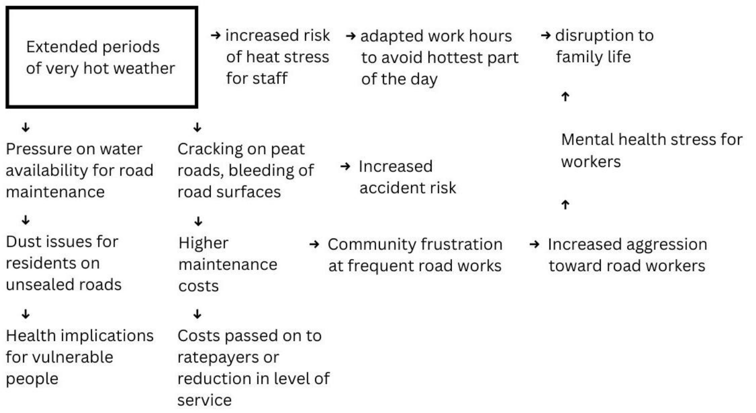
What this means for Matamata-Piako

Climate risks can have direct, immediate impacts like property damage from storm events, or water shortages during periods of drought.

They can also cause indirect and cascading risks, such as pressure on Council finances due to increased costs for maintenance and repairs, rising insurance costs for Council and community, and pressure on the primary sector economy due to repeated drought and heat stress events.

<u>Spotlight on roading</u>

[graphic of real world example of cascading impacts for MPDC roading]



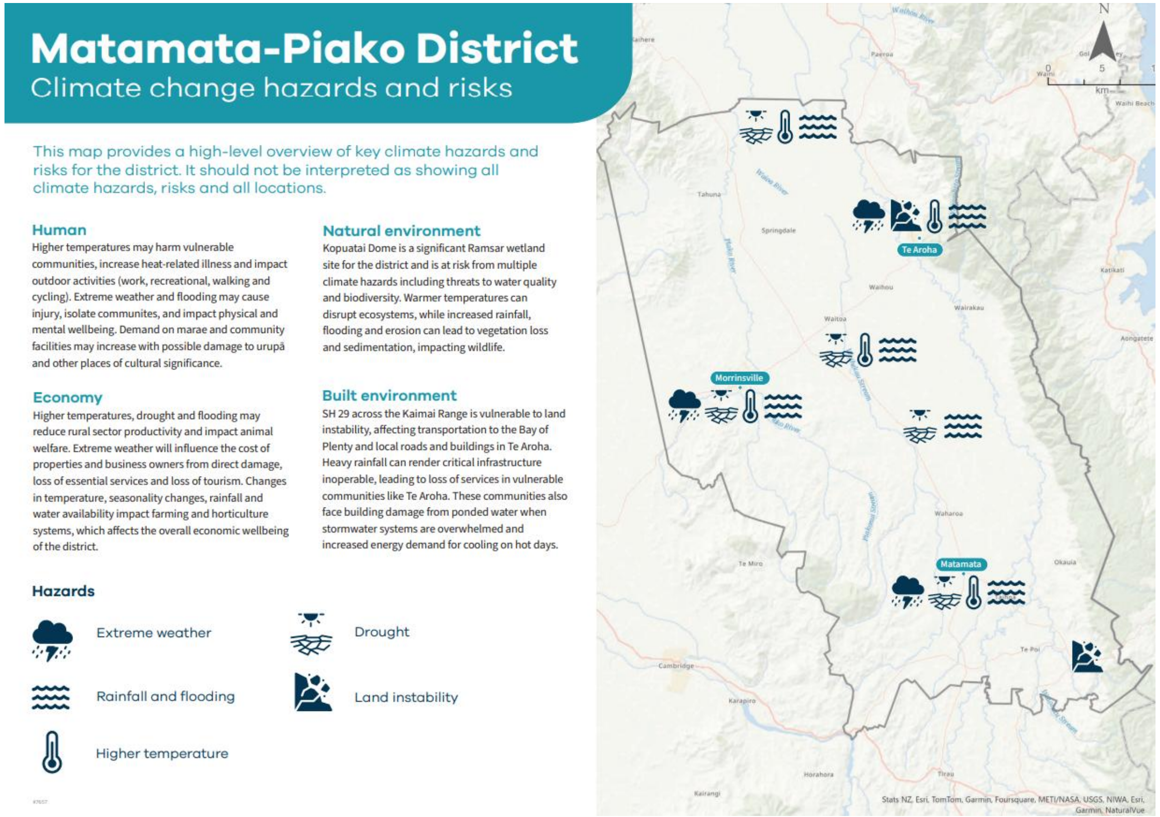
Find out more

To read more about the projected impacts on the Waikato read:
Waikato Regional Climate Change Hazards and Risks Report Summary and Full Report

To understand more about the water pressures facing our region read:
Water Security Strategy for the Waikato Region

The table below describes some of these effects – direct and indirect, as they relate to the people, environment, infrastructure and economy of Matamata-Piako.

