

**WAITOMO DISTRICT COUNCIL**  
**Audit and Risk Committee**

**MINUTES OF A MEETING OF THE WAITOMO DISTRICT COUNCIL AUDIT AND RISK COMMITTEE HELD IN THE COUNCIL CHAMBERS, QUEEN STREET, TE KUITI ON TUESDAY 10 FEBRUARY 2026 AT 9.00AM**

<b>PRESENT:</b>	Independent Chair Jaydene Kana Deputy Mayor Eady Manawaiti Councillor Olivia Buckley Councillor Janette Osborne
<b>STAFF:</b>	Chief Executive, Ben Smit Manager – Governance Support, Michelle Higgie General Manager – Community Services, Helen Beever Customer and Information Manager, Kat Merrin-Brown Health and Safety Coordinator, Tanchia Pitts-Brown General Manager – Strategy and Environment, Alex Bell Chief Financial Officer, Tina Hitchen Asset Accountant, Wayne La Roche Manager – Strategy and Policy, Charmaine Ellery Policy Advisor, Rajeshwari (Raj) Mahadevappa General Manager – Infrastructure Services, Shyamal Ram

<b>1.</b>	<b>Karakia Tuwhera</b>
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<b>2.</b>	<b>Apologies</b>
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**Resolution**

The apology from Mayor John Robertson be received and leave of absence granted.

Osborne/Buckley                      Carried

<b>3.</b>	<b>Declarations of Member Conflicts of Interest</b>
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**Resolution**

The declaration made by the Independent Chair as a Director of Waikato Waters Ltd was noted.

Osborne/ Manawaiti                      Carried

The Committee also noted that consideration of the two items on the Order Paper relative to Waikato Waters Ltd (Progress Report: Waters – Transition to Waikato Waters Ltd, and Local Government Funding Agency – Debt Guarantee) would be moved to the end of the meeting and that the Deputy Mayor would chair the meeting for those two items so that the Independent Chair could remove herself from the considerations due to her declared conflict.

<b>4.</b>	<b>Chair Report – February 2026</b>
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The Committee considered the Independent Chair’s report for February 2026

The Independent Chair spoke to her report for February 2026.

**Resolution**

The Chair Report – February 2026 be received.

Kana/Osborne                      Carried

## 5. Audit and Risk Committee Terms of Reference

The Committee considered a business paper presenting the Audit and Risk Committee Terms of Reference adopted by Council on 25 November 2025 and advising that in adopting these Terms of Reference, Council also resolved that a review be undertaken by the new Committee.

The Independent Chair and Chief Executive expanded verbally on the business paper and answered Members questions noting that with all the significant changes in Local Government ahead in the near future the Terms of Reference in the current form do not require amendment at this time, but should be revisited post the transition of water services to Waikato Waters Ltd.

Cr Osborne expressed her concern that there has been no monitoring reporting against non-financial risks to the Committee since late 2024.

### Resolution

The business paper on Audit and Risk Committee – Terms of Reference be received.

Kana/Buckley Carried

## 6. Mastercard Expenditure Report (September – December 2026)

The Committee considered a business paper on expenditure incurred via WDC issued Corporate Mastercard for the period September to December 2025.

The Chief Executive and Manager – Governance Support expanded verbally on the business paper and answered Members questions.

### Resolution

The business paper on Mastercard Expenditure Report: September – December 2025 be received.

Kana/ Manawaiti Carried

The General Manager – Community Services, Customer and Information Manager, Health and Safety Coordinator and General Manager – Strategy and Environment entered the meeting at 9.25am.

## 7. Progress Report: Health and Safety

The Committee considered a business paper providing a brief on WDC's health and safety performance during quarter two of the 2025/26 year.

The Health and Safety Coordinator and General Manager – Community Services expanded verbally on the business paper and answered Members questions.

### Resolution

The Progress Report: Health and Safety be received.

Kana/Osborne Carried

The Health and Safety Coordinator left the meeting at 9.46am.

## 8. Risk Management and Mitigation

The Committee considered a business paper providing an update the Committee on progress implementing the Risk Management Framework.

The Chief Executive expanded verbally on the business paper and answered Members questions.

The Independent Chair stated that irrespective of Council's current Risk Management Framework not being reviewed and updated, that reporting against the current Framework should be presented to the Committee.

The Independent Chair noted the Chief Executive's advice that risk management is considered in all operations of Council but noted there is a gap between what is happening "on the ground" and what is being reported to the Committee and that this gap must be closed.

Councillor Osborne noted that Council has an excellent Risk Management Framework in place, but it is not embedded into governance and that the nine identified risks have not been reviewed recently to identify if they are still relevant. Councillor Osborne also noted the limited resourcing available for risk management monitoring and reporting and questioned how we could move forward and gain traction within existing resources.

#### **Resolution**

The business paper on Risk Management and Mitigation be received.

Kana/Osborne Carried

The Chief Financial Officer and Asset Accountant entered 10.10am

### **9. Emergency Management Readiness Risk**

The Committee considered a business paper informing of the Council's current emergency management systems and processes, and to identify the associated risks and opportunities.

The General Manager – Strategy and Environment, Chief Executive and Customer and Information Manager expanded verbally on the business paper and answered Members questions.

The Committee agreed that this paper should be presented to the full Council for information purposes.

#### **Resolution**

- 1 The business paper on emergency management preparedness be received.
- 2 The Committee notes that:
  - (a) The Chief Executive has initiated discussions with the Western Waikato Councils around emergency management resourcing and that additional discussions will commence on a regional basis.
  - (b) The Chief Executive will report back with an update on these discussions in due course.

Kana/Buckley Carried

The meeting adjourned for morning tea at 10.32am and reconvened at 10.54am

The General Manager – Community Services, Customer and Information Manager and General Manager – Strategy and Environment left the meeting at 10.32am

### **10. Treasury Management Report for the quarter ended 31 December 2025**

The Committee considered a business paper providing an update on Council's debt position and compliance with borrowing limits for the quarter ended 31 December 2025.

The Asset Manager and Chief Financial Officer expanded verbally on the business paper and answered Members questions.

The Manager – Strategy and Policy and Policy Advisor entered the meeting at 10.58am.

#### **Resolution**

- 1 The business paper on Treasury Management Report for the quarter ended 31 December 2025 be received.

- 2 The Committee notes the minor policy breach with respect to fixed interest rate hedging bands for the 2-to-4-year time horizon. The breach is a result of pausing any further hedging due to the anticipated debt transfer to Waikato Waters Limited.

Kana/Manawaiti Carried

The Asset Accountant left the meeting at 11:09am.

#### **11. Progress Report: Audit Fundings for year ending 31 December 2025**

The Committee considered a business paper providing an update on WDC's progress on the audit findings from the audit conducted by Deloitte Limited for the year ending 30 June 2025.

The Manager – Strategy and Policy and Chief Financial Officer expanded verbally on the business paper and answered Members questions.

The Independent Chair recommended the future reports include an extra column or footnotes identifying any findings which have been recurring including and providing information on when they were first identified and what actions have been taken to remedy the findings.

##### **Resolution**

The business paper on Progress Report – Audit findings for year ending June 2025 be received.

Kana/Osborne Carried

The Chief Financial Officer left the meeting at 11.27am.

The General Manager – Infrastructure Services entered the meeting at 11.29am.

#### **12. Progress Report: Key Performance Indicators – period ended 31 December 2025**

The Committee considered a business paper presenting Waitomo District Council's delivery performance on non-financials for the 2025/26 financial year for the period ending 31 December 2025 (Quarter 2).

The Policy Advisor, Manager – Strategy and Policy and General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.

##### **Resolution**

The Quarterly Report: Key Performance Indicators for the period ended 31 December 2025 be received.

Kana/Buckley Carried

The Manager – Strategy and Policy and Policy Advisor left the meeting at 11.58am

#### **13. Progress Report: Procurement Summary Schedule**

The Committee considered a business paper presenting a summary of the procurements made in the period 1 October 2025 to 31 December 2025 in accordance with Waitomo District Council's Procurement Policy.

The General Manager – Infrastructure Services expanded verbally on the business paper and answered Members questions.

##### **Resolution**

The business paper on the Progress Report: Procurement Summary Schedule (October 2025 to 31 December 2025 be received.

Kana/Manawaiti Carried



**Document No:** 971070

**Report To: Audit and Risk Committee**



**Meeting Date:** 12 May 2026  
**Subject:** **Chair Report – May 2026**  
**Type:** Information Only  
**Author(s):** Jaydene Kana  
 Independent Chairperson

**1. Purpose of Report**

- 1.1 The purpose of this business paper is to present the Independent Chairperson's report for May 2026.
- 1.2 Attached to and forming part of this business paper is the Chair Report.

**2. Suggested Resolution**

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.
  - 1 The Chair Report – May 2026 be received.

**3. Attachments/Separate Enclosures**

Attachment:

- 1 Chair Report – May 2026 (Doc # 972111)
- 2 AI Usage Policy Checklist – March 2026 (Doc # 972112)

## WAITOMO DISTRICT COUNCIL

## AUDIT AND RISK COMMITTEE

## MAY 2026 – CHAIR REPORT

Teena koutou katoa e ngaa rau rangatira maa,

Firstly, I wanted to thank Mayor John Robertson and Chief Executive Officer Ben Smit for the opportunity to attend an Elected Member induction tour of Te Kuiti. This tour provided context to the people, activities and assets in our Waitomo community and are helpful to understand associated opportunities and risk for Waitomo District Council.

Secondly, the table below outlines my reflections from relevant events that I have attended and I've presented questions for management and elected members to consider in their respective roles in serving our Waitomo community:

Forum	Summary Reflections
<p><b>OAG Forum for audit and risk committee chairpersons on Strategic financial management and value for money – 17 April 2026 – Presenters from the Public Service Commission and the Audit Office <a href="#">report</a> on Managing public finances strategically</b></p>	<p>Managing public finances strategically is about integrating strategy, planning, and performance information to get the best value for money from spending over the medium to long term. Planning needs to look ahead for major potential changes – whether these are demographic changes, natural disasters, pandemics, or climate change. Good strategic financial planning also needs to navigate the natural tensions that can arise between taking a long-term view and an annual budget and three-yearly election cycles. Public organisations need to understand how to optimise results while balancing those tensions and demonstrate the longer-term impact of decisions made through annual budget cycles.</p> <p>Questions for governors to consider:</p> <ul style="list-style-type: none"> <li>• How is assurance provided, monitored and reported that Council provides good value for money for ratepayer investment? Is the organisation focused on core business?</li> <li>• If you have cost recovered activities, when was the last time these were reviewed? Are any fees/levies covering more than the actual cost of service?</li> <li>• Where are the opportunities for funding efficiencies by doing things differently? Does our approach embrace a digital-first mindset and scaling of Artificial Intelligence to lift productivity and enhance customer experience?</li> <li>• Are capital programmes on time and on budget?</li> </ul>
<p><b>OAG Forum for audit and risk committee chairpersons on Internal audit for lasting impact - 20 March 2026 – Presenters from Deloitte and Institute of Internal Auditors</b></p>	<p>New Zealand's public sector leaders are working in an environment of constant change, tight resources, and increased scrutiny, with little room for error. From global events and regulatory change to financial constraints and new technologies, these pressures are reshaping how organisations operate. As a result, expectations of internal audit are changing, with increased demand to help organisations perform well, act transparently, and maintain trust. This results in five expectations about the role internal audit needs to play to effectively support governance, performance, and organisational resilience:</p> <ol style="list-style-type: none"> <li>1. Governors and chief executives are sending a clear message: we need internal audit to step up, lean in, and help shape the future. They want audit to be more than a safety net; they want it to be a catalyst for strategic change through their work.</li> <li>2. Internal audit often enters the conversation with pre-existing perceptions that affect its influence and impact. Having a strong strategy helps to address this, however influence is not guaranteed by strategy alone; it depends on how effectively insights are conveyed and understood by decision-makers. In short, internal audit's impact can falter if communication is ambiguous and unclear, or seen to be weak.</li> <li>3. Effective management of an organisation in the modern era can be compared to navigating an endless storm. Emerging risks are multiplying faster than ever, from cyber threats to regulatory shifts, and reputational challenges. Yet, while the risk landscape expands at breakneck speed, resources for internal audit are often static or declining.</li> </ol>

	<p>4. Expectation that internal audit be agile, forward-looking, and aligned with the organisation's evolving risk profile. Stakeholders stressed that the function cannot remain static or backward-focused; it must adapt to a data-driven, AI-enabled environment, and build capability to address technology-related risks.</p> <p>5. Governors and chief executives want advice that is timely and relevant, helping management focus on critical areas, avoiding tick-box exercises, and anticipating future risks. Insights delivered too late to influence decisions weaken the impact of recommendations.</p> <p>Questions for governors to consider:</p> <ul style="list-style-type: none"> <li>• How is assurance provided over the key strategic and organisational risks and opportunities?</li> <li>• How is accountability managed for implementing agreed actions (reporting of progress, explanations for delays and consequential risk impacts)?</li> </ul>
<p><b>Meeting of Independent Members of LG Audit and Risk Committees</b> 23 February 2026</p>	<p>For Information, topics/presenters included:</p> <ul style="list-style-type: none"> <li>▪ Office of the Controller and Auditor-General</li> <li>▪ Artificial Intelligence</li> <li>▪ Local Water Done Well</li> <li>▪ Insurance</li> <li>▪ Amalgamation</li> </ul>

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

**Recommendation**

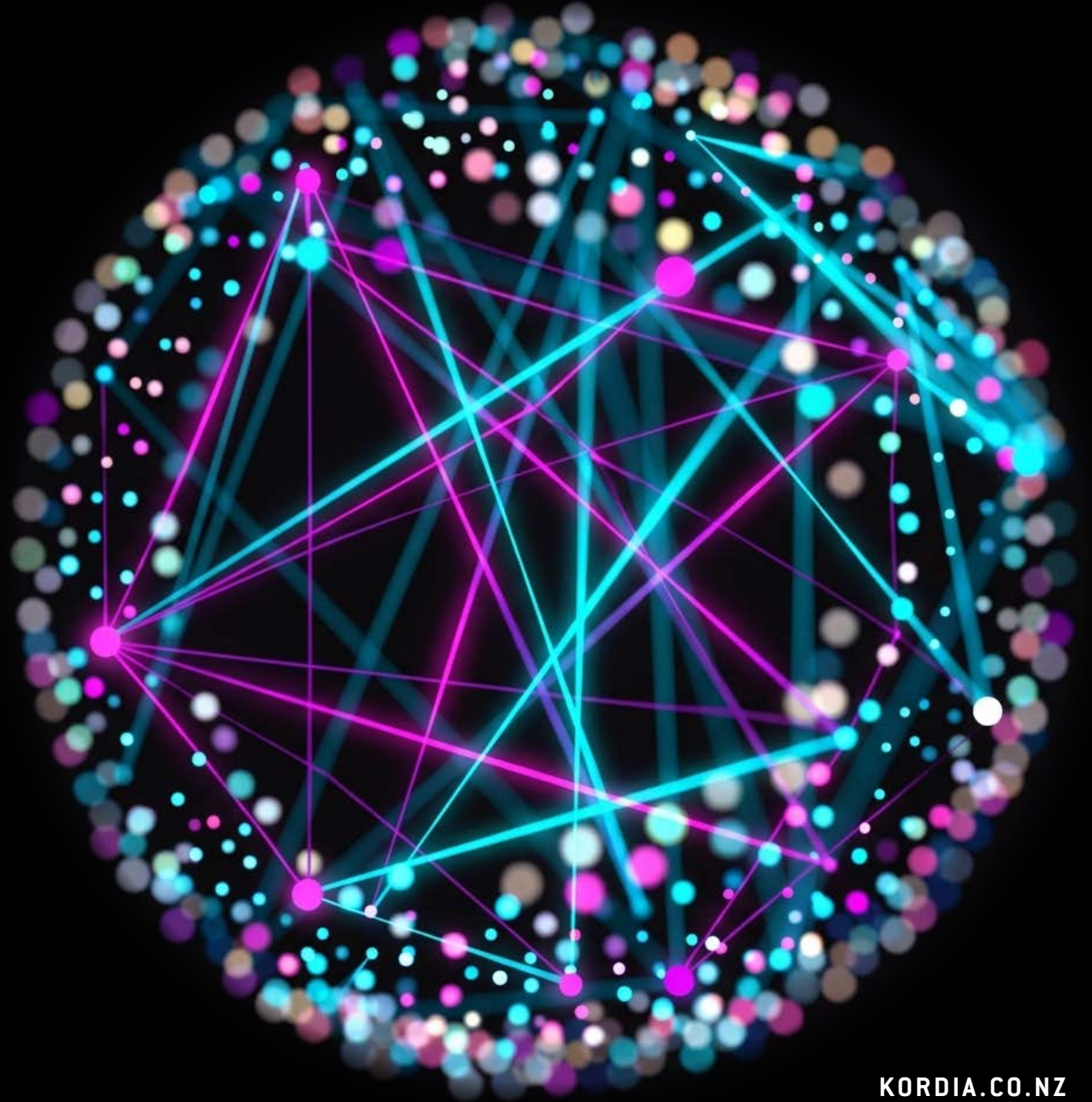
That the Audit and Risk Committee receive the report.

Jaydene Kana  
Chair, Audit and Risk Committee  
4 May 2026

# AI Usage Policy Checklist

Autumn 2026 update

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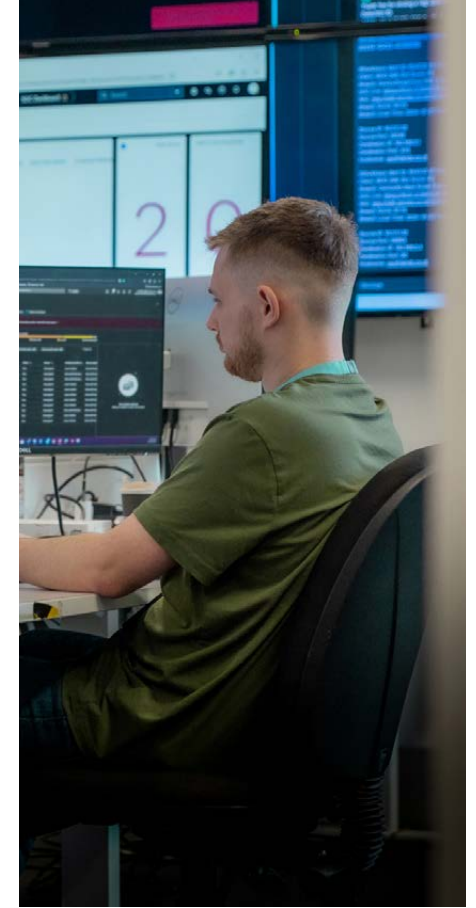
# Introduction

Generative AI (GenAI) tools are no longer experimental. AI features are being added into versions of everyday software and cloud services, not just obvious GenAI chatbots. Misuse can lead to data loss, privacy breaches, copyright breaches, and biased or misleading outputs, plus sophisticated AI-driven attacks can be harder to spot.

In 2025 almost half of large organisations in New Zealand suffered a cyber incident, with 45 percent of attacks involving email phishing, and a further 6 percent using voice or video deepfakes to trick staff. Almost 1 in 6 incidents involved an AI vulnerability or misuse, and 24 percent of business leaders now rate improper use of AI within their organisation as a top challenge to improving cyber security. So, socialising a clear AI Usage Policy is an important step in safeguarding your organisation, your staff and your customers from emerging risks.

It is also important to recognise that AI laws and expectations differ across jurisdictions such as the United States, China and Europe, with varying approaches to surveillance, data access and intellectual property. New Zealand organisations must understand which regimes apply to their AI suppliers and data.

This Checklist is a practical place to start. It is not a full AI management system, but it reflects current good practice in AI governance and security, and it is consistent with recent frameworks such as ISO/IEC 42001 and the OWASP AI Maturity Assessment model. You can use it to shape your own AI Usage Policy, set expectations for staff, and begin building a safe, ethical and resilient approach to AI across your organisation.





Introduction

Policy structuring

Employee usage

Organisation usage

Measurement & evaluation







Further reading & references

# Structuring your AI policy

## Scope & objectives

The first step is to understand how and why AI might be used in your organisation – and by who. Employees may want to use AI for a range of different tasks, from drafting emails and transcribing meeting minutes, through to generating code, analysing data and summarising documents. It may be sensible to keep your policy confined to the business cases where AI provides value, and to restrict other AI usage until the risks are understood and managed.

Ensure you cover off:

-  Defined business cases where the organisation sees value in using AI
-  General employee use of public or third-party AI tools
-  AI features in SaaS, cloud and security tools used by IT and business teams
-  Use by technical teams and developers, for coding assistance, testing, automation, etc.
-  What types of AI systems and providers are approved for use, and at what level of data sensitivity
-  Any AI uses that are explicitly prohibited; for example, certain high-risk decisions or data types

## Definition example

**Artificial Intelligence (AI):** A computer system that can use a neural network to analyse data and come up with reasoned responses to queries based on provided data.

**Machine Learning (ML):** A subset of AI that concentrates on the use of algorithms that improve through iterative use.

**Deep Learning (DL):** A subset of ML in which artificial neural networks that mimic the human brain are used to do unsupervised complex tasks.



**For a more extensive list of terms visit our AI glossary**



Introduction

Policy  
structuring

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Employee  
usage

Organisation  
usage

Measurement  
& evaluation

Further  
reading &  
references

12

# Structuring your AI policy cont.

## Responsibilities & expectations

Set some guidelines on how your employees should approach AI. For example:

- ✓ Set out clear rules on how your employees should approach AI, and who is accountable for decisions about AI use.
- ✓ All employees are to have a defined business case and appropriate management signoffs before using an AI system in their work.
- ✓ Before using any public or third-party AI tool, its T&Cs and privacy policy should be checked to understand who can access your data, how it may be stored or reused, and whether your data, prompts or outputs may be used to train the supplier's models.
- ✓ The IT and data teams must first understand and assess how any tools or services they bring into the business use AI, how the AI components were trained, and what data they can access. This usually involves a security and risk assessment.
- ✓ If an individual or team decides to create or configure their own AI system, they must ensure training data is appropriately governed and documented, and that datasets are selected to minimise unfair bias and reflect the organisation's customers and users, including Māori and other under-represented groups.
- ✓ Users of AI tools should be aware that the way they phrase prompts can introduce bias and should therefore avoid wording that steers the system towards a desired conclusion.
- ✓ The CIO is to make the final decision on the usage or purchase of significant AI systems and tools, especially high-risk AI that processes personal, sensitive or regulated data.



Introduction

Policy structuring

Employee usage

Organisation usage

Measurement & evaluation

Further reading & references

05 / 10

13

# Employee usage

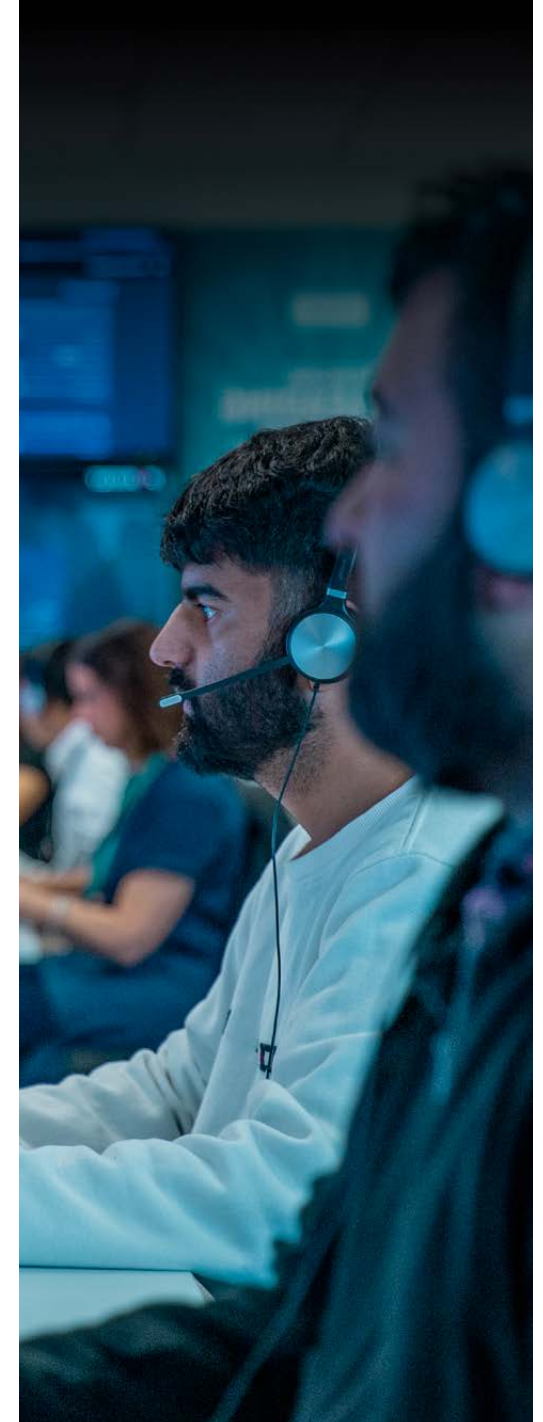
This section should clearly state the rules that employees need to follow when interacting with an AI system. For example:

## Do not's

- ❌ Paste or copy any company, partner or customer source code or configurations into an AI tool.
- ❌ Paste any confidential, sensitive or personal data, including internal email trails and credentials, into an AI tool.
- ❌ Paste strategic documents, business processes or internal workflows into public or unapproved AI tools.
- ❌ Rely on AI-generated responses and content without first sanity-checking or peer-reviewing them for reasonableness and accuracy.
- ❌ Give an AI tool access to data that has not been explicitly put in scope for the specific project or business case.
- ❌ Trust unexpected messages, emails or calls at face value: AI is increasingly being used to create convincing phishing emails and voice or video deepfakes.

## Do's

- ✅ Review any Licence Agreement or Terms of Use before using any public or unapproved AI system and only use systems in a way that abides by these agreements.
- ✅ Get advice from your manager – or from information security, data, privacy, legal or other domain owners – if you aren't sure about the risks involved in using AI systems at work.
- ✅ Treat AI-generated predictions (such as financial forecast data or behavioural risk scores) with scepticism – they're indicative, not fact, and should support your best judgement.
- ✅ Report any suspected AI-related security or privacy issue (such as a deepfake video, unusual AI behaviour, or an apparent AI data leak) through your regular incident reporting channels.





Introduction

Policy structuring

Employee usage

Organisation usage

---

Measurement & evaluation

Further reading & references

14

# Organisational usage

This section should set out the rules that the organisation and employees need to follow when purchasing or developing an AI/ML system. For example:

## Do not's

- ✘ Accept marketing material about AI as accurate – always verify claims, take up references, and check how the system actually works in your environment.
- ✘ Use AI systems that store or process sensitive, personal or Māori data in jurisdictions where you do not understand the legal and sovereignty implications, including whether foreign governments can compel access to your data.
- ✘ Integrate an AI system with company systems without express signoffs from the data owners, information security and privacy, and without completing any required supplier and security risk assessments and Privacy Impact Assessments (PIAs).
- ✘ Start a company-wide AI project without clear objectives, expected Return on Investment (ROI), and simple metrics for success and safety (for example, accuracy, error rates, bias, and incident reporting).
- ✘ Tie yourself into a single AI model or provider without considering portability and exit options. This is such a rapidly evolving area that a tool you build your processes around can quickly become obsolete, change terms, or become too expensive.



Introduction

Policy structuring

Employee usage

Organisation usage

Measurement & evaluation

Further reading & references

# Organisational usage cont.

This section should outline suggested guidelines that the organisation and employees should follow when purchasing or developing an AI/ML system. For example:

## Do's

- ✔ Follow standard business case criteria for AI initiatives and ensure signoffs from data governance, information security, privacy, and relevant business owners.
- ✔ Understand the cost model – including data transfer, storage and inference costs – so you can manage AI spend over time.
- ✔ Start small, measure outcomes and risks, learn from successes and failures, but scale only when there is evidence that the AI system can safely and reliably deliver value.
- ✔ Consider data location, jurisdiction and data sovereignty when selecting AI suppliers; understand where data will be stored and processed, what foreign laws may apply (for example, US CLOUD Act-style access), and whether NZ-based or NZ-governed options are more appropriate for sensitive or Māori data.
- ✔ Be aware that AI suppliers operate under different legal and cultural regimes (for example, US, EU and Chinese approaches to surveillance, IP and data access), and factor this into procurement, data sovereignty and IP risk decisions.
- ✔ Conduct a Privacy Impact Assessment (PIA) and appropriate supplier and security risk assessments for any AI system that will process personal, sensitive or regulated data.
- ✔ Select systems that let your organisation retain ownership and control of its data and intellectual property, and that provide clear documentation about how models are trained and used.
- ✔ When developing or training AI systems, anonymise sensitive data where possible, use representative datasets, and check for unfair bias in training data and outputs.
- ✔ Rigorously test AI systems before and during implementation, so you can understand their accuracy, limitations and biases, and put countermeasures in place before making commercially significant changes.
- ✔ Verify the terms of any copyright or third-party intellectual property before including such content in training data or prompts.
- ✔ Provide onboarding and training to staff using AI systems – be sure to cover appropriate use, security and privacy obligations, and when to escalate concerns.
- ✔ Ensure any client or staff member interacting with an AI system is aware of that fact and can easily reach a human, if needed.
- ✔ Plan for regular updates, retraining and software patching of AI platforms, and assess all changes (to the AI engine, rules, syntax or underlying components) for security, privacy and business impact before deployment. Specialised development and testing skills may be required for this.
- ✔ Monitor developments in legislation, regulation and industry codes of practice, and be prepared to adjust or withdraw AI systems, if required.



Introduction

Policy structuring

Employee usage

Organisation usage

Measurement & evaluation

Further reading & references

16

# Measurement & evaluation

It is worthwhile putting some measurements in place to gauge the effectiveness of your AI usage and policy. Consider implementing the following metrics:

- Number of hours saved by AI doing an existing task previously done by a human
- Number of tasks the AI can undertake that no one could have done previously
- Number of AI systems recorded in the organisation's internal AI register or inventory
- Number of tools using AI that are reviewed and approved by <X> before use, each month
- Number of times a month a staff member is found to be using an unsanctioned AI tool (Shadow AI).

You can also ask a small set of yes/no questions twice a year to assess your organisational maturity:

- Do we have a clear, communicated AI Usage Policy that staff understand?
- Do we train staff on safe and appropriate AI use, including AI-enabled phishing and deepfakes?
- Do we track our high-risk AI use cases, and complete AI-specific risk and privacy assessments for them?
- Do we have defined processes for monitoring AI systems and responding to AI-related incidents?

## Next Steps

Kordia and our independent consultancy - Aura Information Security - have specialist capability to help you assess, plan and implement AI into your organisation in an ethical and secure manner.

*Last updated: March 2026, by Aura Information Security, and based on findings in Kordia's New Zealand Business Cyber Security Report 2026.*





Introduction

Policy structuring

Employee usage

Organisation usage

Measurement & evaluation

Further reading & references

# Further reading & references

## New Zealand guidance & standards

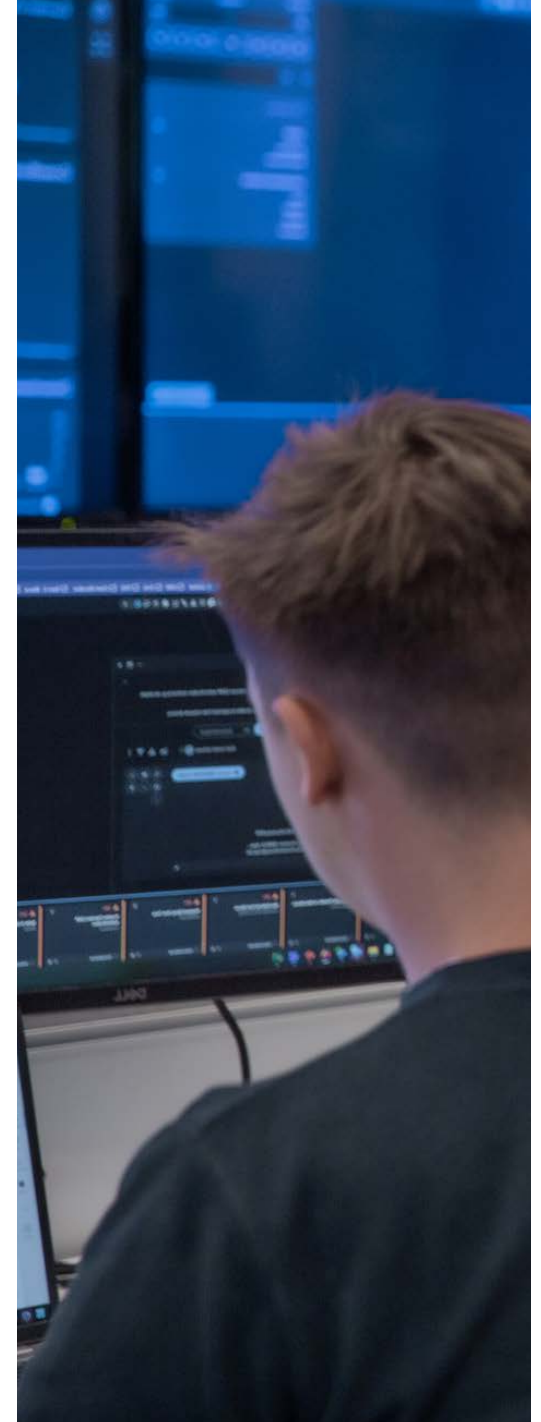
- Ministry of Business, Innovation & Employment (MBIE), Responsible AI Guidance for Businesses: Investing with Confidence, July 2025.
- New Zealand Government, New Zealand's AI Strategy and Guidance for Business.
- National Cyber Security Centre (NCSC NZ) and partners, Guidelines for Secure AI System Development and Deploying AI Systems Securely.
- Office of the Privacy Commissioner (NZ), Guidance on Artificial Intelligence and the Privacy Act 2020.
- Stats NZ, Algorithm Impact Assessment Toolkit.
- Kordia's New Zealand Business Cyber Security Report 2026.

## International guidance & standards

- ISO/IEC 42001:2023, Artificial Intelligence – Management System.
- OWASP Foundation, OWASP AI Maturity Assessment (AIMA), Version 1.0, 2025.

## AI governance material for boards

- Institute of Directors in New Zealand, A Director's Guide to AI Board Governance, July 2024.
- Institute of Directors in New Zealand, Governing in an AI world.
- Australian Institute of Company Directors & Human Technology Institute (UTS), A Director's Guide to AI Governance, 2024.





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**Document ID:** 971071

## Report To: **Audit and Risk Committee**



**Meeting Date:** 12 May 2026

**Subject:** **Mastercard Expenditure Report: January – March 2026**

**Type:** Information Only

**Author(s):** Michelle Higgle  
Manager – Governance Support

### 1. Purpose of Report

- 1.1 The purpose of this business paper is to report on expenditure incurred via WDC issued Corporate Mastercard for the period January to March 2026.

### 2. Suggested Resolutions

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.

1 The business paper on Mastercard Expenditure Report: January - March 2026 be received.

### 3. Commentary

#### 3.1 Introduction

- 3.2 In today's technological climate, the use of credit cards is an everyday norm. The issue of WDC Corporate credit cards is also deemed a prudent and sometimes necessary form of currency.
- 3.3 Many purchases can be made online with discounts not applicable through other purchasing avenues, necessitating the use of a credit card. In other circumstances the only purchase method available is online. Online purchases also significantly reduce staff time in making purchases.
- 3.4 From time to time WDC incurs work related expenses where the use of a WDC corporate credit card is the most expedient method of payment. The use of corporate credit cards avoids time consuming processes for arranging pre-purchase cheques, petty cash or making payment personally and claiming back the expense after the fact.

#### 3.5 Acknowledgement of Risk

- 3.6 However, it is also acknowledged that as with dealing with any type of cash equivalent, there is always a risk.
- 3.7 To mitigate the level of risk in WDC employees utilising credit cards, WDC has a policy relative to the use of corporate credit cards.

#### 3.8 Policy

- 3.9 Credit card expenditure is classed as "sensitive expenditure" and the policy relating to credit card use is contained in Council's Sensitive Expenditure Policy.
- 3.10 The policy makes provision that copies of all Mastercard Statement Authorisation Forms shall (at the Committee's discretion) be presented to the Audit and Risk Committee for monitoring and public transparency purposes.

**3.11 Presentation of Expenditure Details**

- 3.12 Historically, copies of the monthly "Mastercard Statement Authorisation Forms" have been presented to each Audit and Risk Committee Meeting.
- 3.13 Copies of the supporting invoices/receipts are not included in any Agendas, however, should a Committee Member wish to view any of this supporting information, that information can be made available by arrangement.
- 3.14 The publishing of credit card expenditure in public Agendas has also reduced requests made under the Local Government Official Information and Meetings Act for this information.

**4. Considerations****5.1 Risk**

- 5.2 There is no risk in reporting, or not reporting, on credit card expenditure.
- 5.3 Other than transparency, the only benefit of reporting publicly on credit card expenditure is the reduction in requests for the information under LGOIMA.

**5.4 Consistency With Existing Plans and Policies**

- 5.5 Council's Sensitive Expenditure Policy provides that reporting on credit card expenditure is "at the Committee's discretion," and is therefore consistent with Council's Policy.
- 5.6 Regardless of whether the Committee chooses to receive these reports or not, the Mastercard Authorisation Forms must still be completed for audit purposes, so there is no additional resource load in providing these reports to the Committee.

**5.7 Significance and Community Views**

- 5.8 As credit card expenditure is of very low value in the overall scheme of Council's budgets, there are no triggers for community engagement as provided for in Council's Significance and Engagement Policy.

**5. Attachments/Separate Enclosures**





Attachments:

- 1 Mastercard Authorisation Forms: January to March 2026 (Doc 971077)

Mastercard Expenditure Authorisation - 2025/2026

Cardholder	Position	Statement Date	Creditor	Date	Total Amount	Amount Detail	GL Code	Expenditure Detail
<b>January 2026</b>								
Michelle Higgle	Manager - Governance Support		NZTA (Toll Roads)	5/01/2026	\$9.10		51138310	Toll Road Charges - Takitimu Drive - WDC Fleet Vehicle QNC190 - Staff attendance at Objective Build 2025 Conference (Tauranga)
			Waka Kotahi (NZTA)	6/01/2026	\$772.44		82027777	10,000km Road User Charges for Fleet Vehicle (NLD334) - Water Services
					<b>\$781.54</b>			
Shyamal Ram	General Manager - Infrastructure Services		Air NZ	21/01/2026	\$543.82		72038310	Flights - (Hamilton-Wellington return) Attendance at NZ Certificate in Drinking Water - Attendance at Block Course
					<b>\$543.82</b>			

Authorisation:

Position	Date	Signature
Mayor	4/02/2026	
Chief Executive	4/02/2026	
Manager Governance Support	4/02/2026	
General Manager Community Services		N/A
General Manager Strategy & Environment		N/A
General Manager Infrastructure Services	4/02/2026	

**Note:**  
 In accordance with Council's Sensitive Expenditure Policy, approval for monthly credit card statement monitoring and authorisation is as follows:

<b>Cardholder</b>	<b>Authoriser</b>
Chief Executive	Mayor (or Deputy Mayor in the Mayor's absence) and Manager – Governance Support
Senior Management Team Members	Chief Executive
Manager – Governance Support	Mayor (or Deputy Mayor in the Mayor's absence) and Chief Executive
Mayor	<u>Note:</u> The current Mayor does not hold a corporate credit card.

In those months where no expenditure is incurred on a credit card, no authorisation signature is required.

