

Agenda

**Notice is hereby given of
an Audit and Risk Committee Meeting**

Tuesday 9 June 2026

9:00 am

Council Chamber
Waimate District Council
125 Queen Street
Waimate

www.waimatedc.govt.nz

Notice is hereby given that a meeting of the Audit and Risk Committee will be held in the Council Chamber, Waimate District Council, 125 Queen Street, Waimate, on Tuesday 9 June 2026, 9:00 am.

Please note that the meeting will adjourn at approximately 9.55am to enable the Committee to attend a Local Government New Zealand Briefing. The meeting will reconvene thereafter.

Committee Membership

David Ward	Chairperson
Craig Rowley	Mayor
Rick Stevens	Councillor
Jakki Guilford	Councillor
Sandy McAlwee	Deputy Mayor

Quorum – no less than three members

Significance Consideration

Evaluation: Council officers, in preparing these reports have had regard to Council's Significance and Engagement Policy. Council and Committee members will make the final assessment on whether the subject under consideration is to be regarded as being significant or not. Unless Council or Committee explicitly determines that the subject under consideration is to be deemed significant then the subject will be deemed as not being significant.

Decision Making

The Council, in considering each matter, must be:

- i. Satisfied that it has sufficient information about the practicable options and their benefits, costs and impacts, bearing in mind the significance of the decision;
- ii. Satisfied that it knows enough about and will give adequate consideration to the views and preferences of affected and interested parties bearing in mind the significance of the decisions to be made.

Stuart Duncan
Chief Executive

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OPENING

1 APOLOGIES

2 VISITORS

3 CONFLICTS OF INTEREST

As per the Local Authorities (Members' Interests) Act 1968 (as below), the Chair will enquire if there are any Conflicts of Interest to be declared on any item on the agenda, and if so, for any member to declare this interest.

Local Authorities (Members' Interests) Act 1968

Councillors are reminded that if they have a pecuniary interest in any item on the agenda, then they must declare this interest and refrain from discussing or voting on this item and are advised to withdraw from the meeting table.

4 IDENTIFICATION OF MAJOR (URGENT) OR MINOR ITEMS NOT ON THE AGENDA

1. The Chair will call for any major (urgent business) or minor items not on the agenda to be raised according to Standing Orders, as below:

- a. **Standing Orders 3.7.5 – Major Items**

An item not on the agenda for a meeting may be dealt with at the meeting if the local authority by resolution so decides, and the presiding member explains at the meeting at a time when it is open to the public –

- i. The reason why the item was not listed on the agenda; and
 - ii. The reason why discussion of the item cannot be delayed until a subsequent meeting.

- b. **Standing Orders 3.7.6 – Minor Items**

An item not on the agenda for a meeting may be dealt with at the meeting if –

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

MINUTES**5 CONFIRMATION OF MINUTES****5.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 17 MARCH 2026**

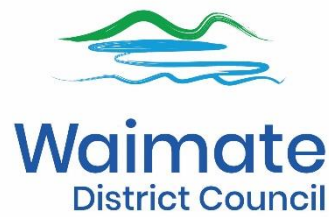
Author: Sitari Jayasundara, Governance Support and PA to The Mayor
Authoriser: Tina Stevenson, Corporate Services Group Manager
Attachments: 1. Minutes of the Audit and Risk Committee Meeting held on 17 March 2026

PURPOSE

For the unconfirmed Minutes of the Audit and Risk Committee meeting held on 17 March 2026 to be presented for confirmation.

RECOMMENDATION

That the Minutes of the Audit and Risk Committee Meeting held on 17 March 2026 be adopted as a true and correct record



MINUTES

Audit and Risk Committee Meeting

17 March 2026

**MINUTES OF WAIMATE DISTRICT COUNCIL
AUDIT AND RISK COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBER, WAIMATE DISTRICT COUNCIL, 125 QUEEN STREET,
WAIMATE
ON TUESDAY 17 MARCH 2026, COMMENCING AT 9.30AM**

PRESENT: Chair David Ward, Mayor Craig Rowley, Cr Rick Stevens, Cr Jakki Guilford,
Deputy Mayor Sandy McAlwee

IN ATTENDANCE: Cr John Begg, Cr Stacey Swale, Cr Peter Paterson, Cr Lisa Small

STAFF IN ATTENDANCE: Dan Mitchell (Asset Group Manager), Tina Stevenson (Corporate
Services Group Manager), Nicole Timney (Community and Strategy Group
Manager), Aleisha Macpherson (Corporate Services Assistant)

PARTIAL ATTENDANCE: Cr Paul Harrison

OPENING

1 APOLOGIES

Nil

2 VISITORS

Debbie Bradfield – Audit New Zealand Associate Director.

3 CONFLICTS OF INTEREST

Nil

4 IDENTIFICATION OF MAJOR (URGENT) OR MINOR ITEMS NOT ON THE AGENDA

Nil

MINUTES

5 CONFIRMATION OF MINUTES

5.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 9 DECEMBER 2025

COMMITTEE RESOLUTION 2026/1

Moved: Mayor Craig Rowley

Seconded: Cr Jakki Guilford

That the Minutes of the Audit and Risk Committee Meeting held on 9 December 2025 be
adopted as a true and correct record.

CARRIED

REPORTS

6 GENERAL REPORTS

6.1 AUDIT AND RISK CHAIR'S REPORT - MARCH 2026

COMMITTEE RESOLUTION 2026/2

Moved: Chair David Ward

Seconded: Cr Rick Stevens

1. That the Audit and Risk Chair's Report – March 2026 be received; and
2. That the Audit and Risk Committee ask Council to accept the proposed amendments to the Terms of Reference for this triennium.

CARRIED

Note: Clause 28 to be amended to a mid-term review of the Committees performance.

Training may be arranged with Audit New Zealand/The Office of the Auditor General, if members require it.

6.2 2026 ANNUAL WORK PLAN REVIEW

COMMITTEE RESOLUTION 2026/3

Moved: Mayor Craig Rowley

Seconded: Deputy Mayor Sandy McAlwee

1. That the 2026 Annual Work Plan Review report is received, and
2. That the 2026 Annual Work Plan is approved, with the following amendments:
 - a) Monitor existing policies and recommend new policies – quarterly
 - b) Monitor legislation – quarterly
 - c) Reporting on establishment of Water Internal Business Unit and the impact on resourcing and finances – quarterly
 - d) Impact and cost of legislation changes – half yearly.

CARRIED

6.3 HEALTH AND SAFETY REPORT

COMMITTEE RESOLUTION 2026/4

Moved: Cr Jakki Guilford

Seconded: Cr Rick Stevens

That the Health and Safety Report is accepted.

CARRIED

Note: It was suggested that minor incidents could be present in a summarised format.

6.4 AUDIT NEW ZEALAND DRAFT AUDIT PROPOSAL LETTER 2026-2028**COMMITTEE RESOLUTION 2026/5**

Moved: Deputy Mayor Sandy McAlwee

Seconded: Mayor Craig Rowley

1. That the Audit New Zealand Draft Audit Proposal Letter 2026-2028 report is accepted; and
2. That the Audit and Risk Committee accepts the Audit New Zealand proposal to conduct audits for the 2026, 2027 and 2028 financial years together with the 2026 audit fees.

CARRIED

6.5 AUDIT NEW ZEALAND ENGAGEMENT 2026-2028**COMMITTEE RESOLUTION 2026/6**

Moved: Cr Jakki Guilford

Seconded: Cr Rick Stevens

1. That the Audit New Zealand Engagement 2026-2028 report is accepted; and
2. That the Audit and Risk Committee recommends the Mayor signs the Audit Engagement Letter 2026-2028 for it to be returned to Audit New Zealand.

CARRIED

6.6 AUDIT NZ AUDIT PLAN FOR THE YEAR ENDED 30 JUNE 2026**COMMITTEE RESOLUTION 2026/7**

Moved: Cr Rick Stevens

Seconded: Mayor Craig Rowley

That the Audit and Risk Committee confirms the terms of the Audit New Zealand 2026 Audit Plan.

CARRIED

6.7 EXTERNAL AUDIT RECOMMENDATIONS PROGRESS REPORT TO MARCH 2026**COMMITTEE RESOLUTION 2026/8**

Moved: Mayor Craig Rowley

Seconded: Deputy Mayor Sandy McAlwee

That the External Audit Recommendations Progress Report to March 2026 Report is accepted.

CARRIED

6.8 RISK REGISTER**COMMITTEE RESOLUTION 2026/9**

Moved: Cr Jakki Guilford

Seconded: Cr Rick Stevens

That the Risk Register Report is accepted.

CARRIED

Note: The Committee requested that staff undertake a deep dive on the Human Resources risk for the June Committee meeting. The Committee would like to be informed of what measures are in place for fuel shortages etc.

6.9 RISK MANAGEMENT POLICY REVIEW**COMMITTEE RESOLUTION 2026/10**

Moved: Mayor Craig Rowley

Seconded: Deputy Mayor Sandy McAlwee

1. That the Risk Management Policy Review report is accepted; and
2. That the Audit and Risk Committee having reviewed the Risk Management Policy confirms minor amendments to be included.

CARRIED

Note: The Committee requested that staff present Councils Business Continuity Plan at the June Committee meeting.

6.10 RISK TOLERANCE RECOMMENDATION**COMMITTEE RESOLUTION 2026/11**

Moved: Mayor Craig Rowley

Seconded: Cr Rick Stevens

1. That the Risk Tolerance Recommendation report is accepted; and
2. That the Audit and Risk Committee recommends the Risk Appetite Statement be approved by Council as presented.

CARRIED

6.11 MAJOR PROJECTS REPORT**COMMITTEE RESOLUTION 2026/12**

Moved: Deputy Mayor Sandy McAlwee

Seconded: Cr Jakki Guilford

That the Major Projects report be accepted.

CARRIED

6.12 LEGISLATIVE REFORM RISK REPORT

COMMITTEE RESOLUTION 2026/13

Moved: Cr Jakki Guilford
 Seconded: Cr Rick Stevens

That the Audit and Risk Committee accepts the Legislative Reform Risk report.

CARRIED

Note: The Committee requested the report is colour coded to identify the level of risk, in line with other reports.

6.13 COUNCIL'S POLICY STATUS

COMMITTEE RESOLUTION 2026/14

Moved: Deputy Mayor Sandy McAlwee
 Seconded: Mayor Craig Rowley

That the Council's Policy Status report is accepted.

CARRIED

Note: Staff were asked to give priority to policies past their review due date.

PUBLIC EXCLUDED

7 EXCLUSION OF THE PUBLIC REPORT

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION 2026/15

Moved: Chair David Ward
 Seconded: Mayor Craig Rowley

That the public be excluded from the following parts of the proceedings of this meeting.

The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

General subject of each matter to be considered	Reason for passing this resolution in relation to each matter	Ground(s) under section 48 for the passing of this resolution
7.1 - Public Excluded Minutes of the Audit and Risk Committee Meeting held on 9 December 2025	s6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7
7.2 - CCTV Footage Requests	s6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention,	s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure

	<p>investigation, and detection of offences, and the right to a fair trial</p> <p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p>	<p>of information for which good reason for withholding would exist under section 6 or section 7</p>
CARRIED		

8 RE-ADMITTANCE OF THE PUBLIC REPORT

<p>COMMITTEE RESOLUTION 2026/16</p> <p>Moved: Chair David Ward Seconded: Mayor Craig Rowley</p> <p>That Council moves out of Closed Committee into Open Committee.</p> <p style="text-align: right;">CARRIED</p>

MEETING CLOSURE

There being no further business, the Chair closed the meeting at 12.12pm.

The Minutes of this meeting are to be confirmed at the Audit and Risk Committee Meeting scheduled on 9 June 2026.

.....
CHAIRPERSON

REPORTS**6 GENERAL REPORTS****6.1 OUTSTANDING AUDIT AND RISK COMMITTEE ACTIONS REPORT - PUBLIC**

Author: Sitari Jayasundara, Governance Support and PA to The Mayor

Authoriser: Tina Stevenson, Corporate Services Group Manager

Attachments: 1. Outstanding Audit and Risk Committee Actions Report [↓](#) 

PURPOSE

For the Outstanding Audit and Risk Committee Actions Report – Public to be presented for the information of the Audit & Risk Committee.

RECOMMENDATION

That the Outstanding Audit and Risk Committee Actions Report – Public is accepted.

Meeting	Officer/Director	Section	Subject
Audit and Risk Committee 17/03/2026	Stevenson, Tina	General Reports	Risk Management Policy Review
COMMITTEE RESOLUTION 2026/10			
Moved: Mayor Craig Rowley			
Seconded: Deputy Mayor Sandy McAlwee			
<ol style="list-style-type: none"> 1. That the Risk Management Policy Review report is accepted; and 2. That the Audit and Risk Committee having reviewed the Risk Management Policy confirms minor amendments to be included. 			
CARRIED			
<p>03 Jun 2026: The Risk Management Policy is being presented for Council approval at the 23 June 2026 Council Meeting., The Business Continuity Plan is under development and will be presented to the Committee following staff review and completion in due course.</p>			

6.2 AUDIT AND RISK CHAIR'S REPORT - JUNE 2026

Author: Sitari Jayasundara, Governance Support and PA to The Mayor
Authoriser: Tina Stevenson, Corporate Services Group Manager
Attachments: Nil

PURPOSE

1. This report is prepared for the purpose of enabling the Independent Chair to share his thoughts on those key issues that we are currently facing as a Council and to give guidance on how we may consider responding to those issues.

CHAIR'S REPORT

2. The local government sector is currently operating within uncertain times.
3. We have spent considerable resource and time developing future water services delivery models for our communities, and we will undertake further work in this activity to incorporate governance and operational aspects during the next 12 months as we head to a start date for the new model on (for this Council) 1 July 2027.
4. We are now faced with responding to further proposed changes that will have significant impact on the future of our sector, including a proposal to introduce rate capping from mid-2029, and the more significant Central Government Head Start pathway to simplifying local government, for which our views are to be shared with Central Government in August 2026.
5. This Council has recently considered how this may impact on our community, with consideration given to local identity, the need to engage with neighbouring Councils, and the future impact of service delivery for those aspects of water quality, air and soil that are currently undertaken by the Regional Council.
6. We are also mindful of the quantum of stranded overheads that will fall across activities retained by Council after the water service delivery model commences in July 2027.
7. And, not forgetting the shape of our balance sheet from 1 July 2027, and the manner in which we may consider developing future years non-financial performance measures.
8. My real concerns for Council, and the wider sector are two-fold:
 - a) The timing of the central Government legislation for future sector role and responsibilities, given that this is election year (November 2026) meaning a speedy adoption of that legislation following consideration of response to the proposals.
 - b) The timeframe and assumptions that drive the development of a meaningful draft Long Term Plan, will effectively need to be close to completion by the end of the 2026 calendar year to allow sufficient time for audit and consultation in early 2027.
9. We have the potential for the sector and its independent auditors to spend a lot of time and resource developing, reviewing and consulting on a document that we are not able to deliver on. We will need to synchronise our thoughts proposals on service delivery, resource requirements and service delivery cost.
10. As a sector we need timely guidance from The Audit Office on the expected content of our forthcoming LTP document, together with the expected levels of engagement with neighbouring Councils.
11. We must also take the time to carefully develop our assumptions for our future operations and engage with our potential future partners to ensure we hold similar views.
12. In my view it would be prudent for this Committee to take a leadership role in the oversight of our assumptions, on the basis of reasonableness, and ensuring they meet both community and external audit expectations.

13. Further, I would like to see this Committee taking an active role in the LTP conversations around community consultation, ensuring the community has a clear understanding of what we are proposing to do under our suite of assumptions, together with the associated cost and benefit of our proposed actions.

THE AUDIT OFFICE

14. I am scheduled to attend an Audit Committee Chairs Forum on Friday 5 June 2026. I will verbally articulate key points from that Forum at today's meeting.
15. The Audit Office (formally Office of the Auditor General) have recently reviewed and circulated their strategic objectives, some of which I thought were worth our consideration.
16. In respect to the influencing of better value for money, they have advised that public organisations need to continually examine how they are spending public funds to ensure that their spending benefits from strategic planning and represents an efficient and equitable use of resources.
17. They are of the view they can do this by pointing out what good value for money looks like, identifying opportunities and showcasing examples of success.
18. Their strategy notes that what success looks like in the wider context is more effective use of financial information to support government decision making and accountability, improved strategic financial management capability in the public sector, contributing towards improved outcomes from public spending.
19. They advise that they will show progress through annual reports increasingly demonstrating clear and robust value for money reporting.
20. The Audit Office also made some interesting observations from their audits of Councils most recent LTP's, noting the times of uncertainty when these were being produced. They stated most Councils responded to the uncertainty well, and that they were able to complete LTP's with a reliable view of how Councils will provide and pay for services.
21. They also observed that rising operating costs and the need to increase capital expenditure are putting pressure on many Councils.
22. These are interesting observations, given the current environment Councils are having to operate within, with no clear certainty for the future. There is also concern at the level of investment at both governance and operational level in responding to legislative proposals as opposed to dedicating time and resource to delivery of Councils annual plan and long term plans.

INDEPENDENT AUDITOR

23. I have scheduled a series of meetings with our independent audit director Debbie Bradfield prior to each of this Committees quarterly meetings.
24. We are scheduled to hold our next meeting on 3 June, where we will discuss the forthcoming audit workplan and timing. We will also consider the additional workload and sector investment of time and resource into our LTP, along with timing and development of assumptions.
25. I will report discussion matters verbally during today's meeting.

RECOMMENDATION

That the Audit and Risk Chair's Report – June 2026 be received.

6.3 HUMAN RESOURCES REPORT

Author: Grace Aikman, Human Resources Manager

Authoriser: Stuart Duncan, Chief Executive

Attachments: Nil

PURPOSE

1. The purpose of this report is for the Human Resources Manager to provide the Audit and Risk Committee with an update on current recruitment activities and staffing levels within the organisation.

RECRUITMENT

1. The Finance Manager is expected to have commenced employment prior to the Audit and Risk Committee meeting on 8 June 2026.
2. Recruitment for a Roding Officer is progressing. An offer of employment has been made, and we are awaiting confirmation. This position has been vacant since June 2025.
3. The Communications Advisor role has been successfully filled, with the preferred candidate having accepted the offer.
4. Recruitment is about to commence for an Accounts Payable / Receptionist position, due to the current incumbent leaving on 26 June 2026.
5. Recruitment activity for an Emergency Management Advisor role is underway, with an initial discussion being held with an interested candidate
6. Due to internal movement, the Technical Support Officer Roding position is vacant and will be advertised in due course.

STAFF HEADCOUNT

7. The staff headcount reflected in the table is based on employees in active employment as of 2 June 2026 and does not include individuals who have accepted offers but have not yet commenced, nor does it include current or upcoming vacancies.

Date	Total Headcount	Parental Leave	Permanent Full Time*	Permanent Part Time**	Fixed Term	Casual	Vacant
18/3/2025	89	1	54	23	7	4	
22/7/2025	82	0	51	22	4	5	
14/9/2025	83	0	53	22	6	2	
7/10/2025	82	0	53	23	5	1	
17/11/2025	88	0	52	22	12	2	
27/11/2025	88	0	52	22	12	2	
2/06/2026	82	0	55	23	3	1	6

* 37.5 hours per week or more ** Less than 37.5 hours per week

RECOMMENDATION

That the Human Resources Manager's report is accepted

6.4 RISK REGISTER

Author: Tina Stevenson, Corporate Services Group Manager
Authoriser: Tina Stevenson, Corporate Services Group Manager
Attachments: 1. Risk Register - June 2026  

PURPOSE

1. To provide the Audit and Risk Committee with Council's Risk Register for consideration.

Risk Register

2. In accordance with the Audit and Risk Committee Annual Work Plan, the Committee is to 'monitor corporate risk assessment' at each meeting.
3. The register is provided to the Audit and Risk Committee to consider Council's key risks, their ratings and mitigation measures.
4. The Risk Register represents a strategic view of the organisation's risks for the Committee, with risks of an operational nature being handled directly by management.
5. As per Council's Risk Management Policy, risks classified as 'Extreme' are to the 'Attention Of/Assigned To' the Audit and Risk Committee/Council/Chief Executive (as required) and statutory bodies, with an immediate assessment of actions required.
6. The Risk Register has been reviewed with any changes since the March 2026 meeting tracked for the Committee's ease of identification.
7. The risks which have had changes include:
 - a. Human Resources
 - b. 3 Waters (a)
 - c. 3 Waters (b)
 - d. Consequences of Central Government Reforms
 - e. Health & Safety & Wellbeing
 - f. Regulatory & Compliance
 - g. Climate Mitigation and adaptation
 - h. Funding & Investments
 - i. Natural Hazards
 - j. Governance Roles and Responsibilities
 - k. Community Engagement
8. The Committee should focus on ensuring an assessment of actions is completed for 'Extreme' rated risks and be satisfied on the progress of the mitigations and actions required to adequately manage the risk.
9. We ask the Committee to consider the reviewed Risk Register and provide any feedback or suggested amendments to be subsequently incorporated. Please also consider any further items that should be included.
10. At the March 2026 meeting, the Committee requested that staff undertake a 'deep dive' on the Human Resources risk for reporting to the June Committee meeting. The following information has been prepared by the Human Resources Manager in response:

External pressures (fuel shortages, emergency response demands)

Risk: Fuel shortages and emergency response pressures may affect staff availability and ability to travel, especially for field-based and operational roles. This could affect service continuity.

Mitigation: Leadership Team is monitoring the situation regularly. Carpooling and shared travel have been encouraged for staff travelling from out of town. Service priorities are being reviewed as needed, and support is being provided on a case-by-case basis for staff affected by travel or fuel cost pressures, including occasional working from home where appropriate.

Amalgamation / local government reform uncertainty / other local government changes

Risk: Ongoing uncertainty about amalgamation, local government reform, and other sector change is affecting morale, retention, and recruitment. It is also adding pressure to managers and teams who are already working at capacity. If this continues, there is a risk of losing key staff, reduced productivity, and inconsistent support for staff through change.

Mitigation: Staff are being kept informed as information becomes available. The focus remains on clear, consistent business-as-usual messaging and reinforcing that no decisions have been made at this stage. Leadership is working together to provide consistent communication, and a communication plan is being developed to support regular staff updates. Workplace support and HR support remain available to all staff.

Recruitment and retention pressures

Risk: Council continues to have difficulty filling specialist and operational roles, especially in Asset, Regulatory and Compliance, and Corporate Services. This puts pressure on existing staff, affects service delivery, and can lead to repeat recruitment activity. Some roles have also remained vacant by choice, which can add to pressure on teams.

Mitigation: Recruitment is continuing, with targeted approaches for hard-to-fill roles and agency support used only where needed due to cost. Paid social media advertising is also being used to improve reach and reduce spend. Recruitment trends, exit feedback, and workload themes are being monitored, and recruitment processes are being reviewed to improve timeliness and consistency. Managers and HR continue to work together to prioritise vacancies and maintain a business-as-usual approach.

Workforce continuity and internal movement impacts

Risk: Vacancies in key roles, along with internal movement between positions, can create gaps in other areas, increase reliance on a small number of staff, and affect service continuity.

Mitigation: Critical roles and knowledge risks are being identified through workforce planning. Cross-training, back-up arrangements, and succession planning are being used where possible to reduce the impact of vacancies and internal movement.

Loss of institutional knowledge

Risk: Over the past three years, workforce movement has been relatively high, especially in the Asset Group, with additional movement in Regulatory and Compliance, Corporate Services, and Executive Support. This increases the risk of losing organisational knowledge, especially in specialist, long-standing, or hard-to-fill roles.

Based on a snapshot of recruitment information available, and excluding fixed-term and casual roles, recruitment activity over the past three years has included; 10 roles filled and 6 vacant or unfilled in 2024, 8 roles filled and 6 vacant or unfilled in 2025, and 9 roles filled and 5 vacant in 2026 year to date. This represents 27 roles filled, 17 roles vacant or unfilled, and 44 recruitment records in total, noting a small number may not be captured. For a council with an establishment of around 80–82 staff, this indicates a relatively high level of recruitment activity and vacancy pressure across the period.

Mitigation: Knowledge sharing, documentation of key processes, cross-training, and succession planning are being used to help retain critical knowledge within teams.

Low morale and change fatigue

Risk: Ongoing uncertainty, high workloads, and multiple organisational changes may affect morale, engagement, and attendance, and increase the risk of people leaving. Exit feedback has shown workload pressure has been a factor in some cases, and higher levels of sickness have also been seen.

Mitigation: Staff wellbeing is being supported through regular communication, manager check-ins, workplace support initiatives, and monitoring of wellbeing indicators. HR support remains available to managers and staff.

HR capacity and compliance during periods of change

Risk: As a small council managing a high level of change, HR capacity is stretched. This means support to managers and staff, recruitment, policy work, and change processes may be delayed. It also increases the risk of employee relations or legal issues if future change is not managed carefully and in line with legislation, collective agreements, and consultation requirements. While change decisions may sit outside HR, staff are still likely to look to HR for support and advice.

Mitigation: HR work is being prioritised based on business risk and operational need, with support focused where it is most critical. HR is supporting managers and leadership to manage people impacts fairly and consistently, and in line with legislation, collective agreements, employment agreements, and good faith obligations. External advice will be sought where needed.

11. We ask the Committee to consider the detailed review of the Human Resources risk and provide any feedback.

RECOMMENDATION

That the Risk Register Report is accepted

Risk Register | Waimate District Council

Last update: ~~June~~March 2026

Risk Name	Risk and Impact Description	Risk Drivers (Existing and Potential Causes)	Risk Owner	Inherent Consequence	Inherent Likelihood	Inherent Risk Rating	Current Mitigations (Existing Controls)	Residual Consequence	Residual Likelihood	Residual Risk Rating	Mitigations Required/ Actions
Human Resources	<p>There is a risk that workforce capacity and capability are impacted as the Council responds to organisational and sector change.</p> <p>This includes the establishment of the water services unit (planned to be in place by July 2026 with full implementation by 1 July 2027), ongoing legislative and regulatory change, and sector-wide recruitment and retention pressures, particularly for specialist roles.</p> <p>If not effectively managed, these factors may place additional pressure on staff and HR resources, affect retention, and reduce organisational capacity, potentially impacting the Council's ability to support staff and deliver planned activities.</p> <p>Impact to staff: Increased workload during periods of organisational change, with potential impacts on engagement and retention. Increased fatigue and risk burnout due to sustained workload and uncertainty. Reduced engagement where change fatigue or external pressures persist.</p> <p>Impact to the Council: Reduced organisational capacity if critical roles are difficult to recruit or retain, or if workforce impacts are not effectively managed during transition. Increased operational risk where critical knowledge or capability is concentrated in a small number of staff. Reduced ability to respond flexibly to unforeseen events (such as emergency response demands).</p> <p>Impact to service delivery: Delays or reduced efficiency in recruitment, workforce planning, or implementation of organisational change. Service disruption or reprioritisation during periods of external pressure (e.g., fuel shortages).</p>	<p>Causes:</p> <ul style="list-style-type: none"> Ongoing sector and organisational change requiring workforce adaptation Establishment and transition of the water services unit Evolving legislative and regulatory requirements affecting workforce capability Recruitment and retention challenges, particularly for specialist roles Increased demand on HR resources during periods of change External pressures (fuel supply constraints, emergency response demands, and cost increases) affecting staff availability and travel capacity Sustained uncertainty relating to local government reform and potential structural change Increased reliance on key individuals in critical roles due to vacancies and internal movement Loss of organisational knowledge through turnover in specialist and long-standing role Workforce fatigue due to ongoing change, workload pressure and competing priorities 	Chief Executive	Moderate <i>(If not effectively managed, workforce pressures could impact service delivery, staff wellbeing, and organisational capability)</i>	Possible (Sector-wide conditions and planned organisational change make this risk reasonably foreseeable.)	Moderate Risk	<ul style="list-style-type: none"> Workforce planning aligned to organisational priorities Structured consultation and engagement processes Ongoing communication and leadership support HR support for role changes and organisational transitions Recruitment, development, and succession planning initiatives Monitoring of external pressures (e.g., fuel availability) Flexible working options applied on a case-by-case basis to support staff impacted by travel or external factors Workforce planning to identify critical roles, knowledge risks, and succession needs Increased focus on knowledge sharing and documentation of key processes Monitoring recruitment trends, exit feedback and wellbeing indicator Prioritisation of critical recruitment and targeted advertising approaches to hard to fill roles 	Moderate	Possible	Moderate Risk	<ul style="list-style-type: none"> Ongoing monitoring of workforce capacity and workload Continued focus on retention and internal development Continued emphasis on staff wellbeing and engagement Regular review of capability requirements as reforms progress Ongoing development of workforce and succession planning frameworks Continued focus on cross-training and internal capability building Regular review of workload and resourcing priorities Support for managers in leading teams through change
3 Waters (a)	Risk associated with central government reforms: (1) risk of a poor reform strategy that results in negative/ unintended consequences to Waimate community, and (2) risk of excessive staff time to transition to the new delivery model.	<p>Causes:</p> <ul style="list-style-type: none"> Central government, inadequate reform strategy; and/ or poor implementation of reforms creates issues Insufficient planning resources internally within WDC for the change 	Chief Executive	Major/ Catastrophic (clearly threatens operations over an	Likely 100%	Extreme Risk	<ul style="list-style-type: none"> Information & communication flow from DIA to Council: CEO, Councillors receive updates from DIA. Transition reporting to DIA Monitor staff workloads 	Major/ Catastrophic Even with mitigations in place it could still clearly	Likely	Extreme/ Significant	Ensure a detailed transition plan is produced and alignment with the 2026/27 Annual Plan and 2027 2037 Long Term Plan in maintained.

