

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 24 February 2026**

Wā | Time: **9:00**

Wāhi | Venue: **Council Chambers**
35 Kenrick Street
TE AROHA

NGĀ MEMA | MEMBERSHIP

He mema tūtahi | Independent Member

Tiamana | Chairperson: Jaydene Kana

Mema | Members: **He mema tūtahi | Independent Member**

To be confirmed

Koromatua | Mayor

Ash Tanner

Koromatua Tautoko | Deputy Mayor

James Sainsbury

Kaunihera ā-Rohe | District Councillors

Bruce Dewhurst

Andrew McGiven

James Thomas

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1 Whakatūwheratanga o te hui | Meeting Opening

The Tiamana | Chairperson is to open the meeting.

2 Karakia | Prayer

The karakia is to be performed.

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

An apology from Councillor James Sainsbury has been received.

4 Pānui take ohorere | 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 9 December 2025

7 Pūrongo me whakatau | Decision Reports

7.1 Review of Risk and Assurance Charter

CM No.: 3141408

Te Kaupapa | Purpose

The purpose of this report is to provide opportunity for the Risk and Assurance Committee to review and provide comment on the Risk and Assurance Charter, post-election for the 2025-2028 triennium.

Rāpopotonga Matua | Executive Summary

In line with the establishment of the Risk and Assurance Committee in November 2022, for the 2022-2025 triennium the Committee undertook a full review in February 2023 of the previous Audit and Risk Committee's Charter.

The Office of the Auditor General (OAG) guidance recommends that the Risk and Assurance Committee Charter be reviewed annually and approved by the governing body.

The Charter (attached) was last reviewed on 30 September 2025 (pre-election) with no changes recommended. The Committee Chair would like to provide the new Committee the opportunity to review the Charter.

Tūtohunga | Recommendation

That:

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

Horopaki | Background

In 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 and approved by Council.

The Office of the Auditor General 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 Take/Kōrerorero | Issues/Discussion

The Charter (attached) was last reviewed on 30 September 2025 (pre-election) with no changes recommended. The Committee Chair would like to provide the new Committee the opportunity to review the Charter.

Ngā Tāpiritanga | Attachments

A^U. Risk and Assurance Committee Charter - ADOPTED 22 March 2023



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	
	Kelly Reith Hautū Rangatōpū, Tāngata me ngā Hononga Group Manager Corporate, People & Relationships	

Matamata-Piako District Council
Risk and Assurance Committee
Charter

Reviewed by the Risk and Assurance Committee February 2023

1. Objectives

The primary objective of the Risk and Assurance Committee (Committee) is to assist the Matamata-Piako District Council (Council) in fulfilling its overall responsibilities relating to financial reporting, external audit, internal audit, compliance reporting and risk reporting, and report any areas of concern to Council.

The Committee will review:

- 1.1 The integrity of Council's financial management and reporting processes.
- 1.2 The scope, timeliness and effectiveness of Council's internal audit programme.
- 1.3 The scope and timeliness of Council's external audit activity.
- 1.4 Council's process for monitoring compliance with laws and regulations.
- 1.5 Council's risk management activities and their effectiveness.

2. Authority

The Council authorises the Committee within the scope of this Charter, through the Chairperson, to:

- 2.1 Seek any information it requires from any employee of Council
- 2.2 Obtain outside legal or other professional advice from within Council allocated resources or with the approval of Council should additional unfunded resource be needed.

3. Composition

The Chairperson must be suitably qualified and shall be an independent appointment with skills and experience, including governance and leadership, to provide value for Council. The Committee size will be determined by Council and must include members who have appropriate skills and experience, may include a second independent member.

4. Term of Membership

The Committee membership may be reviewed by Council but otherwise will be appointed for the term of Council.

5. Meetings

- 5.1 The Committee will meet at least four times per year, and such additional meetings as the Chairperson shall decide to fulfil its duties. In addition, the Chairperson is required to

call a meeting of the Committee if requested to do so by a majority of Committee Members, Council or the external auditors.

- 5.2 The Committee will be supported by Council's Governance Support Officer who shall be responsible, in conjunction with the Chairperson, for compiling the agenda and circulating it, supported by explanatory documentation to Committee Members prior to each meeting.
- 5.3 The Governance Support Officer will also be responsible for keeping the minutes of meetings of the Committee and circulating them to Committee Members and to the other members of Council.
- 5.4 A quorum shall consist of a majority of the Members.
- 5.5 The Committee will adopt Standing Orders to support its objectives and responsibilities.

6. Responsibilities

The responsibilities of the Committee aligned to the Committee's objectives are:

6.1 Financial Reporting

- 6.1.1 Review the performance of Council's financial and non-financial activities against the Long-Term Plan and Annual Plan.
- 6.1.2 Review the accuracy and completeness of Council's interim and annual financial statements and Annual Report in accordance with Council's policies, relevant accounting principles and relevant accounting standards.
- 6.1.3 Review all significant changes in accounting policy or activities that could have a material impact on Council's financial statements or Annual Report.
- 6.1.4 Recommend the adoption of the Annual Report to Council.

6.2 External Audit

- 6.2.1 Recommend the appointment or reappointment of external auditors to Council.
- 6.2.2 Review and recommend the proposed external audit scope, plan, and fees to Council.
- 6.2.3 Monitor the performance of the external auditor, including enabling Council to meet statutory reporting deadlines.
- 6.2.4 Review the external audit recommendations and the appropriateness of management's response and monitor the timeliness and effectiveness of management's implementation of these recommendations.

6.2.5 As required, meet with management and/or the external auditors to discuss the audit arrangements, audit process, audit opinion or audit report.

6.3 Internal Audit

6.3.1 Review and approve the proposed internal audit programme and the terms of reference for each internal audit within that programme.

6.3.2 Monitor the delivery of the internal audit programme.

6.3.3 Review the internal audit recommendations and the appropriateness of management's response and monitor the timeliness and effectiveness of management's implementation of these recommendations.

6.4 Compliance with Laws and Regulations

6.4.1 Review the effectiveness of Council's system for monitoring compliance with laws and regulations, including management's report on any non-compliance and actions taken to address this non-compliance.

6.4.2 Review reports from regulatory agencies independently assessing Council's compliance with laws and regulations.

6.5 Risk and Internal Controls

6.5.1 Review the effectiveness of Council's framework to identify, treat, monitor, and report on risks to Council's activities, Annual Plan and Long-Term Plan.

6.5.2 Review the effectiveness of Council's system to implement the Safety and Wellness Charter and achieve the mission of "Home Safe Every Day".

6.5.3 Review the effectiveness of Council's control environment, including Council employees understanding the importance of internal controls and their role in identifying and reporting on risks.

6.5.4 Review the effectiveness of Council's framework for business continuity, including the vulnerability of Council's information technology systems to threats.

6.5.5 Review the effectiveness of Council's insurance arrangements to mitigate insurable risks.

7 Other Responsibilities

7.1 Regularly update and make recommendations to Council on Committee activities within the scope of this Charter.

- 7.2 Perform other Risk and Assurance responsibilities as requested by Council.
- 7.3 Review all Council policies within the scope of this Charter.
- 7.4 Review and recommend the Committee's Charter to Council for approval.
- 7.5 Annually review the performance of this Committee against this Charter, including recommendations to management on improved content or presentation of reports.
- 7.6 Council's external auditors or Risk Manager will have independent access to the Committee Chairperson at any time.

8 Ngā Pūrongo Whakamārama | Information Reports

8.1 Chair's Update

CM No.: 3141486

Te Kaupapa | Purpose

The purpose of this report is for the Chairperson to update the committee on activities following the last committee meeting.

Rāpopotonga Matua | Executive Summary

Risk and Assurance Committee Chairperson, Jaydene Kana, in attendance to present the Chair's Update report (circulated separately).

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Tāpiritanga | Attachments

There are no attachments for this report.

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	
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8 Ngā Pūrongo Whakamārama | Information Reports

8.2 Chief Executive's Update

CM No.: 3141484

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. CEO Update February 2026



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 – February 2026

1. Storm Event January 2026

The storm event in January 2026 had devastating impacts across the upper North Island—tragically including loss of life from landslides in Mt Maunganui and Pāpāmoa, and local states of emergency in Hauraki and Thames-Coromandel districts.

For Matamata-Piako, our team activated response protocols and maintained close monitoring throughout the event. The main impacts we managed were power outages (at one point over 7,000 properties did not have power), keeping water and wastewater services running and ensuring local roads and public spaces were safe. Our teams—both office-based and in the field—worked through challenging conditions to keep essential services going and communities informed. We came through with no injuries, services restored, and local road closures cleared.

I want to acknowledge the efforts of all the staff, agencies companies who worked tirelessly to keep our communities safe and functioning.

There has also been a significant effort in dealing with storm debris. We are grateful to the many individuals, community groups and businesses who volunteered their time and resources and helped us with the clean-up.

The Bay of Plenty landslides have sharpened our focus on land instability risk across our district. We're looking at how we're using our hazard information—particularly where it intersects with buildings and critical assets—and whether it's good enough, or whether we need better data and analysis. Regional CDEM is also taking a lead to strengthen knowledge and capabilities in this area.

A full report on the event is being prepared for Council.

2. Financial Position Overview – November 2025

This summary is based on the November 2025 financial report presented to Council on 11 February 2026.

Overall Position

Council's financial position is stable. We're meeting our obligations and tracking within budgets overall. Key variances by activity:



Revenue and Activity Performance

Community Facilities – Revenue is below budget due to lower visitor numbers at pools and spas. This is partly planned (pool liner work at Matamata) and partly seasonal. We're managing costs tightly and have secured external grant funding which helps offset the shortfall.

Water – Metered water income is \$300k (19%) below budget. This reflects both the new staggered meter reading approach across the three wards and lower consumption from a major industrial customer. The industrial variation appears seasonal and may recover, but we're watching this closely.

Wastewater and Water Capital – Both programmes are behind budget, but this is timing rather than a delivery issue. Construction is seasonal, and the Matamata WWTP upgrade is progressing (\$5.7m spent against a combined annual and carried-forward budget of \$42.3m).

Roading – Both subsidies and expenditure are below budget due to weather delays affecting maintenance work and the timing of NZTA subsidy claims. This pattern is typical at this point in the year.

Consents and Licensing – Revenue is \$1.1m ahead of budget, driven by higher building consent, resource consent, and licensing activity, plus the timing of annual dog registration fees.

The recent storm event has resulted in additional unplanned costs related mainly to tree damage. We will report on these costs once all relevant work is completed.

Waikato Waters Transition

Costs associated with the October 2026 transfer to Waikato Waters Ltd are being tracked separately. These will form part of the asset and liability transfer to the new entity.

Treasury and Debt Management

Council is compliant with borrowing limits and debt affordability settings. Interest rate exposure is being managed within policy.

There is one intentional policy exception: we're operating outside our standard funding risk limits during the transition to Waikato Waters. Council approved this approach in September





2025. The rationale is straightforward – debt that will transfer to the new entity in October 2026 is being funded over shorter maturities to simplify the handover. This is a temporary position and will resolve on transfer.

Financial Reporting Timeliness

Financial reporting to Council is running behind schedule. This has been caused by the delayed adoption of the 2024/25 Annual Report and the resource demands of the Waikato Waters transition.

Financial controls and budget monitoring remain in place, but the reporting delay does reduce Governance oversight. We're working to bring this back on track.

The Half-year report incorporating budget forecasts to 30 June 2026 is being finalised.

3. 2026/2027 Annual Plan

At its meeting on 11 February 2026, Council considered the draft Annual Plan 2026/27 and supporting analysis, including the assessment of significance and materiality. Council approved the preliminary Draft Annual Plan 2026/27 budget and confirmed there are no significant or material differences from year three of the Long Term Plan (LTP) 2024–34.

As a result formal consultation on the Plan is not required. Council has instead requested that an information campaign is developed.

Key Features of the Draft Annual Plan

The Annual Plan represents year three of the LTP 2024–34 and largely delivers what the community was consulted on through that process.

Rates and Financial Position

- The total proposed rates increase for 2026/27 is within LTP limits, less than 1% higher than the 5.1% LTP forecast.
- Three waters rates are at the upper end of the LTP forecast but within limits, reflecting compliance, monitoring, depreciation, and transition costs associated with water reform.
- Overall debt and debt-to-revenue ratios remain within the Financial Strategy parameters, and total borrowing is slightly lower than forecast in the LTP Capital Programme.
- There are no significant or material changes to the capital programme approved through the LTP.
- Key projects such as the Matamata Wastewater Treatment Plant upgrade proceed in 2026/27 after earlier deferral.
- Other changes are primarily timing deferrals, not removals (e.g. Te Aroha Library delivery moved to 2027/28; Te Aroha Spa deferred pending further investigation).



Waters Reform Transition

- The Plan incorporates the transition of water and wastewater services to Waikato Waters Ltd from 1 October 2026, including transitional funding, governance, and administrative arrangements.
- Legislative amendments mean this transfer does not trigger an LTP amendment, and delivery obligations under the Water Services Delivery Plan continue.

Key Risks

- The usual Annual Plan risks apply: affordability pressures, inflation on contracts and capital, uncertainty around revenue streams that are variable or based on demand.
- The new risk is the Waters transition. Shifting water and wastewater services to Waikato Waters Ltd on 1 October introduces operational, financial, and governance complexity we haven't managed before. Transitional funding flows, service continuity, and accountability arrangements will need close oversight through the remainder of this year.

Council's decision meets statutory requirements and known risks are being managed. The issue of whether our organisation is adequately prepared for a rate-capped future will need to be addressed during the 2027 LTP process.

4. Organisational Review

The Executive Team is working through a structured organisational review to position ourselves for the water services transition to Waikato Waters on 1 October 2026, and to respond to ongoing legislative change across local government.

We're using a single five-stage framework for this work and any future organisational change: Define → Organise → Plan → Execute → Monitor. The intent is to reduce change risk, engage staff and unions appropriately, and be clear about decision-making and accountability.

Right now we're in the early Define stage. We're mapping what's confirmed and what's uncertain, assessing early impacts from Waikato Waters, and developing a high-level organisational design. No decisions have been made on detailed structures or individual roles yet. The Executive Team will complete the draft high-level design by late February, then move into detailed design work in March.

Formal staff consultation won't start until we have detailed proposals ready – that's not expected until later in the process, likely late May. We've been explicit with staff that timeframes may shift as national direction becomes clearer.

Key Risks



The key risks we're managing are workforce uncertainty, change fatigue, potential loss of critical capability, and reputational risk. We're mitigating these through staged and transparent decision-making, leadership support, and appropriate engagement.

I will provide updates to Council and this Committee through the process.

5. Te Ohu Takatū Anamata | Future Ready Update

Te Ohu Takatū Anamata has met twice since the last Risk and Assurance Committee meeting and has continued to closely monitor proposed legislative changes impacting local government.

The group oversees the organisation's response to these changes. Over the past two months this has included preparing local submissions on behalf of MPDC, as well as contributing to regional-level submissions.

A summary of the key legislative changes and the status of submissions is included in the quarterly risk report within the agenda.

The Policy team is currently undertaking a detailed assessment of the potential impacts of these legislative changes, including implications for activity, revenue and costs, organisational capability, and governance. Further information from this assessment will be reported to the next Risk and Assurance Committee meeting.

6. Waikato Waters Limited – Transfer of Water and Wastewater Services

The Waikato Waters transition to transfer water and wastewater staff and assets to the Council-Controlled Organisation on 1 October 2026.

The internal transition team meets fortnightly to coordinate eight active workstreams: governance and legal, people, finance, operations, assets, iwi engagement, technology and communications. The team handles information requests from Waikato Waters, reviewing transfer drafts, and supporting staff during this organisational change.

Neil Brennan has been appointed as the Interim CEO of Waikato Waters Limited, taking over the leadership of the transition team from Vaughan Payne.

Debt Guarantee

Council committed to guaranteeing Waikato Waters' debt when we approved and signed the Shareholders Agreement in July 2025. We are now working through two related matters: LGFA's specific requirements for its lending to Waikato Waters, and the framework for guarantee arrangements should Waikato Waters borrow from commercial lenders.





LGFA's requirements trigger some structural and technical changes to shareholder arrangements. The six transferring councils are working collectively on these matters, supported by joint legal advice from Simpson Grierson.

Waikato Waters is seeking delegation of signing authority for all Shareholder Councils this month. Council has had one briefing on the issue and will formally consider the matter on 25 February.

For assurance purposes, while the guarantee will be joint and several, it is intended to operate as follows:

- Debt to establish Waikato Waters to be proportionate based on shareholding
- Transferred debt to be proportionate based on Shareholder debt amounts.

Timelines

As we move through the transition, practical choices are being made because of the amount of work involved. This means some timelines are shifting, but key milestones will remain unchanged.

Transfer agreements

The Transfer Agreement between Council and Waikato Waters Limited sets the legal and operational framework for the transfer of Council's water and wastewater services. It covers:

- The transfer of assets, liabilities and associated debt
- Staff transition arrangements
- Acceptance of the capital programme, property and land interests
- The things that must be in place before Council can legally complete the transfer to Waikato Waters Ltd
- Obligations that continue after the legal transfer (e.g post-completion service and support arrangements to ensure service continuity through the transition period

The first three transferring Councils are scheduled to sign their transfer agreements in March. We will be signing in June.

Key risks

The risk register (developed in September 2025, due for February review) continues to show very high residual risks around:

- Staff wellbeing and organisational culture
- Achievement of strategic objectives
- Information security





- Executive capacity
- Relationships with mana whenua

These haven't changed materially. This is a major organisational change and has caused uncertainty for affected staff.

Additional resources have been or are being engaged to help manage the impact of this programme of work.

Waikato Waters Ltd has released the organisation structure which is a major milestone and will help provide certainty for transferring staff.

In summary, this remains a complex transition. For this Committee's purposes:

- The Debt Security arrangements is an important issue for all parties and agreement on the details of this matter is critical to the project
- People risks are persistent and are expected to lessen to an extent with the release of the Waikato Waters organisation structure
- The details of transitional arrangements will become clearer this month as the agreements are finalised for the first three Councils that transfer.

We're managing what we can control. The collaborative work with six other councils has been extremely beneficial as we share knowledge and expertise.

Manaia Te Wiata

Chief Executive Officer



8 Ngā Pūrongo Whakamārama | Information Reports

8.3 Insurance Renewals

CM No.: 3142916

Te Kaupapa | Purpose

The purpose of this report is to advise the Risk and Assurance Committee of the Matamata-Piako District Council Insurance Premiums for the 12 months commencing 1st November 2025. It also advises of changes made to policy conditions.

Rāpopotonga Matua | Executive Summary

Matamata-Piako District Council currently carries 11 different insurance policies. The insurance year runs from 1st November to 31st October of the following year.

Allowing for changes and additions during the 2024/25 year the total premium for 12 months was \$1,554,395.

For the year commencing 1 November 2025 this has dropped to \$1,395,470. (10.22% saving).

The key drivers that have resulted in this saving are a softening market, a collective approach by the Waikato Co-lab, targeting of new markets (London and Singapore).

Various appendices to this report inform the committee of the structure around the negotiations and the collaborative approach by the Waikato Councils.

Tūtohunga | Recommendation

That:

1. The information be received.

Horopaki | Background

Asset values increase most years particularly from an insurance valuation point of view. Council's infrastructure Insurance Policy have sub-limits. Since 2018 these sub-limits remained static however the Total Declared Value (TDV) has increased from \$211,400,000 to \$410,553,936 by 2025/26 year.

The current claim limit for MPDC on any one event was increased to \$70,000,000 in 2024 (due to insurance valuation of Morrinsville Wastewater Treatment Plant) and for the Waikato Co-lab a combined limit of \$300,000,000.

MPDC work in collaboration through the Waikato Insurance Advisory Group (IAG) which is associated with Co-lab.

Recent questions asked how this works and its robustness are addressed in Appendix A.