Mastercard Expenditure Authorisation - 2025/2026

Cardholder	Position	Statement Date	Creditor	Date	Total Amount	Amount Detail	GL Code	Expenditure Detail
<b>February 2026</b>								
Michelle Higgie	Manager - Governance Support	27/02/2026						
			Air New Zealand	29/01/2026	\$483.40		81138310	Airfares (Hamilton - Christchurch return) - Chief Financial Officer attendance at Taituara 2026 CFS Strategic Finance Forum in Christchurch on 24/25 March 2026 <i>Note: Total return flight was \$547.00 (AirNZ Credit of \$64.60 applied making charged amount \$483.40)</i>
			Chateau on the Park Christchurch	29/01/2026	\$720.00		81138310	Accommodation and Meals (2 nights) - Chief Financial Officer attendance at Taituara 2026 CFS Strategic Finance Forum in Christchurch on 24/25 March 2026 <i>Note: \$243 has been paid by the Chief Financial Officer applied against the \$720 making the actual cost to WDC \$477</i>
			Air New Zealand	29/01/2026	\$506.14		11142700	Airfares (Auckland - Wellington return) - Mayor's attendance at LGNZ All of Local Government and Rural and Provincial Sector meetings in Wellington on 26 and 27 February 2026
			Waka Kotahi (NZTA)	3/02/2026	\$772.44		82027520	10,000km Road User Charges for Fleet Vehicle (QUZ721) - Water Services
			Waka Kotahi (NZTA)	10/02/2026	\$1,924.88	\$772.44	82027792	10,000km Road User Charges for Fleet Vehicle (PFN108) - Water Services
			Waka Kotahi (NZTA)	10/02/2026		\$1,152.44	82027512	15,000km Road User Charges for Fleet Vehicle (QPA8) - Team Leader-Compliance & Monitoring
			Waka Kotahi (NZTA)	16/02/2026	\$772.44		82027774	10,000km Road User Charges for Fleet Vehicle (NKQ165) - Water Services - Acting 3 Waters Manager
			Waka Kotahi (NZTA)	17/02/2026	\$772.44		82027527	10,000km Road User Charges for Fleet Vehicle (RLY226) IS - GM
			Waka Kotahi (NZTA)	18/02/2026	\$772.44		82027514	10,000km Road User Charges for Fleet Vehicle (QTU436) Water Services
			Waka Kotahi (NZTA)	19/02/2026	\$772.44		82027520	10,000km Road User Charges for Fleet Vehicle (QUZ722) - Water Services
			Waka Kotahi (NZTA)	23/02/2026	\$772.44		82027518	10,000km Road User Charges for Fleet Vehicle (QTU440) - Water Services
					<b>\$8,269.06</b>			
Helen Beaver	General Manager - Community Services	27/02/2026						
			The Warehouse	20/02/2026	\$128.99		23030420	School Holiday Programme craft supplies for the Te Kūiti Library
					<b>\$128.99</b>			
Shyamal Ram	General Manager - Infrastructure Services	27/02/2026						
			Institute of Public Works Engineering	30/01/2026	\$575.00	\$150.00	81539705	}
						\$200.00	82839705	} 2 Tickets to NZ Public Works Forum and Excellence Awards Dinner
						\$225.00	72039705	}
					<b>\$575.00</b>			

Authorisation:	Position	Date	Signature
	Mayor	19/03/2026	
	Chief Executive	20/03/2026	
	Manager Governance Support	19/03/2026	
	General Manager Community Services	19/03/2026	
	General Manager Strategy & Environment		N/A
	General Manager Infrastructure Services		

**Note:**  
 In accordance with Council's Sensitive Expenditure Policy, approval for monthly credit card statement monitoring and authorisation is as follows:

<b>Cardholder</b>	<b>Authoriser</b>
Chief Executive	Mayor (or Deputy Mayor in the Mayor's absence) and Manager – Governance Support
Senior Management Team Members	Chief Executive
Manager – Governance Support	Mayor (or Deputy Mayor in the Mayor's absence) and Chief Executive
Mayor	<i>Note:</i> The current Mayor does not hold a corporate credit card.

In those months where no expenditure is incurred on a credit card, no authorisation signature is required.

Mastercard Expenditure Authorisation - 2025/2026

Cardholder	Position	Statement Date	Creditor	Date	Total Amount	Amount Detail	GL Code	Expenditure Detail
<b>March 2026</b>								
Michelle Higgle	Manager - Governance Support	27/03/2026	Waka Kotahi (NZTA)	25/03/2026	\$4.16		82027527	Replacement Road User Charges label (Vehicle RLY226) (No Receipt)
					<b>\$4.16</b>			
Helen Beever	General Manager - Community Services	27/03/2026	Placemakers	16/03/2026	\$176.85		84040480	Dricon White Cement 3 x 20kg bags
					<b>\$176.85</b>			
Alex Bell	General Manager - Strategy & Environment	27/03/2026	Aeroo Drone NZ	19/03/2026	\$2,598.00		52240703	Drone for Civil Defence and Emergency Management purposes
					<b>\$2,598.00</b>			

**Authorisation:**

Position	Date	Signature
Mayor	10/04/2026	
Chief Executive	14/04/2026	
Manager Governance Support	8/04/2026	
General Manager Community Services	8/04/2026	
General Manager Strategy & Environment	9/04/2026	
General Manager Infrastructure Services		N/A

**Note:**  
 In accordance with Council's Sensitive Expenditure Policy, approval for monthly credit card statement monitoring and authorisation is as follows:

<b>Cardholder</b>	<b>Authoriser</b>
Chief Executive	Mayor (or Deputy Mayor in the Mayor's absence) and Manager – Governance Support
Senior Management Team Members	Chief Executive
Manager – Governance Support	Mayor (or Deputy Mayor in the Mayor's absence) and Chief Executive
Mayor	<u>Note:</u> The current Mayor does not hold a corporate credit card.

In those months where no expenditure is incurred on a credit card, no authorisation signature is required.

**Document No:** 971068

## **Report To: Audit and Risk Committee**



**Meeting Date:** 12 May 2026  
**Subject:** **Policy and Bylaw Reviews**  
**Type:** Information Only  
**Author(s):** Michelle Higgie  
 Manager – Governance Support

### **1. Purpose of Report**

- 1.1 The purpose of this business paper is present details of Council adopted policies and bylaws, including a brief summary of each, their respective review timelines and any relative comments, for the Committee's information and oversight.

### **2. Suggested Resolutions**

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.

1 The business paper on Policy and Bylaw Reviews be received.

### **3. Background**

- 3.1 At the February 2025 meeting of the Audit and Risk Committee, a schedule of Council's current policies, including their respective review timelines and progress with those reviews, was requested to be presented every six months (commencing May 2025) for the Committee's information and oversight.

### **4. Commentary**

- 4.1 Attached to and forming part of this business paper is a self-explanatory Register of all WDC's Policies and Bylaws adopted by the Council.
- 4.2 The Register includes two Review Timeline tables (one for Policies and one for Bylaws) and contains a brief explanatory commentary and where necessary additional notes as to status of each policy and bylaw review.

Note: This Register does not include internal/operational policies, only those adopted by the Council by formal resolution.

#### **4.3 Policies Under Review**

- 4.4 The following policies have been consulted on as part of the 2026/2027 Draft Annual Plan consultation process and will be adopted at the June 2026 Council meeting:

- Draft Revenue and Financing Policy 2026
- Draft Significance and Engagement Policy 2026
- Draft Policy on Appointment of Directors to Council Controlled Organisations 2026

- 4.5 The following policies have been workshopped by the Council with no amendments required and will be included on May 2026 Council Agenda for adoption:
- Gambling Venues Policy
  - Local Easter Trading Policy
- 4.6 The following policy has been consulted on and will be included on the May 2026 Council Agenda for adoption:
- Use of Remotely Piloted Aircraft Systems (Drones)
- 4.7 Council does not currently have a Psychoactive Substances Policy (a policy is not mandatory under the Psychoactive Substances Act 2013). The position taken by Council to date has been to not develop a policy, but to continue to review the need every 3 years following the triennial elections. Consideration of this matter will also be included on the Council Agenda for the May 2026 Council meeting.
- 4.8 Bylaws Under Review**
- 4.9 Solid Waste Bylaw**
- 4.10 The development process of the new Solid Waste Bylaw is nearing completion with the consultation period finishing on Thursday 30 April. No Submitters wish to be heard. Submissions to the Bylaw will be deliberated on at a Deliberations Meeting scheduled for Wednesday 13 May with adoption of the new Bylaw at the June 2026 Council meeting.
- 4.11 Public Amenities Bylaw**
- 4.12 Planning is underway for resourcing the drafting of a new Public Amenities Bylaw.
- 4.13 Water Services Bylaw**
- 4.14 Development of a new Water Services Bylaw will be undertaken in liaison with Waikato Waters Ltd.

## **5. Attachments/Separate Enclosures**

Attachments:

- 1 Register of Waitomo District Council Policies and Bylaws (Doc #812980)



**Register of**  
**Waitomo District Council**  
**Policies and Bylaws**

(excludes internal operational policies)

## CONTENTS

<b>COUNCIL POLICIES.....</b>	<b>4</b>
Policy Review Timelines .....	4
[1] Artificial Intelligence (AI) Use Policy .....	5
[2] Appointment of Directors to Council Controlled Organisations .....	6
[3] Citizens Award Policy .....	6
[4] Code of Conduct.....	6
[5] Communications Strategy .....	6
[6] Community and Partnerships Fund Policy .....	7
[7] Community Organisations Insurance Arrangements through Council Policy .....	7
[8] Council Controlled Organisations - Policy Statement .....	7
[9] Dangerous and Insanitary Buildings Policy.....	7
[10] Delegations Register .....	7
[11] Delegations – Financial Matrix.....	8
[12] Dog Control Policy .....	8
[13] Encouraging Māori Decision Making – Policy Statement .....	8
[14] Development and Financial Contributions Policy .....	8
[15] Fraud and Corruption Policy .....	9
[16] Gambling Venues .....	9
[17] Governance Statement .....	9
[18] Lease Policy.....	9
[19] Local Alcohol Policy.....	9
[20] Local Easter Trading Policy .....	9
[21] Procurement Policy .....	9
[22] Psychoactive Substances.....	10
[23] Rates Remission Policy.....	10
[24] Revenue and Financing Policy .....	10
[25] Road Encroachment Policy.....	10
[26] Road Naming Policy .....	11
[27] Sensitive Expenditure Policy .....	11
[28] Significance and Engagement Policy .....	11
[29] Standing Orders for Meetings.....	11

[30] Stock Underpass Policy .....12

[31] Treasury Policy .....12

[32] Use of Council Seal Policy.....12

[33] Use of Remotely Piloted Aircraft Systems (Drones) Policy .....12

**COUNCIL BYLAWS.....13**

Bylaw Review Timelines.....13

[1] Alcohol Fees Bylaw .....14

[2] Dog Control Bylaw.....14

[3] Freedom Camping Bylaw.....14

[4] Land Transport Bylaw .....14

[5] Public Amenities Bylaw .....14

[6] Public Health and Safety .....15

[7] Public Places Bylaw.....15

[8] Solid Waste Bylaw .....15

[9] Trade Waste Bylaw .....15

[10] Water Services Bylaw .....16

## COUNCIL POLICIES

Council's statutory and non-statutory policies are set out in the table below including adoption and review dates. A brief summary of each policy is contained in the notes below the table.

### Policy Review Timelines

	Policy	Last Review (Adoption) Date	Next Review	Review Cycle	Comments
[1]	Artificial Intelligence (AI) Use Policy				(Refer Note 1)
[2]	Appointment of Directors to Council Controlled Organisations	Jun-24	Jun-27	3 Years	Update for 3 Waters transition
[3]	Citizens Awards	25-Feb-20	Nov-22	3 Years	Doc #769925 Review Deferred (Refer Note 3 for details)
[4]	Code of Conduct	Nov-25	Nov-28	3 Years	Immediately post Elections (Refer Note 4 for additional details)
[5]	Communications Strategy	29-Mar-22	Mar-25	3 Years	Doc #701541 Update for 3 Waters transition
[6]	Community and Partnerships Fund	Apr-24	Aug-26	2 Years	
[7]	Community Organisations Insurance Arrangements through Council	17-Dec-24	Dec-27	3 Years	Word Doc #814108 PDF Doc #814109
[8]	Council Controlled Organisations – Policy Statement	Jun-24	Jun-27	3 Years	As part of LTP Update for 3 Waters transition
[9]	Dangerous and Insanitary Buildings	28-Apr-26	Apr-31	5 Years	Legislative Requirement
[10]	Delegations Register	24-Nov-20	When required	When required	Update for 3 Waters transition
[11]	Delegations Register (Confidential Financial Delegations Matrix)	31-Mar-26	When required	When required	Update for 3 Waters transition
[12]	Development and Financial Contributions	Jun-24	Jun-27	3 Years	As part of LTP
[13]	Dog Control	June-25	Jun-35	10 years	Legislative Requirement - S10AA DCA (or in conjunction with any Bylaw amendment)
[14]	Encouraging Māori Decision making – Policy Statement	Jun-24	Jun-27	3 Years	As part of LTP Update for 3 Waters transition
[15]	Fraud and Corruption	25-Mar-25	Mar-28	3 Years	Doc #690675
[16]	Gambling Venues	May-23	May-26	3 Years	Legislative Requirement On Council Agenda for May-26
[17]	Governance Statement	28-Apr-26	Mar-29	3 Years	Legislative Requirement Within 6 months of Elections Update for 3 Waters transition
[18]	Lease Policy	25-Feb-25	Feb-28	3 Years	

	Policy	Last Review (Adoption) Date	Next Review	Review Cycle	Comments
[19]	Local Alcohol	Aug-22	Aug-28	6 Years	Legislative Requirement
[20]	Local Easter Sunday Shop Trading	Feb-22	Feb-27	5 Years	Legislative Requirement
[21]	Procurement	May-22	May-25	3 Years	Doc #700937 Under Review (Refer Note 21 for details)
[22]	Psychoactive Substances – Local Approved Products	Apr-23	Apr-26	3 Years	Currently no Policy On Council Agenda for May-26
[23]	Rates Remission	Jun-25	Jun-31	6 Years	Legislative Requirement - S109(2A) LGA Update for 3 Waters transition
[24]	Revenue and Financing	Jun-25	Jun-28	3 Years	Update for 3 Waters transition
[25]	Road Encroachment	25-Feb-25	Feb-28	3 Years	
[26]	Road Naming	25-Feb-25	Feb-28	3 Years	
[27]	Sensitive Expenditure	July-25	Jul-27	2 Years	Amended 29 July 2025 to align with Remuneration Authority Elected Members Determination 2025/2026
[28]	Significance and Engagement	Jun-24	Jun-27	3 Years	As part of LTP Update for 3 Waters transition
[29]	Standing Orders for Meetings	25-Nov-25	Nov-28	3 Years	Legislative Requirement Immediately post Elections (Refer Note 29 for additional details)
[30]	Stock Underpasses	25-Feb-25	Feb-28	3 Years	
[31]	Treasury	Jun-24	Jun-27	3 Years	As part of LTP Update for 3 Waters transition
[32]	Use of Council Seal	25-Nov-25	Nov-28	3 Years	
[33]	Use of Remotely Piloted Aircraft Systems (Drones)	May-23	May-26	When required	Under Review

### [1] **Artificial Intelligence (AI) Use Policy**

WDC recognises the potential benefits of generative artificial intelligence, while also acknowledging the risks associated with its use, particularly in relation to information management, privacy, fairness, and public trust. WDC remains responsible for all work produced on its behalf, whether created directly by people or with the assistance of AI tools.

The Artificial Intelligence (AI) Use Policy (the Policy) establishes expectations to ensure AI use supports WDC's values, protects community interests, and complies with New Zealand legislation and existing Council policies.

**Note:** This Policy has been developed and was approved by the Chief Executive in April 2026 as a corporate (operational) policy for immediate implementation by WDC staff. However, as it also relates to elected members use of AI for Council related business, the Policy must also be approved by the Council.

It should also be noted that with the speed at which AI tools are being developed, this Policy will be under continuous review to ensure it remains fit for purpose.

[2] **Appointment of Directors to Council Controlled Organisations**

The Policy on the Appointment of Directors to Council Controlled Organisations "CCO" is a legislative requirement (s57 LGA). It requires for there to be an objective and transparent process which considers skills, knowledge and experience required of the CCO as part of the appointment process of Directors to Council Controlled Organisations. The Policy on the Appointment of Directors to Council Controlled Organisations sets a base criterion that is required by the organisation when making appointments to CCO's. The Policy is to be reviewed every 3 years.

[3] **Citizens Award Policy**

The Citizens Award Policy provides a clear statement on Council's commitment in recognising the significant contributions that individuals make to the achievement of improved community well-being and positive community outcomes of the District. The Policy also outlines the principles and parameters that form the basis for the Waitomo District Council Citizens Awards. The Policy is to be reviewed every 3 years (post Triennial Elections) or earlier if required.

**Note:** Citizens Award Ceremonies were put on-hold during COVID and as a result of the "changing world" since that time, the Policy and in particular how citizens are actually acknowledged is under review. The review will now be scheduled for following the 2025 Triennial Elections to enable the new Council to consider and adopt a Policy.

[4] **Code of Conduct**

A Code of Conduct is a legislative requirement (s40 and Schedule 7 s15 LGA). The Code of Conduct provides guidance on the standards of behaviour that are expected from elected members of WDC; it sets out governance principles elected members will observe including roles and responsibilities of elected members and the Chief Executive and provides guidance for decision making. A local authority may amend or replace its code of conduct but may not revoke it without replacement. An amendment of the code of conduct or the adoption of a new code of conduct requires, in every case, a vote in support of the amendment of not less than 75% of the members present. The Policy is reviewed every 3 years as soon as possible post the Triennial Elections.

**Note:** The Local Government (System Improvements) Bill empowers the Secretary for Local Government (the Secretary - aka CEO of DIA) to issue a standardised code of conduct (CoC) and set of standing orders (SO), both of which will be binding on all councils.

The Local Government (System Improvements) **Amendment** Bill clarifies the CoC and SO most recently adopted by a local authority before the commencement date will continue to have effect as if the amendment Act had not been enacted until the Secretary issues the new national CoC and SO.

Once the Bill is enacted, the Secretary will issue a national CoC and SO that all councils will be required to adopt. In the interim period (between enactment and the Secretary issuing the national CoC and SO), councils will have to stay with their existing codes and standing orders.

The LGA2022 states that a local authority may amend or replace its CoC and SO, but may not revoke it without replacement. (CoC – LGA22, Sch 7, C15(3)) (SO LGA22, Sch 7, C27)

On the basis of the above, the incoming Council confirmed the current CoC and SO (both which are based on the current LGNZ template) without amendment and await the issue of the new CoC and SO from the Secretary.

[5] **Communications Strategy**

The Communications Strategy provides a 'road map' of how WDC needs to develop and implement its communications to support and meet its organisational objectives and legislated requirements which enable democratic local decision making, as well as promoting the social, economic, environmental and cultural wellbeing of the Waitomo District. It will also be consistent with organisational values. The Communications Strategy is reviewed every three years.

[6] **Community and Partnerships Fund Policy**

The Community and Partnerships Fund Policy establishes policies, principles and criteria for the provision of funding grants to assist organisations that provide projects, activities and events which benefit the residents of communities within the Waitomo District. Following significant changes to the Policy in early 2024, the Policy is scheduled to be reviewed in 2 years (2026) to ensure the Policy is meeting Council's desired outcomes and to align with development of the next (2027-2037) Long Term Plan.

**Note:** Once the scheduled review for August 2026 is completed, it is recommended that reviews going forward be every three years to align with the development of Long Term Plans.

[7] **Community Organisations Insurance Arrangements through Council Policy**

The purpose of the Community Organisations Insurance Arrangements through Council Policy is to allow incorporated Community Organisations with property located on Council land to benefit from Council's collective insurance arrangements through competitive insurance cover for property assets.

The Policy was amended in December 2024 to include discretion for considering applications from Community Organisations not situated on Council owned, or Council reserve land, but which provide benefit to the community.

[8] **Council Controlled Organisations - Policy Statement**

The Policy Statement on Council Controlled Organisations is a legislative requirement (Schedule 10, s7 LGA). The Policy must name the CCO(s) and any subsidiary of the CCO(s) as well as identify Council's policies and objectives in regard to ownership and control of the CCO, the nature and scope of the activities to be provided by the CCO and the key performance targets and other measures by which performance may be judged. Council's Policy Statement on CCOs is contained in the LTP and therefore reviewed every three years.

[9] **Dangerous and Insanitary Buildings Policy**

The Dangerous and Insanitary Buildings Policy is a requirement under Section 131 of the Building Act 2004 and sets out the approach WDC will take in performing its regulatory functions for dangerous or insanitary buildings under the Building Act 2004. Section 132 of the Building Act 2004 states that the Policy must be reviewed every 5 years and can only be amended or replaced in accordance with the special consultative procedure (as detailed in the Section 83 of the Local Government Act 2002).

[10] **Delegations Register**

The Delegations Register explains the rules relating to the way in which delegations and sub-delegations apply and operate. The Policy is separated into parts as follows:

**Part A – Council to Committees**

Any Committee, like the Council, must comply with the decision-making requirements set out in Part 6 of the LGA.

**Part B – Council to the Chief Executive**

Delegation of statutory and other delegations including all of the responsibilities, duties and powers imposed on the Council by statute or assumed under bylaws made by the Council, together with delegations in respect of financial management, property transactions, and other matters. These delegations may be sub-delegated, unless this is expressly excluded in Part B.

**Part C - Council to Officers**

This includes delegations, in particular under the Local Government (Rating) Act 2002 and the Resource Management Act 1991. These delegations can not be sub-delegated, unless this is expressly included in Part C.

**Part D – Chief Executive to Staff**

Sub-delegations of most of the responsibilities, duties and powers delegated by the Council to the Chief Executive. This is consistent with the principle behind the delegations register

which is to delegate decision-making to the lowest competent level. Generally, these sub-delegations may not be further sub-delegated.

**[11] Delegations – Financial Matrix**

The Financial Delegations Matrix is to be read in conjunction with the Delegations Register and details financial delegations made by the Chief Executive to WDC employees in accordance with WDC's Procurement Policy, Delegations Register and Revenue and Financial Policy. It provides the legal basis for individual positions to conduct their work and make decisions. The Financial Delegations Matrix is "confidential" to ensure the protection and privacy of individual WDC employees. The Financial Delegations Matrix is under constant review to meet the needs of WDC.

**[12] Dog Control Policy**

The Dog Control Policy is a legislative requirement (s10 Dog Control Act 1996 (DCA)). It covers a range of matters including where dogs are allowed in public places. The Policy must give effect to by a Dog Control Bylaw. s10AA DCA requires the Policy to be reviewed if the Bylaw implementing the policy requires review; therefore, the review date for the Policy aligns with the review date for the Dog Control Bylaw.

**[13] Encouraging Māori Decision Making – Policy Statement**

The Policy Statement on Encouraging Māori Decision Making is a legislative requirement (s81 LGA) and is disclosed in the LTP. The Policy Statement is reviewed every three years as part of the LTP development process.

**[14] Development and Financial Contributions Policy**

A policy on development contributions is a legislative requirement (s102(2)(d) and s106 LGA) and must also support the principles set out in the Preamble to Te Ture Whenua Māori Act 1993. It is a legislative requirement that the Policy be reviewed every three years.

The purpose of development contributions is to recover a fair, equitable, and proportionate share of the capital costs of providing new or additional infrastructure (e.g., roads, water, sewer, community facilities) to service growth.

Currently, Council imposes resource consent conditions, which require the developer to fully fund all of the infrastructure works for their development.

As Council's current status is not to collect development contributions, rather than creating a stand-alone Policy, Council's policy on Development and Financial Contributions is included in the Revenue and Finance Policy as follows:

**3.8 *Development and Financial Contribution Policy***

*3.8.1 Population trends show that there is no forecast demand on infrastructure created by growth, for the foreseeable future.*

*3.8.2 Currently Council does not require development contributions for development that triggers section 198(1) of the Local Government Act 2002.*

*3.8.3 Financial contributions are currently taken by Council as consent conditions for subdivision and land use activities approved under the Resource Management Act 1991("RMA") where possible. Formulae are specified in the District Plan for collecting financial contributions to remedy or mitigate the adverse effects of development on District.*

Central government announced on 28 February 2025 that will be replacing the existing Development Contributions system with a new Development Levy system with legislation to be enacted in mid-2026 with the new system to begin in 2027. The new system will allow councils and other infrastructure providers to charge developers a levy based on the total cost of capital expenditure over the long term, rather than the current system of upfront contributions for specific projects.

Financial contributions are recouped under the Resource Management Act 1991 and are charged as part of the resource consent process. Financial contributions are intended to offset the cost of future capital works and the cost of capital works already incurred where a development consumes that

capacity, together with other related costs necessitated by new development or subdivision. Fees vary for different types of activities, development or subdivision.

Financial contributions have been developed as part of the Proposed District Plan.

**[15] Fraud and Corruption Policy**

The Fraud and Corruption Policy provides Council's position with respect to fraudulent or corrupt activities and provides clear guidance to elected members, staff and stakeholders who may encounter or suspect fraud or corruption against WDC. WDC has applied a Fraud Policy since 2011 as an internal operational, however with Council's adoption of the Risk Management Framework it was considered prudent that the elected Council take ownership of the Policy. The most recent Policy review was in March 2025 with the next review scheduled for March 2028. The Policy is to be reviewed every 3 years.

**[16] Gambling Venues**

The Policy on Gambling Venues is a legislative requirement (s101 Gambling Act 2003 and s96 Racing Industry Act 2020). The Policy outlines the controls in the District (e.g. location and number of machines) for class 4 Gambling Venues and NZ Racing Board venues providing racing betting or sports betting services. It is a legislative requirement that the Policy be reviewed every 3 years.

The policy can only be amended/replaced in accordance with the special consultative procedure (s102 Gambling Act 2003 and s97 Racing Industry Act 2020)

**[17] Governance Statement**

A local governance statement is a legislative requirement (s40 LGA). The Governance Statement is a collection of information summarising how a Council engages with its communities, how it makes its decisions and how residents and ratepayers can become involved in those processes. The Governance Statement must be adopted within six months following a triennial election (s40(2) LGA).

**[18] Lease Policy**

The Lease Policy outlines how leases are to be managed, determines standard rental rates and who pays the outgoings, and establishes a Community Lease Grant (the Grant) for eligible organisations leasing WDC land or buildings. The Policy is to be reviewed every three years.

**[19] Local Alcohol Policy**

The Local Alcohol Policy (LAP) balances the reasonable needs of the residents of Waitomo District regarding the sale, supply and consumption of alcohol, while addressing the statutory requirements of the Sale and Supply of Alcohol Act 2012 (SSAA), including the object of the Act to minimise the harm caused by excessive or inappropriate consumption of alcohol. While having a Local Alcohol Policy is not mandatory under the SSAA, if a policy is adopted, it is then a legislative requirement that the Policy be reviewed at least at least every 6 years using the special consultative policy (s97 SSAA).

**[20] Local Easter Trading Policy**

The Local Easter Trading Policy is made under Part 2 (Subpart 1) of the Shop Trading Hours Act 1990 ("STHA") which provides Council with the ability to establish a local policy to permit shops to open on Easter Sunday. While having a policy is not mandatory under the STHA, once a policy is adopted, it then becomes a legislative requirement that the Policy be reviewed at least every 5 years using the special consultative policy (s5C(4) STHA).

**[21] Procurement Policy**

The Procurement Policy has been prepared to ensure WDC procurement is made in a robust, transparent way and reflects generally recognised, good practice standards for the Local Government sector. The Policy is to be reviewed every 3 years.

**Note:** The review of this Policy (due May 2025) is currently underway. Consideration is being given to the implications of the MBIE proposed 5<sup>th</sup> Edition of the NZ Government Procurement Rules

which has just completed the consultation phase with over 900 submissions received. No timetable is available for the Cabinet process which may take many months. It is currently being ascertained whether a review of Council's Policy is required now, or if it can wait until the MBIE 5<sup>th</sup> Edition is issued.

A draft Procurement Policy was included on the agenda for the 26 August 2025 Council meeting, however at the meeting Council removed the item from the Agenda and deferred the review until early 2026 due to the benefits to the incoming Council of workshopping the Policy ahead of its adoption.

## [22] **Psychoactive Substances**

The Psychoactive Substances Act 2013 makes provision for (not mandatory) adopting a policy on psychoactive substances to enable the Council and its community to have influence over the location of retail premises selling such products. Council has considered this matter in 2015, 2018 and 2023 and to date has agreed not to develop a policy, but to continue to review the need every 3 years following the triennial elections.

## [23] **Rates Remission Policy**

The LGA s102(3) provides that a local authority may adopt either or both of a rates remission policy and rates postponement policy. If a Rates Remission Policy is adopted, s109 of the LGA provides that it must state the objectives sought to be achieved by the remission of rates, and the conditions and criteria to be met in order for rates to be remitted. It is a statutory requirement (s109(2A)) that the Rates Remission Policy be reviewed at least every 6 years using a special consultative process (s82 LGA).

### Review History

28 June 2008	Minute Item 12	Adoption of Proposed Amendments to the 2006-2016 Long Term Council Community Plan
24 November 2009	Minute Item 9	Review of Policy on Remission of Rates including Rates Remissions and Postponements of Māori Land
29 November 2011	Minute Item 9	Adoption of Policy on Remission of Rates including Rates Remissions and Postponements of Rates on Māori Freehold Land
4 April 2012	Minute Item 15	Proposed Amendment to Policy on Remission of Rates including Rates Remissions and Postponements of Rates on Māori Freehold Land
24 April 2012	Minute Item 17	Confirmation of Minutes – 4 April 2012
29 June 2012	Minute Item 7	Amendments to the Policy on Remission of Rates and Postponements of Rates on Māori Freehold Land
25 June 2015	Minute Item 7	Adoption of Policy on Rates Remission (Including Remissions and Postponements of Rates on Māori Freehold Land)
29 June 2021	Minute Item 14	Policy Review – 10 Year Plan 2021-2031
31 May 2022	Minute Item 12	Review of the Rates Remission Policy – Submissions
30 June 2025	Minute Item 14	Reviewed as part of 2025/2026 Annual Plan

## [24] **Revenue and Financing Policy**

It is a legislated requirement to have a Revenue and Financing Policy (s102(2)(a) LGA). The Revenue and Financing Policy provides guidance on how the local authority will fund operational and capital expenses and enables predictability and certainty about sources and levels of funding. The Revenue and Financing Policy is reviewed concurrently with the LTP and adopted as a supporting policy to the LTP, or more regularly if required.

## [25] **Road Encroachment Policy**

This Policy provides a formalised and streamlined process to manage road encroachments and provides criteria for the Council to consider when approving encroachment applications. This policy does not apply to activities and structures of utility companies where these relate to specific statutory rights allowing utilisation of legal roads to provide various utility services.

[26] **Road Naming Policy**

Councils are responsible for the naming of roads and numbering of land and buildings under the LGA 1974. Road names and property numbers are used for the accurate and quick identification of properties. It is essential that properties have a formal and unique address by which they can be identified. The Road Naming Policy formalises the process and creates certainty for applicants, Council, and the wider community.

[27] **Sensitive Expenditure Policy**

The Sensitive Expenditure Policy provides a framework for entering into and approving sensitive expenditure. Sensitive expenditure is any spending by an organisation that could be seen to be giving private benefit to a staff member, their family, or friends. Spending of this nature risks public trust and could harm the Council's reputation if not well managed. While the Sensitive Expenditure Policy is a new policy in 2024, it incorporates historical policies on –

- Gifts
- Acknowledgements and Farewells
- Koha and Donations
- Travel and Expenses
- Corporate Credit Cards
- Elected Members' Allowances and Recovery of Expenses

The Sensitive Expenditure Policy is scheduled for review every 2 years, but can be reviewed earlier if necessary.

[28] **Significance and Engagement Policy**

The Significance and Engagement Policy is a legislative requirement (s76AA LGA) and details Council's approach to determining the significance of a proposal or decisions and sets out the criteria and general procedure Council will use. Any amendment to the policy must go through a special consultative process (s82 LGA) unless Council considers on reasonable grounds that it has sufficient information about community interests and preferences to enable the purpose of the policy to be achieved. While that Act provides the policy "may be amended from time to time", our Policy is scheduled for review every 3 years in conjunction with the LTP development process.

[29] **Standing Orders for Meetings**

It is a legislated requirement to have Standing Orders for Meetings (LGA 2002 and LGIOMA 1987). Standing orders contain rules for the conduct of the proceedings of local authorities, committees, subcommittees, subordinate decision-making bodies, and local and community boards. Their purpose is to enable local authorities to exercise their decision-making responsibilities in a transparent, inclusive, and lawful manner.

Although it is mandatory that local authorities adopt standing orders for the conduct of their meetings, it is not necessary that they are adopted every triennium. However, LGNZ recommends that every council, committee, subordinate body and local and community board review their standing orders within at least the first six months following an election to ensure that they fully meet their needs for effective and inclusive meetings (see LGA 2002, sch 7, cl 27).

**Note:** The Local Government (System Improvements) Bill empowers the Secretary for Local Government (the Secretary - aka CEO of DIA) to issue a standardised code of conduct (CoC) and set of standing orders (SO), both of which will be binding on all councils.

The Local Government (System Improvements) **Amendment** Bill clarifies the CoC and SO most recently adopted by a local authority before the commencement date will continue to have effect as if the amendment Act had not been enacted until the Secretary issues the new national CoC and SO.

Once the Bill is enacted, the Secretary will issue a national CoC and SO that all councils will be required to adopt. In the interim period (between enactment and the Secretary issuing the national CoC and SO), councils will have to stay with their existing codes and standing orders.

The LGA2022 states that a local authority may amend or replace its CoC and SO, but may not revoke it without replacement. (CoC – LGA22, Sch 7, C15(3)) (SO LGA22, Sch 7, C27)

On the basis of the above, the incoming Council confirmed the current CoC and SO (both which are based on the current LGNZ template) without amendment and await the issue of the new CoC and SO from the Secretary.

[30] **Stock Underpass Policy**

The LGA 1974 gives Councils general powers in respect to roads and the LGA (section 10) enables the Council to meet the current and future needs of communities for good quality local infrastructure. This policy outlines the conditions and requirements that must be met when installing a stock underpass and currently allows for an encumbrance to be placed on the Record of Title for the property to ensure responsibility for the stock underpass over its lifetime remains with the property owner. The Policy provides a process to manage the application and approval for stock underpasses, requirements for associated infrastructure, the overlying road, other services and any on-going inspections and maintenance. It outlines the conditions and standards that need to be met and the NZ Transport Agency funding criteria.

[31] **Treasury Policy**

The Treasury Policy incorporates Council's Investment and Liability Management Policies (which are legislative requirements (s102(2)(b) and (c) LGA) and details Council's principles of prudent financial management and risk mitigation strategies as they relate to liability management. Any amendment to the Policy must go through a special consultative process (s82 LGA). The Policy is scheduled for review every 3 years in conjunction with the LTP development process.

[32] **Use of Council Seal Policy**

The Use of Council Seal Policy provides guidelines on the use of Waitomo District Council's common seal with which it executes certain documents, in compliance with various sections of the Statutes and Regulations.

[33] **Use of Remotely Piloted Aircraft Systems (Drones) Policy**

The Use of Remotely Piloted Aircraft Systems (Drones) Policy provides guidance on the use of remotely piloted aircraft on or over Waitomo District Council properties and facilities. This policy was first adopted in 2016. Since that time the purposes that drones are used for has evolved (for example, the use by Police to investigate crash sites) - Policy reviews need to reflect such changes. The Policy is schedule for review every 3 years, or when required.

## COUNCIL BYLAWS

The table below sets out the statutorily required 10-year cycle (or 5-year cycle for new Bylaws) review dates for Council's Bylaws; however it is noted that it may become necessary to review a Bylaw before the required statutory timeframe due to either legislative changes or to respond to an emerging issue.

It also may be necessary for Council to consider developing additional bylaws, and these will be included if and when required.

Section 158 of the Local Government Act (LGA) requires that Council must review any bylaw, made under the LGA, no later than five years after the date on which the Bylaw was made, and then no later than every 10 years (section 159 of the LGA). If bylaws are not reviewed within the required statutory timeframe, they cease to have effect two years after the date on which the Bylaw was required to be reviewed.

Set out in the table below is the timeline for each (currently adopted) Bylaw, including the statutory review date.

### Bylaw Review Timelines

	Bylaw	Bylaw Adoption Date	5 Year Review Adoption Date	Other Reviews	10 Year Review Adoption Date
[1]	Alcohol Fees	30-Jun-25	30-Jun-30		
[2]	Dog Control	22-Feb-05	16-Dec-08	15-Dec-15 25-Jun-19 - Minor amendments 30-Jun-25 - 10 Yr Review	Jun-2035
[3]	Freedom Camping	27-Nov-18	Jun-2022	Nov-2023	Nov-2033
[4]	Land Transport	10-Feb-10	Feb-2015	25-Feb-25 - 10 Yr Review	Feb-2035
[5]	Public Amenities	10-Feb-10	10-Feb-15	Feb-2019 - Minor amendments to align with Freedom Camping Bylaw	Feb-2025 Feb-2027 New Bylaw to be developed (Refer Note 5)
[6]	Public Health and Safety	3-Nov-09	25-Jun-14	Feb-2019 - Minor amendments to give effect to changes to the Food Act 2014 Nov-2023	Nov-2033
[7]	Public Places	24-Mar-09	25-Jun-14	Feb-2011 - Amendment to Sched B - Liquor Control Sept-2018 - Minor amendments to align with Freedom Camping Bylaw Nov-2023 - 10 Yr Review	Nov-2033
[8]	Solid Waste	3-Nov-09	25-Jun-14		Mar-2024 Mar-2026 New Bylaw to be developed (Refer Note 8)
[9]	Trade Waste	26-Jul-06	26-Jul-11	28-Jun-016	Jun-2026
[10]	Water Services	10-Feb-10	10-Feb-15		10-Feb-2025 Feb-2027 New Bylaw to be developed (Refer Note 10)

[1] **Alcohol Fees Bylaw**

The purpose of this Bylaw is to set fees for any matter for which fees payable to territorial authorities as prescribed in the Sale and Supply of Alcohol (Fees) Regulations 2013.

[2] **Dog Control Bylaw**

The Dog Control Bylaw gives effect to Council's Dog Control Policy; to protect and maintain public safety; and to address how Council will fulfil its functions and duties pursuant to the Dog Control Act 1996. The objective of the Dog Control Policy is to enable people to enjoy the benefits of dog ownership and provide for the exercise and recreational needs of dogs and their owners, whilst minimising danger, distress, and nuisance to the community generally.

[3] **Freedom Camping Bylaw**

The Freedom Camping Bylaw is to control freedom camping in the District in order to protect local authority areas; protect the health and safety of people who may visit local authority areas; and to protect access to local authority areas. The Bylaw should be read in conjunction with the Freedom Camping Act 2011.

[4] **Land Transport Bylaw**

The Land Transport Bylaw applies to the management, control and protection of all roading corridors, including unformed "paper" roads, in Waitomo District other than state highways controlled by the New Zealand Transport Agency for which the relevant powers have not been delegated to the Waitomo District Council. The Bylaw is made under section 22AB of the Land Transport Act 1998, sections 145 and 146 of the Local Government Act 2002, and the Land Transport Rule: Setting of Speed Limits 2003.

[5] **Public Amenities Bylaw**

The Public Amenities Bylaw controls a diverse range of activities in public amenities to ensure that acceptable standards of convenience, safety and civic values are maintained for the wellbeing and enjoyment of citizens, visitors and businesses within the district. In particular this bylaw addresses conduct in public amenities such as libraries, reserves, aerodrome, public parking areas, public toilets, swimming pool, beaches, other public buildings and cemeteries which may have an adverse effect on other users of these facilities.