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	<p>Impact:</p> <ul style="list-style-type: none"> To the public: receive a lower standard of community services and perhaps less governance control. To staff: workload pressure on staff (and staff leave); To staff: our staff may leave the organisation for a new water entity-organisation (impacting our resourcing) 	<ul style="list-style-type: none"> Flow on impact to Council: reduction in staff results in insufficient resources to deliver services Responding to legislative uncertainty takes staff time away from core service delivery (BAU) Complexity associated with timing of implementation and the 2027-37 Long Term Plan process. Potential delay of the 2027/37 LTP New legislation expected in 2028 could undermine the current WSDP and the in-house business unit. 		extended period)			<ul style="list-style-type: none"> Use of remaining Transition Support Funding to assist with ring-fencing / planning requirements. Utilise consultancy support to enable the business unit to be live by 1 July 2026. Stand up water services committee to ensure strategic and planning framework is complete by 1 July 2027. Monitor legislative changes and direction Engage with the Head Start process. 	impact the ability for WDC to achieve its long-term objectives			Ensure good alignment between the Water Services Strategy and Long Term Plan are maintained.
3 Waters (b)	<p>Nitrate Contamination</p> <p>Lower Waihao is experiencing fluctuations in Nitrate concentrations within the groundwater. After significant rainfall elevated nitrates persist and have exceeded to maximum acceptable value (MAV) of 50mg/l NO³</p> <p>Impact:</p> <ul style="list-style-type: none"> To consumers: Health concerns, having to seek alternate drinking water source To staff: Significant workload associated with managing the risks, liaison with stakeholders, Taumata Arowai and the Ministry of health. To Council: Significant scrutiny and public sentiment issues 	<ul style="list-style-type: none"> Likely related to historic land use and unlikely to change within the medium term. Compounded by sustainable water use policy. Reputational risk remains 	Chief Executive	Major (Significant impact on the provision of potable water)	Likely (Council is unable to control / influence source water quality within the catchment)	Extreme Risk	<ul style="list-style-type: none"> Online monitoring of nitrate concentration Provision of supply point for consumers not connected to the Lower Waihao supply Initial options report for denitrification options and associated consent challenges complete. Alternate supply point consented. Awarded Tender for new source intake and pipework with physical works well underway. New pipeline and intake now commissioned. Investigation into possible connection to the Waikakahi RWS underway. 	Major (Without denitrification and / or an alternate supply source, the risk remains)	Likely (In the shorter term it is highly likely that spikes in nitrate concentration will continue to occur)	Extreme Risk	<ul style="list-style-type: none"> Continue to liaise with Ecan, MGI, Taumata Arowai and Te Runanga o Waihao. Continue with an intensive communications programme to inform consumers of current status and alternate supply point. Ensure decisions relating to the future are fully informed through technical reports and supporting data.
Unintended (or intended) consequences of Central Government Reforms	<p>Risk associated with central government reforms: (1) risk of a poor reform strategy that results in negative/ unintended consequences to the local government as a sector and in particular attracting new employees. and (2) risk of excessive staff time to address Government reform requests, takes time away from delivering on WDC core activities.</p> <p>For example, the Local Water Done Well (LWDW) and Simplifying Local Government (draft proposal) may question the relevance of the council.</p>	<ul style="list-style-type: none"> Possible extensive amalgamations Loss of local democracy Central government, inadequate reform strategy; and/ or poor implementation of reforms creates issues Complexity associated with timing of legislative changes and the 2024-34 Long Term Plan process Shifting the centre of power and decision making away from the very communities that receive them (centralisation) Recent announcement of the Head-Start process for voluntary amalgamation presents a series of new risks: <ol style="list-style-type: none"> Risk associated with compressed timeframes in regard to integration with current planning processes. Timing of the associated legislation introduces risks to the current LTP and WSS processes (lack of detail currently) The WSDP requires council to implement ring-fencing and provide 	Chief Executive	Moderate (Threatens the future of WDC with the intention to "preferred option" establish 15 Unitary councils)	Possible Should all 17 recommendations of the Report be nationally adopted, Significant Risk	Significant Risk	<p>Waimate District Council acts now and examines several areas of well-reasoned, practical, affordable and community-oriented approaches to local democratic reform with its local government neighbours in advance of the national election.</p> <p>Monitor both central government communications and subsequent legislation.</p> <p>Monitor guidance issued by LGNZ, Taituara, etc.</p>	Moderate risk of National adoption	Possible	Significant Risk	To examine and fully understand the total impact of any reform agendas. If necessary, seek third-party advice and monitor the movement of draft legislation from repeal of legislation and its incoming replacement and pivot to ensure legislative compliance is maintained.

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		<p>services through an Internal Business Unit. Proposed direction (unlegislated currently) is potentially at odds.</p> <p>iv. Financial risk exists as funding is not provided to complete the significant workstreams required.</p> <p>v. The catchment approach required presents complexity in establishing enduring unitary boundaries. May require consultation with many existing TA's.</p> <p>vi. Without new legislation there is a risk of non-compliance with the LGA 2002.</p>									
Health & Safety & Wellbeing	<p>Not ensuring the safety, health and wellbeing of staff, contractors, and the community</p> <p>Impact to bodily harm, loss of life; breach of statutory obligations; loss of staff time</p>	<p>Causes:</p> <ul style="list-style-type: none"> Inadequate assessment and management of H&S risks across all areas of Council delivery. Staff culture towards H&S External events (e.g. covid impacting wellbeing) and external sources (e.g. government reforms impacting staff workload) Staff continuing to transition in and out of the organisation impacting workload and causing stress. The current coalition government is beginning to focus on the application of health and safety legislation, in the first instance by refocusing WorkSafe from a regulatory compliance space to an advisory focus. 	Chief Executive	Catastrophic (loss of life is possible)	Likely (likely without sufficient controls in place)	Extreme Risk	<ul style="list-style-type: none"> H&S policy H&S Governance/ Council Committee Contractor prequalification (SiteWise), and through procurement process H&S staff committee continues to meet at least bi-monthly. Terms of Reference has been reviewed with amended version adopted. H&S officer role responsibilities Divisions incorporate H&S into their work plans Public places H&S risks identified & managed 	Major (Serious harm can still occur even with controls in place)	Possible ("not likely but don't be surprised")	Significant Risk	<p>H&S Advisor position filled and in play as of late February 2026. 0.5FTE will be dedicated to Water Services as it evolves.</p> <p>Consideration for an external H&S management system review being made, post initial assessment by new H&S Advisor.</p> <p>A review of internal forms (including the H&S Manual), software, Contractor Sitewise exemption, Critical Risk Register and process to take taking place.</p>
Regulatory and Compliance	<p>A risk where the Council does not perform a regulatory or compliance function correctly:</p> <ul style="list-style-type: none"> Building Consent Authority, IANZ (risk of loss of accreditation) Enforcement responsibilities – risk of staff not using their powers responsibility within the limits of statute District Plan – specifically RMA reforms and impact on delivering updated Spatial District Plan in 2026-27. Water quality standards compliance 	<p>Causes:</p> <ul style="list-style-type: none"> Conduct a regulatory function subsequently found in proceedings to be in error or ultra vires (done beyond one's legal power or authority). Staff error/ incorrect assessment Insufficient staff resource; insufficient staff training 	Regulatory & Compliance Manager	Catastrophic	Almost Certain	Extreme Risk	<ul style="list-style-type: none"> Follow enforcement policy guidance Training to staff Management oversight of work Seek legal advice where appropriate The 3 yearly review of Enforcement Policy was completed in Dec-Nov 2025 Compliance Officer role implemented in September 2019. Constant monitoring of IANZ assessments. To be reviewed by CE and Audit Committee Legislation/LGNZ newsletters regularly Published timelines 	Moderate	Possible	Moderate Risk	<p>RMA replacement legislation (Planning Bill and Natural Environment Bill) creates uncertainty and additional work, risking re-scope, delays, and increased costs due to potential rework and transitional requirements. Significant work pending forecast and is now underway in relation</p>

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							<ul style="list-style-type: none"> Working to due process and prescribed timelines Liaise with Audit NZ Keep a close watching brief on the development (phase two and three of the reform to replace the RMA during 2024) 				to providing data for regional spatial planning. Additional (Graduate) Planner is in the has been employed-recruitment phase to assist with resourcing. BCA accreditation is current. Enforcement Policy reviewed and approved in November 2025.
Climate mitigation and adaptation	Changing climate, increased weather events. Impact on Council strategic planning: adaption for roading, water infrastructure; impact to finances of this. Council has employed a Climate Change Officer in partnership with Ecan (50/50). The intention is to have completed several rounds of stakeholder and public engagement and have Councils draft Climate Change Strategy ready for adoption by mid-2025. Managed retreated; extends into roofing standards Potentially significant land use change. Biosecurity risk associated with changing weather (pest introduction). Coastal setback.	Causes: <ul style="list-style-type: none"> Higher proportion of extreme weather events Financial (from disaster mitigation and recovery and transitioning to low carbon economy) Legal - Planning provisions need to recognise for the management of significant risks from natural hazards. Central government has announced that the cost of climate change adaption will need to be shared by all stakeholders	Chief Executive	Major (risk of unexpected overspend of \$500k to \$1m)	Likely (expected to occur at least once in next 5 years: more extreme weather events)	Significant Risk	<ul style="list-style-type: none"> Following national adaptation plan Asset management plans Update planning and GIS provisions including possible prohibition of building in certain areas or restricted designs. Liaise with Ecan, LGNZ and other TA's Showing leadership through action 	Major (risk of unexpected overspend of \$500k to \$1m)	Likely (expected to occur at least once in next 5 years: more extreme weather events, flood damage etc)	Significant Risk	Climate Resilience Strategy for WDC adopted by Council. Climate Change Officer finished contract on 24 September 2025. WDC remains part of and has provided funds for the Climate Change Working Group run by Environment Canterbury Planning Office has begun initial work formulating the Spatial Plan which includes Natural Hazards.
Funding & Investments	There is a risk of inadequate delivery of community services arising from a negative shock to our finances. This may come from an external event (economic downturn), or from an internal event (e.g. inadequate planning to fund asset replacements).	Causes: <ul style="list-style-type: none"> International or NZ economic downturn Alpine Energy financial performance and ability to provide shareholder dividends Forestry investment reduction in income Government funding changes (NZTA or similar) Interest rate risk, impacting debt payments and returns on cash investments Inadequate planning internally Not operating within budget Financial pressure resulting from navigating Government Reforms 	Corporate Services Group Manager	Major (unexpected failure to deliver key community services)	Likely (negative external economic event: 60% to 90% chance of occurring in next 12 months)	Significant Risk	<ul style="list-style-type: none"> Monitor drivers: interest rate and Alpine Energy dividends – and impact of reduction/ strategies to mitigate Treasury Advisors engaged to provide economic forecasts and investment and debt management advice Report income and expenditure against budget periodically and annually Performance reporting quarterly and annually Follow our Investment and Liability Management Policies Monitoring returns on investments Participation in Shareholder, company and board represented meetings for Alpine Energy Limited to ensure District's wishes are heard. 	Moderate	Likely (60% to 90% chance of occurring in next 12 months)	Significant Risk	Forecasting impacts of negative impacts to report to Council. E.g. impact of fuel price escalations on expenses and capital projects.

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							Shareholder meetings provide for a collective view to be communicated to the Company. <ul style="list-style-type: none"> Engaged Forestry Consultants to provide advice Budget variation reports provided to Council on a quarterly basis. Council's Long Term Plan 2025-34 was prepared on the assumption that no Alpine Energy dividends are anticipated in line with the company's Statement of Corporate Intent 2026-2028, to minimise Council's exposure to risk. The draft 2026-27 Annual Plan has been is also being prepared on the basis that no dividends are expected. 				
Natural Hazards	A significant external event causes damage to public infrastructure and buildings, preventing the community from receiving core services (from roading to water and access to council buildings). The event requires both an immediate emergency response from Council as well as medium-term recovery back to normal service levels.	Causes: <ul style="list-style-type: none"> Flooding is the highest risk/impact - we need to be prepared. Wind secondary. Extreme weather events Black Swan events (unknown large scale, large impact events) AF8 earthquake 	Chief Executive	Major (threatens operations or ability to deliver objectives, major financial overspend \$500k to \$1m)	Possible (not likely, but don't be surprised)	Significant Risk	<ul style="list-style-type: none"> Policies Asset Management Plans Civil Defence Phone-In Facilities Insurance Cover Secondary Ops centre (Gorge Road) IT Information recovery (off-site back-ups) CDEM Flood protection including redirection of overland flows and redesign. Urban modelling to inform future land-use planning and direction of overland flows. 	Moderate (failure of an operation or financial overspend of \$100k to \$500k)	Possible (not likely, but don't be surprised)	Significant Risk	Availability of Waimate Event Centre, Gorge Road Office and Works yard as secondary operational centres. Fund a study into overland flood pathways as part of the built environment / urban catchment management Flood mitigation including a lift in Urban Catchment Management practices includes negotiation with Waka Kotahi (around road profiles and road height). Will take time and funding to assess, design solutions and implement. This work is underway with capital budgets proposed to reduce flood flows in one catchment and the reinstatement of a necessary overland flow path adjacent to the Local Government Centre. Planning Office has begun initial work formulating the Spatial Plan which includes Natural Hazards.
Performance & Delivery	Council not delivering on its commitments/ Annual Plan, which results in services not delivered to the community expectations. Across all council services: Water, roading, property, parks, solid waste, and others	Causes: <ul style="list-style-type: none"> Without adequate additional resourcing or a significant reduction in the pace/volume of reform, this pressure poses a substantial risk to the Council's ability to maintain existing performance levels, achieve strategic objectives, and effectively respond to the needs of the community. 	Chief Executive	Major (Significant dissatisfaction expressed by stakeholders)	Likely (without controls in place, "will occur more often than not")	Significant Risk	<ul style="list-style-type: none"> Project management Performance measurement framework; KPI monitoring against annual plan Planning and budgeting process (LTP & Annual Planning) Asset Management Plans 	Minor (residual risk is localised to isolated failure to meet stakeholder requirements)	Unlikely	Moderate Risk	Internal audits to ensure our controls are in place.

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		<ul style="list-style-type: none"> Internal delivery constraints: lack of sufficient resource; poor project management Reprioritisation of commitments by Council, without appropriate recognition of impact on previous public commitments Financing – insufficient funds set aside Insufficient Asset management plans National unemployment rate too low resulting in low job vacancy applicant pools 					<ul style="list-style-type: none"> Additional resources (internal and external) to deliver on the Water Services Delivery Plan and subsequent planning framework. 				
Governance Roles and Responsibilities	<p>Councillors not following the principles of good governance.</p> <p>Resulting in poor decision making, ignoring statute, confidentiality leaks.</p> <p>Non-functional Council (Council unable to make resolutions due to irreconcilable differences)</p>	<p>Causes:</p> <ul style="list-style-type: none"> Prolonged periods of intense government reform carry a strategic risk of undermining elected member effectiveness. The constant requirement to react to external mandates can detract from proactive, community-focused strategic planning and policy development. This may result in a more reactive council, less able to anticipate and address local needs, and potentially eroding public confidence in local governance. Lack of awareness, knowledge, and training in good governance practices Elected Members not informed timely of key decisions (a ‘no surprises approach’). Elected Members not being fully engaged in their role by not engaging in all available information to increase their Local Government education. Triennial elections can result in a proportion of Elected Members with no previous Local Government experience, requiring increased initial education of these new members. 	Chief Executive	Major (Unexpected failure to meet key community outcomes)	Possible (not likely, but don’t be surprised)	Significant Risk	<ul style="list-style-type: none"> Workshop topics Publications (Auditor-GeneralAudit Office) Email to Councillors via Council network Education Professional Advice LGNZ Advice Members handbook Legal opinions Identify conflicts of interest Use of Council facilities Mayor reinforcing the expectations of the elected members and their obligation to be informed and follow good governance principles. The Akona learning and development programme, specifically designed for elected members, available through LGNZ. 	Moderate (risk of failure of project or an operation)	Possible/ Unlikely (a surprise but not beyond the bounds of imagination)	Moderate Risk	<p>Targeted Training & Briefings: Provide timely, concise, and highly relevant training and briefings on upcoming and implemented reforms, focusing on practical implications for the council and community, include access to expert advice where necessary.</p> <p>Develop and maintain a clear, consistent communication strategy for reforms, ensuring elected members are well-briefed to effectively communicate with their constituents.</p>
Cyber security and IT	A risk eventuates from our IT systems which prevents us from delivering our core community services; or sensitive information is taken from our systems.	<p>Causes</p> <ul style="list-style-type: none"> Cyber threats; locked out of systems Compromised availability of systems Sensitive information exposed/ stolen from our systems Complacency of staff and elected members, including potential reluctance to complete training System implementation without IT’s knowledge (Shadow IT) 	Corporate Services Group Manager	Major	Possible	Significant Risk	<ul style="list-style-type: none"> IT Compliance Audit Analysis of the results of the SAM for compliance baseline assessment. Ongoing Cyber Security training of staff and Elected Members Computers Systems Use Policy prohibits personal use of any council computer or device. Responsiveness and availability for assistance of Council IT staff. Ongoing conformance to the ALGIM framework. 	Major	Possible	Significant Risk	<ul style="list-style-type: none"> Ongoing implementation of prioritised actions identified through the IT Compliance Audit Continued training of users of Council devices and reinforcement of the requirement to complete. Ongoing planning to reduce cyber security risk.
Community Engagement	The risk that the community is not aligned with the Council’s objectives, initiatives, or projects. Risk of Council conflict with the community.	<ul style="list-style-type: none"> Not identifying who needs to be engaged with and nature of engagement to be effective 	Chief Executive	Moderate	Possible	Moderate Risk	<ul style="list-style-type: none"> Community consultation process Mayor and Councillor availability to the public 	Minor	Unlikely	Moderate Risk	

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	Acknowledge that the Council sometimes needs to make decisions in the long term interest of the District, which might conflict with some people's near-term views.	<ul style="list-style-type: none"> Communication with community not delivering right level of engagement and understanding of strategic priorities Not sharing what we are doing with the community Community not wanting to engage Ability to adequately engage with the community on key issues such as amalgamation. 					<ul style="list-style-type: none"> Councillor led meetings/community engagement in respective wards. Live streaming of Council meetings and workshops to encourage community participation. 				
Māori engagement	Risk that Council is not aligned with local Iwi. Risk of conflict with local Iwi. This can lead to reputational damage/ media attention. Council has an opportunity to ensure Māori are involved in the decision-making process (beyond environmental and cultural matters).	<ul style="list-style-type: none"> Not collaborating with iwi in all appropriate places and stages of developing and implementing strategy and actions Adequate funding to collaborate properly 	Chief Executive	Moderate	Possible	Moderate Risk	<ul style="list-style-type: none"> Meet with representatives of Te Runanga o Waihao at least once a year, to discuss current issues and the progress of the Long Term Plan. These meetings are in addition to other contact as part of the consultation process. Ongoing operational liaison with representatives occurs at a staff level e.g. consenting Ensure representation on the new water services committee is attained. 	Minor	Possible	Moderate Risk	

6.5 HEALTH AND SAFETY REPORT

Author: Thembani Mveleli, Safety & Wellness Advisor
Authoriser: Dylan Murray, Regulatory and Compliance Group Manager
Attachments: Nil

PURPOSE

1. To update the Audit and Risk Committee on the progress across various work streams of the to strengthen Waimate District Council’s Health and Safety Management, as part of its commitment to providing a healthy and safe workplace environment.

HEALTH AND SAFETY REPORTING POINTS

2. The report will cover the following points:
 - a. Incidents and Accidents Stats
 - b. Critical Safety Risks
 - c. Training
 - d. Worker Engagement and Participation “Dare to Care”
 - e. Health, Safety and Wellbeing Initiatives

Incidents/Accidents and Near-Miss

3. For the period starting from the first of March 2026 – 31 May 2026, there have been ten reports received and all have been closed, with no pending internal investigations.
4. From the ten reports received, four of them involve members of the public with intimidating and aggressive behaviours towards council officers.
5. The two below *figure 1 – 2* gives us a visual representation and a breakdown of these reports:



Figure 1: WDC last quarter Incident statistics

March - May 2026

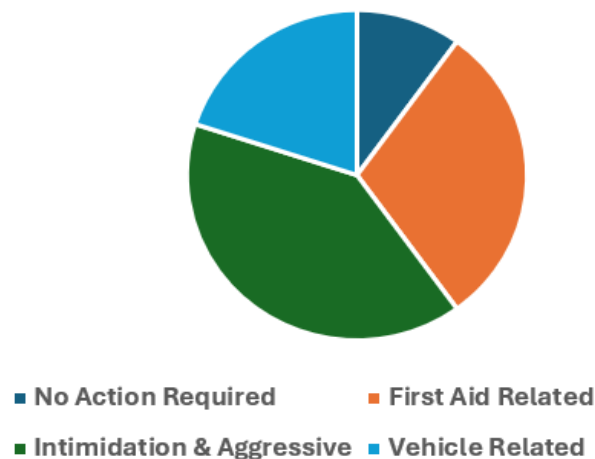


Figure 2: Incident breakdown

Incident Preventative Measures Undertaken Addressing Intimidation and Aggression

6. The Council held separate internal de-escalation training sessions with staff members whose role is public facing, with the focus being on the following departments: Front Desk, Animal Control, Parks and Reserves, Library, and Event Centre.
7. The training focused on recognising early warning signs, communication techniques to reduce tension, personal safety strategies, and practical approaches for managing challenging or high-risk interactions in the field and in the office.
8. All these sessions were facilitated by the Regulatory & Compliance Group Manager.
9. Follow up sessions have been planned, with the intention of giving the staff members the opportunity to practise techniques, work through real-world scenarios, and build confidence in applying the tools covered in the training.
10. A staff member was using a battery-operated drill when the drill slipped, injuring the operator's forearm. The staff member was admitted to hospital with minor tendon damage. WorkSafe was notified and the investigation has now been closed with no intervention required. Standard Operating Procedures (SOPs) are currently being prepared for all handheld tools.

HEALTH AND SAFETY CRITICAL RISKS

11. Health and Safety Critical Risk Register has been developed with eight critical risks identified and recorded.
12. These includes Working at Height, Confined-Space, Plant and Machinery, Lone/Isolated or Remote Working, Public and Animal Aggressive Behaviour, Hazardous Substances/Materials, Working Near or Road Corridor and Contractor Management.
13. This risk register has a list of controls currently in place to manage risks, associated risk treatments, as well as additional actions required to manage the risks.
14. The critical risk register was presented to the last Health and Safety Committee Meeting held in May for recommendations and review. Its review process will be through the Health and Safety Committee, reviewing at least one critical risk per meeting, with the intention of keeping this register as a live document.
15. With contractor management being identified as one of the critical risks, the 2022 Gap Audit conducted by the external service provider was revisited to identify recommendations and how they were addressed by the Council.

16. A review meeting was held on 13th May 2026 with the Leadership Team (LT), managers and health and safety. It was a great meeting with positive outcomes that came out of it, as well as few action points for improvement also noted.
17. As part of the risk review process, the Parks and Reserves department as well as the Three Waters department were consulted to also review their risk registers. Both these department risk registers are a work in progress.

TRAINING

18. Six staff members with first aid training certificates expiring in February were booked for refresher training in April, and they have all completed with records updated accordingly.
19. During this reporting period, the Health, Safety and Wellness Advisor also worked with the Parks and Reserve Manager to review their department Training Plan.
20. With the Parks and Reserves department being identified as one of the high-risk departments in terms of their operational tasks, the Council as the PCBU are wanting to ensure the teams are provided with the safe systems of work and training and development.
21. Health, Safety and Wellbeing onboarding induction training of the new staff members joining the Council has been developed and completed.
22. As part of the safe systems of work, at least five standard operating procedures (SOPs) have been developed which they are currently under review.
23. The Parks and Reserves team also use and store hazardous substances as part of their operational tasks. Due to the classification of these hazardous substances, this has then triggered them to have an Emergency Response Plan in place, and this has been developed and currently with management for review.
24. The Three Waters team have also managed to develop approximately fifty SOPs and are currently reviewing them and a training plan to ensure that future internal training records are accurate.

Dare 2 Care Team Report (Health & Safety Committee)

25. Since the last report, the 'Dare to Care' Health and Safety Committee has met twice, April and May. The Committee continues to focus on improving worker engagement and participation between the workers and the management, whilst also creating and awareness and building the health and safety culture across the Council operations. Key highlights include:
 - a. Health and Safety Committee minutes, along with a themed health and safety focus, are shared monthly on Council's internal news system (BOB) to keep staff informed and encourage engagement.
 - b. During the May Committee Meeting, the health and safety critical risk register was reviewed with the key focus on Defining Critical Risk and reviewing Remote/Isolated Worker associated risks. We identified tools and mitigations available with the Senior Animal Control Officer demonstrating the devices that assist with keeping lone or remote workers safe.
 - c. Departments were encouraged to identify their lone/isolated workers and review what processes are in place to manage this risk as defined under Regulation 21, of the Health and Safety at Work (General Risk and Workplace Management) Regulations 2016.
 - d. The Committee continues to promote open communication between staff, health and safety representatives, and management. With an emphasis on practical, operational health and safety issues while outlining areas of improvement.
 - e. New Members/Leavers: It was the former Emergency Management and Health & Safety Advisor's last meeting as she has been serving as the Committee Chair for over a year. In the next meeting, the committee will have an opportunity to vote for the new Chair.

