

Wednesday, 20 May 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council

Risk and Assurance Committee Meeting

Kaupapataka

Agenda

Te Rā Hui:
Meeting date: **Wednesday, 20 May 2026**

Te Wā:
Time: **10:00 AM**

Te Wāhi:
Venue: **Council Chamber
Ground Floor
Civic Administration Building
Lyndon Road East
Hastings**

Te Hoapā:
Contact: **Democracy and Governance Services
P: 06 871 5000 | E: democracy@hdc.govt.nz**

Te Āpiha Matua:
Responsible Officer: **Chief Financial Officer - Graham Watson and Chief Risk Officer
- Regan Smith**

Risk and Assurance Committee – Terms of Reference

Fields of Activity

The Risk and Assurance Committee is responsible for assisting Council in its general overview of financial management, risk management and internal control systems:

- 1) Ownership and monitoring of Council's Strategic Risk Framework
- 2) Reasonable assurance as to the integrity and reliability of the financial reporting of Council.
- 3) Monitoring of Council's requirements under the Treasury Policy.
- 4) Monitoring of Council's insurance – if significant change to Council's policy of insuring all its assets.
- 5) Monitoring of Council's material legal exposure.
- 6) Monitoring of Council's health, safety and wellbeing risk management practices (including compliance with Health & Safety Legislation).
- 7) Monitoring significant projects, programmes of work and procurement focussing on the appropriate management of risk.
- 8) Oversight of preparation of the Long Term Plan, Annual Plan and Annual Report.

In light of the impacts Cyclone Gabrielle has had on the communities in the district, the Committee will pay particular attention to activities affected within its Fields of Activity, and always in support of the work of Council and the Standing Committees.

Membership - 10 (including 7 Councillors)

- 7 Councillors - with one being the Chair of Performance and Monitoring, or its equivalent and one being the Chair of Strategy and Policy, or its equivalent.
- 2 external Independent members appointed by Council, with one to be the Chair.
- Deputy Chair appointed by Council from among the membership of 10.
- 1 Heretaunga Takoto Noa Māori Standing Committee Member nominated by the Chair of Heretaunga Takoto Noa Māori Standing Committee and appointed by Council.

Quorum – 6 members

DELEGATED POWERS

Authority to consider and make recommendations on all matters detailed in the Fields of Activity and such other matters referred to it by Council.

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Hastings District Council

Risk and Assurance Committee Meeting

Kaupapataka

Agenda

Koromatua

Chair: Graeme McGlenn – External Independent Appointee

Nga Kai Kaunihera

Councillors: Simon Nixon, Michael Fowler (Chair of Performance & Monitoring Committee), Councillor Heather Te Au-Skipworth (Chair of Strategy & Policy Committee), Yvonne Lorkin, Callum Ross, Derek Nowell-Usticke (Deputy Chair) and Elisha Milmine

Mematanga:

Membership:

Mayor Wendy Schollum

External Independent Appointee: Vacancy

Heretaunga Takoto Noa Māori Standing Committee appointee: Vacancy

Tokamatua:

Quorum: 6 members

Kaihokoe mo te Apiha

Officers Responsible:

Chief Risk Officer – Regan Smith

AND

Chief Financial Officer – Graham Watson

Te Rōpū Manapori me te Kāwanatanga

Democracy &

Governance Services:

Christine Hilton (Extn 5633)

Te Rārangi Take

Order of Business

Apologies – Ngā Whakapāhatanga

- 1.0** At the close of the agenda no apologies had been received.
At the close of the agenda no requests for leave of absence had been received.
-

2.0 Conflict of Interest – He Ngākau Kōnatunatu

Members need to be vigilant to stand aside from decision-making when a conflict arises between their role as a Member of the Council and any private or other external interest they might have. This note is provided as a reminder to Members to scan the agenda and assess their own private interests and identify where they may have a pecuniary or other conflict of interest, or where there may be perceptions of conflict of interest.

If a Member feels they do have a conflict of interest, they should publicly declare that at the start of the relevant item of business and withdraw from participating in the meeting. If a Member thinks they may have a conflict of interest, they can seek advice from the General Counsel or the Manager: Democracy and Governance (preferably before the meeting).

It is noted that while Members can seek advice and discuss these matters, the final decision as to whether a conflict exists rests with the member.

Confirmation of Minutes – Te Whakamana i Ngā Minitī

- 3.0** Minutes of the Risk and Assurance Committee Meeting held Wednesday 25 February 2026.
(Previously circulated)
-

- 4.0 Infrastructure Programme Risk Overview Update** **7**
-

- 5.0 Health, Safety & Wellbeing Risk Management Update** **13**
-

- 6.0 Executive Overview and Status of Actions** **17**
-

- 7.0 Annual Strategic Risk Register Review** **31**
-

8.0 Artificial Intelligence - Bowtie Risk Summaries 33

9.0 Local Water Done Well - Programme Update and Risk Overview 37

10.0 Treasury Activity and Funding Update 43

11.0 Minor Items – *Ngā Take Iti*

12.0 Urgent Items – *Ngā Take Whakahihiri*

13.0 Recommendation to Exclude the Public from Items 14 and 15 49

14.0 Current Issue Summary April 2026

15.0 Head Start programme: key risks

Wednesday, 20 May 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Risk and Assurance Committee Meeting

Te Rārangi Take

Report to Risk and Assurance Committee

Nā: Mike Kerr, Chief Engineer
From: Ansonica Botha, Programme Controls Manager

Te Take:
Subject: Infrastructure Programme Risk Overview Update

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 This report gives the Risk and Assurance Committee an overview of the key delivery-related risks across the Infrastructure group’s capital projects and programmes. It highlights the main risks, any changes since the previous reporting period, and how those risks are being managed at a portfolio level.
- 1.2 There have been no material changes to the overall portfolio-level risk profile during the reporting period.

2.0 Recommendations - *Ngā Tūtohunga*

- A) That the Risk and Assurance Committee receive the report titled Infrastructure Programme Update dated 20 May 2026.
- B) That the Committee offer any feedback and insights into future reporting and information required to better understand and govern risk and assurance related to the infrastructure programme.

3.0 Background – *Te Horopaki*

- 3.1 Detail on the background of the Programme Delivery Office (PDO) and its operating environment was provided in the report titled “Infrastructure Programme Update” that was presented to the Risk and Assurance Committee at the meeting held on the 25th of February 2026. This report therefore focuses on changes in risk and current portfolio-level exposure.

- 3.2 The Project Delivery Office (PDO) is responsible for overseeing delivery of Council’s capital and infrastructure programmes across Transportation, 3 Waters, and Growth. Delivery is undertaken by Council staff and external consultants.
- 3.3 The PDO is in an establishment phase. Reporting at this stage is therefore focused on giving the Committee visibility of current portfolio-level risks and any movement since last reporting, while governance and assurance arrangements continue to develop.
- 3.4 This report focuses on risks associated with delivery of capital and infrastructure projects and programmes. It does not cover organisational or workforce-related risks associated with establishment of the PDO.

4.0 Discussion

4.1 Risk Rating

- 4.1.1 Projects are assigned an inherent risk rating at initiation based on the likelihood and impact of adverse outcomes. The table below summarises the overall portfolio risk profile to give the Committee visibility of where risk is concentrated across the programme.

Risk	Description	Management	Review	Projects by Category
High	Activities with a high probability of negative consequences and/or significant potential impact	Risk register supported by formal risk tools	Fortnightly	30 (12%)
Medium	Moderate probability and/or moderate impact	Risk register with regular team engagement to identify and manage risks	Monthly	73 (21%)
Low	Low probability of negative consequences and/or minimal potential impact	Risk register established to document and monitor potential risks	Quarterly	243 (67%)

- 4.2 Project risk status is reviewed more frequently for higher-risk projects and updated where conditions change or new issues emerge.

4.3 Top Risks

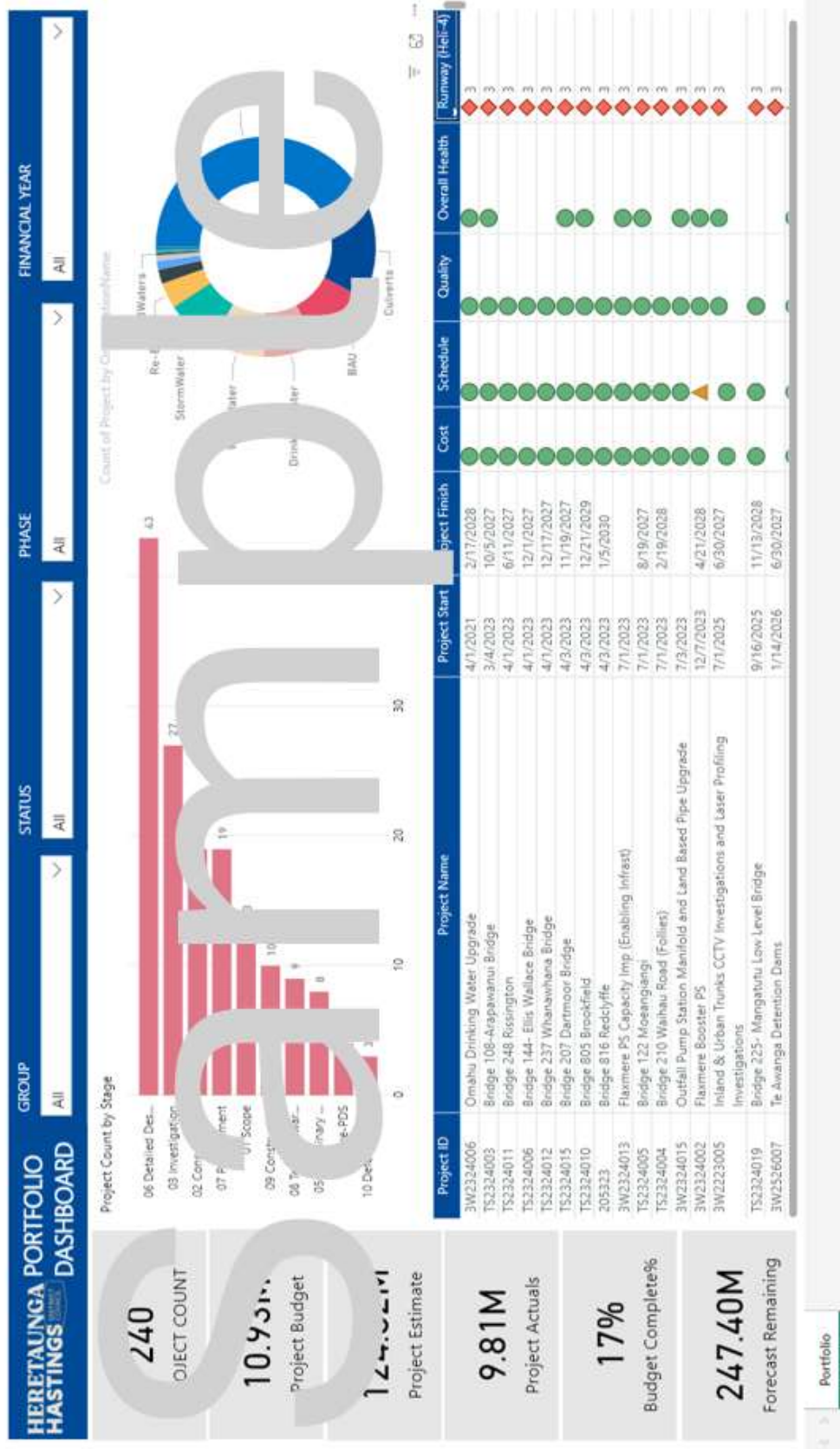
- 4.3.1 Within the group of higher-risk projects, there is typically a smaller subset of around ten projects that are considered particularly high risk or have risks that are currently materialising.
- 4.3.2 Delivery teams manage project risks, with overall risk ownership sitting with the relevant Programme Delivery Manager. The PDO provides oversight and escalates issues where risks may have wider programme or Council-level implications.
- 4.3.3 Programme-level reporting and oversight arrangements are being used to maintain visibility of delivery-related risk.
- 4.3.4 Risk movement during the period has been limited and reflects normal programme delivery dynamics rather than systemic control issues.
- 4.3.5 Minor fluctuations in individual project risk ratings have not translated into a change in overall portfolio-level exposure.
- 4.3.6 The table below summarises a subset of projects currently assessed as having higher inherent or residual risk due to factors such as scale, complexity, external dependencies, or stakeholder impact. The purpose of the table is to provide the Committee with visibility of where portfolio-level risk is concentrated, rather than to provide detailed project assurance.