The Local Government Act 2002 and other relevant Acts e.g. Reserves Act 1977, Health Act 1956, outline some of the powers and requirements of the Council in regard to public places and reserves. Areas of control so prescribed by that legislation is not necessarily repeated within the Bylaw, and therefore the relevant sections of the Local Government Act 2002 and other legislation should be read in conjunction with it.

Note: As part of initiating the 10 year review of this Bylaw, on 17 December 2024 Council resolved as follows:

- 1 *The business paper on the Water Services Bylaw 2010 (adopted 10 February 2015) and Public Amenities Bylaw 2010 (adopted 10 February 2015) – 10 Year Review be received.*
- 2 *In accordance with Section 160A of the Local Government Act 2002, Council agree not to complete the 10 year review of the Water Services and Public Amenities Bylaws and for both Bylaws to be revoked as of 10 February 2027 (unless revoked earlier by the Council).*

**Public Amenities Bylaw Resolutions**

- 6 *A review of the current Public Amenities Bylaw will be undertaken once the Proposed Waitomo District Plan is Operative, and if required, a new Bylaw will be developed at that time and the existing Bylaw revoked.*
- 7 *If it is determined that the Public Amenities Bylaw is no longer required as a result of the Proposed Waitomo District Plan, then a new Bylaw will not be developed. However, should it be determined*

*that the Public Amenities Bylaw is still required, a review will be undertaken and a new Bylaw adopted.*

- 8 *Council publicly notify that due to the likely significant changes to be implemented once the Proposed Waitomo District Plan is Operative, it will not be completing the 10 year review of the existing Public Amenities Bylaw 2010 and that should it decide a new Public Amenities Bylaw is required, it will develop one prior to 10 February 2027.*

**[6] Public Health and Safety**

The Public Health and Safety controls a diverse range of activities to ensure that acceptable standards of public health and safety are maintained for the wellbeing and enjoyment of citizens, visitors and businesses within the District. In particular the bylaw addresses a wide range of issues that could have an adverse effect on the health and safety of the public by regulating General Public Nuisances and Specific Public Health Provisions.

**[7] Public Places Bylaw**

The Public Places Bylaw controls a diverse range of activities that occur within our district's public places to ensure that acceptable standards of convenience, safety, visual amenity, and civic values are maintained in public places for the well-being and enjoyment of citizens, businesses and visitors within the district now and in the future. This Bylaw addresses a wide range of issues that could have an adverse effect on public places and their users.

**[8] Solid Waste Bylaw**

The scope of the Solid Waste Bylaw is to ensure that household waste is reduced, collected and disposed of in the interests of public health and in an efficient and cost effective manner; to provide for the efficient collection and recovery of recyclable waste; to ensure that the obstruction of streets and roads by waste for collection is minimised; and to manage waste management facilities for the optimum disposal or recycling of waste.

Note: As part of initiating the 10 year review of this Bylaw, on 17 December 2024 Council resolved as follows:

- 1 *The business paper on Solid Waste Bylaw 2009 (adopted 25 June 2014) – 10 Year Review be received.*
- 2 *In accordance with Section 160A of the Local Government Act 2002, Council agree not to complete the 10 year review of the Solid Waste Bylaw and for it to be revoked as of 25 June 2026 (unless revoked earlier by the Council).*
- 3 *A review of the current Solid Waste Bylaw be undertaken once Council makes a decision on the future of the Waitomo District Landfill to ensure ongoing consistency with Council's Waste Management Policies and Practices, and if required a new Bylaw be developed at that time and the existing Bylaw be revoked.*
- 4 *If a new Bylaw is not required as a result of Council's decision on the future of the Waitomo District Landfill, then a new Bylaw be scheduled for development to come into effect no later than 25 June 2026.*
- 5 *Council publicly notify that due to the significant changes to be implemented in the solid waste activity over the next two years, it will not be completing the 10 year review of the existing Solid Waste Bylaw 2009 and that it will be developing a new Solid Waste Bylaw prior to June 2026.*

**[9] Trade Waste Bylaw**

The purpose of Trade Waste Bylaw is to provide for the management, control and monitoring of trade waste discharges into WDC's wastewater systems and to:

- (a) protect sewer pipes, pumping stations, storage tanks, biological and biochemical treatment processes, wastewater treatment plants and other related wastewater system structures, electrics and controls from damage by applying standards and loading/concentration limits for trade waste discharges prior to discharge to WDC's wastewater systems
- (b) protect the health and safety of any person working with the WDC wastewater systems by applying standards for trade waste discharges
- (c) protect public health and the environment from the effect of trade waste discharges by ensuring all necessary resource consents are met
- (d) encourage waste minimisation, cleaner production and reduced water consumption
- (e) allow the Council to recover fair and reasonable costs of managing trade wastes from trade premises that discharge into the Council system by ensuring that the costs of conveying, treatment and disposal are shared fairly between trade waste and domestic dischargers proportional to volume and load.
- (f) assist the Council to meet relevant environmental standards
- (g) comply with the objectives of the New Zealand Waste Strategy.

Note: 1 Earlier reviews (outside the legislative review cycle requirement) may be required to address/facilitate renewal/amendment to the Discharge Agreements with the local meat works.

2 Waters Done Well implications will also need to be considered.

#### [10] **Water Services Bylaw**

The purpose of the Water Services Bylaw is to:

- (a) protect public health and the security of the public water supply;
- (b) detail the responsibilities of both the Council and the consumers with respect to the public water supply and other water related services;
- (c) ensures the safe and efficient creation, operation, maintenance and renewal of all public water services, sewerage and stormwater drainage networks;
- (d) ensures proper hazard management to prevent or minimise flooding and erosion;
- (e) minimises adverse effects on the local environment particularly freshwater ecological systems and beach water quality, and assists in maintaining receiving water quality;
- (f) ensures that watercourses are properly maintained;
- (g) ensures protection of Council's water services, sewerage and stormwater drainage assets and the health and safety of employees;
- (h) sets out acceptable types of connection to public water services, sewerage and stormwater networks.

Note: As part of initiating the 10 year review of this Bylaw, on 17 December 2024 Council resolved as follows:

1 *The business paper on the Water Services Bylaw 2010 (adopted 10 February 2015) and Public Amenities Bylaw 2010 (adopted 10 February 2015) – 10 Year Review be received.*

2 *In accordance with Section 160A of the Local Government Act 2002, Council agree not to complete the 10 year review of the Water Services and Public Amenities Bylaws and for both Bylaws to be revoked as of 10 February 2027 (unless revoked earlier by the Council).*

Water Services Bylaw Resolutions

- 3 *A review of the current Water Services Bylaw will be undertaken once the Local Government Water Services Bill is enacted, and if required, a new Bylaw will be developed at that time and the existing Bylaw revoked.*
- 4 *If a new Water Services Bylaw is not required as a result of the Local Government Water Services Bill, then a new Bylaw will not be developed. However, should it be determined that the Water Services Bylaw is still required, a review will be undertaken and a new Bylaw adopted.*
- 5 *Council publicly notify that due to the significant changes to be implemented in the water services delivery space over the next two years, it will not be completing the 10 year review of the existing Water Services Bylaw 2010 and that should it decide a new Bylaw is required, it will develop a new Bylaw prior to 10 February 2027.*

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## Report To: **Audit and Risk Committee**



**Meeting Date:** 12 May 2026

**Subject:** **Risk Management and Mitigation**

**Type:** Information Only

**Author(s):** Jaydene Kana  
Independent Chair

Ben Smit  
Chief Executive

### 1. Purpose of Report

- 1.1 The purpose of this business paper is to provide an overview of key risk and assurance matters for the Audit and Risk Committee, with a particular focus on:
- The organisational context and recent changes that have influenced Council's risk profile and risk maturity
  - The introduction of a Risk Management Framework (RMF) and what it is intended to achieve
  - Current and planned approaches to embedding risk management into Council's activities
  - Priorities for the year ahead, including development of a more centralised operational risk register and continued integration of risk into decision making and contract management.
- 1.2 It is intended as a summary-level report that complements the more detailed RMF document presented alongside it.

### 2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they might be adopted by resolution.
- 1 The business paper on Risk Management be received.

### 3. Context and Recent Change

3.1 Over the past 12–18 months, Waitomo District Council has undergone a period of significant change and external pressure, which has had a direct impact on how risks are identified, prioritised, and managed.

#### 3.2 Organisational structure and leadership change

- 3.3 Council has experienced substantial senior leadership turnover and role reshaping. This has included:
- Changes to key leadership positions and responsibilities
  - Realignment of some functional areas and reporting lines
  - Adjustment periods as new leaders have become familiar with Council's operations, priorities, and risk profile.

- 3.4 These changes have created both challenges and opportunities for risk management:
- In the short term, capacity has been stretched as new leaders have been inducted and strategic direction refined, which has occasionally slowed progress on structured risk initiatives.
  - In the medium to long term, the refreshed leadership team presents an opportunity to reset expectations for risk culture, accountability, and the consistency of risk practices across the organisation.

### **3.5 Waikato Waters Limited (WWL) transition workload**

- 3.6 The WWL transition processes have required considerable governance and management attention. For Waitomo District Council, this has meant:
- Significant effort devoted to understanding the implications of reform and transition options, engaging with regional partners, and preparing for potential changes in service delivery
  - Diversion of time and focus from the broader programme of risk maturity work, as water reform represented a high-priority strategic and operational risk in its own right
  - A need to respond to a dynamic and, at times, uncertain external environment, with the associated impact on long-term planning, investment decisions, and resource allocation.
- 3.7 While this focus has been appropriate given the significance of water services to the community, it has also hindered progress somewhat in risk management development.

### **3.8 Current state of risk management maturity**

- 3.9 Taken together, these factors mean Council's risk management practices are in a transition phase. There are positive foundations in place:
- Risk is considered in key service areas (e.g., finance, engineering/infrastructure, strategic planning) through a mix of registers, controls, and informal practices
  - The Audit and Risk Committee provides governance oversight and a forum for challenging and improving Council's approach to risk and assurance.
- 3.10 However, there is a recognised need to:
- Standardise risk processes and tools across the organisation
  - Clarify roles, responsibilities, and expectations for risk management
  - Improve the visibility and coordination of operational risks at an enterprise level.
- 3.11 The finalisation of a formal Risk Management Framework is a core response to this need.

## **4. Risk Management Framework (RMF) – Background and Purpose**

- 4.1 A draft Risk Management Framework (RMF) is presented with this report for the Committee's consideration and feedback. This has been updated from the previous time it went to Audit and Risk and incorporates suggested changes.
- ### **4.2 What the RMF is**
- 4.3 The RMF is a foundational document that sets out Waitomo District Council's overall approach to managing risk. In practical terms, it:
- Articulates the principles and objectives that underpin risk management at Council
  - Defines what is meant by "risk" in the Council context, including strategic, operational, financial, compliance, health and safety, and reputational risks

- Establishes a consistent methodology for identifying, assessing, responding to, and monitoring risks
- Clarifies governance and management roles, including those of Council, the Audit and Risk Committee, the Chief Executive and Executive Team, managers, and staff
- Provides guidance on risk appetite, escalation thresholds, and reporting expectations.

4.4 The RMF is intended to be concise and usable, forming the “umbrella” under which more detailed procedures, templates, and tools (e.g., risk registers, assessment matrices, reporting formats) can sit.

#### **4.5 Changes to the Risk Management Framework since last adopted**

4.6 The following changes were proposed and accepted at the May 2025 Audit and Risk meeting. These are still included in the document as track changes for your review:

- **Risk Appetite** (Page 7). Section and table has been added to describe the various levels of risk appetite. A section below has been deleted which talked about a blanket appetite for risk of ‘very low’. This is too general an approach the appetite for risk will depend on the situation, probably of the risk, risk severity and the level in the organisation the decision is made at. Refer Section 4 of the framework on page 18.
- **Roles and responsibilities** (Page 9). Clarifying responsibility. This is not part of the Health and Safety Coordinator’s role.
- **Analyse** (Page 13). The Risk Likelihood table had been replaced with a more general explanation of ‘likelihood’. The probability % was confusing and the expected timeframe in weeks, months and years because this was seen to be too prescriptive particularly given we are discussing the likelihood of something occurring because are, by their very nature, difficult to place timeframes and probabilities on.
- **Risk Consequence Table** (Page 15 / 16). Service delivery relating to lifelines utilities (bottom of table). Interested in the committee’s opinion on the moderate, major and severe narrative. These thresholds seem low eg ‘severe’ = disruption of service levels for more than 1 day (multiple activities or sites). These seem low.

4.7 The Lifelines utilities under Service Delivery in relation to the Risk Consequence narrative (Page 15 / 16) was the remaining point of potential change at the end of the May 2025 meeting. After discussion with The Lines Company (TLC) a revised narrative (the last row in the table replaces the second to last row in the table) was developed. At the time the committee discussed the moderate, major and severe narrative. These thresholds seemed too low eg ‘severe’ = disruption of service levels for more than 1 day (multiple activities or sites). A modified version of TLC’s has been used as a basis for the narrative.

4.8 TLC’s Risk Management Framework been included as an attachment. It is very similar to the WDC one with two exceptions. TLC’s includes a People / Talent section focused on the risk of loss of key staff and WDC’s includes a section on Legislative Risk. I think the legislative risk is an important category for us but interested in comments about the inclusion of People / Talent in our Framework.

#### **4.9 Intended outcomes of implementing the RMF. The RMF is expected to:**

- Provide a common language and framework so that risk is understood consistently across all parts of the organisation
- Support more informed and transparent decision making, with risks and trade-offs clearly articulated in advice and reports
- Improve the visibility of key risks and controls, both at an operational and strategic level
- Enable the Audit and Risk Committee and Council to more effectively discharge their governance responsibilities.

## 5. Current Risk Practices and Registers

5.1 While the RMF provides the overarching framework, a number of existing practices and tools are already in place.

### 5.2 Existing risk registers

5.3 Risk reporting structures are currently maintained in a number of key areas, including (but not limited to):

- Council has previously identified 11 strategic risks for the council and community:
  - Health Safety and Wellbeing
  - Cyber Security
  - Climate Change and Adaption
  - Significant Internal and External Disruptions
  - Programme and Project Delivery
  - Theft Fraud and Corruption
  - Fit for Purpose Assets
  - Three Waters Infrastructure
  - Financial
  - Stakeholder Relationships
  - District Vibrancy / Growth

These will be reviewed as part of the plan.

- Finance – capturing risks through the financial strategy benchmarks and mandatory legislative measures. Those risks are reported on during the year as part of the financial and treasury reports and are included in the annual report. We also complete the LGFA covenant reporting requirements.
- Asset Management Plans – capturing some asset condition and performance risks, service continuity, project delivery, contractor performance, and health and safety in the field. These are embedded in the Asset Management Plans but not well reviewed.
- The Project Management Framework has a risk section for each project.
- The Health and Safety activity has a risk register as a one-stop shop that covers everything from identifying the hazards to tracking how we're keeping everyone safe. This is available on Tomo for easy access to all staff, reviewed annually by all.
- Strategic and corporate risk – capturing cross-cutting risks such as legislation and regulatory change, community and stakeholder expectations, major programmes and projects, and organisational capability. An outdated organisation-wide risk register is in place but not up to date.

5.4 These registers provide useful visibility at a departmental or functional level and are an important source of information for management and the Committee.

## 6. The Year Ahead – Priorities and Focus Areas

6.1 Over the next 12 months, Council's focus will be on moving from framework design to implementation and embedding, particularly in the following areas.

### 6.2 Embedding risk into contract management

6.3 Contract management is a core activity of Council and a key area of risk exposure, particularly for infrastructure, capital projects, and service delivery. The year ahead will see risk management more strongly built into the full contract lifecycle:

- Planning and procurement – ensuring that risk assessments are completed at the outset of major procurements and that risk allocation is built into contract structures, evaluation criteria, and negotiation strategies.

- Contract execution and delivery – actively monitoring contract risks (e.g., performance, financial, health and safety, supply chain, regulatory) and ensuring that mitigation actions and controls are documented, owned, and tracked.
- Contract variations and close-out – assessing risk implications of contract changes and capturing lessons learned for future procurements and risk assessments.

6.4 Standardised risk clauses, checklists, and templates (aligned to the RMF) will be used to promote consistency and to ensure that risk considerations are not treated as a separate or optional process.

### **6.5 Integrating risk into decision making and governance**

6.6 Risk will also be more explicitly incorporated into Council’s broader decision-making processes:

- Committee and Council reports – strengthening the quality and consistency of risk sections in reports so that elected members can clearly see:
  - The key risks associated with proposed decisions
  - The likely consequences and likelihood of those risks
  - The mitigation measures that are in place or proposed.
- Business planning and project initiation – requiring documented risk assessments as part of business cases, project plans, and other key planning artefacts.
- Executive oversight – including risk as a standing item in Executive Team agendas and performance discussions, with a focus on key enterprise and operational risks, trends, and emerging issues.

6.7 The goal is for risk to be a natural and routine part of how decisions are framed and taken.

### **6.8 Development of a centralised operational risk register**

6.9 A key deliverable for the coming year will be the development of a more centralised, organisation-wide operational risk register:

- Scope and purpose – the central register will not replace local registers where these are needed for day-to-day management. Instead, it will:
  - Capture the most significant operational risks across all key services and functions
  - Provide a single, consolidated view for senior management and the Audit and Risk Committee
  - Highlight interdependencies and systemic issues that might not be visible in individual registers.
- Approach and methodology – the central register will apply the assessment criteria, rating scales, and categories defined in the RMF, ensuring consistency across the organisation.
- Governance and reporting – the central register will be:
  - Owned and maintained by management
  - Reviewed regularly by the Executive Team
  - Presented to the Audit and Risk Committee in future reporting cycles, with a focus on key changes, emerging risks, and the effectiveness of controls.

6.10 The first iteration of this consolidated operational risk register is expected to be developed over the coming reporting period, with the intention to provide an initial view to the Committee as part of future reports.

## **7. Summary and Next Steps**

7.1 In summary:

- Waitomo District Council has been operating in a complex environment, with significant internal change and external reform (including Waikato “Waters Done Well”) placing pressure on capacity and, at times, slowing the broader risk management journey.
- Despite this, there are solid foundations in place, particularly through existing risk registers in key service areas and the oversight role of the Audit and Risk Committee.
- The update and approval of a formal Risk Management Framework is a key step forward, providing a coherent, organisation-wide approach to how risks are understood, assessed, managed, and reported.
- Over the year ahead, Council will focus on:
  - Embedding risk more deeply into contract management and procurement
  - Making risk a more explicit and consistent component of decision making and governance processes
  - Developing and presenting a centralised operational risk register that consolidates key risks across the organisation.

7.2 The Committee’s feedback and priorities for risk reporting will be important in shaping the next phase of implementation.

## **8. Attachments/Separate Enclosures**

Attachments:

- 1 Waitomo District Council Risk Framework (updated) (#836320)
- 2 TLC Risk Management Framework (as at August 2025) (#972224)

# WAITOMO DISTRICT COUNCIL RISK MANAGEMENT FRAMEWORK AND GUIDELINE

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Version #	Date	Revision by	Description of Change
1.0	21/12/2020	Ihsana Ageel	Review and update the existing Framework
1.1	12/07/2021	Ihsana Ageel	Update post ARFC Workshop
1.2	April 2025	Aon NZ	Review



## CONTENTS

INTRODUCTION .....	3
PRINCIPLES, FRAMEWORKS AND PROCESS .....	4
OBJECTIVES.....	4
IMPLEMENTATION.....	5
INTEGRATION .....	5
RISK CATEGORIES AND RISK REGISTERS .....	6
RISK TYPES.....	7
RISK APETITE.....	8
ROLES AND RESPONSIBILITIES.....	8
RISK MANAGEMENT PROCESS .....	109
RISK ASSESSMENT PROCESS.....	1211

## INTRODUCTION

Effective risk management occurs every day and relies on the proactive participation of all WDC staff.

The Risk Management Framework adopts an explicit and systematic approach that links risks to WDC's objectives and priorities. A robust risk management process increases organisational resilience by improving predictability in achieving outcomes, protecting corporate assets, and maintaining stakeholder trust.

WDC is committed to managing its risks in a proactive, enduring and decisive manner. We are committed to managing and, where possible, reducing risks at all levels to ensure we achieve our objectives and priorities. To support this, the Risk Management Framework ensures that risks are identified, assessed and mitigated at a strategic, organisational and operational level. Consistency in applying the framework is important to ensure efficient and effective risk management within WDC. It is also necessary in our involvement in cross-agency collaboration.

A robust risk management approach will help the WDC achieve better results by having an agreed method of taking advantage of opportunities and identifying and reducing risks that may impact the organisation's ability to achieve its objectives.

There are many benefits to taking a structured approach to managing risk. These include:

- improved identification of risks and opportunities
- improved effectiveness of controls
- prompt escalation of risks
- improved reporting
- a reliable and consistent basis for decision making
- clearer accountability
- better overall communication
- Continuous improvement of assurance methodology.

WDC's Risk Management Framework is derived from internationally recognised standards. It provides an overview of the risk management process and sets out the fundamental steps required to complete and record our risk management process in accordance with the Joint Australian New Zealand International Standard Risk Management – Principles and guidelines AS / NZS ISO 31000:2009. It is a living document and will be regularly reviewed and updated to reflect best practice, and changes to related policy and procedures.

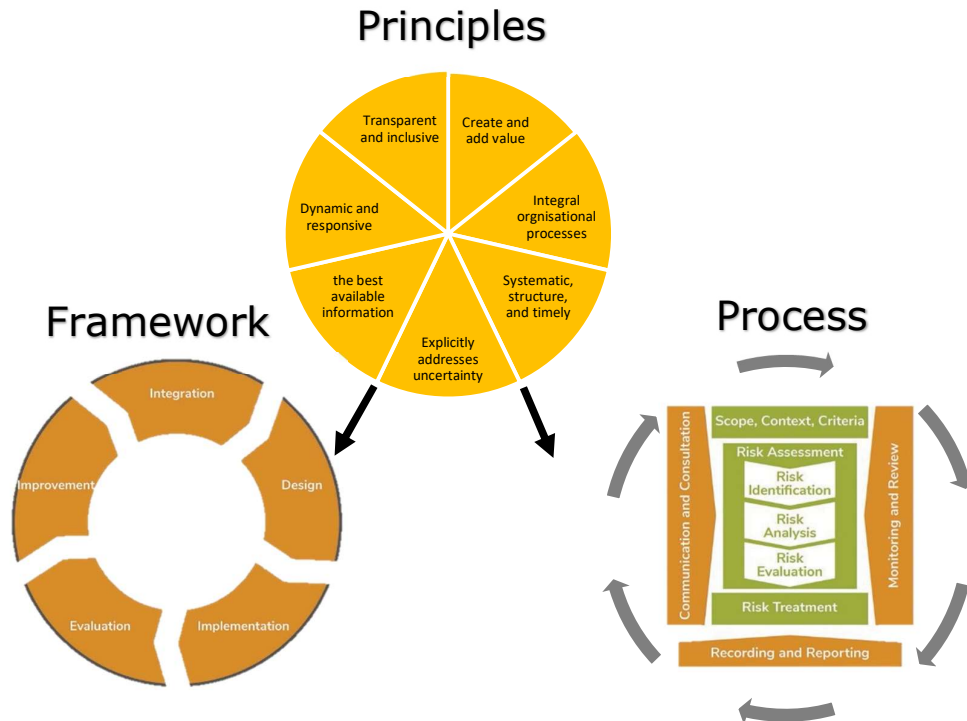
## PRINCIPLES, FRAMEWORKS AND PROCESS

Council recognises the need to apply the Principles, Framework and Process detailed Australian/New Zealand Standard ISO 31000:2009.

*Waitomo District Council (WDC) is committed to applying risk management techniques and assurance measures to ensure all opportunities and risks that may impact the achievement of objectives are identified, understood, and appropriately managed.*

*WDC takes a structured approach to risk all activities within the organisation. Our consistent with the Australian/New Zealand Standard ISO 31000:2009.*

*management, at all levels and for approach to risk management is Zealand Standard ISO*



## OBJECTIVES

Through the implementation of an integrated and consistent approach to risk management, Council aims to achieve the following risk management objectives:

1. An organisational culture of reliable, informed, evidence based planning and decision making.
2. A consistent approach to the identification, assessment and treatment of risks.
3. Improved communication on matters of risk to enhance decision making.
4. Proactive and adaptive management practices.
5. Support achievement of Council's strategic objectives.
6. Effective allocation and use of resources for risk treatment.
7. Enhanced identification of opportunities and threats.
8. Enhanced organisational resilience and continuity of service.
9. Improved operational effectiveness and efficiency.
10. Staff accountability for risk identification and treatment.
11. Improved corporate governance, controls and performance
12. Improved community and stakeholder confidence and trust by providing assurance that risks are appropriately managed.
13. Reduced liability exposure and financial loss.
14. Safeguarding of Council's resources - its people, finance, property and reputation.

## IMPLEMENTATION

In order to achieve its risk management objectives, this Framework will be implemented by undertaking the following activities:

1. Integration of the risk management process into all Council strategic and business planning processes and associated plans and activities
2. Defining a structured and consistent approach to the risk management process in accordance with AS ISO 31000:2018 Risk Management – Guidelines.
3. Providing easily accessible procedures, tools (risk assessment criteria) and guidance for staff to adequately identify, document, understand and manage risks
4. Undertaking risk management education and training of staff at all levels of the organisation
5. Establishing risk management resources, including the Risk Management Working Group, to facilitate implementation of the Framework
6. Defining risk management roles and responsibilities to ensure all staff manage risks relevant to their area of operation and accept accountability for their decisions
7. Building a positive and proactive risk aware culture throughout the organisation
8. Monitoring, reporting and reviewing risks on an ongoing basis
9. Reviewing the Risk Management Framework in accordance with defined success measures
10. Ensure that Council's Risk Management Framework informs its internal audit function.

## INTEGRATION

Council will integrate risk management into its strategic and operational functions. Organisational strategies, plans and programs will be aligned with this Framework, including in the following business areas:



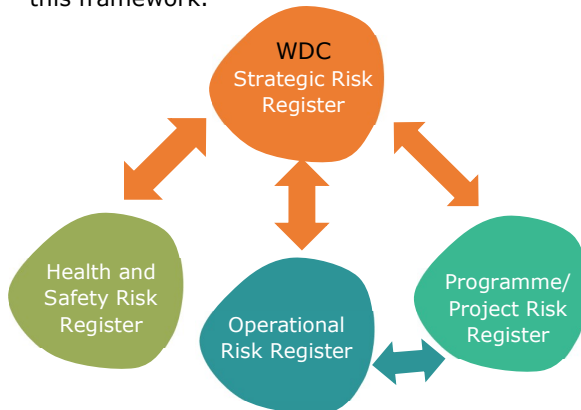
## RISK CATEGORIES AND RISK REGISTERS

There are a number of categories in which risks may be grouped:

- Strategic
- Operational
- Health & Safety
- Project

While it is ideal in principle to identify risks within a certain category, this is not always possible. One risk may span more than one category, for example, an operational risk may become strategic.

The risk category will usually become apparent during the risk management process where the sources and causes of risks are considered. The process to identify and assess risk is set out on pages 11 and 14 of this framework.



### Strategic Risk

These risks may have an impact on Waitomo District Council achieving its vision, outcomes, priorities and key objectives. Strategic Risks are identified by elected members and managed by the Senior Management Team (SMT). These risks are regularly reported to the Audit Risk and Finance Committee to ensure risks are being appropriately managed. The focus of strategic risks are more likely, but not exclusively, to be on:

- External influences affecting Waitomo District Council's effective operations.
- Waitomo District Council's most critical and essential assets, activities and associated risks.
- Risks that are common to more than one of the organisation's Group or activity.

- Risks to Waitomo District Council meeting expected service levels

### Operational Risk

These risks may have an impact on Waitomo District Council's individual groups from achieving their group's objectives. Group risks are identified and managed by GMs and their teams and regularly reported to the GM's to ensure risks are being appropriately managed. The Group risks are more likely, but not exclusively, to be on:

- External influences impacting the Group's effective operations
- Group's most critical and essential assets, activities and associated risks
- Risks to the Group meeting expected service levels

### Health and Safety

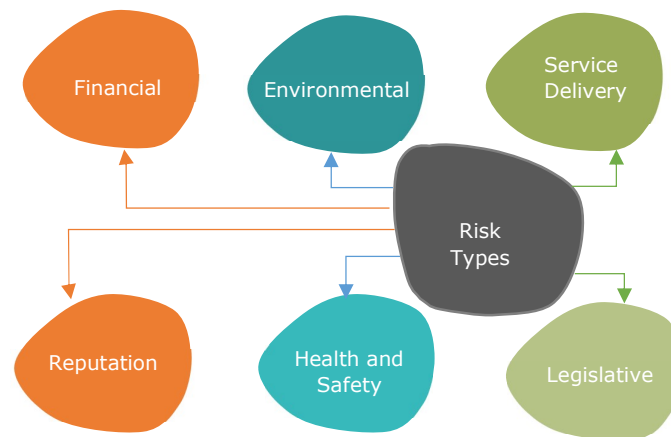
These risks may have an impact on the health and safety of Waitomo District Council staff, contractors, visitors or the public at large. Health and safety risks are identified by all WDC staff members and may also impact more than one Group or activity. These risks are regularly reported to SMT to ensure risks are being appropriately managed. WDC's Health and Safety Charter, commits to the identification of existing and new risks to health and safety, taking all reasonably practicable steps to eliminate, or where elimination is not reasonably practicable, minimise exposure to health and safety risks. Health and Safety risks are a critical subset Operational Risk.

### Programme / Project Risk

Programme / Project risks may have an impact on Waitomo District Council's individual projects from achieving their project's objectives. Project risks are identified and managed by project managers and their teams. Project risks are identified as part of project planning, are regularly assessed throughout the life of the project and regularly reported to the project governance group to ensure risks are being appropriately managed.

## RISK TYPES

The following outlines the six risk types at Waitomo District Council that may impact its activities.



Types of risk	Definition
<b>Financial</b>	Risks related to the financial management of WDC and the ability to fund Council activities and operations, now and into the future, including risks resulting from an externally imposed economic environment.
<b>Health and Safety / wellness</b>	Potential risk event that adversely impacts on the health and safety of staff, contractors, visitors or the community. These also include risk that impact the health and safety of staff, as well as contractors & volunteers, including work health and safety issues, resourcing, human resources, industrial relations, organisational culture, staff values, public accountability.
<b>Environmental</b>	Potential or actual negative environmental or ecological impacts, regardless of whether these are reversible or irreversible in nature.
<b>Reputation</b>	Risks that affect the way Council and Council personnel are perceived: <ul style="list-style-type: none"> <li>• by the community</li> <li>• by staff</li> <li>• nationwide and internationally</li> <li>• by stakeholders</li> <li>• by the media</li> </ul>
<b>Legislative</b>	A risk event that results in WDC unknowingly or knowingly breaching statutes and stipulations, or exposed to liability.
<b>Service Delivery</b>	Risk events that impacts WDC's ability to function and deliver services as expected

## RISK APETITE

Risk appetite statements define and describe the Council’s philosophy, approach and tolerance to taking risks in pursuit of objectives on a scale from Averse (low) to Open (high). The scale below is used to express the Council’s enterprise level appetite for risk.

Appetite Ratings		Cautious	Neutral	Receptive	Open
<b>Description:</b>	Appropriate control and management of risk and uncertainty is a key objective	Preference for service options that have a low degree of inherent risk and only have a potential for limited benefit	Preference for safe options that have a low degree of residual risk and may only have limited potential and benefit	Willing to consider all options and choose the one that is most likely to result in successful delivery while also providing acceptable benefits	Eager to be innovative and to pursue opportunities based on potentially high benefits

The Risk Management Framework establishes the mechanisms through which the Council manages risk within these risk appetite tolerances to provide reasonable assurance regarding the achievement of organisational objectives.

Council will have a responsible approach to risk management, seeking to recognise and manage its exposure to risks in accordance with its vision, outcomes and priorities. In pursuing the achievement of its objectives and governance responsibilities, Council will accept a degree of risk commensurate with the potential reward and with consideration of Council's role and responsibilities within the community.

~~As a responsible and ethical Local Government Entity we have a very low appetite for risk relating to:~~

- ~~• staff health, safety and welfare~~
- ~~• financial operations and financial management~~
- ~~• integrity and professional ethics, legislative compliance~~
- ~~• accuracy and quality of information and confidentiality of information~~

From time to time well-managed and appropriate risks will be taken or recommended in order to achieve organisational objectives and outcomes. Without some degree of risk there is no return

or reward, and we are committed to achieving our purpose.

Given that we want to operate in a risk aware culture, it is important that we are able to make informed and deliberate decisions about whether residual risks are acceptable or not. And if not, look at what else can or needs to be done to bring it to an acceptable level. As a guide, a residual risk is likely to be considered acceptable when:

- it is adequately managed by existing controls or treatments, or
- the level of risk exposure is relatively low that treatment is not appropriate within available resources, or
- the cost of (additional) treatment is so excessive compared to the benefit that acceptance is the only option, or
- the opportunities presented outweigh risks to such a degree that a risk is justified, and
- key stakeholders have been properly informed of the nature risk and accept level of residual risks.

## ROLES AND RESPONSIBILITIES

For risk management to be effective, clear lines of accountability, responsibility, and reporting are necessary.

Everyone within WDC has a role to play in managing risk and is required to actively participate in risk management processes including risk identification assessment, mitigation, and reporting.

To ensure a successful outcome and confidently provide the Chief Executive an assurance that risks are being efficiently and effectively managed across WDC at all levels WDC staff are expected to show their commitment to the Risk Management Framework and ensure it is established and functional within their work groups.

### All Group / General Managers

All managers will have input into risk registers. Risk registers contain a summary of

risks, controls in place, risk levels, further risk treatment required, risk and response owners, and timeframes.

While risk registers are a common and convenient way of recording and reporting risks, from time to time more detailed risk reporting may be required depending on the type and complexity of the risk.

Risk reporting is determined by risk level which is discussed more fully in the following sections. Extreme risks should be reported immediately to your line manager who will escalate to the most appropriate manager(s). Following the initial notification of an extreme risk, frequency of reporting will be determined on a case-by-case basis depending on the risk type, area, and mitigation strategy.

Timely escalation of risks is essential, the 'no surprises' rule should be kept in mind when risk assessments are being carried out. As risks can emerge or escalate at any time, ad-hoc reports may sometimes be required.

### Key roles

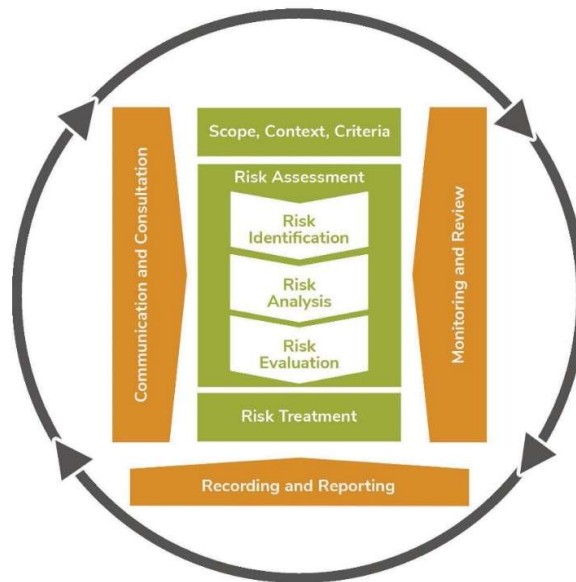
Person/Party	Responsibilities
<b>Audit and Risk Committee (A&amp;RC)</b>	<ul style="list-style-type: none"> <li>Ensures that the WDC Risk Management Framework is in place, fit for purpose, and aligned with best practice.</li> <li>Regularly reviews the strategic risk profile, key organisational and operational risks, and associated risk mitigation strategies.</li> </ul>
<b>Chief Executive</b>	<ul style="list-style-type: none"> <li>Takes overall responsibility for ensuring that there is a positive risk culture across WDC and that there are adequate risk management processes in place.</li> </ul>
<b>Senior Management Team (SMT) (supported by Risk Management Advisor)</b>	<ul style="list-style-type: none"> <li>Undertakes the substantive discussion on key risks and reviews the adequacy of risk mitigations to provide assurance that key risks are being managed appropriately.</li> <li>Leads and promotes risk management across WDC</li> <li>Maintains the Risk Management Framework, Policy, related risk management documents and strategic risk profiles. Provides risk management training and advice, and reports to governance committees.</li> <li>Reviews and maintains WDC Risk Management Framework and associated documents.</li> <li>Champions risk management across the WDC.</li> <li>Works with work groups and management to identify, assess and report risks.</li> <li>Develops and maintains the appropriate processes for recording, assessing and reporting key risks across the WDC.</li> </ul>
<b>All WDC employees and contractors</b>	<ul style="list-style-type: none"> <li>Actively participate in identifying and effectively and efficiently managing risks within in their areas of responsibility.</li> </ul>
<b>Health &amp; Safety Facilitator</b>	<ul style="list-style-type: none"> <li>Maintains the Risk Management Framework, Policy, related risk management documents and strategic risk profiles. Provides risk management training and advice, and reports to governance committees.</li> </ul>

Person/Party	Responsibilities
	<ul style="list-style-type: none"> <li>• Reviews and maintains WDC Risk Management Framework and associated documents.</li> <li>• Champions risk management across the WDC.</li> <li>• Works with work groups and management to identify, assess and report risks.</li> <li>• Develops and maintains the appropriate processes for recording, assessing and reporting key risks across the WDC.</li> </ul>

## RISK MANAGEMENT PROCESS

The Risk Management Process is the systematic application of management policies, procedures and practices to the tasks of establishing context, identifying, analysing, evaluating, treating, monitoring and communicating in relation to risk.

Council will apply the following Process as defined by AS ISO 31000:2018 Risk Management - Guidelines:



### Risk Management Process Overview

<p><b>Step 1</b></p>	<p><b>Communication and Consultation</b></p>	<p>Communication and consultation with relevant internal and external stakeholders is to be undertaken at all stages of the risk assessment process to bring different areas of expertise together, ensure different views are appropriately considered, provide sufficient information to facilitate risk oversight and decision making and to build a sense of inclusiveness and ownership among those affected by the risk. It involves promoting awareness and understanding, as well as seeking feedback and information to support decisions made throughout the process.</p>
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Step 2	Establishing the scope, context and criteria	This part of the process is undertaken to gain an understanding of the purpose of the risk assessment and factors that may require consideration throughout the process. It includes establishing and defining the scope of the activity being assessed and associated boundaries of the risk assessment; the relevant objectives to be considered and any relevant relationships to other projects, processes and activities; desired outcomes from the steps to be taken; decisions that need to be made; the internal and external environment; resources required and associated responsibilities; risk assessment criteria, tools and techniques to be applied and records to be kept throughout the risk assessment process.
Step 3	Risk Assessment	<b><i>The risk assessment process comprises the following key steps:</i></b>
	1. Risk Identification	Identifying risks involves consideration of what, how, why and when events might occur that could have an impact on achieving the objectives of the activity or operation being assessed. During this process consideration is to be given to Council's adopted <b>Risk Categories</b> . A variety of methods can be used to identify risks, such as brainstorming and SWOT analysis. Relevant, appropriate and up to date information is important to identifying risks.
	2. Risk Analysis	Risk analysis is undertaken to determine and understand the level of risk being faced. It involves a detailed consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, controls and their effectiveness. Risk analysis provides input to risk evaluation, decisions on whether risk needs to be treated and how, and on the most appropriate risk treatment and methods.  Risk analysis should be undertaken using Council's adopted <b>Risk Assessment Criteria</b> .
	3. Risk Evaluation	The purpose of risk evaluation is to support decisions. It involves comparing the results of the risk analysis with the Council's established risk criteria -to determine if the level of risk is acceptable or additional action is required in order to continue with the activity or operation being assessed. Options may be to do nothing; consider risk treatment options; undertake further analysis; maintain existing controls; reconsider objectives; and it should consider the wider context and the action and perceived consequences to both internal and external stakeholders.
Step 4	Risk Treatment	Risk Treatment involves the development and implementation of additional controls, such as systems and procedures, to address the risk. Risk Treatment involves an iterative process of formulating and selecting risk treatment options; planning and implementing risk treatment; assessing the effectiveness of the treatment; deciding on whether the remaining risk is acceptable and if not acceptable, taking further treatment. Depending on the activity or operation that is being assessed and the priority of the risk, risk treatment strategies can involve the development and implementation of longer short term risk treatment action plans.  <b>Risk Evaluation (Step 3) and Risk Treatment (Step 4) should be undertaken with consideration of Council's adopted risk appetite, Preferred Risk Treatment Options and ALARP (as low as reasonably possible).</b>
Step 5	Monitoring and Review	Monitoring and review of the risk management process, its implementation and outcomes ensures its continued quality and effectiveness and identifies opportunities for improvement. It will ensure that identified risks and controls remain relevant, controls remain effective and that any new risks are appropriately identified, recorded and managed appropriately. It should be a planned and documented part of each stage of the process and associated responsibilities should be clearly defined.