- f. Rotating Meeting Locations: Every second meeting is held at a different Council site to encourage broader participation and increase visibility of health and safety across the organisation.
- g. Next Meeting is scheduled for 11 June 2026.

Health, Safety and Wellbeing Initiatives

- 26. During this reporting period, the following initiatives were undertaken as part of the staff's wellbeing:
 - a. The Council held a voluntary Flu Vaccine drive at the Council Chambers for all staff who were provided an opportunity to take the flu jab via the services of Timaru Occupational Health Services (TOHS).
 - b. The Council also hosted the Pink Shirt Day Morning Tea on Friday Morning the 15 May, and we thank the Human Resources Manager for organising this session.

RECOMMENDATION

That the Health and Safety Report is accepted.

6.6 AUDIT NZ REPORT ON STATUS OF PREVIOUS AUDIT RECOMMENDATIONS YEAR ENDED 30 JUNE 2026

Author: Tina Stevenson, Corporate Services Group Manager

Authoriser: Tina Stevenson, Corporate Services Group Manager

Attachments: 1. Report on status of previous audit recommendations Year Ended 30 June 2026 [↓](#) 

PURPOSE

1. To provide the Audit and Risk Committee with a progress update on the status of previous audit recommendations from Audit New Zealand (Audit NZ).

BACKGROUND

2. The attached Audit NZ report provides an update on the status of recommendations raised in previous audits, which were considered during the 2026 interim audit.
3. The 2026 interim audit commenced 13 April 2026 and was scheduled for two weeks. Various queries continued to be raised and responded to in the following weeks.
4. The report outlines the status of the 8 open recommendations from 2025 and prior.
5. Audit have agreed with management to close the following recommendations:
 - a. Segregation of duties over cash receipt at head office
 - b. Approval of employment contracts
 - c. Formal documentation of time off in lieu (TOIL) records
 - d. Expenditure approval – repairs and maintenance costs of community housing properties
6. The remaining 4 recommendations detailed in the report will continue to be followed up as part of the final audit, or at the next appropriate opportunity i.e. when the next roading valuation is undertaken, or during the 2027-37 LTP audit.
7. The Committee is asked to consider the report and provide any feedback on the open or closed recommendations.
8. Staff will update the external audit recommendations progress report to reflect these changes for the scheduled September reporting to the Committee.

RECOMMENDATION

That the Audit NZ Report on Status of Previous Audit Recommendations for the Year Ended 30 June 2026 is received



Introduction

The purpose of this report is to provide Waimate District Council (the Council) with an update on the status of recommendations raised in previous audits, including the 2026 interim audit.

We issued the final report to management for the 2025 audit on 1 December 2025. At that time, we confirmed that most of the prior year recommendations had been addressed, with seven recommendations remaining outstanding. No new recommendations were raised during the 2026 interim audit.

In addition, one recommendation was identified as part of the 2025–2034 long-term plan (LTP) audit, resulting in a total of eight open recommendations at the end of 2025.

This report outlines the current status of these eight recommendations. During our 2026 interim audit visit in April, we agreed with management that four recommendations could be closed. The remaining four recommendations will continue to be followed up as part of the final audit.

A summary of the status of all recommendations is summarised below:

First raised	Open as at end of 2024 audit	Closed during 2025 audit	Stop tracking for low priority recommendation	Newly raised in 2025	Open as at end of 2025 audit (aligned with 17 Mar ARC)	Close during 2026 interim audit	Open as at 2026 interim audit
2020	1		-1		-	-	-
2022	2	-2	-	-	-	-	-
2023	5	-4	-1		-	-	-
2024	9	-4	-		5	-4	1
2025	-	-	-	2	2	-	2
LTP	-	-	-	1	1	-	1
Total	17	-10	-2	3	8	-4	4




Debbie Bradfield
Appointed Auditor
12 May 2026



Status of previous recommendations at interim 

Open recommendations

Ref	Recommendation	Priority	First raised	Status
1	<p>Roading assets valuation</p> <p>Roading assets are inspected by the valuer as part of the valuation process and the Council ensures that:</p> <ul style="list-style-type: none"> asset quantities extracted from the asset management system (RAMM) are able to be witnessed by the auditor; quantities are reviewed to confirm completeness prior to submitting the data to the valuer; that valuer determined quantities are understood by management and that these are reconciled back to the previous valuation and existing Council records; and appropriate records are kept of Council contract unit rates and that these are able to be reconciled to unit rates used by the valuer. 	<p> High</p>	2025	<p>In progress</p> <p><i>Site inspection and asset verification</i></p> <p>We acknowledged that management had requested Mark Gordon IAM Consulting to complete a site verification in April 2026.</p> <p><i>Data extraction</i></p> <p>We acknowledged that management intend to perform the next valuation within asset management database, we will review this in the next valuation</p> <p><i>Unit rate</i></p> <p>We acknowledged that management continue to collect contract costs to support units rate, which is shared with adjoining councils.</p> <p>We will review contract cost info during final visit and compare it against fair value assessment.</p>



Ref	Recommendation	Priority	First raised	Status
2	<p>Drinking water safety disclosure</p> <p>Drinking water safety disclosures contained within its service performance information:</p> <ul style="list-style-type: none"> fully complies with the drinking water quality assurance rules; and complies with generally accepted accounting practice (GAAP). 	<p>⊖ Medium</p>	2025	<p>In progress</p> <p>We will review the disclosure during 26J final visit.</p>
3	<p>Asset management practices</p> <p>Improve the planning process for the next LTP by considering the staff resources and skills appropriate for the exercise.</p> <ul style="list-style-type: none"> Consider engaging an independent peer reviewer to review the asset management plans. Ensure specific assumptions relating to each asset management plan is disclosed in the respective asset management plans in addition to the corporate assumptions. Include an improvement plan in the roading asset management plan. Implement a robust system to track the condition and performance of stormwater assets, to ensure funding of depreciation is sufficient to ensure sustainability. 	<p>⊖ Medium</p>	2025 LTP	<p>In progress</p> <p>This will be revisited during 2027-2037 LTP audit.</p>



Ref	Recommendation	Priority	First raised	Status
4	<p>One-up authorisation of sensitive expenditure</p> <p>A one-up approval process for sensitive expenditure to be followed. We further recommend that prior approval for attending conferences and training be obtained.</p>	<p>🟡 Medium</p>	2024	<p>In progress</p> <p>We acknowledge the introduction of approval documentation for Elected Members, the Audit and Risk Chair and the Chief Executive (CE). We have verified the approval of sensitive expenditure is aligned with the policy in our interim sensitive expenditure testing. However, we had found one instance during interim that ELT (including CE) membership fee was not approved on one up basis, this finding is discussed and agreed with management.</p>

Closed recommendations

Ref	Recommendation	Priority	First raised	Status
1	<p>Segregation of duties over cash receipt at head office</p> <p>We recommend that:</p> <ul style="list-style-type: none"> two individuals count and document/sign off on the cash count at the Council offices; there should be segregation between individuals who balance the cash receipts to the till and those that enter the cash receipts into the system; and consideration be given to implementing the recommendations resulting from the September 2023 investigation into the missing campground funds. 	<p>🔴 High</p>	2024	<p>Closed</p> <p>Audit sighted instance of cash counted at head office by two personnel. The issue originally raised for the recommendation (cash handling at head office) is closed.</p> <p>We understand same process was implemented in the Library and Info Centre. However, the process is unable to be followed subsequently due to departure of responsible staff and limited staff available. The implementation of similar control in Event Centre is planned in May 2026.</p> <p>We agreed that due potential exposure of cash outside of head office, and the size and capacity of the Council, management accept risk for no segregation of duties for counting and recording cash handling outside of main office.</p>



Ref	Recommendation	Priority	First raised	Status
2	<p>Approval of employment contracts</p> <p>We recommend that the Council ensure that staff appointments are appropriately approved by the CE, or if deemed appropriate, amend the existing delegation to include the Human Resources Manager in relation to employment of staff.</p>	<p>🟡 Medium</p>	2024	<p>Closed</p> <p>We have verified during 2026 interim that a new staff's contract is approved by CE via email and then signed off on the contract.</p>
3	<p>Formal documentation of time off in lieu (TOIL) records</p> <p>We recommend formally documenting when staff are eligible to earn TOIL, and to ensure compliance with the Council staff manual in terms of TOIL accumulation and approval.</p>	<p>🟡 Medium</p>	2024	<p>Closed</p> <p>We have reviewed the Variation to Employment Agreement for the employee in question and confirmed the TOIL is eligible with approval from CE under the variation. We have reviewed instance of TOIL properly approved by CE.</p>
4	<p>Expenditure approval – repairs and maintenance costs of community housing properties</p> <p>We recommend improvement to the process for approval of repairs and maintenance costs relating to community housing properties and that this approval should be by the relevant managers within their delegation.</p>	<p>🟡 Medium</p>	2024	<p>Closed</p> <p>We have verified the implementation of this recommendation via a similar transaction.</p>



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

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6.7 AUDIT NEW ZEALAND ENGAGEMENT - LIMITED ASSURANCE REPORT IN RESPECT OF WAIMATE DISTRICT COUNCIL'S DEBENTURE TRUST DEED

Author: Tina Stevenson, Corporate Services Group Manager

Authoriser: Tina Stevenson, Corporate Services Group Manager

Attachments: 1. **Confirmation of Engagement - Limited Assurance report in respect of Waimate District Council's Debenture Trust Deed** [↓](#) 

PURPOSE

1. That the Audit and Risk Committee reviews the Confirmation of Engagement – Limited Assurance Report in respect of Waimate District Council's Debenture Trust Deed for 2026, in order that the engagement is confirmed and accepted.

BACKGROUND

2. The Audit and Risk Committee's Terms of Reference state that 'The Committee, in conjunction with the Chief Executive, will: engage and confirm with the external auditor the terms of the auditor's appointment and engagement, including the nature and scope of the audit, timetable and fees.'
3. Audit New Zealand has prepared the Confirmation of Engagement – Limited Assurance Report in respect of Waimate District Council's Debenture Trust Deed.
4. The engagement letter confirms the responsibilities in order that Audit NZ can provide a report to satisfy clause 10.2.6 of Council's Debenture Trust Deed between Covenant Trustee Services Limited (the trustee) and Council dated 1 June 2022.
5. Clause 10.2.6 of the Debenture Trust Deed states the following:

10.2.6 Auditors' Reports:

(a) at the same time as it furnishes its Annual Report under clause 10.2.1, provide a separate report by the Auditors addressed to the Trustee stating:

(i) whether or not in the performance of their duties as auditors they have become aware of any matter which in their opinion is relevant to the exercise or performance of the powers or duties conferred or imposed on the Trustee and if so, giving particulars thereof;

(ii) whether or not their audit has disclosed any matter (and if so, particulars thereof) calling in their opinion for further investigation by the Trustee in the interests of the Stockholders;

(iii) that they have perused the certificate (if any) given on behalf of the Council after the end of the relevant financial year pursuant to clause 10.2.4 and that so far as matters which they have observed in the performance of their duties are concerned the statements made in such certificate are correct;

(iv) whether or not the Council or its agents (including the Registrar) have duly maintained the Register in accordance with the provisions of this Deed; and

(v) as at the end of each relevant financial year:

(aa) the amount of the Stock showing separately how much is Security Stock and how much, if any, is Bearer Stock;

(bb) the Principal Money owing or secured under the Stock, distinguishing between Security Stock and other Stock;

(cc) whether or not from normal audit tests they have conducted they are satisfied that all Principal Money due and payable on the Stock has been paid or

otherwise satisfied and that all interest due and payable on the Stock has been paid; and

(b) where the FMC Act applies in respect of any Stock:

(i) provide the Trustee with a copy of any report, financial statement or certificate which the Auditors have issued in respect of the Councillor which is otherwise required to be provided to the Trustee pursuant to the FMC Act;

(ii) procure that, if the Auditors become aware of any matter that is relevant to the exercise or performance of the rights or duties of the Trustee, the Auditors shall, within seven business days of becoming aware of the matter, report the matter to the Trustee; and

(iii) on request of the Trustee provide to the Trustee all information relating to the Council relevant to the exercise of the Council's rights and duties in respect of this Deed.

6. The audit of the annual financial statements and performance information of Council is not designed to assess whether Council has complied with the Trust Deed or to make an evaluation of the Reporting Certificates Council has issued to the Trustee, however information obtained as a by-product of the audit is a basis for the Limited Assurance Engagement of the relevant clause of the Trust Deed.
7. Council's responsibilities, the Trustee's responsibilities and the Auditors responsibilities under the Trust Deed are outlined in the engagement letter.
8. Audit New Zealand seek acceptance of the terms and conditions set out in the engagement letter.
9. The letter has been provided to our Trustee, Covenant Trustee Services Limited, who are also required to confirm and accept the engagement. They have provided their confirmation.
10. The letter requires Committee confirmation before the Mayor signs and the letter can be returned to Audit New Zealand.

PROPOSAL

11. That the Audit and Risk Committee reviews the Confirmation of Engagement – Limited Assurance Report in respect of Waimate District Council's Debenture Trust Deed for 2026, in order that the engagement is confirmed and accepted.

Options

12. As an Auditors' Report is a requirement of the Debenture Trust Deed, Council must enter into the engagement in order that it complies with its Debenture Trust Deed.

ASSESSMENT OF SIGNIFICANCE

13. This item is considered to be of low significance under Council's Significance and Engagement Policy.

FINANCIAL

14. The fee for the Limited Assurance Engagement is estimated to be \$8,000, excluding GST.
15. A budget of \$7,600 has been provided for in 2026.

RECOMMENDATION

That the Audit New Zealand Confirmation of Engagement – Limited Assurance Report in respect of Waimate District Council's Debenture Trust Deed, is confirmed and accepted.



AUDIT NEW ZEALAND
Mana Arotake Aotearoa

9 April 2026

Level 3, 335 Lincoln Road
Addington
PO Box 2, Christchurch 8140

The Council
Waimate District Council
PO Box 122
Waimate 7960

The Board Members
Covenant Trustee Services Limited
PO Box 4243
Shortland Street
Auckland 1140

Dear Councillors and Covenant Trustee Services Limited Board Members

Confirmation of Engagement – Limited Assurance Report in respect of the Waimate District Council’s Debenture Trust Deed

The purpose of this letter is to confirm our understanding of our respective responsibilities arising from your request to provide a report under clause 10.2.6 of the Debenture Trust Deed between Covenant Trustee Services Limited (the Trustee) and Waimate District Council (the Council) dated 1 June 2022 (the Trust Deed).

The purpose of this letter is to confirm the terms of our Limited Assurance Engagement and the nature of, and limitations to the services that we will provide. All services are provided subject to the terms and limitations set out in this letter (including any appendices).

Scope of the engagement

The Auditor-General is the auditor of the Council pursuant to the Public Audit Act 2001. The Auditor-General has appointed me Debbie Bradfield, using the staff and resources of Audit New Zealand to carry out the audit of the annual financial statements and performance information of the Council.

The objective of the audit of the annual financial statements and performance information, which is the subject of a separate letter of engagement with the Council 20 February 2026, (attached as Appendix A), is to report our opinion on those annual financial statements and performance information on behalf of the Auditor-General.

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As auditors appointed for the audit of the annual financial statements and performance information, we are not responsible for:

- the preparation of the annual financial statements and performance information of the Council;
- any Reporting Certificate/s issued to the Trustee by the Council;
- the Council's compliance with the Trust Deed; or
- the obligations of the Trustee, as defined in the Trust Deed and relevant legislation, or the Trustee's execution of those responsibilities in accordance with the Trust Deed and relevant legislation.

The procedures performed when carrying out the audit of the annual financial statements and performance information of the Council are not designed to assess whether the Council has complied with the Trust Deed or to make an evaluation of the Reporting Certificate/s the Council issued to the Trustee.

The scope of this Limited Assurance Engagement is to report on certain matters stated in clause 10.2.6 of the Trust Deed based on information obtained as a by-product of the audit of the annual financial statements and performance information of the Council for the year ending 30 June 2026.

For the purpose of providing our Limited Assurance report (Report), (example attached as Appendix B), other than as expressly stated in the section below titled "Scope of Auditor's Responsibilities", we will not perform any further procedures beyond those required to complete the audit of the annual financial statements and performance information of the Council.

In the performance of our duties as auditors, unless expressly stated, we do not perform any work at the time the Council's Reporting Certificate for the year ended 30 June 2026 is prepared. Accordingly, our statements contained in the Report in relation to the matters addressed in clause 10.2.6 of the Trust Deed must be viewed in that context.

Scope of the Council's responsibilities

The Council is required to provide a copy of the annual report, which includes the audited financial statements and performance information of the Council and our audit opinion, to the Trustee under clause 10.2.1 of the Trust Deed.

The Council is responsible for preparing Reporting Certificates to the Trustee in accordance with clause 10.2.4 of the Trust Deed. The Council is responsible for such internal control as is determined necessary to ensure compliance with the requirements of the Trust Deed and also to enable the preparation of Reporting Certificates that are free from material misstatement, whether due to fraud or error.

The Council is responsible for keeping the Register and ensuring that it is separately audited in accordance with clause 4.2.8 of the Trust Deed.

The Council is required to comply with the full requirements of the Trust Deed, including the continuing covenants and reporting requirements.

The Council is responsible for interpreting the clauses and definitions in the Trust Deed. We make no representations as to whether these interpretations of the Trust Deed are appropriate.

Scope of the Trustee's responsibilities

The Trustee monitors the Council's compliance under the terms of the Trust Deed. The terms of the Trust Deed were agreed by the Trustee and the Council. We are not a signatory to the Trust Deed and we were not consulted about the terms of the Trust Deed. We therefore take no responsibility for the adequacy of the terms of the Trust Deed for monitoring the Council.

The receipt of the Report and the audited annual financial statements and performance information of the Council, and any reliance on the audit opinion contained in our auditor's report attached to those audited annual financial statements and performance information, does not relieve the Trustee of its responsibilities under the Trust Deed and relevant legislation.

The Financial Markets Authority (FMA) issued a guidance note titled "Monitoring by Securities Trustees and Statutory Supervisors". This guidance note sets out the FMA's expectations about how Trustees will carry out their monitoring functions effectively. Where applicable, it is the Trustee's responsibility to meet the FMA's expectations as set out in the guidance note.

Scope of the Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we will perform and the evidence we will obtain. We will conduct our limited assurance engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the New Zealand Auditing and Assurance Standards Board. A copy of this standard is available on the External Reporting Board's website.

A limited assurance engagement is not an audit and the procedures that will be performed are substantially less than for an audit where reasonable assurance is provided. As a result, the level of assurance that will be obtained is substantially lower than the assurance that would have been obtained had an audit been performed.

We will report to you on the following specific matters under clause 10.2.6 of the Trust Deed:

- From our perusal of the Reporting Certificate dated 30 June 2026 given on behalf of the Council pursuant to clause 10.2.4 and, as far as matters that we will observe in the performance of our duties as auditors are concerned, whether anything is brought to our attention to indicate that the statements made in such Reporting Certificate are not materially correct.

In meeting this responsibility, we will agree the total amount of all categories of in the Reporting Certificate dated 30 June 2026 with Computershare Investor Services and the Local Government Funding Agency.

With reference to the other assertions the Chief Executive will make in the Reporting Certificate our procedures will be limited to talking to management and considering any issues which might have come to our attention as a by-product of our engagement to perform the audit of the annual financial statements and performance information of the Council.

- Whether in performing our duties as auditors, we have:
 - become aware of any matters which, in our opinion, are relevant to the exercise or performance of the powers or duties conferred or imposed on the Trustee; and
 - disclosed any matter that, in our opinion, calls for further investigation by the Trustee in the interests of the Stockholders.

In meeting this responsibility, our procedures will be limited to talking to management and considering any issues which might come to our attention as a by-product of the audit of the annual financial statements and performance information of the Council.

- As at the end of the financial year, from the audit procedures performed as part of the audit of the annual financial statements and performance information of the Council, whether anything came to our attention to indicate that, in all material respects, principal money due and payable on the Stock and interest due and payable on the Stock, had not been paid.

We will not test that each individual Stockholder has received all monies due and payable to them.

- Whether the Council's agents have maintained the Register in accordance with the requirements of the Trust Deed.

The Council is responsible for maintaining the Register and ensuring it is separately audited in accordance with clause 4.2.8.

We will not audit the Register for the year ended 30 June 2026. Our procedures will be limited to asking the Council for a copy of the audit report about the audit of the Register.

- As at 30 June 2026:
 - the amount of Stock and how much is Security Stock and Bearer Stock; and
 - the Principal Money owing or secured under the Stock distinguishing between Security Stock and other categories of Stock.

In meeting this responsibility, we will agree the total of all categories of Stock with Computershare Investor Services and the Local Government Funding Agency. We will not test that each individual Stockholder has received all monies due and payable to them.

Our Limited Assurance Engagement to provide the Report will be completed in accordance with the scope defined in this letter and any reliance on the Report can only be in the context of the scope as defined. The Report will therefore not be suitable for any other purpose.

Inherent limitations

We will report to you as accountants, not lawyers. Accordingly, we are not aware of all the powers and duties of trustees which may exist in statute, regulation, case law, legal precedent or otherwise.

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement will not be performed continuously throughout the period and the procedures performed in respect of the Council's compliance with the Trust Deed will be undertaken on a test basis (that is, we will not check every transaction), our Report cannot be relied on to detect all instances where the Council may not have complied with the requirements of the Trust Deed. Our Conclusion will be formed on the above basis.

Restricted use

Our Report will be addressed to the Council and the Trustee. This Report has been prepared solely for the Council and the Trustee in accordance with the requirements of clauses 10.2.6 of the Trust Deed. We disclaim any assumption of responsibility for any reliance on this report to any persons other than the Council and the Trustee or for any purpose other than that for which it was prepared.

Our Report is not to be copied or made available (in whole or in part), or recited or referred to in any document, made available to any other person, without our prior written consent except as may be required by law. In addition, we will take no responsibility for, nor do we report on, any part of the Trust Deed not specifically mentioned in the report.

Independence and quality control

We will comply with the Auditor-General's:

- Independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- Quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Timetable

Our work will be completed concurrently with the audit of the annual financial statements and performance information. We will complete our Report as soon as possible once the Council has signed the annual financial statements and performance information and provided us with the Reporting Certificate given on behalf of the Council pursuant to clause 10.2.4 of the Trust Deed.

Fees

The fee will be payable by the Council for this Limited Assurance Engagement. The total fee is estimated to be \$8,000.

Supporting documentation required

In order to complete this engagement, we will need access certain information and documentation that council should have in its files supporting its reporting certificate. Please refer to Appendix C for details of the information and documentation we will need.

Agreement

If you have any questions about this letter, please contact me. Please confirm your agreement to the terms and limitations of this engagement letter by signing below and returning a copy to us.

Yours sincerely



Debbie Bradfield
Audit New Zealand
On behalf of the Auditor-General
Christchurch, New Zealand

Waimate District Council acceptance

Waimate District Council (the Council) confirms and accepts the engagement of Audit New Zealand to provide the services on the terms and conditions set out in this engagement letter.

Signature

Name

Position

Trustee acceptance

Covenant Trustee Services Limited as Trustee for the Council confirms and accepts the engagement of Audit New Zealand to provide the services on the terms and conditions set out in this engagement letter.

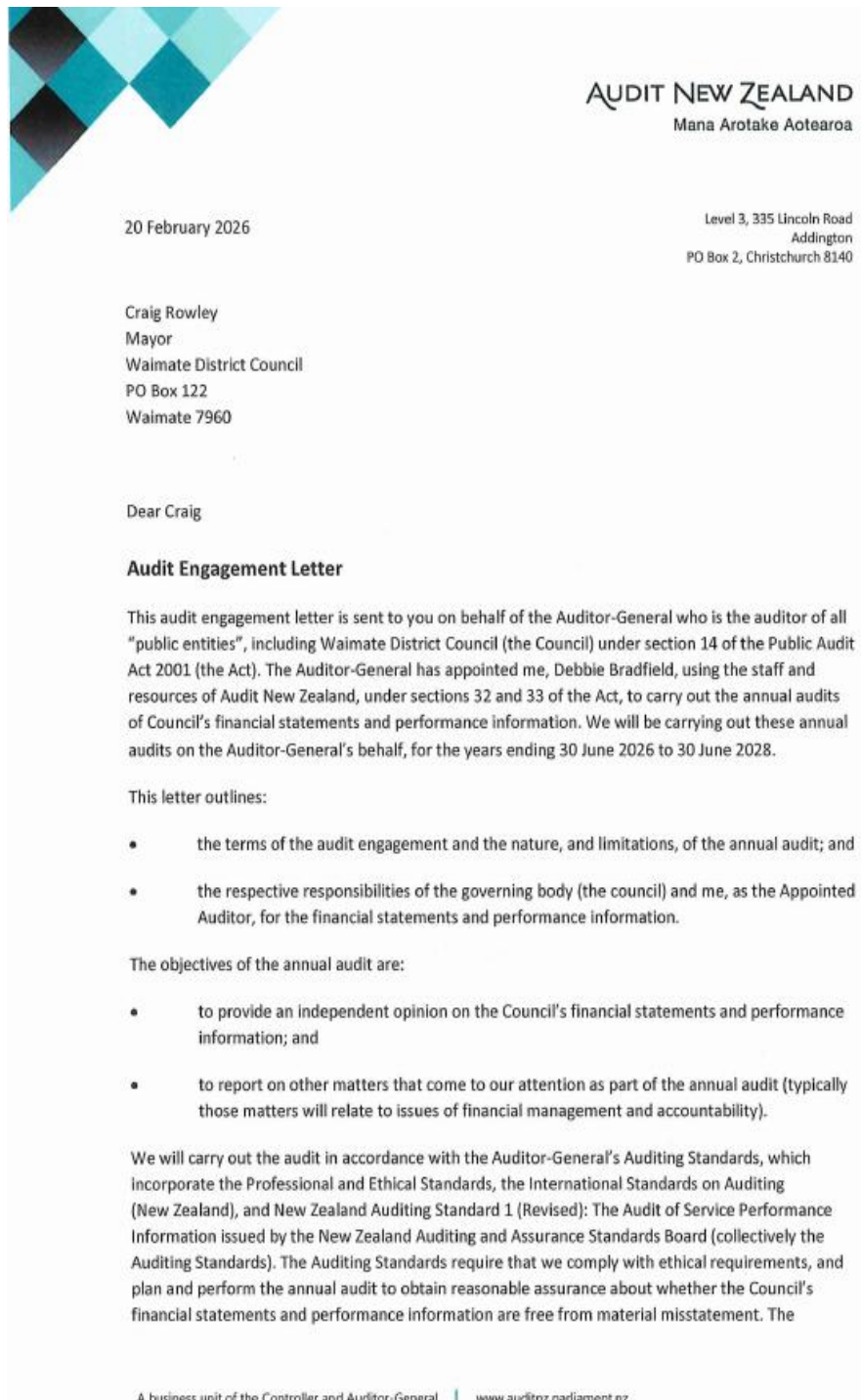
Covenant Trustee Services Limited has entered into this letter of engagement in its capacity as Trustee of the Council and accordingly its liability shall not be personal and unlimited but shall be limited to the assets of the Council available to it from time to time in that capacity.

Signature

Name

Position

Appendix A: Engagement Letter – audit of the annual financial statements and performance information



Auditing Standards also require that we remain alert to issues of concern to the Auditor-General. Such issues tend to relate to matters of financial management and accountability.