Project/Area	Primary Risk Driver	Mitigation
Rissington Bridge Replacement	Scale and Complexity: Currently risk reducing as major elements near completion. Remaining activities as on track (subject to weather)	Ongoing monitoring of residual risks.
Redclyffe / Waiohiki Bridge Replacement	The project is at the design and consenting phase. Main risks are resource consenting, geotechnical complexity and cost escalation.	A draft procurement plan is being prepared recognising a constrained timeframe, this will be submitted to Council for approval.
Dartmoor Bridge Replacement	Construction well advanced. Weather has impacted the site and continues to be a key risk.	While there have been no material changes to scope, budget or risk construction continues to be monitored.
Wastewater Treatment Plant	Potential risks associated with scale and complexity.	Ongoing monitoring of risks, including governance framework and independent peer review.
Fuel Fluctuation	Risk of significant financial uncertainty from fluctuating fuel, freight and material prices.	No significant impact to date. Collating claims from contractors to identify any significant cost changes. Longer term contracts include cost escalation provisions to help manage these movements.
Fuel Access	Risk of restricted supply of fuel being implemented under government fuel plan, putting project delivery at risk and potentially creating contractual implications	No impact to date, and current signals from government and sector remain positive at this time.

Note: the overall portfolio risk profile remains broadly consistent with the previous reporting period.

5.0 Next Steps

- 5.1.1 Future reporting to the Risk and Assurance Committee will continue to focus on portfolio-level risk, changes over time, and improving assurance as the PDO matures.
- 5.1.2 Continue developing alignment with Council's enterprise risk framework, with an increasing focus on consistent application of risk definitions, thresholds, and reporting across the infrastructure programme.
- 5.1.3 Updates on the development or refinement of risk controls and assurance processes relevant to the Committee's oversight role.
- 5.1.4 Further development of a high-level dashboard to summarise portfolio status and risk trends for Committee oversight. The dashboard is intended to provide context, not detailed project-level assurance. A sample of proposed dashboard is on the next page.



Attachments:

There are no attachments for this report.

Wednesday, 20 May 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Risk and Assurance Committee Meeting

Te Rārangi Take

Report to Risk and Assurance Committee

Nā:
From: Jennie Kuzman, Health, Safety and Wellbeing Manager

Te Take:
Subject: Health, Safety & Wellbeing Risk Management Update

1.0 Background and Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to provide information to the Risk and Assurance Committee about the management of health, safety and wellbeing risks within Council.
- 1.2 This issue arises due to the Health and Safety at Work Act 2015 (HSWA) and the requirement of that legislation for Elected Members (as HSWA Officers) to exercise due diligence to ensure that Council (as a PCBU – Person Conducting a Business or Undertaking) complies with its health and safety duties and obligations.
- 1.3 This report provides a summary update on:
 - Health and Safety legislative reform and recent legal updates
 - Health, Safety & Wellbeing policies under review or development.
 - Health, Safety & Wellbeing critical risk reviews

2.0 Recommendations - *Ngā Tūtohunga*

That the Risk and Assurance Committee receive the report titled Health, Safety & Wellbeing Risk Management Update dated 20 May 2026.

3.0 Discussion – *Te Matapakitanga*

3.1 Health and Safety at Work Amendment Bill (2026)

3.2 Further to the brief update provided at the February committee meeting, an amendment bill has been introduced which proposes a number of changes to the Health and Safety at Work Act 2015. A full version of the amendment bill is available online:

<https://www.legislation.govt.nz/bill/government/2026/0244/latest/LMS1571561.html>

3.3 In summary, this bill aims to overhaul New Zealand's health and safety framework by focusing on "critical risks," reducing compliance costs, and increasing certainty for businesses. It narrows the focus to managing risks causing serious harm, clarifies small business duties, and strengthens Approved Codes of Practice.

3.4 Key aspects of the Bill:

- Focus on Critical Risk: The purpose of the Act is rewritten to prioritise managing critical risks, defined as hazards that could cause death, notifiable illness/injury, or disease.
- Small PCBU Relief: Small PCBUs (fewer than 20 workers for most of the year) are largely restricted to managing critical risks and ensuring basic, necessary welfare facilities.
- Clarifying Duties: The Bill clarifies the due diligence duties of officers and streamlines obligations when multiple PCBUs (businesses/undertakings) are involved.
- Approved Codes of Practice (ACOPs): Strengthens the "safe harbour" status of ACOPs, meaning compliance with an ACOP for a specific risk ensures the duty holder has met their legal obligation.
- Recreational Land Use: Clarifies and limits PCBUs' duties when their land is used for recreational purposes.
- Definition of Critical Risk: Introduces a formal, statutory definition for "critical risk" into the legislation, including a new Schedule 1A for specific hazards.

3.5 Submissions have closed and are currently with the Select Committee for review, and therefore changes may occur as it goes through select committee processes. Further updates will be provided as appropriate.

3.6 Legal Update: Clarification regarding Trusts as PCBUs

3.7 In February 2026 the New Zealand Court of Appeal ruled that a trust, distinct from its individual trustees, can be prosecuted as a 'Person Conducting a Business or Undertaking' (PCBU) under the Health and Safety at Work Act 2015 (HSWA).

3.8 The majority decision found that trustees acting collectively constitute a "body of persons" that can be named in proceedings.

3.9 This means that a trust can be named as a defendant to a prosecution, allowing WorkSafe to treat the trust entity as the PCBU. This finding enables WorkSafe to pursue higher penalties (\$1.5 million+), rather than the lower limits for individual trustees (\$300,000).

3.10 The court found that trustees, acting together to manage a business, are a "body of persons" and can be treated as a single entity rather than as individuals with separate, limited liability. Individual trustees may still face charges as "officers" alongside the trust.

3.11 This landmark decision confirms that trusts holding assets used for business purposes are fully subject to HSWA obligations. It directly addresses the issue that trustees cannot use trust assets to pay personal liability fines.

3.1 This likely has implications for elected members appointed by Council as a director/board member/trustee of a Council Trust or an external Trust (such as the Te Mata Park Trust Board) or community organisation (such as Historic Places HB), in that they would be considered a HWSA Officer

for that Council trust /external Trust/Community organisation, and that this may be a legally separate duty under HSWA, in comparison to their role as a HSWA Officer for Hastings District Council.

- 3.2 Council is currently seeking legal advice to clarify/confirm whether an elected member in these situations can be prosecuted under HSWA in the same way as any other director/trustee officer of a Trust, and whether any special considerations arise from the appointment being made by Council.
- 3.3 Based on verbal legal advice to date, this is unlikely to impact elected members when they are appointed as an 'advisor' or 'liaison' to an external trust / community organisation, but is likely to impact if appointed as a director/board member/trustee. Noting that as has been the case since HSWA legislation was introduced, when acting in their capacity as HSWA Officers of Hastings District Council for Hastings District Council activities (in-house and contracted), elected members cannot be prosecuted under HSWA.
- 3.4 **Legal Update: High Court Dismissed Appeal from Tony Gibson**
- 3.5 In March 2026, the New Zealand High Court dismissed the appeal by former Ports of Auckland (POAL) CEO Tony Gibson, upholding his conviction and sentence for failing to exercise due diligence under the Health and Safety at Work Act 2015 (HSWA). The High Court found no miscarriage of justice in the District Court's 2024 verdict that Gibson breached his due diligence duty as an officer by failing to ensure the port effectively implemented and monitored safety exclusion zones. The court rejected arguments that the conviction was based on "system leadership" concepts not in the HSWA, or that he was wrongly made a "proxy" for POAL's faults. The High Court dismissed the appeal against the sentence, which included a \$130,000 fine and \$60,000 in costs.
- 3.6 The decision clarifies that an officer's due diligence duty requires active steps to verify safety systems are functioning "on the ground," rather than just trusting top-level reports or systems.
- 3.7 **Key Findings on HSWA Officer Responsibility:**
- **Verification Matters:** Good intentions, positive initiatives, and the presence of formal systems do not protect an officer if those systems do not effectively control risks.
 - **Governance vs. Management:** The court found no bright-line separation between governance and management roles for the purposes of officer duty. A CEO's responsibility extends to monitoring and testing assurance processes.
 - **Delegation is Not Enough:** Directors and officers cannot simply rely on subordinates to manage critical risks; they must ensure they have, and are testing, accurate information on safety, the judgment noted.
- 3.8 **Elected Member Site Tours**
- 3.9 As covered in the governance training earlier this year, and as documented within Council's 'Health and Safety Guide for Elected Members and HSWA Officers' (available on the hub), one of the ways elected members can exercise their due diligence requirements under HSWA is by enquiring about health and safety systems and processes that are relevant to the site that is being viewed.
- 3.10 Council offers regular opportunities for elected members to undertake scheduled site visits including a recent workshop held at the Clive Wastewater Treatment Plant on 24 March and an upcoming workshop at the Ōmarunui Landfill in May. Further site tours are planned for June/July.
- 3.11 Council employees regularly undertake site visits, recording safety interactions and inspections which are captured within Council's electronic safety management systems. Trends are reported on regularly to the Lead Team and to elected members via the Hub, enabling a further opportunity for elected members to exercise due diligence in relation to health and safety.
- 3.12 **Policy Development / Review**
- 3.13 The table following provides an update on the status of Council's health, safety and wellbeing policies and guidelines that are scheduled to be reviewed or developed within the next 6-12 months.