Step  
6Recording and  
Reporting

The risk management process and its outcomes are required to be documented and reported regularly to ensure continued communication in relation to risk management activities and outcomes, to provide information for decision-making, to improve risk management activities and to assist interaction with stakeholders.

## RISK ASSESSMENT PROCESS

The risk management process will be undertaken in accordance with Council's following adopted criteria to assess strategic and operational risks (unless exceptions below apply). The criteria are aligned with Council's organisational key objectives and risk appetite.

### 1. RISK IDENTIFICATION

Identifying risks involves consideration of what, how, why and when events might occur that could have an impact on achieving the objectives of the activity or operation being assessed. During this process consideration is to be given to Council's adopted Risk Categories. A variety of methods can be used to identify risks, such as brainstorming and SWOT analysis. Relevant, appropriate and up to date information is important to identifying risks.

The following factors and the relationship between these factors are example that should be considered when identifying risks.

Factors	Example
Threats and opportunities	Artificial Intelligence
Vulnerabilities and capabilities	Workforce demographics
Changes in internal and external context	Central government policy changes

Once risks have been identified, they should be recoded on the appropriate Risk Register (Strategic, Operational, Health and Safety or Project). The following guide is used to record identified risks:

There is a risk that **[uncertain event occurs]** caused by **[cause of uncertain event]** that may result in **[consequence to Waitomo District Council]**.

## 2. ANALYSE

### (a) Likelihood

Once risks have been recorded in the appropriate risk register, the likelihood and consequence of the risk occurring is analysed. The following guide is used to analyse the likelihood of a risk occurring, i.e. how often the uncertain even is expected to occur pre-controls (before existing and / or additional controls are considered) and post-controls (before existing and / or additional controls are considered).

#### Risk likelihood rating

Likelihood Rating		Description—operations	Estimated Probability (%)
Rare	1	<b>May occur in exceptional circumstances</b> Could be incurred in a 5–30 year timeframe	5%
Unlikely	2	<b>Could occur</b> In a 2–5 year timeframe	6–25%
Possible	3	<b>Could occur</b> Within a 1–2 year period	26–50%
Likely	4	<b>Will probably occur</b> In most circumstances—several times a year	51–90%
Almost Certain	5	<b>Expected to occur</b> Immediately or within a short period—likely to occur most weeks or months.	>90%

Likelihood	
Almost Certain	Is expected to occur Definite probability Without additional controls the event is expected to occur in most circumstances
Likely	Will probably occur in most circumstances With existing controls operating this event will probably still occur with some certainty
Possible	Could occur at sometime The event has occurred in different industries with similar levels of controls and assurance in place
Unlikely	Not expected to occur The event hasn't occurred, but it could occur in some circumstances
Rare	Exceptional circumstances only Improbable A small chance of event occurring that would be caused by conditions and/or events not previously seen.

### (b) Consequence

The following Guide is used to analyse the consequence of a risk occurring, i.e. consequence if the uncertain even was to occur pre-controls (before existing and / or additional controls are considered) and post-controls (before existing and / or additional controls are considered).

Risk Types What could be the consequences if the risk occurs?	Consequence Rating				
	Insignificant	Minor	Moderate	Major	Severe
	1	2	3	4	5
<b>Financial</b> Risks related to the financial management of WDC and the ability to fund Council activities and operations, now and into the future, including risks resulting from an externally imposed economic environment and risks related to maintaining and operating Council's Infrastructure.	Negligible financial impact < \$10,000	Minor financial impact \$10,000 - \$100,000	Substantial financial impact \$100,000 - \$500,000	Significant financial impact \$500,000 - \$1million	Major financial impact >\$1million
<b>Health and Safety / Wellness</b> Potential risk event that adversely impacts on the health and safety of staff, contractors, visitors or the community. These also include risk that impact the health and safety of staff, as well as contractors & volunteers, including work health and safety issues, resourcing, human resources, industrial relations, organisational culture, staff values, public accountability.	Insignificant injury; no first aid required; no impact on staff morale / performance	Minor injury/ wellness issue; first aid required; minor impact on individual staff morale / performance. Requires staff to take no time off.	Injury or illness requiring medical attention; 1-5 days leave (consecutive or cumulative); short term impact on staff morale / performance An incident that requires reporting to worksafe.	Long term illness or injury; extensive medical attention and leave required (more than 5 days); medium term impact on staff morale/ performance within multiple business areas An injury/illness that requires reporting to worksafe	Fatality; permanent disability, illness or disease; (unable to return to work) long term impact on staff morale/performance across organisation An injury/illness that requires reporting to worksafe
<b>Environmental</b> Potential or actual negative environmental or ecological impacts, regardless of whether these are reversible or irreversible in nature.	Adverse event that can be remedied immediately which can be met by current budget and /or internal resources	Adverse event requiring additional work to remedy in the short term which can be met by current budget and / or internal resources.	Adverse event requiring additional work to remedy in the short to medium term which cannot be met by current budget and external resources may be required to resolve.	Adverse event requiring additional work to remedy in the medium term which cannot be met by current budget and external resources are required to resolve. The event may also put the Council at the risk of prosecution.	Adverse event requiring significant additional work to remedy in the long term or that cannot be remedied which cannot be met by current budget and external resources are required to resolve. The event <b>has also likely to may</b> have <b>caused a breach of</b> legislation requirements.
<b>Reputation</b> Risks that could improve/compromise the trust, confidence and reputation Council has with our community, and affect the way Council and Council personnel are perceived by the community. (Community means the public, community groups and lobby groups)	Negative feedback from individuals or small groups in the community.	<b>Manageable</b> Loss of confidence among sections of the community.	Manageable loss in community confidence.	Large loss in community confidence that will take significant time to remedy.	Insurmountable loss in Community confidence.

Risk Types What could be the consequences if the risk occurs?	Consequence Rating				
	Insignificant	Minor	Moderate	Major	Severe
	1	2	3	4	5
Risks that could improve/compromise the trust, confidence and reputation Council has and affect the way Council and Council personnel are perceived by the media.	Local negative multimedia coverage for a day requiring not requiring additional work to resume stakeholder confidence.	Local negative multimedia coverage for 1-5 days requiring additional work to resume stakeholder confidence.	Regional negative multimedia coverage for up to one week requiring significant additional work to repair stakeholder confidence.	National negative multimedia coverage for more than one week requiring significant additional work to repair stakeholder confidence.	National negative multimedia coverage for more than two weeks requiring significant additional work which may not result in repairing stakeholder confidence.
Risks that could improve/compromise the trust, confidence and reputation Council has and affect the way Council and Council personnel are perceived by stakeholders/partners. (stakeholder and partners means, industry groups, iwi, councils, government departments, and entities that there is an established relationship with)	Single stakeholder sector expresses a concern directly to WDC. * No further impact	Single stakeholder or stakeholder sector dissatisfied and express their satisfaction through media or directly to WDC. * No impact on work programmes and minimal effort required to mend the relationship	Stakeholders/ partners dissatisfied and express their dissatisfaction directly and or through media. *minor impact on work programmes and moderate effort required to mend the relationship	Major loss of stakeholder/ partner confidence and/or extensive stakeholder dissatisfaction expressed resulting in long period of disengagement (more than 2 months) and significant effort required to mend the relationship. *Impact on work programme	Extreme dissatisfaction and loss of confidence by stakeholders, partners and/or regulatory body investigation and/or statutory management installed and/or significant sanctions against the WDC.
<b>Legislative</b>					
A risk event that results in WDC unknowingly or knowingly breaching statutes and stipulations or exposed to liability.	Isolated non-compliance of minimal significance; internal staff warning (no penalty or fine)	Minor breach of legal obligations; improvement notice; (no penalty or fine, however may have to engage legal expertise)	Substantial breach of legal obligations; adverse finding; substantial fine / penalty (penalties up to \$50k)	Significant breach of legal obligations; adverse finding with long term significance; significant fine / penalty (penalties between \$50k to \$200k)	Major breach of legal obligations; adverse findings against Council and / or individuals; major fines or penalties (>\$200k); possible imprisonment.
<b>Service Delivery</b>					
Risk events that impacts WDC's ability to function and deliver its general services as expected. General services are services outside of core functions.	Insignificant interruption to a service - no impact to customers/ business	Minor interruption to a service with minimal impact to customers/ business	Moderate Interruption to service delivery. Customer impact up to 48 hrs. Partial BCP action may be needed	Major interruption to service delivery, Customer impact > 7 days. Component of BCP action may be needed.	Major interruption to delivery of all or most services for more than 14 days. Full BCP action required.

Risk Types What could be the consequences if the risk occurs?	Consequence Rating				
	Insignificant	Minor	Moderate	Major	Severe
	1	2	3	4	5
Risk events that impacts WDC’s ability to function and deliver its core services as expected. Core services are lifeline utilities within the WDC context, they are water, wastewater, -roading IT infrastructure.	Disruption of service levels for up to 30 minutes (individual activity or site)  Limited interruption to services	Disruption of service levels for up to 4 hours (individual activity or sites)  Service interruption affecting less than 5% of one service.	Disruption of service levels for up to 4 hours (multiple activities or sites)  Significant interruption affecting between 5-20% of one service for less than a week.	Disruption of service levels for up to 1 day (multiple activities or sites)  Significant interruption affecting between 20-50% of one service for more than a week.	Disruption of service levels for more than 1 day (multiple activities or sites)  Extreme event affecting more than 50% of one service. Unable to continue normal business operations.

### 3. EVALUATE

Once risks have been analysed, the following matrix and rating are used to evaluate the risk rating pre-controls i.e. low, medium, high, extreme which is used to determine what action is required by Council in relation to the risk and post-controls i.e. low, medium, high, extreme which is used to determine the impact of the action(s) take by Council.

#### Risk rating matrix

*Risk rating = consequence rating x likelihood rating*

		Risk Consequence Rating				
		Insignificant	Minor	Moderate	Major	Severe
Risk Likelihood Rating		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

### 4. TREAT

The risk evaluation determines what actions need to be taken in relation to the risk:

ACTION	DESCRIPTION
Accept	Activity is managed to a low or medium risk rating through existing controls.
Transfer	Activity is managed to a low or medium rating through transferring risk to another party, e.g. contractor/ insurer/stakeholder.
Mitigate	Activity is managed to a low or medium risk rating through existing or additional controls. GM/CE approval required for high risk activity to continue.
Terminate	Activity is terminated if it cannot be reduced to a High or lower risk rating CEO approval required for critical risk activity to continue.

These actions are documented in a treatment plan, outlining the:

- Action to be taken
- Responsibility for completing the action
- Timeframe for completing the action.

**Preferred Risk Treatment Options (including ALARP – as low as reasonably practicable)**

<b>Residual Risk Rating</b>	<b>Preferred Risk Treatment Options</b>	Minimum reporting / escalation level for decision to cease activity, continue activity or take other necessary actions
<b>Extreme</b>	<p><b>Preferred treatment options: Avoid</b></p> <ul style="list-style-type: none"> <li>→ Cease activity, process or task until further directed.</li> <li>→ Requires immediate escalation and active management through additional and effective treatment measures to reduce risk before proceeding.</li> <li>→ Detailed planning required in consultation with the CE/ GM and ARFC to prepare a risk management plan.</li> </ul>	<p><b>Council</b></p> <p>(escalate to ARFC as deemed necessary)</p>
<b>High</b>	<p><b>Preferred Treatment Options: Avoid, Transfer or Mitigate</b></p> <ul style="list-style-type: none"> <li>→ Subject to discussions with GM, consider ceasing activity, process or task temporarily to consider alternative options or review risk treatment strategies to enhance adequacy and effectiveness.</li> <li>→ Consider implementation of additional or improved controls to reduce the risk to ALARP.</li> <li>→ Continue to monitor control effectiveness.</li> </ul>	<p><b>Senior Management Team</b></p> <p>(escalate to SMT as deemed necessary)</p>
<b>Medium</b>	<p><b>Preferred Treatment Options: Mitigate or Accept</b></p> <ul style="list-style-type: none"> <li>→ Subject to discussions Team Leader (and/or Manager), review risk treatment strategies to determine their adequacy and effectiveness.</li> <li>→ Consider implementation of additional or improved controls to reduce the risk to ALARP.</li> <li>→ Continue to monitor control effectiveness.</li> </ul>	<p><b>Manager</b></p> <p>(escalate to Manager as deemed necessary)</p>
<b>Low</b>	<p><b>Preferred Treatment Options: Accept and identify corrective action</b></p> <ul style="list-style-type: none"> <li>→ Manage by existing routing procedures and work practices.</li> <li>→ Continue to monitor control effectiveness.</li> </ul>	<p><b>Responsible staff</b></p> <p>(escalate as deemed necessary)</p>

**ALARP – As low as reasonably practicable**

ALARP involves weighing the benefits and opportunities to be gained from managing the risk and continuing with the proposed activity against the effort, time and resources needed to control the risk.

When determining if additional treatment options should be implemented, consideration should be given to the level of risk that would remain if additional controls were implemented.

- **Unacceptable** - where the cost or resource required to implement further risk treatment is grossly disproportionate to the risk control improvement gained, a decision should be made to cease the activity altogether or find an alternative course of action (except in cases where overriding factors mean there is no choice but to implement the identified additional control measures).
- **Acceptable - ALARP** - aim for this level of risk treatment - where the cost, resources and effort required to implement additional risk treatment is acceptable and worthwhile given the risk control improvement gained and resulting benefits achieved from continuing with the activity, operation or project being assessed.

## 5. RECORD AND REPORT

Council expects staff will identify and report risks to their manager as soon as practicably possible. Risks post-controls, including treatment plans, should be recorded and reported as follows:

RISK RATING	REPORTING
<b>EXTREME RISK</b>	<ul style="list-style-type: none"> <li>Weekly update of Strategic/Operational/ Health and safety/ Project risk register.</li> <li>Risk registers used as a basis for weekly update to SMT</li> <li>Risk registers used as a basis for quarterly update to Audit Risk and Finance Committee.</li> <li>Reporting of such emerging risks will be reported to the Mayor and Council as appropriate.</li> </ul>
<b>HIGH RISK</b>	<ul style="list-style-type: none"> <li>Monthly update of Strategic/Operational/ Health and safety/ Project risk register.</li> <li>Risk registers used as a basis for monthly update to SMT</li> <li>Risk registers used as a basis for quarterly update to Audit Risk and Finance Committee.</li> <li>Reporting of such emerging risks will be reported to the Mayor and Council as appropriate.</li> </ul>
<b>MEDIUM RISK</b>	<ul style="list-style-type: none"> <li>Quarterly update of Strategic/Operational/ Health and safety/ Project risk register.</li> <li>Risk registers used as a basis for quarterly update to SMT</li> </ul>
<b>LOW RISK</b>	<ul style="list-style-type: none"> <li>Quarterly update of Strategic/Operational/ Health and safety/ Project risk register.</li> </ul>

## 6. MONITOR AND REVIEW

Once post-controls risks have been reported, the identified risk should be monitored and reviewed as follows

RISK RATING	REPORTING
<b>EXTREME RISK</b>	<ul style="list-style-type: none"> <li>Weekly</li> </ul>
<b>HIGH RISK</b>	<ul style="list-style-type: none"> <li>Monthly</li> </ul>
<b>MEDIUM RISK</b>	<ul style="list-style-type: none"> <li>Quarterly</li> </ul>
<b>LOW RISK</b>	<ul style="list-style-type: none"> <li>Quarterly</li> </ul>

Council's risk review and reporting structure will be implemented to assist in:

- Monitoring Council's performance in mitigating risks and seizing positive opportunities
- Informing decision making, identifying improvement opportunities and improving performance
- Ensuring changing circumstances are considered against risk priorities and any additional risks are identified, documented and assessed appropriately
- Reviewing relevance and effectiveness of existing risk controls
- Measuring the success of Council's Risk Management Framework.

Review by Council's Audit, Risk & Finance Committee is considered essential in ensuring the independent and holistic review of Council's performance and to provide assurance to the Chief Executive and Council that risks are being appropriately managed.

Reviews and reports will be co-ordinated by responsible staff in accordance with the following schedule, however it is noted that additional and/or specific risk management reporting may be required from time to time.

### Strategic Risk Register

Council's Senior Management Team is responsible to for reviewing Council's Strategic Risk Register.

The Strategic Risk Register will be reviewed on a minimum annual basis and as high level risks emerge. Reviews will be reported to Council's Audit, Risk and Finance Committee.

### **Operational Risk Register (group level)**

The Group Managers and their relevant Management Teams are responsible for reviewing Council's Operational Risk Register.

The Operational Risk Registers will be reviewed on a minimum annual basis and as high level risks emerge. Reviews will be reported to the Senior Management Team and ARFC as necessary.

Group Managers will include the review of the group risks, controls and associated risk treatment action plans on their management team meeting agendas. This will facilitate a consultative approach to ensuring risks remain relevant, controls continue to be effective and that any new or emerging risks are identified and managed adequately.

### **Project Risk Register**

The Project Manager and their project team are responsible for reviewing the relevant Project Risk Register.

Reviews will be reported to the Project Control Group. Where a project is deemed to be of interest to Council, the risk register will be reported to ARFC.

### **Risk Management Framework**

Council's Risk Management Framework will be reviewed on a minimum annual basis to ensure its continued effectiveness and relevance and to identify improvement opportunities. Where significant amendments to the Framework are recommended, approval will be required by SMT and a report presented to ARFC.

### **Performance and Success Measures**

The performance and success of Council's Risk Management Framework will be assessed with consideration of the following five key attributes of enhanced risk management:



Various methods maybe used to measure and report on the strengths and weaknesses of Council's performance, including:

- Organisational surveys to monitor risk management awareness and knowledge
- Statistics on staff participation in risk management training
- Analysis of data gathered from organisational risk reporting and internal audit results, as well as incident and claim statistics.

A review of Council's performance will assist in identifying improvement opportunities in relation to this Framework and will be reported to SMT and Council's Audit, Risk & Finance Committee as necessary.

## Appendix One: The Lines Company - Risk Management Framework

Consequence Descriptor	Health and Safety	People / Talent	Environmental	Operational	Network Performance	Financial Impact on Business (Cash Flows)	Third Party (Stakeholder / Cultural / Reputational)	Compliance
<b>Catastrophic</b>	Fatality or life-altering event	Over 25% staff turnover. Significant skill gaps due to loss of several key personnel	Recovery in 5+ years	Group-wide inability to continue normal business operations	Extreme event (full defence MENA incident); more than 50% of network affected	Greater than \$5m	Irreparable damage to key cultural stakeholders relationships. Sustained negative local and/or national media coverage. Third party loss greater than \$5m	Regulatory intervention / prosecution
<b>Major</b>	Life-threatening event; multiple events requiring hospital admission/ notifiable event	15-25% staff turnover. Loss of key personnel; replacement will take more than 6 months	Recovery 2-5 years	Significant interruption to more than 50% of the Group's operations	Defcon 4 – Significant event with more than 2 feeders affected for more than 1 week	Between \$1m and \$5m	Significant breach of trust with cultural stakeholders. Significant media coverage, regulatory audits, board response required. Third party loss between \$1m and \$5m	Regulator breach / enforcement notice
<b>Moderate</b>	Event resulting in lost time but does not require hospital admission	10-15% staff turnover. Loss of key personnel with 3-6 month replacement	Recovery 1-2 years	Significant interruption to between 20% and 50% of the Group's operations	Defcon 3 – Major event lasting less than a week	Between \$0.5m and \$1m	Lack of understanding of key cultural aspects requiring CE or Board response. Single event attracts local and/or national attention and requires a formal response from the CE. Third party loss between \$0.5m and \$1m	Regulatory notification may not be required / improvement notice
<b>Minor</b>	Minor illness or event requiring medical treatment (e.g. first aid)	5-10% staff turnover. Some loss of key personnel but easily replaced	Recovery under 1 year	Significant interruption to less than 20% of the Group's operations	Defcon 2 – Some network faults	Between \$0.1m and \$0.5m	Minor offence caused requiring formal apology. Attracts some media coverage but does not warrant a formal response. Third party loss between \$0.1m and \$0.5m	Regulatory notification not required
<b>Negligible</b>	Event but does not require medical attention	Isolated retention problems. Less than 5% turnover	Localised damage only	Limited interruption	Defcon 1 – No network faults	≤ \$0.1m	Minor offence caused to individual relationship (e.g. customer). No negative public perception issues created. Third party loss ≤ \$0.1m	Regulatory notification not required

**Document ID:** 948909

## **Report To: Audit and Risk Committee**



**Meeting Date:** 12 May 2026

**Subject:** **Progress Report – Transition to Waikato Waters Limited**

**Type:** Information Only

**Author(s):** Ben Smit  
Chief Executive

### **1. Purpose of Report**

- 1.1 The purpose of this business paper is to update the Committee on the transition of WDC's water and wastewater assets and operations to Waikato Waters Limited (WWL).

### **2. Suggested Resolutions**

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it might be adopted by resolution.

The business paper on Progress Report – Transition to Waikato Waters Limited be received.

### **3. Background**

- 3.1 Numerous papers have been written on this topic. This paper discusses where each of the workstreams is at.
- 3.2 The WDC Transition Plan (the Plan) outlines the high-level strategy, objectives and approach for the transfer of water services, staff, assets, liabilities, and associated operational and financial responsibilities to Waikato Waters Ltd (WWL) by 1 July 2026, referred to as Day 1.
- 3.3 The Plan represents a methodical and coordinated approach designed to ensure that the transition occurs efficiently and effectively, while safeguarding the continuity of WDC business as usual (BAU) services, maintains public confidence, stakeholder trust, Mana Whenua/Iwi partnerships and supports robust staff engagement throughout the process.
- 3.4 The establishment of WWL arises from the Government's Local Water Done Well (LWDW) policy, which replaces the previous three waters reform framework and sets a clear requirement for councils to deliver water services that are financially sustainable, safe, resilient, environmentally compliant, and responsive to community needs.
- 3.5 The transition to WWL has been shaped by the collaborative Waikato Water Done Well (WWDW) initiative, through which seven councils - including Waitomo - worked together to co-design a multi-council owned water services delivery model. This model balances regional efficiencies with local accountability, enables greater financial flexibility, supports workforce sustainability, and provides for more affordable and consistent water services across participating communities.

### **4. Commentary**

- 4.1 This update of the transition to WWL follows the initial commentary in February 2026. It will comprise commentary on WDC's and WWL progress on the implementation of the workstreams being undertaken in the project.

4.2 To recap WDC's objectives of the Plan are:

- To transition wastewater and water assets, liabilities, systems, processes, contracts and people to WWL by 1 July 2026 (transition date).
- Identify the scope, plan for, and then deliver, remaining support services that WWL want to contract for until these services transition to WWL.
- Review options and then implement the delivery of stormwater services, post transition date.
- Provide input into the development of the Long Term Plan for the WDC Stormwater activity, the ongoing relationship with WWL and for a future model of support services to be developed for the post WWL entity.
- Successful transition of WDC to being a viable and cohesive organisation post water and wastewater activities moving to WWL from 1 July 2026.

4.3 The WWL Transition Programme is split into eight workstreams. Each of these workstreams has a WWL lead and team and from WDC a staff member who is the contact point / lead from our perspective.

#### **People & Capability**

4.4 This workstream has progressed well and is now into the detailed phase of payroll and HR system establishment, induction and transfer. Our 'job guarantee' staff have all accepted the WWL offers. Our 'offer guarantee' applied for and all received jobs in WWL.

4.5 Information flows to our people are good.

4.6 WDC has completed its own organisational change process to align with WWL timing so our people had the opportunities to apply for WWL roles.

#### **Finance, Funding & Commercial**

4.7 A huge amount of work, budgeting, modelling, and providing information has been done over the years of this process.

4.8 The information requests are still coming in frequently relating to the establishment of WWL financial systems (including financial and budget reporting, debt transfers, transition billing, payroll, accounts payable). This is placing a lot of additional work on our Finance team.

4.9 Invoicing and collection of wastewater and water rates and fees and charges remains the responsibility of WDC for at least 2026/27. WWL is looking at establishing their own billing system from 1 July 2027. A paper will go to the WWL board in June to look at options and contingency planning.

4.10 The debt transfer schedule to transfer WDC's allocated water and wastewater loans, associated reserves and sundry balance sheet current liabilities and assets (eg employee leave) is underway. Sundry and rate debtors and creditor's collection will remain the responsibility of WDC for 2026/27. There is significant complexity involved with developing these details and establishing these systems but it generally looks to be on track.

4.11 The exact method and timing for transfer of net debt back to WDC is still being worked on but it looks like debt will be paid at 1 July 2026 with a 'wash-up' in October 2026

#### **Operations and Asset Management & Capital Delivery**

4.12 These are two workstreams that have been largely working together given their interrelationships.

4.13 The process has gone well and most of the operational and capex transfer issues are largely addressed between WWL and WDC.

4.14 WWL will begin training and induction and handover shortly.

4.15 Reviews of significant sites have occurred and the transition of work programmes and contracts is occurring.

### **Governance & Legal**

- 4.16 This has involved the transfer of property that would be WWL's. This included the splitting of property (namely the Te Kuiti water treatment site). Other transfers include easements, other legal arrangements, contracts and consents. This process has also gone well for WDC and WWL.
- 4.17 Transfer agreements are complete. Agreements for WDC to provide billing and customer services are in place.

### **Iwi Engagement**

- 4.18 This has involved ongoing communication with iwi chairs and Chief Executives at WWL including the development of a draft partnership agreement.
- 4.19 At a WDC level this has involved ongoing communication (particularly with TNN) and the signalling of our view on the relationship document with TNN – namely the Joint Management Agreement post TNN settlement including the obligations around the Waipa River catchment.
- 4.20 No issues are foreseen in the workstream.

### **Technology**

- 4.21 Information Technology and Systems have been largely managed by the WWL transition team given they are implementing systems and processes and the transition from WDC systems. WDC has provided the required information and managed the required system changes from our perspective i.e. not requiring Assetfinda (asset management system) anymore.
- 4.22 Ongoing conversations are occurring around the transfer of data and the establishment of new systems and connections with WDC systems and processes.

### **Communication**

- 4.23 Good communication has occurred between the WWL workstream and our communications lead and Transition Manager. Consistent, clear and accurate messaging is the objective, and this has largely occurred.
- 4.24 Generally the transition risks are being managed and we are positive about the move. Having said that there is a significant amount of work still to be done as transition date approaches.

### **4.25 CONSISTENCY WITH EXISTING PLANS AND POLICIES**

- 4.26 These plans have been consistent with Council's plans such as the LTP, Annual Plan, District Plan or any of its policies.

### **4.27 SIGNIFICANCE AND COMMUNITY VIEWS**

- 4.28 Legal changes were put in place to change Council's requirements to engage with their communities. WDC has followed this legislation and the protocols. The development of how the Annual Plan and Consultation Document for the Annual Plan is a topic being worked through at the moment.

**Document No:** 956846

**Report To: Audit and Risk Committee**



**Meeting Date:** 12 May 2026

**Subject:** **Annual Report and Summary Annual Report 2025/26 – Audit Engagement, Plan and Timeline**

**Type:** Decision

**Author(s):** Charmaine Ellery  
Manager – Strategy and Policy

Tina Hitchen  
Chief Financial Officer

## 1. Purpose of Report

1.1 The purpose of this business paper is to:

- a) Present the Audit Engagement Letter for the audit of the Annual Report and Summary Annual Report 2025/26.
- b) Present the Confirmation of Engagement letter for the Limited Assurance Report in respect of the Waitomo District Council's Debenture Trust Deed including the proposed fee.
- c) Introduce the Deloitte Planning Report detailing the scope, approach and areas of focus for the external audit of Council's 2025/26 Annual Report and the indicative timeline.
- d) Obtain the Council's approval for the signing of the engagement letters.

## 2. Suggested Resolutions

2.1 The following are suggested resolutions only and do not represent Council policy until such time as they might be adopted by resolution.

- 1 The business paper on Annual Report and Summary Annual Report 2025/26 – Audit Engagement, Plan and Timeline be received.
- 2 The Deloitte Audit Engagement Letter be accepted as presented.
- 3 The Deloitte Confirmation of Engagement letter for the Limited Assurance Report for the Trust Deed be accepted as presented.
- 4 The Deloitte Audit Planning Report be accepted as presented.
- 5 The Chief Executive and Mayor be delegated authority to sign the Deloitte Engagement Letters on behalf of the Waitomo District Council.

## 3. Background

3.1 Council is required under the Local Government Act 2002 to prepare and adopt an Annual Report for each financial year. The Annual Report must contain a report from the Auditor General on the Annual Report on the following:

- Whether the financial statements and performance information present fairly the position and performance of the Waitomo District Council for the year ended 30 June 2026.
  - Compliance with generally accepted accounting practice in accordance with Public Benefit Entity Reporting Standards.
  - Compliance with Schedule 10 of the Local Government Act 2002 (which outlines the contents of an Annual Report).
- 3.2 A separate audit report is also required for the Summary Annual Report which is published within one month of the adoption of the Annual Report.
- 3.3 Deloitte have been appointed as the auditors for Waitomo District Council on behalf of the Office of the Auditor-General (OAG).
- 3.4 At 13 May 2025 Audit and Risk Committee meeting, the Committee accepted the Audit Proposal which included the audit fees for the years ending 2025, 2026, 2027 and 2028. The audit fees and charges for the 2025/26 year are \$239,699 + GST. There is sufficient budget available for the audit fee.
- 3.5 The Deloitte engagement letter, enclosed as **Attachment 1**, has been issued to Council for the Annual Report and Summary Annual Report.
- 3.6 The letter of confirmation of engagement for the Limited Assurance Report for the Debenture Trust Deed is enclosed as **Attachment 2** to this paper.
- 3.7 As part of the audit process, Deloitte have provided an Audit Planning Report, enclosed as **Attachment 3**, which establishes the process the audit will follow and areas of focus for the audit.
- 3.8 Representatives from Deloitte will be attending the meeting to present the letters and planning report and answer members' questions.

## 4. Commentary

### 4.1 AUDIT ENGAGEMENT LETTER (AEL)

- 4.2 The AEL advises that Deloitte, on behalf of the Auditor-General, will be completing the audit of the Annual Report and Summary Annual Report for years ending 2026, 2027 and 2028.
- 4.3 The AEL sets out the terms of the audit engagement and includes the specific responsibilities of both the auditor and Council, audit scope and objectives, the approach taken to complete the audit and the areas of audit emphasis.
- 4.4 The AEL sets out the objectives of the audit which are:
- To provide an independent opinion on the Council's financial statements and performance information.
  - To report on other matters that come to our attention as part of the annual audit. Typically, those matters will relate to issues of financial management and accountability.

#### 4.5 LIMITED ASSURANCE REPORT

- 4.6 The confirmation letter sets out the terms and scope of the engagement and includes the specific responsibilities of both the auditor, the Trustee and Council. The Trustee has elected to be a party to the Independent Assurance Report.
- 4.7 The procedures will be completed concurrently with the statutory audit of the annual financial statements and performance information.
- 4.8 The proposed engagement fee is \$8,595 excluding GST.

#### 4.9 AUDIT PLANNING REPORT

- 4.10 The Audit Planning Report outlines the key areas that will form part of the audit focus. It also contains those issues that the OAG has requested the auditor to specifically look at when undertaking the audit of the Annual Report and service performance statements. The areas of focus are detailed on pages 7 to 12 of the Audit Planning Report.
- 4.11 The table below highlights the key areas that the audit procedures will be focused on, as identified in the Audit Planning Report and WDC's planned action for these areas. There is one new focus area for this year on Local Waters Done Well:

KEY AREAS OF FOCUS	PLANNED ACTION TO ADDRESS
Valuation of Infrastructural assets	Engagement of independent valuers to complete the fair value assessments and the revaluation of infrastructure assets. A valuation of roads and solid waste assets at 30 June 2026 is scheduled for this reporting period.
Local Waters Done Well	Transition planning and engagement continues across multiple workstreams and is on target for the transfer of assets on 1 July 2026. Staff will review accounting advice received as part of the transition of water assets to Waikato Waters Ltd and complete the necessary disclosures and accounting required for the current reporting period.
Valuation of Investment in Inframax Construction Limited	Engagement of an independent valuer to complete a valuation of Council's 100% shareholding in Inframax Construction Limited.
Management override of controls	Internal controls, delegations and procedures are in place including the approval of journals and adjustments and documentation and appropriateness of assumptions and accounting estimates to ensure accuracy and completeness of financial reports.
Revenue Recognition	Internal controls and procedures are in place for revenue recognition including the setting of rates to ensure accuracy and completeness of reports and to minimise the risk of fraud or under/overstating revenue.
Statement of service performance	WDC has internal controls and procedures in place to monitor the levels of service, record and report on Key Performance Indicators.
Matters raised by the OAG	WDC continues to monitor central government reviews and proposals, provide advice to our elected members and incorporate recommendations and directions in how WDC operates. WDC has policies and procedures in place for the specific areas identified which continued to be maintained and monitored by staff.

- 4.12 The Group 'materiality limit' range for audit planning has been set at \$2.0 to \$2.3 million. The planning materiality limit is used to determine sample sizes for testing transactions and balances. The component materiality range is \$1.0 to 1.3 million. The materiality limits are reassessed at year end and may be adjusted based on actual expenditure.

- 4.13 Reporting of misstatements has been set at any differences greater than \$100,000 to \$110,000.
- 4.14 Key dates relating to the audit process and adoption of annual report are:

DATE	DESCRIPTION
<b>18 - 29 May</b>	Planning remotely from Deloitte's offices.
<b>15 -19 June</b>	Interim Audit - mix of remote and on site
<b>25 Aug</b>	Council meeting - Interim Unaudited June 2026 Financial Report
<b>29 Sep</b>	Council meeting - Draft ICL valuation (if available prior to agenda close off)
<b>7 Sep – 2 Oct</b>	Final audit and resolution of queries - mix of remote and on site.
<b>13 Oct</b>	ARC - Presentation of Draft Annual Report to the Committee for recommendation to adopt
<b>27 Oct</b>	Council meeting - Adoption of Annual Report
<b>3 Nov</b>	Summary Annual Report published

## 5. Analysis of Options

- 5.1 The Council needs to consider each engagement letter and has the option of agreeing to them as presented; or proposing further amendments to either the audit engagement letter and/or the limited independent assurance report engagement letter for Deloitte to consider.

## 6. Considerations

### 6.1 **RISK**

- 6.2 If the Council does not agree to the audit engagement letter or the independent assurance report engagement at this meeting, or propose changes to either engagement letters, then it runs the risk of non-compliance with legislative requirements around preparation and adoption of the Annual Report and/or potentially being in breach of the Debenture Trust Deed.

- 6.3 There is a risk that the fair value assessments at 30 June 2026 may indicate that a full out-of-cycle valuation of an asset class (such as water assets) may be required. This would impact on the timeline to finalise the financials, leading to additional unbudgeted costs and delays in the audit process and completion of the draft Annual Report. To mitigate the risk, an in-house fair value assessment is undertaken by staff to confirm that the carrying value remains consistent with the fair value, this will be confirmed by the valuer as part of year end procedures.

### 6.4 **CONSISTENCY WITH EXISTING PLANS AND POLICIES**

- 6.5 The AEL as presented is consistent with the delivery arrangements for the Annual Report.

### 6.6 **SIGNIFICANCE AND COMMUNITY VIEWS**

- 6.7 Section 78 of the LGA requires the Council to, in the course of its decision making, give consideration to the views and preferences of people likely to be affected by, or to have an interest in, the matter.

- 6.8 The Annual Report is the key accountability document for our community. It explains how we have performed for that year, is an important way of informing our community about how we are progressing in achieving our goals, and highlights areas we are performing well in and areas that we need to improve on, including how we plan to do this.

**7. Recommendation**

- 7.1 The business paper on Audit Engagement Letter for the Audit of the Annual Report and Summary Annual Report 2025/26 and confirmation of engagement for the Limited Independent Assurance Report be accepted as presented and the Council approves the signing of the letters.

**8. Attachments/Separate Enclosures**

Separate Enclosures:

- 1 Deloitte – Audit Engagement Letter for the Audit of the Annual Report and Summary Annual Report 2025/26 (956874)
- 2 Deloitte –Engagement letter for the Limited Assurance Report in respect of the Debenture Trust Deed (956852)
- 3 Deloitte Audit Planning Report for the year ending 30 June 2026 (956845)

**Document ID:** 970829

**Report To: Audit and Risk Committee**



**Meeting Date:** 12 May 2026  
**Subject:** **Top Twenty Suppliers by Value**  
**Type:** Information Only  
**Author(s):** Tina Hitchen  
 Chief Financial Officer

**1. Purpose of Report**

- 1.1 The purpose of this business paper is to provide the annual update of WDC's top twenty suppliers, by value, for year to date 2026.

**2. Suggested Resolutions**

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they might be adopted by resolution.

1 The business paper on Top Twenty Suppliers by value be received.

**3. Background**

- 3.1 A table detailing the top suppliers by value of spend is attached, as Appendix 1 to this paper. The table details the nature of the work and the range of procurement approaches used for each of these suppliers. The figures in brackets under the rank column are the comparative ranks from last year's report.
- 3.2 Organisations such as banks and LGFA, Inland Revenue Department and central government departments have been excluded from this list as WDC procurement policies do not cover these types of transactions. Establishment funding payments made to Waikato Waters Ltd have also been excluded as these will be repaid as part of the transition agreement and fall outside the procurement policy.

**4. Commentary**

- 4.1 The suppliers that form the top twenty highest values are generally our large civil works (roading and waters) contractors. The procurement methods used for these contracts are highly controlled through our procurement policy and generally are via tender or formal contract.
- 4.2 As is consistent with previous years the suppliers that form the highest values are the large civil works (roading and waters) contractors. HEB Construction Ltd are the construction contractor on the Te Kuiti Water Reliance Project with construction commencing in February 2026.