The council's responsibilities

Our audit will be carried out on the basis that the council, as the governing body, acknowledges that it has responsibility for:

- preparing the financial statements and performance information in accordance with any applicable legal requirements and financial reporting standards;
- preparing and reporting the information required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and schedule 10 of the Local Government Act 2002;
- having such internal control as determined necessary to enable the preparation of financial statements and performance information that are free from material misstatement, whether due to fraud or error; and
- providing us with:
 - access to all information relevant to preparing the financial statements and performance information such as records, documentation, and other information;
 - all other information, in addition to the financial statements and performance information, to be included in the annual report;
 - additional information that we may request from the Council for the purpose of the audit;
 - unrestricted access to council members and employees that we consider necessary; and
 - written confirmation concerning representations made to us in connection with the audit.

In addition, the council is responsible for:

- the preparation of the summary financial statements and summary performance information;
- making the audited summary financial statements and summary performance information readily available to the intended users of that information; and
- including our audit report on the summary financial statements and summary performance information in any document that contains that information and that indicates that we have reported on that information.

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The council's responsibilities extend to all resources, activities, and entities under its control. We expect that the council will ensure:

- the resources, activities, and entities under its control have been operating effectively and efficiently;
- it has complied with its statutory obligations including laws, regulations, and contractual requirements;
- it has carried out its decisions and actions with due regard to minimising waste;
- it has met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector in that it has carried out its decisions and actions with due regard to probity; and
- its decisions and actions have been taken with due regard to financial prudence.

We expect the council and/or the individuals within the Council with delegated authority, to immediately inform us of any suspected fraud, where there is a reasonable basis that suspected fraud has occurred – regardless of the amount involved. Suspected fraud also includes instances of bribery and/or corruption.

The council has certain responsibilities relating to the preparation of the Council's financial statements and performance information and in respect of financial management and accountability matters. These specific responsibilities are set out in Appendix 1. Appendix 1 also contains some additional responsibilities relating to the health and safety of audit staff. We expect members of the council to be familiar with those responsibilities and, where necessary, have obtained advice about them.

The council should have documented policies and procedures to support its responsibilities. It should also regularly monitor performance against its objectives.

Our responsibilities

Carrying out the audit

We are responsible for forming an independent opinion on whether the financial statements of the Council:

- present fairly, in all material respects:
 - its financial position; and
 - the results of its operations and cash flows for the financial year; and
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime Reduced Disclosure Regime.

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We are also responsible for forming an independent opinion on whether the performance information of Council:

- provides an appropriate and meaningful basis to enable readers to assess the actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;
- fairly presents, in all material respects, the actual levels of service for each group of activities, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

In addition to the above we are also responsible for forming an independent opinion whether:

- the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities of Council, has been prepared, in all material respects, in accordance with clause 24 of schedule 10 to the Act;
- the funding impact statement for each group of activities of Council, has been prepared, in all material respects, in accordance with clause 26 of schedule 10 to the Act; and
- the funding impact statement of Council, has been prepared, in all material respects, in accordance with clause 30 of schedule 10 to the Act.

We are also required to report on whether the Council has:

- complied with the information disclosure requirements of Part 3 of schedule 10 to the Act; and
- included complete and accurate disclosures about its performance against benchmarks required by Part 2 of the Regulations.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements and performance information. How we obtain this information depends on our judgement, including our assessment of the risks of material misstatement of the Council's financial statements and performance information, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies and the reasonableness of accounting estimates, as well as evaluating the overall presentation of the Council's financial statements and performance information.

We do not examine every transaction, nor do we guarantee complete accuracy of the Council's financial statements and performance information. Because of the inherent limitations of an audit,

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together with the inherent limitations of internal control, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with the Auditing Standards.

During the audit, we obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal controls. However, we will communicate to you in writing about any significant deficiencies in internal control relevant to the audit of the financial statements and performance information that we identify during the audit.

During the audit, the audit team will:

- be alert for issues of effectiveness and efficiency – in particular, how the council and the Council have carried out their activities;
- consider laws and regulations relevant to the audit;
- be alert for issues of waste – in particular, whether the council obtained and applied the resources of the Council in an economical manner, and whether any resources are being wasted:
 - be alert for issues of a lack of probity – in particular, whether the council and the Council have met Parliament's and the public's expectations of appropriate standards of behaviour in the public sector; and
- be alert for issues of a lack of financial prudence.

Our independence

It is essential that the audit team and Audit New Zealand remain both economically and attitudinally independent of Council; including being independent of management personnel and members of the council. This involves being, and appearing to be, free of any interest that might be regarded, whatever its actual effect, as being incompatible with the objectivity of the audit team and the Audit New Zealand.

To protect our independence, specific limitations are placed on us in accepting engagements with the council other than the annual audit. We may accept certain types of other engagements, subject to the requirements of the Auditing Standards. Any other engagements must be the subject of a separate written arrangement between the council and me or Audit New Zealand.

Reporting

We will issue an independent audit report that will be attached to the Council's financial statements and performance information. This report contains our opinion on the fair presentation of the financial statements and performance information and whether they comply with the applicable reporting requirements. The audit report may also include comment on other financial management and accountability matters that we consider may be of interest to the addressee of the audit report.

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In addition, we will issue an audit report that will be attached to the summary financial statements and summary performance information. This audit report will include our opinion about whether:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43, *Summary Financial Statements*.

We will also issue a report that will be sent to the council. This report communicates any matters that come to our attention during the audit that, in our opinion, are relevant to the council. Typically, those matters will relate to issues of financial management and accountability. We may also provide other reports to Council from time to time. We will inform the council of any other reports we have issued.

Please note that the Auditor-General may publicly report matters that are identified in the annual audit, in keeping with section 21 of the Act.

Next steps

Please acknowledge receipt of this letter and the terms of the audit engagement by signing the letter in the space provided and returning a copy to me. The terms will remain effective until a new Audit Engagement Letter is issued.

If you have any questions about the audit generally or have any concerns about the quality of the audit, you should contact me as soon as possible. If, after contacting me, you still have concerns, you should contact the Director of Auditor Appointments at the Office of the Auditor-General on 04 917 1500.

If you require any further information or wish to discuss the terms of the audit engagement further before replying, please do not hesitate to contact me.

Yours sincerely



Debbie Bradfield
Appointed Auditor
On behalf of the Auditor-General

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I acknowledge the terms of this engagement and that I have the required authority on behalf of the council.

Signed Crowley Date 23/03/26
Mayor Craig Rowley
Waimate District Council

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Appendix 1: Respective specific responsibilities of the council (as the governing body) and the Appointed Auditor

Responsibilities of the Council	Responsibility of the Appointed Auditor
Responsibilities for the financial statements and performance information	
<p>You are required by legislation to prepare financial statements and performance information in accordance with legal requirements and financial reporting standards. You are also responsible for preparing and reporting the information required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and schedule 10 of the Local Government Act 2002.</p> <p>You must also ensure that any accompanying information in the annual report is consistent with that reported in the audited financial statements and performance information.</p> <p>You are required by legislation to prepare the financial statements and performance information and provide that information to us before the statutory reporting deadline. It is normal practice for you to set your own timetable to comply with statutory reporting deadlines. To meet the reporting deadlines, we are dependent on receiving the financial statements and performance information ready for audit and in enough time to enable the audit to be completed. "Ready for audit" means that the financial statements and performance information have been prepared in accordance with legal requirements and financial reporting standards and are supported by proper accounting records and complete evidential documentation.</p>	<p>We are responsible for carrying out an annual audit, on behalf of the Auditor-General. We are responsible for forming an independent opinion on whether the Council's financial statements:</p> <ul style="list-style-type: none"> • present fairly, in all material respects: <ul style="list-style-type: none"> ◦ the financial position; and ◦ the results of the operations and cash flows for the financial year; and • comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime. <p>We are also responsible for forming an independent opinion on whether the performance information:</p> <ul style="list-style-type: none"> • provides an appropriate and meaningful basis to enable readers to assess the actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand; • fairly presents, in all material respects, the actual levels of service for each group of activities, including: <ul style="list-style-type: none"> ◦ the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and ◦ the reasons for any significant variation between the levels of service achieved and the intended levels of service; and • complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards Reduced Disclosure Regime.

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Responsibilities of the Council	Responsibility of the Appointed Auditor
	<p>In addition to the above we are also responsible for forming an independent opinion whether:</p> <ul style="list-style-type: none"> • the statement comparing actual capital expenditure to budgeted capital expenditure for each group of activities of Council, has been prepared, in all material respects, in accordance with clause 24 of schedule 10 to the Act; • the funding impact statement for each group of activities of Council, has been prepared, in all material respects, in accordance with clause 26 of schedule 10 to the Act; and • the funding impact statement of Council, has been prepared, in all material respects, in accordance with clause 30 of schedule 10 to the Act. <p>We are also required to report on whether the Council has:</p> <ul style="list-style-type: none"> • complied with the information disclosure requirements of Part 3 of schedule 10 to the Act; and • included complete and accurate disclosures about its performance against benchmarks required by Part 2 of the Regulations. <p>We will also read the other information accompanying the financial statements and performance information and consider whether there are material inconsistencies with the audited financial statements and performance information.</p> <p>Materiality is one of the main factors affecting our judgement on the areas to be tested and on the timing, nature, and extent of the tests and procedures performed during the audit. In planning and performing the annual audit, we aim to obtain reasonable assurance that the financial statements and performance information do not have material misstatements caused by either fraud or error. Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence the audit report addressee's overall understanding of the financial statements and performance information.</p>

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Responsibilities of the Council	Responsibility of the Appointed Auditor
	<p>If we find material misstatements that are not corrected, they will be referred to in the audit opinion. The Auditor-General's preference is for you to correct any material misstatements and avoid the need for them to be referred to in the audit opinion.</p> <p>An audit also involves evaluating:</p> <ul style="list-style-type: none"> • the appropriateness of accounting policies used and whether they have been consistently applied; • the reasonableness of the significant accounting estimates and judgements made by those charged with governance; • the appropriateness of the content and measures in any performance information; • the adequacy of the disclosures in the financial statements and performance information; and • the overall presentation of the financial statements and performance information. <p>We will ask you for written confirmation of representations made about the financial statements and performance information. In particular, we will seek confirmation that:</p> <ul style="list-style-type: none"> • the adoption of the going concern basis of accounting is appropriate; • all material transactions have been recorded and are reflected in the financial statements and performance information; • all instances of non-compliance or suspected non-compliance with laws and regulations have been disclosed to us; and • uncorrected misstatements noted during the audit are immaterial to the financial statements and performance information. <p>Any representation made does not in any way reduce our responsibility to perform appropriate audit procedures and enquiries.</p> <p>We will ensure that the annual audit is completed by the reporting deadline or, if that is not practicable because of the non-receipt or condition of the financial statements and performance information, or for some other reason beyond our control, as soon as possible after that.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
	<p>The work papers that we produce in carrying out the audit are the property of the Auditor-General. Work papers are confidential to the Auditor-General and subject to the disclosure provisions in section 30 of the Act.</p>
Responsibilities for the accounting records	
<p>You are responsible for maintaining accounting and other records that:</p> <ul style="list-style-type: none"> • correctly record and explain the transactions of Council; • enable you to monitor the resources, activities, and entities under your control; • enable Council's financial position to be determined with reasonable accuracy at any time; • enable you to prepare financial statements and performance information that comply with legislation (and that allow the financial statements and performance information to be readily and properly audited); and • are in keeping with the requirements of the Commissioner of Inland Revenue. 	<p>We will perform sufficient tests to obtain reasonable assurance as to whether the underlying records are reliable and adequate as a basis for preparing the financial statements and performance information.</p> <p>If, in our opinion, the records are not reliable or accurate enough to enable the preparation of the financial statements and performance information and the necessary evidence cannot be obtained by other means, we will need to consider the effect on the audit opinion.</p>
Responsibilities for accounting and internal control systems	
<p>You are responsible for establishing and maintaining accounting and internal control systems (appropriate to the size of Council), supported by written policies and procedures, designed to provide reasonable assurance as to the integrity and reliability of financial and performance information reporting.</p>	<p>The annual audit is not designed to identify all significant weaknesses in your accounting and internal control systems. We will review the accounting and internal control systems only to the extent required to express an opinion on the financial statements and performance information.</p> <p>We will report to you separately, on any significant weaknesses in the accounting and internal control systems that come to our notice and that we consider may be relevant to you. Any such report will provide constructive recommendations to assist you to address those weaknesses.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
Responsibilities for preventing and detecting fraud and error	
<p>The responsibility for the prevention and detection of fraud and error rests with you, through the implementation and continued operation of adequate internal control systems (appropriate to the size of Council) supported by written policies and procedures.</p> <p>We expect you to formally address the matter of fraud and formulate an appropriate policy on how to minimise it and (if it occurs) how it will be dealt with. Fraud also includes bribery and corruption.</p> <p>We expect you to consider reporting all instances of actual, suspected, or alleged fraud to the appropriate law enforcement agency, which will decide whether proceedings for a criminal offence should be instituted. We expect you to immediately inform us of any suspected fraud where you, and/or any individuals within Council with delegated authority have a reasonable basis that suspected fraud has occurred – regardless of the amount involved.</p>	<p>We design our audit to obtain reasonable, but not absolute, assurance of detecting fraud or error that would have a material effect on the financial statements and performance information. We will review the accounting and internal control systems only to the extent required for them to express an opinion on the financial statements and performance information, but we will:</p> <ul style="list-style-type: none"> • obtain an understanding of internal control and assess its ability for preventing and detecting material fraud and error; and • report to you any significant weaknesses in internal control that come to our notice. <p>We are required to immediately advise the Office of the Auditor-General of all instances of actual, suspected, or alleged fraud.</p> <p>As part of the audit, you will be asked for written confirmation that you have disclosed all known instances of actual, suspected, or alleged fraud to us.</p> <p>If we become aware of the possible existence of fraud, whether through applying audit procedures, advice from you, or management, or by any other means, we will communicate this to you with the expectation that you will consider whether it is appropriate to report the fraud to the appropriate law enforcement agency. In the event that you do not report the fraud to the appropriate law enforcement agency, the Auditor-General will consider doing so, if it is appropriate for the purposes of protecting the interests of the public.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
Responsibilities for compliance with laws and regulations	
<p>You are responsible for ensuring that Council has systems, policies, and procedures (appropriate to the size of Council) to ensure that all applicable legislative, regulatory, and contractual requirements that apply to the activities and functions of Council are complied with. Such systems, policies, and procedures should be documented.</p>	<p>We will obtain an understanding of the systems, policies, and procedures put in place for the purpose of ensuring compliance with those legislative and regulatory requirements that are relevant to the audit. Our consideration of specific laws and regulations will depend on a number of factors, including:</p> <ul style="list-style-type: none"> • the relevance of the law or regulation to the audit; • our assessment of the risk of non-compliance; and • the impact of non-compliance for the addressee of the audit report. <p>The way in which we will report instances of non-compliance that come to our attention will depend on considerations of materiality or significance. We will report to you and to the Auditor-General all material and significant instances of non-compliance.</p> <p>We will also report to you any significant weaknesses that we observe in internal control systems, policies, and procedures for monitoring compliance with laws and regulations.</p>
Responsibilities to establish and maintain appropriate standards of conduct and personal integrity	
<p>You should at all times take all practicable steps to ensure that your members and employees maintain high standards of conduct and personal integrity. You should document your expected standards of conduct and personal integrity in a "Code of Conduct" and, where applicable, support the "Code of Conduct" with policies and procedures.</p> <p>The expected standards of conduct and personal integrity should be determined by reference to accepted "Codes of Conduct" that apply to the public sector.</p>	<p>We will have regard to whether you maintain high standards of conduct and personal integrity – particularly in matters relating to financial management and accountability. Specifically, we will be alert for significant instances where members and employees of Council may not have acted in accordance with the standards of conduct and personal integrity expected of them.</p> <p>The way in which we will report instances that come to our attention will depend on significance. We will report to you and to the Auditor-General all significant departures from expected standards of conduct and personal integrity that come to our attention during the audit.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
	<p>The Auditor-General, on receiving a report from us, may, at his discretion and with consideration of its significance, decide to conduct a performance audit of, or an inquiry into, the matters raised. The performance audit or inquiry will be subject to specific terms of reference, in consultation with you. Alternatively, the Auditor-General may decide to publicly report the matter without carrying out a performance audit or inquiry.</p>
<p>Responsibilities for conflicts of interest and related parties</p>	
<p>You should have policies and procedures to ensure that your members and employees carry out their duties free from bias.</p> <p>You should maintain a full and complete record of related parties and their interests. It is your responsibility to record and disclose related-party transactions in the financial statements and performance information in accordance with generally accepted accounting practice.</p>	<p>To help determine whether your members and employees have carried out their duties free from bias, we will review information provided by you that identifies related parties and will be alert for other material related-party transactions. Depending on the circumstances, we may enquire whether you have complied with any statutory requirements for conflicts of interest and whether these transactions have been properly recorded and disclosed in the financial statements and performance information.</p>
<p>Responsibilities for publishing the audited financial statements on a website</p>	
<p>You are responsible for the electronic presentation of the financial statements and performance information on Council’s website. This includes ensuring that there are enough security and controls over information on the website to maintain the integrity of the data presented.</p> <p>If the audit report is reproduced in any medium, you should present the complete financial statements, including notes, accounting policies, and any other accountability statements.</p>	<p>Examining the controls over the electronic presentation of audited financial statements and performance information, and the associated audit report, on your website is beyond the scope of the annual audit.</p>

Responsibilities of the Council	Responsibility of the Appointed Auditor
Responsibilities under the Health and Safety at Work Act 2015	
<p>We expect you to work with us to ensure the health and safety of our audit staff.</p> <p>You must ensure, so far as is reasonably practicable, the health and safety of our audit staff while they are on your premises or otherwise engaging with you on their audit work. We expect you to provide a safe and healthy work environment, which includes, but is not limited to, providing:</p> <ul style="list-style-type: none"> • information, training instruction, and supervision to protect them from work related health and safety risks, including inductions on workplace emergency evacuation procedures; • suitably designed workstations that support and maintain an ergonomically correct body posture, including adequate lighting and ventilation; • adequate welfare facilities, such as appropriate bathroom and washing amenities, suitable drinking water, and rest facilities; • appropriately labelled and equipped first-aid kits; • personal protective equipment (PPE) when all other control measures can't adequately eliminate or minimise risks to a worker's health and safety; and • protection from offence conduct such as aggressive slurs and/or behaviours, physical assaults or threats, intimidation, ridicule or mockery, insults, or put-downs. <p>We expect you to work with us to resolve any health and safety concerns related to our audit staff.</p>	<p>The Auditor-General and Audit New Zealand take seriously their responsibility to provide a safe working environment for audit staff. Under the Health and Safety at Work Act 2015, as a person conducting a business or undertaking (PCBU), we will make arrangements with you to keep our audit staff safe while they are working at your premises or otherwise engaging with you on their audit work.</p> <p>We will obtain an understanding of health and safety systems, policies, and procedures put in place for the purpose of ensuring compliance with legislative and regulatory requirements.</p> <p>We will take reasonable care of our own health and safety, and we will take reasonable care that what we do or don't do does not adversely affect the health and safety of other people.</p> <p>We will co-operate with the workplace health and safety policies and procedures of the [entity name] and comply with any reasonable instructions given.</p> <p>We will monitor the health and safety of our audit staff (in particular, to ensure you are providing the things listed under your responsibilities to ensure a safe and healthy work environment for our audit staff when they are on your premises), and we may advise someone at your premises (such as a Chief Financial Officer and/or a health and safety representative) if we have a health and safety concern related to our audit staff. We will work with you to resolve any health and safety concerns related to our audit staff.</p>

Appendix B: Example Report

Independent Assurance Report

To Waimate District Council and to Covenant Trustee Services Limited in respect of Waimate District Council's Debenture Trust Deed for the year ended 30 June 2026

The Auditor-General is the auditor of Waimate District Council (the Council) pursuant to the Public Audit Act 2001. The Auditor-General has appointed me, Debbie Bradfield, using the staff and resources of Audit New Zealand to undertake a limited assurance engagement, on his behalf, as required by clause 10.2.6 of the Debenture Trust Deed dated 1 June 2022 (the Trust Deed), for the year ended 30 June 2026.

Councillor's responsibilities

The Council is required to provide a copy of the annual report, which includes the audited financial statements and activities and service performance information of the Council and our audit opinion, to the Covenant Trustee Services Limited (Trustee) under clauses 10.2.1 and 10.2.6 of the Trust Deed.

The Council is responsible for preparing Reporting Certificates to the Trustee in accordance with clause 10.2.4 of the Trust Deed. The Council is responsible for such internal control as is determined necessary to ensure compliance with the requirements of the Trust Deed and also to enable the preparation of Reporting Certificates that are free from material misstatement, whether due to fraud or error.

The Council is responsible for keeping the Register and ensuring that it is separately audited in accordance with clause 4.2.8 of the Trust Deed.

The Council is required to comply with the full requirements of the Trust Deed, including the continuing covenants and reporting requirements.

The Council is responsible for interpreting the clauses and definitions in the Trust Deed. We make no representations as to whether these interpretations of the Trust Deed are appropriate.

Trustee's responsibilities

The Trustee monitors the Council's compliance under the terms of the Trust Deed. The terms of the Trust Deed were agreed by the Trustee and the Council. We are not a signatory to the Trust Deed, and we were not consulted about the terms of the Trust Deed. We therefore take no responsibility for the adequacy of the terms of the Trust Deed for monitoring the Council.

The receipt of this limited assurance report (Report) and the audited financial statements and activities and service performance information of the Council, and any reliance on the audit opinion

contained in our auditor's report attached to those audited financial statements and activities and service performance information, does not relieve the Trustee of its responsibilities under the Trust Deed and relevant legislation.

The Financial Markets Authority (FMA) issued a guidance note titled "Monitoring by Securities Trustees and Statutory Supervisors". This guidance note sets out the FMA's expectations about how Trustees will carry out their monitoring functions effectively. Where applicable, it is the Trustee's responsibility to meet the FMA's expectations as set out in the guidance note.

Auditor's responsibilities

Our responsibility is to express a limited assurance conclusion based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* issued by the New Zealand Auditing and Assurance Standards Board. A copy of this standard is available on the External Reporting Board's website.

A limited assurance engagement is not an audit and the procedures that have been performed are substantially less than for an audit where reasonable assurance is provided. As a result, the level of assurance that has been obtained is substantially lower than the assurance that would have been obtained had an audit been performed.

The procedures performed when carrying out the audit of the annual financial statements and performance information of the Council are not designed to assess whether the Council has complied with the Trust Deed or to make an evaluation of the Reporting Certificate/s the Council issued to the Trustee.

The scope of this limited assurance engagement is to report on certain matters stated in clause 10.2.6 of the Trust Deed based on information obtained as a byproduct of our engagement to perform the audit of the annual financial statements activities and service performance information of the Council for the year ended 30 June 2026.

For the purpose of providing our Report, unless expressly stated, we have not performed any further procedures beyond those required to complete our engagement to perform the audit of the annual financial statements activities and service performance information of the Council.

In the performance of our duties as auditors, unless expressly stated, we do not perform any work at the time the Reporting Certificate for the year ended 30 June 2026 is prepared by the Council. Accordingly, our statements contained in the Report in relation to the matters addressed in clause 10.2.6 of the Trust Deed must be viewed in that context.

Our responsibility under clause 10.2.6 of the Trust Deed is to:

- From our perusal of the Reporting Certificate dated [insert date] given on behalf of the Council pursuant to clause 10.2.4 and, as far as matters that we will observe in the performance of our duties as auditors are concerned, report whether anything is brought

to our attention to indicate that the statements made in such Reporting Certificate are not materially correct.

In meeting this responsibility, we agreed the total amount of all categories of Stock Link Market Services and the Local Government Funding Agency. We have not tested that each individual Stockholder has received all monies due and payable to them.

Inherent limitations

We report to you as accountants, not lawyers. Accordingly, we are not aware of all the powers and duties of trustees which may exist in statute, regulation, case law, legal precedent or otherwise.

Because of the inherent limitations in evidence gathering procedures, it is possible that fraud, error or non-compliance may occur and not be detected. As the procedures performed for this engagement are not performed continuously throughout the period and the procedures performed in respect of the Council's compliance with the Trust Deed are undertaken on a test basis (that is, we do not check every transaction), our Report cannot be relied on to detect all instances where the Council may not have complied with the requirements of the Trust Deed. Our Conclusion has been formed on the above basis.

Restricted use

This Report has been prepared solely for the Council and the Trustee in accordance with the requirements of clause 10.2.6 of the Trust Deed. We disclaim any assumption of responsibility for any reliance on this report to any persons other than the Council and the Trustee or for any purpose other than that for which it was prepared.

Limited assurance conclusion

Based on our work described in this report, nothing has come to our attention that causes us to believe that:

- the statements made by the Council in the Reporting Certificate dated [insert date] pursuant to clause 10.2.4 are materially incorrect (Reporting Certificate dated [insert date] is given in Appendix 1;
- there are any matters which, in our opinion, are relevant to the exercise or performance of the powers or duties conferred or imposed on the Trustee;
- there are any matters that, in our opinion, calls for further investigation by the Trustee in the interests of the Stockholders;
- in all material respects, that the Council has not paid all principal money due and payable on the Stock and all interest due and payable on the Stock.

Our limited assurance engagement was completed on [date] and our conclusion is expressed as at that date.

The Register and Stock

The Council has provided us with a copy of the audit report about the Register. Please refer to appendix two for a copy of the audit report about the Register.

Based on the work described in this Report, as at 30 June 2026 the following balances are given:

Total stock of	xxxx
This is comprised of:	
o Security stock of	xxxx
o Bearer stock of	xxxx
o Other stock of	xxxx
o Security stock (Local Government Funding Agency stock) of	xxxx

Based on the work described in this Report, as at 30 June 2026 the following balances are given:

Total Principal Money owing and secured under the stock of	xxxx
This is comprised of:	
o Security stock of	xxxx
o Bearer Stock of	xxxx
o Other stock of	xxxx
o Security stock (Local Government Funding Agency stock) of	xxxx

The Council is one of a group of guarantors of the Local Government Funding Agency. As at 30 June 2026 the Council had xxxx units of Security Stock on issue associated with the guarantee.

The difference between Security Stock on issue associated with the guarantee and total borrowings of the Local Government Funding Agency at 30 June 2026 is as follows:

000s	
xxxx	Units of Security Stock on issue associated with the guarantee
xxxx	Accrued interest
xxxx	Treasury Stock held by the Local Government Funding Agency
xxxx	Treasury Stock lent to the market via repurchase agreements by the Local Government Funding Agency
xxxx	Total borrowings of the Local Government Funding Agency at 30 June 2026

Independence and quality control

We complied with the Auditor-General’s:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and

- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to this engagement, we performed the annual audit of the Council's annual financial statements and activities and service performance information. Other than these engagements, we have no relationship with or interests in the Council or any of its subsidiaries or the Trustee.

Debbie Bradfield
Audit New Zealand
On behalf of the Auditor-General
Christchurch, Audit New Zealand

DRAFT

Appendix C: Supporting documentation required

We will need access to the following information and documentation from council's records supporting the reporting certificate:

- A copy of the debenture trust deed.
- The signed reporting certificate for the debenture trust deed for 30 June 2026.
- The LGFA floating nominal amount confirmation as at 30 June 2026.
- Copies of all security stock certificates, including all security stock recorded on the register as 1 cent/1 unit security stocks.
- A security stock listing, indicating who the holders of each security stock are.
- Debt terms sheets for all debenture stock outstanding.
- Written confirmation that all stock that was due to be repaid during the financial was in fact repaid.
- Written confirmation that any interest due for payment on the stock was in fact paid.

Please note that items requested above may not represent all of the information that we need, and additional requests for information and documentation may follow during the course of the engagement depending on the circumstances.

