AGENDA

Risk & Assurance Committee Meeting
Thursday, 23 July 2026

Committee members: Mr Bruce Robertson (Independent Chair), Deputy Mayor Rob Taylor (Deputy Chair), Councillors Chris Archer, Martin Bosley, Collier Isaacs and Mayor Fran Wilde.

I hereby give notice that a Risk & Assurance Committee Meeting will be held on:

Date: Thursday, 23 July 2026

Time: 12:30 pm

Location: Supper Room, Waihinga Centre, Texas Street
Martinborough

Janice Smith

Chief Executive Officer

Order Of Business

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1 KARAKIA TIMATANGA – OPENING

Kia hora te marino
Kia whakapapa pounamu te moana
Hei huarahi mā tātou i te rangi nei
Aroha atu, aroha mai
Tātou i ā tātou katoa
Hui ē! Tāiki ē!

May peace be widespread
May the seas be like greenstone
A pathway for us all this day
Let us show respect for each other
For one another
Bind us all together!

2 APOLOGIES

3 CONFLICTS OF INTEREST

4 ACKNOWLEDGEMENTS AND TRIBUTES

5 PUBLIC PARTICIPATION

6 ACTIONS FROM PUBLIC PARTICIPATION

7 URGENT BUSINESS

8 CONFIRMATION OF MINUTES

8.1 MINUTES OF THE RISK & ASSURANCE COMMITTEE MEETING HELD ON 13 MAY 2026

Author: **Amy Andersen, Lead Advisor, Democracy and Committees**

Authoriser: **Janice Smith, Chief Executive Officer**

File Number:

RECOMMENDATIONS

1. That the minutes of the Risk & Assurance Committee meeting held on 13 May 2026 are confirmed as a true and correct record.

APPENDICES

Appendix 1 **Minutes of the Risk & Assurance Committee Meeting held on 13 May 2026**

MINUTES OF SOUTH WAIRARAPA DISTRICT COUNCIL
RISK & ASSURANCE COMMITTEE MEETING
HELD AT THE SUPPER ROOM, WAIHINGA CENTRE, TEXAS STREET, MARTINBOROUGH
ON WEDNESDAY, 13 MAY 2026 AT 1:30 PM

PRESENT: Mr Bruce Robertson, Cr Rob Taylor, Cr Chris Archer, Cr Martin Bosley, Cr Collier Isaacs, Cr Colin Olds and Mayor Fran Wilde (via MS Teams until 3:05pm).

IN ATTENDANCE: Cr Rachel Clarke, Janice Smith (Chief Executive Officer), James O'Connor (Group Manager, Infrastructure and Community Operations), Stefan Corbett (Group Manager, Corporate Services), Charly Clarke (Chief Financial Officer), Jess Hughes (Principal Advisor, Legal Executive), Nicki Ansell (Lead Advisor, Performance and Strategy) and Amy Andersen (Lead Advisor, Democracy and Committees).

Nick Reeves (Bancorp – via MS Teams).

CONDUCT OF BUSINESS: This meeting was held in the Supper Room, Waihinga Centre, Texas Street, Martinborough and via audio-visual conference. This meeting was live-streamed is available to view on our YouTube channel. The meeting was held in public under the above provisions from 1:30pm to 3:30pm except where expressly noted.

OPEN SECTION

1 KARAKIA TIMATANGA – OPENING

All in attendance opened the meeting.

2 APOLOGIES

2.1 APOLOGIES

COMMITTEE RESOLUTION RAC2026/11

Moved: Mr B Robertson
Seconded: Cr C Olds

The Risk and Assurance Committee resolved to accept apologies from Mayor Wilde for early departure.

CARRIED

3 CONFLICTS OF INTEREST

No interests were disclosed relating to items on the agenda or interests not already recorded on a relevant register.

4 ACKNOWLEDGEMENTS AND TRIBUTES

There were no acknowledgements and tributes.

5 PUBLIC PARTICIPATION

There was no public participation.

6 ACTIONS FROM PUBLIC PARTICIPATION

There was no public participation.

7 URGENT BUSINESS

There was no urgent business.

8 CONFIRMATION OF MINUTES

8.1 MINUTES OF THE RISK & ASSURANCE COMMITTEE MEETING HELD ON 12 MARCH 2026

COMMITTEE RESOLUTION RAC2026/12

Moved: Mr B Robertson
Seconded: Cr R Taylor

The Risk and Assurance Committee resolved that the minutes of the Risk & Assurance Committee meeting held on 12 March 2026 are confirmed as a true and correct record.

Abstained: Cr Bosley

CARRIED

9 MATTERS ARISING FROM PREVIOUS MEETINGS

There were no matters arising.

10 DECISION REPORTS FROM CHIEF EXECUTIVE AND STAFF

10.1 SENSITIVE EXPENDITURE POLICY UPDATE

Ms Clarke spoke to the report and highlighted: the amendments to the Policy were aligned with Audit Office guidance and that “sensitive” expenditure reflects public perception, not wrongdoing.

Members debated the meal allowance cap ($150/day) and whether amounts should be GST-inclusive.

Members raised questions regarding:

- Christmas functions (confirmed as modest and unchanged)
- International travel (rare, mainly Australia, for professional development)

- Missing receipts (alternative evidence is acceptable).

Members noted the Policy should be amended to include elected members as well as staff (consistency in language throughout), and an emphasis on perception and applying a “front-page test” to sensitive expenditure. Furthermore, all future expenditure reporting should include trend analysis rather than transaction-level detail (6-monthly).

COMMITTEE RESOLUTION RAC2026/13

Moved: Cr M Bosley
Seconded: Cr C Isaacs

The Risk and Assurance Committee resolved to:

1. Receive the *Sensitive Expenditure Policy Update* report;
2. Recommend to Council to approve the updated *Sensitive Expenditure Policy; and*
3. Note that minor formatting improvements will be undertaken by the Chief Financial Officer prior to Council adoption.

CARRIED

11 INFORMATION REPORTS FROM CHIEF EXECUTIVE AND STAFF

11.1 FINANCE REPORT TO 31 MARCH 2026

Ms Clarke spoke to the report and provided a summary of the report including:

- Revenue and expenditure tracking was largely in line with the budget
- Borrowing had slightly increased
- Rates arrears around 1–1.3% (Noted that there is limited council capacity for proactive outreach to ratepayers in arrears, but there is a plan for improved systems and customer engagement and an anticipated ratepayer assistance scheme in future)
- Capital delivery was currently 47% but expected to increase to 90% by year end
- Some projects are tracking under budget (positive result)
- Direct debit improvements are planned (a new system will be under consideration this year).

Mr Reeves provided a treasury presentation to the Committee, noting the following:

- Debt has increased (approx. $34.5M), largely due to water capital programme
- Short-term borrowing was preferred due to:
    - The upcoming transfer of water-related debt (2027)
    - High long-term interest rates
- Weighted cost of debt decreased
- Interest rate outlook:

- OCR at 2.25%
- Markets expect increases (up to 3–4.5%)
- Short-term rates are currently more favourable.

In response to the Committee's question about being outside our Treasury policy limits, Mr Reeves confirmed the current strategy was to maintain a short-term borrowing approach and to monitor interest rate movements closely.