Table 2: Matamata-Piako District Climate Change Hazards and Risks



Source: Waikato Regional Climate Change Hazards and Risks Summary Report, 2025

Te Urupare ki ngā Pānga ā-Āhuarangi I Responding to climate impacts

What can we all do?

There are two key ways we can respond to a changing climate. We can adapt to the effects by preparing for extreme weather, droughts, and floods, and building resilience in our homes, communities, and services. And we can respond to the causes by working to reduce our own impact on the environment and climate.

The most effective response is to take action on both fronts - as individuals, whānau, communities, and organisations. By working together, we can reduce risks now and lessen the impacts for future generations.

Graphic to illustrate the ways we can respond

What is Council's role?

Council has legislated responsibilities to help our district prepare for and respond to climate impacts. These include:

- Land use planning: Making sure development happens in places that will be safe for the long-term.
- Infrastructure planning: Designing and maintaining services that can cope with changing conditions.
- Civil defence and emergency management: Helping communities prepare for and recover from natural hazard events
- Sharing hazard information: Ensuring people can make informed decisions

Council also plays a broader part in climate response by providing leadership, listening to and reflecting community views, supporting community-led initiatives, and working in partnership with mana whenua and other organisations.

Table 3: Climate response roles and responsibilities for local government

Legislation	Roles and responsibilities for local government
Resource Management Act 1991 (RMA) 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 (CDEM Group) for their region. Their

Legislation	Roles and responsibilities for local government
	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)
LGOIMA 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, Council 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 (NPS-NHD) (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 expectations for local government	"The statutory purposes of a long-term plan include integrated decision-making, 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

What is Council currently doing?

As part of developing the Long Term Plan 2024-2034, Council created a Climate Change Rivermap that set the priorities for Council's response to climate risks, and outlines the key actions we're taking across our services. A performance measure tracking progress on the actions in the Rivermap is included in the Long Term Plan and reported on each year in the Annual Report.

The Climate Change Rivermap has five workstreams, each with a climate resilience goal.

Climate Change Rivermap – 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.

Climate Change Rivermap – 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.

Climate Change Rivermap - 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 risk assessment, and staff have been involved in climate-related workshops.

Developing this strategy 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.

Climate Change Rivermap – 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, installing network water meters to understand and manage water loss, and requiring grey water systems in new developments. This work continues as we prepare to transition the management of our water assets to the new sub regional council controlled organisation, Waikato Water Ltd.

Climate Change Rivermap - 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 Water Ltd.

What you told us

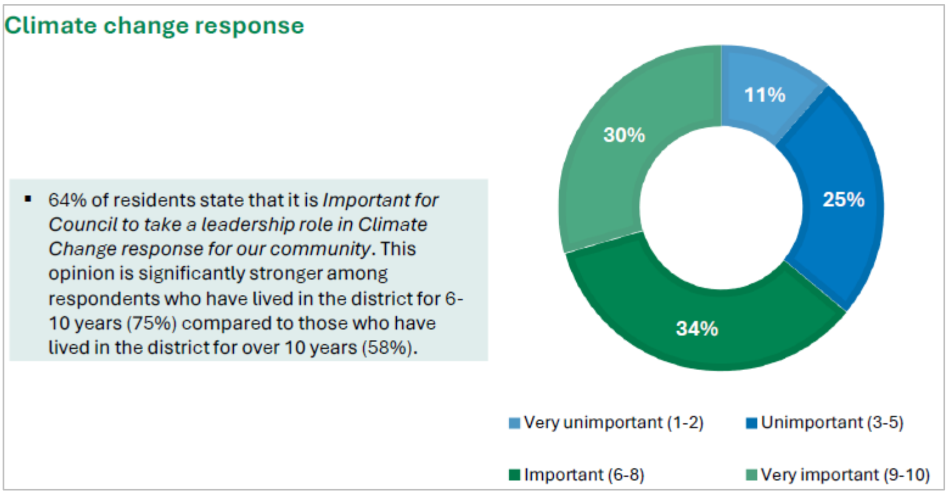
To help shape this strategy, we asked our community for feedback. We gathered community views through two surveys:

- Matamata-Piako District Council 2025 Resident's Survey, conducted by Key Research. We included a climate change question, and received 382 responses. The responses are weighted to ensure they reflect the demographics of our district.
- A Climate Ready Survey with 140 responses. This was an online survey on Council's website, the responders were self-selected.