Ngā Take/Kōrerorero | Issues/Discussion

The Insurance Policies that council hold cover:

- Material Damage and Business Interruption (MDBI)
- Infrastructure
- Commercial Motor (CMV)
- Employers Liability
- Statutory Liability
- Fidelity/Crime
- Cyber Liability
- Aviation Hull
- Airport Owners and Operators Liability
- Professional Indemnity
- Public Liability

Key points worthy of note:

- MDBI premium has dropped by 20.54% but covering a 10.8% increase in value, this equates to a reduction of 28% in premium against insured value.
- Infrastructure premium has dropped by 19.42% but covering a 5.66% increase in value, this equates to a premium reduction of 23.75% against insured value.
- CMV premium has increased by 6.95% but covering a 16.2% increase in value, this equates to a reduction of 8% against insured value. However, it includes \$0.6mill worth of Telehandlers (For Refuse Transfer Stations).
- The increase in Professional Indemnity premium has been driven by national claims against regulatory decisions.

Refer to Appendix B for other policy premium changes.

Mōrearea | Risk

With the current loss limits there is minimal risk of under insurance on assets.

There is an increased risk of unplanned operational expenditure should a claim be made against our Statutory Liability Policy, the ability to insure against fines imposed has been removed by Statute. (August 2025)

Appendix C gives a summary of the Collective Insurance Procurement and Market Presentations from a Co-lab perspective.

Appendix D outlines the Shared Procurement Benefits managed through our Co-lab Broker (AON)

Insurances for Water and Waste Water assets will be the responsibility of Waikato Waters Ltd from 1 October 2026.

Ngā Whiringa | Options

The option to insure or not has previously been considered by this committee and the status quo was agreed.

Partial or full self-insurance is an option; however, it does come with financial and reputational risks. If there is a desire for this to be investigated, then a scoping document can be drawn up for consideration.

Recommended option

No options are being recommended. Report for information only.

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

None.

Ngā take ā-lhinga | Consent issues

None.

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

The premiums are recorded as prepayment insurance costs and journalized across all departments on a monthly cycle.

The total cost of premiums for the year commencing 1 November 2025 is \$1,395,470.00 GST is recoverable in part dependant on country of placement.

Ngā Tāpiritanga | Attachments

A  Responses to Specific Questions



B  2025 Renewal Premiums



C  Co-lab Collective Procurement Presentation



D  AON - Benefits of Shared Procurement



Ngā waitohu | Signatories

Author(s)	Roger Lamberth Property and Insurance Manager	
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Approved by	Fiona Vessey Hautū Hanganga Rawa me ngā Whakahaere Group Manager Infrastructure, Assets & Operations	
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Appendix A – Responses to specific questions:

1. Premium Changes:

- How do the 2025/26 premiums compare to last year's?

The attached word table (Appendix B) indicates changes both in dollar terms and percentages. Percentage changes are also indicated where the revaluation of assets has increased but the premium/\$ has been reduced. AON report Co-Lab benefits of shared procurement show a true underlying premium change picture for the Waikato. (Sec 2 of this appendix). The Consultant Risk and Business Excellence Advisor has provided a copy of his report for the year 2024, (Appendix C) indicating significant savings for the Waikato (This was when he was chair of the Waikato Insurance Advisory Group - Co-lab). The 2024/25 underlying premium rate saving was 18.5% so over the past two years MPDC has achieved huge reductions in the infrastructure insurance space.

- What are the key drivers behind any increases or decreases?

With regard to the decreases, these have largely been achieved through a softening market, however this has been maximised via our collective (Co-Lab) approach (economies of scale, diversification of risk, smoothing of claims impact), target of new markets (e.g. MDBI now marketed and achieved in London, Infrastructure in Singapore), and maximisation of relationship and competitive tension in existing markets – AON's paper (Appendix D) is an excellent explanation of how this works which should be helpful. Professional Indemnity has increased (6%) – driven by claims in the consenting area (RMA / compliance with Building Code). The fact that any NZ Council can secure insurance in that distressed liability market is a tribute to some very hard work by AON. Motor vehicles are also up but due to increase in value of the fleet – the rate in the \$ is down.

2. Market Competitiveness:

- Were alternative quotes sought from other brokers or insurers? If not, what factors influenced continuing with AON exclusively?

Regarding appointing a Broker, we go to market as a collective periodically. The current AON contract is a 3+2+2, awarded after a robust / contestable process carried out late 2019 / early 2020. Council's current Consultant Risk and Business Excellence Advisor was personally involved as an evaluator in that process and can vouch to its robustness. Although it was an open tender, only two responses were submitted and realistically that is where the local government sits currently due to size and complexity. The Consultant Risk and Business Excellence Advisor's recollection is that AON were assessed as superior over the competitor on all the price/quality attributes and were considered well-ahead regarding their market reach and strategic approach. The ultimate expiry of that contract is 30/6/27 at which point the market will be tested again. Brokerage is remunerated on a fixed fee basis, so there is no commission-based incentive favouritism of insurers.

In regard to Insurers, for the bigger policies, Material Damage Business Interruption (MDBI) and Infrastructure, there is significant competitive tension in the annual renewal process. The collective programme is insured on a tower-like basis with multiple insurer syndicates competitively bidding for percentage shares in the ‘tower’.

For the Infrastructure programme those bids come from up to 21 Lloyds of London syndicates, four Singaporean market syndicates, as well as two or three NZ insurance companies and some Australian insurers. It is the expert Broker’s job to assess each percentage bid and price and build a ‘tower’ at best overall pricing, recognizing the need for ongoing sustainability and cover security.

The MDBI programme was marketed to multiple syndicates in London this year, alongside the NZ and Australian markets that have traditionally covered it.

Our Liability programme (Professional Indemnity and Public Liability) is being actively marketed to multiple syndicates in London with good results achieved in what is widely considered a distressed market.

The collective approach via Co-Lab is incredibly important and in staff opinion it would be unrealistic and uneconomic for MPDC to go it alone. A point well made by AON’s paper.

- How do our premiums benchmark against similar councils or organisations?

We do not have readily available information on this however, the Consultant Risk and Business Excellence Advisor has seen some benchmarking data previously and we could ask AON for it if that was required. Benchmark comparison however has significant limitations for many of our policies given key drivers of premium rates are not always apples for apples, for example natural hazard risk in the MDBI and Infrastructure space and claims history in the Liability and Motor Vehicle spaces. This is an important point to consider. Given this factor, in the staff view, it is better to place confidence in the robustness and contestability of a renewal process, than in benchmarking.

The extract below from the Consultant Risk and Business Excellence Advisor 2024/25 Co-Lab Board report (Appendix C) gives a view of how our premium pricing change compares against other NZ Local Government collectives – which is very favourable.

The Infrastructure Renewal Outcome

We've had an outstanding result in this space. The key line to note in the table below is the second line which shows the premium rate change and look at the Co-Lab Waikato Collective ... an 18.47% reduction!

Group Renewal Outcomes	NZ Collective 1	NZ Collective 2	Co-Lab	NZ Collective 3	NZ Collective 4
Premium rate change	+10.49%	-6.48%	+18.47%	-15.56%	+13.38%
Values change	16.74%	1.3%	13.4%	4.9%	10.8%
Premium change	6.25%	-5.18%	-5.07%	-10.66%	-2.60%

It is a softening market, however that's a far better than anticipated result and as the table shows that's the best reduction of the 5 NZ Council collectives with 1 November renewals. This builds nicely on last year when our 5% increase in premium rate was the lowest increase of these same collectives.

3. Coverage Adjustments:

- Have there been any material changes in coverage terms, exclusions, or limits compared to last year?

Only the Statutory Liability Policy where fines under the RMA are no longer covered by insurance. Costs and legal fees are still covered. The premium has remained fairly static as insurers consider that Councils are more likely to defend cases rather than plead guilty

- What additional risks (e.g., cyber, infrastructure) have been factored into this renewal?

Low value building assets removed from insurance schedule, the excess doesn't justify premium.

Matamata-Piako District Council Insurance Premium changes from 2024/25 year to 2025/26 year
- anniversary date 1 November

Policy	2024 Total Premium	2025 Total Premium	%age change	2024 Asset Value/#	2025 Asset Value/#	%age change against Valuation
Material Damage & Business Interruption	\$845,870.42	\$672,144.14	-20.54%	\$100,876,222.00	\$111,775,945.00	-28%
Infrastructure Cover	\$85,191.35	\$68,649.87	-19.42%	\$388,556,666.00	\$410,553,936.00	-23.75%
Commercial Motor	\$93,477.28	\$99,981.75	+6.95%	\$6,205,192.00	\$7,208,527.00	-8%
Employers Liability	\$1,650.25	\$1,690.50				
Statutory Liability	\$9,083.85	\$9,124.10				
Fidelity/Crime	\$29,430.80	\$29,434.83				
General Liability (Public)	\$19,339.06	\$16,587.01	-14.23%			
Professional Indemnity	\$437,164.45	\$464,571.25	+6.27%			
Cyber Liability	\$28,853.50	\$28,893.75				
Aviation Hull/Drone	\$1,731.16	\$1,746.21				
Airport Owners & Operators Liability	\$2,602.95	\$2,646.98				
Totals	\$1,554,395.07	\$1,395,470.39	-10.22%			



Collective Insurance Procurement and International Market Presentations, 2024

To	Co-Lab Board
From	Ken Morris, Co-Lab Insurance Advisory Group Chair
Date	21 February 2025
Report Title	Collective Insurance Procurement and International Market Presentations, 2024

1. PURPOSE

To update the Board on elements of the 2024 Co-Lab Waikato Councils Collective insurance renewal approach and outcomes, including the international market presentations for the infrastructure programme and liability insurance placements.

2. RECOMMENDATIONS

That the Board:

- **Receives** the paper; and
- **Notes** the approach and outcomes, including the benefit secured through the market presentations, as highlighted throughout this report.

3. BACKGROUND

The Waikato Councils Collective insurance arrangements were renewed effective 1 November 2024.

In regard to both the

- infrastructure programme placement, which includes \$8.2 billion dollars of asset value across the water and wastewater networks, stop banks and bridges of the 10 participating Council's, and
- the liability programme excess layer placement

a key part of the placement strategy was presentation to the London insurance markets, given large parts of the placements are sought from the London markets.



Collective Insurance Procurement and International Market Presentations, 2024

Those presentations took place in September 2024, with the author of this report presenting on behalf of the Co-Lab Waikato Collective, alongside fellow presenters representing BOPLASS and MWLASS. With regard to the infrastructure placement, these three Council collectives also presented to the Singapore markets on the way up to London and to the New Zealand markets, in Auckland, on return. Also, in London with us, but presenting separately from us, were a South Island Council Collective, and the Local Authority Protection Programme (LAPP) Collective, which Hauraki District Council is part of.

This renewal was the eleventh year that the Waikato Collective has sought infrastructure insurance cover in the London markets. It is a key part of our strategy, opening up far greater capacity than we could secure simply via the NZ markets, this provides very important security and diversification particularly as capital availability tightens, as it does on a cyclical basis.

Due to a significantly distressed market for liability cover (Professional Indemnity and Public Liability), significant focus also went into presenting to the liability markets in London this year, with great results.

4. DISCUSSION

Salient information that may be of interest to the Board is set out below:

Reach of the contact

The Waikato/Bay of Plenty/Manawatu-Wanganui infrastructure placement presentation sessions in London in 2024 consisted of four separate 45-minute presentations, each followed by 15-minutes of questions, to a total of 22 underwriters from 21 different syndicates. The Singapore sessions were in the same format with two sessions involving 5 underwriters from 4 different syndicates. The two New Zealand sessions involved 7 underwriters.

We had four presentation sessions with the Liability markets in London involving 6 syndicates.

The underwriter's key role is to evaluate, price and ultimately accept or reject the risks being presented to them. The market visits enable direct contact between us as a client seeking insurance, and the underwriter performing that role. It's an opportunity to build

Collective Insurance Procurement and International Market Presentations, 2024

up relationship and trust which pays 'big dividends' as far as these underwriter's assessment of the risk goes, and therefore their receptiveness to providing well sought after capacity and the price that this capacity is made available for. We've been told directly by the underwriters how important the trip to London is, and the value of the 'handshakes' that take place.

The focus of our infrastructure placement presentations

Key focus areas in our infrastructure placement presentations this year were:

- Investment in supporting Climate Change resilience
- New funding and finance mechanisms to enable ongoing investment in infrastructure (the author of this report presented this part)
- Continuing comprehensive work programmes to upgrade flood protection schemes to safeguard assets and communities

The underwriters continued to show strong interest in the risks associated with storms and flooding.

The underwriters indicated that in general they have confidence in our insured values and our risk management practices. New Zealand is generally seen as a mature market and is better regarded than many other parts of the world.

Alternative Risk Transfer Mechanisms

We continue to engage with SwissRE who are a well-recognised provider of alternative risk transfer mechanisms such as parametrics. We had a meeting with them while in Singapore to continue the engagement from the previous year, and a session we had with them in Wellington early last year. They are back in New Zealand again this month and we will meet with them again. If we were to consider parametric options this would most likely be alongside and in supplementation of traditional insurance products. This approach will be an important consideration if we see either capacity constraints and/or significant pricing and affordability concerns. Council's will be provided with information and education on these alternative products as they become more of a possibility.

Liability Insurance

There has been significant distress in the liability insurance market in relation to cover for New Zealand Council's particularly in the wake of the outcome of the Riskpool v Napier City Council case which Riskpool lost in the Supreme Court in 2023.



Collective Insurance Procurement and International Market Presentations, 2024

A number of Councils serviced by another broker lost their cover in June 2024 when markets refused to offer renewal cover. Aon was able to replace most of that cover for the 19 Councils involved while continuing to maintain ours. Our primary layer cover comes from the New Zealand market, while the Excess layers are covered by the London and Australian markets. New syndicates have come on board for this placement and we are advised that this is to large degree due to our visit to London.

Limits were able to be maintained and premium increases held to reasonable levels which is a great result in the circumstances.

The Infrastructure Renewal Outcome

We've had an outstanding result in this space. The key line to note in the table below is the second line which shows the premium rate change and look at the Co-Lab Waikato Collective ... an 18.47% reduction!

Group Renewal Outcomes	NZ Collective 1	NZ Collective 2	Co-Lab	NZ Collective 3	NZ Collective 4
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Premium change	6.25%	-5.18%	-5.07%	-10.66%	-2.60%

It is a softening market, however that's a far better than anticipated result and as the table shows that's the best reduction of the 5 NZ Council collectives with 1 November renewals. This builds nicely on last year when our 5% increase in premium rate was the lowest increase of these same collectives.

We succeeded in obtaining capacity from Singapore for this year's renewal, this was our third visit there and the first time we have secured capacity. We now have capacity from London, Bermuda, Singapore and New Zealand on these placements. This gives us further diversification going forward.

We managed some improvements in sub-limits and increased additional limits together with improved policy wording. This has been a great result all around.

Loss modelling

Aon has suggested that the Waikato Collective updates its loss modelling given the significantly advanced loss modelling practice now available to us. This would greatly assist confirming the most appropriate level to set programme limits and sub-limits which assists in ensuring we are neither over or under-insured. The Insurance Advisory Group however, has recently made the decision to not progress this work in the current year. It was anticipated to cost an average of \$32,000 per Council and had not been built into Council

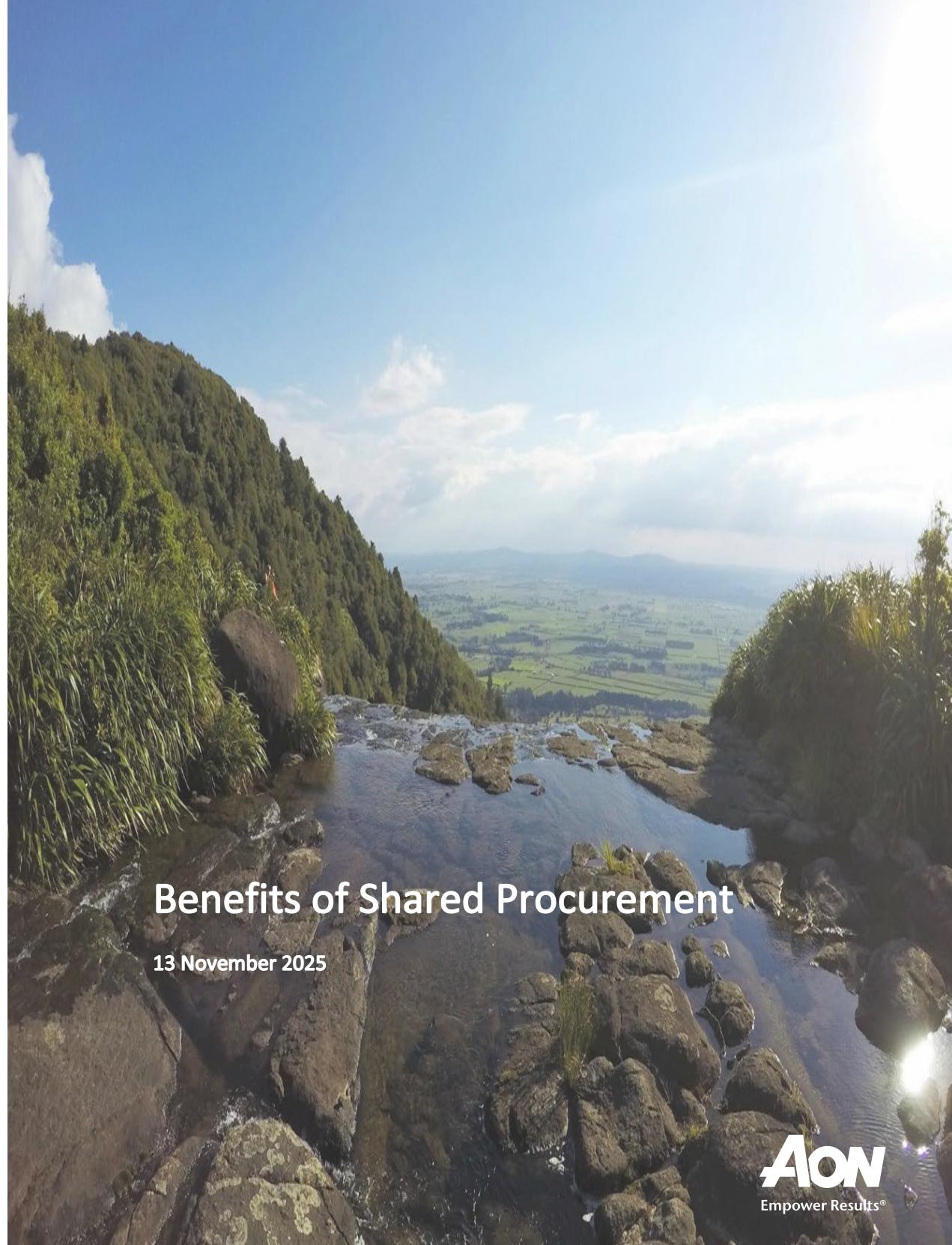


Collective Insurance Procurement and International Market Presentations, 2024

Long Term Plans. It would involve significant people resource in Council's too. A further consideration was that with the likelihood of two separate Water Service Entity CCO's forming in the Waikato, that this exercise might best be done by those entities when they are stood up in 2026.



Ken Morris
CHAIR, CO-LAB INSURANCE ADVISORY GROUP
DEPUTY CHIEF EXECUTIVE / GROUP MANAGER BUSINESS SUPPORT, WAIPĀ DISTRICT COUNCIL



Benefits of Shared Procurement

13 November 2025

AON
Empower Results®

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There is no cost to you to ask FSCL to independently review your complaint however you must contact FSCL within 3 months from the date of our final response (or within 9 months in exceptional circumstances).

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If you have a concern about a service that Aon have provided, you should contact your Aon representative or your local Aon office.



Overview

This paper is designed to give an overview of the benefits available to member Councils from shared insurance programme purchases. Whilst there are direct cost benefits, there are also several other benefits.