COMMITTEE RESOLUTION RAC2026/14

Moved: Mr B Robertson
Seconded: Cr M Bosley

The Risk and Assurance Committee resolved to:

1. Receive the *Finance Report to 31 March 2026; and*
2. Note that no significant tax risks or breaches of financial policies have been identified.

CARRIED

11.2 TAX UPDATE

Ms Clarke noted that no material tax risks or breaches had been identified and there had previously been a reliance on staff expertise rather than formalised processes in this work.

Ms Clarke assured the Committee that the team were developing clearer processes (e.g., GST decision flowcharts), focusing on high-risk areas first and that there will be a report back on progress by December 2026.

COMMITTEE RESOLUTION RAC2026/15

Moved: Cr C Olds
Seconded: Cr C Isaacs

The Risk and Assurance Committee resolved to:

1. Receive the Tax Update report;
2. Note that the review identified no breaches or material tax compliance issues; and
3. Note that management will develop and implement improved process documentation across relevant tax areas to enhance consistency and strengthen the tax control framework.

CARRIED

11.3 LONG TERM PLAN KEY PERFORMANCE INDICATORS

Mr Corbett spoke to the report and confirmed that Council's key performance indicators (KPIs) had been reduced from 100+ to 42, and that 31 KPIs were currently being achieved. Members noted that there had been an improvement in reporting clarity and quality.

Ms Ansell acknowledged that some quarterly data still aggregated annually and this will be further improved over time.

There was discussion about relevance of certain performance measures and opportunities to use customer request data more effectively (e.g., Antenno/Zendesk).

COMMITTEE RESOLUTION RAC2026/16

Moved: Cr R Taylor
Seconded: Cr C Olds

The Risk and Assurance Committee resolved to receive the 2025-34 Long-Term Plan Key Performance Indicators report.

CARRIED

11.4 RISK MANAGEMENT UPDATE

Mr Corbett provided an overview of the report and noted that the risk profile was largely unchanged, except for the Emergency management risk which increased due to frequency of events.

Mr Robertson noted there was a need to finalise the risk appetite framework and members agreed to complete a deeper dive into key risks (e.g., asset failure)

The following risks require further review and updates before the next meeting:

- SR11 - Water transition (reducing); and
- OR2 - Critical asset failure (particularly water and roading infrastructure).

COMMITTEE RESOLUTION RAC2026/17

Moved: Mr B Robertson
Seconded: Cr R Taylor

The Risk and Assurance Committee resolved to:

1. Receive the Risk Management Update report; and
2. Note the information included in the Risk Management Update.

CARRIED

11.5 PEOPLE REPORT

Mr Corbett summarised the report and noted that successful recruitment into specialist roles had been completed, shared staffing arrangements with neighbouring councils were being explored and leave liability is decreasing.

Members queried recruitment impacted by location (travel/cost issues).

Mr Corbett provided clarification around staffing numbers: (77.49 FTE baseline / 88 headcount due to part-time/shared roles).

In relation to exit interviews, Mr Corbett noted there was a high likelihood staff would recommend Council as employer.

COMMITTEE RESOLUTION RAC2026/18

Moved: Mr B Robertson
Seconded: Cr C Isaacs

The Risk and Assurance Committee resolved to receive the People Report.

CARRIED

11.6 HEALTH, SAFETY AND EMERGENCY MANAGEMENT UPDATE

In relation to Health and Safety, Mr Corbett noted there had been no serious incidents and one threat incident handled by Police.

Mr Corbett stated that Council had an effective response to recent Emergency Management events and there had been positive feedback from both staff and external agencies, noting that 360 staff hours contributed to response activity.

However, there were issues that still needed to be addressed, including staffing constraints due to the Council's small workforce and 12-hour shifts are considered unsustainable.

Members also highlighted the need to build community board preparedness capability (this is currently work in progress)

COMMITTEE RESOLUTION RAC2026/19

Moved: Mr B Robertson
Seconded: Cr C Archer

The Risk and Assurance Committee resolved to receive the Health, Safety and Emergency Management Update.

CARRIED

11.7 CAPITAL PROJECTS SUMMARY

Mr O'Connor spoke to the report, noting that most projects were on track and some delays were due to contractor availability and seasonality.

Mr O'Connor highlighted that a key project, the Tauwharenīkau pipeline replacement, had been completed (improved drinking water reliability).

Key risks that may affect projects include rising fuel costs and ongoing vandalism of infrastructure (road signs). Noted that fuel consumption is being monitored by council officers, and work relating to communications regarding vandalism is being monitored by the Infrastructure Committee.

Members agreed to further discuss the Greytown greenspace project (delayed due to land availability and consultation constraints) in public excluded.

COMMITTEE RESOLUTION RAC2026/20

Moved: Cr C Olds
Seconded: Cr C Isaacs

The Risk and Assurance Committee resolved to:

1. Receive the Capital Projects Summary report.
2. Note the information included in the report.

CARRIED

12 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

COMMITTEE RESOLUTION RAC2026/21

Moved: Mr B Robertson
Seconded: Cr C Olds

The Risk and Assurance Committee resolved 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	Plain English reason for passing this resolution in relation to each matter
12.1 - Public Excluded Minutes of the Risk & Assurance Committee Meeting held on 12 March 2026	s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest s7(2)(f)(i) - free and frank expression of	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	Relates to the Legal Update and Cybersecurity Update discussed at this meeting.

	opinions by or between or to members or officers or employees of any local authority s7(2)(j) - the withholding of the information is necessary to prevent the disclosure or use of official information for improper gain or improper advantage		
12.2 - Legal update	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	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	To discuss legal issues in a free and frank environment.
12.3 Capital Projects Summary	s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	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	Discussion regarding Greytown greenspace (delayed project). Item added to public excluded section in this meeting.

CARRIED

Mayor Wilde left the meeting at 3:05pm.

13 KARAKIA WHAKAMUTUNGA – CLOSING

All in attendance closed the meeting with a karakia.

The meeting closed at 3:30pm.

Confirmed as a true and correct record.

……………………………………….. (Chair)

……………………………………….. (Date)

……………………………………….. (Chief Executive)

……………………………………….. (Date)

9 MATTERS ARISING FROM PREVIOUS MEETINGS

10 INFORMATION REPORTS FROM CHIEF EXECUTIVE AND STAFF

10.1 FINANCE AND AUDIT UPDATE

Author: **Hayley McDonald, Accountant**

Authoriser: **Stefan Corbett, Group Manager, Corporate Services**

File Number:

PURPOSE

To provide the Committee with a commentary on the year-to-date 31 May 2026 results, progress of audit cycle, and to report any breaches of financial policies and/or tax risks.

EXECUTIVE SUMMARY

- The Council reports a $4.8m operating surplus as at 31 May 2026, with revenue slightly above budget despite reduced development contributions, and grants received. Expenditure is tracking 1% under budget following savings across most activities excluding Land Transport where emergency works and depreciation adjustment have caused $1.9m of additional expenses.
- Current assets stand at $11.1m while borrowings increased slightly to $34.5m due to the waters capital programme gaining traction.
- Rates arrears at 30 June 2026 are $0.9m, which represents 2.2% of the 2025/26 SWDC rates.

RECOMMENDATIONS

Officers recommend that the Risk and Assurance Committee:

1. Receive the *Finance and Audit Update to the Committee report.*

2. Note that no significant tax risks or breaches of financial policies have been identified

BACKGROUND

Audit Update

The interim audit has been completed, testing transactions to 31 March, and systems, controls & processes. All information was provided to the team from The Audit Office and no concerns were raised.