The results are outlined below. To read the feedback received in full, please see here: mpdc.nz/climateready

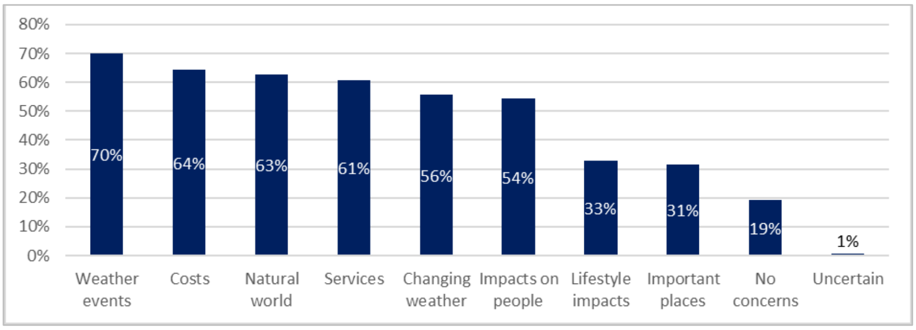
Matamata-Piako District Council 2025 Resident's Survey

Question Do you think it is important for Council to take a leadership role in climate change response for our community?

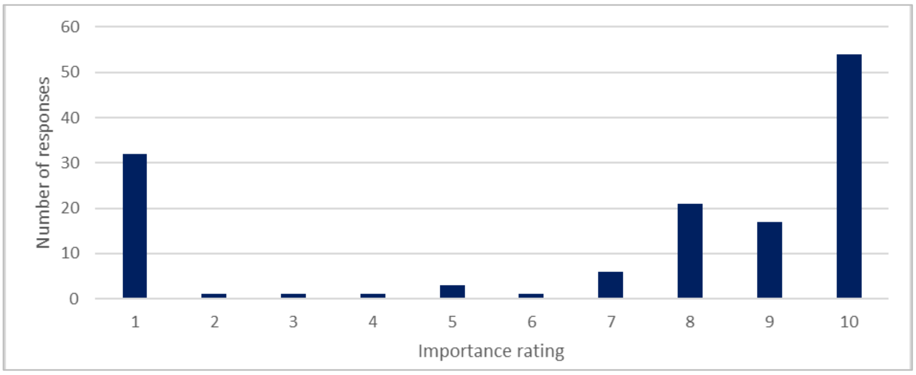


Climate Ready Survey

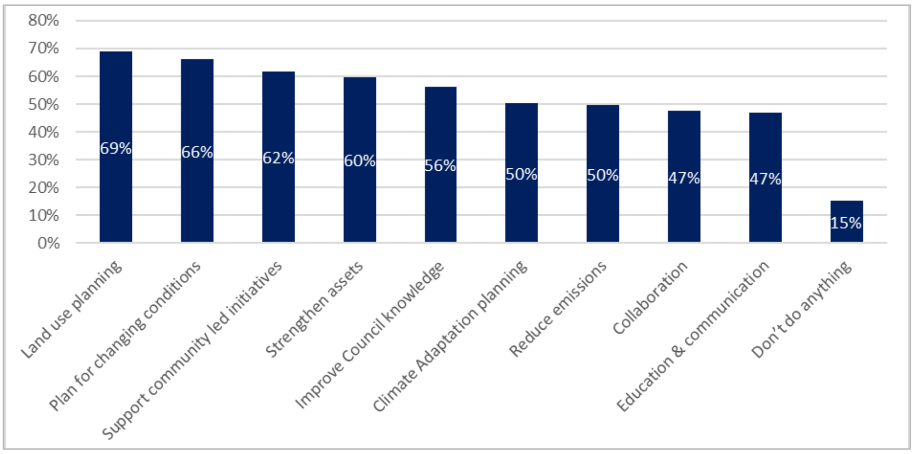
Question 1 In terms of climate impacts, what are you most concerned about?



Question 2 How important is it to you for Council to take a leadership role in responding to climate change? (scale: 1 – not at all important, 10 – very important)



Question 3 What actions are most important for Council to take to respond to climate change?



Navigating climate conversations

We know when an extreme weather event hits, it can have really significant impacts for the community. We need to make sure we're prepared so that we can minimise the impacts of extreme weather, avoid people getting hurt, and recover quickly. Preparing and adapting in these ways will be much more effective if we can work together.

Having open, ongoing conversations is an essential part of navigating our collective response to the changing climate. By acknowledging a range of perspectives and knowledge systems, and by navigating these climate conversations together we can build understanding, strengthen community connections, and shape a collective response to the challenges ahead.