Aon, as Risk Advisor and Insurance Broker to over 70 New Zealand Councils, acknowledge the need for Councils to recognise the change in how risk is recognised within their organisations.

The past few years in the insurance market have seen continually hardening terms and conditions, with the cost to insure increasing, and availability of capacity reducing, the change in how insurance is purchased has shifted.

However, in late 2024 we saw the market starting to soften, and in 2025 we have seen a significant change in market conditions, whereby capacity and competitive edge from local and global markets has increased, even for some previously difficult to insure risks, where markets are wishing to diversify their portfolios.

Cost-effective risk retention and transfer within a robust governance framework are critical in the public sector, and we recognise this.

We understand the pressures in a highly regulated and complex environment, and the increasing demand for government services is offset by decreasing budgets and strained resource.

The following policies represent the largest portion of the Councils' insurance programme premium spend. The benefits of collective purchasing are most evident in these areas:

- Infrastructure Cover
- Material Damage and Business Interruption
- Commercial Motor
- Liability

For each of these policies, we will illustrate how a collective approach has influenced marketing and procurement outcomes.



General Market Condition

Over the past seven years, the insurance market has experienced a 'hard' cycle. Contributing factors include:

- Economic downturn following Covid-19
- Restrictions on available market capacity
- Increased frequency and severity of natural catastrophes
- Social inflation (rising insurance costs, increased litigation, more plaintiff-friendly decisions, and larger compensatory awards)
- Historically low or lower interest yields

During a hard market cycle, the collective approach allows Aon to minimise the impacts of this market and continue to secure capacity in global markets. Conversely, during the current soft market cycle the collective Co-Lab approach allows Aon to maximise the savings for Councils.

As we have now entered a "soft" market cycle the previous comments around collective purchasing equally apply. The ability to go to the market with a collective placement with greater declared values and spread of risk helps attract new markets to the placements, which further increases the competitive tension in a "soft" market

Advantages of Utilising a LASS Arrangement

There are several benefits to be had by utilising a collective approach as a marketing tool and the shared procurement arrangement.

- Benefits from Economies of Scale
- Access to additional markets both domestically and offshore
- Greater ability to negotiate specialist covers / policy enhancements
- Mitigation of claims impacts on pricing

The following will highlight how these advantages have been used.

• Infrastructure Insurance

(Economies of Scale and Access to Offshore Markets)

One of the largest policies purchased by Co-Lab Councils is the infrastructure large scale natural disaster programme. Historically, this type of insurance has not been available to councils. Infrastructure risk transfer was not available to individual Councils on a stand-alone basis.

By approaching the markets as a LASS, we were able to gain traction in the markets because of the collective values being declared. Individually, each Council's asset base, would not have been sufficiently large enough to attract interest from offshore markets. Even if it would have been possible to place a stand-alone cover for an individual council, the placement would have been subject to minimum premiums being imposed and make risk transfer unaffordable.

Additionally, pooling Councils in geographic regions allows individual Councils to share the insurance and the cost of similar Councils with similar risk profiles.

This shared procurement approach will also provide benefits to the Councils if Central Government reduces its current 60% participation in the future.

Whilst this approach was able to mitigate the impacts of the previous hard market cycle, it also has positive impacts during the "soft" market cycle as new markets can be brought into the placement, which increases the competitive tension in the overall market. This means if incumbent insurers wish to retain their position on the placement they have to meet the market conditions.

To highlight this point if we look at the expiring placement the total declared values for 2024 and the renewal premium were,

- 2024 – TDV \$8,205,831,501
- 2024 - Total Premium \$2,447,474

This gives an effective rate for the group of 0.0298%

AON | Benefits of Shared Procurement



For 2025 the Total Declared Values and Premium are,

- 2025 TDV \$10,836,981,756
- 2025 Premium \$2,419,000

This gives an effective rate of 0.0223%

This is an effective rating decrease of ~25%

This level of rating decrease has been generated because of the competitive tension that Aon was able to introduce to the market by approaching markets in London, New Zealand, Singapore and Australia. The involvement of some of these markets would not be possible if it were not for the shared procurement approach.

- **Material Damage and Business Interruption Cover
(Economies of Scale and access to offshore markets)**

Shared procurement in a soft market has historically produced significant premium savings and enhancements to cover. In a soft market, having a larger property programme to place, allows for reductions in premiums to be maximised and increased policy sublimits to be negotiated.

This also avoids the minimum premium issues that are often experienced by entities in a soft market, where an insurer will have a minimum amount they are prepared to charge.

One of the previous barriers to using offshore markets for the Material Damage and Business Interruption placement has been the high level of deductibles that the offshore markets have wanted compared to local markets.

Because of the collective approach and the softening of the markets we have been able to negotiate lower levels of deductibles with offshore markets, which means they have been able to provide capacity for this placement. Again this then introduces more competitive tension into the placement which in turn means that we can replace the more expensive capacity on the programmes to maximise the premium savings available.

The 2024 Total Declared Value and Premium were,

- Total Declared Value \$4,795,227,697
- Premium \$5,946,082

This is an effective rate of 0.124%

The 2025 Total Declared Values and Premium are,

- Total Declared Values \$5,946,082
- Total Premium \$4,720,400

This is an effective rate of 0.0950%

Which is an effective rating reduction of 23%. This initial market indications prior to renewal were of a 20% rating reduction, but by utilising the offshore markets we were able to increase this to the 23% figure

As stated previously by placing the risk on a LASS basis the wide geographic spread of risk and higher combined total declared values the risk is more attractive to markets, and we are able to fill the required capacity by using multiple insurers each only having a small percentage of the overall exposure

• Commercial Motor Insurance
(Economies of Scale and Mitigation of Claims impact)

Commercial Motor placements are largely rated on their claims performance (Loss Ratio), total value of the fleet of vehicles and total number of units in the fleet. Again, by utilising the collective approach Co-Lab member Councils gain advantages through economies of scale.

Insurers look at the overall Loss Ratio, and in simplistic terms this is the total claims incurred divided by the total premium paid. This ratio is used as part of the premium calculation process. By pooling all the Co-Lab Group of Councils members together, the impact of high value claims is mitigated across the whole group.

If a Council had a stand-alone policy and suffered a bad claims year, because the total of the claims incurred would only be compared to their premium, the Loss Ratio would be very high and there would be a significant premium increase. By purchasing as a group, the volatility is taken out of the premium costs.

As such, the rating achieved is normally ahead of the market for accounts that have performed, from a claims perspective, in a similar fashion.

Insurers look to price an account based on a loss ratio of 70%, anything over this is costing them money, as they not only have to consider the direct cost of the claim, but also the indirect costs of handling the claim (staffing costs etc. If there were a couple of councils in a period who had particularly bad claims experience, the impact of these bad years would be "smoothed" across the whole group, thus reducing the volatility of pricing that can be experienced in the motor market due to poor claims histories.

The 2024 Total Declared Fleet Value and Premiums were

- Total Fleet Value of \$49,266,902
- Premium \$679,883.

This is an effective rate of 1.380%

The 2025 Total Declared Fleet Value and Premiums are

- Total Fleet Value \$52,799,324
- Premium \$661,991.

This is an effective rate of 1.254%

Which equates to an effective rating reduction of ~9%.

• Liability Insurance

(Economies of Scale and Access to Offshore Markets)

Liability insurance remains challenging for local government. While each council is rated based on its own claims history, insurer appetite for this class is limited. However, by approaching the market on a 'portfolio' basis, we are able to keep insurers engaged and access additional offshore capacity, including markets in London and Australia.



Summary

As detailed in this paper there are many benefits to the member councils by taking the shared procurement approach to the purchase of insurance. The principal benefits are:

- **Benefits from Economies of Scale**

Pricing for policies purchased collectively produces results that are better than standard market pricing.

- **Access to additional markets both domestically and offshore**
- **Greater ability to negotiate specialist covers / policy enhancements**

Numerous examples of enhanced policy sublimits are available only due to the collective approach.

- **Smoothing of claims impact**

This benefit could be seen across all classes of cover provided, but is most evident in the Motor placement.



Conclusion

The collective approach to marketing through the Co-Lab Group of Councils can only bring benefits to the members.

It can allow for markets to be accessed and capacity in these markets secured, that would not have been available to individual councils.

It can allow for competitive tension to be introduced in the market during soft market cycles which can maximise premium savings, and conversely in hard market cycles, because of the value of premiums being placed, can allow for the impact of these increases to be minimised.

Through the collective buying power of a Co-Lab Group of Councils, and Aon's position as the pre-eminent broker to Councils, policy enhancements have been achieved.

By mitigating the impacts of claims across all the member councils, can lead to less volatility in pricing allowing for more accurate budgeting to be provided.



Aon Risk Management Services

Aon are more than just insurance. We are the only insurance broker in New Zealand that offers fully integrated, holistic risk management services to help clients identify, assess and manage existing and emerging risks. We assist with the selection and implementation of appropriate risk transfer, risk retention and risk mitigation strategies and provide the right advice following a major claim. Aon Risk Management Services is a specialised consulting division of highly qualified and accredited personnel including accountants, risk and fire engineers and certified valuers. We add distinctive, long-term value to optimise your overall insurance programme and enhance your risk management.

Local Government Insurance and Risk Management

Aon, New Zealand's leading insurance broker

AON

8 Ngā Pūrongo Whakamārama | Information Reports

8.4 Procurement Biannual Report FY2025/26

CM No.: 3138905

Te Kaupapa | Purpose

The report provides an update on the procurement activities for quarters one and two, financial year 2025/26.

Rāpopotonga Matua | Executive Summary

The procurement audit identified minor procedural non-compliance in purchasing transactions; however, these issues present a low risk to Council and can be effectively addressed. Overall, the report confirms that procurement activities are adding value to the organisation.

Summary of findings:

Compliance – Of the procurements reviewed, 82% complied with the requirements of MPDC's Procurement Manual. The non-compliance rate increased by 15% compared to the previous two quarters; however, this is not considered a major risk, as the issues identified were procedural in nature. These matters can be mitigated through enhanced communication and targeted training.

Top 10 Suppliers – analysis shows that MPDC has active contracts with the top ten suppliers with the highest number of transactions during the reporting period. Contracted suppliers often go through competitive processes, which means pricing and service terms are more likely to represent value for money.

Tenders – one tender was awarded within the period and complied with procurement requirements. The award was made to a contractor based within the Waikato region.

The Tender Board Committee - began operating in November 2025, and has held two meetings, and endorsed five tenders. Following approval from the Chief Executive, the tenders were published on the Government Electronic Tendering Portal in December and closed in January for evaluation.

Contracts Management in Authority – the contracts register module in Authority has 100 active contracts, values at \$110m. 52% of the contracts relate to Water and Wastewater.

New Building Consenting Services Panel (BCSP) – MPDC jointly with a number of other Waikato Councils (through Co-Lab) established a building consenting panel on the 1 December 2025 that covers all building functions undertaken by Council. This is a shared contract for an initial term of two years with two rights of renewal: a term for two years and final term for one year subject to performance. MPDC's procurement policy supports this.

Tūtohunga | Recommendation

That:

1. The Committee receives the report.

Ngā Tāpiritanga | Attachments

A1. Quarters One & two, 2025/26 - Procurement Quarterly Report



Ngā waitohu | Signatories

Author(s)	Sangeeta Singh Mātanga Hokohoko Procurement Specialist	
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Procurement Quarterly Report

QUARTERS ONE & TWO, 2025/26

CONFIDENTIAL



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Executive Summary

Procurement plays a critical role in ensuring the efficient acquisition of goods and services that align with Matamata-Piako District Council's (MPDC's) Long Term Plan and best practice. This report provides findings on procurement for the period – quarters one and two, 2025/26.

Summary of findings:

1. **Compliance** – Of the procurements reviewed, 82% complied with the requirements of MPDC's Procurement Manual. The non-compliance rate increased by 15% compared to the previous two quarters; however, this is not considered a major risk, as the issues identified were procedural in nature. These matters can be mitigated through enhanced communication and targeted training.
2. **Top 10 Suppliers** – analysis shows that MPDC has active contracts with the top ten suppliers with the highest number of transactions during the reporting period. Contracted suppliers often go through competitive processes, which means pricing and service terms are more likely to represent value for money.
3. **Tenders** –one tender was awarded within the period and complied with procurement requirements. The award was made to a contractor based within the Waikato region.
4. **The Tender Board Committee** began operating in November 2025, and has held two meetings, and endorsed five tenders. Following approval from the Chief Executive, the tenders were published on the Government Electronic Tendering Portal in December and closed in January for evaluation.
5. **Contracts Management in Authority** – the contracts register module in Authority has 100 active contracts, valued at \$110m. 52% of the contracts relate to Water and Wastewater.
6. **New Building Consenting Services Panel (BCSP)** – MPDC jointly with a number of other Waikato Councils (through Co-Lab) established a building consenting panel on the 1 December 2025 that covers all building functions undertaken by Council. This is a shared contract for an initial term of two years with two rights of renewal: a term for two years and final term for one year subject to performance.

Section 1.0 – Procurement Compliance

Any procurement activity is compliant when undertaken in accordance with:

- the **Procurement Policy**,
- the **Procurement Manual** – provides processes and guidance on how to undertake procurement,
- MPDC **financial delegations**,
- **Approved budgets** for goods and services.

These points establish the criteria for procurement audits. Any deviation from these established rules is marked as non-compliant, exposing the Council to potential risks.

Currently, audits are conducted monthly for purchase orders exceeding a spend value of \$20,000. Fifteen purchase orders are randomly sampled each month and any non-compliance issues identified during the audit are brought to the attention of the approvers, who are expected to address these with their teams and enforce compliance by enhancing due diligence in the approval process.

1.1 Compliance – Purchase Orders

The policy requires purchase orders for all low value and low risk transactions.

Seventy-two purchase orders were audited for quarters one and two of the 2025/26 financial year. While the audit scope initially included 90 purchase orders, some threshold categories had very low transactions during this period.

Table 1 - Audit results for Q1 and Q2, financial year 2025/26:

Classification	Number of orders	%	Comparison Q3&Q4 FY2024/25
Pass - procurement meets all the requirements	59	82%	97%
Minor Issues - procurement has moderate areas of non-compliance	8	11%	3%
Concerns - procurement has multiple areas of non-compliance or recurring non-compliance	5	7%	0%
Total	72	100%	100%

Source: Authority

Of the 72 purchase orders audited, 82% met procurement compliance requirements. Eight purchase orders recorded minor non-compliance; however, these did not impact the procurement outcome or justification, as only minor procedural requirements were not met.

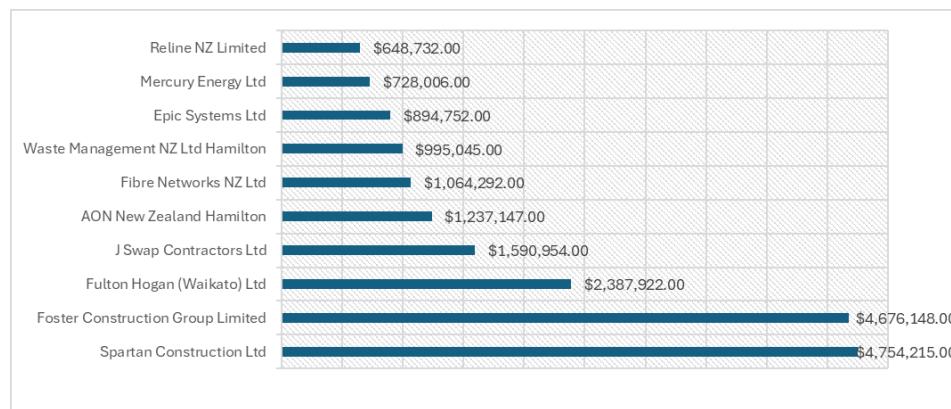
Five purchase orders were identified with recurring non-compliance. While the purchases were appropriately justified, approval for specialised procurement was not obtained. To mitigate future occurrences, this issue has been raised with the requisitioner, the Managers, and approver. Training has also been provided to the requisitioner.

A marginal increase in non-compliance was noted compared to the previous two quarters. The issues identified were procedural in nature and have been addressed through targeted training and communication. As part of the remediation approach, the affected requisitioners will be identified as a target group for future audits to address procedural non-compliance and prevent recurrence.

Section 2.0 - Suppliers Review

2.1 Top 10 Suppliers by highest value

Graph 1 illustrates the top 10 suppliers by highest value within the reporting period, all of which are under contract with MPDC.



Source: Arcblue, figures include GST

Table 2: Outlines the contracts associated with the payments above:

Supplier	Value	Contract Details	Local Presence
Spartan Construction Ltd	4,754,215.00	C2378 MM WWTP - Main Civils 2025-2027	Hamilton
Foster Construction Group Limited	4,676,148.00	C2371 Matamata Indoor Sports Facility	Hamilton
Fulton Hogan (Waikato) Ltd	2,387,922.00	C2309 Roading Contract	Hamilton
J Swap Contractors Ltd	1,590,954.00	Four Roading and one MM Indoor Sporting Contracts	Matamata
AON New Zealand Hamilton	1,237,147.00	WLASS Joint Contract	Hamilton
Fibre Networks NZ Ltd	1,064,292.00	C2269 Water Mains Renewals Contract	Morrinsville
Waste Management NZ Ltd Hamilton	995,045.00	C2400 Shared Contract Waste Management	Hamilton
Epic Systems Ltd	894,752.00	C2311 - Electrical Maintenance Water and Waste Water	Morrinsville
Mercury Energy Ltd	728,006.00	Electricity - All of Government Contract	Hamilton
Reline NZ Limited	648,732.00	C2245 - Sewer Reticulation Renewals	Hamilton
18,977,213.00			

Procurement policy supports use of local providers within the district. Local is defined firstly as within the Matamata-Piako district and secondly within the Waikato Region. An audit confirmed that 19% of the spend with the top 10 suppliers was within the Matamata-Piako district and 81% of the spend was with suppliers within the Waikato Region. The above contracts were established through an open tendering process at some stage.

2.2 Payments

Arcblue reports total payments of \$33 million for quarters one and two, FY2025/26.

Table 3: Breakdown of payments by Procurement Type:

Contracts (\$000)	Purchase Orders (\$000)	Electricity (\$000)	Others (\$000)
21,599	9,675	1,175	581

MPDC through All of Government has contracts with Mercury, Meridian and Genesis for electricity supply.

“Others” include all legislated payments, staff reimbursements and refunds (rates/dogs and events bookings, etc).

Engagements through the following contracts require purchase orders for payment purposes:

- All Contracts for Service.
- WLASS Joint contracts - Professional Services Panel, Building Consenting Services Panel, Insurance Brokerage, Print, Mail House and E-Services, Health and Safety Prequalification contractor, RATA, Postal & Courier Services, SVDS Data Supply Agreement, n3 membership agreement.
- All of Government Contracts – Office Supplies, Motor Vehicle, IT Hardware, Print Technology and Associated Services, External Legal Services Panel, Microsoft cloud, software and service agreement.
- All Software Subscriptions.

Payments for the above contracts were made via purchase orders totalling \$9.6 million.

Section 3.0 - Tenders

3.1 Tenders Awarded

One tender was awarded during the reporting period valuing \$912,961.40, excluding GST.