The Audit Office have requested our draft Annual Report for 2025/26 by the 7th of September, with the final audit process beginning on the 14th of September. We aim to bring the Annual Report to Council for adoption on the 15th of October, and to brief the Committee ahead of that meeting.

The Audit Management Report for 2024/25 had four recommendations. Our progress on addressing these are as follows.

1. That our mandatory DIA performance measure for response time to customer enquiries related to roading had not been provided. This has been addressed by the roading team for the 2025/26 year and should be reported as required.
2. That our Fraud and Corruption Policy be updated to align with the Auditor General's guidance notes. This policy was updated and adopted by Council following endorsement by the Committee.
3. That we formalise documentation of roles, responsibilities, reconciliations, and approvals during significant system migrations. As a small council we have relied on communication and validation of system migrations face-to-face in the past but are formalising this for future exercises. For example, our move of council documents from physical drives to cloud storage has been accompanied by sign-off from each manager throughout the process.
4. That assets fully depreciated but still in use are assessed to consider whether the useful lives of similar assets remain appropriate. This work is on-going and part of the increase in maturity of Asset Management Plans being carried out by our Asset Manager.

DISCUSSION

N/A

APPENDICES

Appendix 1 Financial Report May 2026

Appendix 2 Treasury Report May 2026

Appendix 3 Debtors Summary June 2026

Appendix 4 Rates debtors June 2026

SOUTH WAIRARAPA DISTRICT COUNCIL
Kia Reretahi Tātau

Monthly Financial Statements

Financial Reports for 31 May 2026

Statement of Comprehensive Revenue and Expenditure	2
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Statement of Comprehensive Revenue and Expenditure	Actuals YTD May 2026	Budget YTD May 2026	YTD Variance (000's)	Full Year Budget (000's)	Full Year Forecast (000's)	Full Year Variance (000's)
Revenue and Expense						
Revenue						
Rates and rates penalties	31,332	31,027	305	31,027	31,332	305
Waka Kotahi subsidy	7,171	6,788	384	7,405	9,387	1,982
Grants, subsidies and donations	327	637	(311)	695	695	-
Interest revenue	101	30	71	32	131	99
Fees, licences and user charges	2,290	2,439	(149)	2,641	2,457	(184)
Contributions	579	1,292	(713)	1,409	825	(585)
Other revenue	2,732	1,846	886	2,014	3,257	1,243
Total operating revenue	**44,533**	**44,059**	**474**	**45,224**	**48,084**	**2,860**
Expenses						
Personnel costs	7,751	7,863	112	8,579	8,495	84
Finance costs	844	1,913	1,069	2,087	927	1,160
Depreciation and amortisation	7,716	6,091	(1,624)	6,645	8,422	(1,777)
Other expenses	23,461	23,599	139	25,603	26,174	(571)
Total operating expenditure	**39,772**	**39,467**	**(305)**	**42,914**	**44,017**	**(1,102)**
Total Operating Surplus/(Deficit)	**4,762**	**4,592**	**169**	**2,310**	**4,067**	**1,757**

Revenue - 1% below budget overall

Rates revenue - Tracking in line with expectations, currently 1% above budget. Third instalment was issued in Apr-26 and was due in May 26.

Waka Kotahi subsidy -6% favourable, capex subsidies are unfavourable by $1.4m mainly due to timing of capital programme. Expected to spend full year budget. Opex subsidies are favourable by $1.8m due to emergency works.

Grants, subsidies, & donations - Under budget by 49% mainly due to timing delays in LWDW funding and the Waste Minimisation Levy.

Interest revenue - Earned through interest-bearing accounts and deposits with BNZ.

Fees, licences & user charges - Tracking well against budget, but 6% unfavourable partially due to low building consents.

Contributions* - 55% below budget due to reduced activity particularly at Greytown

*Note that contributions revenue is collected for funding capital projects related to growth, not operating costs.

Expenditure - Less than 1% below budget

Personnel Costs - Slightly favourable due to lag in vacancy fulfilment across the organisation.

Finance costs - Savings were made due to delayed water capital programmes and the resultant reduced borrowing.

Depreciation & amortisation - Unfavourable by 27% following a reduction to the useful life of roading infrastructure, which increased

Other expenses - Favourable by 1%. Detailed activity breakdown of this variance is presented below:

Land Transport	$1,945k	Mainly due to subsidised emergency works and the adjusted depreciation
Water Supply	$760k	Network reactive maintenance (including traffic management) and higher insurance costs for additional above-ground assets.
Planning & Regulatory Services	$44k	Largely on track, but slightly higher than budget in Building Services.
Total unfavourable	**$2,749k**	

Finance & Corporate Support	$466k	Timing of software licences and IT projects, savings in server migration, automation, and delayed training, valuation costs expected in Q4.
Community Facilities & Services	$1,172k	Delayed parks/reserves works; savings in refuse/recycling consultancy; timing difference in insurance; and shared services savings.
Democracy & Engagement	$269k	Timing of ceremonies, protocol, and grants.
Wastewater	$954k	Lower works costs and no desludging spend; monitoring within budget.
Stormwater	$28k	On track
Total favourable	**$2,889k**	

Grants and Subsidies	**YTD Actual Spend May-26**	**Total Funding**	**Grant Received**	**Income in advance**
Waste Minimisation Levy	77,943	514,698	514,698	436,755
Youth Advisor Initiative	20,000	20,000	20,000	-
Welcoming Communities	11,882	11,882	11,882	-
Age friendly	984	14,740	14,740	13,756
LWDW	194,378	194,378	194,378	-
Waka Kotahi (opex subsidy)	4,280,222	5,929,410	4,280,222	-
Freedom Camping	-	-	82,307	82,308
Total	**4,585,409**	**6,685,107**	**5,118,227**	**532,819**

Grant income is offset with operating expenditure.

Statement of Financial Position	Opening Balance 2025/2026	Actuals YTD 2025/2026	Movement 2025/2026
Assets			
Current assets			
Cash & cash equivalents	7,556	7,061	(495)
Debtors & other receivables	3,080	5,970	2,890
Investments - current	419	495	76
Inventories	62	38	(24)
Total Current Assets	**11,117**	**13,564**	**2,447**
Non-current assets			
Investments - non-current	297	177	(120)
Other financial assets	303	303	-
Investment properties	-	-	-
Intangible assets	304	325	21
Property, Plant and Equipment	635,360	645,793	10,433
Council controlled organisation	-	-	-
Total Non-current assets	**636,265**	**646,598**	**10,334**
Total Assets	**647,382**	**660,162**	**12,781**

Working Capital
Working Capital (calculated as current assets divided by current liabilities) reflects the council's ability to meet its short-term obligations.