Climate conversations

[Graphic to illustrate examples such as those below]

- How do we address a global problem at a local level?
- What is Council's role?
- How do we make change without unduly impacting our lives right now?
- How do we plan and make decisions when the future is uncertain?
- How do we fairly apportion costs?
- How we can ensure our adaptation efforts are equitable across our different communities?
- How will our district's economy need to evolve to thrive in the climate of 2050 and 2100?

Te Urupare Whai Rautaki a te Kaunihera I Our Climate Resilience Strategy

This strategy builds on the work we've done to date and is informed by the feedback gathered from our community. It's our next step in planning how Council and our communities can become more resilient to climate impacts.

The strategy sets out how we can work together to look after the things we value most, and ensure the future wellbeing of our district and people.

Vision

Working together to increase our climate resilience and protect the people, places, taonga and ways of life we care most about, now and for the future.

Goal

Thriving, informed, climate-resilient communities in Matamata-Piako supported by a prepared and responsive Council.

Guiding Principles

Te Taiao I Our environment is central to our wellbeing

Kotahitanga I Working together gets us further

Mātauranga I We value knowledge and learning

Whakatakatū I Getting ready now ensures we're prepared for whatever the future holds

Oranga Tonutanga I Our aim is thriving communities into the future

Purpose of the strategy

This strategy sets out our overall approach and key areas of focus. Its purpose is to guide present and future decision-making and help us take action and respond to climate risks in a coordinated way.

Costs and capacity

The costs associated with climate impacts was highlighted as a key concern by those who responded to the Climate Ready Survey.

Getting prepared now is likely to be much less costly, and much more effective at preventing harm in the long run, than waiting until damage occurs and having to respond reactively. But it means incurring costs now for benefits that may not be felt for some years to come. And we know there is a limit on what our community can afford. These are tough trade-offs to navigate.

Being clear and transparent about the choices we are making as a Council, and being guided by the priorities of our community, will help us to make these complex decisions in the years to come.

In many ways, Council is already responding to climate risks by working to ensure core services like roads, the stormwater network and parks are fit for purpose for changing conditions. From here, as outlined in the Strategy, we'll build on the work done to date, including by integrating the results of our Climate Risk Assessment into our planning, continuing to deliver on the priorities in the Rivermap, and undertaking our Civil Defence Emergency Management work programme. Other work in the Strategy will require further consideration and funding decisions.

Focus areas

We've identified three key areas where we'll focus our efforts:

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 'Avoiding the risk'
- Working with communities to plan for the future 'Adapting to the risk'
- Supporting people to be prepared and make informed decisions 'Being ready for risks when they happen'

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 I our environment
- Reducing the community's impact
- Reducing Council's impact

Wāhi Arotahi - Te Aumangea o te Kaunihera I Focus Area - Council Resilience

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

[Image]

1. Understanding local impacts

We will work to better understand how climate change is likely to affect our district, now and in the future. This knowledge helps us make good decisions and invest in cost-effective ways to protect people, places, and services.

What we've done so far

We've increased our natural hazard and climate risk information including completing a Climate Risk Assessment for Council, undertaking modelling of our urban flood risk, measuring Council's greenhouse gas emissions, and installing rain gauges to track rainfall in our district. We've also shared knowledge with elected members, and other councils.

What's next

To continue building our understanding, we will need to:

- Keep growing our understanding of the risks, including by increasing locally specific hazard data, and partnering with others to share expertise and costs.
- Work with mana whenua to include mātauranga Māori (Māori knowledge and perspectives).
- Track local impacts, like the cost of extreme weather events to our roads, pipes, and other infrastructure.
- Support knowledge building within Council, so elected members and staff can make informed decisions.
- Advocate to central government for open access to nationally consistent, local hazard and risk information that helps communities and councils plan well.

2. Building resilient assets and services

We will continue to plan ahead and invest in ensuring our assets and services are resilient and fit for purpose into the future, including trying new ways of working. With the right information and planning methods we can invest wisely for the future, prioritising work in such a way as to minimise long term costs and maximise benefits now and for the future.

What we've done so far

We've started to build climate resilience into our infrastructure planning by developing an Operational Resilience Strategy, Water and Wastewater Master Plans, an Inflow and Infiltration Strategy, and a Water Conservation Strategy. We're progressing actions across the five streams of work outlined in the Climate Change Rivermap.

What's next

To continue to build resilient assets and services, we will need to:

- Use climate risk information to guide asset management and land use planning.
- Grow staff expertise in climate-resilient infrastructure planning and design methods.
- Trial new approaches, like adjusting the level of service in an area where repeated weather damage is driving up costs, and expanding the scope of our current services to support community needs under more extreme conditions.
- Explore funding options for future climate adaptation, such as targeted rates or green loans.
- Advocate for a more integrated and coordinated government response, such as including climate adaptation in the Local Government Act, and more closely aligning climate, emergency management and resource management legislation.
- Prepare for the water services transition by sharing our Climate Risk Assessment to support planning.
- Build our understanding of how a changing climate could affect population growth, economic development, changing service demand etc so we can plan infrastructure that meets future needs.