Table 4: Details of Awarded Tenders

RFx ID	Contract Number	Title	Status	Tender publication	Tender Award	Process duration	NTT Issued	Value	Procurement Estimate	Savings via competition
32462996	3/23/2401	Contract No. 2401 Works Programme 2025/2026	Awarded	11/09/2025	09/10/2025	31 Days	2	912,961.40	1,000,000	87,038.60

Analysis found that:

1. Two submissions were received for this tender.
2. The supplier with the lowest price, meeting all evaluation criteria was selected.
3. The cost estimate for the procurement was \$1 million; however, the tendered prices came in \$87,000 lower.
4. The supplier is based in Hamilton.
5. The procuring team complied with all the processes required at this spend level:

An audit of the tender process found:

- Procurement plan was approved
- Tender evaluation report was approved
- Conflicts of interest signed and managed
- Correct templates used
- Used NZS3910 contract
- Contracts updated in Authority
- Proper records management
- Planning – contingency \$91,296.00 made available

3.2 Tender Board Committee Approvals

The tender board endorsed the following procurement, which was then approved by the Chief Executive Officer:

Date	Project	Contract No.
12/12/2025	Morrinsville RTS upgrade – valued at \$1.53 million	
	Re-tender Matamata Domain Playground	
	Morrinsville Waterworks Road Water Treatment Plant	3/23/2405
	UV Installation – valued at \$1 million, \$200,000 contingency	
	Roading Works Programme 2025/26 – Package 4 – Valued at \$1 million, includes 10% contingency	3/23/2402
17/11/2025	Roading Works Programme 2025/26 – Package 3, Contract 2407	3/23/2407

The following contracts have been published on Government Electronic Tendering Service (GETs) Portal and submissions are due by mid-January 2026:

- 3/23/2402 – RFx ID on GETs: 32690642 (Roading works package 4)
- 3/23/2405 - RFx ID on GETs: 33022164 (Treatment Plant UV installation)
- 3/23/2407 - RFx ID on GETs: 33022499 (Roading works package 3)

Observations made on Tender Board Committee Meetings:

- The two meetings were very successful, with the Committee observing notable improvements by the second meeting.
- There is increased awareness among departments regarding Tender Board meetings, leading to improved planning.
- A back up plan to provide resilience for the Procurement Specialist role was tested and functioned effectively to coordinate Tender Board meetings.
- The Chair has been very helpful in steering meetings and sharing knowledge on reviewing procurement plans.
- Other Group Managers are encouraged to observe meetings chaired by Fiona to learn best practice.
- Conflicts of interest are well managed; however, the process requires minor improvements.

Section 4.0 - Supplier Contracts

4.1 Contracts Register

It is mandatory for all contracts, regardless of value, to be recorded in the contracts register in the Authority system. The following provides an overview of the contracts as of quarter two 2025/26.

Number of active contracts: 100

Total value of contracts: \$110 million

Value includes whole life costing (projected costs over the full life of the contract).

Table 4: Breakdown of contracts (GST exclusive figures)

Category	(\$000)
Capital and Renewals	67,381
Consultancy Services	1,069
Contract for Services	5,203
Maintenance and Operations	33,609
PSP Tier 1	538
PSP Tier 2	162
Co-lab Building Consenting Services Panel	750
Supply of Plant and Materials	1,792
Grand Total	110,504

Above includes Water and Wastewater contracts valuing \$57m. Table 5 provides a breakdown of contracts.

Table 5: Water and Wastewater contracts:

Contract Type	Value
Capital and Renewals	53,864
Consultancy Services	494
Contract for Services	431
Maintenance and Operations	2,641
PSP Tier 1	314
Total	57,744

These contracts will be migrating to Waikato Waters Ltd (WWL).

Currently, 56% of Water and Wastewater contracts are scheduled to expire by 1 July 2026. Following consultation between the Waters department and WWL, it has been agreed that these contracts will be extended by an additional year. This will allow WWL sufficient time to undertake procurement processes that align with their preferred approach.

The remaining contracts are due to expire by the end of March 2027, providing WWL with further opportunity to plan and manage those procurements effectively.

4.2 Building Consenting Services Panel (BCSP)

Building regulations require all building officers that process and/or inspect building consents to hold technical qualifications and hold current competency assessments under Regulation 10 of the Building Consent Authority Accreditation Regulations.

While Council has an inhouse team that primarily deliver these services because the volume of applications is unknown and dependent on various external factors, the overflows are sourced out to accredited suppliers. It is noted that all MPDC's overflow consent for processing go to Co-lab Building Services (CBS processing hub) who also use BCSP for overflow consents. MPDC has a separate contract in place with Co-Lab for CBS. Through the BCSP, technical and peer reviews, competency assessments, and other specialised building services can also be procured.

BCSP was a joint procurement facilitated by Co-Lab. This was an opportunity discussed at the Procurement Managers Meeting to overcome the following challenges:

- Niche market of suppliers serving all the Councils
- Improve the quality of service
- Resource development
- Procurement efficiency
- Competitive pricing

The eight participating Councils: Hamilton City Council, Otorohanga, Thames Coromandel, Matamata-Piako, Hauraki, Waitomo, Western Bay of Plenty and Waikato District Council.

Procurement was led by Waikato District Council but had a member on the working Group from each participating Council, who equally contributed to all decision making. MPDC representatives were:

1. Governance Role - Group Manager Growth and Regulation, Ally van Kuijk
2. Working Group Member – Building Control Manager, Daniel Kruger
3. In support role – Procurement Specialist and MPDC Counsel.

Through an open tendering process on GETs, seven suppliers were appointed to provide services within five categories:

- i. **Category One: Processing of Building Consents (R1–C3)** - end-to-end assessment and processing of building consent applications for residential and commercial buildings (R1–C3) up to the recommending to grant stage. The scope includes reviewing applications for compliance with the Building Code and other statutory requirements.
- ii. **Category Two: Inspections for Building Work (R1–C3)** - inspection activities to ensure that construction work complies with the approved building consent and plans.
- iii. **Category Three: Peer Review and Technical Audit Services** - quality control activities; Peer Reviews and Technical Audits.
- iv. **Category Four: Competency Assessments** - performing competency assessments in line with regulation 10 – Establishing and assessing competence of employees to ensure confidence that all employees perform building control functions within their skill and competence.
- v. **Category Five: Specialised Services** - technical leadership, Territorial Authority Functions, Code Compliance Certificate and Supervision.

As noted above, Matamata-Piako and five other Councils are utilising Category One: Building Consent Processing through CBS processing hub, and Categories Two to Five direct via the panel.

Hamilton City Council & Otorohanga are utilising all five categories of the panel directly.

Procurement policy supports joining shared agreements.

Attached as Appendix one is the panel Overview.

Section 5.0 – Planned Procurement Priorities

1. Review of tendering processes.
2. Review of contracts Manual
3. Continuous improvement – templates (recent ones: procurement plan, specialised procurement form and Lite Procurement Plan), trainings/refreshers.
4. Automation – working with the Digital team to develop a portal that staff can use for procurement plans.
5. Exploring the use of Secure Signing for all high value procurement that's tendered.
6. Exploring use of Teams/SharePoint/CoPilot for capability building.
7. Concentrating on contracts register post WWL transition – cleaning the register and working with the Project Managers and Department heads to ensure all the contracts are captured and maintained on the Contracts register.
8. Publishing all planned high value procurement opportunities on GETs/MPDC website.
9. Develop a code of conduct for suppliers and establish terms and conditions for purchasing when using a Purchase Order.
10. Ongoing review of procurement efficiencies.

Appendix 1: BCSP Panel Overview

Supplier	Cat 1: Building Consent Processing	Cat 2: Inspections for Building Work	Cat 3: Peer Review and Technical Audits	Cat 4: Competency Assessments	Cat 5: Specialised Services	Rate Range per hour
Solutions Team	R1 – C3	R1 – C3	R1 – C3	R1 – C3	<ul style="list-style-type: none"> • Technical leadership • TA services 	\$130 - \$160
National Processing Limited	R1 – C3					\$160
NZBTC	R1 – C3	R1 – C3	R1 – C3	R1 – C3	<ul style="list-style-type: none"> • CCC • CoA • Supervision 	\$135 - \$150
C3 Building Compliance	R1 – R3					\$145
Comply NZ	R1 – C3		R1 – C3			\$165
Strategic Solutions Management	R1 – C3	R1 – C3	R1 – C3	R1 – C3	<ul style="list-style-type: none"> • Technical leadership • TA services 	\$130 - \$160
Building Consent Consultants	R1 - R3, C1					\$142.50

8 Ngā Pūrongo Whakamārama | Information Reports

8.5 Risk Update and Quarterly Risk Report - February 2026

CM No.: 3142088

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 has been developed to aid the Committee in its work. It provides a progress update on the 2026 Risk Management Work Plan. It also notes the proposed sessions and timeline for the annual reset of Top Risks, addresses questions raised at the December meeting and provides a Top Risks update and an emerging risks commentary.

The Top Risks update includes 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.

Tūtohunga | Recommendation

That:

1. The report is received;
2. The Quarterly Risk Report February 2026 is received.

Horopaki | Background

The Quarterly Risk Report has been developed to aid the Committee in its work.

The intention is this report will continue to be further developed in future quarters as the key reporting mechanism on enterprise risk for the Committee and Council. For instance, 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 February 2026



Ngā waitohu | Signatories

Author(s)	Ken Morris Mōrearea, Kai-whakahaere ā Pakihi hoki Risk and Business Excellence Advisor	
Approved by	Kelly Reith Hautū Rangatōpū, Tāngata me ngā Hononga Group Manager Corporate, People & Relationships	



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Quarterly Risk Report

February 2026

Attachment A

Item 8.5

Executive Summary



- This report provides a progress update on the 2026 Risk Management Work Plan.
- It notes the proposed sessions and timelines for the annual reset of Top Risks, and addresses questions raised at the December meeting.
- A 'Top Risks' update is provided along with the reporting of some of the 'Top Risks' Key Risk Indicators (KRIs) and a status update on the implementation of proposed new mitigation controls. This information is important in enabling the Committee to perform their risk governance oversight role, as it can provide assurance that existing controls are operating and planned controls are introduced.
- An emerging risks commentary is also provided, sourced from Aon.

Risk Management Work Plan 2026



A 2026 Risk Management roadmap was agreed by the September RAC meeting, and confirmed by the new triennium RAC in its December meeting:

Risk Maturity Assessment	Re-assess current levels of risk maturity to measure increases since initial assessment in 2025	Programmed for reporting in June 2026, a year after initial assessment
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”	This work is continuing and scheduled for fuller reporting back at the June RAC meeting
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	Work is progressing and is also scheduled for a fuller report back at the June RAC meeting

Annual Reset of Top Risks 2026/27

The following is proposed:

April / May	Workshop session for RAC members and all other EMs, focussing on Top Risks, Risk Appetite and Risk Maturity
June RAC	RAC considers and formally recommends Risk Appetite settings for next 12 months (to be confirmed by June or July Council)
Workshop alongside June RAC	Annual setting of Top Risks Workshop for RAC and all other EMs / Exec, will develop basis of agreed Top Risks for 2026/27
October RAC	RAC considers and formally recommends Top Risks document for 2026/27 for Council approval (to be confirmed by Oct or Nov Council)



Follow-ups from December 2025 Meeting



Responses to Quarterly Risk Report (QRR) follow-up matters from December meeting:

- **Risks associated with Top Risks being outside appetite** – a prompt has been added to the Deep Dive template, and this will also be specifically considered in the annual reset of the Top Risks
- **Reporting of Failures of Top Risk Controls** – Executive will provide positive assurance in each QRR that there are either no known Top Risk control failures, or detail if there has been. There have been no known failures in the past quarter.





Top Risks Update

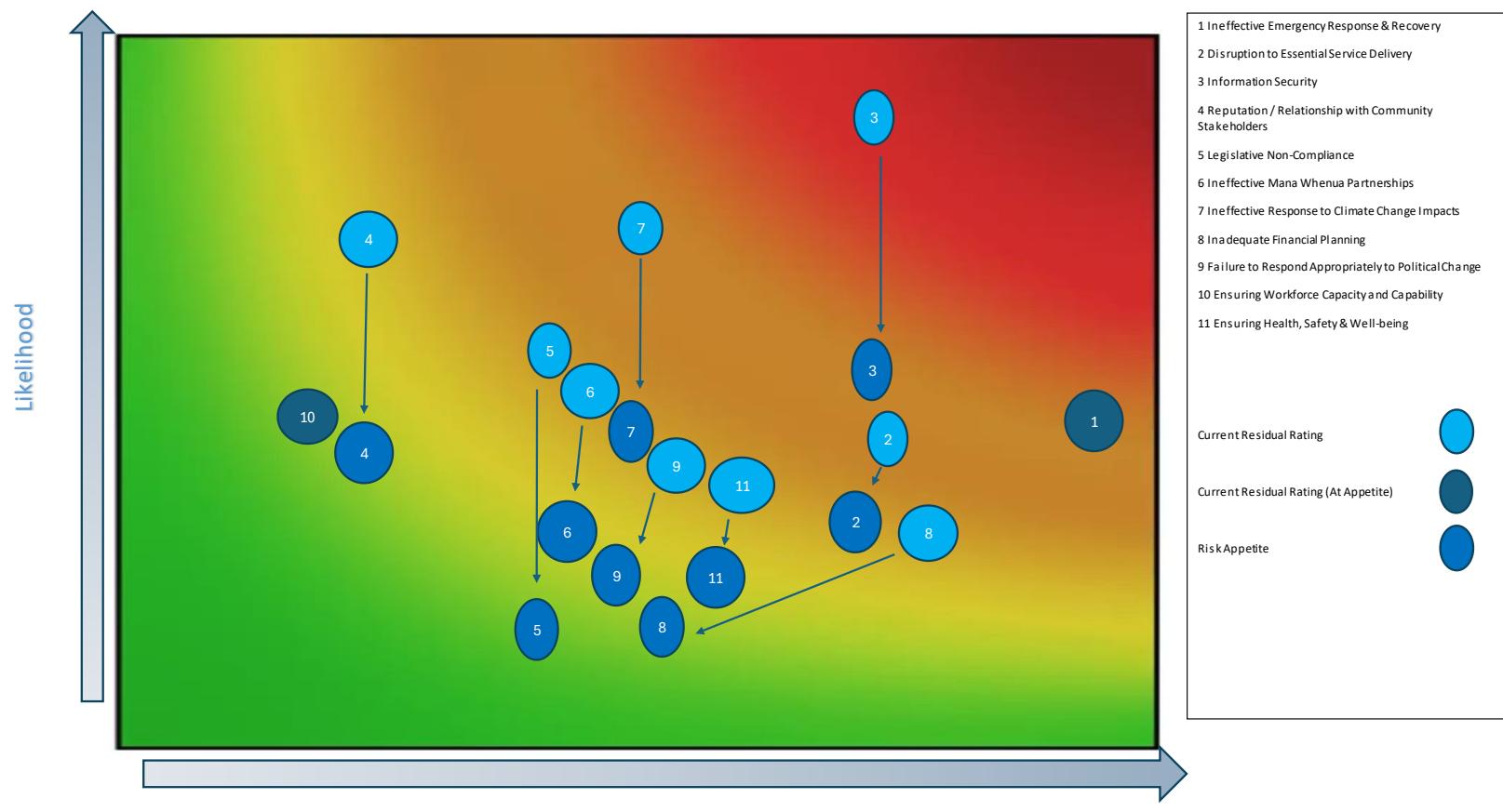
SUMMARY OF TOP RISKS

	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	↔	↑	↔	↔	↔	↔	↔	↔	↑	↔	↔

The trend indicators for Risks #2 and 9 have been updated to reflect a trend up in those risks. This is about the more 'intrinsic' and 'fundamental' nature of these risks as we move towards our Waikato Waters Limited transition date (for risk #2), and as the Central Government reform programme grows (for risk #9), rather than anything we are experiencing substantively at Matamata-Piako District Council at this stage. Both of these matters are creating increased pressure on staff as they respond to these significant matters on top of the business as usual. Mitigations are already in place and an active watching brief is maintained on these risks within the organisation.

Top Risks Update

TOP RISKS HEAT MAP





Top Risks Update

KEY RISK INDICATORS

In confirming our Top Risks in June, we also identified Key Risk Indicators (KRIs) which give us assurance that the controls for those Top Risks are in place and working. This section of the report shows the KRIs. We'll continue to report these quarterly so the Committee can have confidence that our controls are either working well, or we are aware and can intervene if they aren't.

Ineffective Emergency Response and Recovery (Risk #1)

Emergency Management—Current Status

- New sub-regional CDEM (Civil Defence Emergency Management) arrangement in place with Matamata-Piako, Hauraki and South Waikato DCs
- EMM (Emergency Management Manager) appointed 1/9/25
- Critical positions of Controller, Recovery Manager, Emergency Management Officer (EMO), Welfare Manager, Response Manager, and all function managers filled and/or in training. Three of these completed critical training for these statutory positions in November
- Quarterly update to Council 24 Sept. Emergency Management induction sessions with new Council 23 Oct and 6 Nov. Marae work shops.

68% Score achieved in May 2025 annual exercise (from approved assessor) — an increase on previous and classed as 'Advancing'

Action Plans are being worked up—these are on track with the determined timelines.

Regionally consistent Performance Measures have been proposed for the CEG (Co-ordinating Executive Group), these are generally aligned with what is already in place, for example the carrying out of an annual exercise, having 25% of Council staff trained in Emergency Management, community satisfaction levels.

Disruption to Essential Service Delivery (Risk #2)

Regulation and Compliance

Taumata Arowai — In line with their normal activity, Taumata Arowai has provided a letter of expectation to Council in relation to Drinking Water Supply upgrades and compliance monitoring. This sets out specific actions (Pohomihī raw water supply (Te Aroha), and Drinking Water Safety Plan updates) required by certain dates over the 2025/26 year. This work programme is largely in hand. That said, due to a delay in applying for the RMA water take consent renewal for Te Aroha, there is an emerging risk with the current water take consent which limits the taking of water during certain environmental conditions. This means one of the options for Pohomihī water users may be at risk due to this condition. The Project team are working on an appropriate response to be discussed with WRC.

Waikato Regional Council— There has been no resource consent enforcement action by WRC over the past two months. Relationship meetings with WRC are continuing and remain positive. A risk we face in the wastewater space is the need to progress a strategy for the desludging of our various ponds as they are nearing capacity and have reduced freeboard during heavy rainfall, the Te Aroha and Matamata plants are the priority.

Backflow management in our Water reticulation systems — While not raised as an issue by Taumata Arowai, this is something that is recognised by compliance staff as a risk to our water networks. There is a significant backlog in relevant properties providing proof of annual inspection and certification of devices. This will be a lengthy exercise to address but is imperative. The team is currently discussing a strategy to address this backlog and is likely to kick off with a comprehensive survey of all existing devices in the district, a determination of device risk classification, and also determining areas where backflow may be required in order to reduce contamination risk to our water networks. This strategy will include discussions with property owners as well as some form of education approach.

Top Risks Update

KEY RISK INDICATORS

Disruption to Essential Service Delivery (Risk #2)

Standard Operating Procedures (SOPs) for Treatment Plant Operations

Council waters staff have advised that the Lockerbie and Morrinsville Wastewater Treatment Plant SOPs are considered fully up-to-date and fit for-purpose. They note that other plants require review to ensure SOP completeness, currency, and fit-for-purpose.

The Team have decided to incorporate an SOP review as part of a wider initiative aimed at determining operational staff competency and re-implementing our Licence To Operate (LTO) framework, the framework is a resource for staff and holds all operational policies and procedures for all our plants. The review of the SOPs is intended to update and align SOPs not only in the LTO but also ensure that updates are applied to Promapp. The Team is currently reviewing an offer of service for this initiative which is likely to take up to 6 months to complete.

Vulnerability of Networks

Wastewater reticulation—Overflows	A comprehensive register of Wastewater Overflows (All conditions eg Wet Weather, Dry, Bursts) has been maintained since the beginning of the 2025 calendar year. A total of 35 events were recorded across the entire network in the 2025 calendar year, and 6 events recorded in January 2026. For all these events Matamata-Piako District Council has met all statutory obligations under the Resource Management Act 1991, including the timely reporting, notification, and follow-up of wastewater spill events to Waikato Regional Council in accordance with all applicable regulatory requirements.
Wastewater reticulation—Modelling	Comprehensive Wastewater modelling work was completed for the Matamata and Morrinsville networks in 2024. This modelling work (including the identification of any network vulnerabilities) has informed the network master planning work.
Water Treatment and Supply	There is risk with turbidity levels impacting treatment. Turbidity causing treatment plant shut-down is a relatively common issue for the Tills Road, Matamata water treatment plant. Districtwide, and whilst there is reasonable resilience in the system with reservoir storage, as time goes by, and severe weather events become more common, this resilience will be severely tested and even supplies that have supplementary bore supplies will still be affected in the future.
Transport Networks	Two known points of vulnerability exist, both on the Waihou River Flood Plain. These sections of road may have to be closed for short periods of time once or twice a year. Alternative routes exist and because this is flood plain remedial works are not possible.