Debtors and other Receivables	**$6.0m**
Mainly made up of:	
· Rates receivables	$1.8m
· Wellington Water (Opex)	$1.4m
· Waka Kotahi NZTA & Fuel Tax Receivable	$1.1m
· General Debtors	$0.5m
· Prepayments	$0.4m

Statement of Financial Position	Opening Balance 2025/2026	Actuals YTD 2025/2026	Movement 2025/2026
Liabilities			
Current liabilities			
Creditors & other payables	5,116	7,069	1,953
Employee benefit liabilities	687	753	66
Borrowings	21,800	27,800	6,000
Other current liabilities	33	33	-
Total Current Liabilities	**27,637**	**35,656**	**8,019**
Non-current liabilities			
Provisions	302	302	-
Borrowings	6,700	6,700	-
Total Non-Current Liabilities	**7,001**	**7,001**	**-**
Total Liabilities	**34,638**	**42,657**	**8,019**
Equity			
Reserves			
Public equity	173,433	173,433	-
Restricted reserves and trust funds	30,384	30,384	-
Asset revaluation reserves	408,926	408,926	-
Reserves	**612,744**	**612,744**	**-**
Total Equity	**612,744**	**612,744**	**-**
Total Liabilities and Equity	**647,382**	**655,401**	**8,019**

Liabilities

Creditors and other payables	**$7.1m**
Mainly made up of:	
· Creditors	$2.7m
· GWRC rates collected not yet remitted	$2.0m
· Levies, bonds currently outstanding	$0.9m
· Accrued expenses	$0.5m
· Income in advance*	$0.5m
· SWDC rates in advance	$0.2m

* This relates to grants received for Waste Minimisation, Freedom camping and Age friendly activities

Summary of Investments and Borrowings

Summary of Investments as at 31 May 2026			
	$		
Account	**Total Invested**	**Interest Rate**	**Maturity date**
Westpac Bank			
Call Account	914		
ASB Bank			
Call Account	74,383		
ANZ Bank			
Call Account	143		
BNZ Bank			
Call Account	6,245,311		
Wairarapa Building Society			
Term deposit	494,692	3.90%	25/08/2026
Total Call Accounts	**6,320,751**		
Total Term Deposits	**494,692**	Weighted Average Interest Rate 3.90%	
TOTAL	**6,815,443**		
BONDS			
LGFA Borrower Bonds	167,500		
FORESTRY			
Plantation - Hurupi Stock	9,305		
SHARES			
Farmlands	1,159		
NZ Local Government Insurance Company	81,434		
Wellington Water Limited	50,000		
TOTAL INVESTMENTS	**7,124,842**		

Note: Call Account are considered cash in the balance sheet as it is under 90days.

Summary of Borrowings as at 31 May 2026			
LOANS			
Drawn Down	**Rate**	**Matures**	**Principal ($)**
17/05/2021	2.720%	15/05/2031	6,700,000
13/02/2025	2.974%	13/11/2026	17,000,000
15/04/2026	2.765%	14/07/2026	10,800,000
Total Lloans			**34,500,000**
Weighted Average Interest Rate			**2.86%**
SHORT TERM FACILITY - BNZ			
	15/04/2026		

Lending By Activity	($)	% of total
Community Facilities & Services	2,846,983	8%
Finance & Corporate Support	274,499	1%
Land Transport	1,336,066	4%
Planning & Regulatory Services	451,849	2%
Wastewater	26,385,361	76%
Water Supply	3,205,241	9%
Total	**34,500,000**	**100%**

SOUTH WAIRARAPA DISTRICT COUNCIL

Capital Schedule as at 31st of May 2026

	2025/26 Actuals	2026 LTP Budget (000's)	Carryover	% of Full year budget spent	Remaining	Full year Forecast	Forecast variance
Community Facilities & Services							
Growth							
Featherston Greenspace	-	512,500		0%	512,500	475,000	37,500
Purchase of land for new open spaces	-		2,011,972		2,011,972	-	2,011,972
Greytown wheels park	1,245,572		1,220,591	102%	-24,981	1,229,736	-9,145
Total capital expenditure for community facilities & services for growth	**1,245,572**	**512,500**	**3,232,563**	**33%**	**2,499,492**	**1,704,736**	**2,040,327**
Level of Service							
Self Issue	1,402	56,650	-	2%	55,248	1,402	55,248
Emergency Management Resilience Upgrades	5,737	10,260	-	56%	4,523	10,260	-
Playground refurbishments	571,054	328,000	162,193	116%	29,139	600,193	-110,000
Refuse / Recycling Upgrades	-	102,500	-	0%	102,500	102,500	-
Riparian planting	3,290	20,500	-	16%	17,210	20,500	-
Recreation trail related infrastructure - repair stations, hydration, shelter, bike stands / locks etc	33,823	51,250	95,476	23%	112,903	40,000	106,726
Bin sensors	-	2,050	-	0%	2,050	-	2,050
Featherston war memorial lighting - dome	9,919	10,250	-	97%	331	10,250	-
Smart bins for rural areas	-	154	-	0%	154	-	154
Campgrounds - Martinborough campground drainage solution/reforming	-	-	42,390	0%	42,390	42,390	-0
Campgrounds - Lake ferry compliance upgrades	-	-	50,790	0%	50,790	25,395	25,395
Community buildings - Waihinga centre acoustic dampening	-	-	39,813	0%	39,813	-	39,813
Community buildings - Climbing wall Featherston stadium	-	-	19,906	0%	19,906	-	19,906
Community buildings - Heights access for buildings	20,678	-	70,173	29%	49,495	84,948	-14,775
Gateway to the Wairarapa	7,417	-	116,302	6%	108,885	20,000	96,302
Parks & reserves - Lake ferry paddock subdivision	-	-	117,888	0%	117,888	-	117,888
Parks & reserves - Carkeek Observatory	67,906	-	157,247	43%	89,341	157,247	-
Parks & reserves - Farley Ave, Greytown lineal reserve planting and seating	-	-	48,789	0%	48,789	48,789	-
Parks & reserves - Martinborough square lighting	5,472	-	45,423	12%	39,951	5,472	39,951
Rental properties - Hodderfarm	22,910	-	110,022	21%	87,112	110,022	-
Toilets - Considene park toilets	-	-	-	0%	-	-	-
Solid Waste - Organics kerbside collection bins	-	-	50,600	0%	50,600	-	50,600
					-		
Total capital expenditure for community facilities & services for level of service	**749,609**	**581,614**	**1,127,012**	**44%**	**1,069,017**	**1,279,368**	**429,258**