3. Strengthening Council as an organisation

We'll make sure Council is as ready as possible to manage the risks as part of good governance.

What we've done so far

Climate change is now recognised as one of Council's top organisational risks.

What's next

To continue to strengthen Council as an organisation, we'll need to:

- Continue regular reporting to governance and integrate the results of the Climate Risk Assessment into strategic planning to improve the ways we do things.
- Update our Business Continuity Plans to ensure we can continue to operate effectively in emergency situations.
- Review how climate risks could affect Council's insurance, finances and staff.
- Check we have the right expertise in-house to give sound policy and technical advice on climate issues.
- Develop the way we report back to the community on the actions we are taking.
- As part of the local government sector, advocate to central government for clearer roles, responsibilities, and funding arrangements for climate adaptation across the country.

Wāhi Arotahi - Te Urutau me te Whakarite a te Hapori I Focus Area - Community Adaptation and Preparedness

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

[image]

1. Keeping communities out of harm's way 'Avoiding the risk'

We will work to reduce risk to our community from natural hazards, with a focus on the hazards that impact us most significantly such as flooding and wind.

What we've done so far

In partnership with Waikato Regional Council we have been updating the flood modelling for our district. And we've been improving how we share natural hazard information on property files, in line with new regulations.

What's next

To continue to play our part in helping keep communities safe, we'll need to:

- Use our updated flood modelling and climate risk data to guide our Growth Strategy.
- Look at how other councils are using District Plan rules to reduce risk to communities and encourage stormwater management in new and existing developments.
- Raise community awareness about the importance of stormwater management, and what we can all do to help reduce flooding impacts.
- Continue to develop the way we communicate with residents affected by natural hazards.
- Encourage collaboration across regional groups, including those focused on growth, infrastructure, building, and emergency management.
- Work with the insurance sector on our communities' behalf to keep them informed about Council's resilience planning.
- Identify projects that could be funded through LGFA (Local Government Funding Agency) Green Loans, such as opening streams, building flood bypasses, or creating swales to manage surface runoff.

2. Working with communities to plan for the future ‘Adapting to the risk’

We’ll start to work with communities to support adaptation planning.

What we’ve done so far

We have been learning from our neighbour councils’ experiences of community climate adaptation processes.

What’s next

To support future-focussed planning at the community level, we’ll need to:

- Assess climate hazard exposure across the district to understand the areas most at risk, including working with mana whenua to include mātauranga Māori I Māori knowledge and kōrero tuku iho I local stories and histories.
- Take a phased approach to developing adaptation work, including building up our understanding of risks and vulnerabilities in our district, learning from community engagement and deliberative democracy processes, working with others across the Waikato to develop our knowledge of the best ways to support this work, and developing a pilot project.
- Identify projects that could be funded through LGFA Green Loans, such as protecting buildings, infrastructure, and cultural heritage sites from floods and landslides. And explore ways for Council to be a connector for funding options for groups wanting to undertake adaptation / resilience projects.

3. Supporting people to be prepared and make informed decisions ‘Being ready for risks when they happen’

We will upskill, inform, and enable our communities to be prepared for climate impacts.

What we’ve done so far

We’ve identified emergency response and recovery as one of Council’s top risks and committed to developing community response plans.

What’s next

To support communities, we will need to:

- Develop community response plans with vulnerable communities, especially those in hazard prone areas or those more likely to be affected.
- Support marae and papakāinga resilience projects in line with iwi aspirations.
- Provide locally relevant and practical resources to communities, directly or through community partners, to grow understanding of climate change, risks and impacts, and what we can do to adapt.
- Work with other organisations to improve our understanding of the vulnerabilities to key routes and services and integrate this into resilience planning.
- Align and integrate our civil defence and climate adaptation work programmes to maximise their effectiveness.
- Identify projects that could be funded through LGFA Green Loans, such as warning systems and emergency preparedness measures in areas at risk of floods or landslides; or through NEMA (National Emergency Management Agency) Resilience Fund grants to grow our capability and knowledge around managing climate impacts.

Wāhi Arotahi - Te Toitūtanga o te Kaunihera me te Hapori I Focus Area - Council and Community Sustainability

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

[image]

1. Supporting peoples’ connection and care for te taiao I the environment

We will support community actions that build connection and care for te taiao I our environment.

What we’ve done so far

We’ve provided grants and staff support to community organisations and iwi and catchment groups for a range of environmental projects.