HSW Policy	Review/Development Status
Menopause Support Framework	Drafted – Currently under review by the Lead Team.
Change Management Principles (for organisational and operational changes)	Drafted – draft reviewed by Lead Team, currently seeking feedback from unions.
Health, Safety & Wellbeing Risk Management Framework	In Progress – policy in development.
Mauri tū Mauri Ora (Wellbeing) Policy & Framework	In Progress – existing policy under review.
Working Alone Policy	In Progress – existing policy under review.
Fatigue Management Guidelines	Scheduled.
Hazardous Substances Policy (incorporating the Agrichemical Policy)	Scheduled.

3.14 Health, Safety & Wellbeing Critical Risk Reviews

- 3.15 As previously reported to the Committee in February, Council has identified 12 Critical Health, Safety and Wellbeing risks (an overview of these critical risks can be found on the Hub). All these critical Health, Safety and Wellbeing risks have bowtie risk assessments, which are periodically reviewed.
- 3.16 The ‘Bowtie’ method is a type of risk assessment methodology that can be used to analyse and communicate how high-risk scenarios may develop. The method provides a visual representation of the potential risks into an easy-to-understand diagram. This diagram allows users to clearly outline the risks and differentiate between proactive and reactive risk management which in turn is useful at highlighting the effectiveness of risk controls.
- 3.17 Following feedback from the Committee in 2023/24, a template for critical HSW risk profiles was developed in order to summarise each risk and its critical controls. It was agreed that these summary critical risk profiles would be developed/reviewed during the periodic review of the bowtie risk assessments.
- 3.18 The following critical risks are currently under review and summary risk profiles are expected to be provided to the Committee within the next few months: Hazardous Substances, Manual Handling and Work-related Stress.

Attachments:

There are no attachments for this report.

Wednesday, 20 May 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Risk and Assurance Committee Meeting

Te Rārangi Take

Report to Risk and Assurance Committee

Nā: Regan Smith, Chief Risk Officer
From: Steffi Reeves-Bird, Risk Manager

Te Take:
Subject: Executive Overview and Status of Actions

1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga*

1.1 The purpose of this report is to provide the Risk and Assurance Committee with an update on the following matters:

- Status of actions and annual work programme for the Committee (**Attachment 1**)
- Status of external audit actions
- Status of corporate policies
- Business continuity planning for fuel disruption
- Current list of legislative changes (**Attachment 2**)

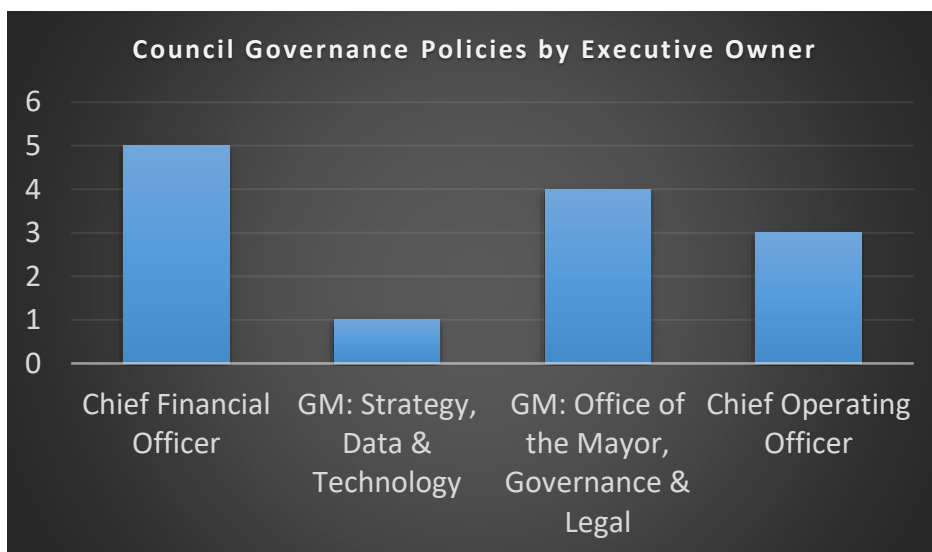
2.0 External Audit Actions

2.1 The table below lists the actions from external audit over the last four financial years.

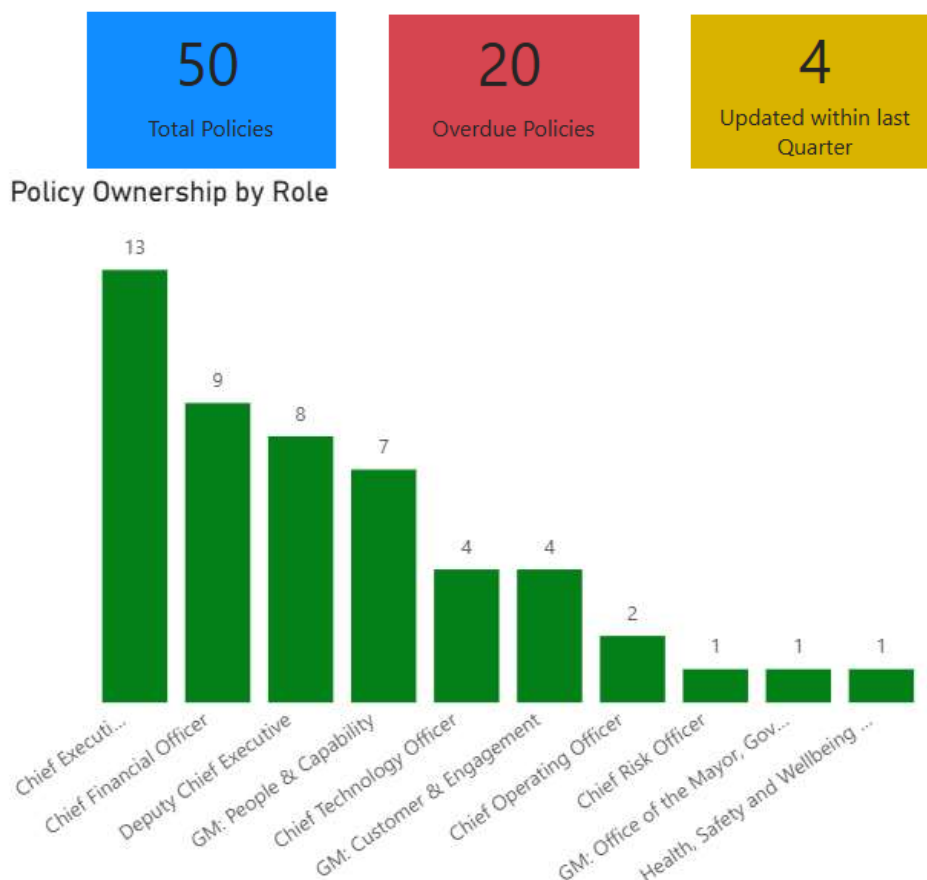
	New items opened	Items open from prior year	Items closed	Items remaining after audit
2022 (21/22)	5	0	0	5
2023 (22/23)	2	5	3	4
2024 (23/24)	2	4	2	4
2025 (25/26)	2	4	4	2

3.0 Council Policy Status

3.1 Council has 13 Governance Policies owned at the Council level that are required under legislation. These cover Council activities ranging from treasury management through to elected member training. The internal owners responsible for maintaining these policies are shown in the graph below:



3.2 To support effective management of Council, 50 corporate policies exist to direct the way officers should undertake work. The distribution of ownership for these policies between Council roles is summarised in the graphic below:



3.3 The number of overdue policies has fallen from 44% to 40% since the last report.

4.0 Business continuity planning for fuel disruption

4.1 In response to the on-going disruption to the global oil supply chain due to blockade of the Strait of Hormuz Council has established a Business Continuity Planning (BCP) team. The project team consisting of staff from the Health, Safety and Wellbeing and Risk teams is coordinating internal actions to prepare for a potential change of phase of the national fuel plan.

- Current activity is primarily focused on understanding:
- the impact of oil price rises on the capital works programme,
- mapping critical Council services that are highly dependent on fuel to operate, and
- providing information and guidance to staff to help adapt to the increased fuel cost.

4.2 To date the increased fuel price has not had a material impact on Council budgets, and the effect on the capital works programme appears to be limited and within available contingencies. However, Officers are expecting the increase fuel price to be factored into future contracts, which may have an impact on the budgets for the next financial year.

5.0 Legislative Changes

5.1 The ongoing programme of legislative change pursued by central Government is creating a dynamic operating context. Proposed legislative changes that are expected to have significant direct impact on Council will be reported in detail at the time, as has been done for Local Water Done Well.

5.2 A list of current legislative changes being tracked by Taituara is included (**Attachment 2**) for information on the range of changes currently underway.

6.0 Recommendations - *Ngā Tūtohunga*

That the Risk and Assurance Committee receive the report titled Executive Overview and Status of Actions dated 20 May 2026.