SOUTH WAIRARAPA DISTRICT COUNCIL

Capital Schedule as at 31st of May 2026

	2025/26 Actuals	2026 LTP Budget (000's)	Carryover	% of Full year budget spent	Remaining	Full year Forecast	Forecast variance
Renewals							
Cemeteries Upgrades	18,860	51,250	-	37%	32,390	51,250	-
Greytown Rugby grounds	7,944	102,500	-	8%	94,556	80,000	22,500
Car Park Resurfacing ($10/sqm reseal, $100/sqm redo)	41,212	36,190	-	114%	- 5,022	41,212	- 5,022
Housing Renewals	22,421	51,250	-	44%	28,829	51,250	-
Housing - Westhaven	39,839	-	18,156	219%	- 21,683	39,517	- 21,361
Featherston toilets upgrade	-	307,500	-	0%	307,500	307,500	-
Parks / Reserves Upgrades	30,144	51,250	-	59%	21,106	51,250	-
Community Building exterior paint-Greytown Old Library-Greytown Town Centre-Featherston Library a	-	205,000	-	0%	205,000	205,000	-
Greytown Town Centre upgrades - heating / air cond - electrical capacity - window and roof leaks	-	205,000	-	0%	205,000	205,000	-
Swimming Pools-Pool surface upgrades-Plant upgrades-Changing room upgrades	29,338	102,500	-	29%	73,163	102,500	-
Toilet Upgrades	-	51,250	-	0%	51,250	51,250	-
Swimming Pool annual renewals	50,420	51,250	-	98%	830	51,250	-
Rental Property Upgrades	5,830	51,250	-	11%	45,420	51,250	-
Library Book Collection	96,530	122,992	-	78%	26,463	122,992	-
Greytown campground, reserve, tennis court driveway redo	-	77,550	-	0%	77,550	77,550	-
Community Building Upgrades	51,412	51,250	-	100%	- 162	51,250	-
Community buildings - Greytown Town Centre repiling & asbestos	16,825	-	151,121	11%	134,296	40,000	111,121
Parks & reserves - Otauira Reserve - roading resurface	170,855	-	262,525	65%	91,670	200,000	62,525
Total capital expenditure for community facilities & services for renewals	**581,630**	**1,517,982**	**431,802**	**30%**	**1,368,154**	**1,780,022**	**169,763**
Total Community Facilities & Services	**2,576,812**	**2,612,096**	**4,791,378**	**35%**	**4,936,662**	**4,764,126**	**2,639,348**

SOUTH WAIRARAPA DISTRICT COUNCIL Capital Schedule as at 31st of May 2026	2025/26 Actuals	2026 LTP Budget (000's)	Carryover	% of Full year budget spent	Remaining	Full year Forecast	Forecast variance
Finance & Corporate Support							
Level of Service							
Building security alarm system upgrade	-	102,500		0%	102,500	102,500	-
Intangibles- district wide signage	2,411		20,000	0%	17,589	20,000	-
Total capital expenditure for Finance & Corporate Support for level of service	**2,411**	**102,500**	**20,000**	**2%**	**120,089**	**122,500**	**-**
Renewals							
Vehicle Replacement	-	123,000	-	0%	123,000	123,000	-
Laptop Replacement	21,274	102,500	-	21%	81,226	102,500	-
Building H & S	-	15,375	-	0%	15,375	15,375	-
Corporate Offices	1,568,211	1,845,000	233,558	75%	510,347	1,550,000	528,558
Network Infrastructure	11,204	51,250	-	22%	40,046	51,250	-
Total capital expenditure for Finance & Corporate Support & services for renewals	**1,600,689**	**2,137,125**	**233,558**	**68%**	**769,994**	**1,842,125**	**528,558**
Total Finance & Corporate Support	**1,603,101**	**2,239,625**	**253,558**	**64%**	**890,083**	**1,964,625**	**528,558**
Land Transport							
Growth							
Walk way/Cycle way improvements LR	-	112,500	-	0%	112,500	-	112,500
stock underpass contribution LR	-	55,000	-	0%	55,000	-	55,000
Kerb and channel/ footpath additions LR	169,134	450,000	-	38%	280,866	450,000	-
Total capital expenditure for Land Transport for growth	**169,134**	**617,500**	**-**	**27%**	**448,366**	**450,000**	**167,500**

SOUTH WAIRARAPA DISTRICT COUNCIL

Capital Schedule as at 31st of May 2026

	2025/26 Actuals	2026 LTP Budget (000's)	Carryover	% of Full year budget spent	Remaining	Full year Forecast	Forecast variance
Level of Service							
RtZ-Birdwood/Fox Streets Intersection improvements	42,995	400,000	-	11%	357,005	400,000	-
Collector Road widening LR	214,641	120,000	-	179%	- 94,641	120,000	-
East Coast stability planting LR	14,474	75,000	-	19%	60,526	75,000	-
Speed review (SPR)	500	25,000	-	2%	24,500	25,000	-
RtZ-Ponatahi Road Huangarua River - kokotay Rd SNP	19,650	100,000	-	20%	80,350	100,000	-
Speed management plan speed signs LR	-	75,000	-	0%	75,000	75,000	-
Bridge strengthening LR	53,731	225,000	-	24%	171,269	225,000	-
East Coast reslience study LR	-	85,000	-	0%	85,000	60,000	25,000
Speed review (LR)	122,122	437,000	-	28%	314,878	437,000	-
Glue Pot Stability LR	94,592	500,000	-	19%	405,408	500,000	-
Guard rail installation SPR	48,826	75,000	-	65%	26,174	48,826	26,174
Rural Road delineation improvements LR	-	35,000	-	0%	35,000	35,000	-
Guard rail installation Lake Ferry	66,281	90,000	-	74%	23,719	66,281	23,719
ECOREEF extension SPR	247,498	990,000	-	25%	742,502	990,000	-
Rock supply to Cape Palliser Rd SPR	403,309	300,000	-	134%	- 103,309	403,309	- 103,309
Hinekura Road - Remediation	16,240	-	-	100%	- 16,240	16,240	- 16,240
Total capital expenditure for Land Transport for level of service	**1,344,859**	**3,532,000**	**-**	**38%**	**2,203,382**	**3,560,416**	**- 28,416**

SOUTH WAIRARAPA DISTRICT COUNCIL

Capital Schedule as at 31st of May 2026

	2025/26 Actuals	2026 LTP Budget (000's)	Carryover	% of Full year budget spent	Remaining	Full year Forecast	Forecast variance
Renewals							
Footpath renewal LR unsubsidised	103,576	100,000	-	104%	- 3,576	100,000	-
Drainage Renewals LR	326,984	460,620	-	71%	133,636	460,620	-
Sealed Road pavement rehabilitation LR	1,135,940	1,035,999	-	110%	- 99,941	1,135,940	- 99,941
Structure compoment replacements LR	4,909	161,178	-	3%	156,269	161,178	-
Sealed Road Resurfacing LR	1,116,578	1,252,136	-	89%	135,558	1,116,578	135,558
Traffic Service renewals LR	48,842	56,075	-	87%	7,233	48,842	7,233
Structure compoment replacements SPR	14,069	30,000	-	47%	15,931	14,069	15,931
Unsealed road metalling LR	272,876	501,515	-	54%	228,639	501,515	-
Drainage Renewals SPR	19,475	22,000	-	89%	2,525	22,000	-
Unsealed road metalling SPR	4,909	7,768	-	63%	2,859	4,909	2,859
Riddiford Bridge replacement LR	279,538	795,000	-	35%	515,462	795,000	-
Footpath renewal LR	67,098	60,047	-	112%	- 7,051	67,098	- 7,051
Traffic Service renewals SPR	6,262	6,000	-	104%	- 262	6,262	- 262
Sealed Road Resurfacing SPR	121,296	124,000	-	98%	2,704	124,000	
Total capital expenditure for Land Transport for renewals	**3,522,351**	**4,612,338**	**-**	**76%**	**1,089,987**	**4,558,010**	**54,328**
Total Land Transport	**5,036,344**	**8,761,838**	**-**	**57%**	**3,725,494**	**8,584,666**	**177,172**