Deep Dive—There is a Deep Dive into Risk #2 at the February RAC meeting, refer that report for further information on this Top Risk.



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Item 8.5

Attachment A





Top Risks Update

KEY RISK INDICATORS

Information Security (Risk #3)

SAM for Compliance* Score	
September 2025	85.05%
September 2024	75.36%
Year-on-Year ↑	9.69%

*The SAM acronym originally stood for Self Assessment and Monitoring

Privacy Breaches November 2025 to January 2026

Three, all classed as non-reportable:

- LIM sent to wrong email
- Cemeteries information supplied to incorrect customer
- Libraries information supplied to incorrect customer

Independent Cybersecurity Audit

The results of the independent Cybersecurity review conducted by KAON SecurLy were presented to the Risk and Assurance Committee in a Public Excluded item at its September 2025 meeting. The IT team is working through a 2025/26 Improvement Plan which seeks to address the recommendations of that report.

Workstream	Current %	Comment
Documentation and Evidence	60%	ASD8 Blueprint identified. Processes, policy and documentation in progress.
MFA Coverage	40%	Online service register in progress
Script Control	80%	Pilot solution in testing

Cybersecurity Key Stats

Reporting Period: 1 December 2025 to 31 January 2026

Sources: Trustwave MailMarshal, Sophos Endpoint Antivirus, Sophos XGS Firewall

Successful breaches - Nil

Email Security

- Spam / Malicious Email Attempts Blocked (Spam confirmed): 755
- Malware Suspected Messages Quarantined: 34
- Total High Risk or Undesirable Messages Blocked: 789

Endpoint Security

- Malware & PUAs Blocked: 80 events
- Scope: MPDC Fleet of Devices
- Action Taken: All threats quarantined or cleaned

Network Security

- Intrusion Attempts Detected: 25
- Top Attack Types:
 - SCAN CensysInspect Network Scan: 23 hits
 - Linux based Packet Flag Manipulation ("Urgent Flag Removal"): 2 hits

Overall Observations

- MailMarshal blocked 789 malicious or unwanted emails, including spam, phishing, malware attempts, and fraud.
- Endpoint protection successfully stopped all malware, PUAs, and suspicious activity with no impact on users or operations.
- There were no signs of targeted attacks, unauthorized access, or system breaches. Network perimeter defences blocked all 25 intrusion attempts, mainly from automated internet scans.



Top Risks Update

KEY RISK INDICATORS

Reputation / Relationship with Community Stakeholders (Risk #4)

Level and Quality of Community Interaction in Engagement Processes, November 2025 to January 2026

The following engagement exercises were active during the period:

Waitoa Water

- The Waitoa community has faced uncertainty about its water supply since Fonterra confirmed it would no longer provide water under the Water Services Act 2021. Council committed to a first deliberative engagement process to ensure affected residents could make informed recommendations.
- Affected residents were communicated with via door knocks, letter-box drops and the community Facebook group. A 17-member Community Panel, broadly representative of those affected, met over four sessions between October and November 2025. Independent parties assisted with the co-design process, panel selection and management, and workshop facilitation.
- Council supported the Panel's preferred option of Council Supply at a meeting on 17 Dec 2026. Next steps include consultation with Waitoa and the wider community and engagement with Waikato Waters Ltd in the first half of 2026.

21-22 January Weather Event Response

- We set up a response and updates webpage at mpdc.nz/weather for the duration of the weather event that started on Wednesday 21 January. This provided a central location for updates (water, road closures, track closures, free green waste disposal initiative, link to Powerco for outages, help contact numbers, etc) that all other comms on Antenno and social media led back to.
- The page received around 3,300 views over the course of the response and was stood down once we returned to BAU channels at the end of the following week. We gave regular updates to the community through the website, Antenno and Facebook - these were well received. Promoted Antenno throughout and received 106 new Antenno downloads over the two days.

Matamata Stadium Build

- We continued to update the community about the new Matamata stadium build (opening in Feb 2026). We shared drone footage of the new accessway (4,575 views of reel) and invited people to the community opening. Other communication was actioned by Matamata Futures Trust, both to the sponsors directly, and through their stadium facebook page (we shared the latest interior photos from here). Key stakeholders were engaged for the blessing including iwi, MPDC, Matamata College, Ministry of Education, Sport Waikato, contractors, grant funders and large sponsors. This had to be moved from Jan-Feb so we kept clear communication and regular updates with the invitees.

Reform and Other Web Pages

The following webpages have been added to Council's site:

Flood modelling and mapping programme: <https://www.mpdc.govt.nz/district-plan/flood-modelling>

Granny flats: <https://www.mpdc.govt.nz/building/granny-flats-small-stand-alone-dwellings>

RMA Reform: <https://www.mpdc.govt.nz/component/content/article/134-our-council/councillors-a-mayor/uncategorise...>

RMA National Direction: <https://www.mpdc.govt.nz/component/content/article/127-our-council/4679-recent-changes-to-rma-natio...>

Plan Stop: <https://www.mpdc.govt.nz/district-plan/plan-stop>

Fast Track: <https://www.mpdc.govt.nz/building/fast-track>



Top Risks Update

KEY RISK INDICATORS

Legislative Non-Compliance (Risk #5)	
Adverse Findings by Ombudsman	Between July and December 2025, Council received a resolution on two Ombudsman complaints, both in Council's favour. There have been no complaints taken to the Ombudsman.

Deep Dive—There is a Deep Dive into Risk #5 at the February RAC meeting, refer that report for further information on this Top Risk.

Ineffective Strategic Partnerships with Mana Whenua, Iwi, Hapū and Māori (Risk #6)	
Rangatira to Rangatira meetings in 3-months ended 31 Jan 2026.	1*
Te Manawhenua Mo Matamata-Piako forum (TMF) meetings in 2025 calendar year**	4 formal meetings (3 of these combined with workshops) 2 workshop only days

* Other hui are being scheduled currently

** In addition, a combined end of year 2025 kaitahi ('eating as one') took place in December, an informal meet and greet over food to introduce our newly elected and re-elected members to the new TMF members.

2026 Plans

More combined kaitahi meetings will be set for the 2026 calendar.

We are also planning to introduce briefing sessions to the Te Manawhenua Mo Matamata-Piako forum (TMF) work programme.

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

Council has developed a legislative tracker (tracker) tool to monitor open and upcoming (and closed) opportunities for Council to submit on bills, regulations, and other consultation processes. The tracker provides space for relevant Council staff to input feedback or status updates on submission responses. The tracker is shared with Third Tier Managers and the Executive Team each Friday to maintain a consistent source of updates. The tracker provides a central, accessible record of submission opportunities relevant to Council's work. Without this, opportunities to submit feedback risk being missed due to dispersed information and varying deadlines. The tracker enables timely identification of issues, clearer allocation of responsibilities, and better coordination across teams.

Opportunities OPEN for submission (at 9/2/26)	Anticipated UPCOMING opportunities for submission (at 9/2/26)
11	27

Current/recently open opportunities for submission (refer last column / * at foot of table for submission intentions)

Natural Environment Bill	These two Bills replace the RMA with changed focus on managing impacts, regulation, and enabling development	M
Planning Bill	Significantly changes Emergency Management standards	R
Emergency Management Bill	Establishes a more proportionate and risk-based focus to regulation	R
Earthquake-prone Building System Reform Bill	Replaces Development Contributions with a system of levies	M
Going for Growth—Development Levies System	Proposes replacing Regional Councillors with combined boards of Mayors and/or Crown Commissioners and requiring reorganisation plans for the region	M
Simplifying Local Government	Proposes the introduction of rates capping	M
Consultation on a Rates Target Model	* M = MPDC submission made/intended R = Regional submission (Waikato Councils) T = Taituara submission	



Top Risks Update

KEY RISK INDICATORS

Ineffective Response to Climate Change Impacts (Risk #7) — Current Status																																						
Progress made on Climate Change Rivermap priority actions	Good progress has been made across all five workstreams (Stormwater, Rubbish, Strategy, Water, Wastewater). The draft Climate Resilience Strategy (part of the Strategy workstream) will be discussed with Council shortly.																																					
Identified gaps in data and in existing plans and strategies	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.																																					
Rising costs for infrastructure maintenance, repair and renewal (natural hazard) Increase in Customer requests related to climate change dynamics, e.g. storm, flooding, heat	Processes yet to be put in place to track these.																																					
Claims against Council in relation to climate change matters such as development in areas with identified / identifiable hazards	In the past two 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.																																					
Customer perception of preparedness for climate change via Annual Resident Survey [Note that preparedness has not been measured but whether Council should take leadership has been]	In the 2024/25 Annual Residents Survey:	64% of residents state that it is <i>Important</i> for Council to take a leadership role in Climate Change response for our community. This opinion is significantly stronger among respondents who have lived in the district for 6-10 years (75%) compared to those who have lived in the district for over 10 years (58%).																																				
Emissions inventory showing increase in emissions	<table border="1"> <thead> <tr> <th>Emission source</th> <th>FY21</th> <th>FY24</th> <th>Increase or Decrease FY21 to FY24</th> </tr> </thead> <tbody> <tr> <td>Top 5 emission sources TCO2-e</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Wastewater</td> <td>1274.4</td> <td>1544.7</td> <td>▲</td> </tr> <tr> <td>Electricity</td> <td>756.2</td> <td>506.0</td> <td>▼</td> </tr> <tr> <td>Diesel</td> <td>403.9</td> <td>481.6</td> <td>▲</td> </tr> <tr> <td>Petrol</td> <td>69.9</td> <td>96.8</td> <td>▲</td> </tr> <tr> <td>Natural Gas</td> <td>62.9</td> <td>67.5</td> <td>▲</td> </tr> <tr> <td>Total emissions TCO2-e</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Total over all sources</td> <td>2,670.2</td> <td>2,803.8</td> <td>▲</td> </tr> </tbody> </table>		Emission source	FY21	FY24	Increase or Decrease FY21 to FY24	Top 5 emission sources TCO2-e				Wastewater	1274.4	1544.7	▲	Electricity	756.2	506.0	▼	Diesel	403.9	481.6	▲	Petrol	69.9	96.8	▲	Natural Gas	62.9	67.5	▲	Total emissions TCO2-e				Total over all sources	2,670.2	2,803.8	▲
Emission source	FY21	FY24	Increase or Decrease FY21 to FY24																																			
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Item 8.5

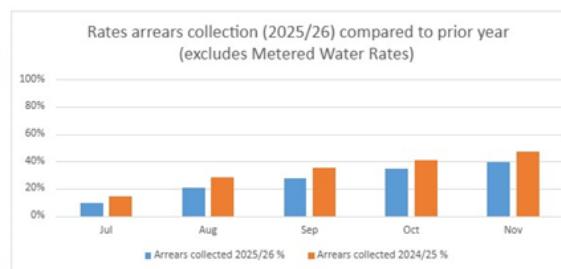
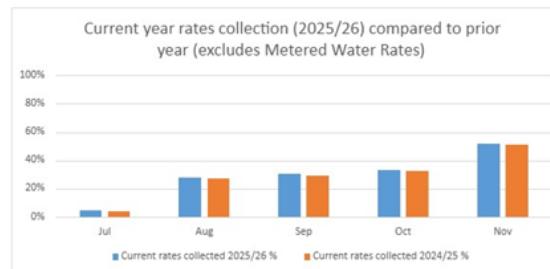
Attachment A

Top Risks Update

KEY RISK INDICATORS

Inadequate Financial Planning (Risk #8)

A number of financial and treasury graphs are under development for future reports. In the meantime these rates collection graphs are available.



While collection of current year rates in November is slightly ahead of last year at 51.8% (50.8% in November 2024), the collection of arrears has fallen behind at 39.3% (compared to 47.1% in November 2024). This may indicate a number of things — that those falling behind are finding it more difficult to catch-up on missed payments; continued staff focus is needed to maintain collection rates for arrears; collection via rating sale could be considered for some long-standing arrears where no mortgage exists over the property (approx. 5 properties currently).

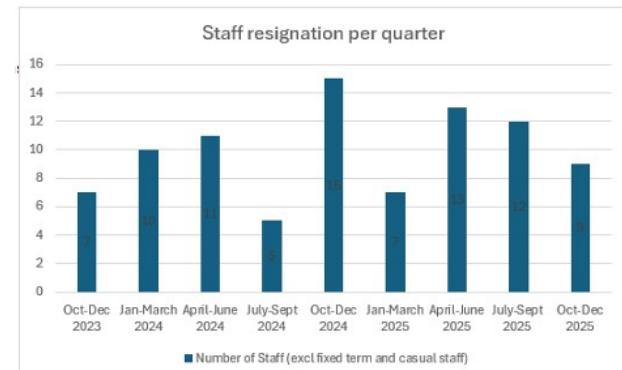
Failure to Respond Appropriately to Political Change (Risk #9)

Te Ohu Takatū Anamata (Future Ready) meetings from July2025 to January 2026	 This group of key staff has met each month	
Active participation in regional and national working groups July2025 to December 2025	Rural / Provincial—Nov 2025 LGNZ Zone 2—Nov 2025 Waikato Mayoral Forum—Nov 2025 Taituara CE Hui —Jul, Aug, Oct, Dec 2025 Eastern Waikato Regional Leadership Group (with Govt agencies) —Jul and Aug 2025 Waikato CEs Forum — Aug, Oct, Nov, Dec 2025	Future Proof related: <ul style="list-style-type: none"> ◆ FPIC Workshop—Aug 2025 ◆ Future Proof / Smart Growth—Aug 2025 ◆ CEAG—Aug 2025 ◆ FPIC—Sept and Dec 2025

Top Risks Update

KEY RISK INDICATORS

Ensuring Workforce Capacity and Capability (Risk #10)



Whole of organisation staff turnover for the rolling 12 months ended 31 December 2025 was 12.82%

This compares with annual whole of organisation turnover for the years	2025: 12.81%	2024: 10.65%	2023: 19.05%	2022: 17.03%	2021: 18.53%

Staff Culture Survey

A trial of a new staff survey tool, Culture QuickSense, commenced in December and runs through to January. We will analyse the results and present these to the Risk and Assurance Committee at the June meeting.

Ensuring Health, Safety and Well-being (Risk #11)

Trends and any concerns are noted in the quarterly Safety and Wellness reporting included elsewhere on this agenda.

The results of critical risk audits are reported to the Executive Team quarterly—the most recent results were reported on 21 October 2025.

Overdue investigations, actions and audits in Councils 'Damstra' Safety and Wellness reporting system are reported to the Executive Team regularly with the most recent report on 2 December 2025.



Top Risks Update

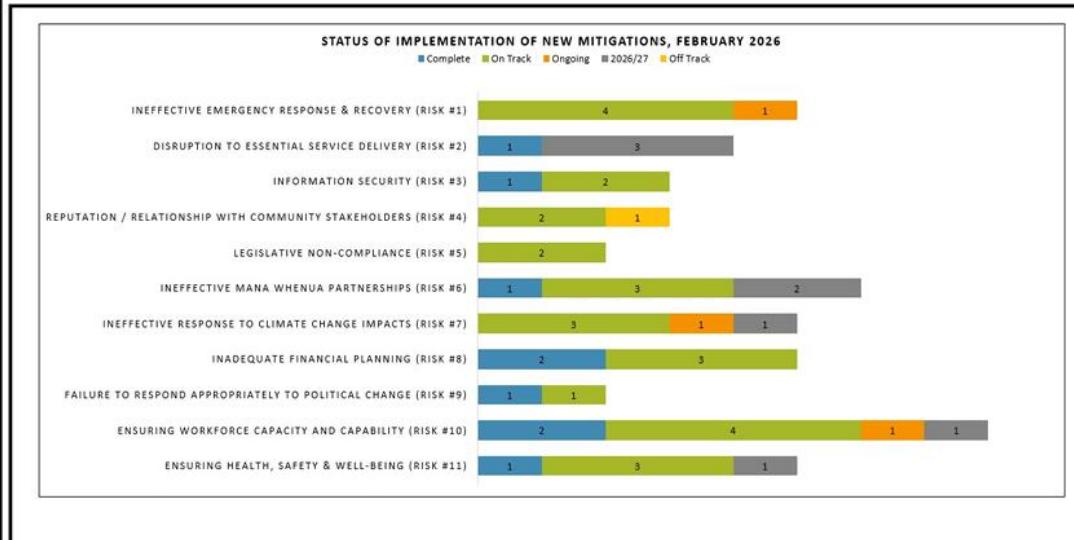
TOP RISK MITIGATION IMPLEMENTATION MONITORING

New Mitigating Controls

The 2025/26 Top Risks document proposes new mitigations to either reach risk appetite (if considered achievable) or strengthen our residual risk position.

This chart shows the progress in implementing these new mitigation controls.

Any that are off track are shown below, and any that have been successfully implemented, or deferred to next financial year, are shown on the following page (new updates in red font). Note that 'Ongoing' indicates the implementation of the mitigation will remain a continuing focus over a period of time rather than a one-off completion.



Off Track - Planned Timeframes for New Mitigating Controls Unlikely To Be Met

Risk Number	New Mitigating Controls to Implement	Status	Comment
Risk #4	Adoption of planned Comms and engagement strategy	Off-Track	Work to begin on this in 2026 but is unlikely to be adopted by 30 June 2026.

Top Risks Update

TOP RISK MITIGATION IMPLEMENTATION MONITORING

Completed - New Mitigating Controls Implemented			
Risk Number	New Mitigating Controls to Implement	Status	Comment
Risk #2 and 8	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	Complete	Plan approved by Council at a special meeting on 13 August 2025, with Minister's approval gained in September 2025. Waikato Waters Limited establishment directors now also appointed.
Risk #3	Scheduled Org-wide introduction of Microsoft 365 in 2025 calendar year will enhance operating environment and data security	Complete	Org-wide M365 roll-out completed September 2025.
Risk #6	Review of work programme and terms of reference for Te Manawhenua Mo Matamata-Piako forum, and reconstitution of this forum in the new triennium	Complete	This has been achieved.
Risk #8	Regular scan of wider economic and demographic insights data relevant to the district (via sources such as Community Compass, Infometrics)	Complete	Council now has access to the Infometrics regional economic profile which gives information on our local economy, demographics etc. This will be used to inform the 2027 Long-Term Plan and other workstreams of Council.
Risk #9	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
Risk #10	Remuneration Policy review	Complete	Policy has been finalised. Follow up work is underway.
	Greater focus on Exit Survey analysis and action response	Complete	Exit survey responses are collated annually and trends reported to Exec Team for discussion and action planning. Individual survey responses are reviewed by the People and Wellness Team and follow up actioned where required.
Risk #11	Exec Team to complete IOD Health and Safety self-assessment	Complete	Completed

Deferred - New Mitigating Controls Deferred to 2026/27 Year			
Risk Number	New Mitigating Controls to Implement	Status	Comment
Risk #2	Fully developed operations maintenance strategies in place and funded	Deferred to 2026/27	This work will begin 2025/26. This work is currently only identified for three Waters.
	Review and re-adoption of Business Continuity Plans	Deferred to 2026/27	Desktop review of current state of Business Continuity Planning completed. Further work programmed in 2026/27.
	Improved workforce capacity and capability via cadetship programmes and other potential joined up solutions	Deferred to 2026/27	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	Review of iwi capacity and in-house resource availability at MPDC, including potential forward ability to respond to potential settlement agreement requirements	Deferred to 2026/27	This will be added to Te Ohu Tūhono work programme for the 2026/27 year
	Identify what the Tiriti / Treaty principles mean to Council	Deferred to 2026/27	Align with mana whakahaere ā rohe agreement work. GM has taken on responsibility but a number of staff will be involved
Risk #7	Critical gaps in hazard data identified and work commissioned to fill these gaps (wildfire, heat, wind), potentially in collaboration with others	Deferred to 2026/27	This work will have to continue into 2026/27
Risk #10	Improved focus on Succession Planning	Deferred to 2026/27	
Risk #11	External H&S audit - to be considered after transition to Local Water Done Well	Deferred to 2026/27	



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 Area	Risk Level*	Short-Term Risk Description
1	Legislative & Policy Change (Local Govt reforms, "core services")	High	Uncertainty around the direction and timing of central reforms (e.g., expectations on "core services", performance and oversight). Risk that councils are slow to interpret signals and adjust priorities, leading to compliance gaps or misaligned plans.
2	Water Reform Transition (Local Water Done Well)	High	New water service planning and financial sustainability expectations create pressure on asset, finance and governance teams. Short-term risk that deadlines, data needs, or expectations are underestimated, impacting credibility with regulators and communities.
3	Financial Sustainability & Debt Headroom	Medium-High	Operating cost pressures, limited headroom for further rates increases, and higher debt levels raise the risk of short-term affordability concerns and constrained response to shocks.
4	Treaty, Representation & Social Licence	Medium	Reduced formal Māori representation and broader debate on Te Tiriti create short-term risk of strained relationships with mana whenua and community challenge to council decisions.
5	Service Delivery, Digital & Customer Experience	Medium	Customers expect fast, digital services, but inconsistent user experience (UX), low uptake in some groups, and resourcing constraints in contact centres create a near-term risk of poor experience and reputational damage.