6.8 DRAFT WAIMATE DISTRICT COUNCIL ANNUAL PLAN 2026/27

Author: Shey Taylor, Strategic Planner/Policy Advisor

Authoriser: Nicole Timney, Community Services and Strategy Group Manager

Attachments: 1. Annual Plan 2026-27 Proof 2026-06-02 (under separate cover) 

PURPOSE

1. The purpose of this report is to provide the Audit and Risk Committee with the Draft Waimate District Council Annual Plan 2026/27 for review and feedback.

BACKGROUND

2. The Annual Plan is to:
 - a. Contain the proposed annual budget and funding impact statement for the year to which the plan relates; and
 - b. Identify any variation from the financial statements and funding impact statement in the Long-Term Plan in respect of the year to which the Annual Plan relates; and
 - c. Support the Long-Term Plan in providing integrated decision making and co-ordination of the resources of Council; and
 - d. Contribute to the accountability of Council to the community; and
3. The Annual Plan must:
 - a. Be prepared in accordance with the principles and procedures that apply to the preparation of the financial statements and funding impact statement included in the Long-Term Plan; and
 - b. Contain appropriate references to the Long-Term Plan in which Council's activities for the financial year covered by the Annual Plan are set out; and
 - c. Include the information required by Part 2 of Schedule 10 of the Local Government Act 2002.
4. Section 100 of the Local Government Act 2002 requires that Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that year's projected operating expenses.
5. However projected operating revenues may be set at a different level to projected operating expenses if it is resolved that it is financially prudent to do so, having regard to:
 - a. The estimated expenses of achieving and maintaining the predicted levels of service provision set out in the Long-Term Plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
 - b. The projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
 - c. The equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
 - d. The funding and financial policies adopted by Council.
6. Section 95 (2A) of the Act states that consultation is not required if the proposed Annual Plan does not include significant or material differences from the content of the Long-Term Plan for the financial year to which the proposed annual plan relates.
7. No significant or material differences from the content of the Long-Term Plan 2025-2034 were identified in the Annual Plan 2026/27, therefore public consultation on the Annual Plan was not required.

8. It is noted that further rating information is yet to be outlined in the report and will be discussed in the meeting and added to the final report before the 30 June 2026 adoption.

PROPOSAL

9. That the Audit and Risk Committee review the Draft Annual Plan 2026/27 and, if necessary, provides feedback to be incorporated before the adoption of the plan on 30 June 2026.

ASSESSMENT OF SIGNIFICANCE

10. Regarding the Significance and Engagement Policy, no significant or material differences from the content of the Long-Term Plan 2025-2034 were identified in the Annual Plan 2026/27 therefore public consultation on the Annual Plan was not required.

CONSIDERATIONS**Legislation**

11. Local Government Act 2002.

Budget

12. The Annual Plan impacts on all activities. Eventual adoption of this Annual Plan enables Council to set its annual budget and collect rates and penalties. This is an essential step for Council to collect rates revenue and carry out its statutory obligations and other functions.

Cost-effectiveness

13. Consideration has been given to cost-effectiveness.

RECOMMENDATION

1. That the Audit and Risk Committee accept the Draft Annual Plan 2026/27 report; and
2. That the Audit and Risk Committee provide feedback, if required, on the Draft Annual Plan 2026/27 to be incorporated into the final document before adoption on 30 June 2026.

6.9 LEGISLATIVE REFORM RISK REPORT

Author: Shey Taylor, Strategic Planner/Policy Advisor

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Attachments:

1. **Legislative Reform Risk Tracker 28 May 2026** [↓](#) 
2. **LG (Systems Improvements) Amendment Bill - Parliament Release 28 May 2026** [↓](#) 

PURPOSE

1. This paper tracks Central Government reforms and proposed legislative changes, maps them to Council activities, assesses implications and risk, and provides general mitigation strategies for the Audit and Risk Committee's consideration.

BACKGROUND

2. This report is to:
 - a. Inform – Improve the Audit and Risk Committee's understanding of pending reform/legislation affecting Council's activities and enables early direction setting.
 - b. Assess Risk – Identify likelihood, impact, timing, and scale of potential changes at an activity level.
 - c. Enable Action – Recommend general responses to mitigate risk and enable more extensive workshops when required.
 - d. Enhance – Improve risk mitigation reporting in Council's core planning documents.
3. At the time of this report, the status of each of the tracked pieces of legislation is up to date in line with information from central government.
4. The report is structured to identify:
 - a. Council activity (e.g. Water, Roading, Regulatory)
 - b. Contributing subject matter expert
 - c. Reform/Legislative Act (Including title and relevant agency)
 - d. Status (e.g. Emerging, introduced, consulting)
 - e. Executive summary (3-4 sentences)
 - f. Risk assessment pros/cons
 - g. Recommended response
 - h. Next steps and key dates
5. There is a focus on the Head Start Pathway under Simplifying Local Government section, outlining what it is, implications and some high-level risks.
6. There is an attached supplementary House of Representatives Amendment Paper issued from Central Government on 28 May 2026 re the Local Government (Systems Improvements) Amendment Bill. The highlights of these amendments are outlined in the Local Government Systems Improvement Bill section of the attached tracker.
7. This report is tabled by the Community and Strategy Group with input from subject matter experts from each Council activity.

RECOMMENDATION

1. That the Audit and Risk Committee accept the Legislative Reform Risk report, and
2. That the Audit and Risk Committee provide feedback and direction, as appropriate.

Waimate District Council Legislation Tracker

Risk Name (Reform/Act)	Status	Summary	Risk			Implications Pros/Cons	Recommendations	Next Steps and Key Dates
			Impact	Timing	Scale			
District Planning and Regulatory								
Building Consents Systems Reform	Proposal Draft bill expected June/July	<p>Central Government is proposing major reforms to the building consents system. At the reforms core is the shift from joint and severe liability to proportional liability. This means that Councils, and by extension, ratepayers are not left with the full cost of defective building work when other responsible parties cannot pay.</p> <p>Central Government has indicated that this shift in liability will be accompanied by several support mechanisms including mandatory warranties, personal indemnity insurance, and deposit security schemes.</p> <p>The reforms also provide a pathway for the voluntary consolidation of Building Control Authority (BCA) functions.</p> <p>Along with these reforms Central Government is concurrently granting approval for private BCAs.</p> <p>There will be a one year transition period after the bill is enacted before the proportional liability structure and insurance mandate take effect</p>	Major	Within 12 months	Significant Includes aspects of Council's Building Control operations	<p>Impact on Council operations is partially dependant on the extent to which Council choses to engage in consolidated shared services.</p> <p><u>Pros</u></p> <ul style="list-style-type: none"> - Reduced financial exposure to defective building work - Potential operational efficiency through shared services - More risk mitigation tools at earlier stages of liability <p><u>Cons</u></p> <ul style="list-style-type: none"> - Increased complexities in monitoring indemnities and warranties. - Shared services may result in reduced independence and autonomy of Council - Implementation complexities include revising internal policies, and staffing considerations 	<p>Prepare a formal submission when consultation is open.</p> <p>Financial review of how a shift to proportional liability may alter Council's risk profile.</p> <p>Consider aspects of BCA functions that may benefit from a shared services arrangement.</p>	<p>Draft bill expected to be released by MBIE to Parliament June/July 2026</p> <p>Submissions expected to open shortly after introduction and referral to select committee</p>
Resource Management Act Reform	Submission window closed	<p>The reform programme seeks to replace and modernize the Resource Management Act with two new acts that support several "national direction instruments".</p> <p>Natural Environment Bill - focused on protecting and restoring the natural environment</p> <p>Planning Bill - focused on land use, infrastructure, and development.</p> <p>A significant aspect of the reform is to narrow the scope of regulation by providing a stronger emphasis on unified national standards, regional spatial strategies, and compliance/enforcement consistency.</p>	Major	Within 12 months Indication of 10 year transitional period	Significant Includes impacts on Council's consenting activities	<p>Specific implications for council are difficult to determine until draft bills are available. However, the stated aims of the reform are likely to impact Council's planning, development, consenting, and regulatory activities. The following pros and cons are purely speculative.</p> <p><u>Pros</u></p> <ul style="list-style-type: none"> - Streamlined consenting processes based on clearer national standards - Spatial strategies will enhance land use, infrastructure, and environmental long term planning <p><u>Cons</u></p> <ul style="list-style-type: none"> - Significant costs in implementing may fall on Councils - Extensive complex changes over a 10? year implementation - Further consolidation, centralization, and regionalisation may erode elements of local decision making. 	<p>Council acknowledges the importance of engaging in the regional spatial planning process and considers whether resourcing is commensurate with the significance of the work along with the need to meet short statutory timeframes.</p> <p>Utilize existing information sharing networks like LGNZ and Taituara to stay informed of potential developments.</p>	<p>Budget 2026 allocated \$294 million allocated over 4 years to facilitate digital planning tools and mapping natural hazards.</p> <p>Bill still progressing through select committee</p>

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Waimate District Council Legislation Tracker

Risk Name (Reform/Act)	Status	Summary	Risk			Implications Pros/Cons	Recommendations	Next Steps and Key Dates
			Impact	Timing	Scale			
District Planning and Regulatory								
Emergency Management Bill (To replace Emergency Management Act 2002)	Bill Introduced 9 Dec 2025 Submission window closed	The proposed reform updates and replaces the Civil Defence Emergency Management Act 2002. The purpose of the reform is to modernise the current civil defence system by creating a nation-wide common operating framework in achieving the 4 Rs <ul style="list-style-type: none"> - Risk Reduction - Readiness - Response - Recovery This framework will aim to standardise planning, information sharing, and reporting systems across existing CD groups and focus on strengthening community and iwi/Māori engagement.	Minor	6-12 months	Civil Defence Activities	The majority of the bill is aimed at strengthening national and regional governance and accountability measures including expanding emergency powers and civil liberties protections, introducing compliance mechanisms and planning standards, and mandating Maori engagement at a regional planning level. For Council's civil defence activities there are very few significant changes. <ul style="list-style-type: none"> - The Mayor remains the primary individual responsible for declaring an emergency. - Establishment of a line of accountability between the CE and local Controllers. - Mandate for CE to coordinate resources made available for the purposes of the act (may delegate) 	Council acknowledges the potential scale of reviewing existing Civil Defence planning to meet new statutory requirements and ensure staff have the necessary resources. Update Delegations Policy to include new legislation. Delegation from CE to EMO of coordination responsibility.	Bill referred to select committee Gov and admin committee expected to report back on 9 June 2026 Submission made by CDEM Budget 2026 – funding package for “common operating picture” operating software

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Waimate District Council Legislation Tracker

Risk Name (Reform/Act)	Status	Summary	Risk			Implications Pros/Cons	Recommendations	Next Steps and Key Dates
			Impact	Timing	Scale			
Three Waters (Drinking Water, Storm Water, Sewerage)								
<p>"Local Water Done Well"</p> <p>Local Government (Water Services) Act 2025</p>	<p>In force</p> <p>Rollout of requirements through to 2027</p> <p>Approved Internal Business Unit must be established and ring-fenced by 1 July 2027</p>	<p>Local water done well is the current governments water service reform policy, replacing the prior 3 waters reforms.</p> <p>Its focus is on councils retaining a local ownership and decision making for water infrastructure and services while instituting stronger central government oversight.</p> <p>Economic regulation will be administered by the Commerce Commission for water service providers which includes financial regulation aimed at ensuring long term financial sustainability and effective long term planning for infrastructure development.</p> <p>Taumata Arowai will continue to remain an independent national drinking water regulator who will set and enforce both drinking water standards (DWSNZ) and quality assurance rules (DWQAR).</p>	Major	18 Months	Significant	<p>Council has submitted its Water Services Delivery Plan (WSDP) for approval indicating the intention to operate a financially ring-fenced water services internal business unit (IBU)</p> <p>This plan was approved on 14 Nov 2025.</p> <p>While further guidance from DIA, OAG, and ComCom is expected to clarify reporting requirements and expectations, it is clear that LTP core planning documents (Financial and Infrastructure Strategies) will continue to have ongoing connections with the operation of a ring-fenced IBU. For this reason, progress on the IBU's stand up and transition cannot occur in isolation from the LTP process as misalignment could result in operational, financial, and compliance risks.</p> <p>There is a risk that material or perceived departures from the approved plan during implementation may result in DIA requesting clarifications.</p>	<p>Council acknowledge the critical interdependency between the establishment of a water service delivery internal business unit and the adoption of the 2027-37 Long Term Plan.</p> <p>To mitigate risk and minimise schedule slippage, Council should closely monitor integrated progress reporting and be prepared to escalate emerging delays by ensuring leadership has the appropriate capacity to meet deadlines.</p> <p>Continue to closely monitor guidance from regulatory agencies.</p>	<p>6 months December 2025 to June 2026</p> <p>IBU stand up including core governance documentation and policies</p> <p>18 Months January 2026 – June 2027</p> <p><i>Transition of water services to IBU, including establishment of processes and procedures to meet reporting, regulation, and financial requirements.</i></p>

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Waimate District Council Legislation Tracker

Risk Name (Reform/Act)	Status	Summary	Risk			Implications Pros/Cons	Recommendations	Next Steps and Key Dates
			Impact	Timing	Scale			
Council								
Local Government Systems Improvement Bill	In Select Committee (Report Expected 25 Nov 2025)	<p>This primary policy objective of this bill is to reduce pressure on council rates by refocusing the purpose of local government, better measuring and publicising council performance, prioritising core services in council spending, strengthening council accountability and transparency, and providing regulatory relief to councils.</p> <ul style="list-style-type: none"> - Removes the four "well-beings" from the LGA - Redefines the purpose of local government to include an increased focus on Infrastructure, transport, waste, civil defence, recreational facilities and facilitating economic growth. - Secretary for Local Government may set benchmarks for performance measures. - Publishing of Council benchmarking data - Introduce standardised code of conduct and standing orders for Councils. - Elected members may request any document/information held by Council if it is justifiably related to the member performing their duties. - Reduce miscellaneous regulatory requirements - Mandatory disclosure of all consulting costs 	Major	12 months	Significant (Changes may impact a large portion of Councils activities)	<p>The overwhelming narrative surrounding this reform is rates affordability.</p> <p>The proposed redefinition of the purpose of local government will narrow the scope of Councils core planning. The shift in focus is from broad "well-beings" based outcomes to "core services" deliverables that are measurable, benchmarked, and promoted. These metrics will serve as the basis for fostering increased financial/operational scrutiny.</p> <p><u>Update 25 November 2025</u> Select committee report delivered with proposed amendments to the bill.</p> <ul style="list-style-type: none"> - Softer framing of what constitutes a "core service" - Inclusion of "community facilities" as a core service (i.e. toilets, halls, reserves) - Consultation requirements when minister introduces a mandatory performance measure <p><u>Update 28 May 2026</u> New amendment version introduced for second reading that incorporates the select committee's recommendations.</p>	Continue to monitor the development of the bill.	<p style="background-color: #ffff00;">Awaiting 2nd reading</p> <p style="background-color: #ffff00;">Note 28 May 2026 New amended version submitted for 2nd reading</p>
Simplifying Local Government	<p>Proposal and Consultation</p> <p>(Bill would likely be introduced in 2nd half of 2026)</p>	<p>The proposed target of these reforms is major changes to simplify and reduce the cost of Local Government.</p> <p>Regional Councils would be replaced with "Combined Territories Boards" comprised of the regions Mayors which would manage regional functions using a voting system weighted by population.</p> <p>Boards would be responsible for developing a "Regional Reorganization Plan" that could include shared services or the merging of Councils into unitary authorities.</p>	Major	12-24 months	Critical	<p>This reform would fundamentally reshape how Councils operate. Council would lose regional Councillor representation but gain more direct representation in regional decision-making through the Mayor.</p> <p>Reorganisation will push councils towards shared services and amalgamation with promises of operational efficiencies. While Council may benefit from streamlined planning and fewer duplicated functions there is a significant threat of eroding local representation.</p>	<p>Consultation is open until 20 February 2026.</p> <p>Council should prepare a submission or support the development of a joint submission.</p>	<p>Consultation closes 20-Feb 2026</p> <p style="background-color: #ffff00;">Submission made</p>

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Waimate District Council Legislation Tracker

Risk Name (Reform/Act)	Status	Summary	Risk			Implications Pros/Cons	Recommendations	Next Steps and Key Dates
			Impact	Timing	Scale			
Council								
SLG "Head Start"	Introduction and open proposal window 5 May 2026 to 9 Aug 2026	<p>Proposal introduces a "voluntary" local government reorganisation ahead of a wider mandatory backstop planned for 2028. The reforms aim to simplify Governance structures by combining regional and territorial council functions to improve coordination, reduce duplication, and better align local government with the future resource management planning system.</p> <p>Councils may voluntarily submit reorganisation proposals between May and August 2026. However, councils that do not participate may be subject to compulsory restructuring in either the "head start" programme or the 2028 nationally lead backstop.</p>	Major	3 – 24 months	Critical	<p>The amalgamation reform presents opportunities for greater regional coordination, improved strategic planning, economies of scale, and reduced administrative duplication.</p> <p>However, there are significant concerns regarding transition and implementation costs, potential loss of local representation, reduced community influence over decision making, and diminished focus on rural priorities.</p>	<p>Relevant information from central government remains limited outside of the initial "Head Start" documentation.</p> <p>Council remains legally required to meet current legislative timelines and deliverables.</p> <p>Council should continue to prioritize BAU statutory obligations and operational requirements until proposed legislative changes are enacted and existing obligations are formally repealed. Until such time, Council should maintain compliance with all responsibilities while monitoring the progression of the proposal.</p> <p>Engage with neighbouring councils.</p>	<p>9 August 2026 – Head Start Proposals due to DIA</p> <p>September 2026 – Proposals accepted in principle</p> <p>March 2027 – Final proposals submitted</p> <p>May 2027 – Cabinet makes final policy decisions and confirms proposals</p>
<p>Un-named Reform</p> <p>Rates Capping Legislation</p>	Proposal and Consultation	<p>Proposed reform to institute a targeted cap on annual local government rates rises with the stated aim of "improving affordability for households."</p> <p>Under the proposal, Council would be expected to keep annual rates within a centrally defined range, with the ability to exceed the cap in limited circumstances.</p> <p>Early indications suggest that this centrally defined range will target 2-4%, drawing from forecasted inflation targets for the minimum and long-run nominal GDP growth as the ceiling.</p>	Major	12-36 months	Critical	<p>A rates-capping regimes would have a substantial impact on how Council will plan, fund, and deliver its services. It is expected that this proposal be modelled into the 2027-2037 LTP.</p> <p>While a cap may offer predictability and restraint on rising rates, there are significant concerns regarding the inability to adequately fund core services and infrastructure development/maintenance.</p> <p>A centrally derived cap based on general economic indicators may fail to capture the diversity of local circumstances, including infrastructure age/use, population growth/decline, economic activity, and natural hazards. This could result in the inability of Council to adequately respond to community priorities and unexpected cost pressures.</p>	<p>Council has submitted feedback and should continue to support/contribute to further efforts made by major local government stakeholders.</p>	Submission made

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No 565

House of Representatives

Amendment Paper

Local Government (System Improvements) Amendment Bill

Proposed amendments for the consideration of the Committee of the whole House

Key:

- this is inserted text
- ~~this is deleted text~~

Note: This Amendment Paper shows amendments to the Bill that are being proposed by the Minister for the purposes of consideration in Committee of the whole House. This document does—

- NOT have official status in terms of unamended text
- NOT have the status of an as-reported version of the Bill.

Proposed amendments to
Local Government (System Improvements) Amendment
Bill

AP No 565

Explanatory note

This Amendment Paper amends the Local Government (System Improvements) Amendment Bill (the **Bill**) to insert *new clause 19A*. The new clause inserts *new section 122A* into the Local Government Act 2002 (the **principal Act**) to clarify that if a water organisation is wholly owned by 1 or more local authorities, the Financial Markets Conduct Act 2013 will apply to that water organisation as if it were a local authority.

This Amendment Paper inserts into the Bill consequential amendments to the Financial Markets Conduct Act 2013 and the Local Government (Water Services) Act 2025 in relation to *new section 122A* of the principal Act.

This Amendment Paper also amends 2 transitional provisions to clarify that local authorities will be able to rely on, and amend and replace if necessary, existing codes of conduct and standing orders until the Secretary for Local Government approves and issues standard versions of those documents. At that time, the existing codes of conduct and standing orders will cease to have effect.

Departmental disclosure statement

The Department of Internal Affairs considers that a departmental disclosure statement is not required to be prepared for this Amendment Paper.

The Honourable Simon Watts, in Committee, to propose the amendments shown in the following document.

Hon Simon Watts

Local Government (System Improvements) Amendment Bill

Government Bill

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**Proposed amendments to
Local Government (System Improvements) Amendment
Bill**

17	Section 99 amended (Audit of information in annual report and summary)	6
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<u>19A</u>	<u>New section 122A inserted (Financial Markets Conduct Act 2013 applies to local-authority-owned water organisation as if it were local authority)</u>	<u>7</u>
	<u>122A Financial Markets Conduct Act 2013 applies to local-authority-owned water organisation as if it were local authority</u>	<u>7</u>
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<u>26F</u>	<u>New section 252A inserted (Application of Financial Markets Conduct Act 2013 to local-authority-owned water organisation)</u>	<u>15</u>
	<u>252A Application of Financial Markets Conduct Act 2013 to local-authority-owned water organisation</u>	<u>15</u>

**Proposed amendments to
Local Government (System Improvements) Amendment
Bill**

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<i>Consequential amendments to Local Government (Water Services Preliminary Arrangements) Act 2024</i>		
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29	Section 68 repealed (Exemption from cost-effectiveness review)	16
30	Section 69 repealed (Repeal of section 68)	16
Schedule 1		17
Sections repealed		
Schedule 2		18
New Part 10 12 inserted into Schedule 1AA		

The Parliament of New Zealand enacts as follows:

- 1 Title**
This Act is the Local Government (System Improvements) Amendment Act **2025**.
- 2 Commencement**
 - (1) This Act comes into force on the day after Royal assent.
 - (2) However, **section 26(2), (3), and (5)** comes into force on a single date set by Order in Council.
 - (3) If **section 26(2), (3), and (5)** has not come into force by 30 June 2030, it comes into force then.
 - (4) An Order in Council made under this section is secondary legislation (*see* Part 3 of the Legislation Act 2019 for publication requirements).
- 3 Principal Act**
This Act amends the Local Government Act 2002.

**Part 1
Amendments relating to system improvements**

- 4 Section 3 amended (Purpose)**
Replace section 3(d) with:

- (d) provides for local authorities to play a broad role in meeting the current and future needs of their communities for good-quality, cost-effective, and local—
 - (i) infrastructure; and
 - (ii) public services; and
 - (iii) performance of regulatory functions.

Proposed amendments to
Local Government (System Improvements) Amendment
Bill

Part 1 of 5

5 Section 5 amended (Interpretation)

- (1) In section 5(1), replace the definition of **community outcomes** with:
- community outcomes** means the outcomes that a local authority aims to achieve in meeting the current and future needs of communities for good-quality, cost-effective, and local—
- (a) infrastructure; and
 - (b) public services; and
 - (c) performance of regulatory functions
- (1A) In section 5(1), insert in its appropriate alphabetical order:
- cost-effective**, in relation to the delivery of infrastructure and public services, and the performance of regulatory functions, means ensuring that the public receives value for money by—
- (a) using resources effectively, economically, and without waste; and
 - (b) taking into account the total costs and benefits of any decision or action
- (2) In section 5(1), repeal the definition of **public notice**.
- (3) In section 5(1), definition of **significance**, replace paragraph (a) with:
- (a) the district or region:

6 Section 10 replaced (Purpose of local government)

Replace section 10 with:

10 Purpose of local government

The purpose of local government is—

- (a) to enable democratic local decision-making and action by, and on behalf of, communities; and
- (b) to meet the current and future needs of communities for good-quality, cost-effective, and local—
 - (i) infrastructure; and
 - (ii) public services; and
 - (iii) performance of regulatory functions; and
- (c) to support local economic growth and development by fulfilling the purpose set out in **paragraph (b)**.

7 New section 11A inserted (Core services to be considered in performing role)

After section 11, insert:

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Local Government (System Improvements) Amendment
Bill

Part 1 cl 9

11A Core services to be considered in performing role

- (1) In performing its role, a local authority must have particular regard to the contribution that the following core services make to its communities:
- (a) network infrastructure:
 - (b) public transport services:
 - (c) waste management and minimisation:
 - (d) civil defence emergency management:
 - (e) libraries, museums, reserves, and other community and recreational facilities.
- (3) In **subsection (1)**,—
- civil defence emergency management** has the meaning given to it in section 4 of the Civil Defence Emergency Management Act 2002
- public transport service** has the meaning given to it in section 5(1) of the Land Transport Management Act 2003
- reserve** has the meaning given to it in section 2(1) of the Reserves Act 1977
- waste management and minimisation** has the meaning given to it in section 5(1) of the Waste Minimisation Act 2008.

8 Section 14 amended (Principles relating to local authorities)

- (1) Replace section 14(1)(c)(iii) with:
- (iii) the likely impact of any decision on the interests referred to in subparagraphs (i) and (ii):
- (2) Replace section 14(1)(h)(i) with:
- (i) the social, economic, and cultural interests of people and communities; and
- (3) Replace section 14(2) with:
- (2) If any of these principles are in conflict in any particular case, the local authority must resolve the conflict in accordance with the principle in subsection (1)(a)(i).

9 Section 17A amended (Delivery of services)

- (1) Replace the heading to section 17A with “**Delivery of services by different entity**”.
- (2) Repeal section 17A(1) to (4).
- (3) In section 17A(5), replace “infrastructure, services, or regulatory functions” with “infrastructure and public services, or the performance of regulatory functions”.

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Local Government (System Improvements) Amendment
Bill

Part 1 cl 10

10 Section 39 amended (Governance principles)

After section 39(1)(e), insert:

- (f) a local authority should foster the free exchange of information between, and expressions of opinion by, elected members; and
- (g) a local authority should foster the responsibility of its elected members to work collaboratively to set and deliver the local authority's policy agenda, determine its policies and budgets, and make decisions on behalf of its communities.

11 Section 40 amended (Local governance statements)

- (1) In section 40(1)(e), after "requirements and", insert "standard".
- (2) After section 40(1)(f), insert:
 - (fa) how the local authority is acting in accordance with the governance principles set out in **section 39(1)(f) and (g)**; and
- (3) In section 40(1)(g), after "Local Government Official Information and Meetings Act 1987 and", insert "standard".

12 Section 42 amended (Chief executive)

After section 42(2)(h), insert:

- (i) ensuring that members of the local authority have access to documents that—
 - (i) the local authority holds; and
 - (ii) are reasonably necessary to enable each member to effectively perform their duties as a member of the local authority.

13 Section 48O amended (Local board agreements)

In section 48O(5)(a)(i), delete "for each activity described in clause 2(2) of Schedule 10".

14 Section 48Q amended (Application of Schedule 7 to local boards and their members)

In section 48Q(2), delete "15 and".

15 Section 54 amended (Application of other provisions to community boards)

In section 54(2), delete "15 and".

16 Section 57 amended (Appointment of directors)

Repeal section 57(3).

17 Section 99 amended (Audit of information in annual report and summary)

In section 99(1)(d), after "Schedule 10", insert "(excluding **clause 32B**)".

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Local Government (System Improvements) Amendment
Bill

Part 1 cl 20

18 Section 101 amended (Financial management)

(1) Before section 101(1), insert:

(1AAA) A local authority must, when determining its approach to financial management, have particular regard to—

- (a) the purpose of local government stated in **section 10**; and
- (b) the core services of a local authority stated in **section 11A**.