**APPENDIX 1: Top 20 Suppliers by highest value (includes GST)**

Rank based on April YTD	ID	Creditor	YTD April 2026 Purchases	YTD June 2025 Purchases	Nature of work	Comment on whether procurement is covered by tender, contract or PO
1 (1)	35061	Inframax Construction Limited	14,356,200	12,316,162	Roading capital and maintenance	Completely covered by tender or contract
2 (2)	05615	Pinnacles Civil Group Ltd	4,035,657	3,542,236	Professional Roding services	Mixture of tender, contract and purchase order. Majority under contract.
3	07018	HEB Construction Limited	2,409,622	0	Civil Construction Services	Contract through tender process
4 (4)	49001	McIndoe Group Ltd	1,991,475	1,776,747	Plumbing services, construction and maintenance	Mixture of tender, contract and purchase order - Majority under Maintenance Contract
5 (12)	00982	Schick Civil Construction Limited	1,548,958	1,743,652	Civil Construction Services	Multiple contracts through tender process
6 (6)	75969	Enviro NZ Services Ltd	1,351,542	1,472,996	Solid waste removal and landfill operations	Two Contracts - Landfill & Kerbside Collection; Purchase order for Water Treatment Plant Collection
7 (9)	01686	Waikato Local Authority Shared Services Ltd (CoLab)	1,193,830	732,910	Shared Council Services	Multiple contracts and Purchase Orders - regional procurement
8 (5)	06448	Nicholls and Uttinger Civil Limited	839,945	2,202,171	Civil Construction Services	Multiple contracts through tender process
9 (7)	00265	Meridian Energy Limited	705,819	835,637	Electrical Costs	All of Government Contract
10 (20)	06043	Morris & Shailer Limited	619,246	356,588	Consultants including stormwater modelling, project management services and waste services procurement	Mixture of contracts
11 (3)	04565	Cambridge Excavators Ltd	586,014	2,799,063	Civil Construction Services	Multiple contracts through Tender process
12 (17)	58700	WSP New Zealand Limited	517,083	340,134	Engineering Professionals	Mixture of Contracts and purchase orders
13 (8)	03726	AON New Zealand	510,572	658,000	Insurance	CoLab - regional procurement
14 (13)	03344	OCS Limited	369,109	418,386	Cleaning	Contract through tender process
15	06724	SplICE Construction Ltd	361,697	417,017	Civil Construction Services	Multiple contracts through tender process
16 (15)	53107	Magiq Software Limited	332,199	306,080	Council software	Software License Contract and one off purchase orders
17 (10)	06543	JC Civil Construction Ltd	329,346	513,646	Civil Construction Services	Mixture of contracts through tender process and a one off purchase order
18 (11)	06001	Toyota New Zealand Limited	309,990	390,324	Vehicle purchases	All of Government contract
19 (19)	89095	Waipa District Council	283,188	297,849	Shared regulatory services	Contract
20	06878	Conhur Limited	276,683	802,460	Civil Construction Services	Contract through tender process

Document No: 962184

## Report To: **Audit and Risk Committee**



**Meeting Date:** 12 May 2026

**Subject:** **Treasury Management Report for the period ended 31 March 2026**

**Type:** Information Only

**Author(s):** Wayne La Roche  
Asset Accountant

Tina Hitchen  
Chief Financial Officer

### 1. Purpose of Report

- 1.1 The purpose of this business paper is to provide an update on Council's debt position and compliance with borrowing limits for the period ended 31 March 2026.

### 2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent the Committee's decision until such time as they are adopted by formal resolution.
- 1 The business paper on Treasury Management Report for the period ended 31 March 2026 be received.
  - 2 The Committee notes a breach of the fixed interest hedging percentages as fixed rate cover is lower than policy requirements for the 0-2 year and 2-4 year bands. No new fixed rate cover will be entered into at this time due to the debt settlement from Waikato Waters Ltd on 1 July 2026.

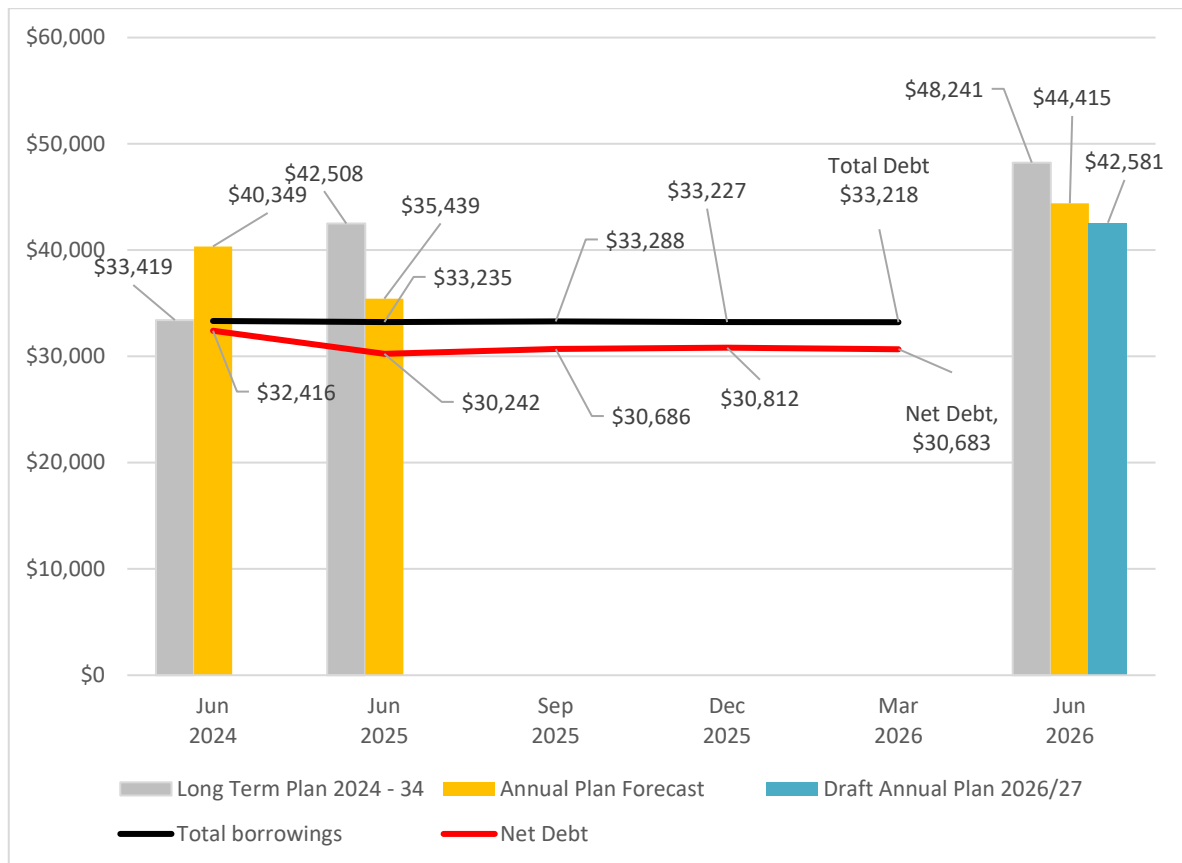
### 3. Background

- 3.1 The total borrowings and net debt position are regularly reviewed, monitored and compared to the Long Term Plan 2024-34 (LTP) and Annual Plan forecasts. This includes monitoring Council's borrowing limits as set out in the Financial Strategy, with reporting to the Audit and Risk Committee, or in their absence the Council on a quarterly basis.
- 3.2 Bancorp Treasury Services Limited, Council's external treasury advisors, have prepared a quarterly Treasury Reporting Dashboard report for the period ended 31 March 2026. A copy is enclosed separately and forms part of this business paper.

### 4. Commentary

- 4.1 **PUBLIC DEBT**
- 4.2 At 31 March 2026 public debt was **\$33.2 million** and net debt<sup>1</sup> was \$30.7 million. Debt has remained at a similar level since June 2024.
- 4.3 The following graph shows the total borrowings and net debt position compared to forecast debt from the LTP and relevant Annual Plan.

<sup>1</sup> Net debt is total public debt less NZLGFA Borrower notes and unrestricted cash.



- 4.4 Actual public debt at 30 June 2025 was lower than forecast in Annual Plan 2025/26 due mostly to the timing of two large capital projects (Te Kuiti Water Resilience Project and Te Kuiti stormwater improvements) and the landfill cell development not proceeding as forecast.
- 4.5 Cash proceeds from property sales over the last two years and dividend revenue received last year also contributed to the lower actual debt balance.
- 4.6 The forecast debt position to 30 June 2026 has been updated as part of the development of the draft Annual Plan 2026/27 and is included in the above graph (blue bar).
- 4.7 The minor movements in debt between 30 June 2025 and 31 March 2026 are attributable to changes in accrued interest and minor repayments of the finance lease.

#### 4.8 **INTEREST EXPENSE**

- 4.9 Total interest expense for the nine months ended 31 March 2026 was \$1,056,000 which was \$103,000 less than budget of \$1,159,000 for the same period.
- 4.10 The assumed interest rate adopted in the Annual Plan for the 2025/26 year was 4.33%. The weighted average interest rate at 31 March 2026 was 4.09% (December 25: 4.08%), and including the Westpac call advance credit facility fee is **4.16%** (December 25: 4.15%) as presented in the Bancorp Treasury Reporting Dashboard.
- 4.11 Of the total borrowings of \$33.2 million, the floating interest rate debt totals \$13 million which is impacted by any interest rate changes. The remaining \$20 million of public debt is on a fixed interest rate exposure and is unaffected by short term interest rate changes, up until the date the fixed rate arrangement expires (the remaining amount is accrued interest and finance lease liability).

#### 4.12 **MARKET INTEREST RATES**

- 4.13 Currently the OCR is set at 2.25% with the next monetary policy statement and OCR review due on 27 May 2026 with the market pricing in a 30% chance of the OCR increasing by 0.25%, and a 90% chance of another increase of 0.25% at the July OCR review.

#### 4.14 **BORROWING LIMITS**

4.15 The borrowing limits set in the Financial Strategy are:

- The ratio of net debt to total revenue will not exceed 165%.
- Net interest will not exceed 20% of annual rates.

4.16 Council is currently well below these limits so has adequate borrowing capacity should this be required.

	Limit	Actual June 2025	Actual Mar 2026
Net debt to total revenue	<165%	62%	Measured at the end of the year
Net interest to annual rates	<20%	6%	5%

4.17 A standby credit facility with Westpac bank with a credit limit of \$6 million is in place of which none was drawn at 31 March 2026. It should be noted that the facility has been used for short-term cash requirements (over a matter days) and may be used more frequently prior to raising core debt, as set out in the annual plan.

#### 4.18 **TRANSACTIONS DURING THE LAST QUARTER**

4.19 The \$6 million Commercial Paper (CP) that matured on 19 February 2026 was refinanced with a CP maturing 1 July 2026, with credit margin unchanged of 0.20%, and total applicable interest rate of 2.551%. The maturity date is to align with debt settlement from WWL planned for that date.

#### 4.20 **DEBT AND COVER PROFILE**

4.21 Council's projected debt and interest rate exposure is shown on page 4 of the Treasury Reporting Dashboard. The projection has been updated to our current best estimates of forecast debt.

4.22 The forecast debt profile assumes an initial increase in debt by 30 June 2026, before repayment of a significant portion of that debt leaving a debt balance of \$8.9 million at June 2027. For the remaining 10-year time horizon, debt levels are assumed to be unchanged in the absence of a new long-term plan.

4.23 The fixed rate interest cover remaining after the WWL debt settlement will be \$5 million which is forecast to mature in August 2027.

4.24 There is a breach of the fixed rate hedging percentages (0-2 years and 2-4 years bands) at March 2026 and this breach will remain till 30 June 2026. With the settlement of waters debt by Waikato Waters Limited expected in July, no further hedging of debt is planned at this time. The breach will remedy on 1 July with the debt settlement, as debt will reduce below \$10 million. With debt below \$10 million the application of the fixed rate hedging percentages is optional.

4.25 Within WDC's debt portfolio, there is \$6 million of debt that is accounted for separately as it was raised specifically to fund WDC's investment in its subsidiary company Inframax Construction Limited.

4.26 The interest payable on that debt is deductible for income tax purposes and contributes to the tax losses carried forward by WDC. The Company will be able to access those losses through a subvention payment and loss offset process between WDC and the Company thereby limiting the income tax the Company has to pay.

4.27 The current strategy is to retain the \$6 million ring fenced debt so that WDC is able to accumulate tax losses that may be utilised by the Group.

#### 4.28 **TREASURY ACTIVITY EXPECTED IN THE NEXT QUARTER**

##### 4.29 CASH ADVANCE FACILITY

4.30 WDC's standby credit facility with Westpac is due for renewal by 30 June 2026.

- 4.31 The current terms include a facility fee of 40bps (annual cost of \$24,000) and interest charged on the drawn amounts at Westpac's Prime Rate plus a credit margin of 100bps. The Prime Rate is slightly more than the OCR rate. The facility may be drawn or repaid at any time during business hours.
- 4.32 A standby facility is now being offered by LGFA with a facility fee of 20bps and credit margin of 50bps charged on a base rate which is equal to the OCR. There are also some minor differences in minimum amounts that may be drawn down and how interest accrues.
- 4.33 Staff are currently reviewing the proposal and waiting on some further information from LGFA.
- 4.34 NEW DEBT TO BE RAISED
- 4.35 A new \$5 million Commercial Paper (CP) is expected to be issued to fund water and wastewater capital expenditure, primarily the Te Kuiti water resilience project.
- 4.36 The maturity of this debt will be 1 July 2026 and will be repaid through the debt settlement with Waikato Waters Limited.
- 4.37 **INTEREST RATE SWAP VALUATIONS**
- 4.38 Included in the balance sheet is the valuation of the interest rates swaps that are in place at balance date for both current and forward starting swaps. These are included as "Derivative Financial Instruments" and recognised at market value at balance date.
- 4.39 As at 31 March 2026 the indicative valuation was \$245,000 (December 25: \$578,000) liability. The decrease in liability is due to increasing medium and longer-term future interest rates.

## **5. Attachment**

Attachment:

- 1 Bancorp Treasury Reporting Dashboard as at 31 March 2026 (970377)



# Treasury Reporting Dashboard

As at 31 March 2026

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**BANCORP**

BANCORP TREASURY SERVICES LIMITED



Financial markets ended the March quarter in a more cautious mood than they began it. The conflict in the Middle East pushed oil prices sharply higher, lifting inflation concerns and driving global interest rates higher, while equities became more volatile and the US dollar strengthened. The outlook now depends heavily on how soon the conflict is resolved, with a prolonged period of disruption likely to exacerbate pressure on energy prices, inflation, global growth, and interest rates.

The US economy still looks resilient, but it has clearly cooled. Growth slowed into late 2025, inflation is lower than a year ago but not yet fully settled, and payroll growth has eased enough to suggest the labour market is softening, leaving the US Federal Reserve to balance slower growth against higher inflation. Recently, higher inflation has been the market's primary concern, with the 10-year US Treasury yield ending the March quarter at 4.32%, up from 4.17% at the start of the quarter.

Australia has held up better than most major economies recently. Strong government spending and migration has supported growth; however, inflation remains sticky. After delivering three interest rate cuts over 2025, the RBA reversed course and lifted its cash rate in both February and March, with the cash rate finishing the quarter at 4.10%. Households are still feeling cost pressures, as higher interest rates and fuel prices threaten to compound the pain. This has already affected consumer confidence, which is now at its lowest level since the series began in 1973. The 10-year Australian government bond yield rose from 4.75% in January to just below 5.00% by quarter-end.

Elsewhere, the picture remained uneven. China showed some improvement in manufacturing, but weak domestic demand still makes the recovery look fragile. Japan is facing imported inflation, driven by higher oil prices and a weak yen, which should help the Bank of Japan increase interest rates. Europe has seen moderate growth, while the latest energy price shock has made the inflation outlook less comfortable.

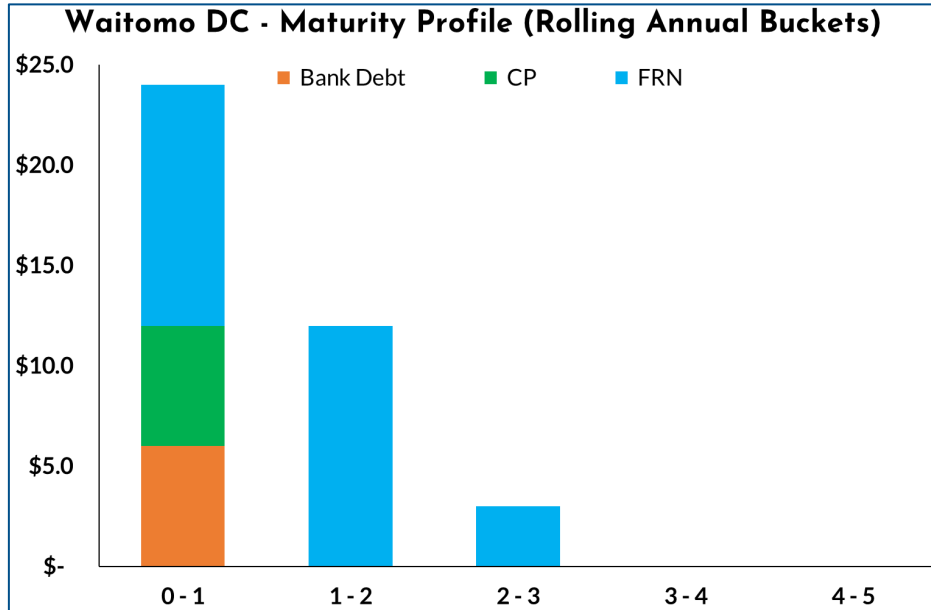
## New Zealand

	OCR	90 day	1 year swap	2 year swap	3 year swap	5 year swap	10 year swap
31-Dec-25	2.25%	2.52%	2.61%	2.93%	3.20%	3.56%	4.09%
31-Mar-26	2.25%	2.54%	2.92%	3.43%	3.69%	3.96%	4.32%
Change	0.00%	+0.02%	+0.31%	+0.50%	+0.49%	+0.40%	+0.23%

New Zealand entered 2026 with signs that the economy was starting to improve. Growth had returned in the second half of 2025, economic sentiment was picking up, helped by stimulatory interest rates. The RBNZ left the OCR unchanged at 2.25% in February, noting the economy was at an early stage of recovery, and forecast GDP growth of 2.8% over 2026.

Nevertheless, the domestic outlook has changed drastically as the war in the Middle East is set to test the improving narrative. Higher oil and fertiliser prices have lifted inflation risks, pushing interest rates higher while also threatening growth by raising costs and weighing on confidence. In March, business confidence fell from 59.2 to 32.5, while consumer confidence fell from 100.1 to 91.3. Ultimately, this has made the interest rate outlook less clear than it was previously as the RBNZ tries to manage inflation amid a soft growth backdrop. Since the conflict began, the three-year swap rate has risen around 50bp to 3.69%, while the New Zealand 10-year government bond yield is around 40bp higher at 4.72%, tightening financial conditions just as domestic momentum was tentatively beginning to improve. As noted above, the domestic outlook now depends heavily on how soon the conflict is resolved.

# Funding, Liquidity and Hedging Bands <sup>86</sup>



Total WDC Debt  
**\$33.0m**  
 External Council Drawn Debt (LGFA + Bank)

Core WDC Debt (all drawn from the LGFA)  
**\$33.0m**

Headroom = undrawn bank facility + cash in bank  
**\$8.48m**

Liquidity Ratio (must be >110%)  
**125.69%**  
 Definition: Includes Cash Reserves + Undrawn lines of Credit + Drawn Debt)/Drawn Debt (excludes Borrower Notes and restricted cash).

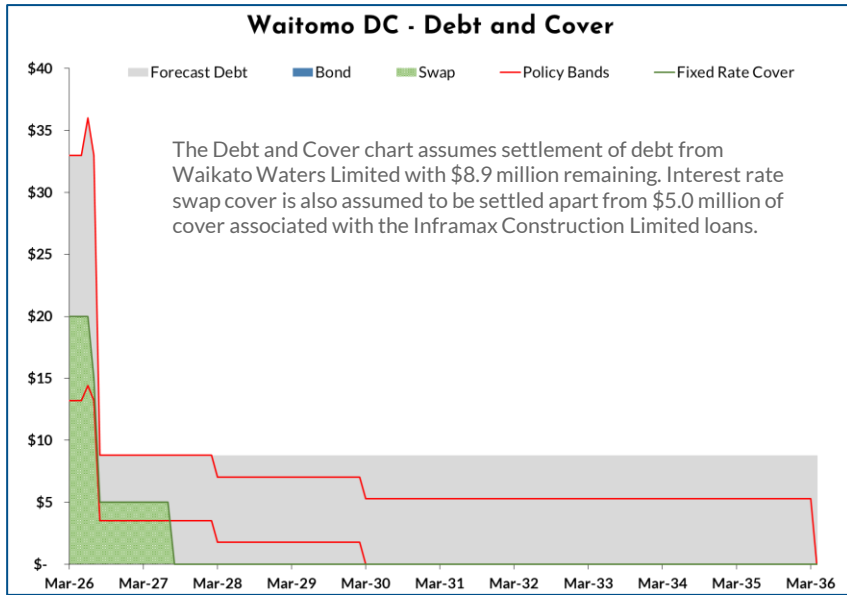
Cost of Funds as at 31 March 2026  
**4.16%**

Policy Compliance	Compliant
Have all transactions been transacted in compliance with policy?	Yes
Is fixed interest rate cover within policy control limits?	No
Is liquidity within LGFA control limits?	Yes
Are swaps transacted with approved counterparties?	Yes

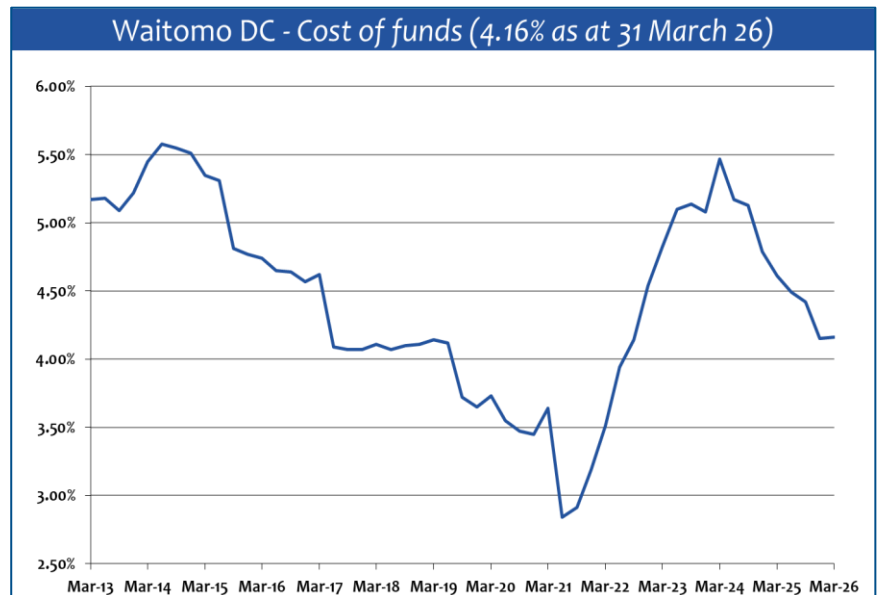
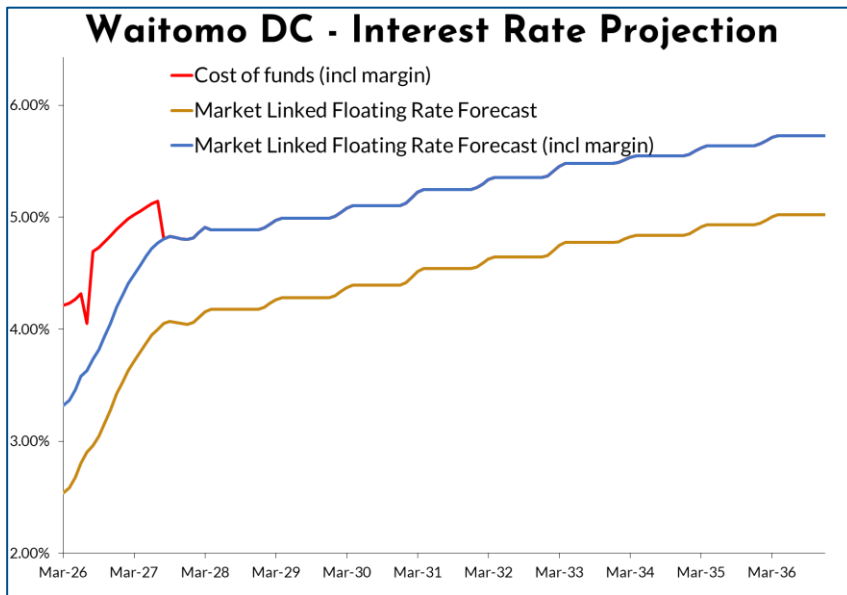
The non compliance with the Fixed Rate Hedging Bands is a result of the debt declining to \$9 million on 1 July 2026 when the water debt is transferred to Waikato Waters. The debt and cover position and the interest rate risk management strategy will be reviewed in the third quarter of 2026 after the transfer of the debt.

Fixed Rate Hedging Bands			
	Minimum	Maximum	Policy
0 - 2 years	40%	100%	Non Compliant
2 - 4 years	20%	80%	Non Compliant
4 - 10 years	0%	60%	Compliant

# Interest Rate Risk Management <sup>87</sup>



<b>Current % of Debt Fixed</b>	60.6%
<b>Current % of Debt Floating</b>	39.4%
<b>Value of Fixed Rate (m)</b>	\$20.0
<b>Value of Forward Starting Cover</b>	\$16.0
<b>Value of Floating Rate (m)</b>	\$13.0
<b>Current Floating Rate</b>	2.54%
<b>Current Floating Rate (incl margin)</b>	3.32%
<b>All Up Weighted Average Cost of Funds Including Margin</b>	4.16%
<b>Total Facilities In Place</b>	\$35.8



# WDC - LGFA Borrowings <sup>88</sup>

As at 31 March 2026, WDC had \$33.0 million of core debt, all of which is sourced from the LGFA using Commercial Paper and FRNs. WDC also has a bank facility with Westpac Bank for \$6.0 million that matures on 1 July 2026, which has a margin of 100 basis points and a line fee of 40 basis points. Details of WDC’s debt as at 31 March is as follows:

The shaded FRNs are loans that fund the Council’s investment in Inframax Construction Limited. These loans are kept separate for income tax purposes for the Council and Group.

Instrument	Maturity	Yield	Margin	Amount
LGFA CP	1-Jul-26	2.75%	0.20%	\$6,000,000
LGFA FRN	24-Jul-26	3.16%	0.66%	\$5,000,000
LGFA FRN	30-Aug-26	3.15%	0.66%	\$2,000,000
LGFA FRN	11-Sept-26	3.20%	0.70%	\$2,000,000
LGFA FRN	11-Mar-27	3.27%	0.77%	\$3,000,000
LGFA FRN	18-Apr-27	3.29%	0.78%	\$3,000,000
LGFA FRN	19-Apr-27	3.32%	0.81%	\$1,000,000
LGFA FRN	22-Jul-27	3.35%	0.85%	\$5,000,000
LGFA FRN	30-Aug-27	3.25%	0.76%	\$3,000,000
LGFA FRN	22-Apr-28	3.35%	0.85%	\$3,000,000
				\$33,000,000



# Swap details and valuation<sup>89</sup>

As at 31 March 2026, WDC had nine interest rate swaps, five of which were current and four forward starting, which convert a portion of the floating interest rate exposures into a fixed rate. Details of the swaps are contained in the following table.

The two interest rate swaps shaded are associated with the loans that fund the Council's investment in Inframax Construction Limited.

<b>Waitomo District Council - Swap Valuations</b>											
<i>Swap Valuations as at 31 March 2025</i>											
Bank Ref	Derivative Product	Currency	Notional Amount at Inception	Inception Date	Effective Date	Maturity Date	Fixed Rate	Clean Value	+	Accrued Interest	= Total Swap Value
<b>INTEREST RATE SWAPS</b>											
WPAC 10370267	IR Swap	NZD	5,000,000	20-Apr-23	22-Apr-25	22-Jul-26	3.96%	-21,479		-13,647	<b>-35,126</b>
WPAC 7189464	IR Swap	NZD	5,000,000	13-Dec-18	11-Sept-20	11-Sept-26	2.89%	-6,462		-1,068	<b>-7,531</b>
WPAC 11271805	IR Swap	NZD	3,000,000	26-Jun-24	27-Jun-24	30-Aug-27	4.65%	-61,721		-5,694	<b>-67,416</b>
WPAC 11271834	IR Swap	NZD	2,000,000	26-Jun-24	27-Jun-24	30-Aug-27	4.65%	-41,148		-3,796	<b>-44,944</b>
WPAC 11271848	IR Swap	NZD	5,000,000	26-Jun-24	27-Jun-24	24-Apr-28	4.55%	-111,561		-17,735	<b>-129,296</b>
WPAC 11361626	IR Swap	NZD	3,000,000	2-Aug-24	22-Jul-26	23-Jul-29	3.57%	24,284		0	<b>24,284</b>
WPAC 10968070	IR Swap	NZD	5,000,000	2-Feb-24	11-Sept-26	11-Sept-29	3.96%	-3,908		0	<b>-3,908</b>
WPAC 11271761	IR Swap	NZD	5,000,000	26-Jun-24	22-Jul-26	22-Jul-30	4.105%	-24,526		0	<b>-24,526</b>
WPAC 11361569	IR Swap	NZD	3,000,000	2-Aug-24	18-Jul-26	18-Jul-31	3.74%	43,057		0	<b>43,057</b>
<b>Totals</b>		<b>NZD</b>	<b>36,000,000</b>					<b>-203,464</b>		<b>-41,940</b>	<b>-245,404</b>

# LGFA Borrowing Rates

90

7

Listed below are the credit spreads and applicable interest rates for Commercial Paper (“CP”), Floating Rate Notes (“FRN”), and Fixed Rate Bonds (“FRB”), at which Waitomo DC could source debt from the Local Government Funding Agency (“LGFA”) as at 31 March 2026.

Maturity	Margin	FRN (or CP Rate)	FRB
3 month CP	0.20%	2.74%	N/A
6 month CP	0.20%	3.00%	N/A
Apr-27	0.63%	3.37%	3.65%
May-28	0.78%	3.52%	4.36%
Apr-29	0.81%	3.55%	4.63%
May-30	0.90%	3.64%	4.86%
May-31	0.99%	3.73%	5.06%
May-32	1.08%	3.82%	5.24%
Apr-33	1.17%	3.91%	5.39%
May-35	1.28%	4.02%	5.63%
Apr-37	1.30%	4.04%	5.75%



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**Document ID:** 970608

## **Report To: Audit and Risk Committee**



**Meeting Date:** 12 May 2026

**Subject:** **Review of the Treasury Policy**

**Type:** Decision Required

**Author(s):** Wayne La Roche  
Financial Accountant

Tina Hitchen  
Chief Financial Officer

### **1. Purpose of Report**

- 1.1 The purpose of this business paper is for the Committee to consider suggested changes to the Treasury Policy and make recommendation to Council on the changes to Treasury Policy.

### **2. Suggested Resolutions**

- 2.1 The following are suggested resolutions only and do not represent Council policy or the Committee's recommendations until such time as they might be adopted by resolution.
- 1 The business paper on Review of the Treasury Policy be received.
  - 2 The Committee recommends to the Council the following changes be made to the Treasury Policy;
    - That the Investment Policy section is updated as proposed.
    - That the Liability Management Policy section is updated to remove the roles and responsibilities.
    - That the Liability Management Policy is updated to include reporting to the Audit and Risk Committee on policy compliance and treasury performance where total debt is greater than \$10 million. Any policy breaches or planned breaches will continue to be reported to ARC.
  - 3 The Committee note the engagement of an external treasury advisor be on an as needed basis following the significant reduction in debt on 1 July 2026.
  - 4 That the draft Treasury Policy, incorporating the marked-up changes are referred to the Independent Chair before they are presented to Council for adoption.

### **3. Background**

- 3.1 The LGA 2002 requires Council to adopt a liability management policy and an investment policy to provide the framework for how Council manages its investments and liabilities and the operating parameters within which the treasury activity is carried out. Collectively both these policies form the Council's Treasury Policy.
- 3.2 Council adopted its current policy as part of the LTP 2024-34 process with the policy adopted in June 2024.

- 3.3 With the transfer of water assets and associated debt to Waikato Waters Ltd, the quantum of Council's remaining debt will be considerably lower and the structure of the debt will be more simplified. It is timely to review Council's Treasury Policy to ensure it remains fit for purpose post waters transfer on 1 July 2026.
- 3.4 Council's current Treasury Policy is attached to this paper.

## **4. Commentary**

- 4.1 The draft Annual Plan 2026/27 forecasts debt at \$8.8 million in June 2027, with \$6 million of this debt related to the investment in Inframax Construction Ltd (ICL). The debt associated with ICL will be retained as core debt to enable the tax benefits associated with this debt to be shared within the Group.
- 4.2 Of the forecast debt post waters transfer, we have \$5 million with fixed rate cover until August 2027 and the balance of debt is on floating rate.
- 4.3 Under the current TP where total debt is \$10 million or less, the fixed rate hedging percentages are optional.
- 4.4 Set out in the following paragraphs are suggested changes the Committee may wish to consider and recommend to Council.

### **4.5 Investment Policy**

- 4.6 Minor changes are suggested to the investment policy as follows:
- 4.7 Under section 1.5 (page 4), LGFA borrower notes – suggest replacing the 2.5% of the amount borrowed with "at the prescribed rate". This means the policy will not need updating if the LGFA change the required percentage.
- 4.8 Under section 3.1 (page 4), suggest providing an exemption for the half annual and annual reporting to Council for Civic Financial Services Ltd (CFSL) due the minor nature of this investment. Reporting would only be presented to Council where there is a significant change to business activities or significant change to financial performance or position of CFSL.

### **4.9 Liability Management Policy**

- 4.10 Roles and Responsibilities (section 1 – pages 6-7)
- 4.11 The current TP contains the roles and responsibilities of Council, ARC, Treasury Management Committee (TMC) and staff roles. It is suggested that these roles and responsibilities are removed from the policy as the content appears more process related rather than policy. This is consistent with TP's of a sample range of councils which did not include details at this level.
- 4.12 An operational guidance document for treasury activities could be created to include some of these details for clarification. Some items may also be included in the delegations register where appropriate such as opening/closing a bank account.
- 4.13 It is suggested that the make-up of the Treasury Management Committee is reviewed with the intention to remove the requirement to have an independent treasury advisor on the TMC but rather staff will seek independent treasury advice on an as needed basis. The independent treasury advisor costs WDC \$32,000 annually currently. Some of this budget would still be required even if the formal advisory service was terminated. This change reflects the reduced treasury activity post waters transfer and also provides potential savings in costs for external treasury management services.
- 4.14 Reporting
- 4.15 With the reduction in debt at 1 July 2026, the ARC may wish to consider the level of reporting required and whether this is still fit for purpose given the lower debt level and therefore the reduced impact on interest cost from adverse interest rate fluctuations.

- 4.16 The level of debt forecast in the draft Annual Plan is under \$10 million, meaning the frequency of debt rollovers and the need for interest rate risk management will be much reduced. The level of forward planning for replacement debt types and interest rate risk considerations will also reduce.
- 4.17 Currently we provide quarterly reporting to ARC on treasury activity including a Treasury Dashboard Report prepared by Bancorp.
- 4.18 Where debt is \$10 million or below, it is suggested that the reporting on treasury activity is on an exception basis to the ARC when there is a breach or planned breach of policy limits. This would replace the regular quarterly reporting to ARC including the Treasury Dashboard Report. As part of the quarterly financial report to Council, it is suggested that the finance report is expanded to include more information on the treasury activity.

## **5. Analysis of Options**

- 5.1 The option before the Committee is to recommend some or all of the changes suggested, recommend other changes from the Committee or leave the Treasury Policy unaltered at this time. Making no change to the policy would mean that the current reporting and external treasury management services would remain in place.
- 5.2 An alternative option is to leave the review of the current policy until its scheduled review date of June 2027.

## **6. Considerations**

### **6.1 RISK**

- 6.2 The proposed changes to the policy present a low risk around managing the funding and interest rate risk. Key controls are maintained through the TMC recommendations and approvals and regular reporting to ARC and Council. Council may still retain the services of an independent treasury advisor when required.

### **6.3 CONSISTENCY WITH EXISTING PLANS AND POLICIES**

- 6.4 The Treasury Policy provides the framework for all Council's treasury activities and the operating parameters within which the treasury activity is to be carried out and suggested amendments are consistent with existing plans and policies.

### **6.5 SIGNIFICANCE AND COMMUNITY VIEWS**

- 6.6 Under the Significance and Engagement Policy, the amendment to the Treasury Policy does not require consultation and due to the nature of the changes is of low significance.

## **7. Recommendation**

- 7.1 The proposed policy changes are intended to strike the "right size" for the policy for future funding and interest rate risk management which is expected to be at a much lower level.
- 7.2 It is recommended that the Committee's views and recommendations be incorporated in the marked up policy and the draft policy is referred to the Independent Chair prior to being presented to Council for consideration.

## **8. Attachments/Separate Enclosures**

Attachments:

- 1 Treasury Policy 2024 (Doc 971148)

# Waitomo District Council

## Treasury Policy

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### 2024

First adopted	<b>2014</b>
Last Reviewed	<b>June 2024</b>
Review Date	<b>June 2027</b>
Associated documents	<b>Referenced within the Policy</b>
Responsibility	<b>Chief Financial Officer</b>

## CONTENTS

<b>INTRODUCTION   KUPU ARATAKI .....</b>	<b>3</b>
<b>INVESTMENT POLICY.....</b>	<b>3</b>
PURPOSE AND SCOPE   TE ARONGA ME TE KORAHI.....	3
POLICY   KAUPAPA HERE.....	3
1.0 MIX OF INVESTMENT .....	3
2.0 NEW INVESTMENTS.....	4
3.0 MANAGEMENT AND REPORTING .....	4
4.0 RISK MANAGEMENT .....	5
5.0 INFRAMAX CONSTRUCTION LIMITED.....	5
<b>LIABILITY MANAGEMENT POLICY.....</b>	<b>6</b>
PURPOSE AND SCOPE   TE ARONGA ME TE KORAHI.....	6
POLICY   KAUPAPA HERE.....	6
1.0 ROLES AND RESPONSIBILITIES.....	6
2.0 INTEREST RATE EXPOSURE.....	8
3.0 LIQUIDITY.....	8
4.0 CREDIT EXPOSURE.....	9
5.0 FUNDING METHODS .....	9
6.0 LOCAL GOVERNMENT FUNDING AGENCY (LGFA).....	9
7.0 DEBT REPAYMENT.....	10
8.0 SPECIFIC BORROWING LIMITS.....	10
9.0 ACCOUNTING TREATMENT OF FINANCIAL INSTRUMENTS.....	10
<b>REFERENCES.....</b>	<b>11</b>
<b>SCHEDULE 1: AUTHORISED INVESTMENT CRITERIA FOR TREASURY INVESTMENT.....</b>	<b>12</b>
<b>SCHEDULE 2: LIABILITY MANAGEMENT .....</b>	<b>13</b>

## INTRODUCTION | KUPU ARATAKI

Waitomo District Council (WDC) undertakes borrowing and investment activities. Together these make up the Treasury Management activity. Council's borrowing and investment activities are carried out within the requirements of the Local Government Act 2002 (LGA) and its various amendments, which define the operating environment for local authorities in relation to borrowing, investment and treasury risk management.

The Treasury Policy includes the Investment Policy and the Liability Management Policy as required by Part 6, sections 104 and 105 of the LGA. The Policy provides the framework for all Council's treasury activities and the operating parameters within which the treasury activity is to be carried out.

## INVESTMENT POLICY

### PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

- To prudently manage the Council's financial investments by seeking to maximise investment income within acceptable investment risk parameters.
- To promote long term prudent financial management.
- To manage the operational cash position and ensure that any surplus cash is invested in approved instruments or used to minimise debt.
- To safeguard Council's investments by establishing and regularly reviewing investment parameters and ensuring that all investment activities are carried out within these parameters.
- Ensure the integrity of Council's investments by only investing in appropriately rated organisations and in appropriate financial instruments, as detailed in this policy.
- Produce accurate and timely reporting on investment performance.