*Risk Level key:

- High – Needs active Executive / Committee attention
- Medium-High – Managed, but requires close monitoring and targeted action
- Medium – Watch list; maintain controls and monitor for change

** This Emerging Risk information has been provided by David Robson of Aon



8 Ngā Pūrongo Whakamārama | Information Reports

8.6 Top Risks Deep Dive: Legal Non-Compliance

CM No.: 3137475

Te Kaupapa | Purpose

Over the last year, Council has identified the tops 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 organisational risks. The inherent risk rating is very high, reflecting the breadth of legislation Council operates under and the potential consequences of non-compliance. After considering current controls, the residual risk rating reduces to high.

For practical reasons, this deep dive scopes the risk specifically through a legislative compliance lens. Other forms of compliance risk, including operational service delivery and physical asset compliance (for example, compliance with resource consents and other regulatory requirements), are managed through Top Risk #2 – Disruption to Essential Service Delivery, avoiding duplication within the risk framework.

Council's risk appetite for legislative non-compliance is low, creating a recognised gap with the current residual risk rating of high. Risk ratings and appetite settings are scheduled for review later this year, at which time this gap will be reconsidered.

This report provides further detail on the risk, the effectiveness of existing controls, and planned improvement actions, and reflects increasing organisational maturity in the management of legislative compliance risk.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Take/Kōrerorero | Issues/Discussion

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	Very High	<ul style="list-style-type: none"> 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 Horizon scanning for change via Legal Counsel and via established relationships with external legal counsel, professional memberships and sector bodies such as the Law Society of Taranaki. Te Oho Taakiri Anama (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 	<p>Annual compliance attestation outcomes</p> <p>Issues identified from various compliance audits: Building Act, Waters, etc</p> <p>Number of legal claims made against Council, adverse findings by the Ombudsman</p>	<p>High</p> <p>Low</p> <p>Tolerance</p> <p>Outside of Appetite</p>	<p>Council is currently operating outside of assessed appetite.</p> <p>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:</p> <ul style="list-style-type: none"> Investigation and analysis of the proposed changes to the system to tool for comprehensively identifying key legislative requirements (including new legislative changes) and running and reporting on an annual attestation of whether or not they are complied with. One possible tool is that requires that a well-defined risk register be developed and maintained. This would draw on a fuller and wider set of knowledge than what could be built in-house. Conducted 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 LGIMA space and the requirements for openness and transparency that this drives. 	

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, in extreme cases, imprisonment. These risks may arise from misunderstandings of legislative requirements, inadequate internal controls, or failures in monitoring and enforcement.

While this risk is identified as a single risk, it spans all departments across Council and intersects with several other organisational risks. It is therefore broad in scope and impact.

Potential consequences of legislative non-compliance include:

- Legal liability and enforcement action
- Loss of public trust and reputational damage
- Financial impacts, including investigations, fines, and compensation
- Loss of key Council functions (for example, national programmes or building consent authority status)
- Strained relationships with mana whenua where Council does not meet Treaty settlement or statutory obligations

Due to the severity and breadth of these potential consequences, the inherent risk rating remains very high.

To avoid duplication across the risk framework, this risk has been scoped specifically through a legal and regulatory lens. Other forms of non-compliance, such as physical asset failures or operational service delivery issues (e.g. wastewater discharges), are captured under Risk #2 – Disruption to Essential Service Delivery.

What is the gap between the residual risk rating and risk appetite?

Council's current risk appetite for legislative non-compliance is low. Upon review, staff consider that achieving a low residual risk may not be feasible in practice, given the scale and complexity of Council's legislative environment.

Council operates under a very broad range of legislation, and even with strong systems and controls, there remains a residual likelihood of non-compliance due to factors such as human error, system limitations, or asset failure. As a result, there is a recognised gap between the current residual risk rating (high) and the stated risk appetite (low).

This highlights the importance of ensuring that risk appetite settings remain realistic and aligned with Council's operating environment. The Risk & Assurance Committee is scheduled to review risk ratings and appetites later this year, at which time this matter can be considered further.

Recent changes to risk context

Recent legislative reform activity, often progressed under urgency, has increased the complexity of maintaining compliance. The pace of change can limit the time available for staff to identify, interpret, and implement new requirements, particularly where changes have unbudgeted cost implications.

In addition, staff are experiencing an increase in customers requesting Council intervention in matters that may sit outside Council's legal obligations, sometimes accompanied by threats of legal action. This broader societal shift increases exposure if incorrect advice is given or inappropriate action is taken.

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

The controls outlined below include both preventative and detective measures. Control effectiveness ratings are deliberately conservative and provide a baseline from which improvements are being prioritised.

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 maintain legislative knowledge through professional networks and learning opportunities.	3
Annual compliance attestation	High-level attestation provides visibility but lacks detailed obligation tracking. A systemised solution is being explored.	2
Delegations framework (LocoDelegations)	Preventative control ensuring decisions are made by authorised roles. Now supported by six-monthly external legal review.	3
Horizon scanning for legislative change	Supported by Legal Counsel, external advisors, and sector forums, though volume of change limits effectiveness.	1
Te Ohu Takatū Anamata (Future Ready Group)	Cross-organisation oversight of upcoming legislative change and coordinated response.	3
SOPs, policies, and process updates	Promapp enables updates, though relies on individual action.	1
Bi-monthly legal reporting to Executive Team	Provides early oversight of emerging legal issues and supports early intervention.	4
Staff training and development	Targeted legislative training programmes underway (e.g. Privacy, LGOIMA).	3
Performance measures monitoring compliance	Strong control enabling early identification of non-compliance.	5
Internal and external compliance reporting	Supports identification of issues and corrective actions.	3

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

Any legal claim received by Council, whether substantiated or not, provides a real-world test of legislative compliance controls. These include matters before the Ombudsman, Disputes Tribunal, and Courts.

While only a limited subset of Council activity has been directly stress-tested, the implementation of LocoDelegations has enabled a comprehensive review of delegations and improved assurance over decision-making authority.

Trends in the Key Risk Indicators

Four key risk indicators are currently used to monitor this risk:

- Annual compliance attestation outcomes
- Issues identified through compliance audits (e.g. Building Act, Waters)
- Number of legal claims, Ombudsman findings, and judicial reviews
- Negative media attention relating to breaches or incidents

The Executive Team now receives bi-monthly reporting on Council's legal liabilities, including insurance notifications, active claims, Tribunal matters, Ombudsman complaints, employment issues, and judicial reviews. A summary of this information is reported to Council through the CEO Report.

Staff are currently reviewing the usefulness of "negative media attention" as an indicator, recognising its subjectivity and the need for indicators that better reflect true compliance risk.

What additional controls are planned to further reduce the risk level?

While Council may not eliminate this risk entirely, the focus is on progressively reducing likelihood and impact over time.

Planned actions include:

- Investigation into a systemised legislative compliance tool, such as ComplyWith, to improve obligation tracking and reporting.
- Assessment of ComplyWith through the SEBS process, where it received a rating of 7, indicating merit but constrained implementation timing.
- Presentation of the SEBS outcome and proposed next steps to the Executive Team.
- Continued staff education programmes on key legislative obligations, including Privacy and LGOIMA.
- Ongoing enhancement of LocoDelegations, supported by external legal review and sector-wide knowledge.

Questions from the committee

Staff will be present to answer questions and receive feedback from the Risk & Assurance Committee.

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

Council operates under a wide range of legislation. Legislative compliance is currently captured through the annual compliance attestation reported to the Risk & Assurance Committee and Council.

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

Existing legal compliance activities are provided for within current budgets. Any future investment in systems such as ComplyWith would require confirmation of funding for implementation and ongoing licensing.

Ngā Tāpiritanga | Attachments

A1. Legislative non-compliance Risk



Ngā waitohu | Signatories

Author(s)	Ellie Mackintosh Rōia Legal Counsel	
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Approved by	Ally van Kuijk Hautū Tipu me te Whakamatua Group Manager Growth & Regulation	
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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	Very High	<ul style="list-style-type: none"> 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 Horizon scanning for change via Legal Counsel and via established relationships with external legal providers, professional memberships and sector knowledge forums such as Taitaura 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 Tolerance Outside of Appetite	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: <ul style="list-style-type: none"> Investigation into and possible introduction of a more developed, systemised tool for comprehensively identifying key legislative requirements (including new legislative change(s) 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 programme 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 LGIOIMA space and the requirements for openness and transparency that this drives. 			

8 Ngā Pūrongo Whakamārama | Information Reports

8.7 Top Risks Deep Dive: Disruption to Essential Service Delivery (Risk #2)

CM No.: 3142558

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 on a cyclical scheduled basis. This item explores Risk #2 Disruption to Essential Service Delivery and discusses the controls in place to reduce this risk.

Rāpopotonga Matua | Executive Summary

Disruption to Essential Service Delivery has been identified as one of Council's top risks.

The information in this report provides further detail on the risk and the risk controls. 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.

Water Services continues to represent a very high risk exposure for Council and will remain a prominent feature of the organisational risk profile until the formal transition to Waikato Waters Ltd (WWL) is completed.

The current risk drivers relate to:

- Service continuity during transition,
- Retention of critical capability and institutional knowledge,
- Asset integrity and compliance obligations,
- Public health and environmental performance.

Until transition is complete and operational accountability transfers to WWL, Council retains full statutory responsibility for delivery of safe and compliant water services. Accordingly, this risk remains very high.

Post-transition, the risk profile will recalibrate. While water-related risks will transfer to WWL, Council's residual exposure will shift toward potential failure of remaining essential services — particularly:

- Roading infrastructure,
- Stormwater systems,
- Solid Waste operations,
- Supporting assets and operational systems.

This reflects a natural rebalancing of organisational risk as service scope changes.

Continued monitoring and recalibration of risk ratings will be required through and beyond the transition period.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Take/Kōrerorero | Issues/Discussion

Refer attachment for full Deep Dive information.

Ngā Tāpiritanga | Attachments

A1. Risk Deep Dive Attachment - Risk #2, February 2026



Ngā waitohu | Signatories

Author(s)	Darren Teulon Pou Whakahaere o ngā wai me ngā waipara Water and Wastewater Manager	
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Approved by	Fiona Vessey Hautū Hanganga Rawa me ngā Whakahaere Group Manager Infrastructure, Assets & Operations	
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Risk Deep Dive Attachment

Risk #2, Disruption to Essential Service Delivery, February 2026

1. What is the risk?

RISK #2	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?
DISRUPTION TO ESSENTIAL SERVICE DELIVERY	GM Operations	Extreme	<ul style="list-style-type: none"> Performance and condition assessments of all assets Regulatory oversight by Taumata Arowai, NZTA, WRIC Strategic, operational risk assessments and registers, SCADA, compliance management, emergency plans and development Shared service support from Co-Lab for RAMA updates (ranging data) Technical response support (via ready response consultants) for water and wastewater operations (necessary in the absence of a 24/7 process control centre) Training in place - scale, telemetry, reporting etc Business continuity plans and demand management strategy in place (but requiring review) 	<ul style="list-style-type: none"> Performance and condition data held in RAMA and other asset management reports Trends / patterns in level of occurrence of external events that are significant or contribute to outages (Weather events etc.) Concerns raised by regulators and other oversight bodies such as Taumata Arowai, NZTA, WRIC, Water NZ SOPs up-to-date SAM compliance score 	<p>Very High</p> <p>Tolerance</p> <p>Outside of Appetite</p>	<p>High</p> <p>High</p>	<p>Council is currently operating outside of assessed appetite.</p> <p>Appetite is considered achievable if the following mitigations are successfully introduced:</p> <ul style="list-style-type: none"> Approval of Water Services Delivery Plan (WSDP) by the Minister of Local Government with Water and Wastewater ownership and management transferred to the Council Fully developed operations maintenance strategies in place and funded Review and re-adoption of Business Continuity Plans Improved workforce capacity and capability via cadetship programmes and other potential joined up solutions

2. Is there a gap between the residual risk rating and risk appetite?

There is a gap between the residual risk rating (Very High), and Council's risk appetite (High). The reasons for this are as follows:

- essential nature of the service with failure having a severe consequence –** external threats, regulatory and compliance pressures
- aging infrastructure –** pipes, treatment plants, pump stations and the transportation network are at increased vulnerability and likelihood of failure
- external threats –** earthquakes, floods, increasing severity and occurrence of severe weather events, power outages and cyber-attacks outside our control
- regulatory and compliance pressures –** stringent water and wastewater standards / regulations (Taumata Arowai and Waikato Regional Council). Any system failure is now a high priority risk
- complexity –** reliance on a stretched workforce and competition in engaging key suppliers

Whilst a number of the above causes are inherent, longer term this gap could be partially bridged by the implementation of costly interventions such as:

- Multiple Redundant Systems** – backup pumps, alternative treatment facilities, emergency power supplies, and bypass systems, to reduce the likelihood of total failure.
- Advanced Predictive Maintenance & Monitoring** – real-time SCADA monitoring, AI-based predictive analytics, and condition-based maintenance reducing the risk of unexpected failures.
- Extensive Emergency Preparedness** – detailed contingency plans, rapid response teams, and emergency contracts with suppliers and repair services.
- Stronger Investment in Upgrades & Resilience** – Ongoing **capital investment** in upgrading infrastructure (rather than reactive fixes) can shift the risk downward.

While investing in building in redundancy, advanced systems and emergency preparedness for some parts of the system may reduce the residual risk ranking, the likelihood of a "Medium" or "Low" residual risk rating, especially for water and wastewater infrastructure is exceptionally rare, and would require significant investment in capital upgrades, technology and contingency planning over a sustained period of time.

There needs to be careful consideration in balancing/comparing significant, potentially unaffordable short-term investment, against the likelihood and consequences of catastrophic failure of major infrastructure resulting in prolonged disruption to core services.

The likelihood of the gap between the residual risk rating (Very high), and the risk appetite (High) being significantly reduced in the short term is unlikely.

Can and should risk appetite be increased? Yes, but rarely, and only with strong justification, tight controls, time limits, and proper approvals.

Should it be increased here? Only if legal, public health and safety, and environmental guardrails are met and existing treatments cannot feasibly reduce risk in time to protect critical outcomes. The guardrails in question are likely to be exceedingly difficult to meet.

3. Is the risk and its consequences fully understood?

Failure of essential services, infrastructure, or systems remains one of Council's most significant enterprise risks due to its direct impact on public health and safety, statutory compliance, environmental and cultural values, financial sustainability, and community trust.

Council carries non-delegable legal obligations to provide safe, reliable water, wastewater, stormwater and other lifeline services, and failure can result in contamination events, major overflows, environmental harm, and breaches of Te Mana o te Wai and consent conditions, outcomes that cannot be lawfully or ethically tolerated.

The consequences of service failure are immediate and far-reaching, disrupting community wellbeing, economic activity, and emergency response capability. Ageing assets, constrained capacity, skills shortages, and increasing climate-related pressures further elevate both the likelihood and consequences of failure. Because Council cannot divest or avoid responsibility for delivering these essential services, the residual risk remains inherently high, warranting its position as a top-tier strategic risk requiring ongoing governance oversight.

If this risk eventuated due to insufficient governance oversight, it would reflect a failure to identify and act on deteriorating service or asset conditions, leading to preventable legal non-compliance, public health or environmental harm, financial impacts, and a loss of community and iwi trust, calling into question the effectiveness of Council's governance and assurance processes.

4. Recent changes to risk context

There are a number of changes in wider context that may impact Council's ability to further mitigate this risk, they include:

- Impending Local Government Structure changes
- Potential Rates capping requirements for Councils that will affect funding capability
- Global warming resulting in increasingly severe and regular adverse weather events
- Transfer of water and wastewater activities to Waikato Waters Ltd (CCO) which will require careful preparation of Council's annual performance expectations of the CCO.

5. What controls are 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
Performance and condition assessments of all assets	Corrective – Ops/Assets - The more we know about our assets based on condition and performance the better we can target maintenance and/or predict failure.	Effective
Regulatory oversight by Taumata Arowai, NZTA, WRC	Both preventative and corrective – Ops/Regulators - The regulatory bodies are both as they set standards and monitoring requirements that reduce the likelihood of failure, and it intervene when issues arise to enforce actions that restore compliance and prevent recurrence.	Partially Effective
Strategies, operational risk assessments and registers, SOPs, compliance monitoring, emergency response plans, staff training and development	Preventative – Ops - Together, these measures reduce risk by ensuring that risks are understood, controls are consistent and effective, compliance is maintained, staff are capable, and failures—if they occur—are managed quickly and safely.	Partially Effective
Shared service support from Co Lab for RAMM updates (roading data)	Preventative – Roading - Co-Lab's support ensures RAMM data is accurate, consistent, and compliant, enabling better asset condition visibility, prioritisation, funding assurance, and resilience planning—significantly reducing safety, operational, financial, and compliance risks across the roading network.	Effective
Technical response support (via ready response consultants) for water and wastewater operations (necessary in the absence of a 24/7 process control centre)	Preventative – Ops/Consultants - Ready-response technical support provides critical after-hours coverage, rapid specialist intervention, and informed decision-making that prevent small operational issues from becoming major failures. This is essential for Councils without a 24/7 control centre, significantly reducing safety, compliance, environmental, and service-continuity risks.	Effective
Technology in place – SCADA, telemetry, reporting etc	Preventative – Ops/IT - SCADA, telemetry, and reporting systems reduce risk by providing continuous visibility, early fault detection, rapid response capability, compliance assurance, and data-driven decision-making—making failures less likely and less severe.	Partially Effective
Business continuity plans and demand management strategy in place (but requiring review)	Preventative – Ops - Business continuity plans reduce the impact of failures by ensuring essential services can keep operating during disruptions, while demand management strategies reduce the likelihood of failures by preventing overload, extending asset life, and keeping operations within safe and compliant limits.	Partially Effective

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

The recent severe weather event that exposed our infrastructure and response teams to heavy rain, high winds, widespread power outages, limited site access, flooding, and dangerous conditions, over a number of days was a true test of both our staff and infrastructure. Having good knowledge of our infrastructure operability and status leading up to the event enabled us to target pre-event planning to the sites that were most at risk.

We had also made arrangements with contractors for additional generators, and tweaked our staff work rosters to ensure 24-hour coverage, even when our SCADA system went down.

We now have a good incident preparation and response template to expand on for any future similar events.