What’s next

To continue to support environmental action, we’ll need to:

- Fund community-led initiatives that protect, restore, and connect others with the environment, and review our grants to see where we can expand support.
- Back local initiatives through our community development team, and explore new ideas like a Council staff volunteer hours programme.
- Develop ways to support landowners to manage slip prone land and reduce the impacts of weather events, with benefits for water quality, biodiversity and district resilience.
- Identify projects that could be funded through LGFA Green Loans, including those that support conservation and sustainable use of natural resources.

2. Reducing the community's impact

We will encourage actions that reduce waste, cut emissions, and conserve our natural resources.

What we've done so far

We've introduced kerbside collection of food scraps, diversion of batteries, e-waste, tyres and whiteware from landfill, and degassing of refrigerants. We've provided grants to support community sustainability initiatives. We've introduced District Plan rules that require water-saving measures in new developments. We've invested in walking, cycling, and accessibility improvements to support active transport and recreation.

What's next

To continue supporting actions that minimise impact on the environment, we'll need to:

- Back community-led sustainability initiatives that promote energy and water conservation.
- Grow people's awareness of the actions they can take at the household level to support district-wide priorities such as water conservation, protecting stormwater quality, and reducing waste.
- Encourage low-impact development through our Growth Strategy, District Plan, and regional planning.
- Update the Waste Minimisation and Management Plan once government direction is finalised.
- Identify projects that could be funded through LGFA Green Loans, including those that encourage walking and cycling, increase recycling, and improve stormwater quality.
- Explore new ways to amplify sustainability action such as a sustainability category in local business awards, social media to highlight Council's leadership in this space, and contributing to the regional emissions inventory.

3. Reducing Council's impact

We'll make changes to how Council operates so we can reduce our environmental impact and lead by example. That means thinking about processes such as how we design and procure for new projects, the purchases we make, and the way we manage our own waste.

What we've done so far

We undertake ongoing monitoring and management of Council's energy usage. We've developed an understanding of Council's key emissions sources and communicated that to the public. We've been replacing Council vehicles at end of life with hybrid vehicles, shifting from petrol to electric powered tools for some usage, trialled use of chemical-free weed control on Council parks and cemeteries and installed nature based solutions for stormwater management which provide water quality, biodiversity and public amenity benefits.

What's next

To continue to reduce our impact, we'll need to:

- Review Council processes to find opportunities to reduce Council's impact on the environment.
- Investigate ways to improve water quality, reduce costs and increase biodiversity on Council-owned land, such as esplanade reserves, floodplain areas, under-utilised parts of parks, and around our drinking water sources.
- Expand the use of nature-based stormwater solutions, like rain gardens.
- Explore sustainable and practical upgrades, like replacing the gas boiler at Morrinsville Pool with an electric heat pump or adding solar panels to Council buildings, to save energy, improve energy security, reduce emissions, and cut costs.
- Identify projects for LGFA Green Loan funding, especially those related to energy efficiency and green building.
- Repeat our emissions inventory regularly, in line with the Long Term Plan

Ngā Āpitihanga I Appendices

Definitions

Climate change	Long-term changes in the average weather patterns that have come to define Earth's local, regional and global climates. Reference: Nasa Science
Greenhouse Gas Emissions	Greenhouse gases are atmospheric gases that intercept long-wave (mainly infrared) radiation emitted from the Earth's surface. Reference: Earth Sciences New Zealand
Resilience	The capacity of social, economic and ecological systems to cope with a hazardous event, trend or disturbance by responding or reorganising in ways that maintain their essential function, identity and structure. Reference: Ministry for the Environment
Climate Resilience	Climate resilience is the ability to anticipate, prepare for, and respond to hazardous events, trends, or disturbances related to climate. Improving climate resilience involves assessing how climate change will create new, or alter current, climate-related risks, and taking steps to better cope with these risks. Reference: Center for Climate and Energy Solutions
Adaptation	The process of strengthening our ability to cope with risks from natural events like floods or storms. Ministry for the Environment
Mitigation	In the context of climate change, a human intervention to reduce greenhouse gas emissions and/or enhance measures that absorb greenhouse gases. Reference: Intergovernmental Panel on Climate Change
Natural Hazard	Any atmospheric, earth, or water-related occurrence which adversely affects human life, property, the economy, or other aspects of the environment. Reference: Auckland Council
Risk	The likelihood and consequence of a hazard. Reference CDEM Act 2002