Attachments:

1	Status of Actions & Work Programme	CG-18-06-00019
2	Taituara Legislation Tracker April 2026	IRB-3-15-26-150

**Hastings District Council
 Risk and Assurance Committee**

Status of Actions as at 5 May 2026

Meeting Date	Item No	Action	Reporting Officer	Progress	Complete
25/3/25	11	<u>Executive Overview and Status of Actions</u> <ul style="list-style-type: none"> Report back to the Committee on risks to Council as a result of Local Water Done Well including the risks in community consultation. 	Deputy CE / CFO	Update provided in Executive overview.	Ongoing
6/5/25	7	<u>Executive Overview and Status of Actions</u> <ul style="list-style-type: none"> International Fraud Awareness week in November – officers to keep a focus on/make the organisation (including Mayor and Councillors) aware of any areas where internal fraud might be prone to occur/has been identified. Workshops in new triennium – Procurement introduction for the incoming council plus a risk deep dive workshop for R&A committee. 	CRO Procurement & Corporate Services Manager	HDC workshop run by SFO planned for 18 th Sept. Planned to be part of Finance induction workshop	In Progress Completed
6/5/25	8	<u>Civil Defence Emergency Transformation Risk Management</u> <ul style="list-style-type: none"> That training be organised in regard to CDEM and the council’s role, as soon as possible, in the new triennium for the incoming council. 	CRO	Workshops included presentation from Group Controller and local delivery plan.	Completed
29/7/25	13	<u>Executive Overview and Status of Actions</u> <ul style="list-style-type: none"> Officers to consider AI training for governors. That committee members be made aware of any portions of a report where AI had been used in compiling that report Learnings from Clifton Campground Number 2 closure to be reported to a future meeting 	CRO/Deputy CE CRO Strategic Projects Manager	Staff training implemented covering AI use an transparency. Debrief planned with Councillors.	In Progress. Completed In Progress

Ref: CG-17-6-00119

Committee Standing Work Programme

Agenda Item		Feb	May	July	Oct	Nov	Comments
Policy Reviews	Committee Terms of Reference	1					
	LTP policy review*		8				One policy per annum
	Health, Safety & Wellbeing policy				6		
	Enterprise risk framework and policy			1			
	Summary of management policies	5	5	5		5	Standing item
	Summary of external audit actions	2	2	2		2	Standing item
Assurance	Treasury activity report (including debt)	3	3	3		3	Standing item
	Health, Safety & Wellbeing update	6	6	6		6	Standing item
	Contractor Health, Safety & Wellbeing performance report	6	6	6		6	Standing item
	Legal exposure update	5	5	5		5	Standing item
	Financial statements				2		
	Annual financial audit report					2	
	Internal review outcomes					1	
	Asset management service risk review		7			7	One infrastructure service pa
Risk	Long Term Plan or Annual Plan update	8					
	Emerging risks horizon scan	1	1	1		1	
	Strategic risk register review		1				
	Strategic risk deep dive			1			
	Risk updates from Council Committees	1,7	1,7	1,7		1,7	Standing item
	Insurance Review				4		
	Infrastructure programme management update	7	7	7		7	Standing item
	Local Water Done Well project update	7	7	7		7	Standing item

(Note: refer PMD-9-3-22-62)

Ref: CG-17-6-00119



LEGISLATION TRACKER

As at 24 April 2026



What is the legislation tracker?

This document records the known and anticipated future legislation with some direct impact on the local government sector. Legislation is classified into three categories:

- in the final stages of the Parliamentary process (red) - the Bill has passed the point where public submissions or other action can influence the final design of legislation (i.e. we define this point as having been reached when the Bill is reported from the Select Committee. It is unusual for Parliament to accept an amendment in the Committee of the House stage that is not promoted by the Government)
- live for submissions (white) – legislation is on the Parliamentary Order paper and is either open for submission or awaits a referral to the Select Committee
- upcoming (green) - legislation has been signalled in coalition agreements or Ministerial statements, etc. In noted instances, some items may be speculative based on staff assessment of what would be required to give effect to a policy commitment.

If you are aware of a piece of legislation that is missing from the tracker or a detail that needs amendment or amplification, please contact Raymond Horan at raymond.horan@taituara.org.nz.

Changes this month

There are currently 24 Bills in the tracker. Additions and amendments from the March edition are marked in yellow.

No Bills have been added to the tracker this month. We understand that rate capping and simplifying local government initiatives are to be progressed in separate pieces of legislation. We have therefore split what we were terming the Local Government Legislation Amendment Bill in two.

One Bill has left the tracker this month: the Sale and Supply of Alcohol (Sale of Alcohol on the morning of Anzac Day, Good Friday, Easter Sunday and Christmas Day) Amendment Bill was enacted on 2 April 2026.

Bill	Description	Status in Parliament	Proposed Taituarā Action
Anti-social Road Use Legislation Bill	Increases penalties for various activities regarded as anti-social.	Awaiting third reading.	No action
Valuers Bill Government Bill Introduced 14 May 2025	Modernises the Registration of Valuers Act	Awaiting second reading. Note – as a revision Bill there is no Committee of House Stage, and no debate at third reading.	No action – Bill modernises legislation but makes no policy change.
Local Government Systems Improvements Bill Government Bill Introduced 17 July 2025	Gives effect to proposed change of purpose of local government and performance comparisons. There are also several minor items of regulatory relief.	Awaiting second reading.	No further action proposed.
Regulatory Systems (Internal Affairs) Amendment Bill Government Bill Introduced July 2025	Omnibus Bill amending various statutes administered by the Department of Internal Affairs. Includes a provision that lifts the cap for the contracting rule under the Member's Interest Act.	Awaiting second reading.	No further action proposed.
Building and Construction Sector (Self Certification by Plumbers and Drainlayers) Amendment Bill Government Bill	Speeds up the construction of new homes by reducing the number of inspections that must be completed for plumbing and drainlaying work.	Awaiting second reading	No action.

4

Bill	Description	Status in Parliament	Proposed Taituarā Action
Introduced 15 November			
Public Works Amendment Bill (Previously listed as the Public Works Act Amendment Bill #2) Government Bill Introduced 24 November	Bill to implement results of the wider PWA review.	Referred to the Transport and Infrastructure Committee. Submissions due by 14 May.	No action – Bill given low priority by President and Vice-Presidents.
Land Transport (Revenue) Amendment Bill. Government Bill Introduced 13 November.	Introduces new tolling options and other changes to the tolling process. Also makes amendments to clear the way for the movement from fuel excise to roaduser charges for light vehicles	Referred to the Transport and Infrastructure Committee. Report due 18 May.	Submitted. No further action proposed.
Emergency Management Bill Government Bill Introduced 9 December	The Government will implement a programme of changes in five broad areas: <ul style="list-style-type: none"> • Give effect to the whole-of-society approach to emergency management. • Support and enable local government to deliver a consistent minimum standard of emergency management across New Zealand. 	Referred to the Governance and Administration Committee. Report due 9 June..	Submitted. No further action proposed.

Bill	Description	Status in Parliament	Proposed Taituarā Action
	<ul style="list-style-type: none"> Professionalise and build the capability and capacity of the emergency management workforce. Enable the different parts of the system to work better together. Drive a strategic focus on implementation and investment to ensure delivery. 		
Infrastructure Funding and Financing Amendment Bill Government Bill Introduced 26 November	Would implement refinements to the legislation for special-purpose vehicles.	Referred to the Finance and Expenditure Committee. Report due 9 June.	No action proposed
Health and Safety at Work Amendment Bill	This Bill is intended to reduce compliance costs and provide greater certainty for organisations.	Referred to the Education and Workforce Select Committee. Report due 13 June.	No action proposed.
Natural and Environment Bill Government Bill Introduced 9 December	A new act to manage environmental effects that arise from the use of natural resources.	Referred to the Environment Committee. Report due 26 June.	No action planned.
Planning Bill Government Bill Introduced 9 December	Bill to enable urban development and infrastructure. This act will also be aligned with the Government's Going for Housing Growth plan and	Referred to the Environment Committee. Report due 26 June.	No further action proposed.

6

Bill	Description	Status in Parliament	Proposed Taituarā Action
	its 30-year National Infrastructure Plan.		
Data and Statistics (Census) Amendment Bill Government Bill Introduced	Provides for an annual Census from 2030 (Census to be based on administrative data)	Referred to the Justice Committee. Report due 17 July.	No action.
Sale and Supply of Alcohol (Improving Alcohol Regulation) Amendment Bill Government Bill Introduced 16 March	Amends the legislation to “improve regulation and promote economic development” (i.e make alcohol more accessible).	Referred to the Justice Committee. Submissions close 14 May.	Submit on the licensing fees.
Local Government (Port Companies Accountability) Amendment Bill Members’ Bill Introduced on 22 May 2025	Reverses the exclusion of port companies from the rules applying to a CCO.	A member’s bill awaiting first reading.	To be determined
Te Ture Whenua Māori Amendment Bill Government Bill	Amends Te Ture Whenua Māori Act 1993 to “better enable Māori economic development”.	Announced in the release of the Quarter One 2025 Action Plan. Policy decisions in the first quarter and legislation late 2025.	Submit if extends to Rating Act, otherwise no action.

Bill	Description	Status in Parliament	Proposed Taituarā Action
		Speculative – this may include changes to the Rating Act	
Climate Change Response Act (Efficiency and Effectiveness) Amendment Bill - formerly expecting a specific Climate Adaptation Bill	Bill sets the legal framework for powers and responsibilities with respect to climate adaptation.	Now expected early 2026.	Submit when it comes.
Local Government (Infrastructure Funding and Financing) Amendment Bill Government Bill	Bill will replace development contributions with a system of development levies. Possible changes to targeted rates.	Currently consulting on an exposure draft – due 20 February. Expected in the third quarter of 2026.	Submit with 'in principle' support
Biosecurity Amendment Bill Government Bill	Bill to give effect to any policy decisions to modernise this legislation. Consultation closed December 2024. .	2026?	To be determined
Building Act Amendment Bill Government Bill	More comprehensive changes to building consenting making it easier for private BCAs, address barriers to voluntary consolidation, national consenting body, ensuring national consistency, strengthening roles and responsibilities, new consent pathway for commercial buildings, new assurance pathways more self	Third quarter 2026.	Submit

Bill	Description	Status in Parliament	Proposed Taituarā Action
	certification – further streamlining, risk and liability.		
Local Government Legislation Amendment Bill (Rate capping) (title TBC)	Bill to give effect to policy decisions around rate-capping, and potentially other items from the 'forward work programme'.	Policy announcements on 1 December. Legislation not expected until the third quarter of 2026.	Submit.
Local Government Legislation Amendment Bill (Structural reform) (title TBC)	Bill to give effect to policy decisions around simplifying LG and potentially other items from the 'forward work programme'.	Policy announcements on 1 December. Expecting further announcements about policy and timing of any legislation in June quarter of 2026.	Submit.
Waste Management Bill	Speculative – implementing the conclusions of the 2023 consultation on waste management (also apparently the current consultation).	Not clear how fast this is progressing within MFE.	Submit if and when it comes.
Hazard Substances and New Organisms Amendment Bill	Liberalises the laws around GMOs as set out in the National/Act agreement.	Not clear how fast this is progressing.	To be determined



Taituarā - Local Government Professionals Aotearoa
Level 9, 85 The Terrace, Wellington
PO Box 10373, Wellington 6143

Wednesday, 20 May 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Risk and Assurance Committee Meeting

Te Rārangi Take

Report to Risk and Assurance Committee

Nā: Regan Smith, Chief Risk Officer
From: Steffi Reeves-Bird, Risk Manager

Te Take:
Subject: Annual Strategic Risk Register Review

1.0 Purpose and summary - *Te Kaupapa Me Te Whakarāpopototanga*

1.1 The purpose of this report is to present the Risk and Assurance Committee with the annual review of the Hastings District Council (HDC) Tier 1 Strategic Risk Register for review and endorsement by the Committee.