7. Trends in the Key Risk Indicators

Over the last 6 months, despite the increasing intensity and regularity of adverse weather conditions we have seen a reduction in catastrophic infrastructure failures, we have also seen a steady improvement in the level of our compliance with both Taumata Arowai and WRC, we have built up a high level of trust with both parties who have informed us on a number of occasions that they acknowledge our increased vigilance and attention to ensuring we meet our statutory obligations.

8. What additional controls are planned to further reduce the risk level?

We intend to continue developing our incident response readiness and capability now that we have a framework in place. We will also be looking for improvements in asset condition monitoring and maintenance practices in order to increase infrastructure reliability.

9. Questions from the committee

Questions are invited.

8 Ngā Pūrongo Whakamārama | Information Reports

8.8 Audit New Zealand - Report to Council - Annual Report 2024/25

CM No.: 3140990

Te Kaupapa | Purpose

The purpose of this report is to provide the Committee with the Audit New Zealand 'Report to Council' on the Annual Report 2024/25 and a summary of the recommendations from the 'Report to Management'.

Rāpopotonga Matua | Executive Summary

Audit New Zealand (Audit) provided a 'Report to Council' for the adoption of the Annual Report on 17 December 2025. This has been attached for the Committee's consideration.

Audit also provide a 'Report to Management' that identifies recommendations for management to address. These recommendations have been summarised within this report. All outstanding recommendations including staff comment on progress to be circulated separately.

Audit have made changes to their reporting from previous years and consider recommendations from previous audits as internal matters. Staff are seeking direction on how the Committee would like to receive future Audit Reporting updates.

Tūtohunga | Recommendation

That:

1. The Committee receive the information and the Audit New Zealand 'Report to Council' for the 2024/25 Annual Report.
2. The Committee note the change to reporting and provide direction to staff on how it would like to receive future Audit updates [feedback to be specified].

Horopaki | Background

Council adopted the Annual Report 2024/25 and the modified Audit Opinion at the 17 December 2025 meeting. Due to the Local Government Elections held on 11 October and delays in the auditing process, the Annual Report 2024/25 was adopted outside the statutory deadline of 31 October.

Audit subsequently issued a 'Report to Council' that concluded the majority of information provided to Audit was assessed as 'acceptable' or 'good', with two areas identified as needing attention.

The areas with an 'acceptable' grading still have room for improvement and require minor corrections for misstatements and disclosure matters. These issues have been raised with staff and work is ongoing to make improvements ahead of the next Annual Report audit process.

Historically, Audit provided detailed Management Reports outlining key recommendations to reduce risks after each auditing process. The recommendations from Annual Report and Long Term Plan audits have been monitored by staff and reported to the Committee.

This year Audit has reclassified the recommendations as internal audit matters and will no longer update the recommendations.

Ngā Take/Kōrerorero | Issues/Discussion

The 'Report to Management' for 2024/25 has removed the previous recommendations and has identified **five new recommendations**:

High priority: 1

Medium priority: 4

The recommendations are being addressed by management, with one being addressed and closed since the report was provided to staff.

The scope of the management recommendations has been adjusted for operational monitoring and the 'Report to Council' is intended to be provided at a governance level that provides an overview of how Council met Audit expectations.

The number of previous recommendations are below and are continuously monitored and updated where possible by staff for internal reporting purposes:

Historical Audit recommendations	Annual Reports	Long Term Plan
High priority	5	2
Medium priority	10	1
Low priority	0	1
Sent to Audit for closing	0	2
Total	15	6

All outstanding recommendations including staff comment on progress to be circulated separately.

Given the revised Audit approach, staff seek the Committee's direction on the preferred format and frequency of reporting on recommendations.

Ngā Tāpiritanga | Attachments

Au [Audit New Zealand Report to Council - Annual Report 2024/25](#)


Ngā waitohu | Signatories

Author(s)	Olivia Picard Kaitohu Kaupapahere 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 Hautū Rangatōpū, Tāngata me ngā Hononga Group Manager Corporate, People & Relationships	



Report to the Council

on the audit of
Matamata-Piako District Council

For the year ended 30 June 2025

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Our audit report

We intend issuing a qualified audit report

We intend issuing a modified audit report on 17 December 2025. Apart from the limitation of scope qualification relating to Property, Plant and Equipment (PPE), and the consequential impacts, we are satisfied that the financial statements and statement of service performance present fairly the District Council's activity for the year and its financial position at the end of the year.

We were unable to obtain assurance over the completeness and accuracy of the current year additions and work in progress capitalised into assets because the Council is unable to produce system generated transaction listings supporting these. We require these listings for us to be able to perform our usual test of details to gain assurance over the transactions.

We also intend to include an emphasis of matter paragraph in our audit report to draw the users' attention to the disclosure in the financial statements which outlines the future of water delivery.

Finalisation of the audit report is subject to:

- receiving signed financial statements and representation letter; and
- completing final director and manager review.

We will confirm completion of our procedures at the Council meeting on 17 December 2025.

Corrected and uncorrected misstatements

We have discussed any misstatements that we found with management, other than those which were clearly trivial. There were no misstatements identified during the audit that remain uncorrected.

We also identified misstatements that were corrected by management. A list of corrected misstatements is available on request.

Other reports issued

This report sets out all matters that we consider need to be considered by Council in approving the financial statements for signing. In addition to this report, we have also provided, or will provide, the following reports to management:

- Interim report to management (July 2025).
- Report to management (after completion of the audit).

Thank you

We would like to thank the Council, management, and staff for the assistance they provided during the audit.



René van Zyl
Appointed Auditor
16 December 2025

Focus areas from the Audit Plan

Focus area	Outcome
Valuation of land and infrastructure assets	
The Council periodically revalue its property, plant and equipment to fair value. There is a risk that the carrying amount is materially different from fair value and therefore requiring a revaluation.	The Council performed a valuation of its Land, Roading and Three Waters assets as at 30 June 2025. We completed our testing of the Council's valuation over these asset classes. We are satisfied that the revalued asset classes are fairly stated in the financial statements.
Fair value assessment of buildings (non-revaluation year)	
The Council's Buildings were last revalued as at 30 June 2024. There is a risk that the fair value of these assets is materially different from their carrying value.	We reviewed management's fair value assessment and conducted our own independent assessment. We agree with management that there is no evidence of a material difference between the carrying value and the fair value of those asset classes.
Accounting for impairment, capitalisation of costs and recognition of completed assets	
The Council assesses for impairment, process capitalisations and recognise completed assets to ensure the amounts disclosed as the Council's PPE are accurate and complete. There is a risk, management has not performed a robust impairment assessment and/or do not capitalise assets in a timely manner to ensure depreciation is calculated correctly.	We reviewed the processes for recognising completed assets, capitalising costs to PPE, assessing for impairment and reporting those transactions in the financial statements and notes to the financial statements. We were unable to perform sufficient and appropriate audit procedures over the capitalised costs and work in progress. Consequently, we were unable to conclude on whether the amounts disclosed as the Council's PPE are accurate and complete.
The risk of management override of internal controls	
There is an inherent risk in every organisation of fraud resulting from management override of internal controls.	We completed testing to address this risk and did not identify any matters that we need to bring to your attention.



Other matters identified during the audit



Matters identified	Outcome
<p>Local Water Done Well programme</p> <p>The Local Government (Water Services Preliminary Arrangements) Act 2024 and the Local Government Water Services Bill introduced several structural changes to the way local authorities deliver water, wastewater and stormwater to their communities.</p> <p>The Council has decided to deliver its drinking and wastewater services via a Water Services Council Controlled (WSCCO) from 1 October 2026.</p>	<p>We are satisfied that this change in service delivery is appropriately disclosed in the financial statements which allow for a reader to gain an understanding about the changes planned for the delivery of water services.</p> <p>We will continue to monitor developments in this area and how the Council is responding to the accounting implications in the 2026 annual report.</p>

Item 8.8

Attachment A

Financial statements and service performance information

Judgements made in significant accounting estimates

Judgement areas	Misstated 	Cautious 	Balanced 	Optimistic 	Misstated
Roading valuation (\$620,596,000)				■	
3 Waters valuation (\$308,824,000)				■	
Land valuation (\$134,468,000)				■	
Building valuation (<i>fair value</i>) (\$66,023,000)				■	
Investment in WRAL (\$41,843,000)				■	
Expenditure Accruals (\$3,226,000)				■	
Employee Entitlement (\$3,633,000)				■	

These are our views on the level of prudence in key judgements in this year's financial statements, relating to accounting estimates.

Judgements made in significant accounting policies, disclosures, and related matters

The Council's property, plant and equipment includes various classes of assets consolidated from its subsidiaries. The accounting standards require that if an item of property, plant and equipment is revalued, the entire class to which that asset belongs is revalued. This prevents the selective revaluation of individual assets, and inconsistency within asset classes.

Quality and timeliness of information provided for audit

The Council's responsibilities include understanding whether management produce quality information, and whether there are adequate resources, skills, and expertise applied in the reporting process. Our expectations were informed by the FMA's Audit Quality Monitoring Report (expectations for directors) and Guidance and expectations for keeping proper accounting records.

Expectation	Grading	Reason
Financial statements prepared by management comply with accounting standards	🟡 Acceptable	A prior period error has been identified relating to vested and found assets.
Quality supporting financial information is prepared and available on a timely basis	🔴 Attention	The audit process encountered challenges, creating additional pressures for both management and the audit team. We noted discrepancies between many of the listings provided and the reported results. We also experienced delays in receiving information within the agreed timeframes to support the results. There were still a number of misstatements and disclosure matters that required corrections resulting to multiple versions of the draft annual report.
Accounting records and supporting documentation reconcile to the financial statements	🔴 Attention	We identified misstatements and disclosure deficiencies that required correction. Additional efforts from both management and the audit team were required to reconcile the relevant documents.
Accounting records support the accounting treatment applied by management	🟢 Good	
Management prepares accounting papers for unusual or more complex transactions and estimates	🟢 Good	
Governors challenge the process and the outcomes of management's judgements	🟢 Good	

Item 8.8

Expectation	Grading	Reason
Service performance reporting prepared by management complies with accounting standards	☛ Acceptable	We identified some misstatements and disclosure matters requiring correction.
Quality supporting service performance information is prepared and available on a timely basis	☛ Acceptable	We identified some misstatements and disclosure matters requiring correction.
Reported service performance agrees to supporting records	☛ Acceptable	We identified some misstatements and disclosure matters requiring correction.
Issues raised in our previous reports are addressed in a timely manner	☛ Acceptable	Some previous recommendations were addressed, but others remain outstanding.

Grading	Explanation
☛ Good	The quality and timeliness of the information was of a good standard with no significant deficiencies.
☛ Acceptable	Quality and timeliness were of an acceptable standard but with some minor deficiencies and room for improvement.
❗ Attention	There were numerous and/or significant deficiencies and/or delivery was significantly late.

Appendix 1

Disclosures

Our responsibilities in conducting the audit

We carried out this audit on behalf of the Controller and Auditor-General. We are responsible for expressing an independent opinion on the financial statements and performance information. This responsibility arises from section 15 of the Public Audit Act 2001.

The audit of the financial statements does not relieve management or the Council of their responsibilities. Our audit engagement letter contains a detailed explanation of the responsibilities of the auditor and the Council.

Auditing standards

We carry out our audit in accordance with the Auditor-General's Auditing Standards. The audit cannot and should not be relied upon to detect every instance of misstatement, fraud, irregularity, or inefficiency that are immaterial to your financial statements. The Council and Management are responsible for implementing and maintaining a system of internal control for detecting these matters.

Auditor independence

We confirm that, for the audit of the Matamata-Piako District Council's financial statements and performance information for the year ended 30 June 2025, we have maintained our independence in accordance with the requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

In addition to the audit, we have carried out engagements in the areas of District Council's debenture trust deed, which are compatible with those independence requirements. Other than the audit and these engagements, we have no relationship with or interests in the District Council.

Fees

The audit fee for the year is \$250,567 (exclusive of GST and disbursements), as detailed in our Audit Proposal Letter. Other fees charged in the period are \$8,600 for a limited assurance engagement in respect of the Council's Debenture Trust Deed and \$20,000 for an assurance engagement in respect of the Matamata Wastewater Treatment Plant Upgrade procurement process.

Where we incur audit hours which are not included in the audit proposal letter budget due to additional audit work required, we go through a process to approve a fee recovery. We are currently going through this process.

Other relationships

We are not aware of any situations where a spouse or close relative of a staff member involved in the audit occupies a position with the District Council that is significant to the audit.

We are not aware of any situations where a staff member of Audit New Zealand has accepted a position of employment with Matamata-Piako District Council during or since the end of the financial year.



AUDIT NEW ZEALAND

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8 Ngā Pūrongo Whakamārama | Information Reports

8.9 Safety and Wellness Reports

CM No.: 3140700

Te Kaupapa | Purpose

The purpose of this report is to provide the Committee with safety and wellness reporting.

Rāpopotonga Matua | Executive Summary

The October to December 2025 Quarterly Safety & Wellness Report, and the January 2026 Safety & Wellness Update are provided. Kate Stevens, People, Safety & Wellness Manager in attendance to discuss the reports with the committee. The Safety and Wellness Due Diligence Plan for 2025-2027 is also provided.

Tūtohunga | Recommendation

That:

1. The information be received.

Ngā Tāpiritanga | Attachments

A  October to December 2025 Quarterly Safety Wellness Report

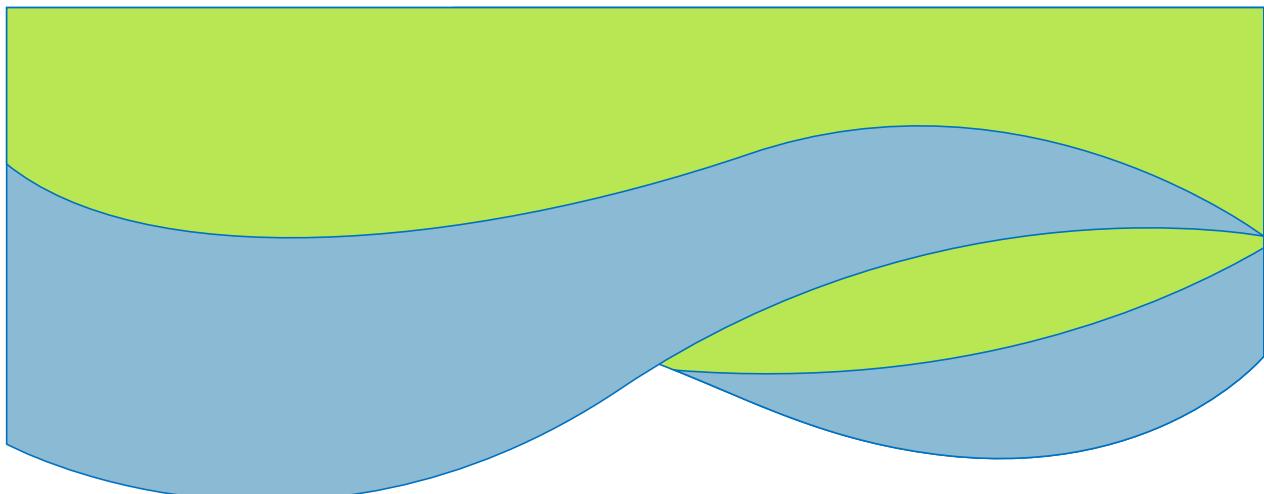
B  January 2026 Safety Wellness Update

C  2025 to 2027 Safety Wellness Due Diligence Plan


Ngā waitohu | Signatories

Author(s)	Kate Stevens Pou Tāngata, Haumaru me te Oranga People, Safety & Wellness Manager	
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Approved by	Kelly Reith Hautū Rangatōpū, Tāngata me ngā Hononga Group Manager Corporate, People & Relationships	
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Safety & Wellness

Quarterly report:

October - December 2025

Together we create a healthy, safe workplace where we thrive.

Executive summary

A key focus for this quarter was the refresh and review of our list of top ten critical risks. This process generated some good discussion about which risks we should focus on, and the contributing factors that increase the level of risk. Critical risks are those with the potential to cause fatal or irreversible outcomes - the risks that require our immediate attention and strong mitigation strategies. We have confirmed an amended list of twelve critical risks and four contributing factors that will be launched early in 2026.

The first annual Safety and Wellness Award was presented at the all staff meeting and this provided an opportunity to celebrate the proactive work done across the organisation to drive improvement in safety and wellness.

Performance

Strategic priorities

We identified three safety and wellness strategic priorities for the 2025/2026 year: focus on critical risk, strengthen safety and wellness leadership, and support for waters transition. Further detail and progress on the planned tasks for these priorities are provided at the end of this report.

Events

There were five lost time injuries this quarter: a slip on the stairs, aggravation of a previous hand injury doing a manual task, two back injuries when doing manual handling, and one trip/fall injury.

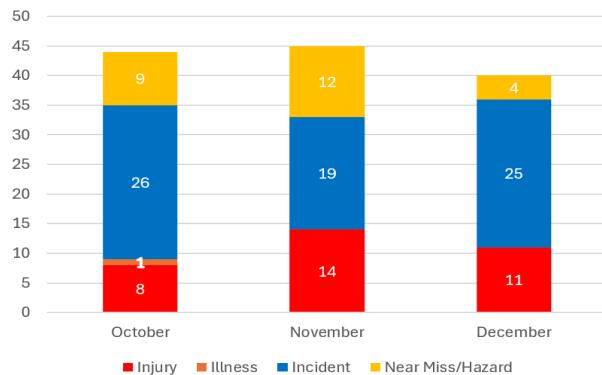
The graphs and tables below provide summary data from Ideagen (Damstra) reports.

Number of events and observations:					
	Incidents	Injuries/illness	Near Miss/Hazard	Notifiable Events	Lost Time Injuries*
July-Sept 25	72	12	16	1	2
Oct-Dec 25	70	34	25	1	5

*Lost time injury: staff injury resulting in more than one shift away from work

Over the summer months we see more events reported as the Morrinsville Pool is open over this period. Many of these events are minor injuries related to children tripping, diving or jumping. The team also report faecal incidents and pool closures due to thunder and lightning or fog, as this enables us to track the frequency of these events.

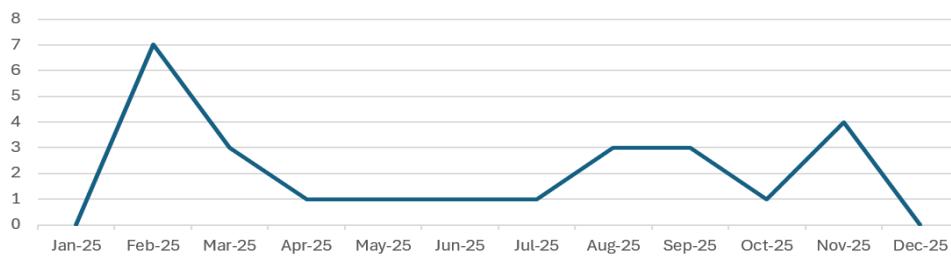
Ideagen (Damstra) reports per month



There was one notifiable event ([notifiable](#) to WorkSafe): two incompatible chemicals mixed causing damage to a pipe. WorkSafe have advised they will not be taking further action in relation to this event.

This quarter, five reported events involved contractors: an incident during electrical work (no injury resulted), a slip/trip injury and three instances of aggressive or threatening behaviour from the public towards our kerbside collection contractors.

Events involving contractors



Further details on the higher risk events are provided under the critical risk section below.

Ideagen (Damstra) tasks*	Completed this quarter	Overdue end of this quarter	Trend for overdue actions
Corrective actions	161	55	↑ from 43 last quarter
Risk reviews	113	67	↑ from 58 last quarter
Event Investigations	128	30	↑ from 26 last quarter

The increasing number of overdue items may be partly due to limited resourcing for the S&W Team to provide support over this period. The S&W Team report on overdue items to the Exec Team who are actively monitoring.