## POLICY | KAUPAPA HERE

### 1.0 MIX OF INVESTMENT

Council's investments are maintained to meet specific strategic and economic objectives as outlined in the Long Term Plan. Council generally has the following types of investments:

#### 1.1 Strategic Investments

Investments made or held in alignment to Council's strategic direction and typically retained on a long term basis. These includes property investments ie, some land and buildings and council owned quarries.

#### 1.2 Forestry Investments

Forestry investments located at the Waitomo District landfill site in Te Kuiti for future harvest, with the objective of producing an economic return for Council.

#### 1.3 Equity Investments

Equity (ownership) participation in a private (unlisted) company (including Council Controlled Organisations). Such investments may not necessarily provide a financial return to Council, and may be held for wider social, tactical and/or economic reasons. Notwithstanding, Council will continue to actively seek opportunities for a financial return from all such investments.

Council currently maintains equity investments in Inframax Construction Ltd (Inframax), Co-Lab (Waikato Local Authority Shared Services), and Civic Financial Services Ltd.

#### **1.4 Treasury Investments**

Short to medium term financial investments in approved counterparties that maximise financial return but ensure an appropriate level of liquidity for forecast expenditure. Treasury investments include the retention monies term deposit account.

#### **1.5 Local Government Funding Agency (LGFA) Borrower Notes**

LGFA Borrower Notes must be subscribed for when borrowing from the LGFA at a rate of 2.5% of the amount borrowed from the LGFA for any new loan term lending. The notes are repaid when the related debt is repaid, they are subordinated and may convert to LGFA shares in some circumstances at the discretion of the LGFA rather than being repaid.

### **2.0 NEW INVESTMENTS**

#### **2.1 Strategic Considerations**

2.1.1 Prior to making new investments Council will consider:

- a) The expected financial return.
- b) Initial risk assessment of the proposed investment.
- c) How the investment will be funded.
- d) How the investment will contribute in furthering the Waitomo District's Community Outcomes as documented in the Long Term Plan or Annual Plan.
- e) The existing investment portfolio and how the proposed investment 'fits' in terms of Council's preference to spread and minimise risk.
- f) Any other consideration Council deems appropriate.

2.1.2 Generally, it is not Council's intention to undertake new equity investments other than to achieve strategic objectives.

2.1.3 Despite anything earlier in this Policy on Investment, the Council may invest in shares and other financial instruments of the LGFA (such as Borrower Notes) and may borrow to fund that investment, after taking into account the strategic considerations detailed above.

2.1.4 The purchase or disposal of investment property will be subject to a Long Term Plan or Annual Plan adoption process or by Council resolution and will be given effect to by the Chief Executive. The proceeds from the sale of strategic and forestry investments will be subject to the Long Term or Annual Plan process or by Council resolution.

2.1.5 Council will consider any requests for loan advances on a case by case basis and will take into account the needs of the community and Council's stated outcomes for the District in its considerations.

### **3.0 MANAGEMENT AND REPORTING**

3.1 Investments will generally be monitored and reported through Council's established reporting procedures (Quarterly Treasury Report, Annual Report, Half Annual Accounts from CCO's).

3.2 Transparency and reporting mechanisms will be key elements in any governance arrangements. The frequency and nature of reporting will depend on the nature and size of each investment.

3.3 Reporting will comply with generally accepted accounting practice and applicable accounting standards for financial reporting purposes.

- 3.4 Performance of investments will be reported in accordance with any governance arrangements, but no less than on a six monthly and annual basis.

#### **4.0 RISK MANAGEMENT**

- 4.1 Council is a risk adverse entity and therefore takes a prudent approach to managing its investments. Council seeks to maintain diversity in its Investment Portfolio to spread and minimise risk.
- 4.2 Where material risk to Council is apparent (e.g. equity investments) Council will commission an independent risk assessment and management report prior to entering into the investment.
- 4.3 To ensure the protection of Treasury Investments (short term money market or medium term fixed interest investments), Council will only invest with credit worthy counterparties and in accordance with Schedule 1.
- 4.4 Council may periodically review investments with a view to exiting at a time when market conditions are favourable and if the overall strategic objectives are not compromised.

#### **5.0 INFRAMAX CONSTRUCTION LIMITED**

##### **5.1 Background**

Inframax Construction Limited was initially formed in the early 1990's by converting an in-house delivery department into the company Waitomo Civil Construction. A merger with Northgate Construction in 1999 formed Inframax Construction Limited which is 100% owned by the WDC. The core activities of Inframax Construction Limited are road maintenance and construction, quarrying and the maintenance and construction of utilities and infrastructure assets.

##### **5.2 Policy**

The Council's policy for Inframax Construction Limited is to:

- Retain the Waitomo District Council 100% ownership for the present;
- Review future options while still retaining community benefit of ownership;
- Sustained equity growth and increasing financial return;
- Apply any capital proceeds to reduce external borrowings.

##### **5.3 Rationale**

Council considers that it is important to maintain community control of a large employer within the District for the financial return and the social and economic benefits.

##### **5.4 Financial Benefits**

Financial benefits include any dividends that may be used to reduce external debt, and value of the investment held. Council will determine how any dividend revenue received will be used through the Long Term Plan or Annual Plan process or by Council resolution.

##### **5.5 Risks**

The risk of investing in the roading construction company is that dividends depend on Inframax Construction Limited's ability to generate profit.

##### **5.6 How the Investment is Managed**

The Council manages this investment by:

- Appointing external Directors with appropriate expertise to the Board of Directors;
- Preparing a Statement of Expectations;

- Annually approving and/or amending Inframax Construction Limited’s Statement of Intent; and
- Requiring 6 monthly reports on Inframax Construction Limited’s results and future outlook.

## **LIABILITY MANAGEMENT POLICY**

### **PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ**

- To comply with sections 102(1) and 104 of the LGA.
- To promote long term prudent financial management.
- To outline how liability risk associated with borrowing activities is assessed and managed.
- To outline how liabilities are managed and reported on.
- Ensure that WDC has an ongoing ability to meet its debt obligations in an orderly manner as and when they fall due in both the short and long-term, through appropriate liquidity and funding risk management.
- Arrange appropriate funding facilities for WDC at competitive pricing.
- Maintain relationships with banks, investors, the Local Government Funding Agency and other creditors.
- To provide appropriate levels of funding for investments and as may be authorised from time to time by way of Council resolution.
- Control WDC’s cost of borrowing through the effective management of its interest rate and funding risk, within the rate risk management limits established by the Liability Management Policy.
- Ensure compliance with all financial covenants and ratios within this Policy and any others agreed to with other significant creditors.
- Maintain adequate internal controls to mitigate operational risks.
- Produce accurate and timely information and reports for control and monitoring purposes in relation to both the debt raising and financial market investment activities of WDC.

### **POLICY | KAUPAPA HERE**

The following policy is developed pursuant to Section 102(1). It seeks to outline the suggested content for a Liability Management Policy in compliance with Section 104 of the LGA. It discloses Council’s principles of prudent financial management and risk mitigation strategies as they relate to liability management.

#### **1.0 ROLES AND RESPONSIBILITIES**

##### **1.1 Role of Council**

- 1.1.1 Approve Treasury Policy (TP), including any amendments proposed by the Treasury Management Committee.
- 1.1.2 Approve any hedging outside the parameters of the TP.
- 1.1.3 Approve the use of any risk management products not authorised by the TP.

1.1.4 Approve overall borrowing levels on an annual basis through the Annual Plan and first year of the Long Term Plan.

## **1.2 Role of Audit and Risk Committee (ARC)**

1.2.1 Maintain overview of reviews of financial policies and make recommendations to Council for any changes.

1.2.2 Monitor Council's treasury management practices in order to provide assurance that policy limits are being adhered to. Recommendations will be made to Council when there is a planned breach for good reasons to operate outside of the policy. Where there has been a policy breach, this will be noted in the ARC resolution for the Quarterly Treasury Report.

1.2.3 Monitor treasury performance through receipt of appropriate reporting.

## **1.3 Role of Treasury Management Committee (TMC)**

1.3.1 Council has established a Treasury Management Committee (TMC). The structure of the TMC shall comprise of:

- Chief Financial Officer
- Asset Accountant
- Waitomo District Council's Independent Treasury Advisor

1.3.2 Plan and discuss all funding and interest rate risk management activities of WDC and make recommendations prior to implementation/execution.

1.3.3 Monitor and review the ongoing treasury performance of WDC and compliance with TP parameters through the receipt of regular reporting.

1.3.4 Conduct a review of the TP every three years or on an 'as required' basis and submit any recommended changes to Council for approval once the necessary statutory processes have been followed.

## **1.4 Role of the Chief Executive Officer**

1.4.1 To approve recommendations made by the TMC in respect to treasury management within the parameters of the TP.

1.4.2 Execute and sign legal documents relating to funding transactions with the LGFA.

1.4.3 Execute and sign various legal documents with respect to extending security under the Debenture Trust Deed.

1.4.4 To approve the opening or closing of bank accounts.

1.4.5 To approve the renewal of the call advance facility or amend level of the call advance facility or overdraft facility available.

## **1.5 Role of the Chief Financial Officer**

1.5.1 To approve recommendations made by the TMC in respect to treasury management within the parameters of the TP.

1.5.2 Report to the ARC on overall treasury activity on a quarterly basis.

1.5.3 Manage the bank lender and capital markets relationships, including providing financial information to lenders.

1.5.4 Negotiate new or amended borrowing facilities or methods for approval by the full Council following recommendation from the ARC.

1.5.5 Sign documents relating to the financial market activities of WDC.

## 1.6 Role of the Asset Accountant

- 1.6.1 Execute treasury transactions.
- 1.6.2 Check external confirmations against internal records.
- 1.6.3 Check cash payments of treasury transactions.
- 1.6.4 Assist the Chief Financial Officer in the preparations of reports to the ARC and Council.
- 1.6.5 Review the quarterly Treasury Management Dashboard prepared by Council's independent advisor.

## 2.0 INTEREST RATE EXPOSURE

- 2.1 Interest rate risk is the risk of significant unplanned changes to interest costs as a result of financial market movements.
- 2.2 The objective of managing interest rate risk is to have a framework in place under which Council can actively manage its borrowings within overall guidelines to spread and reduce risk and stabilise interest costs.
- 2.3 Borrowings can only be made in New Zealand dollars (Section 113 of the LGA).
- 2.4 The interest rate exposures of WDC shall be managed according to the parameters detailed in the following table and shall apply to the projected core debt of WDC. Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Chief Financial Officer.

Fixed rate hedging percentages		
	Minimum Fixed Rate Amount	Maximum Fixed Rate Amount
0-2 years	40%	100%
2-4 years	20%	80%
4-10 years	0%	60%

- 2.5 To manage the interest rate risk associated with its debt, WDC may use the following interest rate risk management instruments.
  - Interest rate swaps
  - Forward start interest rate swaps
  - Interest rate options
  - Interest rate collars (only in a ratio of 1 to 1)
  - Fixed rate bonds
  - Fixed Rate term loans

*(Refer to Schedule 2 for definitions and objectives of each of the interest rate risk management instruments)*

- 2.6 Where total debt is \$10 million or less, the fixed rate hedging percentages given under 2.4 may be applied where practicable.
- 2.7 Council may retain the services of an Independent Treasury Advisor to assist in managing the funding and interest rate risks of WDC.

## 3.0 LIQUIDITY

- 3.1 The objective of managing liquidity is to ensure that Council has adequate financial resources available to meet all its obligations as they fall due.

- 3.2 To avoid a concentration of debt maturity dates Council will, where practicable, aim to have no more than 33% of debt subject to refinancing in any 12 month period.
- 3.3 Council's main revenue sources are cyclical in nature and therefore committed bank facilities are required to ensure sufficient funds can be called upon when required.
- 3.4 Subject to clause 3.5 committed funding lines shall be maintained, of not less than 110% of projected core debt. (Core debt is defined as that contained in the Annual Plan or as otherwise determined by the Chief Financial Officer).
- 3.5 At balance date, in accordance with the Local Government Funding Agency Multi-Issuer Deed, the Available Financial Accommodation will be more than 110% of External Indebtedness.
- 3.6 Council maintains a call advance or standby facility that allows for immediate drawdown capability and is available to meet daily cash flow obligations where required.

#### **4.0 CREDIT EXPOSURE**

- 4.1 Credit risk is the risk that a party to a transaction will default on its contractual obligation. A credit risk may exist when the credit rating of an entity with which Council has borrowings with deteriorates.
- 4.2 Council will only enter into borrowing agreements with creditworthy counterparties. Creditworthy counterparties are selected on the basis of their S&P Global (renamed Standards and Poors) rating, or Moody's Investors Service or Fitch rating equivalent ratings which must be A or better.

#### **5.0 FUNDING METHODS**

- 5.1 WDC may obtain funding utilising the following methods:

- (a) Bank debt; Money market loans (Term and Call Advances), Term Loans and Overdrafts.
- (b) Issuances of Fixed Rate Bonds, Commercial Paper and Floating Rate Notes to the LGFA on either a bespoke basis or participation in the LGFA tender process.
- (c) Capital markets issuances through either Fixed Rate Bonds, Commercial Paper and Floating Rate Notes.
- (d) LGFA Green, Social and Sustainability Loans.
- (e) LGFA Climate Action Loans

*(Refer to Schedule 2 for definitions and objectives of each of the debt instruments)*

#### **6.0 LOCAL GOVERNMENT FUNDING AGENCY (LGFA)**

- 6.1 Despite anything earlier in this Liability Management Policy, the Council may borrow from the LGFA and, in connection with that borrowing, may enter into the following related transactions to the extent it considers necessary or desirable:
- (a) Contribute a portion of its borrowing back to the LGFA in the form of Borrower Notes;
  - (b) Provide guarantees of the indebtedness of other local authorities to the LGFA and of the indebtedness of the LGFA itself;
  - (c) Commit to contributing additional equity or the conversion of Borrower Notes to equity of the LGFA if required;
  - (d) Subscribe for shares and uncalled capital in the LGFA; and
  - (e) Secure its borrowing from the LGFA, and the performance of other obligations to the LGFA or its creditors with a charge over the Council's rates and rates revenue.

## **7.0 DEBT REPAYMENT**

- 7.1 The objective of managing debt repayment is to ensure that Council is able to repay debt on maturity with minimum impact on Council operations.
- 7.2 Borrowings will be repaid as they fall due in accordance with the applicable loan agreement. Subject to borrowing limits, a loan may be rolled over or re-negotiated as and when appropriate.
- 7.3 All external borrowings are deemed to be corporate borrowings and are accounted for in the Treasury Management Activity, except for borrowings that fund Council's shareholding investment in its subsidiary company; Inframax Construction Limited.
- 7.4 Debt repayments will be made from general funds, by any funds raised specifically to repay debt, from dividend revenue and by proceeds from asset sales, except for any sale of Council's investment in Inframax Construction Limited, where these proceeds will be applied to borrowings relating to that shareholding, in the first instance.
- 7.5 The cost of capital is allocated over significant activities from the Treasury Management Activity using internal loans. Internal loans are raised to fund to cost of capital expenditure in any financial year. The term of the internal loan is determined by reference to the economic life of the assets being funded. Internal loans for infrastructural assets, land and building assets that have long economic lives will have a term of up to 30 years and for other assets up to 15 years.
- 7.6 Where an internal loan is to be raised for expenditure that is not of a capital nature, but there is an enduring benefit, the term of the internal loan is to match (within reason) the expected duration of the benefit up to a maximum of 30 years.

## **8.0 SPECIFIC BORROWING LIMITS**

- 8.1 Council will borrow to fund its total funding needs in accordance with the Annual Plan or first year of the Long Term Plan. Borrowing includes the funding of short term working capital requirements and long term capital investments. In general terms, Council approves borrowing through the annual planning process with public disclosure by way of resolution.
- 8.2 Council will adhere the following financial ratios in the management of its liabilities:
- The ratio of net debt to total revenue will not exceed 165%
  - Net interest will not exceed 20% of annual rates.

## **9.0 ACCOUNTING TREATMENT OF FINANCIAL INSTRUMENTS**

- 9.1 Derivative financial instruments are used primarily for the management of interest rate risk.
- 9.2 Public benefit accounting standards require that any changes in fair value of derivative financial instruments are recognised through the surplus or deficit, unless a hedge relationship has been designated and is effective.
- 9.3 Where an effective hedge is determined any change in value will show as "Other Comprehensive Revenue and Expense" and rather than being included in the surplus or deficit and is transferred directly to a reserve within equity.
- 9.4 Valuations of derivative financial instruments are to be carried out annually for balance date by an independent third party for financial reporting purposes. Indicative valuations are to be provided by the counterparty to the financial instrument and reported to ARC on a quarterly basis (or Council).
- 9.5 Management of derivatives will continue with the dual purpose of managing interest rate risk and remaining within the hedge accounting framework. Where at all possible, hedge accounting is to be carried out.

- 9.6 The purpose of this policy is to remove market related volatility due to valuation changes in derivative financial instruments from the surplus or deficit.

## REFERENCES

This policy should be read in conjunction with other related Council policies and documents. Council policies and documents often reference and inform each other so that any issue before Council can be dealt with in an integrated and comprehensive fashion.

The policies and documents that have a clear relationship with the Treasury Management Policy are:

- Revenue and Financing Policy (for sources and level of funding)
- Significance and Engagement Policy (which if triggered by a proposal to make an investment will mean that the proposal will be subject to further decision-making and consultation requirements).
- Accounting Policies for Financial Reporting.
- Audit and Risk Committee's Terms of Reference
- Delegations Register
- Financial Strategy

## SCHEDULE 1: AUTHORISED INVESTMENT CRITERIA FOR TREASURY INVESTMENT

Authorised Asset Classes	Maximum limit as a Percentage of the Total Portfolio	Approved Financial Market Investment Instruments (must be denominated in NZ dollars)	Credit Rating Criteria – S&P (or Moody's or Fitch equivalents)	Limit for each issuer subject to overall portfolio limit for issuer class
New Zealand Government or Government Guaranteed	100%	<ul style="list-style-type: none"> <li>Government Stock</li> <li>Treasury Bills</li> </ul>	Not Applicable	Unlimited
Rated Local Authorities	50%	<ul style="list-style-type: none"> <li>Commercial paper</li> <li>Commercial Paper/ Bonds/ MTNs/ FRNs</li> </ul>	S&P Global ST rating of 'A-1'  S&P Global ST rating of 'A-1+' or LT 'A-' or better	\$1 million  \$3 million
Unrated local authorities where rates are used as security	25%	<ul style="list-style-type: none"> <li>Bonds/ MTNs/ FRNs</li> </ul>	Not applicable	\$1 million
New Zealand Registered Banks	100%	<ul style="list-style-type: none"> <li>Call/Term Deposits</li> <li>Bonds/ MTNs/FRNs</li> </ul>	S&P Global ST rating of 'A-1'  S&P Global rating of 'A-1+'  S&P Global LT rating of 'A-' or better	\$2 million  \$10 million  \$3 million
State Owned Enterprises	33%	<ul style="list-style-type: none"> <li>Commercial Paper/ Bonds/ MTNs/ FRNs</li> <li>Commercial Paper/ Bonds/ MTNs/ FRNs</li> </ul>	S&P ST rating of 'A-1' or LT 'BBB' or 'BBB+'  S&P ST rating of 'A-1+' or LT 'A-' or better	\$1 million  \$3 million

Investments that no longer comply with minimum rating criteria due to a rating downgrade must be sold within one month of the downgrade being notified unless Council formally approves the continued holding of the investment.

## SCHEDULE 2: LIABILITY MANAGEMENT

The following provide definitions and objectives of each of the interest rate risk management instruments and types of debt instruments.

### **INTEREST RATE SWAP**

An interest rate swap is an agreement between WDC and a counterparty (usually a bank) protecting WDC against a future adverse interest rate movement. WDC pays a fixed interest rate and receives a floating interest rate. The parties agree to a notional principal amount, the future interest rate, the settlement dates and the benchmark floating rate (BKBM).

#### **Objective**

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period. Floating rate sets are typically every 1 or 3 months over the life of the swap.

### **FORWARD START INTEREST RATE SWAP**

A Forward Start Interest Rate Swap is a financial instrument that fixes the interest rate for a set amount of debt at some date in the future (generally up to 2 years). These transactions are negotiated with Banks.

#### **Objective**

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period, commencing at a future point in time. All other conditions are as with an interest rate swap.

### **INTEREST RATE OPTIONS**

The purchase of an interest rate option gives the holder (in return for the payment of a premium) the right but not the obligation to borrow (described as a cap) or invest (described as a floor) at a future date. WDC and the counterparty agree to a notional future principal amount, the future interest rate, the benchmark dates and the benchmark floating rate (BKBM).

#### **Objective**

To provide WDC with worst case cover on its interest rate cost on an agreed principal amount for an agreed period. As for an interest rate swap, rate sets are typically at each 1 or 3 month date for the life of the option. A premium is payable for entering into an interest rate option.

### **INTEREST RATE COLLAR**

The combined purchase (or sale) of a cap or a floor with the sale (or purchase) of another floor or cap.

#### **Objective**

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period, but at the same time avoid the need to pay an upfront premium.

### **FIXED RATE BOND**

A Fixed Rate Bond is a debt instrument where the amount of interest is constant throughout the term of the bond.

#### **Objective**

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period.

**FIXED RATE TERM LOANS**

A Fixed Rate Term Loan is an agreement between WDC and a counterparty (usually a bank) protecting WDC against a future adverse interest rate movement. WDC pays a fixed interest rate as set by the counterparty on an agreed principal amount for the term of the loan.

**Objective**

To provide WDC with certainty as to its interest rate cost on an agreed principal amount for an agreed period.

**FLOATING RATE NOTES**

A Floating Rate Note is a debt instrument where the amount of interest is variable throughout the term of the note, with interest rates normally reset at three monthly intervals.

**Objective**

To provide WDC provides exposure to variable interest rates on an agreed principal amount for an agreed period.

**COMMERCIAL PAPER**

Commercial Paper is a short term debt instrument that are issued for less than one year. Interest payable is calculated on issuance date and is payable when the commercial paper matures.

**Objective**

To provide WDC provides exposure to variable interest rates that are generally lower than other debt instruments and provides for a short borrowing at minimal cost.

**LGFA GREEN, SOCIAL AND SUSTAINABILITY LOANS**

A Green, Social and Sustainable Loan is loan from the LGFA, which will fund a green, social or sustainable project.

**Objective**

The objective is to promote ambitious climate, environmental and social targets within New Zealand local government sector and provide investors an alternate lending product. Included are nine eligible green project and three social project categories.

**LGFA CLIMATE ACTION LOANS**

A Climate Action Loan is a loan from the LGFA, which will fund a council who can demonstrate they are making progress on sustainable issues.

**Objective**

The objective is to promote progress on sustainable issues such as to act on climate change and reduce greenhouse gas emissions.

Document No: 971067

## Report To: **Audit and Risk Committee**



**Meeting Date:** 12 May 2026

**Subject:** **Progress Report: Health and Safety**

**Type:** Information Only

**Author(s):** Tanchia Pitts-Brown  
Health and Safety Coordinator

Helen Beever  
General Manager – Community Services

### 1. Purpose of Report

- 1.1 The purpose of this business paper is to brief the Committee on Waitomo District Council's (WDC) health and safety performance during quarter three of the 2025/26 year.

### 2. Suggested Resolutions

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.
- 1 The Progress Report: Health and Safety be received.






### 3. Background

- 3.1 Elected Members are provided with ongoing progress reports to provide visibility of health and safety performance and agreed Key Performance Indicators. This report covers the January to March 2026 period.
- 3.2 This report has been structured to align with the SafePlus Programme developed by WorkSafe NZ, ACC and MBIE in 2017. The programme is voluntary and aims to support organisations wanting to improve their health and safety culture and exceed minimum compliance requirements.

### 4. Commentary

- 4.1 **LEADERSHIP COMMITMENT**
- 4.2 Under the Health and Safety at Work Act 2015, "Officers" are required to exercise due diligence to provide them with a level of assurance that health and safety is being effectively managed. Due diligence requires "Officers" to keep up to date with health and safety matters and information; ensure critical risks are effectively controlled; ensure health and safety is adequately resourced; and ensure appropriate monitoring and reviews are conducted to provide assurance and verify that health and safety matters are being appropriately addressed.
- 4.3 Ongoing senior leadership oversight reinforces a strong commitment to health and safety, with key leadership and risk-focused initiatives progressed. Reviews were completed across all critical risks, including aggressive customer interactions, driving and vehicle use, working with contractors, confined space and gas risks, and working alone. This process also resulted in the implementation of an additional control to enhance working alone risk management.

- 4.4 Overall, the health and safety performance for the reporting period demonstrates a strong and well-functioning assurance system, with clear evidence of active risk management and consistent follow through on corrective actions.
- 4.5 Workplace inspections across both operational and non-operational settings show that assurance activity is being applied in a balanced and structured way across the organisation. This is important from a risk management perspective as it ensures that attention is not only placed on field-based operational risks, but also on office and support environments where lower-level risks can still contribute to harm if not managed effectively.
- 4.6 Near miss reporting exceeding the target is also a positive indicator of safety culture and risk awareness. Higher reporting levels generally reflect improved engagement and confidence in reporting systems, rather than increased exposure to risk. When considered alongside strong inspection activity and complete action closure, it suggests the organisation is operating in a proactive space where potential risks are being identified and addressed early.
- 4.7 These results provide good assurance that the health and safety system is operating effectively, with strong alignment between monitoring, engagement, and corrective action processes. The key controls appear to be functioning as intended, supporting early identification and management of risk. Ongoing focus should remain on maintaining the quality and consistency of inspections and ensuring that the high level of reporting continues to translate into meaningful risk reduction and continuous improvement outcomes.

KPI	PERFORMANCE OUTCOMES	PROGRESS
<b>Site Inspections</b> H&S inspections carried out on physical works' sites (contractors and staff) Target: 5 per month	<ul style="list-style-type: none"> <li>▪ 19 Site Safety Inspections</li> </ul>	
<b>Workplace Inspections</b> Target: 1 per month	<ul style="list-style-type: none"> <li>▪ 2 Workplace – Operational e.g. Plants</li> <li>▪ 1 Workplace – Non-operational</li> </ul>	
<b>Worker Engagement</b> Target: 1 HSR meeting per month	<ul style="list-style-type: none"> <li>▪ Scheduled meetings completed</li> </ul>	
<b>Outstanding Actions in Tomo</b> Target: Zero	<ul style="list-style-type: none"> <li>▪ All actions completed</li> </ul>	
<b>Near Miss Reporting</b> Target: 5 per month	<ul style="list-style-type: none"> <li>▪ 20 for Q3</li> </ul>	

- Red Light = target not reached – management focus required
- Yellow light = target almost reached – maintain management focus
- Green light = target achieved or exceeded

*Figure 1: Key Performance Indicators*

## EVENTS BY SEVERITY

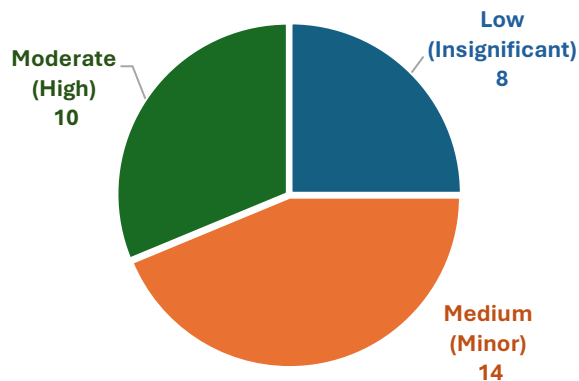


Figure 2: Events by Severity

- 4.8 Figure 2 summarises workplace events by severity for the reporting period. A total of eight low (insignificant) events, fourteen medium (minor) events, and ten moderate (high) events were recorded, with no extreme (critical) events reported.
- 4.9 While no critical events were recorded, the number of moderate (high) events highlights the need to maintain focus on preventative controls and early intervention to reduce escalation in event severity.
- 4.10 A minor electrical safety incident occurred involving a damaged kitchen appliance. The item was removed immediately and controls reviewed to strengthen inspection processes.
- 4.11 Of the 32 reported events, a proportion were associated with two of WDCs top five critical risks, primarily relating to security of council facilities and management of disruptive or anti-social behaviour on or around council property. Targeted control measures have been implemented to strengthen site security, improve frontline response, and reduce the likelihood of recurrence.
- 4.12 The following outlines a series of recent public-facing incidents across council facilities, including unauthorised access and non-compliant behaviour. While no significant harm occurred, these events highlight ongoing risks associated with site security, public use of council spaces, and interactions between staff and members of the public. Each incident was managed appropriately, with actions taken to address immediate risks and prevent escalation. The detailed summary below provides further context, along with targeted mitigation measures implemented to strengthen controls and reduce the likelihood of recurrence.

## CRITICAL RISK EVENT TYPES

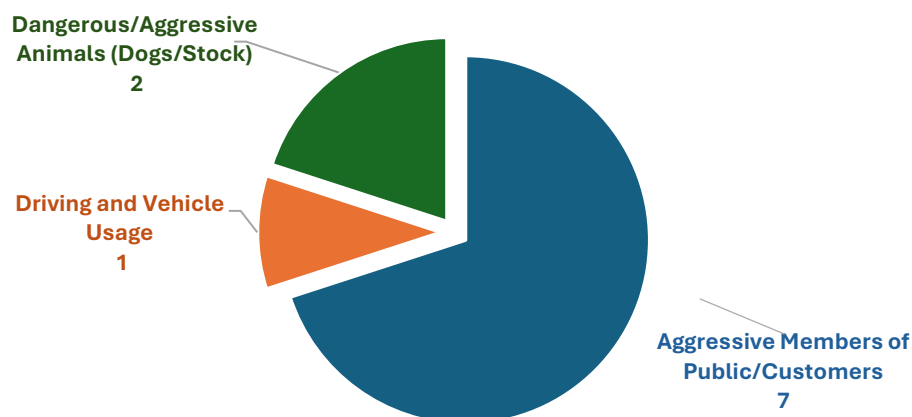


Figure 3: Critical Risk Event Types

- **Aggressive Members of Public/Customers:**

1. An incident of unauthorised entry onto council property occurred after hours. The matter was reported and no harm was identified. Site security controls were reviewed, interim measures implemented, and additional CCTV cameras will be installed to strengthen monitoring and reduce the risk of recurrence.
2. An unauthorised vehicle tailgated a contractor through a secured entry point into council premises. While no harm occurred, the incident presented a security risk due to uncontrolled site access. Contractors have been reminded of entry procedures, including ensuring gates are fully secured when accessing the site.
3. Inappropriate behaviour outside a council building, causing disruption. Police were called and attended.
4. An individual was trespassed following repeated disruptive behaviour.
5. An aggressive customer request for an unavailable staff member was managed without escalation, with mitigation actions including reinforcing front-of-house communication and consistent customer messaging.

- **Dangerous/Aggressive Animals:**

1. An animal displayed aggressive behaviour toward staff and attempted to bite, requiring control measures to manage the immediate risk. The animal was secured, seized, and impounded. Staff training in aggressive animal handling will continue to mitigate future risk.
2. While attempting to prevent a horse from entering a main road, an employee sustained a knee injury. The employee returned to base with assistance and sought medical advice.

- **Driving and Vehicle Usage:**

3. A council vehicle made contact with a parked trailer due to driver error, resulting in minor damage. No injuries were reported. Safe driving practices and site awareness were reinforced to reduce the risk of recurrence.

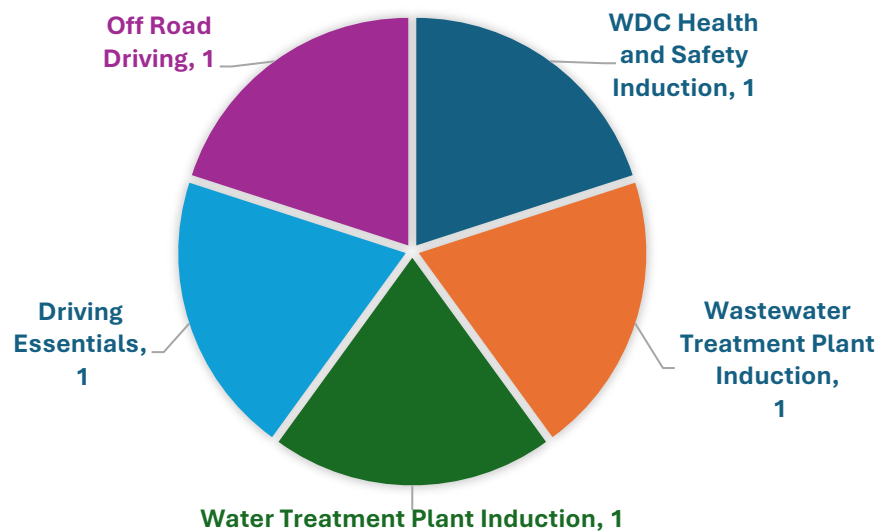
#### 4.13 **RISK MANAGEMENT**

- 4.14 The Respiratory Protection Programme has been reviewed to confirm legislative compliance and continued relevance to Council work activities. The review confirmed that respiratory hazards are limited to activities currently undertaken by the Waters team. As these activities will cease, annual reviews of the programme will no longer be required.
- 4.15 The programme will be reviewed again if respiratory hazards are re-introduced, work activities change, or legislative or regulatory requirements require it.
- 4.16 Key organisational risks continue to be actively identified, discussed, and monitored through the Health and Safety Committee framework. Current recurring risks include unauthorised access to sites, aggressive or challenging behaviour from members of the public, environmental hazards and contractor-related risks.
- 4.17 Risk awareness and frontline engagement have also been strengthened through toolbox talks, which are being used to reinforce key hazards and expected controls directly with staff. Specific focus has been placed on landslide awareness, particularly in areas exposed to environmental instability, to ensure hazards are understood and appropriate precautions are taken in the field. The "Look Up, Look Down" safety messaging has also been reinforced to support situational awareness around overhead and ground-level hazards, particularly in public-facing and field-based work environments.
- 4.18 There is also ongoing development of incident response capability for environmental events, with a focus on ensuring response arrangements are clear, practical, and well understood. Alongside this, efforts continue to improve how risks are recorded, reviewed, and tracked through the system to support more informed decision-making and strengthen overall risk visibility.

#### 4.19 **STAFF COMPLIANCE TRAINING**

- 4.20 Staff compliance training and capability building remain an ongoing focus. The Health and Safety Committee has progressed multiple training and awareness initiatives, including toolbox talks, fire warden training checks, emergency response procedure updates, and the development of internal learning resources.
- 4.21 Examples include documenting toolbox talks, reviewing PPE and workwear guidance with team leaders and Health and Safety Representatives (HSRs), planning for environmental incident response discussions, and exploring the use of articulated self-education videos aligned with internal learning. Emergency preparedness training has also been strengthened through revised lockdown procedures and text-based alert systems to support staff working away from Council buildings.

### TRAINING COMPLETED



#### 4.22 **WORKER ENGAGEMENT PARTICIPATION AND REPRESENTATION**

- 4.23 Worker engagement remains strong, with active Health and Safety Committee participation and visible HSRs involvement across teams. HSRs continue to contribute to risk identification, procedural reviews, and wellbeing initiatives.
- 4.24 Opportunities for staff participation continue through toolbox talks, all-staff meetings incorporating health and safety content, and interactive engagement activities such as safety moments and competitions.

#### 4.25 **STAFF WELFARE AND WELLBEING**

- 4.26 Staff wellbeing continues to be supported through the implementation of a Wellbeing Calendar and a range of engagement activities designed to promote participation, awareness, and morale. This includes regular promotion of health and wellbeing information to staff, such as webinars which provide practical and accessible guidance on personal wellbeing and preventative health.
- 4.27 Recent initiatives, including the staff Summer Photo Competition, have seen strong engagement across the organisation, with 45 photos submitted and 141 votes received. This demonstrates high levels of staff participation in wellbeing activities and a positive engagement across the organisation.
- 4.28 Together, these initiatives support a healthy, engaged, and resilient workforce and demonstrate the organisation's ongoing commitment to staff welfare and wellbeing. They also contribute to a preventative approach to wellbeing by encouraging early awareness of health topics and supporting positive behaviours across the workforce.

**5. Continuous Improvement – Quarter Four Focus**

- 5.1 Strengthening preventative controls to reduce moderate (high) events, for example, public interactions and site security.
- 5.2 Support staff wellbeing during periods of change.
- 5.3 Confirm alarm systems are operational and functioning as intended.

**Document ID:** 956846

## **Report To: Audit and Risk Committee**



**Meeting Date:** Tuesday 12 May 2026

**Subject:** **Artificial Intelligence Use Policy**

**Type:** Decision Required

**Author(s):** Kat Brown-Merrin  
Manager Customer and Digital Services

### **1. Purpose of Report**

- 1.1 The purpose of this business paper is to present Waitomo District Council's Artificial Intelligence Use Policy to the Audit and Risk Committee and advise of the controls being established to support responsible use of approved artificial intelligence tools across Council-related work.

### **2. Suggested Resolutions**

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they might be adopted by resolution.
- 1 The business paper on Artificial Intelligence Use Policy be received.
  - 2 The Committee notes that the Artificial Intelligence Use Policy applies to employees, contractors, consultants, Elected Members, and others undertaking Council-related activities.
  - 3 The Audit and Risk Committee recommend to the Council the adoption of the Artificial Intelligence Use Policy.

### **3. Background**

- 3.1 Artificial intelligence (AI) tools are increasingly being used across organisations to support everyday work activities, including drafting content, summarising information, reviewing material, and exploring ideas.
- 3.2 While these tools can support work across Council, they also introduce risks relating to privacy, cyber security, information management, accuracy, transparency, fairness, and public trust.
- 3.3 The Artificial Intelligence Use Policy was developed to establish a baseline approach for the responsible use of approved AI tools for Council-related work.
- 3.4 The Policy focuses primarily on generative AI tools, including tools that create, summarise, review, or refine text-based content. At this stage the Policy does not refer to automation or analytical AI as WDC is in the early stages of AI implementation.
- 3.5 The Policy was approved by the Chief Executive on 20 April 2026.
- 3.6 The Policy applies across Council-related activities, including employees, contractors, consultants, Elected Members, and others undertaking work on behalf of Council. This gives the Policy both operational and governance relevance.

## 4. Commentary

- 4.1 The Artificial Intelligence Use Policy sets out how approved generative AI tools may be used for Council-related work. It is intended to support responsible use while protecting Council information, community trust, and the integrity of Council decision-making.
- 4.2 The Policy confirms that AI tools may assist with work such as drafting, summarising, reviewing, and explaining information. It also confirms that AI does not replace employee judgement, professional expertise, delegations, or accountability.
- 4.3 The key controls in the Policy include:
- only approved AI tools may be used for Council-related work.
  - personal AI accounts must not be used for Council work.
  - AI generated or assisted content must be reviewed by a person before use.
  - employees remain responsible for the accuracy, tone, and appropriateness of content produced with AI assistance.
  - AI tools do not make decisions on behalf of Council or provide official advice or commitments.
  - prompts and chat histories generated during Council-related work are Council information and may need to be considered for LGOIMA, records, or accountability purposes.
- 4.4 The Policy also requires AI related privacy or security concerns to be managed and reported through existing Council processes.
- 4.5 The Artificial Intelligence Working Group has been established to support implementation of the Policy. The Working Group includes representatives from Policy, Communications, Human Resources, General Management, Information Technology, and Customer Services.
- 4.6 The Working Group will support the development of practical guidance, communication, monitoring arrangements, and review of new AI tools or user requests. Compliance and monitoring tools are currently being developed.
- 4.7 The Policy will be reviewed annually, or earlier if required. Future reviews may expand the scope of the Policy beyond generative AI, update the approved tools, or introduce further safeguards as Council's use of AI matures.
- 4.8 As the Policy applies across Council-related activities, including use by Elected Members, it is recommended the Policy is presented to Council for adoption.