2.0 Strategic Risk Register

2.1 The Risk team has undertaken a review of the Strategic Risk Register based on the following information:

- Feedback on the Council horizon scan from the 25 February Committee meeting.
- Review of the Long-Term Plan 27/37 background briefs (**Attachment 1**).
- Review of the AON emerging risk horizon scan (**Attachment 2**).

2.2 As a result of this review the following changes to the Strategic Risk Register have been reviewed and endorsed by the Council executive Lead Team:

- **Threat #2:** The risk title is updated to “Natural or human-made hazard exposure” and the risk description is amended to better describe the risk and potential impacts.
- **Threat #22:** Water quantity and quality risk description is amended to better describe the sources of the risk.
- **Threat #23:** Financial sustainability risk description is amended to include the effect of rates-capping.

- **Threat #25:** The risk title is updated to “Unfunded growth” and the risk description is amended to better describe the potential impacts.
- **Threat #28:** Considering the potential impact of the Government’s Head Start pathway for local government reorganisation it is recommended that the current risk level for Significant statutory reform is increased to high.
- **Threat #35:** The Legal liability risk is transferred to the Tier 2 Lead Team risk register for ongoing management. This is recommended due to a reduction in the inherent risk level resulting from completion of the Voluntary Buy Out programme.
- **Threat #41:** NEW – A new risk relating to “Capital infrastructure delivery capability” is added reflecting the size of the capital development programme over the medium terms.
- **Opportunity #30:** The risk title is updated to “Model citizen with strong cultural competence” to better describe the opportunity for improved understanding.

2.3 A draft version of the Strategic Risk Register incorporating these changes (**Attachment 3**) and a set of high-level Bowtie risk assessments and commentary for each strategic risk (**Attachment 4**) is provided for review by the Committee. The Bowtie risk assessments have been included to provide greater insight to each risk and how it is managed.

3.0 Recommendations - *Ngā Tūhunga*

- A) That the Risk and Assurance Committee receive the report titled Annual Strategic Risk Register Review dated 20 May 2026.
- B) That the Committee endorse the Strategic Risk Register and Bowtie risk assessments and recommend they be tabled at Council for adoption.

Attachments:

1	Long Term Plan 27 Background Briefs	PMD-9-3-26-134	Under Separate Cover
2	AON Emerging Risk Horizon Scan	PMD-9-3-26-133	Under Separate Cover
3	Draft Strategic Risk Register	IRB-3-15-26-148	Under Separate Cover
4	Strategic Risk Bowtie Summaries	IRB-3-15-26-145	Under Separate Cover

Wednesday, 20 May 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Risk and Assurance Committee Meeting

Te Rārangi Take

Report to Risk and Assurance Committee

Nā: Steffi Reeves-Bird, Risk Manager
From: Regan Smith, Chief Risk Officer

Te Take:
Subject: Artificial Intelligence - Bowtie Risk Summaries

1.0 Executive Summary – Te Kaupapa Me Te Whakarāpopototanga

- 1.1 The purpose of this report is to provide the Risk and Assurance Committee with an overview of the risk landscape relating to the use of Artificial Intelligence (AI) and to gain assurance that the appropriate controls are in place.
- 1.2 The analysis of AI has been completed leveraging Bowtie diagrams, which are a useful tool for mapping a risk assessment in a simplified and visual way. The centre of the diagram is the risk event, with the causes to the left and the impacts to the right. Between the risk event and causes and impacts are the controls.
- 1.3 Two bowtie diagrams are attached for:
 - An opportunity risk, being ‘Leveraging the use of AI appropriately across Council could lead to more efficient service delivery and potential cost savings’. This bowtie is presented to illustrate the benefits to Council for investigating how the use of AI can contribute to efficiencies and improvements across the work that is undertaken.
 - A threat risk, ‘Data entered into Artificial Intelligence tools (either intentional or unintentional) could result in a significant breach of privacy, flawed outputs and loss of IP’. This bowtie is provided to ensure that while pursuing the use of AI, sight is not lost of the threats associated with this technology.
- 1.4 As illustrated in the threat Bowtie cyber controls continue to be vital in an AI world. Advances in AI models are fundamentally changing the cybersecurity risk landscape. New models such as Claude Mythos Preview can identify and exploit software vulnerabilities at or beyond expert human capability, doing so autonomously and at scale. Project Glasswing is a coordinated industry response aimed at using these same AI capabilities defensively to identify and remediate vulnerabilities across critical systems. It brings together major global technology organisations to

accelerate vulnerability detection, strengthen software security practices, and share learnings across the sector. The initiative highlights the need for organisations to rapidly modernise cybersecurity controls.

(Note: This section was compiled with the help of Copilot).

- 1.5 A follow up report on Council's cyber security and controls will be provided at the next meeting.

2.0 Recommendations - Ngā Tūtohunga

That the Risk and Assurance Committee receive the report titled Artificial Intelligence - Bowtie Risk Summaries dated 20 May 2026.

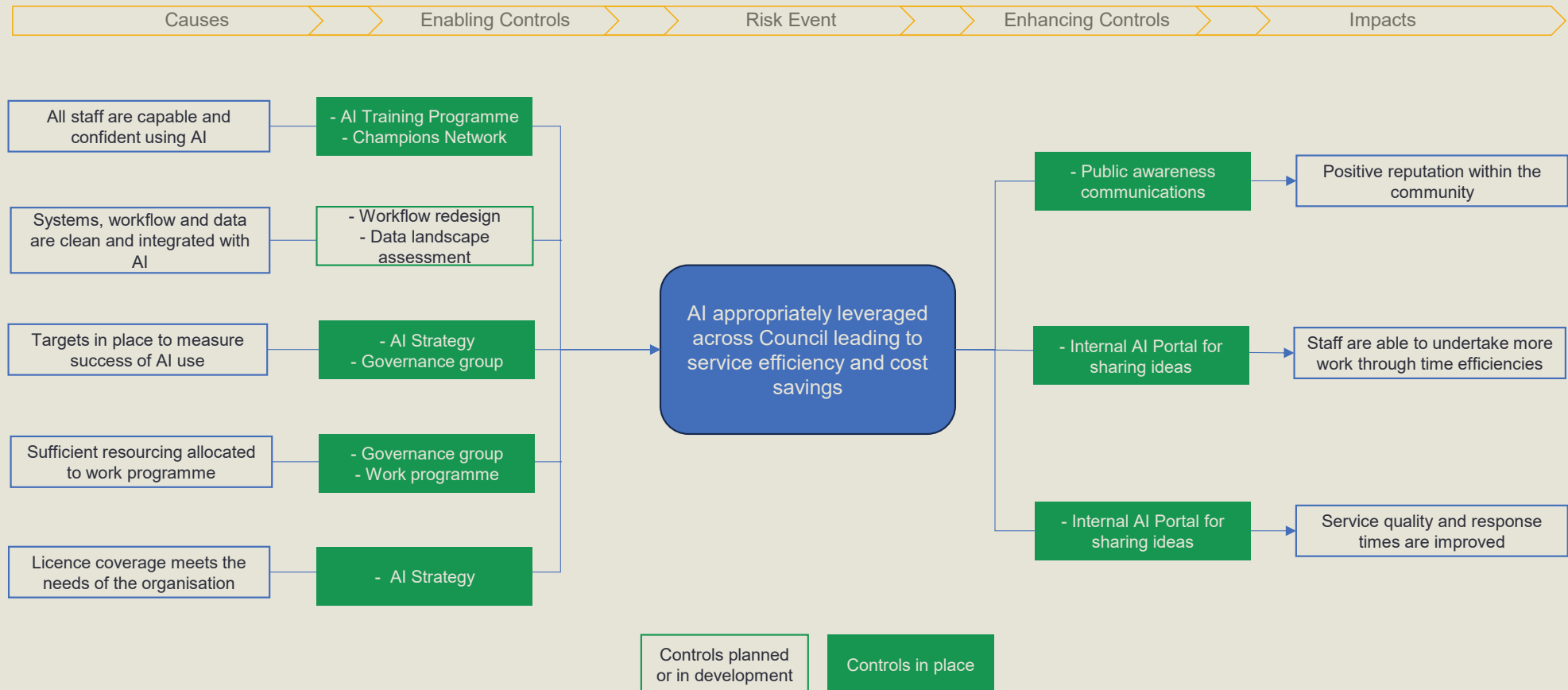
Attachments:

1 [↓](#) Artificial Intelligence Bowtie Diagrams

IRB-3-15-26-151

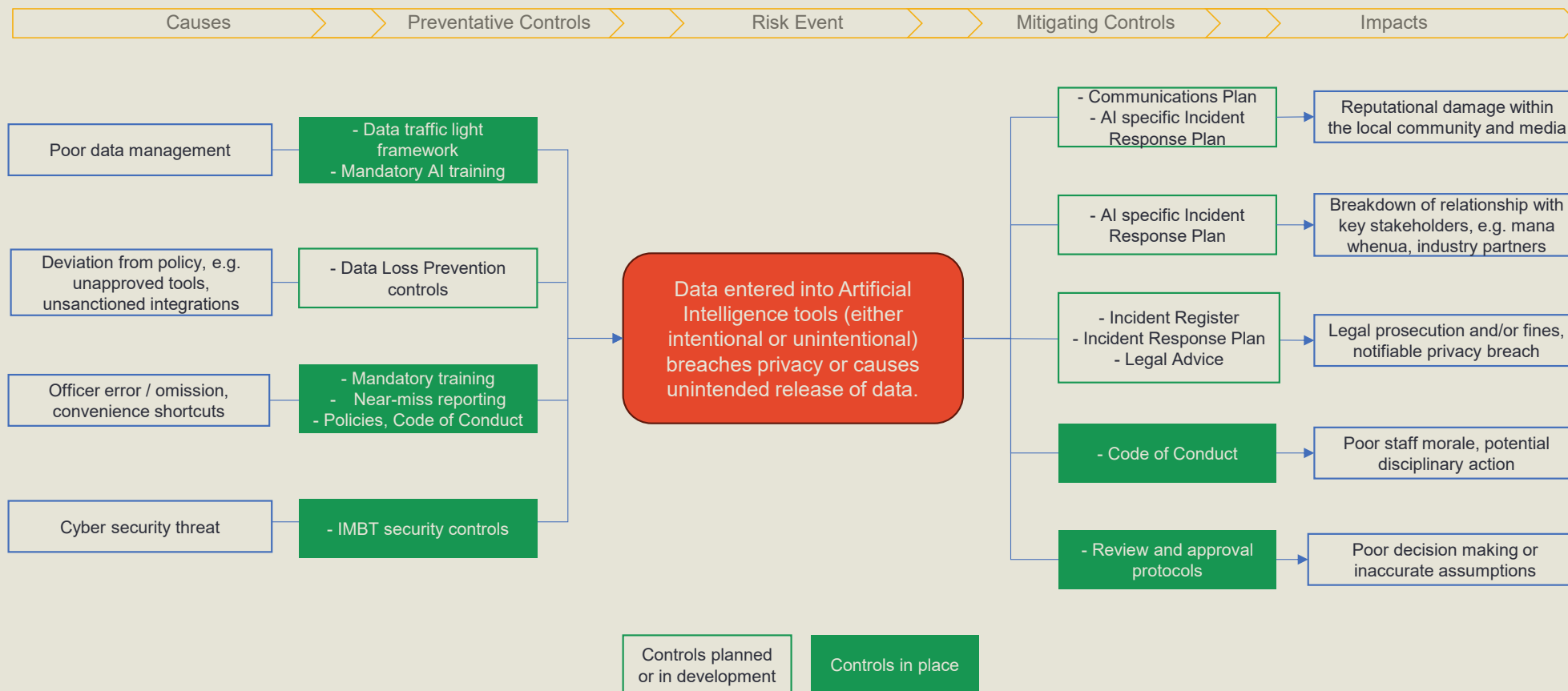
OPPORTUNITY: AI Efficiency Gains

Context: Hastings District Council has an appetite for the use of Artificial Intelligence where it can improve the quality and efficiency of service delivery, without compromising compliance with legislation, data and privacy management, or public trust and confidence. HDC has a desire to pursue and trial new ways of working with AI, but does not intend to be at the forefront of AI innovation.



THREAT: Misuse of data through AI

Context: Artificial Intelligence use in a Council setting has the ability to provide significant benefit if used appropriately. Without appropriate and effective controls, including strong data and technology management, training and education, there is potential for incorrect, inappropriate or confidential information to be used within AI tools resulting unintended release of information.



Wednesday, 20 May 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Risk and Assurance Committee Meeting

Te Rārangi Take

Report to Risk and Assurance Committee

Nā:
From: **Graham Watson, Chief Financial Officer**

Te Take:
Subject: **Local Water Done Well - Programme Update and Risk Overview**

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 This report provides the Risk and Assurance Committee with an update on progress of the Local Water Done Well programme following recent Council decisions relating to the establishment of the Hawke’s Bay Water Services Council Controlled Organisation.
- 1.2 On 2 April 2026, Council adopted a series of foundational decisions enabling the programme to move from establishment planning into implementation. These included:
 - Adoption of the WaterHB Constitution and Shareholders’ Agreement
 - Approval of the establishment budget and transition funding approach
 - Approval of the Statement of Expectations process
 - Appointment of representatives to the Shareholders’ Representative Forum (SRF)
- 1.3 The programme is now progressing into the detailed implementation and transition planning phase ahead of the planned operational commencement date of 1 July 2027. Key activities currently underway include preparation for legal incorporation, development of the Statement of Expectations (SoE), implementation planning, operational readiness, financial transition arrangements, and preparation for transfer of services, assets, systems and staff.
- 1.4 Given the scale and complexity of the transition, a comprehensive risk assessment from Council’s internal point of view has been undertaken to identify the principal strategic, operational, financial, reputational and service delivery risks associated with the programme. The assessment also identifies several opportunities for Council arising from the transition to a regional delivery model.
- 1.5 This report summarises the key risks and opportunities relevant to the current phase of the Council’s internal transition programme and outlines the mitigation measures in place. Refer to **Attachment 1** for the detailed risk assessment document.

2.0 Recommendations - Ngā Tūtohunga

That the Risk and Assurance Committee receive the report titled Local Water Done Well - Programme Update and Risk Overview dated 20 May 2026.

3.0 Background – Te Horopaki

- 3.1 Previous updates on Local Water Done Well (LWDW) have been provided in July 2025 and February 2026.
- 3.2 The July 2025 report outlined the public consultation process, proposed regional model and the initial transition risks associated with this. At the time these included the following emerging risks:
- Debt transfer arrangements
 - Stranded overheads
 - Transition management complexity
 - Transfer of assets, systems and contracts
 - Impact on remaining Council activities following transfer of water services
- 3.3 The last report in February provided a further update following the adoption and acceptance of the joint Water Services Delivery Plan (WSDP), establishment of the Transitional Governance Group, appointment of the Establishment Advisory Board (EAB), and appointment of the interim Chief Executive of the regional water services organisation - Water Hawke's Bay Limited (WaterHB).
- 3.4 Since the February report, progress has been made in both the regional establishment programme and Council's internal transition planning.
- 3.5 At its meeting on 2 April 2026, Council adopted several key decisions enabling progression into the implementation phase, including:
- Adoption of the WaterHB Constitution and Shareholders' Agreement
 - Approval of the establishment budget and transition funding approach
 - Approval of the Statement of Expectations process
 - Appointment of representatives to the Shareholders' Representative Forum (SRF)
- 3.6 The programme objective remains to ensure the successful transition of drinking water wastewater, and stormwater services from the shareholder councils to the new regional entity WaterHB, while still providing safe, compliant, and reliable services to the community throughout the transition period.
- ## 4.0 Discussion – Te Matapakitanga
- 4.1 Following adoption of the foundational governance and funding decisions by shareholder councils in April, the programme has now transitioned from establishment planning into implementation planning ahead of the proposed operational commencement date of 1 July 2027.
- 4.2 The overall transition programme can be broadly separated into two but distinct responsibilities
- The establishment of WaterHB and transition of all relevant services, assets, systems and staff from each of the three shareholder councils into WaterHB (responsibility of the WaterHB transition team)

- HDC's internal transition and operational readiness programme (responsibility of council CEO and officers)

4.3 While these programmes are closely connected and linked, they involve different responsibilities, governance arrangements and risk ownership.

WaterHB Transition Programme

4.4 The WaterHB transition team is responsible for creating and operationalising the future Hawke's Bay Water Services company, currently called Water Hawke's Bay Limited.

4.5 This work is being coordinated across the shareholder councils through the agreed governance framework, including the Transitional Governance Group (TGG), Programme Steering Group, Establishment Advisory Board and the emerging Shareholder Representative Forum (taking over from the TGG once company incorporation occurs).

HDC Internal Transition Programme

4.6 Separate from the WaterHB transition programme (but heavily linked), HDC has an internal transition project to prepare Council for the future operating environment, manage risks and provide the support required to the WaterHB transition team to enable the smooth transfer of services, assets, systems and staff.

4.7 This internal programme ensures Council remains operationally, financially, strategically and organisationally ready throughout and following the transition phase.

4.8 Key areas of work to be delivered include:

- Planning for stranded overheads and organisational realignment
- Review of retained functions and service delivery models
- Workforce and capability planning
- Management of retained statutory and shareholder responsibilities
- Development of operational interfaces with the future WaterHB entity (through MOUs)
- Financial planning and debt transition considerations
- Development of service level agreements
- Management of asset and information dependencies (including LIMs)
- Ensuring alignment between Council growth strategies and future water infrastructure planning.

4.9 Unlike the risks outlined to TGG by the WaterHB transition programme, these risks remain directly owned by Council and will continue beyond the establishment of WaterHB.

4.10 The internal risk assessment attached (see **Attachment 1**) has been developed specifically to identify and assess those risks that may affect HDC during and after the transition of water services, assets, systems and staff to WaterHB.

4.11 Key Internal Council Risks

4.12 *Organisational Capability and Staff Retention (WT1 – Staff/Contractor Retention and WT8 – Change Fatigue)*

A key internal risk for Council is the potential loss of organisational capability and institutional knowledge during the transition process. Uncertainty associated with the future operating environment, combined with broader organisational change activity, may impact staff retention, workforce stability and Council's ability to continue delivering planning, infrastructure, and operational functions effectively. Mitigation work is focused on workforce planning, staff

engagement, identification of critical retained functions, and development of operational interface arrangements with the future WaterHB entity.

4.13 *Stranded Overheads and Organisational Realignment (WT2 – Stranded Overheads and WT7 – Failure to Realign Existing Services)*

Following transfer of water services, there is a risk that Council overheads and support costs may not reduce proportionately, resulting in financial pressures on remaining Council activities. There are opportunities in providing potential shared services to WaterHB, but internal work will need to be undertaken to assess the organisational impacts, review the retained functions and develop longer-term service and realignment options.

4.14 *Strategic Alignment and Growth Planning (WT9 – Compromised Growth Plan Implementation, WT16 – Deferred Decision Making, and WT18 – Excessive Infrastructure Charges)*

While operational responsibility for water infrastructure will transfer to WaterHB, Council will retain responsibility for strategic growth and land use planning. This creates risk around alignment of future infrastructure investment priorities, growth sequencing, affordability, and responsiveness to changing development needs. Mitigating measures include development of the Statement of Expectations, governance arrangements through the SRF and ongoing strategic coordination between Council and Water HB, likely in the form of operational MOUs.

4.15 *Public Accountability and Reputation (WT5 – Public Accountability Perception and WT14 – Loss of Community Voice)*

There remains a significant reputational risk that the public may continue to associate water service performance with Council following transition to WaterHB. This may create ongoing political and reputational pressure for Council, particularly during the transition period and early stages of the new organisation. There is also risk that communities perceive a loss of local voice or influence over water service delivery decisions. Mitigation work includes coordinated communications planning, development of clear customer interface arrangements, shareholder governance oversight, and use of the Statement of Expectations process.