SOUTH WAIRARAPA DISTRICT COUNCIL

Capital Schedule as at 31st of May 2026

	2025/26 Actuals	2026 LTP Budget (000's)	Carryover	% of Full year budget spent	Remaining	Full year Forecast	Forecast variance
Water Supply							
Level of Service							
Resource Consent for Pirinoa water take - reconsenting	-	81,400	-	0%	81,400	-	81,400
WTP Wellfield Security	-	104,827	-	0%	104,827	10,000	94,827
Waiohine WTP Stage 3 Upgrades - ph dosing system upgrade	797,282	1,723,485	-	46%	926,202	961,902	761,583
Greytown WTP Upgrades Stage 3	5,785	2,131,140	-	0%	2,125,355	5,785	2,125,355
Total capital expenditure for Water Supply for level of service	**803,067**	**4,040,852**	**-**	**20%**	**3,237,785**	**977,687**	**3,063,165**
Renewals							
SWDC VHCA Reservoir Water Quality Renewals	114,620	209,655	-	55%	95,035	165,000	44,655
Consenting of Water Races (Moroa)	-	254,375	-	0%	254,375	-	254,375
Water Supply - Annually Recurring Projects	25,150	184,981	-	14%	159,831	25,150	159,831
Water Supply - Annually Recurring Projects-Reactive renewals WWL	398,180	506,880	-	79%	108,700	398,180	108,700
FSTN Water Main Renewals	1,783,357	1,926,426	-	93%	143,069	2,101,000	- 174,574
Tauwharenīkau Pipeline Crossing	1,491,675	2,147,323	-	69%	655,648	1,543,233	604,090
Boar Bush PW Trunk Main and reservoir outlet - Stage 1	8,700	154,114	-	6%	145,414	8,700	145,414
Total capital expenditure for Water Supply for renewals	**3,821,681**	**5,383,753**	**-**	**71%**	**1,562,072**	**4,241,263**	**1,142,490**
Total Water Supply	**4,624,749**	**9,424,605**	**-**	**49%**	**4,799,856**	**5,218,950**	**4,205,655**

SOUTH WAIRARAPA DISTRICT COUNCIL

Capital Schedule as at 31st of May 2026

	2025/26 Actuals	2026 LTP Budget (000's)	Carryover	% of Full year budget spent	Remaining	Full year Forecast	Forecast variance
Wastewater							
Growth							
MTB WWTP Growth Capacity Upgrade (Placeholder)	25,182	524,137	-	5%	498,956	45,182	478,955
GTN WWTP Growth Capacity Upgrade (Placeholder)	15,000	524,137	-	3%	509,137	35,000	489,137
Total capital expenditure for Wastewater for growth	**40,182**	**1,048,274**	**-**	**4%**	**1,008,093**	**80,182**	**968,092**
Level of Service							
GTN WWTP Compliance Upgrades - Stage 2a Land Irrigation	138,407	1,131,751	-	12%	993,344	138,407	993,344
MTB WWTP Compliance Upgrades - Stage 2a Land Irrigation	275,601	628,964	-	44%	353,363	310,601	318,363
FSTN WWTP Consent renewal and upgrades	614,037	880,704	-	70%	266,667	639,035	241,669
Irrigation field north of Pain Farm	2,561,861	-	-	100%	- 2,561,861	2,561,861	- 2,561,861
Papawai land swaps	3,077					3,077	- 3,077
Total capital expenditure for Wastewater for level of service	**3,592,983**	**2,641,419**	**-**	**136%**	**- 948,487**	**3,652,981**	**- 1,011,562**
Renewals							
Reconsenting Lake Ferry Treatment Plant	54,766	50,875	-	108%	- 3,891	54,766	- 3,891
Wastewater - Annually Recurring Projects	-	58,237	-	0%	58,237	-	58,237
Wastewater - Annually Recurring Projects-Reactive renewals WWL	161,775	465,750	-	35%	303,975	161,775	303,975
SWDC WW Pump Station Renewals	-	136,989	-	0%	136,989	-	136,989
Total capital expenditure for Wastewater for renewals	**216,541**	**711,851**	**-**	**30%**	**495,310**	**216,541**	**495,310**
Total Wastewater	**3,849,705**	**4,401,544**	**-**	**87%**	**554,915**	**3,949,704**	**451,840**
Stormwater							
Renewals							
Stormwater - Annually Recurring Projects							
Stormwater - Annually Recurring Projects-Reactive renewals WWL	6,849	303,091	-	2%	296,242	6,849	296,242
Total capital expenditure for Stormwater for renewals	**6,849**	**303,091**	**-**	**0**	**296,242**	**6,849**	**296,242**
Total Stormwater	**6,849**	**303,091**	**-**	**0**	**296,242**	**6,849**	**296,242**
Total Projects	**17,697,560**	**27,742,800**	**5,044,936**	**54%**	**15,203,253**	**24,488,920**	**8,298,816**

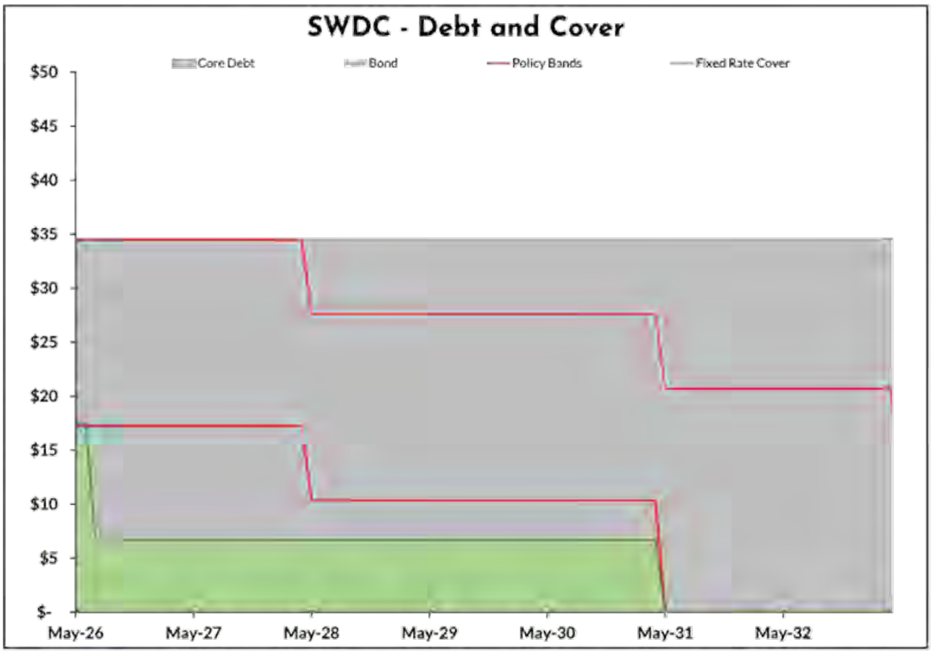
MONTHLY TREASURY REPORT – *SOUTH WAIRARAPA DISTRICT COUNCIL*

For May 2026 (Finalised 11 June 2026)

EXECUTIVE SUMMARY AND POLICY COMPLIANCE

On 31 May, South Wairarapa District Council ("SWDC") had $34.5 million of external debt (LGFA loans) in place. The chart below shows the hedging profile for SWDC at that date.

We note that current debt levels are now outside the CEO's hedging discretion as detailed in SWDC's Treasury Policy, which states that until net debt exceeds $30.0M *(treasury policy section 39)* any hedging is at the CEO's discretion. However, at this stage, given that the recent increase in debt is linked to water related activities and will be transferred to a new combined Council water CCO in July 2027 (including a significant portion of current core debt) the SWDC has approved the current policy non-compliance.