(2) Replace section 101(3)(b) with:

- (b) the overall impact of any allocation of liability for revenue needs on current and future communities.

19 Section 118 amended (Certificate of compliance)

In section 118, insert as subsection (2):

(2) If a local authority holds out a person as having the authority to exercise the power of a chief executive under **subsection (1)**, then any certificate signed by that person under **subsection (1)** is conclusive proof for all purposes that the person has that authority.

19A New section 122A inserted (Financial Markets Conduct Act 2013 applies to local-authority-owned water organisation as if it were local authority)

After section 122, insert:

122A Financial Markets Conduct Act 2013 applies to local-authority-owned water organisation as if it were local authority

(1) If a water organisation is wholly owned by 1 or more local authorities, the Financial Markets Conduct Act 2013 applies to that water organisation as if it were a local authority.

(2) For the ownership structure of water organisations, see section 45(2) of the Local Government (Water Services) Act 2025.

20 Section 200 amended (Limitations applying to requirement for development contribution)

(1) Replace section 200(1)(c) with:

- (c) a third party has provided, or undertaken to provide, the same reserve, network infrastructure, or community infrastructure; or
- (d) a third party has provided, or undertaken to provide, funding for the same reserve, network infrastructure, or community infrastructure.

(2) After section 200(4), insert:

(4A) For the purposes of **subsection (1)(d)**, if the third party—

- (a) has stated that the funding, or any specific part of the funding, is to be used to pay for the project cost attributable to growth, the whole or the

**Proposed amendments to
Local Government (System Improvements) Amendment
Bill**

Part 1 cl 21

specific part of the funding must be deducted from the portion of project costs being funded by development contributions; or

(c) has stated that the funding, or any specific part of the funding, is to be used to pay for the project cost attributable to purposes other than growth, the whole or the specific part of the funding must be deducted from the portion of project costs being funded other than by development contributions; or

(d) has not made a statement under **paragraph (a) or (b)**,—

(i) the funding must be divided on a pro rata basis between—

(A) the project cost attributable to growth; and

(B) the project cost attributable to purposes other than growth; and

(ii) any funding that is attributable to growth costs must be deducted from the portion of project costs being funded by development contributions.

(3) In section 200(6), (8), and (10), replace “(1)(c)” with “(1)(d)”.

21 Section 259 amended (Regulations)

(1) Replace section 259(1)(dc) with:

(dc) prescribing parameters or benchmarks for assessing whether a local authority is—

(i) prudently managing its revenues, expenses, assets, liabilities, investments, and general financial dealings; or

(ii) performing specified activities or groups of activities in accordance with best practice:

(2) After section 259(1)(dd), insert:

(de) prescribing the groups of activities that a local authority must include in its long-term plan, annual plan, and annual report:

(3) After section 259(1)(f), insert:

(fa) prescribing processes, time frames, and other matters relating to a request for access to documents under **clause 26A(2)** of Schedule 7:

(4) After section 259(4), insert:

(4A) Regulations made under **subsection (1)(de)** may—

(a) differentiate between particular local authorities or types or classes of local authority (for example, regional councils and territorial authorities); and

(b) prescribe—

(i) which activities must be included in a group of activities:

(ii) which activities may be included in a group of activities:

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- (iii) which activities must not be included in a group of activities.
- (4AB) Regulations made under **subsection (1)(de)** must not include in a group of activities any activities relating to water services under the Local Government (Water Services) Act 2025.
- (4B) The Minister must, before recommending the making of regulations under **subsection (1)(de)**,—
- (aaa) consult all relevant local authorities; and
 - (a) consult any of the following persons that the Minister considers appropriate:
 - (ii) any individual or organisation that the Minister considers representative of the local government sector as a whole;
 - (iii) any other person; and
 - (b) have particular regard to—
 - (i) the purpose of local government stated in **section 10**; and
 - (ii) the core services of a local authority stated in **section 11A**.

22 Section 261B amended (Secretary must make rules specifying performance measures)

- (1) Replace the heading to section 261B with “**Secretary may make rules specifying performance measures**”.
- (2) Replace section 261B(1) to (3) with:
 - (1) The Secretary may make rules specifying performance measures in relation to activities or groups of activities provided by, or on behalf of, a local authority.
 - (2) Before making a rule under **subsection (1)**, the Secretary must—
 - (a) consider whether an existing performance measure, including a performance measure set by another relevant regulator, is suitable for the purpose; and
 - (b) have regard to whether a proposed performance measure—
 - (i) measures the level of service for a major aspect of the activity or group of activities; and
 - (ii) addresses an aspect of the activity or group of activities that is of widespread interest in the communities to which a service in relation to the activity or group of activities is provided; and
 - (iii) contributes to the effective and efficient management of the activity or group of activities.
 - (3) Before making a rule, the Secretary must consult—
 - (a) all relevant local authorities; and
 - (b) any other persons or groups that the Secretary considers appropriate.

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- (3A) The Secretary may make minor and technical amendments to a rule without complying with the requirements set out in **subsections (2) and (3)**.

Part 2
Miscellaneous provisions

23 Sections repealed

Repeal the sections specified in **Schedule 1**.

24 Schedule 1AA amended

In Schedule 1AA,—

- (a) insert the Part set out in **Schedule 2** of this Act as the last Part; and
- (b) make all necessary consequential amendments.

25 Schedule 7 amended

(1AAA) Replace the heading to clause 15 with “**Standard code of conduct**”.

(1) In Schedule 7, replace clause 15(1) with:

(1) The Secretary may approve and issue a standard code of conduct for members of local authorities.

(1A) The Secretary may approve and issue an amended or a replacement standard code of conduct, but may not revoke it without replacement.

(1B) Before approving and issuing an amended or a replacement standard code of conduct, the Secretary must consult all local authorities.

(1C) **Subclause (1B)** applies only to any amended or replacement standard code of conduct that is approved and issued on or after 1 January 2027.

(1A) In Schedule 7, clause 15(2):

- (a) replace “The code of conduct” with “The standard code of conduct”; and
- (b) delete “adopted by the local authority”; and
- (c) replace “his or her” with “their”.

(2) In Schedule 7, repeal clause 15(3), (5), and (6).

(3) In Schedule 7, replace clause 15(4) with:

(4) The following persons must comply with the standard code of conduct:

- (a) a member of a local authority;
- (b) a person appointed to a committee or subcommittee of a local authority who is not a member of that local authority.

(3A) In Schedule 7, clause 15(7), after “a breach of the”, insert “standard”.

(3B) In Schedule 7, after clause 15, insert:

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15A Chief executive must provide explanation of amended or replacement standard code of conduct

The chief executive must, as soon as practicable after any amended or replacement standard code of conduct is issued under **clause 15(1A)**, provide an explanation of the amended or replacement standard code of conduct to members in a meeting of the local authority that is open to the public.

- (3C) Replace the heading to clause 16 with “**Members to abide by standard standing orders**”.
- (4) In Schedule 7, clause 16(1), replace “standing orders adopted” with “standard standing orders approved and issued”.
- (4A) In Schedule 7, clause 16(2), after “ruling made under the”, insert “standard”.
- (5) In Schedule 7, replace clause 19(3)(c) with:
- (c) the standard standing orders approved and issued under clause 27.
- (6) In Schedule 7, after clause 21(5)(c)(i), insert:
- (ia) the standard code of conduct approved and issued under clause 15; and
- (7) In Schedule 7, clause 24(4)(b), replace “standing orders of the local authority” with “standard standing orders approved and issued under clause 27”.
- (8) In Schedule 7, clause 25A(1)(a) and (2)(a), replace “standing orders of the local authority” with “standard standing orders approved and issued under clause 27”.
- (8A) In Schedule 7, clause 25A(1)(b) and (2)(b), replace “standing orders” with “standard standing orders”.
- (9) In Schedule 7, after clause 26, insert:

Documents held by local authority

26A Member entitled to documents held by local authority

- (1) A member of a local authority is entitled to have access to documents held by the local authority that are reasonably necessary to enable the member to effectively perform their functions and duties, and to effectively exercise their powers, as a member of the local authority.
- (2) A member of a local authority may request access to the documents specified in **subclause (1)** from the chief executive of the local authority.
- (3) If the chief executive declines the request, the member may request access to the documents from the local authority’s governing body.
- (4) If the member requests access to the documents under **subclause (3)**, the governing body must make a final decision on the request.
- (10) In Schedule 7, replace clause 27(1) and (2) with:

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- (1) The Secretary may approve and issue a set of standard standing orders for the conduct of meetings of local authorities and meetings of their committees.
- (2) The Secretary may approve and issue an amended or a replacement set of standard standing orders, but may not revoke them without replacement.
- (2A) Before approving and issuing an amended or a replacement set of standard standing orders, the Secretary must consult all local authorities.
- (2B) **Subclause (2A)** applies only to any amended or replacement set of standard standing orders that is approved and issued on or after 1 January 2027.
- (11) In Schedule 7, repeal clause 27(3) and (5).
- (11A) In Schedule 7, clause 27(4), after “suspend” insert “standard”.
- (12) In Schedule 7, clause 30A(6)(c)(iv), replace “standing orders of any local authority or” with “standard standing orders approved and issued under clause 27 or the standing orders of any”.
- (13) In Schedule 7, clause 32B(4), replace “the officer” with “an officer acting under subclause (1)”.
- (14) In Schedule 7, clause 34(4), replace “2” with “5”.
- (15) In Schedule 7, replace clause 36B with:

36B Standard code of conduct

Each member of each local board must comply with the standard code of conduct approved and issued under clause 15.

- (16) In Schedule 7, after clause 39, insert:

40 Standard code of conduct

Each member of each community board must comply with the standard code of conduct approved and issued under clause 15.

26 Schedule 10 amended

- (1AAA) Replace the Schedule 10 heading with:

Schedule 10

Long-term plans, annual plans, annual reports, and pre-election reports

- (1) In Schedule 10, replace clause 2(1)(c) with:
 - (c) outline any significant negative effects that any activity within the group of activities may have on the local community:
- (2) In Schedule 10, replace clause 2(2) and (3) with:
- (2) In addition to groups of activities prescribed in regulations made under **section 259(1)(de)**, a local authority may treat any other activities (except activities relating to providing water services under the Local Government (Water

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- Services) Act 2025) as 1 or more groups of activities for the purposes of this schedule.
- (3) In Schedule 10, clause 4(a), replace “described in clause 2(2)” with “prescribed in regulations made under **section 259(1)(de)**”.
- (4) In Schedule 10, clause 4, insert as subclause (2):
- (2) If regulations made under **section 259(1)(de)** have made a change to the groups of activities provided for in this Act in the preceding year that makes it impossible or impractical to specify the information referred to in **subclause (1)(d)**, the local authority does not need to specify the information but must note why it is impossible or impractical to do so.
- (5) In Schedule 10, clause 17A(b), replace “specified in clause 2(2)” with “prescribed in regulations made under **section 259(1)(de)**”.
- (7) In Schedule 10, replace clause 23(d) with:
- (d) describe any identified effects that any activity within the group of activities has had on the community.
- (7A) In Schedule 10, clause 23, insert as subclause (2):
- (2) If regulations made under **section 259(1)(de)** have made a change to the groups of activities provided for in this Act in the year to which the annual report relates that makes it impossible or impractical to provide—
- (a) the report referred to in **subclause (1)(c)**, the local authority does not need to provide the report but must note why it is impossible or impractical to do so:
- (b) the description referred to in **subclause (1)(d)**, the local authority does not need to provide the description but must note why it is impossible or impractical to do so.
- (8) In Schedule 10, after clause 24(1), insert:
- (1A) If regulations made under **section 259(1)(de)** have made a change to the groups of activities provided for in this Act in the year to which the annual report relates that makes it impossible or impractical to provide the statement referred to in **subclause (1)**, the local authority does not need to provide the statement but must note why it is impossible or impractical to do so.
- (9) In Schedule 10, clause 25, insert as subclause (2):
- (2) If regulations made under **section 259(1)(de)** have made a change to the groups of activities provided for in this Act in the year to which the annual report relates that makes it impossible or impractical to include the statement referred to in **subclause (1)**, the local authority does not need to provide the statement but must note why it is impossible or impractical to do so.
- (10A) In Schedule 10, after clause 26(2), insert:
- (3) If regulations made under **section 259(1)(de)** have made a change to the groups of activities provided for in this Act in the year to which the annual

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report relates that makes it impossible or impractical to provide the comparison referred to in **subclause (2)(b)**, the local authority does not need to provide the comparison but must note why it is impossible or impractical to do so.

(11) In Schedule 10, after clause 32A, insert:

32B Expenditure on consultants and contractors

An annual report must include a report on all operating and capital expenditure by the local authority on consultants and contractors—

- (a) in the financial year to which the report relates; and
- (b) in the immediately preceding financial year.

Consequential amendment to Financial Markets Conduct Act 2013

26AA Principal Act

Section 26AB amends the Financial Markets Conduct Act 2013.

26AB Section 6 amended (Interpretation)

In section 6(1), definition of **local authority**, after “Local Government Borrowing Act 2011”, insert “and **section 122A** of the Local Government Act 2002”.

Consequential amendments to Local Government (Auckland Council) Act 2009

26A Principal Act

Sections 26B and 26C amend the Local Government (Auckland Council) Act 2009.

26B Section 21 amended (Local board agreements)

In section 21(5)(a)(i), delete “for each activity described in clause 2(2) of Schedule 10 of that Act”.

26C Section 29 amended (Application of Schedule 7 of Local Government Act 2002 to local boards and their members)

In section 29(2), delete “15 and”.

Consequential amendments to Local Government (Water Services) Act 2025

26D Principal Act

Section 26E amends **Sections 26DA, 26E, and 26F** amend the Local Government (Water Services) Act 2025.

26DA Section 4 amended (Interpretation)

In section 4, insert in its appropriate alphabetical order:

local authority has the meaning set out in section 5(1) of the LGA 2002

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Part 2 cl 26F

26E Section 116 amended (Limits on power to require development contributions)

(1) Replace section 116(1)(c) with:

- (c) a third party has provided, or undertaken to provide, the same water services infrastructure; or
- (d) a third party has provided, or undertaken to provide, funding for the same water services infrastructure.

(2) After section 116(2), insert:

(2A) For the purposes of **subsection (1)(d)**, if the third party—

- (a) has stated that the funding, or any specific part of the funding, is to be used to pay for the project cost attributable to growth, the whole or the specific part of the funding must be deducted from the portion of project costs being funded by development contributions; or
- (b) has stated that the funding, or any specific part of the funding, is to be used to pay for the project cost attributable to purposes other than growth, the whole or the specific part of the funding must be deducted from the portion of project costs being funded other than by development contributions; or
- (c) has not made a statement under **paragraph (a) or (b)**,—
 - (i) the funding must be divided on a pro rata basis between—
 - (A) the project cost attributable to growth; and
 - (B) the project cost attributable to purposes other than growth; and
 - (ii) any funding that is attributable to growth costs must be deducted from the portion of costs being funded by development contributions.

26F New section 252A inserted (Application of Financial Markets Conduct Act 2013 to local-authority-owned water organisation)

After section 252, insert:

252A Application of Financial Markets Conduct Act 2013 to local-authority-owned water organisation

For the application of the Financial Markets Conduct Act 2013 to a water organisation that is wholly owned by 1 or more local authorities, *see* **section 122A** of the LGA 2002.

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Part 2 cl 27

Consequential amendments to Local Government (Water Services Preliminary Arrangements) Act 2024

27 Principal Act

Sections 28 to 30 amend the Local Government (Water Services Preliminary Arrangements) Act 2024.

28 Section 58 amended (Purposes of this Part)

In section 58(b), replace “sections 65 to 68” with “sections 65 to 67”.

29 Section 68 repealed (Exemption from cost-effectiveness review)

Repeal section 68.

30 Section 69 repealed (Repeal of section 68)

Repeal section 69.

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Schedule 1

Schedule 1
Sections repealed

s 23

- Section 32
- Section 273
- Section 274
- Section 275
- Section 276
- Section 277
- Section 278
- Section 280
- Section 283
- Section 284
- Section 285
- Section 286
- Section 287
- Section 290
- Section 291
- Section 294
- Section 295
- Section 296
- Section 297
- Section 312
- Section 314

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Bill

Schedule 2

Schedule 2
New Part ~~10~~ 12 inserted into Schedule 1AA

s 24

Part ~~10~~ 12
Provisions relating to Local Government (System Improvements)
Amendment Act 2025

5964 Interpretation

In this Part,—

amendment Act means the Local Government (System Improvements) Amendment Act 2025

code of conduct means a code of conduct adopted by a local authority under clause 15 of Schedule 7 (as in force before the commencement date)

commencement date means the commencement date of the majority of the amendment Act under **section 2(1)** of that Act

standing orders means a set of standing orders adopted by a local authority under clause 27 of Schedule 7 (as in force before the commencement date).

6065 Local governance statements

- (1) This clause applies to the requirement in section 40(2) for a local authority to comply with section 40(1) within 6 months after each triennial general election of members of the local authority.
- (2) A local authority does not need to comply with section 40(1) (as amended by the amendment Act) within 6 months after the 2025 general election but must instead comply with that section within 6 months after the commencement date.

6166 Code of conduct

- (1) This clause applies to the code of conduct most recently adopted by a local authority under clause 15 of Schedule 7 before the commencement date.
- (2) The code of conduct and clause 15 of Schedule 7 as in force immediately before the commencement date ~~continues~~ continue to have effect on and after the commencement date as if the amendment Act had not been enacted until the Secretary approves and issues a standard code of conduct under **clause 15(1)** of Schedule 7 (as amended by the amendment Act).
- (3) When the Secretary approves and issues a standard code of conduct under **clause 15(1)** of Schedule 7 (as amended by the amendment Act), the code of conduct ceases to have effect.

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Schedule 2

6267 Standing orders

- (1) This clause applies to the set of standing orders most recently adopted by a local authority under clause 27 of Schedule 7 before the commencement date.
- (2) The standing orders and **clause 27** of Schedule 7 as in force immediately before the commencement date continue to have effect on and after the commencement date as if the amendment Act had not been enacted until the Secretary approves and issues a set of standard standing orders under **clause 27(1)** of Schedule 7 (as amended by the amendment Act).
- (3) When the Secretary approves and issues a set of standard standing orders under **clause 27(1)** of Schedule 7 (as amended by the amendment Act), the standing orders cease to have effect.

62A68 Terms of employment of chief executive

- (1) This clause applies to a chief executive who was appointed for a second term under clause 34(4) of Schedule 7 (as in force before the commencement date) less than 15 months before the commencement date.
- (2) The local authority may appoint the chief executive for a third term if the combined duration of the chief executive's second and third terms does not exceed 5 years.
- (3) Despite the provisions of any other enactment or rule of law, the chief executive has no right or expectation of renewed employment at the end of the chief executive's second term.
- (4) Clause 35 of Schedule 7 applies, with any necessary modifications, to any appointment of a chief executive for a third term under **subclause (2)**.
- (5) This clause is repealed on the second anniversary of the commencement date.

6369 Expenditure on consultants and contractors

The first report under **clause 32B** of Schedule 10 prepared after the commencement date—

- (a) must include a report on the relevant expenditure in the financial year ending 30 June 2027; but
- (b) need not include a report on that expenditure in the immediately preceding financial year.

Wellington, New Zealand:

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6.10 IMPACT AND COST OF LEGISLATION - GOVERNMENT REFORMS OF LOCAL GOVERNMENT

Author: Shey Taylor, Strategic Planner/Policy Advisor

Authoriser: Nicole Timney, Community Services and Strategy Group Manager

Attachments: 1. Impact and Cost of Pending Local Government Reforms [↓](#) 

PURPOSE

1. This report is to provide Council with information relating to the impact and costs of active and pending local government reform legislation, including high level risk information and recommendations.

BACKGROUND

2. Local government is operating in a period of significant legislative change. With enacted reforms such as “Local Water Done Well” now being implemented, and further changes proposed through the Government’s wider programme to simplify local government and replace the resource management act, Council should consider the risk generated not only by the scale of these changes, but the cost of implementing them.
3. The attached report outlines recent publications and papers on this subject outlining the risks associated with the reforms.

RECOMMENDATION

1. That the Audit and Risk Committee accepts the Impact and Cost of Legislation report, and
2. That the Audit and Risk Committee provides feedback and direction, as appropriate.

Impact and Cost of Pending Local Government Reform Legislation

Pending reform legislation is likely to increase short to medium-term costs for Council by adding policy uncertainty, planning and implementation workloads, and potential financing costs. The main concern is not only the direct cost of complying with legislative change, but also the indirect cost created by uncertainty about future service delivery models, asset ownership, funding arrangements, and borrowing capacity. This uncertainty can delay investment decisions, complicate long-term planning, and place further pressure on rates, debt, staff workload, and operational budgets.

Office of the Auditor-General: key implications for councils

[Insights into local government: 2024 — The Audit Office](#)

The Office of the Auditor-General's *Insights into local government: 2024* highlights a local government landscape already under significant financial strain. It records higher operating expenditure, rising borrowing, increasing finance costs, and growing infrastructure pressures across local government. The report notes that council debt has doubled since 2017, finance costs have increased substantially, and many councils are not meeting balanced budget benchmarks. Importantly, it also observes that major reform programmes have affected councils' roles and made long-term planning more difficult. For councils, this means any further legislative change is being introduced into an environment where fiscal resilience is already constrained and the capacity to absorb additional reform costs is limited.

S&P Global Ratings commentary on reform uncertainty

[S&P says repealing Three Waters increased councils' credit risk | interest.co.nz](#)

The *interest.co.nz* article citing S&P Global Ratings reinforces this concern. It reports that uncertainty surrounding the repeal and replacement of water reform legislation has increased credit risk for councils, because councils must continue planning for major infrastructure obligations without certainty about the final institutional and funding model. From a council perspective, this has several cost implications including potentially higher borrowing costs if credit ratings weaken, increased staff and advisory costs to rework long-term plans and delivery models, and a greater risk that investment decisions are delayed or made on imperfect information. Even where future reform may eventually improve financing arrangements, the transition period itself carries a significant cost.

NZIER report on the cost impact of central government reforms

[NZ Institute of Economic Research: Cost impact of central government reforms](#)

The July 2024 NZIER report prepared for Local Government New Zealand, *Cost impact of central government reforms*, reinforces the view that reform costs are significant, unevenly distributed, and often difficult to quantify. NZIER characterises a number of central government policy changes as

effectively imposing unfunded mandates on councils, with local authorities carrying the policy development, consultation, implementation, and compliance costs. The report finds that policy uncertainty itself creates additional cost through rework, sunk expenditure, delayed implementation, and pressure on staff capacity. It also concludes that councils’ financial statements do not usually record reform costs in a way that allows them to be clearly identified, meaning the full cost is often masked within business-as-usual expenditure and through the crowding out of other work. NZIER’s estimates show material annual costs in some reform areas, but it emphasises that inconsistent cost recording means these figures are likely to understate the true impact on councils.

Table 1 Estimated cost per annum totalled across the councils we interviewed

Policy reform ¹	Types of councils affected	Estimated cost per annum	Representation of the local government sector (%) ²
NPS-FM	Regional and unitary councils	\$34.3 m to \$35.3 m	71.5%
NPS-UD & MDRS	Territorial authorities (TAs)	\$5.68 m	36.8%
Improving recycling and food scrap collections	TAs	\$1.2m ³	39.3%

Note 1: We could not derive a per annum cost estimated for the LAP due to the lack of reliable cost information.

Note 2: This is measured as the proportion of the New Zealand population covered by the councils whom we interviewed for the policy reform.

Note 3: Note this estimated figure only covers the operating cost when the collection service is in place. There is also considerable funding from the central government via the waste minimisation fund, which is funded through the waste levy and helps to reduce the cost incurred by councils in this work.

Source: NZIER estimates based on information provided by various councils

Concern already identified in the Future for Local Government Review

[Future for Local Government Review - dia.govt.nz](https://dia.govt.nz/future-for-local-government-review)

These concerns were not unforeseen. The *Future for Local Government Review* had already identified that local government was operating under significant financial pressure, with limited resilience, fragmented relationships with central government, and multiple overlapping reforms stretching capacity. The Review argued that the existing system was not fit for the future and that councils needed more sustainable funding, clearer roles, and stronger central-local alignment. The current uncertainty around reform legislation is therefore best understood as part of a longer-running structural problem rather than a temporary issue. In that sense, pending legislation may intensify costs that were already signalled in earlier sector-wide analysis.

Why financial modelling is difficult

Financially modelling the impact of these changes is inherently difficult because the key variables are not yet settled and rarely consistent. Councils do not have certainty about the final legislative frameworks, implementation timeframes, council responsibilities, funding and financing mechanisms, or the extent of any transitional support from central government. This makes it challenging to estimate costs with confidence, particularly where costs may fall unevenly across capital expenditure, operating budgets, debt levels, and staffing requirements. There is also a risk of either understating costs by excluding uncertain factors or overstating them by assuming worst-case scenarios too early. As a result, any financial modelling undertaken at this stage should be treated as indicative only and regularly updated as further policy detail becomes available.

[Excerpt from - "Analysing increases in local government cost" - Infometrics](#)

Local government operating costs

There is not an easily examinable operating cost index for local government operating costs. Although Stats NZ produces a Producers Price Index (PPI) for input costs into the Local Government Administration industry, Infometrics analysis shows that this index is inappropriate to determine local government operating costs. The local government administration PPI has a high weighting of agricultural inputs, but little to no transport or water systems maintenance operating costs included.

In the absence of an official local government cost index, Infometrics has compiled and modelled a local government operating cost index, based on operating spending activity undertaken by local government and recorded in Stats NZ's Input-Output tables.

Our analysis of local government operating costs measures the increase in the cost of delivering the same services from local government over time. Increases to services levels, or changes to local government services, are outside the scope of the modelling.

Conclusion

In summary, pending local government reform legislation is likely to impose both direct and indirect costs on councils. Direct costs include staff time, consultants and legal advisory support, consultation, and transitional implementation work. Indirect costs include planning uncertainty, delayed investment, and the possibility of higher financing costs where credit quality is affected. The available evidence suggests these pressures are material and arise at a time when councils are already under fiscal stress. Council should continue to monitor legislative developments closely and treat reform-related uncertainty as an important financial and strategic risk.

Central Government expects local councils to recover all associated cost of reforms through traditional rating mechanisms, meaning ratepayers are responsible for funding the costs of these reforms through their rates.

Recommended risk mitigation actions

- Council should establish a dedicated reform response budget so that costs associated with pending legislation are visible, monitored, and reported separately from business-as-usual expenditure.
- The budget should use clear cost centres for external consultants, legal review, audit fees, financial support or specialist advice, publications and communication material, consultation and engagement, functions and presentations, travel costs, and general administration or miscellaneous expenses.
- Costs relating to external contractors will need to be identified and clearly reported in Council's Annual Report 2025/26 and all subsequent Annual Reports (Pending LG (Systems Improvement) Act 2025 adoption)
- Management should assign responsibility for monitoring these cost centres to budget owners and provide regular reporting to Council on actual and forecast expenditure, budget variances, and emerging risks.
- Where possible, reform-related projects should be tracked through these separate internal project codes or workstreams so staff time, contractor costs, and implementation expenses can be captured more consistently.
- Council should also continue to work with sector bodies and neighbouring councils to share information, coordinate submissions, and identify opportunities for shared specialist advice where that would reduce duplication and cost.

6.11 WDC COMPLIANCE WITH LEGISLATION - EXAMPLE DRAFT REPORT

Author: Shey Taylor, Strategic Planner/Policy Advisor

Authoriser: Nicole Timney, Community Services and Strategy Group Manager

Attachments: 1. DRAFT Legislation Compliance Tracking Document [↓](#) 

PURPOSE

1. The purpose of the report is to discuss with the Audit and Risk Committee the draft design of an internal compliance and legislation reporting tool.