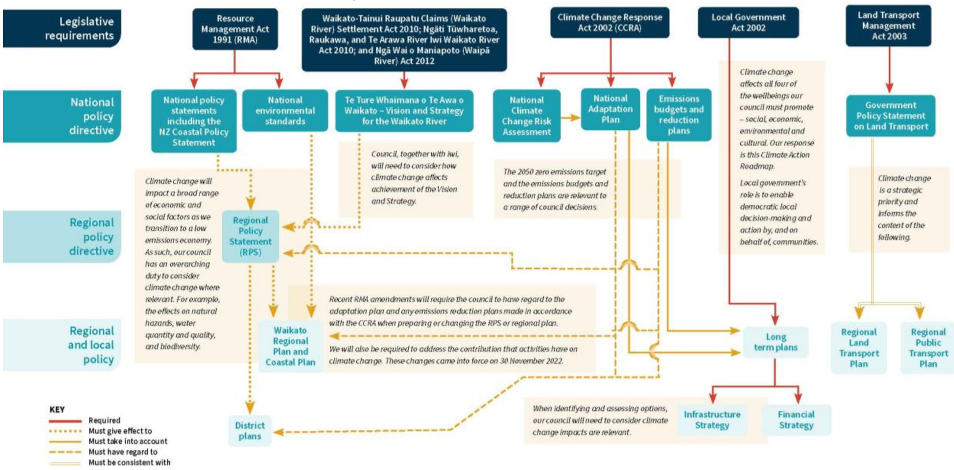
References

Waikato Region and Matamata-Piako District references

To read more about the projected climate impacts for the Waikato region and the Matamata-Piako District see here:

Waikato Regional Climate Change Hazards and Risks Report link
Waikato Regional Climate Change Hazards and Risks Summary Report link
Water Security Strategy for the Waikato Region link

Table 4: How legislation can guide councils' climate response
Source: Climate Action Roadmap, Waikato Regional Council



New Zealand references

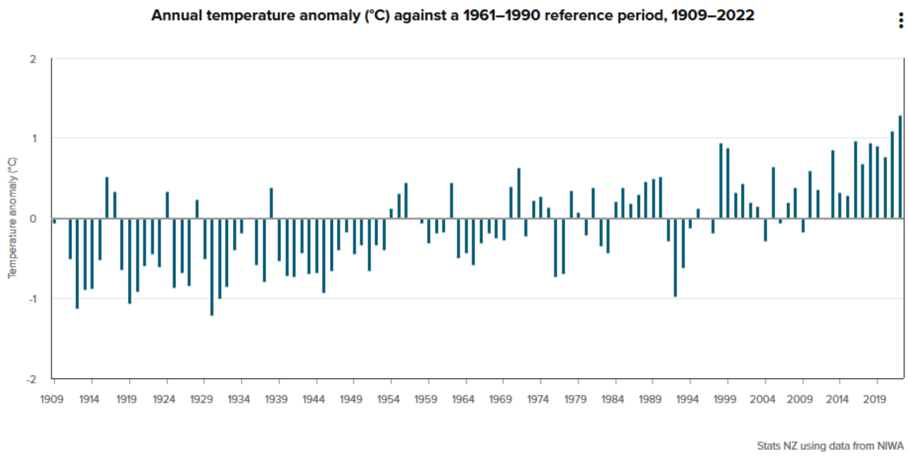
The Government's Climate Strategy 2025 link

Excerpt: "Households, businesses and our economy are already feeling the effects of climate change. We have seen what severe weather can do to infrastructure and property, and how that disrupts our supply chains and communities. That's why we need to work together to reduce the impacts of climate change and prepare for its future impacts."

Excerpt: "We are experiencing more frequent and severe storms, floods and landslips due to climate change. These events can seriously damage homes, communities, businesses and infrastructure. Climate change is already costing New Zealand, and the costs are likely to continue to grow….Between 2007 and 2017, climate change cost an estimated $120 million in privately insured flood damage and $720 million in economic losses from drought.'