## 5. Analysis of Options

- 5.1 The Audit and Risk Committee have two options to consider.
- 5.2 OPTION ONE**
- 5.3** The Committee receives the report and recommends the Policy is presented to Council for adoption. This option provides the Audit and Risk Committee and Council oversight of the controls being established to manage AI related risks and supports wider organisational awareness of the Policy.
- 5.4 OPTION TWO**
- 5.5 The Committee receives the report and does not recommend for the Policy to be presented to Council for adoption. This is not the preferred option.
- 5.6 Option Two poses a risk as Council would not receive formal awareness of a Policy that applies across Council related activities, including elected members.

## **6. Considerations**

### **6.1 RISK**

- 6.2 The key risks associated with AI use relate to privacy, cyber security, information management, accuracy, transparency, fairness, public trust, and the use of unapproved tools.
- 6.3 These risks are mitigated through the Artificial Intelligence Use Policy, which limits use to approved tools, prohibits personal AI accounts for Council work, requires human review of AI assisted content, and confirms that existing decision-making, accountability, records, privacy, and security obligations continue to apply.
- 6.4 No risks have been identified as a consequence of the adoption of the Policy.

### **6.5 CONSISTENCY WITH EXISTING PLANS AND POLICIES**

- 6.6 The Policy is consistent with Council's existing policy framework and supports Council's obligations relating to privacy, information management, records, LGOIMA, cyber security, staff conduct, and public trust.
- 6.7 No inconsistencies with existing plans or policies have been identified.

### **6.8 SIGNIFICANCE AND COMMUNITY VIEWS**

- 6.9 Consideration has been given to the views and preferences of persons likely to be affected by, or to have an interest in, the matter. The Policy relates to the responsible use of approved AI tools for Council-related work and does not directly affect levels of service, funding, Council assets, or community wellbeing.
- 6.10 Under the Significance and Engagement Policy 2024, this matter is considered to be of low significance.
- 6.11 Community consultation is not required.

## **7. Recommendation**

- 7.1 It is recommended that the Committee support Option 1, being that the Artificial Intelligence Use Policy is presented to Council for adoption.

## **8. Attachments/Separate Enclosures**

Attachments:

- 1 Artificial Intelligence Use Policy (Doc #848575)

# Waitomo District Council

## ARTIFICIAL INTELLIGENCE (AI) USE POLICY

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### CORPORATE POLICY

<b>First Adopted:</b>	April 2026
<b>Review History:</b>	
<b>Doc and Version no:</b>	848575 version 1.0.39
<b>Date of Next Review:</b>	April 2027 (or earlier as required)
<b>Responsibility:</b>	Manager Customer and Digital Services

## Contents

<b>INTRODUCTION   KUPU ARATAKI .....</b>	<b>3</b>
<b>PURPOSE AND SCOPE   TE ARONGA ME TE KORAHI .....</b>	<b>3</b>
<b>DEFINITIONS   NGĀ WHAKAMĀRAMATANGA .....</b>	<b>3</b>
<b>POLICY   KAUPAPA HERE .....</b>	<b>4</b>
1. <b>Approved AI tools .....</b>	4
2. <b>Principles for AI use.....</b>	5
3. <b>Appropriate uses of AI .....</b>	5
4. <b>Information handling and data protection .....</b>	5
5. <b>Records, retention, and transparency .....</b>	6
6. <b>Use outside approved tools or scope.....</b>	6
7. <b>Governance and review.....</b>	6
8. <b>Compliance .....</b>	7

## INTRODUCTION | KUPU ARATAKI

Artificial intelligence (AI) tools are increasingly being used across organisations to support everyday work activities such as drafting content, summarising information, and exploring ideas. When used appropriately, these tools can assist employees to work more effectively while maintaining professional standards and accountability.

Waitomo District Council (WDC) recognises the potential benefits of generative artificial intelligence, while also acknowledging the risks associated with its use, particularly in relation to information management, privacy, fairness, and public trust. WDC remains responsible for all work produced on its behalf, whether created directly by people or with the assistance of AI tools.

The Artificial Intelligence (AI) Use Policy (the Policy) establishes expectations to ensure AI use supports WDC's values, protects community interests, and complies with New Zealand legislation and existing Council policies.

## PURPOSE AND SCOPE | TE ARONGA ME TE KORAHĪ

1. This Policy defines how WDC employees may use artificial intelligence tools to support their work.
2. The intent of this Policy is to enable responsible use of approved AI tools, while protecting Council information, community trust, and decision-making integrity.
3. AI technology is developing rapidly. This Policy provides a baseline approach that will be reviewed regularly and updated as capability, security controls, and organisational understanding mature.
4. Employees must use AI only in line with this Policy when performing Council work.
5. This Policy applies to all WDC employees, contractors, temp workers, consultants working on behalf of WDC, and Elected Members. The term employees will be used to refer to all throughout.
6. It applies to the use of generative artificial intelligence tools for Council-related work, whether accessed directly through a browser or indirectly through AI-enabled software, platforms, or vendor systems.
7. This version of the Policy applies to generative AI tools that create or summarise text. Future versions of the Policy may expand to cover other forms of AI, including analytics, automation, and decision support systems.

## DEFINITIONS | NGĀ WHAKAMĀRAMATANGA

<b>AI-generated content</b>	Material produced using generative artificial intelligence tools, including text, images, or code.
<b>AI-assisted content</b>	Content created, reviewed, or refined by a person with the assistance of AI tools. AI-generated content becomes AI-assisted content once reviewed or used by Council employees.
<b>Artificial Intelligence (AI)</b>	Technology that enables machines or software to perform tasks that typically require human intelligence, such as reasoning, learning, or language processing.

<b>Approved AI tools</b>	AI tools that have been formally approved by WDC for use in Council work, as set out in this policy.
<b>Bias</b>	A systematic error in data, algorithms, or outputs that can produce unfair or unbalanced results, including in relation to gender, ethnicity, or culture.
<b>Community-facing content</b>	Information, communications, or materials intended for release outside Council, including public reports, website content, correspondence, or published guidance.
<b>Confidential information</b>	Non-public information considered sensitive, including personal information, draft documents, and material subject to legal, commercial, or financial obligations.
<b>Council-related activities</b>	Work performed in connection with the functions, services, or responsibilities of WDC
<b>Data sovereignty</b>	The principle that data collected in New Zealand is subject to New Zealand law, regardless of where it is stored or processed
<b>Generative Artificial Intelligence (GenAI)</b>	A type of artificial intelligence that generates content such as text, images, or code in response to user prompts. Examples include ChatGPT and Microsoft Copilot.
<b>Large Language Model (LLM)</b>	A machine learning model trained on large volumes of text to understand and generate human-like language.
<b>LGOIMA</b>	Local Government Official Information and Meetings Act 1987
<b>Personal information</b>	Information about an identifiable individual, including names, addresses, or contact details.
<b>Privacy</b>	The right of individuals to control how their personal information is collected, used, stored, and disclosed, in accordance with New Zealand privacy law.
<b>Security</b>	The protection of digital systems and information from unauthorised access, use, disclosure, or harm.
<b>Waitomo District Council (WDC)</b>	means the organisation established to administer Council affairs, conduct operations, and bring effect to Council policy and strategies.

## POLICY | KAUPAPA HERE

### 1. Approved AI tools

- 1.1. Employees may only use the following approved AI tools for Council related work:
- a) **Paid ChatGPT**, where the account is purchased and managed by Council.
  - b) **Microsoft Copilot**, where access and data are managed within Council's Microsoft 365 environment.

- 1.2. All other AI tools must not be used.
- 1.3. **Use of personal AI accounts**
- 1.4. In order to maintain data and cyber security, legal protection and accountability personal AI accounts must not be used for Council work.

## **2. Principles for AI use**

- 2.1. When using AI tools, employees must follow these principles.
- 2.2. AI supports work, it does not replace judgement, this means:
  - a) AI tools may assist with drafting, summarising, or idea generation.
  - b) AI does not make decisions on behalf of WDC or the Council.
  - c) Professional judgement, subject matter expertise, and accountability always sit with the employee
- 2.3. All AI-generated content must be reviewed by a human before use. Employees remain fully responsible for the accuracy, tone, and appropriateness of any content created with AI assistance.
- 2.4. Council accountability remains unchanged, this means:
  - a) AI does not speak on behalf of WDC or the Council.
  - b) AI does not provide official advice, determinations, or commitments.
  - c) Use of AI does not change existing delegations, responsibilities, or accountability.
  - d) AI-assisted content must comply with existing Council policies, corporate standards, and applicable copyright and ethical obligations.
- 2.5. For community-facing content, employees must consider whether AI-assisted outputs may unintentionally exclude, stereotype, or disadvantage any group.

## **3. Appropriate uses of AI**

- 3.1. Approved AI tools may be used to support work tasks such as:
  - a) Drafting emails, reports, documents
  - b) Summarising policies, legislation, meeting notes, or background material
  - c) Brainstorming ideas, options, or approaches
  - d) Creating plain-English explanations of complex material
- 3.2. AI use should always align with Council values, policies, and professional standards.
- 3.3. Employees must use AI only for approved tasks and remain responsible for how outputs are used.

## **4. Information handling and data protection**

- 4.1. AI tools must be used in a way that protects Council and community information.

- 4.2. The current approved tools are cybersecure and are not shared with other users (i.e. individual user accounts are setup) so information and data can be uploaded that is confidential or internal use only.
- 4.3. If approved, AI tools that are in the public domain or have multiple users, will need to have restrictions on data and information that can be uploaded. Guidance will be provided for each approved AI tool prior to being released for use.
- 4.4. If an AI-related issue is identified, it must be managed and reported in line with section 8. An AI-related issue includes suspected misuse, privacy concerns, or unintended disclosure arising from AI use.

## **5. Records, retention, and transparency**

### **5.1. AI-assisted content**

- 5.2. Where official WDC records are created or finalised using AI-assistance, they must be managed in line with the LGOIMA, WDC's LGOIMA policy and Information Management policies, including drafts or versions where required to demonstrate decision-making, development, or accountability.
- 5.3. AI assistance does not change recordkeeping obligations.
- 5.4. For clarity, AI tools may assist with drafting, analysis, or information analysis, but they do not make decisions on behalf of WDC. Decisions remain the responsibility of WDC employees, and records may document how decisions were developed.

### **5.5. Prompts and chat histories**

- 5.6. Prompts and chat histories generated during WDC-related work are WDC information.
- 5.7. Where a LGOIMA request is received, all information relevant to that request must be considered for retrieval and disclosure. This may include relevant AI prompts and chat histories. Relevant information must be supplied unless there is a lawful basis for withholding it, in accordance with LGOIMA.
- 5.8. Employees must use AI tools with the understanding that inputs and outputs generated during WDC-related work may need to be retained or made available to support LGOIMA and other statutory obligations.

## **6. Use outside approved tools or scope**

- 6.1. If an employee believes that a different AI tool would benefit WDC, or a proposed use falls outside the scope of this Policy, they must discuss this with a member of the **AI Working Group** before proceeding to use the tool.
- 6.2. This initial discussion is intended as an early assessment step only. If a proposed tool or use case has merit, it may be escalated to the AI Working Group for formal consideration in line with Council's AI Governance and Implementation Framework.

## **7. Governance and review**

- 7.1. Overall accountability for AI risk management sits with the Manager Customer and Digital Services, supported by the AI Working Group.
- 7.2. Given the pace of change in AI technology and security controls, this Policy will be reviewed annually.
- 7.3. Future updates may:

- a) Expand the range of approved tools
  - b) Introduce additional safeguards or controls
  - c) Extend coverage beyond generative AI
- 7.4. Employees must follow the current version of this Policy when using AI tools for Council work.

**8. Compliance**

- 8.1. Any suspected AI-related privacy, or security concern, must be reported to the employee's Manager or a member of the AI Working Group.
- 8.2. Any suspected AI-related privacy or security incident must be reported and managed in accordance with WDC's ICT Security Incident Management Process.
- 8.3. Breaches of this Policy may count as misconduct and may lead to disciplinary action. Any misconduct will be dealt with in accordance with the Staff Code of Conduct Policy and the Disciplinary and Performance Management Policy.

Policy approved by:



Ben Smit

Chief Executive

16 April 2026

**Document No:** 961994

## **Report To: Audit and Risk Committee**



**Meeting Date:** 12 May 2026

**Subject:** **Quarterly Report: Key Performance Indicators for the period ended 31 March 2026**

**Type:** Information Only

**Author(s):** Rajeshwari Mahadevappa  
Policy Advisor

Charmaine Ellery  
Manager Strategy and Policy

### **1. Purpose of Report**

- 1.1 The purpose of this business paper is to present Waitomo District Council's delivery performance on non-financials for the 2025/26 financial year for the period ending 31 March 2026 (Quarter 3).
- 1.2 A copy of the KPI (Key Performance Indicator) Quarterly Report is included as an attachment to this business paper.

### **2. Suggested Resolution**

- 2.1 The following is a suggested resolution only and does not represent Council policy until such time as it is adopted by formal resolution.
  - 1 The Quarterly Report: Key Performance Indicators for the period ended 31 March 2026 be received.

### **3. Background**

- 3.1 The WDC Long Term Plan (LTP) 2024-2034 was adopted in June 2024 which includes the outcomes Council is aiming to deliver for the community through each activity area. Each group of activities has a level of service that we have agreed with the community to deliver.
- 3.2 These outcomes and levels of service are reported on to the community via the Annual Report at the end of each financial year.
- 3.3 Each quarter, a report is produced to monitor the performance of the activities and levels of service by way of the KPI's developed through the LTP 2024-2034.
- 3.4 This is the third quarterly report for the 2025/26 year, covering the period 1 January to 31 March 2026 (Quarter 3).

### **4. Commentary**

#### **4.1 Service Performance Summary**

- 4.2 Of the 74 key performance indicators measured this quarter, 55 (74%) are achieved, 8 (11%) are not achieved and 11 (15%) with no data available.

#### **4.3 KPI Results from the Resident Survey**

- 4.4 This financial year's resident survey will be carried out in May 2026, until then all KPIs which are measured using resident survey results show as no data.

#### 4.5 **Leadership**

4.6 Three measures have been achieved, these are for Council agendas, communicating with our community regularly and getting back to the customers requiring feedback.

4.7 The result for satisfaction with the effectiveness of Council communications is no data waiting on annual survey results.

#### 4.8 **Community and Partnerships**

4.9 Four out of five measures have been achieved. These are for contestable grant funding, events delivered in partnership with other organisations and number of participants in library programmes and activities, as well as active members.

4.10 The result for satisfaction with the helpfulness and friendliness of the customer services team is no data as this is waiting on annual survey results.

#### 4.11 **Recreation and Property**

4.12 One out of three measures have been achieved, all facilities have current Building Warrant of Fitness.

4.13 Parks and open spaces, and cleanliness of toilets are resident survey measures.

#### 4.14 **Regulatory Services**

4.15 Four of the seven measures have been achieved. These are for building consents, alcohol licenses, food licenses, and accreditation of building consent authorities (BCA).

4.16 The KPI for completing Land Information Memorandum (LIM) applications within the statutory period is not achieved for this quarter. Four LIM applications were processed over the statutory 10 working day period (11 days). 44 out of 48 applications were processed within the statutory 10 days. This is due to critical staff involved in the Western Waikato Emergency Operations Centre (EOC) in February 2026. An assessment of the existing workload will be undertaken in future before committing staff to the EOC for extended periods.

4.17 The result for satisfaction with animal control services will show no data until the resident survey. The Civil Defence training KPI will show no data until the training exercise is held in Quarter 4. However, given that we have stood up an EOC for an event, this may be scored and counted for this KPI, as this is the alternative to an exercise if we have had an event. This will be discussed and agreed by Western Waikato CDEM staff.

#### 4.18 **Resource Management**

4.19 The one measure in this area has been achieved with all resource consents processed within statutory timeframes for Quarter 3.

#### 4.20 **Solid Waste**

4.21 Two of the four measures have been achieved, these are for complaints about uncollected rubbish and waste diversion rate.

4.22 The result for satisfaction with the rural transfer stations and the Waitomo District Landfill will be measured by the Resident Survey 2026.

#### 4.23 **Stormwater**

4.24 All measures for stormwater have been achieved.

#### 4.25 **Wastewater**

4.26 Five of seven measures have been achieved with response times within the target.

- 4.27 The measure related to complaints for Piopio is not achieved for this quarter and will not be achieved for the year as the number of complaints has already exceeded the annual target. Most complaints relate to an ongoing issue with electrical faults on septic tank alarms.
- 4.28 The measure for the number of wastewater complaints related to dry weather overflows is not achieved for this quarter and will not be achieved for the year as the number of dry weather overflows has already exceeded the annual target. Six of the nine complaints received this quarter are related to overflows in Piopio (again septic tank issues) with three in Te Kūiti (related to debris blocking the manhole).
- 4.29 **Water Supply**
- 4.30 25 out of 31 measures have been achieved.
- 4.31 Measure related to Chlorine rules for Mokau is not achieved for this quarter. Four Chlorate readings were slightly above the acceptable value taken in the months of January and February<sup>1</sup>. Readings were taken again after flushing out the Contact tank and reticulation and the values were within the range. More frequent cleaning of the Contact tank has been scheduled going forward.
- 4.32 Measures related to bacteria and protozoa for Te Kuiti have not been achieved this quarter. Faulty UV system caused the bacterial rules to be non-complaint for four days in this quarter. This is due to the deposit of solids on the automatic cleaning device in the UV system, this has been fixed now. Protozoa non-compliance was due to raw water turbidity during and after the rain.
- 4.33 The following precautionary measures ensure there is no risk to public health -
- the water system shuts down when the alarm turns on, thus preventing the non-compliant water from entering the drinking water system. The team visits all the treatment plants in the district daily to confirm that alarm systems are operating correctly.
  - Free Available Chlorine (FAC) levels are checked five times a week throughout the reticulation network and is highly effective in killing bacteria. FAC levels were compliant this quarter, thus assuring the safety of the drinking water.
- 4.34 Measure related to the percentage of water loss for Te Kūiti, Mōkau and Maniaiti/Benneydale are recorded as no data, these will be measured before the end of this financial year. Data from earlier quarters for Maniaiti/Benneydale was found to be incorrect as a result of an error in how the Historian retrieved water loss data (Historian is a software in the SCADA<sup>i</sup> system specifically designed for capturing and storing data). A leak identified in the reticulation at Georgetti Street in the earlier quarters has been fixed.
- 4.35 **Roads and Footpaths**
- 4.36 Four out of six measures have been achieved. These are related to the smooth travel exposure rating which is measured every three years, ratings for footpath network, resurfacing the sealed roads and responding to service requests.
- 4.37 The measure for serious crashes has not been achieved due to one serious crash this quarter.
- 4.38 The measure related to percentage of unsealed road metaled each year is not achieved due to poor weather conditions.

## 5. Attachments/Separate Enclosures

Attachment: KPI Quarterly Report Quarter 3 for period ending 31 March 2026 (960397)

<sup>i</sup> SCADA system - Supervisory Control and Data Acquisition system

<sup>1</sup> The maximum acceptable value (MAV) for chlorate is 0.8mg per litre of drinking water. This is a long-term MAV and set at a level to ensure chlorate levels in drinking water won't pose a significant health risk over a lifetime (70 years). This limit is based on cumulative exposure rather than immediate danger, meaning short-term exposure to water with chlorate levels above the MAV is not generally a risk to health (<https://www.taumataarowai.govt.nz/>)

# Key Performance Indicators Quarterly Report Q3

For the period 1 January to 31 March 2026



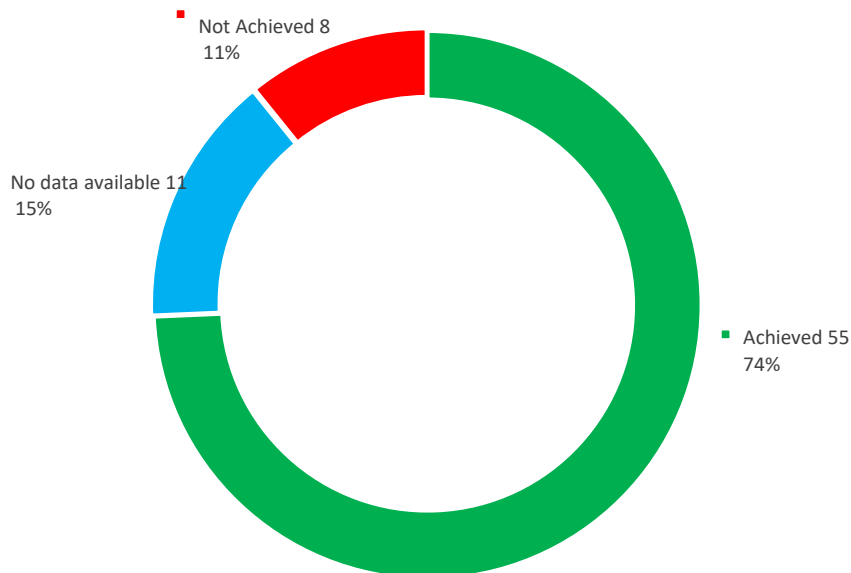
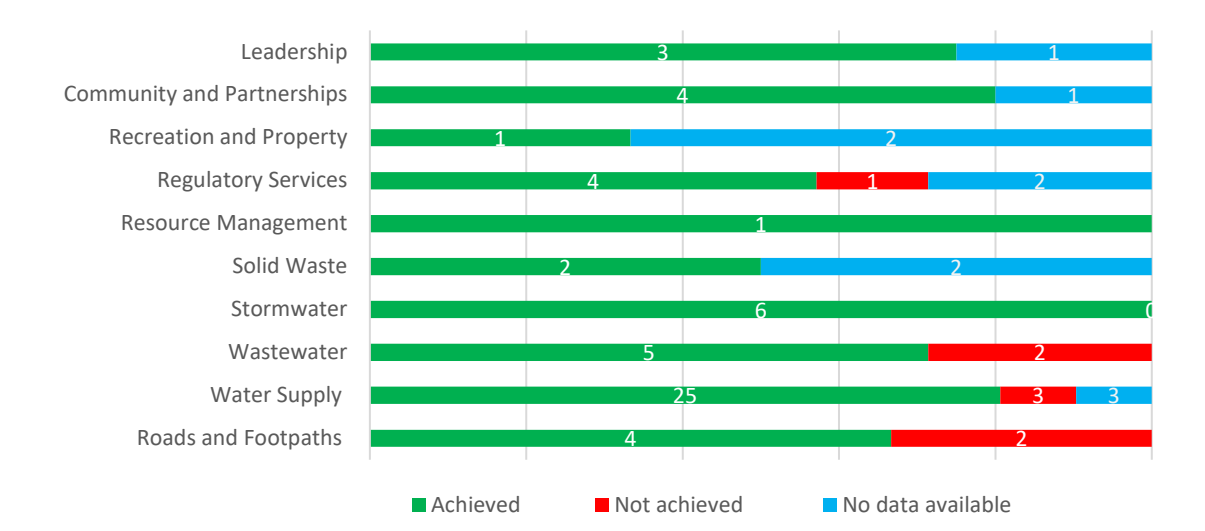
## INTRODUCTION

The 2024-2034 Long Term Plan (LTP) was adopted in June 2024. It sets out outcomes we aim to deliver for our community through the activities we undertake. Within each group of activities outlined in the LTP, we have outlined the levels of service we intend to deliver.

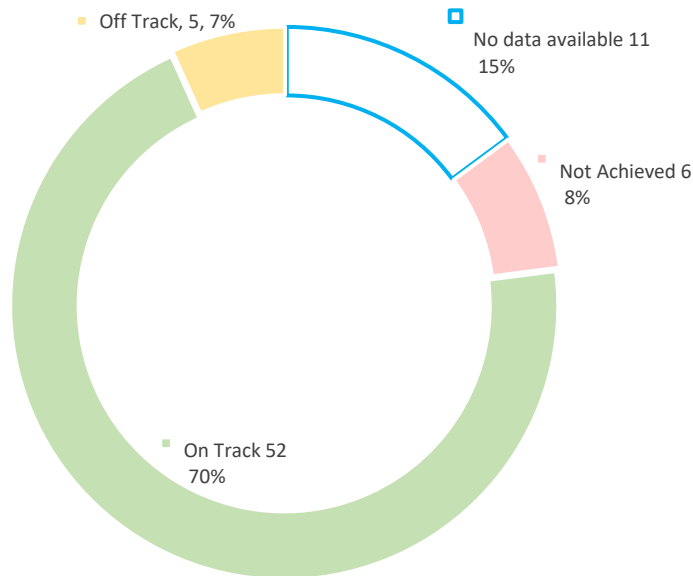
The purpose of this report is to provide high-level updates of these Council activities for the months of 1 January to 31 March 2026. The report covers non-financial KPI (Key Performance Indicators) of groups of activities.

Each KPI reported on in the quarterly report is given a result of either achieved, not achieved, nearly achieved, and no data available. A nearly achieved result is shown when a KPI has not been achieved but was close to achieving. This occurs when a result is within 5% of the target, this being within the margin of error for Resident Survey results.

### SERVICE PERFORMANCE SUMMARY FOR QUARTER THREE 2025/2026



Of the 74 key performance indicators measured this quarter, 55 (74%) are achieved, 8 (11%) are not achieved and 11 (15%) with no data available.



Of the 74 key performance indicators measured this quarter, 52 (70%) are on track to be achieved, 6 (8%) are not achieved, 5 (7%) are off track and 11 (15%) with no data available.

SERVICE PERFORMANCE MEASURES			
Performance Measure Status			
● Not Achieved	● Achieved	⊘ Nearly achieved*	● Data not available
Target/Result shading indicating year end results			
	On track	Off track	Not Achieved

\* A nearly achieved result occurs when a result is within 5% of the target, this being within the margin of error for Resident Survey results.

Leadership							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
Our governance services are robust and transparent.	The percentage of Council agendas that are publicly available before a Council meeting.	●	●	●		<b>Target:</b> ≥ 70% available 4 working days prior and 100% available 2 working days prior <b>Q3 Result:</b> Achieved <b>2024/25 YE Result:</b> Achieved	All agendas were published four clear working days prior to the meeting.
We communicate effectively with our community.	Percentage of residents satisfied that they received or could find Council information when they needed it.	●	●	●		<b>Target:</b> Between 70 - 100% <b>Q3 Result:</b> No data <b>2024/25 YE Result:</b> Achieved 87%	Result of the June 2025 Resident Survey for the effectiveness and usefulness of Council communications was 87%.

Leadership							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We communicate regularly with our community about what matters.	The number of posts on our Facebook page per week.	●	●	●		<b>Target:</b> ≥ 5 week for at least 45 weeks <b>Q3 Result:</b> Achieved <b>2024/25 YE Result:</b> Achieved	Out of the 14 weeks in Quarter 3, all exceeded the number of required Facebook posts per week. The total number of posts not including shares was 126.
We get back to our customers to let them know the outcome of their service requests.	The percentage of service requests where an officer has contacted the customer to inform them of the outcome of the request.	●	●	●		<b>Target:</b> 100% <b>Q3 Result:</b> 100% <b>2024/25 YE Result:</b> Achieved 100%	All customers that required feedback had been contacted for Quarter 3.

Community and Partnerships							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We facilitate strong and sustainable partnerships to support improved outcomes for our community.	All contestable grant funding <sup>1</sup> is disseminated fairly and equitable in accordance with our Policy.	●	●	●		<b>Target:</b> Achieved  <b>Q3 Result:</b> Achieved  <b>2024/25 YE Result:</b> Achieved	Achieved.
We will work in partnership with others on projects or events that enhance the culture and wellbeing of residents.	The number of projects or events that promote culture or wellbeing delivered in partnership with other organisations.	●	●	●		<b>Target:</b> ≥ 2  <b>Q3 Result:</b> 1 Year to date 3  <b>2024/25 YE Result:</b> 3	<p>The Great NZ Muster was held on Saturday 11 April 2026 in partnership with the NZ Shearing Championships Committee.</p> <p>The event achieved strong attendance numbers and delivered a positive experience for both attendees and stallholders.</p> <p>Centennial Park Open Day was held on 27 September 2025 in partnership with Centennial Park sports organisations.</p> <p>Waitomo District Christmas Parade was held on 12 December 2025 in partnership with Legendary Te Kūiti.</p>
We provide a comprehensive and well used Library service for our community.	The number of active library members.	●	●	●		<b>Target:</b> ≥ 2% on the year previous (≥927 members, which is 2% of 909 active members in 2024/25)  <b>Q3 Result:</b> Achieved 973  <b>2024/25 YE Result:</b> Nearly Achieved	Active members in Quarter 3 is 973 which exceeds the 927 member target.
We deliver a range of well attended activities and programmes at the Waitomo District Library.	The number of participants in Library programmes and activities.	●	●	●		<b>Target:</b> ≥ 5% on the year previous (≥ 1752 participants, which is 5% of 1,669 participants in 2024/25)  <b>Q3 Result:</b> 480 (YTD 1098)  <b>2024/25 YE Result:</b> Achieved	An average of 438 participants is needed each quarter for this to be achieved. For Quarter 3, we had 480 participants, this brings YTD total to 1098.

<sup>1</sup> Contestable grant funding is the Multi-Year Community Partnership Grant.

Community and Partnerships							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
Our customer service team are friendly and helpful.	The percentage or residents satisfied their initial interaction with council customer services was friendly and helpful.	●	●	●		<b>Target:</b> Increasing trend <b>Q3 Result:</b> No data <b>2024/25 YE Result:</b> Achieved 88%	Survey due May 2026

Recreation and Property							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We provide parks and open spaces across our district.	Percentage of residents satisfied with our parks and open spaces.	●	●	●		<b>Target:</b> ≥ 85% <b>Q3 Result:</b> No data <b>2024/25 YE Result:</b> Achieved 92%	Survey due May 2026
We provide community facilities that are compliant with legislative standards.	Ensure facilities with compliance schedules have current Building Warrant of Fitness (BWOFF).	●	●	●		<b>Target:</b> Achieve <b>Q3 Result:</b> Achieved <b>2024/25 YE Result:</b> Achieved	All facilities have current Building Warrant of Fitness (BWOFF).
We provide clean public toilets for our community and visitors.	Percentage of residents satisfied with the cleanliness of public toilets.	●	●	●		<b>Target:</b> ≥ 85% <b>Q3 Result:</b> No data <b>2024/25 YE Result:</b> Not Achieved 63%	Survey due May 2026

Regulatory Services							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
Building consents are processed in a timely fashion.	All building consents are processed within 20 working days.	●	●	●		<b>Target:</b> 100% <b>Q3 Result:</b> Achieved 100% <b>2024/25 YE Result:</b> Nearly Achieved 99%	All building consents processed within 20 working days.
We provide regulatory services for alcohol licences.	All premises that sell alcohol are licensed.	●	●	●		<b>Target:</b> 100% Compliance <b>Q3 Result:</b> Achieved 100% <b>2024/25 YE Result:</b> Achieved 100%	All premises that sell alcohol are licensed.
We provide regulatory services for food licences.	All premises that sell food are licensed and registered.	●	●	●		<b>Target:</b> 100% Compliance <b>Q3 Result:</b> Achieved 100% <b>2024/25 YE Result:</b> Achieved 100%	All premises that sell food are licensed.

Regulatory Services							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We provide Land Information Services (LIMS) efficiently.	LIM applications are processed within 10 working days.					<b>Target:</b> 100% Compliance <b>Q3 Result:</b> Not Achieved 92% <b>2024/25 YE Result:</b> Nearly Achieved 99%	44 LIMS out of 48 were processed within the statutory 10 days. Four LIMS were processed over the statutory 10 working day period (11 days).  This is due to critical staff involved in the Western Waikato Emergency Operations Centre in February.
We will process, inspect, and certify building work in the Waitomo District.	WDC maintains building control systems and process to meet IANZ Audit requirements.					<b>Target:</b> BCA accreditation maintained <b>Q3 Result:</b> Achieved <b>2024/25 YE Result:</b> Achieved	BCA accreditation maintained, next assessment is due in June 2026.
We provide an effective Animal Control service.	Percentage of residents satisfied with the provision of the Animal Control service.					<b>Target:</b> ≥ 75% <b>Q3 Result:</b> No data <b>2024/25 YE Result:</b> Not Achieved 63%	Survey due May 2026
WDC is resourced and staff trained to effectively support operations of Civil Defence Headquarters during an emergency.	The evaluation of the annual exercise as a measure of effectiveness of training.					<b>Target:</b> ≥ 61% (comprehensive score) <b>Q3 Result:</b> No data <b>2024/25 YE Result:</b> Nearly Achieved 58%	An exercise will be completed in Quarter 4 or a score provided for how the February event was managed.

Resource Management							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
Resource consents are processed in accordance with legislation.	All non-notified land use consent and subdivision consents are processed within 20 days.					<b>Target:</b> 100% <b>Q3 Result:</b> Achieved 100% <b>2024/25 YE Result:</b> Achieved 100%	All resource consents were processed within 20 days.

Solid Waste							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We will provide a reliable kerbside rubbish collection to stop rubbish becoming a health risk. <sup>2</sup>	The number of justifiable complaints per week about uncollected rubbish.					<b>Target:</b> < 7 per week <b>Q3 Result:</b> Achieved <b>2024/25 YE Result:</b> Achieved	No week exceeded 7 complaints. Total four complaints in Q3.
We provide effective and fit for purpose solid waste facilities.	Percentage of users that are satisfied with the rural transfer service stations.					<b>Target:</b> ≥ 90% <b>Q3 Result:</b> No data	Survey due May 2026

<sup>2</sup> Kerbside collection services offered in Te Kūiti, Waitomo Village, Piopio, and Mōkau.

Solid Waste							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
						<b>2024/25 YE Result:</b> Not Achieved 77%	
	Percentage of users that are satisfied with the Waitomo District Landfill.	●	●	●		<b>Target:</b> ≥ 90% <b>Q3 Result:</b> No data <b>2024/25 YE Result:</b> Nearly 87%	Survey due May 2026
We encourage waste minimisation by providing recycling services to reduce waste sent to landfill.	Diversion rate <sup>3</sup> of the District's waste to landfill.	●	●	●		<b>Target:</b> Increasing trend of diversion rate to ≥ 50% <b>Q3 Result:</b> 64% <b>2024/25 YE Result:</b> Achieved 52%	Achieved.

Stormwater							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We maintain and operate the stormwater network in a way that minimises the likelihood of stormwater entering habitable buildings.	The number of flooding events <sup>4</sup> that occur in the district in a financial year.	●	●	●		<b>YE Target:</b> ≤ 2 <b>Q3 Result:</b> 0 <b>2024/25 YE Result:</b> Achieved 0	No flooding events in Quarter 3.
	For each flooding event the number of habitable floors affected in a financial year.	●	●	●		<b>YE Target:</b> ≤ 5 per 1000 properties (1,862 properties) <b>Q3 Result:</b> 0 <b>2024/25 YE Result:</b> Achieved 0	No flooding events in Quarter 3.
We comply with our resource consent conditions and minimise the impact of stormwater on the environment.	The number of infringement notices related to the management of the stormwater system.	●	●	●		<b>YE Target:</b> ≤ 2 <b>Q3 Result:</b> 0 <b>2024/25 YE Result:</b> Achieved 0	No notices received in Quarter 3.
	The number of abatement notices, enforcement orders or convictions related to the management of the stormwater system.	●	●	●		<b>YE Target:</b> 0 <b>Q3 Result:</b> Achieved <b>2024/25 YE Result:</b> Achieved	No notices received in Quarter 3.

<sup>3</sup> Diversion rate means not sending unwanted materials to disposal facilities. Instead, materials are repurposed through the process of **reuse, recycling, or recovery**. The diversion rate is found by dividing the weight of diverted waste only by the weight of all waste and multiplying this by 100 to get a percentage.

<sup>4</sup> A flooding event means an overflow of stormwater from a territorial authority's stormwater system that enters a habitable floor. Habitable floor refers to the floor of a building (including a basement) but does not include ancillary structures such as stand-alone garden sheds or garages.

Stormwater							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We will respond within a reasonable timeframe to flooding.	The median response time to attend a flooding event (measured from the time that the notification is received to the time that service personnel reach the site).	●	●	●		<b>YE Target:</b> ≤ 180 minutes (3hrs) <b>Q3 Result:</b> Achieved <b>2024/25 YE Result:</b> Achieved	No flooding events in Quarter 3.
We provide a reliable stormwater system.	The number of complaints received about the performance of the Council's urban stormwater system per 1,000 properties connected.	●	●	●		<b>Target:</b> ≤ 5 complaints per 1000 properties (1,862 properties) or 9 complaints <b>Q3 Result:</b> 1 complaint <b>2024/25 YE Result:</b> Achieved - 2 complaints per 1,000 properties	Q1 - 0.5 per 1000 or total 1 complaint Q2 - 2.7 complaints per 1000 properties or total 5 complaints Q3 - 0.5 per 1000 or total 1 complaint YTD - 7 complaints or 3.7 complaints per 1000 properties To achieve the target, an average of 2.25 complaints can be received each quarter.