BACKGROUND

2. At a previous Audit and Risk Committee meeting, the Committee commented on the requirement of an internal compliance and legislation check list.
3. The attached draft design is an example of what other Councils provide to their respective Committees by way of a reporting tool.
4. If agreed, the draft reporting tool can become a regular report to this Committee on a per annum basis as required.

RECOMMENDATION

1. That the Audit and Risk Committee accepts the WDC Compliance with Legislation example draft report, and;
2. That the Audit and Risk Committee gives feedback and direction, as appropriate.



Report on Legislative Compliance for the year ended 30 June 2027

Purpose

This report provides the Audit and Risk Committee with:

- results of the annual legislative compliance attestation for the financial year
- an overview of the legislative compliance control environment

What we found

Next steps

Legislative compliance key information



Key Legislation for 2026/27

List of key Acts and the Lead Manager responsible for completing the annual legislative attestation form:

#	Key Act	Responsible LT Manager	Lead Manager
1.	Residential Tenancies Act 1986		
2.	Summary Proceedings Act 1957		
3.	Biosecurity Act 1993		
4.	Burial and Cremation Act 1964		
5.	Reserves Act 1977		
6.	Companies Act 1993		
7.	Trusts Act 2019		
8.	Public Records Act 2005		
9.	Rating Valuations Act 1998		
10.	Local Government (Rating) Act 2002		
11.	Local Government (Water Services) Act 2025		
12.	Goods and Services Tax Act 1985		
13.	Income Tax Act 2007		
14.	Rates Rebate Act 1973		
15.	Land Transport Management Act 2003		
16.	Land Transport Act 1998		
17.	Utilities Access Act 2010		
18.	Civil Defence Emergency Management Act 2002		
19.	Climate Change Response Act 2002		
20.	Waste Management Act 2008		
21.	Employment Relations Act 2000		
22.	Holidays Act 2003		
23.	Human Rights Act 1993		
24.	Wages Protection Act 1983		
25.	Health and Safety at Work Act 2015		
26.	Vulnerable Children Act 2014		
27.	Building Act 2004		
28.	Dog Control Act 1996		
29.	Food Act 2014		
30.	Hazardous Substances and New Organisms Act 1996		
31.	Health Act 1956		
32.	Litter Act 1979		
33.	Resource Management Act 1991		
34.	Sale and Supply of Alcohol Act 2012		
35.	Construction Contracts Act 2002		
36.	Public Works Act 1981		
37.	Local Authorities (Members' Interests) Act 1968		
38.	Local Electoral Act 2001		
39.	Local Government Acts 1974 & 2002		
40.	Local Government Official Information and Meetings Act 1987 (LGOIMA)		
41.	Privacy Act 2020		

Note: This list of Acts is not exhaustive. All managers are responsible for ensuring that they have systems in place to ensure that the work completed by their teams complies with all relevant legislation.

Local Government Act 2002

Key Section of the LGA	Responsible LT Manager	Lead Manager
Part 2 – Purpose of local government, and role and powers of local authorities		
Part 4 – Governance and management of local authorities and community boards		
Part 5 – Council-controlled organisations and council organisations		
Part 6 – Planning, decision-making, and accountability		
Subpart 2 Reporting Subpart 3 Financial management Subpart 4 Borrowing & Security		
Part 7 – Specific obligations and restrictions on local authorities & other persons		
Subpart 1 Specific obligations to make assessments of water and sanitary services Subpart 2 Obligations and restrictions relating to provision of water services		
Subpart 3 Restrictions on disposal of parks, reserves, and endowment properties		
Subpart 4 Public libraries		
Part 8 – Regulatory, enforcement & coercive powers of local authorities		
Subpart 1 Powers of local authorities to make bylaws Subpart 2 Enforcement powers Subpart 3 Powers in relation to private land Subpart 4 Powers in relation to water services and trade waste Subpart 5 Development contributions Subpart 6 Removal orders		

Criteria for Key Legislation

The list of Key Legislation for inclusion in the attestation process will be reviewed with the Leadership Team. The list is based on judgement and guided by the following:

- scope of the Act can be applied to the Council (has specific TA powers & responsibilities)
- have implications for the Council as a regulator
- are important to achieving our strategic priorities
- have specific responsibilities and/or consequences for elected members
- policies, systems, and training are expected to be in place to manage compliance
- compliance is monitored and reported
- risk of non-compliance may lead to significant consequences
- require active management and plans to address compliance improvements



Non-compliance reported for the period 1 July 2026 to 30 June 2027

Act	Activity Group	Description	Management Actions

6.12 COUNCIL'S POLICY STATUS

Author: Shey Taylor, Strategic Planner/Policy Advisor

Authoriser: Nicole Timney, Community Services and Strategy Group Manager

Attachments: 1. Policy Status Report - A&R 2 June 2026 [↓](#) 

PURPOSE

1. The Policy Status report, updated 28 May 2026, is presented for the information of the Audit and Risk Committee.

BACKGROUND

2. Policies will be reviewed each month with a status report sent to sponsors to either begin discussions for review or review any updated drafts.
3. The internal process is as follows:
 - a. Each sponsor is informed of any upcoming review or to review any draft sent to them.
 - b. An invite will be sent to sponsor of the policy to discuss with Community and Strategy Group requirements of the policy, any updates or changes as required.
 - c. When the sponsor agrees with the updated draft policy it is taken to the Leadership Team for discussion and agreement.
 - d. The agreed policy will come to Council for adoption or come into effect within council operations if an internal policy that does not require Council adoption.

RECOMMENDATION

That the Audit and Risk Committee Policy Status report is accepted

Waimate District Council Policy Index

Legend	
Valid Policy	
Policy Review Date Approaching	
Policy Review Overdue	
Proposed Policy	
Task Review Update	

Task Review Update	Title	Departmental Responsibility (Legislation)	Notes	Review Due Review Expected	Status
DEMOCRACY					
13/5/26	Standing Orders	Chief Executive (LGA cl 27 sch. 7)	Sent to Corporate Services GM to begin review (Recommended renewing existing document)	March 2026	
13/5/26	Elected Members Code of Conduct	Chief Executive (LGA cl 15 sch. 7)	Sent to Corporate Services GM for review (Recommended renewing existing document)	March 2026	
13/5/26	Governance Statement	Chief Executive (LGA s 40)	Sent to Corporate Services GM for review (Recommended renewing existing document)	March 2026	
13/5/26	Triennial Agreement	Chief Executive (LGA s 15)	Council signed agreement on 16 December 2025 and valid through to 2028	February 2028	

Updated 2 June 2026

	Title	Departmental Responsibility (Legislation)	Notes	Review Due Review Expected	Status
PUBLIC POLICIES					
13/5/26	Significance and Engagement Policy	Community and Strategy	Reviewed before each LTP (Must consult if amended)	30 June 2027	
13/5/26	Risk Management Policy	Corporate Services	On agenda for 23 June 2026	March 2025	
13/5/26	NEW - Media Policy	Executive Support	3rd Draft with sponsor for review	April 2026	
13/5/26	Gambling Venue (& TAB Venue) Policy	Regulatory and Compliance	Consultation Concluded On agenda for 23 June 2026	March 2026	
13/5/26	Dog Control Policy	Regulatory and Compliance	Under special review – with GM	July 2028	
	Sustainability Policy	Asset Group	Further discussion at LT		
13/5/26	Delegations Policy	Corporate Services	Still requires major review in line with changes to Water Services	September 2026	
13/5/26	Elected Members Remuneration and Expenses Policy	Corporate Services		April 2027	
13/5/26	Fraud Policy	Corporate Services	Reviewed, with comments by Serious Fraud Office. Now with CSGM for review	October 2022	
13/5/26	Smokefree & Vapefree Policy	Community and Strategy		May 2029	
13/5/26	Dangerous, Affected, and Insanitary Buildings Policy	Regulatory and Compliance	Consultation Concluded On agenda for 23 June 2026	August 2028	

Updated 2 June 2026

	Local Approved Products Policy	Regulatory and Compliance		March 2028	
	Title	Departmental Responsibility (Legislation)	Notes	Review Due Review Expected	Status
13/5/26	Procurement Policy	Corporate Services	Community & Strategy and Assets updating the policy and will send to GM for review. Expected June/July	October 2022	
13/5/26	Unmanned Aircraft Policy	Asset Group	Review by LT. On agenda for 23 June 2026	April 2026	
13/5/26	CCTV Surveillance Policy	Corporate Services	Final draft with CSGM for review	April 2025	
	Friends and Voluntary Organisations Policy	Community & Strategy		September 2027	
	Community Housing Policy	Community & Strategy		March 2028	
	Enforcement Policy	Regulatory & Compliance		November 2028	
	Protected Disclosures Policy	Human Resources		October 2027	

Updated 2 June 2026

	Title	Departmental Responsibility (Legislation)	Notes	Review Due Review Expected	Status
FINANCIAL POLICIES					
Note: ** these policies are reviewed as part of each Long Term Plan process and are effective when the LTP is adopted each of the LTP June.					
13/5/26	**Revenue and Financing Policy	Corporate Services LTP (LGA sch 10)	Under review with external consultant. 2 nd workshop with Council 4 June 2026	30 June 2027	
	**Liability Management Policy	Corporate Services		30 June 2027	
	**Investment Policy	Corporate Services		30 June 2027	
	**Financial Contributions Policy	Corporate Services	(Must Consult)(Must renew every 3 years)	30 June 2027	
	**Rates Remission and Postponement of Policy	Corporate Services	(Must Consult)	30 June 2027	
	**Statement of Accounting Policies	Corporate Services	Reviewed for each annual plan and annual report	30 June 2027	
13/5/26	Property and Land Sale, Purchase and Lease Policy	Asset Group	Under review	July 2026	
	Sensitive Expenditure Policy	Corporate Services		November 2027	

Updated 2 June 2026

	Title	Departmental Responsibility (Legislation)	Notes	Review Due Review Expected	Status
INFRASTRUCTURE POLICIES					
13/5/26	Dust Suppression Policy	Asset Group	Review by LT. On agenda for 23 June 2026	August 2021	
13/5/26	Asset Management Policy	Asset Group		January 2029	
INTERNAL POLICIES					
13/5/26	Harassment Policy	Human Resources	With HR for review	June 2023	
13/5/26	Office Secure Access Policy	Corporate Services	Begin discussions with GM to review (Recommended renewing existing document)	April 2026	
13/5/26	Flexible Working Policy	Human Resources	Final Draft with CE	February 2025	
13/5/26	Workwear Policy	Human Resources	Appendix updated but still requires further review by Manager	May 2026	
13/5/26	Computer Systems Use Policy	Corporate Services	Final draft with CSGM for review	July 2025	
	Corporate Gifts and Hospitality Policy	Chief Executive		August 2028	
13/5/26	Vehicle Use Policy	Corporate Services	Draft with CSGM for review	November 2024	
13/5/26	Personnel Records Policy	Human Resources	With HR for review	September 2024	

Updated 2 June 2026

13/5/26	Drug and Alcohol Policy	Human Resources	With HR for review	April 2024	
	Title	Departmental Responsibility (Legislation)	Notes	Review Due Review Expected	Status
	Computer Security Incident Management Policy	Corporate Services		March 2028	
13/5/26	NEW - Leave Policy	Human Resources	Proposed new policy		
13/5/26	NEW - Personal Accident Insurance Policy	Corporate Services	Final draft with sponsor for review	March 2026	
13/5/26	NEW - Privacy Policy	Human Resources	Proposed new policy		
INTERNAL MANUALS					
13/5/26	Health and Safety Manual	Regulatory & Compliance	New Health and Safety Officer has begun review	October 2025	
13/5/26	Staff Manual	Human Resources	HR Reviewed, discussed with LT	March 2025	
02/06/26	NEW - Business Continuity and Disaster Recovery Plan	Community and Strategy	Audit and Risk requested the initiation of a Business Continuity Plan. This is currently under development and will cover business continuity and disaster recovery. The plan will also include water and roading services plans. The draft will be circulated with LT and will		

Updated 2 June 2026

			come to the Audit and Risk Committee when completed.		
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**6.13 STRATEGIC MANAGEMENT REPORT ON THE WAIMATE DISTRICT COUNCIL
BCA'S QUALITY ASSURANCE SYSTEM**

Author: Stuart Chapman, Building Control Manager

Authoriser: Dylan Murray, Regulatory and Compliance Group Manager

Attachments: 1. **Strategic Management Report on the Waimate District Council
BCA's Quality Assurance System** [↓](#) 

PURPOSE

1. To present the 2026 Strategic Management Review of the Waimate District Council Building Consent Authority (BCA) Quality Assurance System to the Audit and Risk Committee and seek that the findings be noted.

BACKGROUND

2. Regulation 17(5) of the Building (Accreditation of Building Consent Authorities) Regulations 2006 requires each Building Consent Authority to undertake a strategic management review of its quality assurance system at least annually.
3. The previous review was completed in February 2025. The current review was completed in February 2026 and includes forward planning analysis consistent with MBIE guidance.

PROPOSAL

4. That the Audit and Risk Committee receive and note the findings of the 2026 Strategic Management Review, which concludes that the BCA's Quality Assurance System remains appropriate and effective, with no actions required.

ASSESSMENT OF SIGNIFICANCE

5. This matter is assessed as low significance under the Council's Significance and Engagement Policy, as it relates to internal assurance and does not impact levels of service, budgets, or policy direction.

CONSIDERATIONS

6. The review assessed:
 - a. The appropriateness and effectiveness of the Quality Policy
 - b. Management reporting on quality processes, internal audits, and continuous improvement
 - c. Employee and contractor engagement with the quality and continuous improvement systems
 - d. Management of conflicts of interest
 - e. Communication of quality assurance matters
 - f. Processes for reviewing and updating the Quality Assurance System
 - g. All areas were found to be operating effectively, with strong evidence of compliance, engagement, and continuous improvement.

Legislation

7. The review confirms ongoing compliance with all relevant legislative requirements.
 - a. Building Act 2004
 - b. Building (Accreditation of Building Consent Authorities) Regulations 2006

Risk

8. The review provides assurance that key regulatory, operational, and compliance risks associated with building control functions are being effectively managed. No material risks or control deficiencies were identified.

FINANCIAL

9. There are no financial implications arising from this report.

RECOMMENDATION

1. That the Audit and Risk Committee receives the Strategic Management Report on the Waimate District Council BCA's Quality Assurance System; and
2. That the Audit and Risk Committee notes that the 2026 Strategic Management Review concludes the BCA's Quality Assurance System remains appropriate and effective, with no actions required.

Strategic Management Report on the Waimate District Council BCA's Quality Assurance System

Introduction

This report reviews the appropriateness and effectiveness of the Waimate District Council BCA's quality assurance system for 2025. This review is required by Regulation 17(5) of the Building (Accreditation of Building Consent Authorities) Regulations 2006 to be undertaken at least annually.

Attached to the report as Appendix 1 is a forward planning exercise as required by the MBIE guidance on regulation 8.

Date of Previous Review

The previous strategic management review was undertaken in February 2025.

Items Reviewed

1 Policy on quality

1.1 Appropriateness of the Quality Policy.

1.1.1 To be appropriate a Quality Policy must include quality objectives for the BCA, expected standards for performance, performance indicators against which the effectiveness of the policy can be measured, and a commitment to continuous improvement.

1.1.2 The objectives and performance standards of the BCA's Quality Policy are:

- Providing high quality building compliance services within Waimate District.
- Providing the community with outstanding service through core values such as:
 - Integrity and professionalism;
 - Technical excellence;
 - Open and honest communication;
 - Teamwork and cooperation.
- Providing leadership and continuous improvement in its delivery of building compliance services, while complying with all relevant legislation.
- Making the process for applying and gaining a building consent as simple and as easy as possible without compromising building quality and safety.
- Ensuring that all customers and cases are approached equally, professionally and respectfully.
- Encouraging strong working relationships with customers, contractors, suppliers and statutory bodies.

1.1.3 The key performance indicators, including a commitment to continuous improvement are:

- Ensuring that application processing is efficient, and that statutory timeframes are met.
- Ensuring that all application processing and inspection of building work is carried out by technically competent staff.
- Ensuring that building compliance decisions are based on sound reasons and are recorded appropriately.
- Ensuring technical resources and training are available for ongoing professional development and up-skilling.
- Investigating and, where appropriate, implementing proposals for improvements to policies, procedures and systems.
- Recognising conflicts of interest and ensuring they are managed appropriately.
- Monitoring the compliance of employees and contractors with the Quality Assurance System through regular internal auditing.
- Reviewing the Quality Assurance System on an annual basis.

1.1.4 The Quality Policy includes quality objectives for the BCA, expected standards for performance, performance indicators against which the effectiveness of the policy can be measured, and a commitment to continuous improvement, and is therefore appropriate.

1.2 Effectiveness of the Quality Policy

1.2.1 The effectiveness of the Quality Policy is measured by reviewing the BCA's performance against the key performance indicators listed above. This is done at the BCA's operational management meetings. The meeting template lists all key performance indicators, and a cross reference table identifies which agenda item covers each of the indicators.

1.2.2 A review of operational meeting minutes for the last year indicates that key performance indicators have been met. Compliance with statutory timeframes for processing during the year was 94.59% for applications for building consents and 93.51% for applications for code compliance certificates. These results are substantially compliant with requirements. An additional statutory timeframe requirement has been added for inspections, with 80% now required to be carried out within 3 days of the date for which they are requested. Over 99% of inspections were carried out within three days during the last year.

1.3 Comment

1.3.1 The above analysis suggests that the Quality Policy continues to be generally appropriate and effective.

1.4 Actions required

1.4.1 None.

2 Management reporting on quality processes, internal audits and continuous improvement

- 2.1 Appropriateness and effectiveness of management reporting on quality processes, internal audits and continuous improvement
 - 2.1.1 Monthly operational meetings are held involving all BCA staff. The agenda for these meetings includes reporting on internal audits and continuous improvements, as well as other quality processes such as conflicts of interest.
 - 2.1.2 Reporting includes updates on audits undertaken, details of continuous improvement implementation and monitoring of effectiveness, and any complaints or conflicts of interest registered in the month under review.
- 2.2 Comment
 - 2.2.1 This level of management reporting on quality processes, internal audits and continuous improvement appears to be appropriate and effective.
- 2.3 Actions required
 - 2.3.1 None.

3 Employee and contractor engagement with the quality system

- 3.1 Appropriateness and effectiveness of employee and contractor engagement with the quality system
 - 3.1.1 Employee and contractor engagement with the quality system is measured through the internal audit process. Every procedure in the QAS manual is scheduled to be reviewed against the regulations and MBIE guidance and for the level of compliance with the procedures as written. Results of internal audits indicate the extent to which employees and contractors are aware of, and comply with, the quality system procedures.
 - 3.1.2 Internal audits completed during the 2025 year found good levels of employee compliance with procedures, indicating good engagement of employees with the quality system. Where recommendations were made in audits they were largely suggestions for changes to procedure wording rather than instances of non-compliance. In addition, suggestions for improvement to the quality system were made by a number of staff members, again indicating good engagement. The contractors used during the year also worked within the BCA's quality system.
- 3.2 Comments
 - 3.2.1 Given the high level of compliance with the quality system found in audits conducted during 2025, the level of employee engagement with the quality system appears to be both appropriate and effective.
- 3.3 Actions required
 - 3.3.1 None.

4 Employee and contractor engagement with the continuous improvement system

4.1 Appropriateness and effectiveness of employee and contractor engagement with the continuous improvement system

4.1.1 Since the last annual review over 80 continuous improvement proposals have been added to the register. Proposed improvements included suggestions from individual staff members, recommendations from internal audits, and GNCs, recommendations and advisory noted from the 2025 IANZ assessment.

4.1.2 Continuous improvements are a standing item on the monthly operational meeting, which involves all staff. Progress and implementation are monitored and recorded in the meeting minutes.

4.2 Comments

4.2.1 The number of continuous improvement opportunities identified and involvement of staff and contractors in proposing and implementing improvements indicates that staff and contractor engagement with the quality system is both appropriate and effective.

4.3 Actions required

4.3.1 None

5 Management of conflicts of interest

5.1 Appropriateness and effectiveness of the management of conflicts of interest

5.1.1 The BCA has an appropriate policy and procedure for the handling of conflicts of interest. One conflict of interest was recorded in the Conflict of Interest Register during 2025. It involved remediation of fire damage to a Council-owned building.

5.1.2 Details of the conflict have been entered into the register, and appropriate decisions on the conflict, reasons for the decisions and actioned proposed for managing the conflict of interest have been recorded. The conflict was reviewed by the BCA Manager.

5.1.3 Conflicts of interest are a standing agenda item for discussion on the operational management review meeting agenda, and conflicts are recorded there as well as in the register. the conflict mentioned above is recorded in the February 2025 minutes.

5.2 Comments

5.2.1 The management of the conflict of interest recorded during the period appears to have been appropriate and effective.

5.3 Actions required

5.3.1 None.

6 Communication related to quality assurance system matters

- 6.1 Appropriateness and effectiveness of communication related to quality assurance system matters.
 - 6.1.1 Quality assurance matters are communicated as a matter of course when training in new procedures occurs, when reminders about procedures are given out, when recommendations are made in internal audits and incorporated in the continuous improvement system, and where management reviews find any need for change. Other than training, these communications are made through the monthly operational meetings or weekly stand up meetings.
 - 6.1.2 The effectiveness of this communication is largely measured through the internal audit process. As described in section 3 above, the internal audits done in 2025 found a high level of compliance with procedures, suggesting that communication is effective.
- 6.2 Comments
 - 6.2.1 Communication related to quality assurance matters appears to be both appropriate and effective.
- 6.3 Actions required
 - 6.3.1 None.

7 Reviewing and changing the quality assurance system

- 7.1 Appropriateness and effectiveness of the BCA's process to review and make changes to its quality system
 - 7.1.1 The quality system is reviewed annually as part of the internal audit programme, which includes all procedures in the QAS manual. Staff, contractor and customer feedback and comments can also highlight the need for changes. Changes are made through the continuous improvement process which, as discussed in section 4 of this report, is well used.
- 7.2 Comments
 - 7.2.1 The process for reviewing and making changes to the quality assurance system appears to be appropriate and effective.
- 7.3 Actions required
 - 7.3.1 None

8 Summary

8.1 Summary of findings

8.1.1 The findings of this report as detailed in the preceding sections indicate that:

- the policy on quality
- management reporting on quality processes, internal audits and continuous improvement
- employee and contractor engagement with the quality assurance system
- employee and contractor engagement with the continuous improvement system
- the management of conflicts of interest
- any communication related to quality assurance system matters
- the process to review and make changes in its quality assurance system .

are all appropriate and effective.

8.2 Summary of actions required

8.2.1 No actions are required from this report.

8.3 Report recommendation

8.3.1 It is recommended that the findings of this report are noted.

Stu Chapman

BCA Manager

Date: 26 February 2026

Noted

Dylan Murray

Regulatory & Compliance Group Manager

Date:

Appendix 1 – Forward Planning

Consent processing and granting

The number of consents granted and issued by the BCA for the last five years is shown below, broken down by category of building work.

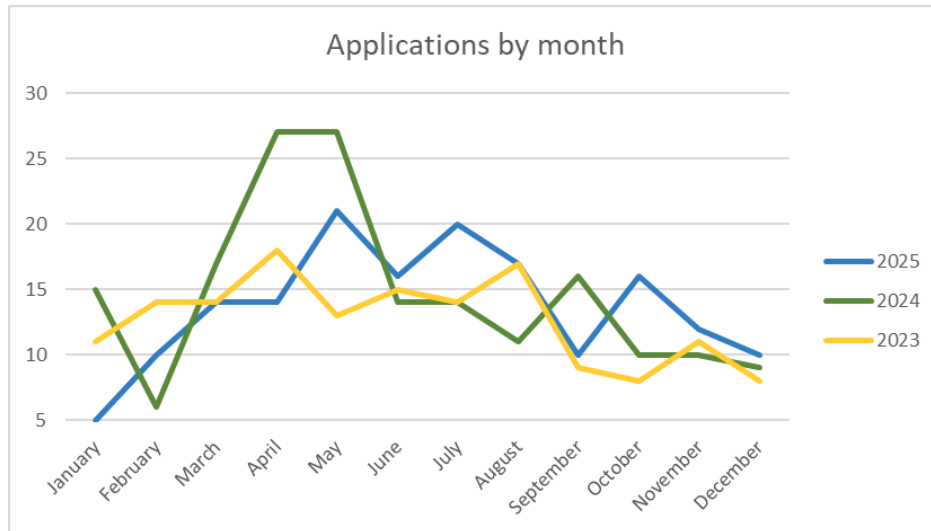
Table 1

Category	2025	2024	2023	2022	2021
R1	131	136	160	183	232
R2	12	20	15	25	6
R3	2	1	1	1	2
Total residential	145	157	176	209	240
C1	36	29	28	38	32
C2	4	2	2	4	5
C3	0	0	0	0	0
Total commercial	40	31	30	42	37
Total	185	188	206	251	277

Residential consent numbers have declined in each of the last five years, and are now 38% lower than in 2021. R1 consents continue to dominate, making up 90% of residential consents, and 71% of total consents.

Commercial consent numbers rebounded in the 2025 year, reaching their highest level since 2022, and are 8% higher than 2021.

Application numbers by month are shown in the chart below. As can be seen, more applications are received in the first half of the year than the second half.



Applications so far in the 2026 calendar year number 18 compared with 12 for the same period last year. The value of applications is \$2.55 million, a marginal increase on last year's \$2.38 million.

The table below shows consent applications received for the 2024 and 2025 years by building type. In addition, around 30 applications for amendments to consents were received in each year.

	Number			Value (\$000)		
	2025	2024	% change	2025	2024	% change
New dwellings	20	22	-9.1%	7,861	12,948	-39.3%
Relocated dwellings	12	6	100.0%	985	524	88.0%
Residential additions and alterations	19	19	0.0%	1,767	1,391	27.0%
Garages / Carports	9	7	28.6%	421	266	58.3%
Farm buildings	23	9	155.6%	1,737	673	158.1%
Commercial / Industrial buildings	2	4	-50.0%	136	9,950	-98.6%
Non - residential adds and alts	6	13	-53.8%	1,358	4,148	-67.3%
Fires	61	72	-15.3%	381	395	-3.5%
Other	13	24	-45.8%	488	2,116	-76.9%
Total	165	176	-6.3%	15,134	32,411	-53.3%

Application value in 2025 was less than half that of 2024, while application numbers were only down by 6.3%. New dwellings were down by 39.3% in value, but 9.1% in number, and the major factor was, as is so often the case, the application for the new dairy plant that was received in 2024.

Looking forward, the recently announced Fonterra capital repayment to farmers, combined with a special dividend payment, is likely to result in an increase in consents. The economic uncertainty of recent years has resulted in a pause in capital works, with on-farm activity largely limited to maintenance. The payments to farmers will likely enable them to replace outdated milking sheds and undertake other development works. The extra money in the local economy is also likely to stimulate activity.

Capability and capacity for processing and granting consents

Capability

The BCA has two BCOs. Both BCOs are competent to process and inspect all residential work and commercial work up to and including C2. No C3 applications have been received in the last five years.

The conclusion on capability for processing is that the BCA can process in-house all applications which it is likely to receive. The BCA also has a contract processor who is competent to process to R3 and C1. The Southern Building Group cluster MOU also gives access to resources at other cluster BCAs competent to process consents to R3 and C3

Capacity

At an average of around 5 hours for an R1 consent, and 13 hours per R2 / R3 consent, 0.58 FTEs are required for processing residential consent applications. Of the 0.58 FTE requirement, only 0.12 FTE is required for R2 / R3 work.