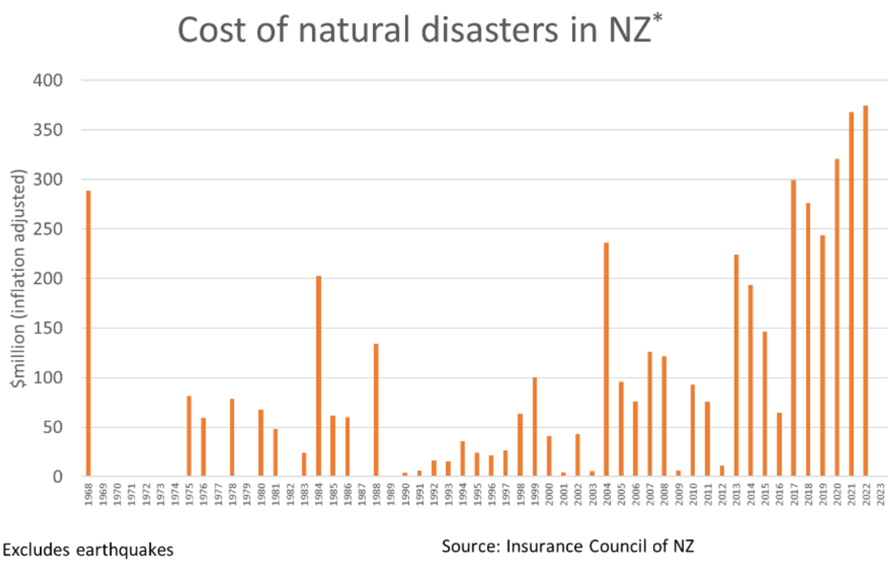
Stats NZ – Temperature link

Excerpt (Graph)



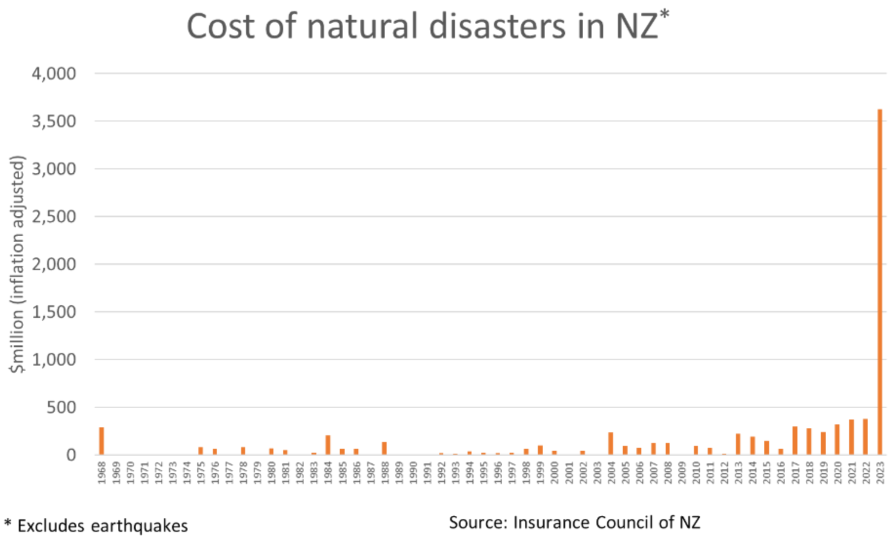
Cost of natural disasters in NZ – Insurance Council of NZ link

Image #1: Period: 1968 - 2022

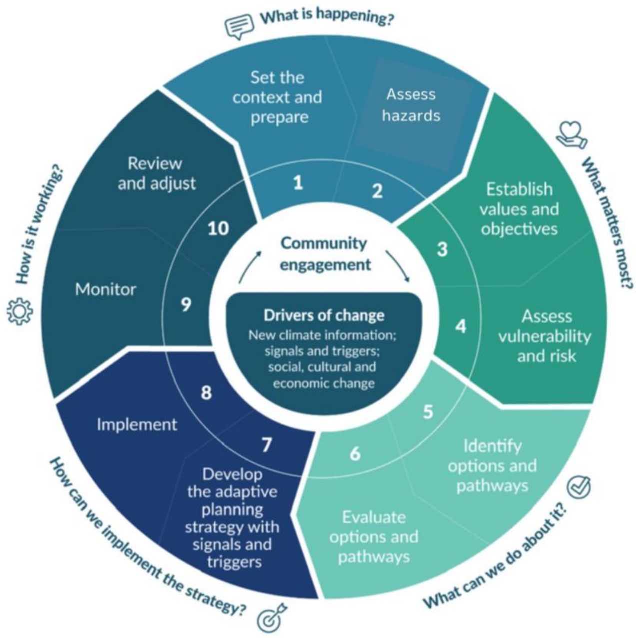


Draft for Council and Te Manawhenua Forum review 7,8 October 2025 32

Image #2: Period: 1968 - 2023



<u>Ministry for the Environment - Adaptation 10-Step Framework</u>
In New Zealand, council-led adaptation work has largely followed the 10-step decision making cycle provided in Ministry for the Environment guidance:



Climate science references

Akona learning resource for elected members: Understanding our climate

Excerpt:

- The Earth's atmosphere acts like a protective blanket allowing some of the sun's energy to enter and preventing some of it from escaping.
- Human activities including transport, agriculture and industrial processes release gases including carbon dioxide and methane, into the atmosphere.
- These gases trap more heat, making the earth's temperature rise.
- The warmer atmosphere provides additional energy to the earth's climate system and also results in higher moisture content in the atmosphere.
- This leads to more frequent and severe extreme weather events like heavy rainfall, damaging storms, droughts and heatwaves.