Wastewater							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We will attend and resolve issues with the wastewater system within a reasonable timeframe.	The median attendance time for callouts, from the time that we received notification to the time that our service personnel reach the site.	●	●	●		<b>Target:</b> ≤180 minutes (3hrs) <b>Q3 Result:</b> 2hrs 49 mins <b>2024/25 YE Result:</b> Achieved 1hr 30mins	2 hrs 49 mins
	The median resolution time of callouts, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.	●	●	●		<b>Target:</b> <u>Rest of District</u> ≤480 minutes (8hrs) <b>Q3 Result:</b> 3hrs 20mins <b>2024/25 YE Result:</b> Achieved 3hrs 4mins	3 hrs 20mins
			●	●	●		<b>Target:</b> <u>Piopio</u> ≤480 minutes (8hrs) <b>Q3 Result:</b> 3hrs 25mins <b>2024/25 YE Result:</b> Achieved 4hrs 22mins

Wastewater							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We comply with our resource consent conditions and minimise the impact of wastewater on the environment.	Zero abatement, infringement, enforcement or convictions issued.	●	●	●		<b>Target:</b> 0 <b>Q3 Result:</b> Achieved <b>2024/25 YE Result:</b> Not Achieved 1 notice received	Q1 - 1 abatement notice issued Q2 & Q3 – Achieved
Our wastewater system is operated and maintained to minimise odour and blockages.	The number of complaints about wastewater odour, system faults or blockages and complaints about our response to issues with its wastewater system.	●	●	●		<b>Target:</b> <u>Piopio</u> ≤200 complaints per 1,000 connections (204) or 41 complaints <b>Q3 Result:</b> 303 complaints per 1000 connections <b>2024/25 YE Result:</b> Not Achieved, 232 per 1000 connections	Q2 – 25 complaints or 117 per 1000 connections Q1 – 21 complaints or 99 complaints per 1000 connections Q3 – 16 complaints or 78 complaints per 1000 connections YTD – 62 complaints or 303 complaints per 1000 connections Most complaints related to septic tank alarms, triggered by electrical issues (tripping).
		●	●	●		<b>Target:</b> <u>Rest of District</u> ≤35 complaints per 1,000 connections (2085) or 73 complaints <b>Q3 Result:</b> 2 complaints per 1000 connections <b>2024/25 YE Result:</b> Achieved, 23 per 1000 connections	Q1 – 25 complaints or 12 complaints per 1000 connections Q2 – 12 complaints or 5.7 per 1000 connections Q3 – 4 complaints or 2 complaints per 1000 connections YTD – 20 complaints per 1000 connections Most complaints related to blockages following heavy rain.
Our wastewater system is optimised to reduce the risk of harm to the community and environment.	Number of dry weather overflows in a financial year	●	●	●		<b>Target:</b> ≤5 complaints per 1,000 connections (2289) or 11 complaints <b>Q3 Result:</b> 4 complaints per 1000 connections <b>2024/25 YE Result:</b> <b>Previous result:</b> Not Achieved, 10 per 1000 connections	Q1 – 5 complaints or 2 per 1000 connections Q2 – 6 complaints or 2.6 per 1000 connections Q3 – 9 complaints or 4 per 1000 connections YTD – 20 complaints or 9 per 1000 connections

Water Supply							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We provide water that is safe to drink and hygienic to use which meets the drinking water standards.	Water quality complies with the drinking water standards for T2 Treatment Monitoring Rules.	●	●	●		<b>Target:</b> <u>Mōkau</u> Achieve Compliance  <b>Q3 Result:</b> All met  <b>2024/25 YE Result:</b> Almost met	Compliance Achieved.
		●	●	●		<b>Target:</b> Maniaiti/Benneydale Achieve Compliance  <b>Q3 Result:</b> All met  <b>2024/25 YE Result:</b> All met	Compliance Achieved.
	Water quality complies with the drinking water standards for T2 Protozoal Rules.	●	●	●		<b>Target:</b> <u>Mōkau</u> Achieve Compliance  <b>Q3 Result:</b> All met  <b>2024/25 YE Result:</b> Almost met	Compliance Achieved.
		●	●	●		<b>Target:</b> <b>Maniaiti/Benneydale</b> Achieve Compliance  <b>Q3 Result:</b> All met  <b>2024/25 YE Result:</b> All met	Compliance Achieved.
	Water quality complies with the drinking water standards for T2 Filtration Rules.	●	●	●		<b>Target:</b> <u>Mōkau</u> Achieve Compliance  <b>Q3 Result:</b> All met  <b>2024/25 YE Result:</b> All met	Compliance Achieved.
		●	●	●		<b>Target:</b> Maniaiti/Benneydale Achieve Compliance  <b>Q3 Result:</b> All met  <b>2024/25 YE Result:</b> All met	Compliance Achieved.
	Water quality complies with the drinking water standards for T2 Chlorine Rules.	●	●	●		<b>Target:</b> <u>Mōkau</u> Achieve Compliance  <b>Q3 Result:</b> Not met  <b>2024/25 YE Result:</b> All met	Chlorate was above the Maximum Acceptable Value (MAV is 0.8 mg/L) in January and February (four instances b/w 0.82 mg/L to 0.94 mg/L). Contact tank and reticulation were flushed, and the results are within the range since then.
		●	●	●			

Water Supply							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
						<b>Target:</b> Maniaiti/Benneydale Achieve Compliance  <b>Q3 Result:</b> All met  <b>2024/25 YE Result:</b> All met	Compliance Achieved.
	Water quality complies with the drinking water standards for T3 Bacteria Rules.					<b>Target:</b> Te Kūiti Achieve Compliance  <b>Q3 Result:</b> Not met  <b>2024/25 YE Result:</b> Almost met	Non-compliant for 3 days in Feb and 1 day in March.  Feb 6- UVT instrument has no communication Feb 7 - UVT system, was noisy and not registering the percentage UVT. Feb 9- UVT was serviced. March15 - There was a solid on the cleaning liquid which resulted in a system trip. The cleaning liquid was replaced.
We provide water that is safe to drink and hygienic to use which meets the drinking water standards.						<b>Target:</b> Piopio Achieve Compliance  <b>Q3 Result:</b> All met  <b>2024/25 YE Result:</b> All met	Compliance Achieved.
	Water quality complies with the drinking water standards for T3 Protozoa Rules.					<b>Target:</b> Te Kūiti Achieve Compliance  <b>Q3 Result:</b> Not achieved  <b>2024/25 YE Result:</b> All met	Non-compliant for 1 day in January and 3 days in March.  This is due to raw water turbidity during and after the rain.
						<b>Target:</b> Piopio Achieve Compliance  <b>Q3 Result:</b> Achieved  <b>2024/25 YE Result:</b> Almost met	Compliance Achieved.
	Water quality complies with the drinking water standards for D2 Distribution System Rule.					<b>Target:</b> Mōkau Achieve Compliance  <b>Q3 Result:</b> All met  <b>2024/25 YE Result:</b> All met	Compliance Achieved.
We provide water that is safe to drink and hygienic to use which meets the drinking water standards.	Water quality complies with the drinking water standards for D2 Distribution System Rule.					<b>Target:</b> Maniaiti/Benneydale Achieve Compliance  <b>Q3 Result:</b> All met  <b>2024/25 YE Result:</b> All met	Compliance Achieved.

Water Supply							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
		●	●	●		<b>Target:</b> Piopio Achieve Compliance  <b>Q3 Result:</b> All met  <b>2024/25 YE Result:</b> All met	Compliance Achieved.
	Water quality complies with the drinking water standards for D3 Microbiological Monitoring Rule.	●	●	●		<b>Target:</b> Te Kūiti Achieve Compliance  <b>Q3 Result:</b> All met  <b>2024/25 YE Result:</b> Almost met	Compliance Achieved.
	Percentage of real water loss from Council's networked reticulation system						
We provide an efficient and effective water supply. We will achieve this by undertaking activities such as water leakage detection and maintaining the network of water pipes. <sup>5</sup>	Te Kūiti	●	●	●		<b>Target:</b> ≤ 20% <b>Result:</b> no data <b>2024/25 YE Result:</b> Achieved, 17.4%	Water loss for Te Kūiti, Mōkau and Maniaiti/Benneydale will be measured before the end of this financial year.
	Mōkau	●	●	●		<b>Target:</b> ≤ 5% <b>Result:</b> no data <b>2024/25 YE Result:</b> Achieved, 1.98%	Data from earlier quarters for Maniaiti/Benneydale was found to be incorrect as a result of an error in how the Historian retrieved water loss data. A leak identified in the reticulation at Georgetti Street in the earlier quarters has been fixed.
	Piopio	●	●	●		<b>Target:</b> ≤ 5% <b>Result:</b> 0.34% <b>2024/25 YE Result:</b> Achieved, 2.01%	(Percentage calculated using Minimum Night Flow which assumes that there is little consumption overnight, therefore remaining flow is attributed to water loss).
	Maniaiti/Benneydale	●	●	●		<b>Target:</b> ≤ 5% <b>Result:</b> no data <b>2024/25 YE Result:</b> No data	
We provide efficient management of demand for water for our community.	The average consumption of drinking water per Waitomo District resident, per day.	●	●	●		<b>Target:</b> ≤ 400 litres per person per day  <b>Q3 Result:</b> 398 litres  <b>2024/25 YE Result:</b> Achieved, 340 litres/day	398 litres
We will respond within a reasonable timeframe to issues with the water supply. <sup>6</sup>	The median attendance time for urgent callouts, from the time that we received notification to the time that our service personnel reach the site.	●	●	●		<b>Target:</b> ≤ 180 minutes (3hrs)  <b>Q3 Result:</b> 30 mins  <b>2024/25 YE Result:</b> Achieved - 10 mins	30 mins

<sup>5</sup> Water Losses includes real losses through leaks in the network and apparent losses through metering inaccuracies or water theft. This does not include unauthorised consumption.

<sup>6</sup> Resolution and attendance based on working days are defined as Monday – Friday, excluding public holidays. If notification is received on the weekend or public holiday the timeframes start from the next working day.

Water Supply							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
	The median resolution time of urgent callouts, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.	●	●	●		<b>Target:</b> ≤ 540 minutes (9hrs) <b>Q3 Result:</b> 2hrs 18 mins <b>2024/25 YE Result:</b> Achieved 1hr 9mins	2hrs 18 mins
	The median attendance time for non-urgent callouts, from the time that we received notification to the time that our service personnel reach the site.	●	●	●		<b>Target</b> ≤ 24 hrs (1 day) <b>Q3 Result:</b> 4hrs 30mins <b>2024/25 YE Result:</b> Achieved, 1hr 14mins	4 hrs 30 mins
	The median resolution time of non-urgent callouts, from the time that we received notification to the time that our service personnel confirm the fault or interruption has been resolved.	●	●	●		<b>Target:</b> ≤ 96 hours (4 days) <b>Q3 Result:</b> 24 hrs 12mins <b>2024/25 YE Result:</b> Achieved, 22hrs 34mins	1 day and 12 mins (24 hrs 12mins)
	The total number of complaints received by Council in a year for: <sup>7</sup>						
	Drinking water clarity.	●	●	●		<b>Target:</b> ≤ 5 per 1000 connections (2678 connections) <b>Q3 Result:</b> 0 <b>2024/25 YE Result:</b> Achieved, 1.88	No complaints
	Drinking water taste.	●	●	●		<b>Target:</b> ≤ 2 per 1000 connections (2678 connections) <b>Q3 Result:</b> 0 <b>2024/25 YE Result:</b> Achieved, 0	No complaints
	Drinking water odour.	●	●	●		<b>Target:</b> ≤ 2 per 1000 connections (2678 connections) <b>Q3 Result:</b> 0 <b>2024/25 YE Result:</b> Achieved, 0	No complaints

<sup>7</sup> Total number of connections is 2659




Water Supply							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We provide water that is wholesome and is reliably supplied. The measure indicates customers and community satisfaction with the quality of the water.	Drinking water pressure flow.	●	●	●		<b>Target:</b> ≤ 5 per 1000 connections (2678 connections)  <b>Q3 Result:</b> 2.24 complaints per 1000 connections  <b>2024/25 YE Result:</b> Achieved, 1.5	Q1 – no complaints  Q2 - 2 complaints or 0.75 per 1000 connections  Q3 – 6 complaints or 2.24 complaints per 1000 connections
	Continuity of supply.	●	●	●		<b>Target:</b> ≤ 4 per 1000 connections (2678 connections) or 10 complaints  <b>Q3 Result:</b> 1.87 complaints per 1000 connections  <b>2024/25 YE Result:</b> Achieved, 3.4	Q1 - 6 complaints or 2.25 complaints per 1000 connections  Q2 – 4 complaints or 1.5 complaints per 1000 connections  Q3 - 5 complaints or 1.87 complaints per 1000 connections  YTD – 5.62 complaints per 1000 connections, hence, end of year result is not achieved.
	Council's response to any of these issues.	●	●	●		<b>Target:</b> ≤ 5 per 1000 connections (2678 connections)  <b>Q3 Result:</b> 0 <b>2024/25 YE Result:</b> Achieved, 0	No complaints.

Roads and Footpaths							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We are working towards a safe network with a vision of a decreasing trend of deaths and serious injuries on Waitomo District roads within ten years. We aim to achieve this by delivering projects that are focused on maintaining, upgrading, or changing the conditions of the roading environment to keep our community safe.	The change from the previous financial year in the number of fatalities and serious injury crashes on Waitomo District's local road network. <sup>8</sup>	●	●	●		<b>Target:</b> maintain or decrease from previous year (previous year result 0 fatal or serious crashes)  <b>Q3 Result:</b> 0 fatal and 1 serious crash  <b>2024/25 YE Result:</b> Achieved	Q1 - 0 fatal and 1 serious crash  Q2 - 0 fatal and 1 serious crash  Q3 - 0 fatal and 1 serious crash  YTD – 0 fatal and 3 serious crashes
We aim for a smooth road that provides comfort for road users and improves the safety of the roads.	The average smooth travel exposure rating across the sealed road network. <sup>9</sup>	●	●	●		<b>Target:</b> ≥ 80% (of total network)  <b>Q3 Result:</b> 90%  <b>2024/25 YE Result:</b> Achieved 90%	Achieved at 90% below 150 NAASRA count. Assessment completed every three years, data from 2024.
We will maintain the road network by resealing it as needed. Resurfacing is only undertaken as required depending on the condition of the surface in that financial year.	The percentage of Waitomo District's sealed local road network that is resurfaced each year.	●	●	●		<b>Target:</b> 5% (of total network)  <b>Q3 Result:</b> 6.2% kms  <b>2024/25 YE Result:</b> Achieved 8.9%	The programme surfacing quantity is 28.602km which equates 6.2% of the network (more than the target 5%)
We will provide footpaths that are well maintained. The measure is the percentage of footpaths that meet the service level.	The percentage of footpath network that falls within a condition rating of 3. <sup>10</sup>	●	●	●		<b>Target:</b> ≥ 85%  <b>Q3 Result:</b> 93%  <b>2024/25 YE Result:</b> Achieved 93%	Survey due May 2026
We will investigate and respond to the customer about their request for service relating to road and footpath issues.	The percentage of customer service requests relating to roads and footpaths responded to within 10 working days.	●	●	●		<b>Target:</b> ≥ 90%  <b>Q3 Result:</b> 96%  <b>2024/25 YE Result:</b> Achieved 93%	Of the 282 service requests received 12 were responded to outside of the 10 working day target.  Q3 – 96%

<sup>8</sup> This is using NZTA Crash Analysis System definitions: fatal is defined as a death occurring as the result of injuries sustained in a road crash within 30 days of the crash, serious is defined as injury (fracture, concussion, severe cuts or other injury) requiring medical treatment or removal to and retention in hospital.

<sup>9</sup> Percentage of measured sealed road lane kilometres not exceeding a NAASRA roughness count rating of 150 to be at least 90%. NAASRA is a generally acceptable measure of road roughness. A NAASRA count of less than 150 indicates an acceptable level of ride comfort.

<sup>10</sup> Acceptable ratings being 1-very good 2-good and 3-fair as assessed by industry trained raters.

Roads and Footpaths							
You can expect	Measure	Q1	Q2	Q3	Q4	Target/Result	Commentary
We will maintain the overall condition of the unsealed roads to a specified adequate standard.	Percentage of unsealed road metaled each year.					<b>Target:</b> $\geq 15\%$ (of total)  <b>Q3 Result:</b> 0 km  <b>2024/25 YE Result:</b> Not Achieved 10.5%	For Quarter 3, the weather has not been ideal for metalling and Quarter 4 will bring all metalling and contribution towards the KPI to achieve the target.  Q1 – 5.4% (29.6km) Q2 – 0.3% (2 km) Q3 – 0 km  YTD – 5.7%

**Document No:** 970677

**Report To: Audit and Risk Committee**



**Meeting Date:** 12 May 2026

**Subject:** **Progress Report: Procurement Summary Schedule (January 2026 – March 2026)**

**Type:** Information Only

**Author(s):** Hilary Walker  
Acting General Manager Strategy an Environment

## 1. Purpose of Report

- 1.1 The purpose of this business paper is to present to the Committee a summary of the procurements made in the period 1 January 2026 to 31 March 2026 in accordance with Waitomo District Council's Procurement Policy.

## 2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.

- 1 The business paper on the Progress Report: Procurement Summary Schedule (January 2026 to March 2026) be received.

## 3. Background

- 3.1 Waitomo District Council's (WDC) Procurement Register (Register) provides a formal "one stop" reference to record WDC's procurement decisions.
- 3.2 The Register, at an operational level, provides a summary of the procurement decisions together with the associated financial components.
- 3.3 The Register provides procurement information including:
- Procurement Description
  - Type of Contract: Physical Works, or Professional services, or goods and services
  - Term of contract
  - Procurement Selection process adopted: All of Government (AOG), Syndicated, Tender, Quote or Direct Appointment
  - Reason for exemption (if applicable)
  - Number of tenders/quotes received
  - Tender/quote range
  - Evaluation method
  - Awarded contract value
  - Contractor/supplier
  - The Register provides key financial information for each procurement including:
    - Total cumulative value
    - Price range of Tenders/Quotes received

- 3.4 The keeping of records is part of an overall Risk Management Framework and assists in the early identification of risks.
- 3.5 All procurement documents such as the quotes, tender responses, notices to tenderers and related correspondence are held in the relevant physical contract folder, captured electronically, and the detail added to the Register.

#### 4. Commentary

- 4.1 WDC's Procurement Policy (the Policy) was last reviewed and adopted with amendments by Council on 31 May 2022. The three year review of the policy is currently underway and a draft of the Policy will be workshopped with the Council before presentation for adoption at a Council meeting in the fourth quarter of the 25/26 FY.
- 4.2 The Tenders Subcommittee (a subcommittee of WDC's Senior Management Team) operates to assist the Chief Executive in undertaking the management of procedures to ensure sound probity methods are followed, risks are mitigated, and quality documentation is produced in relation to the procurement of goods and services necessary to deliver WDC's work programme and operations as provided for in adopted 10 Year Plans and Annual Plans.

#### 5. Procurement Summary Schedule

- 5.1 The attached Procurement Summary Schedule (PSS) Report provides details of procurements that result in a total contract award over \$200,000 + GST, and/or where the supplier selection method has deviated from the Procurement Policy, and a procurement exemption has been approved by the Chief Executive.
- 5.2 **EXEMPTION REASON**
- 5.3 The Audit, Risk and Finance Committee have requested that the reason for granting a Procurement Exemption be included in the PSS. As a result, the Headings of the five criteria provided for in the Policy will now be included in the PSS as the reason for granting an exemption.
- 5.4 The Policy extract below provides detail of those five criteria, of which at least one must be met for a Procurement Exemption to be granted.

##### **Procurement Exemption**

*The supplier selection method and process for the relevant threshold should be followed fully. If deviation from the process is required, the reason for the deviation should comply with one or more of the following criteria:*

1. **Monopoly or limited supplier situation:** *Where there is a monopoly or very limited supplier situation and only one or two Suppliers capable of supplying the requirements (e.g. engaging an arrangement for the supply of electricity on a network where the network is owned by a single party); or*
2. **Proprietary technology:** *Where a Supplier is the sole Supplier and/or patent holder of a specific product that is required by WDC. WDC must be satisfied that the proprietary technology is the most appropriate for the needs of WDC; or*
3. **High Risk Activities:** *The risks of a competitive process outweigh the benefits of competition and would potentially create risk for WDC; or*
4. **Unique business proposition:** *Where a Supplier has a unique business proposition that can minimise risks or costs to WDC. This could include existing knowledge relevant to a project; or*
5. **Existing contract:** *If goods, services and/or works are in addition to, or necessary for the completion of, delivery of an existing contract, provided that the original contract was publicly advertised, and a change of Supplier cannot be made for economic, technical, legal, or practical reasons.*

*The key requirement is the direct appointment represents best value for WDC. Poor planning or organisation of procurement is not justification for deviation from the framework. In all instances a procurement exemption must be signed off by the Chief Executive.*

**6. Attachments/Separate Enclosures**

Attachments:


- 1 Procurement Summary Schedule (Doc #970676)

Contract / Order No.	Contract Title / Procurement Description	Type of Contract (Physical Works, Professional Services or Goods and Services)	Term of Contract	One-off or Ongoing Supply	Selection Process (AOG, Syndicated, Panel, Tender, Quote or Direct Appointment)	Exemption Reason	No. of Tenders / Quotes Received	Tender / Quote Range (GST exclusive)	Evaluation Method	Awarded Contract Value (Total cumulative)	Awarded To	Meeting Date	GM	Outlier Tenders	Remarks
500/25/036	Waitomo - Resilience Sites 2025 - 2026	Physical Works	50 Days	One-off	Tender	N/A	4	\$646,030.71 - \$753,467.85	PQM	\$646,060.71	Nicholls & Uttinger Civil	30/01/26	Infrastructure Services	No Outliers	
500/25/040	Waitomo July Storm 2025 - Wall Sites	Physical Works	60 Days	One-off	Tender	N/A	5	\$1,758,540.59 - \$2,622,099.38	PQM	\$1,758,540.59	Inframax Construction	16/02/26	Infrastructure Services	No Outliers	
500/25/044	Te Anga Road Rehabilitation RP 26.66 - 27.57	Physical Works	50 Days	One-off	Tender	N/A	6	\$942,802.54 - \$1,270,182.42	LPC	\$942,803	JC Civil Construction	26/02/26	Infrastructure Services	No Outliers	
500/25/042	Waitomo July Storm 2025 - Road Retreats	Physical Works	50 Days	One-off	Tender	N/A	4	\$678,852.38 - \$999,969.61	PQM	\$678,852	Inframax Construction	26/02/26	Infrastructure Services	No Outliers	

**Key Evaluation Method**

**LPC** The **Lowest Price Conforming** (LPC) method is a procurement strategy where the contract is awarded to the bidder who offers the lowest price while meeting all specified requirements and standards.

**PQM** The **Price Quality Method** (PQM) is a tender evaluation method that balances price and non-price attributes (quality) to determine the best value for money.

<b>Document No:</b> 962275	
<b>Report To: Audit and Risk Committee</b>	
 <p><b>Waitomo</b> District Council</p>	<b>Meeting Date:</b> 12 May 2026
	<b>Subject:</b> <b>Progress Report: WDC Resource Consents – Compliance Monitoring (January to March 2026)</b>
	<b>Type:</b> Information Only
	<b>Author(s):</b> Mary Grace Bonto Environmental Technician  Connan Negus Acting Three Waters Manager

## 1. Purpose of Report

- 1.1 The purpose of this business paper is to brief the Committee on compliance reporting against Resource Consent conditions, due during the third quarter (2025/2026).

## 2. Suggested Resolutions

- 2.1 The following are suggested resolutions only and do not represent Council policy until such time as they are adopted by formal resolution.
- 2.2 The business paper on WDC Resource Consents – Compliance Monitoring be received.

## 3. Background

- 3.1 Resource consents are authorizations that permit the use or extraction of water, land or coastal resources. These consents come with conditions designed to safeguard people and the environment. The Waikato Regional Council (WRC) oversees activities with consents to ensure compliance with these conditions.

## 4. Commentary

- 4.1 Waitomo District Council (WDC) is required to report on resource consent compliance to Waikato Regional Council (WRC) in accordance with the conditions that regulate the various resource consents held by WDC.
- 4.2 The following tables set out details of the compliance reporting requirements for WDC's resource consents:

RESOURCE CONSENT	REPORT DUE
<b>Monthly</b>	
No. 116844 - Benneydale Water Treatment Plant Condition 9 (Surface Water Take)	Monthly
No. 117290 - Piopio Wastewater Treatment Plant Condition 26 (Discharge)	Monthly

RESOURCE CONSENT	REPORT DUE
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Conditions 65 & 66	<i>Not yet commenced</i>
<b>Quarterly</b>	
No. 112639 - Te Kuiti Wastewater Treatment Plant Conditions 7 - 19 (Discharge) Condition 30	Jan, April, July and Oct
No. 140685 - Te Kuiti Landfill, William Street, Te Kuiti Conditions 65 & 66	<i>Not yet commenced</i>
No. 101753 - Te Kuiti Landfill, William Street, Te Kuiti Condition 11 (Within 2 months of sampling)	February, May, August, November
<b>Six Monthly</b>	
No. 133317 - Te Kuiti Water Treatment Plant Conditions 5, 6, 10 & 11	January/July
No. 118813 - Benneydale Wastewater Treatment Plant Conditions 16 - 23	January/July
No. 117945 - Benneydale Water Treatment Plant (Backwash) Condition 3	May/Nov
No. 107477 - Piopio Water Treatment Plant Conditions 6, 7, 8 & 9	Jan/July
No. 107478 - Piopio Water Treatment Plant Conditions 10, 15 & 16	June/Dec
No. 120048 - Te Kuiti Wastewater Treatment Plant Discharge to Land (via seepage)	Feb/Aug
No. 140685 - Te Kuiti Landfill, William Street, Te Kuiti Conditions 62 & 63 (Within 2 months of sampling)	<i>Not yet commenced</i>
<b>Annual</b>	
No. 118813 - Benneydale Wastewater Treatment Plant Condition 26	31 March
No. 120340 - Mokau Closed Landfill Conditions 3, 6 & 10	Monitoring ceased by mutual agreement with WRC (11/2017)
No. 105054/55/56/57/58/59/60 - Waitomo Stormwater Schedule A (22) Conditions 4 - 6	31 May
No. 105054 - Te Kuiti Stormwater Condition 6	31 May
No. 143938 - Benneydale Water Treatment Plant Condition 4 (Groundwater Take)	28 Feb
No. 113544 - Mokau Water Treatment Plant (Water Take) Conditions 2 & 4	July
No. 113545 - Mokau Water Treatment Plant (Backwash) Conditions 2 - 8	July

RESOURCE CONSENT	REPORT DUE
No. 140685 - Rangitoto Quarry Landfill, William Street, Te Kuiti Annual Report Condition 71	<i>Not yet commenced</i>
No. 101753 - Te Kuiti Landfill, William Street Annual Report Condition 4 <b>Independent Peer Reviewer</b>	May
No. 120048 - Te Kuiti Wastewater Treatment Plant Condition 7	1 December
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 20 (Discharge)	September
No. 138063 - Te Waitere Wastewater Condition 16	July
No. 103287, 103288 and 103289 - Te Kuiti, Walker Road - Closed Landfill	November
No. 103193 - Benneydale Closed Landfill SH30 Conditions 2, 3 & 5 No. 103194 - Conditions 2 & 3	Monitoring ceased by mutual agreement with WRC (08/2018)
No. 103196 - Piopio Closed Landfill Conditions 2, 3 & 4	Monitoring ceased by mutual agreement with WRC (08/2018)
No. 103198 - Aria Closed Landfill Conditions 2 & 4	Monitoring ceased by mutual agreement with WRC (08/2018)
<b>Biennial</b>	
No. 117290 - Piopio Wastewater Treatment Plant Conditions 7 & 9 (Discharge) (Review Operations and Management)	September 2014 ( <i>and every two years after</i> )
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 24 (Review Operations Management Plan)	June 2015 ( <i>and every two years after</i> )
No. 118813 - Benneydale Wastewater Treatment Plant Condition 27 (Review Management Plan Review)	From 2010 every two years
<b>Other</b>	
No. 112639 - Te Kuiti Wastewater Treatment Plant Condition 28 (Complete Passage/Migration Barrier Assessment within 3 years of commencement date)	Within 3 years: 18 December 2017  Completed: 1 July 2020

## 5. Resource Consent Compliance Reports: January to March 2026

5.1 The following Resource Consent Compliance Reports have been made to WRC during the third quarter of 2025/2026:

### 1. AUTH116844.01.01 – Maniaiti/Benneydale Water Treatment Plant Condition 9 (Surface Water Take) Report Due: Monthly

<b>Activity Description</b>	Take up to 180 cubic metres per day of water from an unnamed tributary of the Mangapeehi Stream for Benneydale water supply.
<b>Reporting Period:</b>	December 2025
<b>Compliance Status:</b>	<b>Compliant</b>
<b>WDC Reference:</b>	939955

<b>Activity Description</b>	Take up to 180 cubic metres per day of water from an unnamed tributary of the Mangapeehi Stream for Benneydale water supply.
<b>Reporting Period:</b>	January 2026
<b>Compliance Status:</b>	<b>Compliant</b>
<b>WDC Reference:</b>	953304

<b>Activity Description</b>	Take up to 180 cubic metres per day of water from an unnamed tributary of the Mangapeehi Stream for Benneydale water supply.
<b>Reporting Period:</b>	February 2026
<b>Compliance Status:</b>	<b>Compliant</b>
<b>WDC Reference:</b>	957329

### 2. AUTH117290.01.01 – Piopio Wastewater Treatment Plant Condition 26 (Discharge) Report Due: Monthly

<b>Activity Description</b>	Discharge up to 135.4 cubic metres of treated municipal sewage in any 24-hour period from the Piopio Wastewater Treatment System to the Mokau River.
<b>Reporting Period:</b>	December 2025
<b>Compliance Status:</b>	<b>Partially Compliant</b>
<b>Explanation:</b>	Monitoring results showed that ammoniacal nitrogen, total kjeldahl nitrogen and cBOD5 exceeded their respective consent limits. Even after deep cleaning and retest, still exceeded the consent limit. Retention time for bacteria may be insufficient, but flow and discharge cannot be controlled at this plant due to the lack of actuator valve and SCADA connectivity.
<b>Next steps:</b>	Procurement approval granted to instal a buffer tank at the inlet to stabilise hydraulic loading and support more effective biological treatment. It will also help to comply with discharge volumes during wet weather events. A site inspection has also been completed to determine appropriate location and tank size.
<b>WDC Reference:</b>	947951

<b>Activity Description</b>	Discharge up to 135.4 cubic metres of treated municipal sewage in any 24-hour period from the Piopio Wastewater Treatment System to the Mokau River.
<b>Reporting Period:</b>	January 2026
<b>Compliance Status:</b>	<b>Partially Compliant</b>
<b>Explanation:</b>	There were exceedances of ammoniacal nitrogen, total kjeldahl nitrogen and faecal coliform with results 37.9 mg/L, 42 mg/L and 1400 MPN/100mL compared to respective consent limits of 10 mg/L, 30mg/L and 1400 MPN/100mL. Total Kjeldahl Nitrogen and Ammoniacal Nitrogen exceedance are attributable to nitrifying bacteria activity. For faecal coliform, efficiency of UV system might have affected by few small particles which may be linked to biological stability
<b>Next Step/s:</b>	The assessment for installing a buffer tank is ongoing based on the site inspection, data and design of the plant provided.
<b>WDC Reference:</b>	952772

<b>Activity Description</b>	Discharge up to 135.4 cubic metres of treated municipal sewage in any 24-hour period from the Piopio Wastewater Treatment System to the Mokau River.
<b>Reporting Period:</b>	February 2026
<b>Compliance Status:</b>	<b>Partially Compliant</b>
<b>Explanation:</b>	Only ammoniacal nitrogen exceeded the consent limit. In the past years, Piopio WWTP continues to struggle to meet consent limit requirement.
<b>Next steps</b>	<p>Following the assessment, it was agreed to place the buffer tank on hold as the cost currently outweighs the uncertain benefit. Based on the assessment, there were 36 occurrences of volume discharge exceedances from 2015 to 2025 which has max of 360 m<sup>3</sup>. This volume would pose a problem to find enough space within the existing plant boundary and will cost around \$100,000 to \$200,000.</p> <p>We will try to change buffering agent from Liquid Caustic Soda to Sodium Bicarbonate to assess whether this improves alkalinity stability and reduces ammoniacal nitrogen levels. This was suggested by Hauraki District Council as they have the same system.</p>
<b>WDC Reference:</b>	957529

**3. AUTH101753.01.01 – Te Kuiti Landfill Condition 11 (Leachate Monitoring)**  
**Report Due: Quarterly**

<b>Activity Description</b>	Place up to 232,000 tonnes of municipal solid waste onto or into land, in the Rangitoto Quarry Landfill, William Street, Te Kuiti.
<b>Reporting Period:</b>	October to December 2025
<b>Compliance Status:</b>	<b>Compliant</b>
<b>WDC Reference:</b>	947290

**4. AUTH112639.01.01 – Te Kuiti Wastewater Treatment Plant – Discharge Conditions 7, 17, 21 and 30**  
**Report Due: Quarterly**

<b>Activity Description</b>	To discharge treated wastewater to the Mangaokewa Stream from the Te Kuiti Wastewater Treatment Plant.
<b>Reporting Period:</b>	October to December 2025
<b>Compliance Status:</b>	<b>Compliant</b>
<b>WDC Reference:</b>	947046

**5. AUTH133317.01.01– Te Kuiti Water Treatment Plant (TKWTP) – Water Take**  
**Report Due: Semi-Annual**

<b>Activity Description</b>	To take water from the Mangaokewa Stream for domestic and municipal water supply purposes.
<b>Reporting Period:</b>	July 1 – December 31, 2025
<b>Compliance Status:</b>	<b>Compliant</b>
<b>WDC Reference:</b>	939905

**6. AUTH118813.01.01– Maniati/Benneydale Wastewater Treatment Plant Discharge Conditions 7, 9, 16, 21 and 23**  
**Report Due: Semi-Annual**

<b>Activity Description</b>	Discharge up to 85 cubic metres per day of treated municipal wastewater on to land on a seasonal basis or discharge to the Mangapehi Stream.
<b>Reporting Period:</b>	July 1 – December 31, 2025
<b>Compliance Status:</b>	<b>Partially Compliant</b>
<b>Explanation:</b>	<p>There are four (4) exceedances to the 85 m<sup>3</sup> per day discharge limit. These exceedances occur when there is heavy rain within the district.</p> <p>From January to 30 April 2025, all treated wastewater is discharged to soakage while 1 May to 31 October 2025 all treated wastewater should be discharged to stream. There were three (3) recorded discharges to stream which occurred on November 13, 19 and December 3, 2025. These were false readings, the electrician said that these are due to pipe vibration. The valve has been isolated and operators have confirmed that this valve was fully closed during these periods, confirming that no actual discharge occurred. 7m<sup>3</sup> was discharged at soakage field last 24 October 2025 because the resource consent specifies that we need to inspect and test the land application every October of each year.</p> <p>Two results slightly exceeded the 90th percentile limit of 26 mg/L for total ammoniacal nitrogen but remained below the maximum consent limit of 35 mg/L. The recorded concentrations were 29.2 mg/L and 27.7 mg/L.</p>

<b>Next Step/s:</b>	Reducing Inflow and infiltration would reduce the volume discharge exceedances during rainy days, an action plan is being prepared with implementation likely in 2026/27 after Te Kuiti inflow and infiltration improvement work. Sludge management practices will be improved by increasing the frequency of desludging to help maintain ammonia levels within the 90th percentile limit.
<b>WDC Reference:</b>	947875

**7. AUTH107477.01.01 – Piopio Water Treatment Plant – Surface Water Take Conditions 5, 6, 7 and 9**  
**Report Due: Semi-Annual**

<b>Activity Description</b>	Take up to 165,929 cubic metres per year of water from Kuratahi Stream for municipal water supply purposes.
<b>Reporting Period:</b>	1 July to 31 December 2025
<b>Compliance Status:</b>	<b>Compliant</b>
<b>WDC Reference:</b>	939931

**8. AUTH120048.01.01 – Te Kuiti Wastewater Treatment Plant Discharge to Land (via seepage)**  
**Report Due: Semi-Annual**

<b>Activity Description</b>	To discharge treated wastewater (via seepage) to land and groundwater from activities associated with the Te Kuiti Wastewater Treatment Plant
<b>Reporting Period:</b>	August 2025 to January 2026
<b>Compliance Status:</b>	<b>Partially Compliant</b>
<b>Explanation:</b>	<p>Ground Water Bores (GWBs) 3 and 5 showed highest E.coli levels. Upon investigation, it was found that the lid on GWB 5 was broken and the lid GWB 3 could not fully close with snails that can transport E.coli found in both. There was also an open pipe located beside both bores which we suspect may be an old bore.</p> <p>No samples were collected from GWBs 6 and 7 due to blockages. GWB 7 lid was also found broken.</p>
<b>Next Step/s:</b>	The bores were scheduled for jetting with disinfection and to remove debris inside however Waikato Regional Council raised concern that jetting may have compromised the structural integrity of the bore and recommended engagement of bore specialist. A bore specialist has been engaged and their site availability is currently being confirmed. The assessment will determine whether the existing bore holes remain intact before repairing the lids. If the bores are found to be compromised, installation of new monitoring bore may be required to effectively monitor seepage at Te Kuiti Wastewater Treatment Plant.
<b>WDC Reference:</b>	955906

**9. AUTH118813.01.01 – Benneydale Wastewater Treatment Plant Condition 26**  
**Report Due: Annually**

<b>Activity Description</b>	Discharge up to 85 cubic metres per day of treated municipal wastewater on to land on a seasonal basis or discharge to the Mangapehi Stream.
<b>Reporting Period:</b>	January to December 2025
<b>Compliance Status:</b>	<b>Partially Compliant</b>
<b>Explanation:</b>	<p>There were 9 exceedances to 85 m<sup>3</sup>/day discharge limit. These are due to infiltration and inflow during rainy days.</p> <p>Discharge readings were recorded in the stream and/or soakage field. However, there were due to a faulty flow meter and did not reflect actual discharge. Except on and October 24 because of soakage field May 1 that there is a discharge to soakage field due to operational limitation inspection. As per consent conditions, discharge to the stream should occur from 1 May to 30 October and 1 November to 30 April should be in soakage field.</p> <p>PARAMETERS EXCEEDED THE MAXIMUM CONSENT LIMIT:</p> <p>Ammoniacal Nitrogen – one exceedance of the maximum consent limit in February 2025. From Jan to June 2025 the results were above the 90th percentile limit but mid-year showed an improvement.</p> <p>Total Suspended Solids - There was one instance when concentration had exceeded the limits which occurred in March 2025.</p> <p>CBOD5 – one result exceeded the consent limit of 45 mg/L which is recorded on 12 February 2025 with 56 mg/L concentration.</p>
<b>Next Step/s:</b>	This provides a summary of the whole year compliance of Benneydale WWTP. The next steps align with numbers 6 and 11 which note that the plant requires upgrading in order to comply with Wastewater Standards of 2025.
<b>WDC Reference:</b>	952783

**10. AUTH143938.01.01 – Benneydale/Maniaiti Annual Water Take**  
**Report Due: Annual**

<b>Activity Description</b>	Take up to 180 cubic metres per day of groundwater for Maniaiti/Benneydale municipal supply purposes
<b>Reporting Period:</b>	January to December 2025
<b>Compliance Status:</b>	<b>Partially Compliant</b>
<b>Explanation:</b>	<p>The total volume of ground and surface water taken for this reporting period was 48,488 m<sup>3</sup> which is above the 44,000 m<sup>3</sup> consent limit. It was observed in September 2025 that there was increased volume of water usage, so a leak investigation was carried out to determine whether leakage within the network was contributing to the increase. A leak was identified in Georgetti Street. The water take is increasing again in the 3rd week of October 2025 and another leak detection was conducted and found out that the leak is also in Georgetti Street.</p>
<b>Next Step/s:</b>	First leak was repaired 23 September 2025 and second leak repaired on 3 November 2025.
<b>WDC Reference:</b>	951184

### 11. AUTH118813.01.01 – Benneydale Wastewater Treatment Plant Reconsenting Update

<b>Activity Description</b>	Discharge up to 85 cubic metres per day of treated municipal wastewater on to land on a seasonal basis or discharge to the Mangapehi Stream.
<b>Update:</b>	The plant generally meets the small plant criteria under the Wastewater Regulation 2025. However, Ammoniacal-Nitrogen and E.coli do not comply with the standards for either river or land discharge. Additional contaminants may also exceed land-discharge limits following detailed land assessment. It is recommended to undertake a land classification survey, commit to UV treatment and ammoniacal-nitrogen removal. Contractor will provide plant upgrade options after land assessment and will draft business case to Waikato Waters Ltd.

### 12. AUTH107478.01.02 & AUTH107477.01.02– Piopio Water Treatment Plant Water Take and Backwash Reconsenting Update

<b>Activity Description</b>	<p>AUTH107478.01.02 – Discharge up to 8 cubic metres of filter backwash water and waste over a 4-minute period, twice a week to the Kuratahi Stream in association with the operation of a municipal water supply.</p> <p>AUTH107477.01.02 - Take up to 165,929 cubic metres per year of water from Kuratahi Stream for municipal water supply purposes.</p>
<b>Update:</b>	Hydrological assessment is on-going to estimate annual low flow condition at former NIWA site at Mangakowhai Stream/Kaingapipi to establish correlation with Kuratahi Stream. Waikato Regional Council advised that any such outcome would require consideration of ecological improvements such as demand management or offsetting and review of the rationale for abstraction and discharge locations. So, it's likely that we need to find new source or reduce water take or move the backwash discharge location depending on the outcome of hydrological assessment.

### 13. AUTH113545.01.01 and AUTH113544.01.01 - Mokau Water Treatment Plant Water Take and Backwash Reconsenting Update

<b>Activity Description</b>	<p>AUTH113545.01.01 – Discharge up to 10 cubic metres of filter backwash water to an unnamed tributary of the coastal marine area in association with municipal water treatment plant in Mokau.</p> <p>AUTH113544.01.01 – Take up to 1,000 cubic metres per day of water from an unnamed tributary for public water supply purposes in Mokau.</p>
<b>Update:</b>	Ecology work and hydrology/dams aspects to be completed.