Risks

Review of our list of top critical risks:

A key focus for this quarter was the refresh and review of our list of top ten critical risks. We held a workshop to kickstart the process with attendees from teams right across the organisation and this collaboration allowed us to get a shared understanding of the current risk landscape for MPDC. We collated the information from this workshop and took it to Exec Team for discussion, and then to all staff for further feedback. We have agreed on a list of 12 critical risks and also four contributing factors. Further information on the 12 critical risks will be provided in the January Safety and Wellness Update.

Critical risk updates:

This quarter we reviewed our 'top ten' list of critical risks. The reporting below relates to the original top ten risks but in 2026 we will move to using the new list of twelve risks in our reporting.



Further information about events relating to aggressive behaviour are provided in the events section below.



Fifty staff attended Driver Refresher and Fatigue Management training in November. This training is provided by the East Waikato Road Safety Coordinator.



A near miss occurred when an excavator struck a power cable. The cable was not live but the team used this near miss as an opportunity to review and improve their processes for cable location.



There were 35 events reported at SwimZone facilities this quarter. Over the summer months we see more events reported as the Morrinsville Pool is open over this period.



We are working with the Learning and Development Team to consider what changes are needed in the provision of training for staff who work in the road reserve as we transition from CoPTTM (Code of Practice for Temporary Traffic Management) to the New Zealand Guide to Temporary Traffic Management.



A leak (less than 1L) occurred in the chemical dosing system at the Matamata Wastewater Treatment Plant. The existing system used the same Schedule 80 pipe to dose sodium hypochlorite (13-15%) or citric acid (50%), with a flush of water to clear the pipe between doses of the two different chemicals. The pipe had degraded internally over time and began to leak. The leak was noted by staff

and there was no staff injury as a result of the leak. Immediate action was taken: a contractor attended site, began replacement repairs, and separated the chemical lines to prevent future cross-contamination and pipe degradation.



This quarter we worked with the KVS Property Maintenance Team to improve our permit to work at height system. This involved tightening up and clarifying when a permit is required, and improved resilience through having additional permit issuers. Further information was provided in the October S&W Update.



An electrical contractor reported a near miss when working around a live switchboard chassis: their pliers slipped while installing the cover, causing a short and tripping the circuit breaker. They have conducted an investigation and shared their learnings.

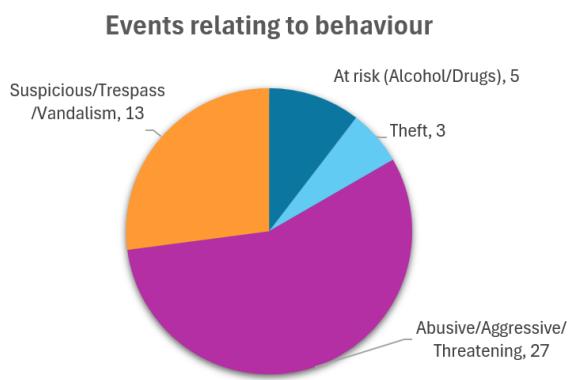
Events



The graph above shows the 12-month rolling trend for event categories. This quarter, fatigue events have increased further and are currently the most common type of event reported. These are logged for instances of work exceeding 14 hours. As discussed in the previous report, fatigue management continues to be an area of concern for the waters team and Waikato Waters Limited are aware of the challenges in this area. The team are working to upskill new operators so that they can participate in the on-call roster.

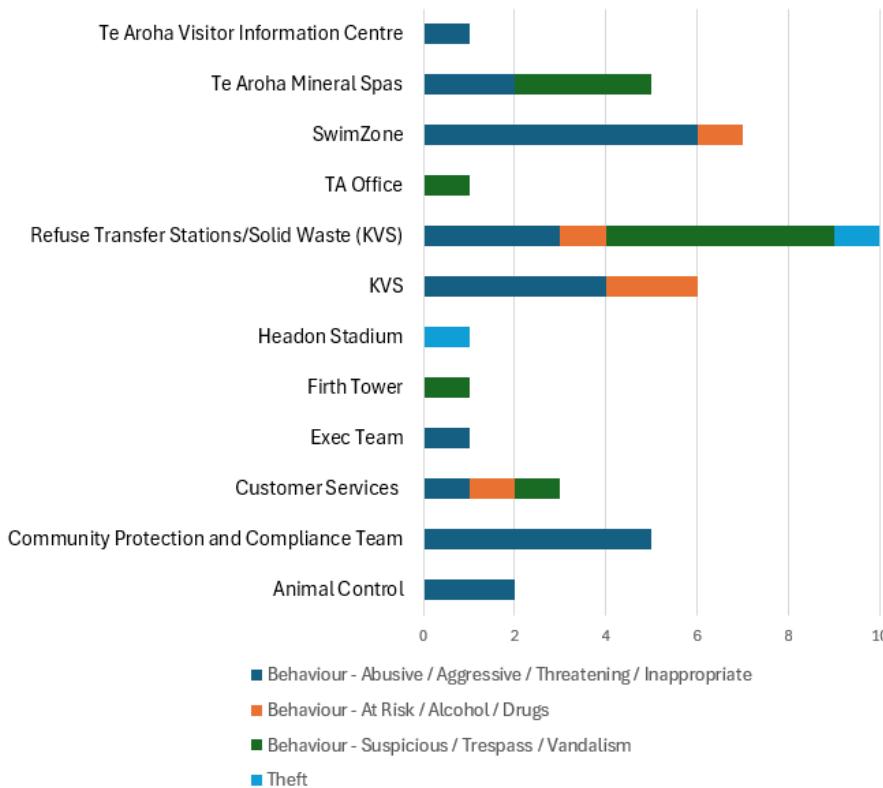
Events relating to behaviour

Events relating to behaviour continue to impact many of our teams. The graphs below relate to data from the last two quarters (i.e. 6 months).



Aggressive/abusive/threatening behaviour accounted for 56% of all behaviour-related events (e.g. verbal abuse, threats or intimidating behaviour). Staff who work in the field or in customer-facing roles receive training in how to manage these incidents and we continue to promote communication between teams to ensure learnings are shared. We liaise with the Police as needed in relation to these events – they were notified of approximately a quarter of the events reported over this period.

Behaviour-related events by Team



We received several reports from our Refuse Transfer Station operators and as these sites are now being operated by KVS we are able to get a clearer picture of the challenges faced by this team. Incidents at these sites were primarily after-hours intrusions involving vandalism and theft. There were also three incidents relating to abusive behaviour towards our kerbside collection contractors.

Early indications suggest reporting is improving from field staff such as gardening teams (reflected in the KVS statistics).

Compliance and Animal Control Teams report events less frequently but these are typically higher-severity threats. Public facing sites such as the SwimZones and Te Aroha Mineral Spas have a range of issues, including disputes relating to the rules on site, and abusive behaviour.

Learning and Development

Safety and wellness related training completed this quarter



As part of our focus on skin safety and the launch of Molemap subsidy for staff with higher risk of UV exposure, we ran training sessions for staff. These sessions were well attended, with 131 staff participating.

Health Monitoring

Data for health monitoring and respirator fit testing for this quarter is shown below.

Annual health monitoring completed	35	Exit health monitoring completed*	1
Overdue health monitoring	7	Respirator Fit Testing completed	25
Pre-employment health monitoring	15	Respirator Fit Testing Overdue	5

*Many exiting staff decline health monitoring.

Overdue health monitoring – Mix of staff who are on maternity leave, ACC or missed their appointments.

Overdue fit testing – staff on ACC, maternity leave and some that needed rescheduling.

Relationships

Engagement and Participation

The November Health and Safety committee Meeting was attended by 21 participants. We welcomed three newly elected representatives and enjoyed some Christmas-themed activities. The reps who had attended the SafeSkills HSR Conference in August shared their key learnings and insights, including what they felt would empower them in their HSR roles. It was pleasing to hear that they came back feeling proud of the strong and active network of reps we have here at MPDC.

The Safety and Wellness awards presented at the all-staff meeting in November provided an excellent opportunity to showcase some of the work being done across the organisation. Feedback on the awards was positive and we plan to continue with these in 2026.

Our People, Safety and Wellness theme for November was 'Taking care of yourself' and we promoted four areas relating to S&W: checking personal protective equipment and workstation set up, skin safety and staying hydrated when working in the heat, and managing fatigue.

Contractors

This quarter we held a workshop to upskill our contract managers on the key aspects of contractor safety and wellness management. Ten of our contract managers attended and there was some good discussion and sharing of knowledge.

Resources

Our Safety and Wellness Coordinator left in October and we have not yet been successful in recruiting a suitable replacement to fill this role. We will continue the recruitment process in 2026 and aim to appoint a Safety & Wellness Advisor, to ensure the team maintains sufficient capability and expertise. The team is currently short staffed, and we have reallocated tasks where possible. Additional external support may be required to maintain adequate coverage.

Due Diligence

The Executive Team continue with Leadership Walk-Through site visits to gain a better understanding of 'work as done'. This quarter they completed five site visits relating to our top ten critical risks. The CEO also assisted with a risk review of our waste water pump stations in order to better understand our risk management processes and how they work at an operational level.

The S&W Due Diligence Plan for both the Executive Team and Elected Members was confirmed as part of the induction process for the newly-elected Council. Induction workshops included topics such as health and safety legislation, governance, overlapping duties, critical risks and risk assurance activities.

Assurance

Critical risk audits

During this quarter, two audits were completed. Audit activity was reduced due to a temporary resourcing constraint within the team.

Risk	Audits	Work site
	1	<ul style="list-style-type: none"> Wastewater Treatment Plant Upgrade - <i>Matamata</i>
	1	<ul style="list-style-type: none"> Pool liner replacement - <i>Matamata SwimZone</i>

Safety and Wellness Objectives: summary of progress

1. Focus on critical risk			
Action	Update	Status	Target timeframe
Review the list of top 10 critical safety and wellness risks across the organisation and reprioritised as required.	The top 10 has been reviewed. The amended list of 12 critical risks and four contributing factors will be launched in early 2026. We will work through the process of updating our processes to align with these changes.	Underway	Aug 2025 - June 2026
Critical risk review of aggressive behaviour, including risks related to lone work	Not yet started.	Not started	Nov 2025 - June 2026

Review controls used to prevent eye injuries to confirm these are effective	Initial meeting has been had with key stakeholders, further action required.	Underway	July - December 2025
2. Strengthen S&W leadership			
Trial a process for leaders to celebrate good S&W practice. There is a way for good practice to be acknowledged and shared with others.	The Safety and Wellness Awards were presented at the all staff meeting. We received good feedback on this and will continue with the awards in 2026.	Completed	July- October 2025
Review induction pathway for leaders to ensure they have the skills to deliver on S&W accountabilities.	This is underway. Workshops have been held with staff to review MPDC's induction processes and work is now underway to develop a more structured pathway for leaders to gain the S&W skills needed for their role.	Underway	July- October 2025
3. Transition support			
Support waters transition. Accurate data provided as required to support the transition. Input and assistance into transfer to new H&S Management processes.	Information is provided to Waikato Waters Ltd when requested.	Underway	Aug 2025 - Oct 2026

Safety & Wellness Update January 2026

Introducing our refreshed Top 12 Critical Risks

As we start the year, MPDC is introducing its refreshed **Top 12 Critical Risks**. These risks have been reviewed and updated to better reflect our current operations, lessons learned, and areas where the most serious harm could occur.

Critical risks are those with the potential to cause fatal or irreversible outcomes. While they may occur infrequently, the consequences can be severe, requiring the strongest controls, effective supervision, and sustained organisational focus.



Aggressive Behaviour (people & animals)

Threatening, aggressive or violent behaviour by people, or aggressive behaviour from animals (e.g. dog bites), which can result in physical injury, fatality, or psychological harm.



Collapse of structures or excavations

Collapse of buildings, structures, or earthworks due to instability, weather events, damage, or excavation activities.



Confined space entry

Entering spaces not designed for human occupancy, with restricted entry or exit and hazards such as hazardous atmospheres, engulfment, or oxygen deficiency.



Driving on the road

Injury or fatality resulting from a vehicle incident while driving for work purposes, including driving on MPDC sites (excludes commuting).



Electricity (including overhead and underground services)

Risk of electric shock, electrocution, burns, arc flash, or explosion from contact with live electrical services.



Hazardous substances

Exposure to hazardous substances including chemicals, fuels, biological hazards (e.g. sewage), and airborne contaminants such as silica or asbestos.



Mobile plant and machinery

Use of mobile plant such as forklifts, loaders, rollers, cranes, excavators, and similar machinery.



Psychosocial Risks

Workplace factors that may cause psychological or physical harm, including workload, work design, fatigue, burnout, and workplace behaviours.



Tools & Equipment

Use of tools and equipment such as chainsaws, concrete saws, grinders, pumps, and hedge trimmers.



Work at Height

Working where a person could fall from one level to another, including falls from roofs, ladders, vehicles, mobile elevated work platforms, or into excavations or structures.



Working in the road reserve (traffic)

Risk of injury or fatality from vehicle-related incidents while working in or near live traffic environments.



Working over or near water

Drowning risks associated with working near rivers, dams, tanks, reservoirs, or other water bodies. This includes the drowning risk at swimming pools or spas.

Safety & Wellness Update January 2026

Contributing Factors

In addition to the critical risks themselves, we've identified four key **contributing factors**. These are not standalone critical risks, but they can significantly increase the likelihood or severity of harm if not well managed.



Complacency

When tasks feel familiar or "routine," there is a risk that hazards are underestimated, shortcuts are taken, or controls are not fully applied.



Drugs & Alcohol

Impairment that increases the likelihood of incidents and the severity of outcomes.



Fatigue

Physical or mental tiredness that affects concentration, decision-making, and reaction time.



Lone Work

Working alone or without immediate access to help, increasing the risk if something goes wrong.

What this means in practice

Understanding our critical risks and the factors that influence them helps us to:

- Recognise when work involves a critical risk or contributing factors
- Incorporate the 3P's (**Pause, Protect and Proceed**) into planning and decision making, to ensure everyone goes home safe every day
- Apply the required controls every time, especially for routine or familiar tasks
- Have clearer safety conversations in teams and during pre-starts, toolbox talks and 1:1s
- Focus our assurance activities (such as audits) on high risk activities

Next steps and ongoing focus

While the refreshed critical risks provide a strong foundation, there is ongoing work required to ensure they are consistently understood and applied across the organisation. Our focus will be on:

- Embedding the updated critical risks into everyday planning, induction and training and updating our processes and documentation to align with this
- Strengthening staff capability to identify and manage critical risks
- Reinforcing expectations around the use of controls, particularly for routine work
- Increasing awareness of the four contributing factors
- Monitoring how effectively critical risks are being managed and using learnings to improve practice

This ongoing work will support continuous improvement and provide confidence that critical risks are being actively managed.

Due Diligence Plan (Councillors & Risk & Assurance Committee) for 2025-2027



Activity	Who	Due Diligence Element				When
		Policy & Planning	Delivery	Monitor	Review	
Review Safety & Wellness Reports (Monthly Update or Quarterly, Annual report) and request further information if any concerns are raised. Reports include information about critical risk management, notifiable or potentially serious events and progress on audit recommendations.	Councillors, Risk & Assurance Committee					Monthly/ Annually
Site visits: introduction to critical risks on site	Councillors					November/ December 2025
Workshops and Reports						
The workshop scheduling plan is indicative, noting that workshops may be rescheduled pending staff availability or where it is appropriate to focus on a newly emerging risk.						
Induction workshop 1: Dealing with aggressive and threatening behaviour	Councillors					October 2025
Induction workshop 2: <ul style="list-style-type: none"> • Governance charter & Due Diligence plan • Safety and Wellness Reports • S&W Priorities for the year ahead 	Councillors					November 2025
Induction Workshop 3: <ul style="list-style-type: none"> • Worker engagement and participation • Overlapping duties • Critical risks • Hierarchy of control • Assurance activities 	Councillors					December 2025
October-December 2025 Quarterly Report	Councillors					February 2026



Attachment C

Item 8.9

Critical risk focus workshop*: Contractor Management	Councillors*					March 2026
January-March 2026 Quarterly Report	Councillors, RAC					April 2026
Critical risk focus workshop*: Dealing with aggressive behaviour	Councillors					May 2026
Critical risk focus workshop*: Hazardous substances	Councillors					June 2026
April-June 2026 Quarterly Report	Councillors, RAC					July 2026
Critical risk focus workshop*: Mobile plant and machinery	Councillors					August 2026
Critical risk focus workshop*: Driving	Councillors					September 2026
Review of Annual S&W Report	Councillors and RAC					October 2026
Critical risks focus workshop*: Temporary traffic management	Councillors					November 2026



Critical risk focus workshop*: Working over/near water	Councillors					March 2027
January-March 2027 Quarterly Report	Councillors and RAC					April 2027
Critical risk focus workshop*: Working at height	Councillors					May 2027
Critical risk focus workshop*: Tools and equipment	Councillors					June 2027

*Risk and Assurance Committee attendance at these workshops is optional.

8 Ngā Pūrongo Whakamārama | Information Reports

8.10 Risk and Assurance Committee Work Programme - Update February 2026

CM No.: 3141258

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 February 2026 is included. As requested at the last committee meeting in December 2025, policies and top risk deep dives scheduled for review have been itemised within the work programme for feedback.

Tūtohunga | Recommendation

That:

1. The information be received.
2. The Committee provide any feedback on the scheduled policies and top risk deep dives [feedback to be specified].

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

A1. Risk and Assurance Work Programme - Update February 2026



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	

Item 8.10

Attachment A

Item	Team	24 Feb 2026		16 June 2026		20 October 2026		8 December 2026		
		Status	Comment	Status	Comment	Status	Comment	Status	Comment	
Key										
Standing items										
Chairs update	PPG									
CEO update	PPG		Future Ready Update is now included in the CEO Update report and has been removed as a Standing Item from the work programme							
Quarterly Risk Report	CPR									
Top risks	Group Managers		*Top Risks Deep Dive: Risk #5 Legislative Non-Compliance *Risk #2 Disruption to Essential Service Delivery		*Risk Appetite Settings to agree at RAC *separate Top Risks Workshop Session for RAC, all other EMs and Exec to shape the basis of the 2026/27 Top Risks		*Approval of 2026/27 Top Risks document *Top Risks Deep Dive: Risk #3 Information Security *Risk #7 Response to Climate Change Impacts		*Top Risks Deep Dive: Risk #1 Emergency Response *Recovery and Risk #11 Health, Safety and Wellbeing	
Safety and Wellness update	PSW									
Review of significant projects, including an update on risk of compliance with consents	Assets									
Project Management Report	Assets									
Waikato Waters Ltd	Operations		This report has been included as part of the CEO Update report							
Update on Work Programme	PPG									
Annual Reports										
IT/web security audit	IT									
Insurance Programme	Property									
LGOIMA Requests	Legal									
Delegations	Legal									
Legislative compliance assessment	Legal									
Risk Management Framework	CPR									
Setting Work Programme/Schedule of Meetings	PPG									
Policy, Planning and Reporting Stocktake	PPG						Complete overview			
Scheduled Reports										
Self assessment / Review of Charter	PPG		Review of Charter post-election for new committee							
Long Term Plan / Annual Plan	PPG									
Annual Report	PPG									
Progress tracking on audit recommendations	PPG		Audit Management Recommendations update - Annual Report 2024/25							
Policy Review	Various				*Gift Policy *Mayoral Fund *Mayoral Disaster Relief Fund *Stock Control Strategy *Asset Management Policy		*LTP Development Contributions *LTP Financial Strategy *LTP Infrastructure Strategy		*LTP Revenue and Financing Policy *LTP Remission and Postponement of Rates	
Procurement Report	Finance		Biannual Report FY 2025/2026							
Business Continuity Plans	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 Council Delegations Legal Review

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
Legal Privilege.	s7(2)(g) - The withholding of the information is necessary to maintain legal professional privilege. Legal review of the content has been undertaken.	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.