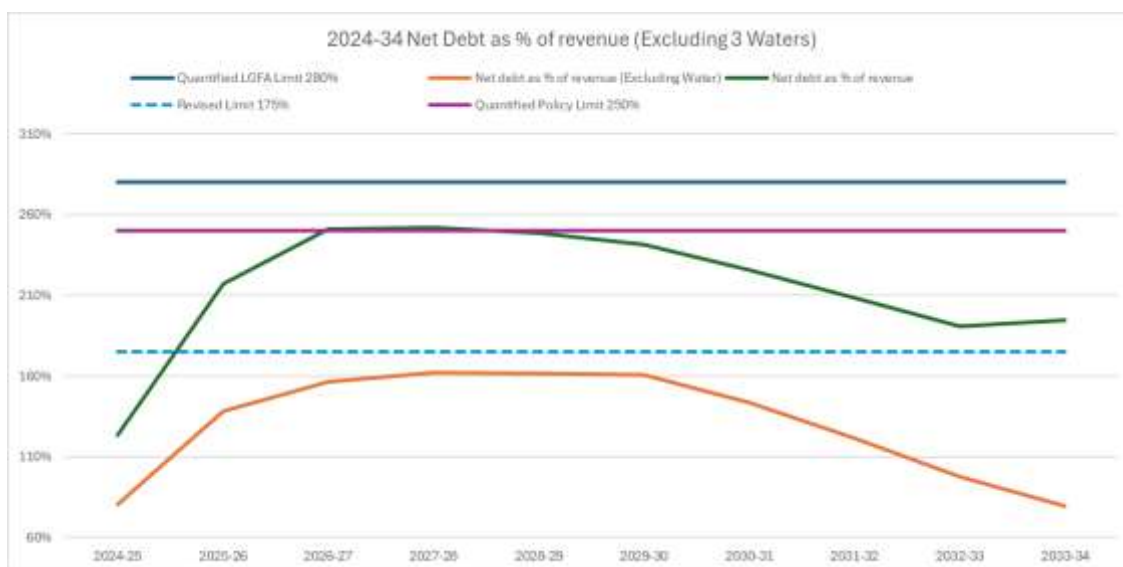
4.16 *Transition Delivery and Service Continuity (WT3 – Protracted Change, WT4 – Service Response Times, WT6 – Poor Transition Management, WT15 – Current system continuity, WT19 – Loss of Asset Data, WT20 – Lack of Service Integration and WT 22 – Asset Data Migration)*

The scale and complexity of the transition creates ongoing risk around coordination, operational handover, service integration, asset and data transfer, and implementation timing. Delays or ambiguity in transition arrangements could impact Council's ability to maintain service continuity and effectively support implementation activities. These risks are being managed through formal transition planning, alignment between council internal work and WaterHB transition workstreams, transition agreement arrangements and continued coordination between Council officers and the WaterHB transition team.

Key Opportunities for Council

4.17 *Improved Financial Position (WO2 – Improved Debt Position)*

Transition of water-related debt to WaterHB will improve Council's overall debt position and create potential financial capacity for other strategic priorities, including resilience and community infrastructure investment. The development of the LTP 27-37 Financial Strategy provides an opportunity for Council to review longer-term financial settings and debt management approaches, including bringing Council's debt limit back in line with pre-Cyclone levels. Based on current available information the graph below reflects the net Debt to revenue % excluding 3 waters debt and revenue (orange line) as well as a potential new limit (blue dotted line). The graph below will be further discussed in the Treasury Activity and Funding Update.



4.18 *Shared Services and Organisational Capability (WO3 – Provision of Shared Services and WO7 – Project Delivery Office)*

The transition creates opportunities for Council to provide shared support services to WaterHB through service level arrangements. This may assist in offsetting stranded overheads, retaining organisational capability, and creating more efficient use of specialist resources and programme delivery expertise. There may also be opportunities to leverage existing Council capability, including programme and project delivery functions, to support the future organisation.

4.19 *Improved Regional Collaboration and Service Delivery (WO1 – Contracted Services Transfer and WO4 – Maintaining Good Quality Assets)*

The regional delivery model provides opportunities for improved regional coordination, economies of scale, and more consistent long-term infrastructure planning. Existing outsourced operational arrangements and continued investment in water infrastructure also support the ability to transition services while maintaining service continuity and asset quality during establishment of WaterHB.

4.20 *Transition and Organisational Improvement Opportunities (WO5 – Effective Transition Management and WO6 – Post Transfer Service Optimisation)*

The transition process provides an opportunity for Council to review and optimise its remaining organisational structure, support services, and operating model following transfer of water services. The establishment of dedicated transition planning and programme governance arrangements also provides opportunities to strengthen internal programme management capability, improve organisational processes, and identify efficiencies across retained Council functions.

5.0 **Next steps – Te Anga Whakamua**

5.1 Both the water transition programme and Council's internal transition programme will continue progressing in parallel.


5.2 Key next steps for Council include:

- Continued monitoring and review of transition risks
- Further development and alignment of Council's internal transition programme with WaterHB's transition programme
- Development of operational and governance interfaces with WaterHB
- Refinement of financial and organisational impact assessments

- Ongoing reporting to Council and this Committee

5.3 The detailed risk assessment (see **Attachment 1**) will continue to be updated as programme planning progresses and implementation risks evolve.

Attachments:

1 	Local CCO for Water Service Delivery Risk Assessment	CG-18-06-00020	Under Separate Cover
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Wednesday, 20 May 2026

Te Hui o Te Kaunihera ā-Rohe o Heretaunga

Hastings District Council: Risk and Assurance Committee Meeting

Te Rārangi Take

Report to Risk and Assurance Committee

Nā:
From: **Aaron Wilson, Financial Controller**

Te Take:
Subject: **Treasury Activity and Funding Update**

1.0 Executive Summary – *Te Kaupapa Me Te Whakarāpopototanga*

- 1.1 The purpose of this report is to update the Risk and Assurance Committee on Treasury activity and Funding issues.
- 1.2 Since the last update on 25 February 2026, \$55m of Council debt was rolled over in April 2026 with multiple maturity dates. Council has not taken out any new debt.
- 1.3 Council's total external debt as at the end of April 2026 is \$493.7m, with cash on hand of \$19m. Based on the latest estimates of cash requirements Council will not need to borrow any additional funds this financial year to fund Council activities. For comparison the year end external debt as per the LTP is \$572m. The lower debt is primarily due to lower than budgeted capex spends.
- 1.4 Council has facilities of \$45m with the cost of these facilities 0.3%.
- 1.5 Standards and Poors (Global) visited Council and had meetings with the Mayor, CE and officers as part of their annual ratings review. This committee will be updated on the result of that rating outcome at the next meeting.
- 1.6 To continue to operate within Treasury Policy parameters (refer 3.1 below) Officers have taken swap contracts at a total value of \$50m. Officers will continue to enter swap contracts through May to ensure continued adherence to the treasury policy.
- 1.7 Since the last update in February 2026 the Monetary Policy Committee in the April review agreed to hold the OCR at 2.25%. Events in the middle East have materially altered the outlook with inflation expected to increase and the economic recovery to weaken. The market and banks in particular believe that there will be an increase in the OCR either late 2026 or early 2027.

2.0 Recommendations - Ngā Tūtohunga

That the Risk and Assurance Committee receive the report titled Treasury Activity and Funding Update dated 20 May 2026.

3.0 Background – Te Horopaki

- 3.1 The Hastings District Council has a Treasury Policy which is a summarised version of the Treasury Management Policy and forms part of the 2024-2034 Long Term Plan. Under these policy documents, responsibility for monitoring treasury activity is delegated to the Risk and Assurance Committee.
- 3.2 Council is provided with independent treasury advice by Bancorp Treasury Services and receives daily and monthly updates on market conditions.
- 3.3 A financial report is attached to supplement this report: **Attachment 1** – April 2026 Treasury Dashboard.

4.0 Discussion – Te Matapakitanga

Treasury Transactions

- 4.1 Council has had \$55m of debt maturing in April of 2026 which has been rolled over across the following maturities. The table below shows the relevant detail. As noted in the following table \$20m was taken out in Commercial paper (CP) for a term of three months.
- 4.2 A portion of the maturing debt (\$20m) was taken out in Commercial paper (CP) for a term of three months. There are two reasons for rolling part of the maturing debt over as CP. Firstly, it forms part of Council strategy in relation to novating over water related debt to the Water entity as of the 1st of July 2027. Secondly, the margin on borrowing is significantly lower than our longer-term debt.

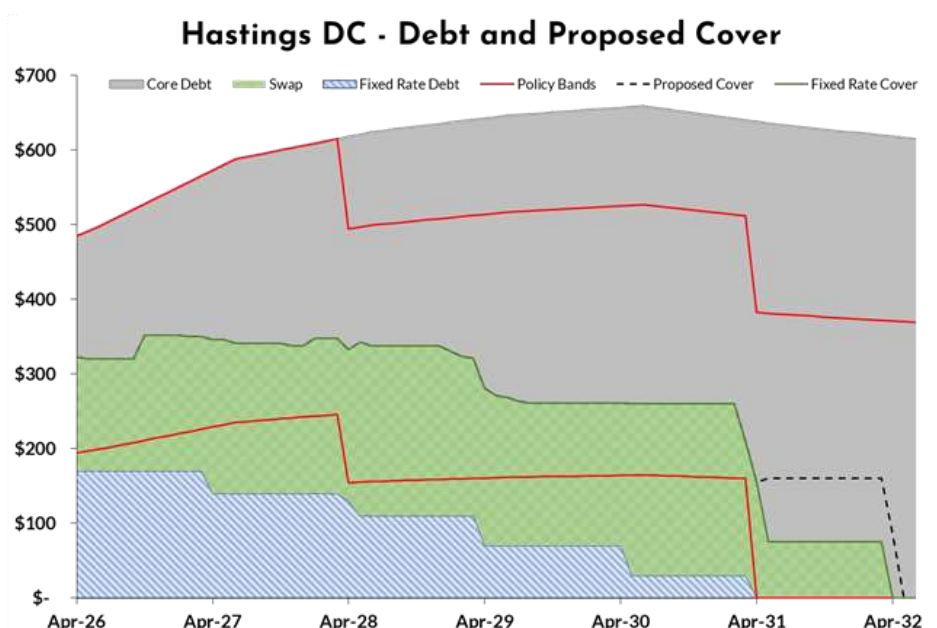
Deal Date	Fixed /Floating	Amount	Margin	Effective Interest Rate	Maturity Date
15/04/2026	Floating	\$20m	0.58%	3.21%	20/04/2029
15/04/2026	Floating	\$15m	0.75%	3.38%	20/05/2031
15/04/2026	Commercial Paper Floating	\$20m	0.15%	2.715%	15/07/2026

- 4.3 The Council Treasury Policy dictates the amount of debt that can mature in any one year. Already planned in 2026/27 to provide flexibility in how the Water entity debt is transferred Council will have a total of \$155m maturing.
- 4.4 Officers entered into \$50m interest rate swaps in February 2026 subsequent to the last report to the committee to maintain cover within Treasury policy limits as per the table below:

Deal Date	Live /Forward Start	Swap Value	Interest Rate	Start Date	Maturity Date
19/02/2026	Live	\$25m	3.680%	23/02/2026	15/04/2032
19/02/2026	Forward Start	\$25m	3.825%	15/10/2026	15/04/2032