The overall strategy framework in place is to minimise external debt levels by pro-active cash flow management and to continue to take advantage of low floating rates compared to current swap levels (which already price in material OCR hikes), given a large percentage of current debt will be transferred to the new combined Council water CCO in July 2027.

EXTERNAL DEBT

The table below shows gross external debt on 31 May 2026.

Funder	Principal	Orig Term (yrs)	Rate	Start Date	Maturity
LGFA	10,800,000	0.25	2.765%	15-Apr-26	14-Jul-26
LGFA	6,700,000	10.00	2.72%	17-May-21	15-May-31
LGFA	17,000,000	0.75	2.97%	13-Feb-26	13-Nov-26
	34,500,000		Weighted Ave Debt Cost		**2.86%**

BANCORP

External investments

The table below shows working capital and 'reserve' funds.

Counterparty	Rating	Face Value	Int Rate	Mat Date	Term Left Days
Working Capital and Trust Funds					
BNZ-Call	AA-	6,245,311	1.50%	1-Jun-26	1
ASB/ANZ/WBC- Call	AA-	75,440	1.65%	1-Jun-26	1
Wairarapa BS	N/A	494,692	3.90%	25-Aug-26	86
		6,815,443			

Counterparty Credit Risk – Policy Compliance 31 May 2026

The Council's policy states that it can only invest with New Zealand registered banks that have a long-term S&P Global Ratings (or equivalent Fitch or Moody's rating) credit rating of A+ or with other counterparties specifically approved by Council.

Council has approved the WBS exposure, and this means that **all current investments are within policy.**

Market Commentary and Outlook

(mid rates)	30-Apr-26	31-May-26	Change	Market moves last 12 months 31-May-25	31-May-26	Change
NZD/USD	0.5908	0.5885	-0.39%	0.5965	0.5885	-1.34%
NZD/AUD	0.8205	0.8335	1.58%	0.9265	0.8335	-10.04%
NZD/CNH	4.0374	4.0455	0.20%	4.2804	4.0455	-5.49%
3 month Rate	2.63%	2.63%	0.00%	3.32%	2.63%	-0.69%
3 year swap	3.76%	3.67%	-0.09%	3.42%	3.67%	0.25%
5 year swap	3.98%	3.86%	-0.12%	3.67%	3.86%	0.19%
S&P500 Equity Index	7,209	7,580	5.15%	5,912	7580	28.21%
US 10 year bond	4.37%	4.44%	0.07%	4.40%	4.44%	0.04%
Brent Crude	114.09	91.99	-19.37%	63.90	91.99	43.96%

Financial Markets Background

Global financial markets continue to be buffered by the contrasting pressures on global growth from ongoing geopolitical friction and the risk of a re-emergence of structural inflation. The volatile US-Iran conflict continues to underpin energy prices and is undermining business and consumer confidence. The immediate outlook hinges on a successful conclusion to the current US-Iran negotiations and most importantly a reopening of the Strait of Hormuz. Reports continue to suggest the broad outline of a deal linking uranium delivery to sanction relief has been reached but until a formal agreement actually exists markets will remain on edge. The surge in oil prices means that central banks around the globe are being forced to maintain restrictive policy stances or prepare for fresh tightening cycles to combat a renewed wave of headline inflation.

Against this backdrop the US Federal Reserve ("Fed") held the Federal Funds rate steady at 3.50%–3.75% in May, for a third consecutive meeting. In his final session as Chair, Jerome Powell characterised monetary policy as close to neutral. However, the decision exposed severe internal fractures, triggering the most significant board dissent in 34 years with four votes cast against the hold. The US Senate has since confirmed Kevin Warsh as Powell's successor. While Warsh has announced his intention to lead a *"reform-oriented Fed,"* regional members are keeping the focus squarely on price stability. The minutes revealed that a majority of board members favour a hawkish bias, with many preferring to remove any language suggesting an easing bias should inflation continue to persistently run above 2.0%. This policy firming appears justified; April US CPI rose to 3.8%, the highest level since May 2023.

Despite existing Trump-era tariffs, the Chinese trade surplus has rebounded strongly in the year to April. Exports surged by 14.1% to a record USD 359.4 billion, driven by an 11.3% bounce-back in shipments to the US. China is also seemingly transitioning out of its deflationary funk with annual CPI firming to 1.2% and PPIs hitting a 45-month high of 2.8%. Despite this potential inflation risk, the People's Bank of China ("PBoC") kept its 1-year and 5-year Loan Prime Rates (LPR) unchanged at 3.00% and 3.50% for a 12th straight month. This cautious stance comes as localized consumer demand remains fragile; retail sales grew just 0.2% as Middle East disruptions weighed on consumer sentiment.

Across Europe, central bankers are warning against policy complacency. European Central Bank ("ECB") President Christine Lagarde warned the bank's March inflation forecast of 2.6% for 2026 will probably be revised upward when policymakers meet in June, Vice-President Luis de Guindos publicly criticized past delays, urging decisive policy actions, while Isabel Schnabel stated she believes a June rate hike will be needed as *"looking through"* the current inflation spike is no longer a credible option.

The Reserve Bank of Australia ("RBA") is dealing with a deteriorating data mix ahead of its 16 June meeting. After three rate hikes this year, April surprisingly saw headline inflation fall from 4.6% to 4.2% against forecasts of 4.4%. The RBA's preferred trimmed mean rate held steady at 3.4% but stagflation signals emerged with the unemployment rate increasing from 4.3% to 4.5%. Markets expect one more hike this year, to 4.60%.

While the Reserve Bank of New Zealand ("RBNZ") met market expectations by keeping the OCR unchanged at 2.25% when it met in late May, three committee members voted for a rate hike. Governor Breman had to use her chairperson casting vote to break the 3–3 tie to maintain the OCR at 2.25. The split underscores the view that rate hikes are imminent. In this regard, the statement was explicit, *"On balance, the OCR will most likely need to increase sooner and by more than envisaged in the February Monetary Policy Statement. The pace of OCR increases will depend on the relative influence of persistent wage and price-setting behaviour versus weaker economic activity on medium-term inflation pressures."* The RBNZ sees the cash rate peaking at 3.25% whereas financial markets are implying a series of hikes over coming months and a 3.75% peak.

Commodity prices remain mixed given ongoing volatility in oil prices. Copper and iron ore gained over May, while wheat and corn prices posted solid gains as market attention shifted toward rising food inflation. Milk prices have been mixed with the 3 June GDT auction seeing WMP fall by 2.2% to USD3,706/MT. SMP fell by 3.0% to USD3,457/MT. Butter continued to edge higher after the material selloff seen after the Iran war started, climbing by 1.2% to USD5,734/MT, and AMF gained 5.3% to USD6,668/MT albeit still well below the USD7,602M/T high seen in March.

INTEREST RATE OUTLOOK

As the Iran conflict drags on, and oil prices remain elevated, central bank rhetoric is pivoting towards warning of rate hikes ahead as they become increasingly concerned that long-term expectations for inflation are moving higher as higher energy prices impact on other costs. The US 10-year treasury yield is gyrating around the 4.50% area, and this is underpinning local rates.