For commercial work, an average of 7 hours processing time per consent is assumed for C1 consents, and 16 hours for C2 consents. This gives required FTEs for commercial processing of 0.16 for C1 and 0.04 for C2. The total requirement for commercial work is therefore 0.20 FTE. Any requirement for C3 processing would be outsourced to contractors. Total processing capacity required is 0.78 FTE. Available capacity consists of 0.8 FTEs competent to process to R3 and C2. As both BCOs process and perform inspections there is flexibility to increase resources for processing if required. There is also flexibility to use contractors for processing to cover for staff leave and unusually high numbers of applications.

On the basis of the comparison of FTEs required for processing with the FTEs available it is concluded that the BCA has sufficient capacity to process all applications it is likely to receive.

Inspections and CCCs

The number of inspections carried out during the last two years by category is shown below.

Category	2025	2024
R1	646	669
R2	157	197
R3	33	7
Total residential	825	873
C1	183	99
C2	45	15
C3	0	0
Total commercial	228	114
Total	1,064	987

In the 2025 year the number of inspections rose by 8%. As with processing, the majority of inspections fall into categories Residential 1 and Commercial 1, and this is likely to continue. The number of CCCs issued fell from 184 in 2024 to 156 in 2025.

Given recent application levels, inspection and CCC numbers are likely to continue around or the levels seen last year.

Capability and capacity for inspections and issuing CCCs

Capability

The BCA has 0.8 FTEs for inspection and certification. In terms of capability, all consents up to and including R3 and C2 can be inspected and certified in house, and C3 consents can also be inspected under supervision.

Capacity

Required capacity for inspections is around 0.35 at R1, 0.26 at R2 / R3, 0.04 at C1 and 0.02 at C2, a total of 0.67 FTE. Any capacity or supervision required at C3 would likely be provided by another Council in the Southern cluster under the MoU. As noted above, the BCA has not received an application at C3 in the last five years.

0.8 FTEs are available to inspect all work up to and including R3 and C2. . As with processing, there is flexibility for the part FTEs to spend more time on inspections, but only at the expense of processing and management resources.

Required capacity for certification is around 0.095, consisting of 0.075 FTEs for residential work and 0.02 FTEs for commercial work up to C2.

The total of FTEs required for inspecting and certifying is 0.77 FTE. While this is close to the nominal capacity of 0.8 FTE, it must be noted again that both BCOs process and inspect, giving flexibility in the allocation of resources. The conclusion on inspections and certifying is therefore that the BCA has sufficient capacity to carry out its inspections and certifying functions.

Compliance schedules

The BCA issues around 5 new or amended compliance schedules each year. This creates little extra work for the BCA.

Work for other BCAs

The BCA has not agreed to undertake any building control work on behalf of other BCAs.

Suggested Training Needs

No specific training needs for the organisation have been identified by this review. Individual training needs are identified through the competency assessment process.

Access to Technical Leadership and Other Specialist Resources

The BCA has not experienced any constraints on access to technical leadership or other specialist resources in the last year, and does not anticipate any in the next year.

Other Resource Requirements*Internal Audits*

Internal audits, both process and technical, are largely undertaken in-house, except for technical audits of the BCA Manager which are done by external contractors.

Competency Assessments and Training

Assessments or reviews have been completed by an external contractor and will next be due in early 2027.

Conclusion on Resourcing

The above analysis shows that the BCA is adequately resourced to undertake all its building control functions and quality functions as required by the Building Act 2004 and the Building (Accreditation of Building Consent Authorities) Regulations 2006.

6.14 MAJOR PROJECTS REPORT

Author: Dan Mitchell, Asset Group Manager

Authoriser: Dan Mitchell, Asset Group Manager

Attachments: 1. Quarterly Three Waters Major Projects Report to 31 March 2026 [↓](#) 
2. Quarterly Roothing Major Projects to 2 June 2026 [↓](#) 

PURPOSE

1. For the Audit & Risk Committee to receive the Major Project quarterly reports for:
 - a. Three Waters
 - b. Roothing

DISCUSSION

2. Quarterly reports enable the Committee to understand risks associated with capital delivery, risks associated with compliance and mitigations that have been made.
3. There is an emerging challenge for Council related to future projects / procurement. The situation in Iran continues to drive significant cost increases in material supply and construction.
4. Contractors and Suppliers have advised of cost escalations and increased fuel adjustment factors.
5. NZTA have implemented additional escalation methodology that allows for the delay in publication of costs indices.
6. Given the financial pressures, it is likely that some capital projects may need to be delayed.

RECOMMENDATION

That the Major Projects report be accepted.

Quarterly Major Projects Report
1 July 2025 to 30 June 2026
Quarter #3 (Q3) March 2026

Time/Budget on track within expected Project Completion
Some Risk to budget/timeframe - but within planned year / contingencies
High Risk to budget/timeframe - exceeding planned year / contingencies
Not started / external to Council

GL Code	Project	Project Description	Budget (\$000's)	Expenditure to date (\$000's)	Expenditure %	Works %	Project Completion	RISKS		Last Financial Year comments	New comments 2025/26 Financial Year
								Estimated (\$000's)	Delayed Completion		
CANNINGTON											
511076002	Cannington - Drinking Water Compliance Upgrade	Drinking Water Standards upgrades to meet compliance. (Install Monitoring and Control in the interim, while waiting for Government direction on legislation and standards).	1200	85	7.00%	35.00%		1174	30/01/2027	<p>Rebudgeted for construction in 2025/26.</p> <p>Q4-Taumata Arowai review outcome expected for point of entry units by the end of August</p> <p>Procurement process options have been initiated</p> <p>Rebudgeted for construction in the 2025/26 year.</p> <p>The 2022 Acceptable Solution is currently being reviewed by Taumata Arowai and is expected to be consulted on mid-2025. The indicative changes provide a cost-effective compliance pathway for Mixed-Use Rural Water Supplies. Will require a budget review.</p>	<p>Q1- Engaged Morrison Low to support issues & options for Point of Entry units. Develop procurement process & documents. Field inspection completed for each property.</p> <p>Q2- Tender documents developed and published to market, due to close at the end of January.</p> <p>Q3-Tender closed. Tender has been evaluated for stage 1 (2 stages). Shortlisted suppliers. Site visits completed by 1 supplier & WDC staff.</p>
HOOK / WAITUNA											
513076005	Hook / Waituna - Drinking Water Intake/Plant Compliance Upgrade	Drinking Water Standards upgrades to meet compliance. New water treatment plant for Tavistock 2.	1320	427	32.00%	40.00%	30/06/2022	350	30/06/2027	<p>Contract 21-25 Hook and Lower Waitaha Water Treatment Plant Upgrades, has been awarded to Filtec. Stage 1 Design is still in process of the early contractor/design build contract.</p> <p>Investigations into a 12km pipelines to augment Hook from Otiao have resulted in a Feasibility & Preliminary Design cost that trigger Procurement protocols. Procurement Planning underway.</p> <p>Rebudgeted for construction in TP 25/26</p> <p>Q4-Pipeline survey complete & design underway for both pipe & new Water treatment plant.</p> <p>Rebudgeted for construction in the 2025/26 year</p>	<p>Q1- Design scope for additional treatment plant has been completed.</p> <p>Q2- Design has been completed & Contract has been offered, awaiting award.</p> <p>Q3- Contract negotiations underway.</p>
513076022	Hook / Waituna - Tavistock/Hook Pipe Supply Link	Design & install of pipe main from tavistock 2, to supply Hook/Waituna scheme.	2390	75	3.10%	25.00%	30/06/2027				<p>Q1-NPV review of alignment & costs completed by Waugh. Steel pipe work on bridges completed.</p> <p>Q2- Awaiting remodel, consideration of alignment options underway.</p> <p>Q3- Remodel outcome resulted in change of pipe alignment and reservoir.</p>
513076021	Hook/Waituna - Source WTP Generator	Generator at water treatment plant	57	18	32.00%	30.00%	30/06/2027		30/06/2027	<p>Q4- Budget roll over to 25/26. Generator will be procured once new Water treatment plant has been completed.</p>	<p>Q1-Generator will be procured as part of Water treatment plant construction.</p> <p>Q2- No additional progress</p> <p>Q3-Awaiting design scope to confirm generator size.</p>
LOWER WAIHAO											
514076013	Lower Waihaio - Drinking Water Compliance Denitrification plant	Investigate solution to the nitrate issue.	494	730	147.00%	40.00%	30/06/2024		30/06/2027	<p>Q4- Resource consent application for new take lodged. 4km of new pipeline from new intake to current water treatment plant- design complete & ready for tender.</p> <p>Q3- Staff are progressing the development of an alternate source, connecting pipework and associated consenting. Concurrently a review of the existing treatment process is occurring given the change in source water.</p>	<p>Q1- Resource consent granted (October). Procurement documents produced for pipeline & treatment plant upgrade.</p> <p>Q2- Tender documents released for pipeline, closing January 2026. New intake awarded. Water treatment plant upgrade offer to design build received.</p> <p>Q3-Pipeline installation completed from the new intake to the existing bore. Primary works completed for headworks install at the intake. Contract negotiations underway for the upgrade of the existing Water treatment plant with a preferred supplier (EC).</p>
514076012	Lower Waihaio - Glenavy line renewal	Glenavy Rural water main renewals	143	7	4.00%	100.00%	30/06/2026			<p>Q4- Discussions being had around how to procure & timeline to be completed 2025/2026.</p>	<p>Q2- Stage 1 modelling complete. Assessing options available for on demand vs. restricted supply for Glenavy township.</p> <p>Q2- No progress to report this quarter</p> <p>Q3- Combined with 514076004, Project complete.</p>
514076004	Lower Waihaio- Glenavy Township mains renewal	Lower Waihaio- Glenavy Township mains renewal	70	154	217.00%	100.00%	30/06/2026			<p>Q3- Area identified, Plan & Design now completed. Letter to residents has been completed and due to be mailed out. Pipework is to be ordered shortly & procurement to commence for installation.</p>	<p>Q1-Pipe main installation complete. Laterals to be completed.</p> <p>Q2- Materials ordered for Laterals, Laterals to be installed beginning of 2026.</p> <p>Q3-Combined with 514076012, Project complete.</p>
WAIHAORUNGA											
516076003	Waihaorunga - Drink Water Intake/Plant Compliance Upgrade	Drinking Water Standards upgrades to meet compliance. (Install Monitoring and Control in the interim at Tavendales, while waiting for Government direction on legislation and standards).	1200	105	8.00%	35.00%		1200	1/06/2027	<p>Rebudgeted for construction in 2025/26.</p> <p>Q4-Taumata Arowai review outcome expected for point of entry units by the end of August</p> <p>Procurement process options have been initiated</p> <p>Rebudgeted for construction in the 2025/26 year</p> <p>The 2022 Acceptable Solution is currently being reviewed by Taumata Arowai and is expected to be consulted on mid-2025. The indicative changes provide a cost-effective compliance pathway for Mixed-Use Rural Water Supplies.</p>	<p>Q1- Engaged Morrison Low to support issues & options for Point of entry units. Develop procurement process & documents. Field inspection completed for each property.</p> <p>Q2- Tender documents developed and published to market, due to close end of January.</p> <p>Q3-Tender closed. Tender has been evaluated for stage 1 (2 stages). Shortlisted suppliers. Site visits completed by 1 supplier & WDC staff.</p>
WAIKAKAHI											
517076003	Waikakahi - Drinking Water Intake/Plant Compliance Upgrade	Drinking Water Standards upgrades to meet compliance	2900	146	5.00%	20.00%		2900	1/06/2027	<p>This Budget line is a carry forward from previous Financial Year. The Drinking Water Acceptable Solution for Mixed Use Rural Supplies (end point treatment) have been published, effective 14 November 2022. This means a direction has been given for alternative ways to meet compliance. Staff will start reviewing the new Acceptable Solutions and looking into options to meet compliance.</p> <p>Q4- TA review outcome expected for point of entry units by the end of August</p> <p>Procurement process options have been initiated.</p> <p>New water source is being investigated as part of the process due to poor existing water quality for point of entry supply.</p>	<p>Q1- Engaged Morrison Low to support issues & options for Point of entry units. Develop procurement process & documents.</p> <p>Investigation of new alternative source underway.</p> <p>Q2- Tender documents developed and published to market, due to close at the end of January. This scheme has been stated as provisional due to assessing options for the Lower Waitaha Scheme</p> <p>Q3-Tender closed. Tender has been evaluated for stage 1 (2 stages). Project has been placed on hold awaiting modelling output for Waikakahi & Lower Waitaha connection option.</p>
URBAN											

531076001	Urban Water - Rising Main Renewals	Investigation of options for a dedicated rising main on High Street.	700	260	37.00%	10.00%	30/06/2026		Q4- Herbert Street watermain renewal awarded practical completion end of June 25. Queen Street watermain completed using in house team. Remaining budget allocated to purchase RF(radio frequency) water meters to complete the remaining non RF meter installation.	Q1- Investigation of dedicated rising main on High Street-Queen Street to Cemetery. Water meters being installed. Q2- No progress this quarter. Q3-Discussions being had around alignment for dedicated rising main on High Street.
531076024	Urban Water - Booster Bakers/Court/Hunts/Fitzmaurice Roads	Booster pump station for Bakers/Court/Hunts/Fitzmaurice Roads	305	30	9.00%	15.00%	30/06/2022	30/06/2027	Q4- Budget carry over to 25/26 Booster will be staged after the below extension work. Q3- Te-kit project is still the priority for this financial year with this being the next project as they link together. Once Te-kit has been installed, bakers/courts/hunts/fitzmaurice will progress. Designs are being reviewed currently to ensure that both extensions to the urban network will work well & efficiently together. Planning & staging of works underway, to complete various outcomes in stages.	Q1- Booster to be staged after the pipe extensions have been completed Q2- Pump shed installed. Q3-No progress this quarter.
531076025	Urban Water - Extension Bakers/Court/Hunts/Fitzmaurice Roads		540	110	20.00%	25.00%	30/06/2027		Q4- Design and staging of extension underway, expect to procure first phase by end of 2025. Q3- Once Te-kit has been installed, bakers/courts/hunts/fitzmaurice will progress. Designs are being reviewed currently to ensure that both extensions to the urban network will work well & efficiently together. Planning & staging of works underway, to complete various outcomes in stages.	Q1- Base plans & staging completed, Procurement documents underway. Q2- Stage 1 Fitzmaurice Road has been completed. Design work for Hunts Road is progressing. Q3-Design complete. Pipe procurement underway.
531076028	Urban Water - Te Kiteoa Main, Booster and Reservoir	Point Bush Road Development	2029	796	39.00%	70.00%	30/06/2023	30/06/2027	Q4- Staging & design of works complete for extension & install of pipework. Procurement Q1 25/26 Q3-Design plan is in the final stages, also prompting review to ensure Te-kit will work with the bakers/courts/hunts/fitzmaurice extension, which is also underway. Sizing of pipework is underway, which will lead to procurement plan & documents being progressed before heading to market for installation. New pump shed & booster/reservoir will be staged after the mainline install. 2 sections of the Te-kit Watermain extension are planned to be installed via trenchless technologies due to tricky areas of install; a tight corner on Point bush road & under the Garlands Road Ford. This will commence when the drills are available Q4. Planning & staging of works underway, to complete various outcomes in stages. Te kit is the 1st priority over Bakers. Looking to price & procure in Q3.	Q1- Procurement of pipe & installation underway. Q2- Tender for part 1(Point Bush Road) and 2(Garlands Road) Awarded. Part 2 completed December 2025. Part 2 Scheduled to commence January 2026 Q3- Pipe mains complete on Garlands Road and partially complete on Point Bush Road. Pump Shed placed on site on Garlands Road.
531076021	Urban Water - Waimate Reservoir Cover Replacement	Replacement Cover, Urban Water Reservoir	100	0	0.00%	15.00%	30/06/2025	30/06/2026	Q4- Obtaining an up to date quote. Will be carry forward to 25/26 Q3- CE approval achieved, waiting to receive re-quote from supplier to push forward. Have obtained Quotes, awaiting CE approval due to exceeding budget by approximately 10%	Q1- CE approval obtained. Q2- Contract awarded, Physical works scheduled to begin March 2026 Q3- Contractor delay in physical works.
WASTEWATER										
552074501	Sewer - Waimate Urban Renewals	Waimate Urban network Renewals (pipe, manholes) Augustine Street Renewal	726	971	121.00%	100.00%	30/06/2026		Q4-Augustine Street, due to budget constraints this project will move to the next financial year. Procurement documents are being finalised and it will head to market for installation in Q4.Scheduling install to start Q1 2025/2026 financial year.	Q1-CCTV inspection completed to schedule future renewals. Augustine Street Renewal (pipe bursting) underway. Q2- Augustine Street nearing completion Q3-Augustine Street Completed.
STORMWATER										
553075016	Stormwater - LGC Overland Flow renewal		100	5	5.00%	10.00%	30/06/2026			Q3- Consultant engaged to review catchment Q3-Consultant completed report for review and align with stormwater CCTV project.
553075015	Stormwater - Park Road catchment investigation		150	215	143.00%	95.00%	30/06/2026		Q4- Completed permeability(soakage) tests, design concepts underway with issues & options.	Q1-Modelling completed for proposed Park Road pipe & Belt Street soakage Q2- Project on hold, reviewing alternative options. Q3-Consideration of land purchase affected by overland flow path.

Major Projects Report

02-Jun-25

Roading and Footpaths

Completed
On track with time/budget for completion within the plan year
High risk (budget and/or timeframe)
Some risk (budget and/or timeframe) - highlight issues in

Project	Project Description	Budget	Status		Comments / Issues / Risks / Reasons
			Time	Budget	
Kerb & Channel and Footpath Renewal	<i>K&C and Footpath</i> George Street 210m Deep Chann Innes 90m Studholme Street 230m Deep Cha <i>K&C only</i> Opie Street 350m <i>Footpath only</i> Wilkin St 2 Sections 105m & 52m Micheal 125m Cameron 30m Wall Street 30m Hays Street 30m Footpath Kerb and Channel Renewal	\$141,500 \$248,707			Wall Street & Hays Street under Construction to be complete by 20 June.
Sealed Road Resurfacing	Resealing is programmed on an as needed basis to arrest and prevent the deterioration of the road surface. Contract awarded to Fulton Hogan Ltd. November 2024	\$1,280,000			23 km , 220,600 m ² 6.1% of Network Seal Area Since March 2026, resealing costs have increased by approximately 16% as a result of rising oil prices. Applied to the 2024–26 resealing programme, this equates to an additional expenditure of approximately \$200,000.
Pavement Rehabilitation	Additional Pavement layer and new sealed surface constructed on failed section of Road Approx. 3.5 km Length increased to 4.4km because of additional funding from NZTA Pothole Prevention Programme	\$1,214,258			Programme includes ,Gordons Valley Road & Pareora River Road sections. All complete
Structure Component Renewals	Bridge Component replacement Beams, Deck Etc	\$206,907			Farm Road Bridge (25m) Superstructure and piles replaced with materials ex Waitaki Bridges. Cleaves Bridge Milne Road (6m) Superstructure replaced. Council has secured recovered bridge components from NZTA following the replacement of the Waihao Forks Bridge. The 2025–26 bridge component replacement programme has been deferred to allow these materials to be assessed and incorporated into future bridge upgrade designs, providing an opportunity to achieve cost savings and improve value for money.

6.15 WATER SERVICES DELIVERY PLAN IMPLEMENTATION - UPDATE

Author: Dan Mitchell, Asset Group Manager

Authoriser: Tina Stevenson, Corporate Services Group Manager

Attachments: Nil

PURPOSE

1. To report progress on the Water Services Delivery Plan implementation.

BACKGROUND

2. At the March Audit & Risk Committee meeting, the Committee amended the 2026 Annual Work Plan to request:

Reporting on establishment of Water Internal Business Unit and the impact on resources and finances, at each meeting of the Committee.

3. The following table of Water Services Delivery Plan action items is consistent with the reporting required on a quarterly basis to the Department of Internal Affairs. A monthly update is provided where appropriate.
4. This report has been amended since being presented to the Water Services Committee on 3 June 2026.

Activity / milestone / deliverable	Expected completion date	On track Yes/No	Issues, risks and mitigations (if any)
Financial separation: Ring-fencing of Water Services financials, along with separate balance sheets for each	30 June 2026	Yes	<p>8 April 2026: Finance to ensure the correct level of detail is required before implementing – Separation of Three Waters financial statements to be incorporated into the Waimate District Council Annual Plan 2027 as an appendix.</p> <p>13 May 2026: Separate financial statements have been drafted for internal peer review prior to being incorporated into the Annual Plan 2027.</p> <p>03 June 2026: Peer review yet to be completed.</p>

Activity / milestone / deliverable	Expected completion date	On track Yes/No	Issues, risks and mitigations (if any)
Appropriate allocation of internal support costs and overheads between Council and the internal Business Unit	30 June 2026 30 June 2027	Yes	<p>8 April 2026: Review of the internal allocations is currently being progressed with the Leadership Team. Integration of this review will be included in the Annual Plan 2027 and LTP 2027-37. The overhead model has been reviewed in conjunction with Martin Jenkins, with the leadership team now refining the application and methodology. The methodology will form part of the Information Disclosures.</p> <p>13 May 2026: Work is still progressing, with some minor amendments incorporated into the Annual Plan 2027. This project will require completion before fully implementing into the Long Term Plan 2027-37 financials.</p> <p>03 June 2026: Awaiting information and statistics from various departments before draft outputs can be reviewed by the LT.</p>
Efficiency workstream (FieldForce 4)	31 August 2026	Yes	<p>8 April 2026: Project is being progressed and is scheduled for implementation in August 2026</p> <p>3 June 2026: Univerus Assets has been moved to a cloud deployment ready for integration with FieldForce 4. The Development team are currently building the test environment with custom forms. Additional work is being completed on a Pay Awards Rules Design document – this will enable integration with our payroll system (Datacom).</p> <p>Hardware requirements are also being assessed in conjunction with IT.</p>
Integrated service delivery – Service level agreements between Council and IBU	30 June 2027	Yes	<p>8 April 2026: Work is scheduled to start in April / May 2026 via an initial workshop.</p> <p>13 May 2026: Work is yet to begin on this workstream.</p> <p>03 June 2026: A draft agreement has been written as is currently in review.</p>

Activity / milestone / deliverable	Expected completion date	On track Yes/No	Issues, risks and mitigations (if any)
Revenue workstream – modelling can commence for rural and urban water supplies	01 July 2027	Yes	8 April 2026: Work is due to commence in Q2 2026, with implementation from the 1 July 2027 to 30 June 2028 rating year to align with the Long Term Plan 2027-37 process. There is an intention to consult on the proposed changes prior to consulting on the Water services Strategy.
Development of the Water Services Strategy	30 June 2027	Yes	<p>8 April 2026: Waugh Infrastructure has been engaged to assist the IBU with developing the Water Services Strategy and supporting documents. Work is currently underway on the draft WSS with a Council review currently scheduled for November / December 2026.</p> <p>13 May 2026: Waugh Infrastructure continue to support staff in developing the Water Services Strategy.</p> <p>03 June 2026: Core documents are in draft form with a particular focus on the next generation AMP's. There is an opportunity to restructure and streamline the plans to make them more usable. Once the 2026/27 Annual Plan is adopted, staff will refocus on the capital requirements that inform the Water Services Strategy.</p>
Assessment of communities' access to drinking water Section 69 prior to 1 July 2026	30 June 2026	Yes	<p>8 April 2026: Work is underway and we expect to meet the required timeframe. Matt Malloy Consulting have been commissioned to assist the team in achieving this.</p> <p>09 June 2026 – The Water Services Committee has reviewed the draft assessment, and this will be presented to Council for approval.</p>
Staff resourcing: Appoint Procurement Administrator (new role)	30 June 2026	Yes	<p>The Procurement Administrator (now Asset Group Administrator) to be filled internally once other Council vacancies filled.</p> <p>09 June 2026 – The Asset Group Administrator role commenced 2 June 2026.</p>
Waiver of charges – consideration of any remissions	30 June 2027	Yes	8 April 2026: Work streams have begun and will be completed in line with the Long Term Plan 2027-37 process.

Activity / milestone / deliverable	Expected completion date	On track Yes/No	Issues, risks and mitigations (if any)
Development contributions Policy review	30 June 2027	Yes	8 April 2026: Work stream due to commence in line with the Long Term Plan 2027-37 process. 03 June 2026: In principle agreement to move towards Development Contributions rather than Financial Contributions under the RMA
Water Service Bylaws review	30 June 2027	Yes	8 April 2026: Work stream due to commence in line with the Long Term Plan 2027-37 process. Wastewater and trade waste bylaw review proposed to be completed in collaboration with Timaru, Waitaki, Ashburton and Mackenzie District Councils 03 June 2026: Parties have agreed to progress the development of a common Bylaw framework with district or sub-regional adjustments if necessary.
Revenue forecasts incorporate staged increases in water rates to maintain affordability and support required investment	Ongoing	Yes	8 April 2026: This remains a focus for the Annual Plan 2027 and the Long Term Plan 2027-37.
Projected borrowings remain within LGFA covenants	Ongoing	Yes	8 April 2026: This remains a focus for the Annual Plan 2027 and the Long Term Plan 2027-37.
<p>Compliance upgrades - Investment in the capital programme during 2026 and 2027 to ensure that rural drinking water supplies are compliant with Drinking Water Quality Assurance Rules.</p> <p>Please refer to the Major Projects report for further updates.</p>			

Items complete:	
Governance will be provided through a Water Services Committee – to be formed in Q1 2026	The Water Services Committee has appointed an independent chair. The first meeting with the Water Services Committee was held on 8 April 2026. 03 June 2026: A representative from the rural sector has been selected and requires approval by Waimate District Council
Staff resourcing: Appoint Finance Lead (new role)	The Finance Lead has been appointed and started on 3 March 2026.
Staff resourcing: Appoint Asset Manager (new role)	The Asset Manager role (now Asset Management Data Specialist) filled internally, commences April 2026
Staff resourcing: Appoint Health and Safety Advisor (new role – 0.5 FTE)	The Health and Safety Advisor has been appointed and started on 25 February 2026.

Debt financing for IBU clearly identifiable	8 April 2026: Separation of financial statements to be incorporated into the Annual Plan 2027. 13 May 2026: Separate financial statements have been drafted for internal peer review prior to being incorporated into the Annual Plan 2027. 03 June 2026: Complete
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RECOMMENDATION

That the Water Services Delivery Plan Implementation - Update report is received.

PUBLIC EXCLUDED

7 EXCLUSION OF THE PUBLIC REPORT

RESOLUTION TO EXCLUDE THE PUBLIC

<p>RECOMMENDATION</p> <p>That the public be excluded from the following parts of the proceedings of this meeting.</p> <p>The general subject matter of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48 of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:</p>		
<p>General subject of each matter to be considered</p>	<p>Reason for passing this resolution in relation to each matter</p>	<p>Ground(s) under section 48 for the passing of this resolution</p>
<p>7.1 - Public Excluded Minutes of the Audit and Risk Committee Meeting held on 17 March 2026</p>	<p>s6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>
<p>7.2 - CCTV Footage Requests</p>	<p>s6(a) - the making available of the information would be likely to prejudice the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial</p> <p>s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons</p>	<p>s48(1)(a)(i) - the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding would exist under section 6 or section 7</p>

**8 RE-ADMITTANCE OF THE PUBLIC REPORT
MEETING CLOSURES**