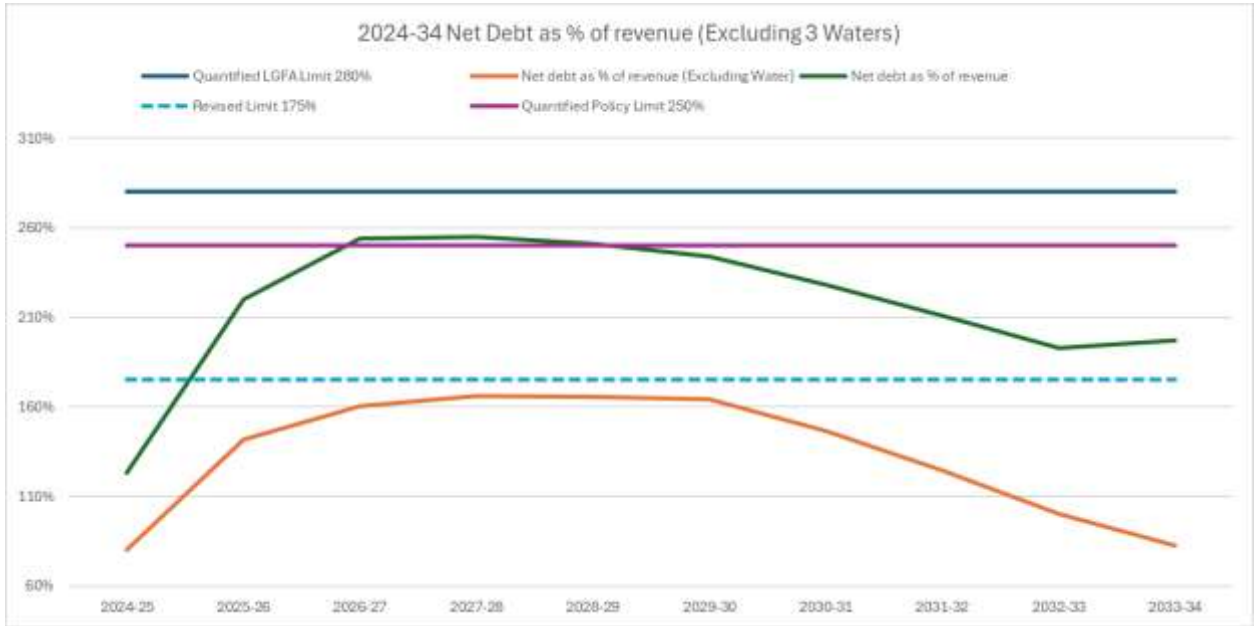
Treasury Policy Limits

- 4.5 Below is the debt cover as at 30th of April 2026 showing Council is within policy. Note that the dotted line near the right end of the graph shows the swap cover that officers intend to take out in the May period to maintain cover within Council treasury policy. Council are working with treasury advisors to optimise timing.



Debt Capacity

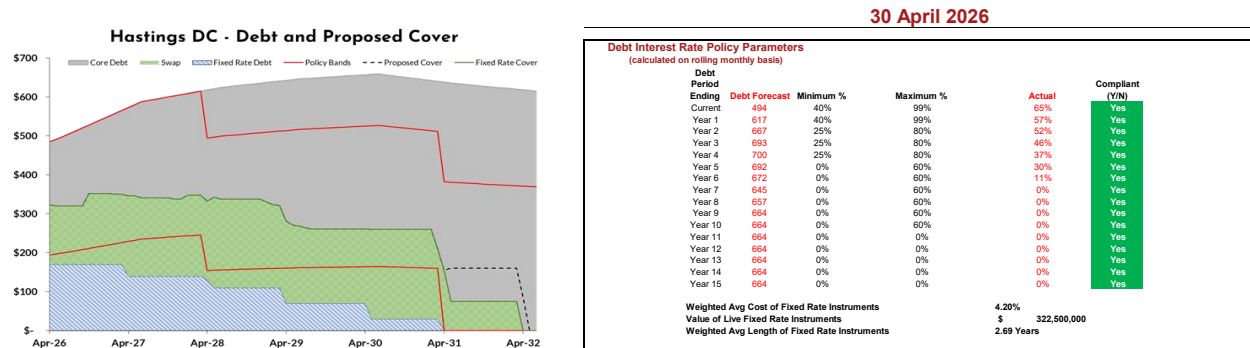
- 4.6 The graph below represents the current view of ongoing debt capacity measured by the net revenue to debt calculation. The data reflects the current adopted LTP and actuals and updated Annual Plan to date. Council is within its self-imposed policy limit of 250% (excluding one offs). This position is expected to continue. The graph further shows an estimate of what the net to revenue position would look like with the removal of 3 Waters.
- 4.7 Overall, the graph indicates that there is sufficient debt capacity today and, in the future, even if the self-imposed policy limit reduces as has been recommended.



Attachments:

[1](#) Treasury Report April 2026

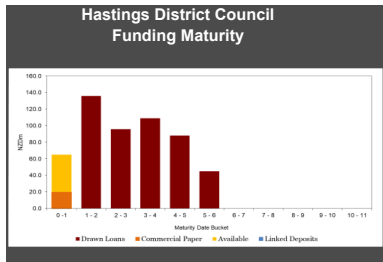
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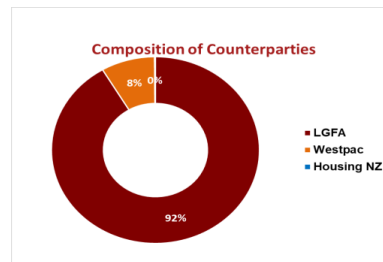
Cost of Holding Fixed Interest Posi	30-Apr-26			30-Jun-25			Movement for Year		
	Notional Swap Value	Avg Int Rate	Valuation	Notional Swap Value	Avg Int Rate	Valuation	Notional Swap Value	Avg Int Rate	Valuation
Live Interest Rate Swaps	152,000,000	3.83%	(232,600)	114,500,000	3.76%	(1,281,989)	38,000,000	0.08%	1,049,389
Forward Starting Interest Rate Swaps	246,000,000	4.14%	739,066	221,000,000	4.18%	(671,233)	25,000,000	(0.00%)	1,410,298
Fixed Rate Cover Live & Forward	150,000,000	4.59%		170,000,000	4.59%				
Total Interest Rate Swaps	548,000,000	4.15%	506,463	505,500,000	4.19%	(1,933,191)	63,000,000		2,459,677

Average Cost of Funds	30-Apr-26			30-Jun-25			Movement for Year		
	Notional Value	Avg Int Rate		Notional Value	Avg Int Rate		Notional Value	Avg Int Rate	
Fixed Rate Loans with LGFA	170,000,000	4.59%		170,000,000	4.59%		0	(0.00%)	
Floating Rate Loans with LGFA	323,000,000	3.81%		302,000,000	4.05%		21,000,000	(0.48%)	
Live Interest Rate Swaps	152,500,000	3.83%		114,500,000	3.76%		38,000,000	0.68%	
Westpac Lines of Credit	45,000,000	0.27%		45,000,000	0.27%		0	0.00%	
Fixed Rate Loans with HNZ	740,000	0.00%		740,000	0.00%		0	0.00%	
Total External Loans / Average Cost of Borrowing	493,740,000	4.39%		472,740,000	4.35%		21,000,000	(0.00%)	

30 April 2026



	Minimum %	Maximum %	Actual	Compliant (Y/N)
Liquidity	110%	170%	113%	Yes
Fixed Interest Debt	40%	99%	65%	Yes
Funding Maturity Profile				
0-1 Year	0%	33%	15%	Yes
1-2 Year	0%	33%	24%	Yes
2-3 Year	0%	33%	17%	Yes
3-4 Year	0%	33%	20%	Yes
5-6 Year	0%	33%	16%	Yes
6-7 Year	0%	33%	8%	Yes
7-8 Year	0%	33%	0%	Yes
8-9 Year	0%	33%	0%	Yes
9-10 Year	0%	33%	0%	Yes
10-11 Year	0%	33%	0%	Yes
Net Debt as % Equity		20%	13%	Yes
Net Debt as % Income		250%	145%	Yes
Net Interest as % Income		15%	6%	Yes
Net Interest as % of Rates		20%	14%	Yes



Total External Council Drawn Debt	493,740,000	Forward Start Contract	-
Funds Drawn from LGFA	493,000,000	LIQUIDITY RATIO	1.13
Undrawn Bank Facilities	45,000,000	Definition: (Cash Reserves + Lines of Credit + Drawn Debt) / Drawn Debt	
Bank Deposits & Term Deposits	19,000,000	Weighted Average Length of Funding	2.3 Years

HASTINGS DISTRICT COUNCIL

RISK AND ASSURANCE COMMITTEE MEETING

WEDNESDAY, 20 MAY 2026

Item 13

RECOMMENDATION TO EXCLUDE THE PUBLIC

SECTION 48, LOCAL GOVERNMENT OFFICIAL INFORMATION AND MEETINGS ACT 1987

THAT the public now be excluded from the following part of the meeting, namely:

14 Current Issue Summary April 2026

15 Head Start programme: key risks

The general subject of the matter to be considered while the public is excluded, the reason for passing this Resolution in relation to the matter and the specific grounds under Section 48 (1) of the Local Government Official Information and Meetings Act 1987 for the passing of this Resolution is as follows:

<i>GENERAL SUBJECT OF EACH MATTER TO BE CONSIDERED</i>	<i>REASON FOR PASSING THIS RESOLUTION IN RELATION TO EACH MATTER, AND PARTICULAR INTERESTS PROTECTED</i>	<i>GROUND(S) UNDER SECTION 48(1) FOR THE PASSING OF EACH RESOLUTION</i>
14 Current Issue Summary April 2026	Section 7 (2) (f) (ii) The withholding of the information is necessary to maintain the effective conduct of public affairs through the protection of such members, officers, employees and persons from improper pressure or harassment. To enable the Committee to have oversight of legally sensitive issues.	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.
15 Head Start programme: key risks	Section 7 (2) (i) The withholding of the information is necessary to enable the local authority to carry on, without prejudice or disadvantage, negotiations (including commercial and industrial negotiations). The PX resolution is based on s48 of LGOIMA, and 7(2)(i) provides the reason as linked in by s48(1)(a)(i).	Section 48(1)(a)(i) Where the Local Authority is named or specified in the First Schedule to this Act under Section 6 or 7 (except Section 7(2)(f)(i)) of this Act.