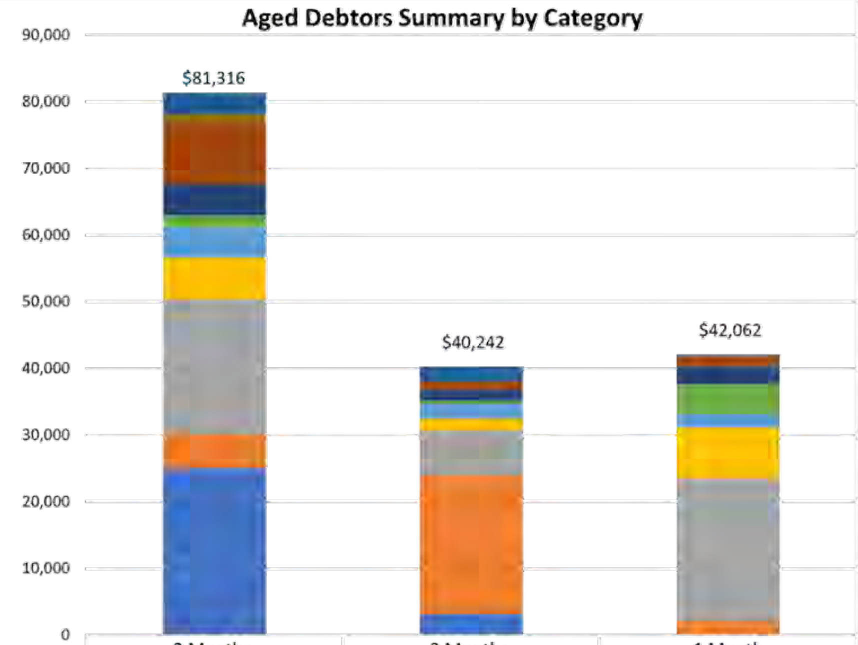
The RBNZ has indicated that the OCR will need to be raised over coming months although it is still only expecting that a move back to a 'neutral' rate of 3.00% to 3.50% will be enough to contain inflation. Financial markets are pricing in larger moves but given the fragile state of the domestic economy we would concur with the RBNZ's current view.

The New Zealand swap market is consolidating after rates fell back from the levels seen during the post attack surge. The 5-year swap rate remains below 4.00% despite some economist projections of an OCR peak above 4.00%. Overall, SWDC remains well placed to weather market moves and keep overall debt costs towards the bottom of the range of all-up debt costs we observe across the wider Council sector.

Debtors Summary
As at 30 June 2026

3 Months Overdue	2 Months Overdue	1 Month Overdue	Current Owing	Total Owing	Number of Debtors
$81,316	$40,242	$42,062	$546,900	$710,521	313

A total of $163k is overdue by more than a month, by 196 debtors.
Seven debtors owe more than $5,000 each, including two who owe over $10,000 each.



	3 Months	2 Months	1 Month
Camp and Sportsgrounds	$3,289	$2,249	$-
Water reading	$1,153	$-	$-
Pensioner flats	$-	$-	$322
Other	$9,325	$1,164	$1,398
Regulatory	$4,625	$1,672	$2,707
Bylaws	$1,756	$442	$4,514
Corridor Access Roading	$4,475	$2,220	$1,940
Rentals and Housing	$6,353	$1,805	$7,612
Buildings	$20,158	$6,758	$21,419
Resource and Planning	$5,100	$20,802	$2,150
Rates Debt Collection costs	$25,083	$3,129	$-
Total	$81,316	$40,242	$42,062

Rates Debt Collection costs from debt action makes (31% from 8 debtors) of the 3-month+ debt. This type of debt remains outstanding until action to recover the rates associated is paid.

Building debtors make up 30% of total debt, and followed by Resource and Planning (17%)

Rates Debtors Review
YTD June 2026 (GST inc)

Financial Reports for 30 June 2026		Quarterly instalments YTD	Total Rates Outstanding	% Owing
SWDC	$35,844,617			
GWRC	$8,520,524			
	$44,365,140	**$44,365,140**	**$982,505**	**2.2%**

Total rates owing is $983k which is equivalent to 2.2% of current year rates invoiced.
Instalment 4 was sent in April 26 and was due in May 26.

The quarterly rates receivables fluctuates as the year progresses. After the first instalment the percentage owing will be at the highest. Once the November penalty notices are be sent, there is a sharp reduction in outstanding rates. This will continue to drop as arrears are managed. As at June 2026, rates receivable is 2.2% of total rates instalments, compared to 2.1 %in June 2025

Total Rates Outstanding (GST Incl)

Ward	Feb-26	Mar-26	Apr-26	May-26	Jun-26
Featherston	$790,732	$531,968	$403,163	$470,343	$462,616
Greytown	$672,235	$382,048	$251,195	$215,425	$245,778
Martinborough	$780,192	$443,894	$256,911	$218,025	$274,111
Total Rates	**$1,711,560**	**$1,283,236**	**$911,268**	**$903,793**	**$982,505**

Total rates outstanding is $983k. Owing for the current year's rates is $865k while $118k is arrears from previous years.

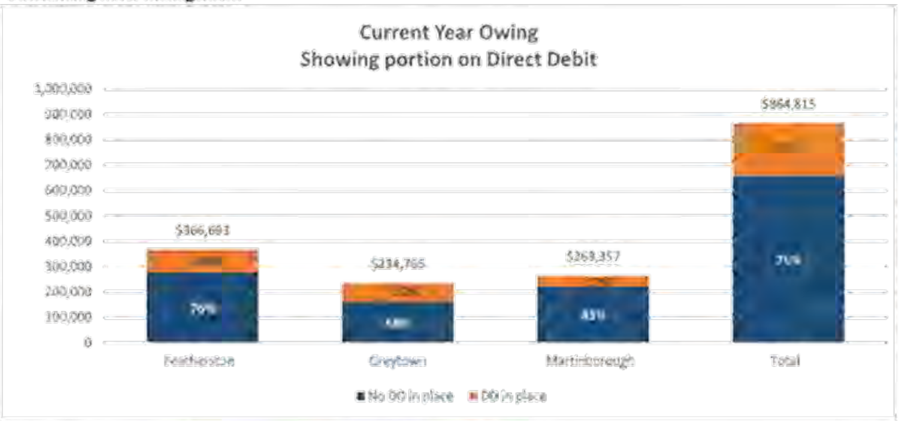
Rates outstanding increased by 11% overall between June 2025 and June 2026, with Featherston up 41%. This reflects higher rate values and broader economic pressures.

Rates Outstanding by Number of Rating Units

Properties Outstanding	Units Owing			Average Debt per unit	
	Jun-25	Jun-26	% Variance	Jun-25	Jun-26
Featherston	144	153	6%	2,286	3024
Greytown	104	108	4%	2,384	2276
Martinborough	144	128	-11%	2,126	2141
Total Properties	**392**	**389**	**-1%**	**2,253**	**2,526**

Properties with outstanding rates is down slightly (1%) compared to June 2025.
Meanwhile the average debt owing per unit in June 2026 is up 11% compared to June 2025.

Outstanding Rates Management



Direct Debits	Jun 25	Jun 26
Total rating units	7,546	7,547
#Direct Debit	3,102	3,182
Total % of Direct Debits	41.1%	42.2%

Direct debits remain consistent @ 42% of rating units pay by direct debit – for 2025/2026 almost $19.98M was collected via direct debit over 45,755 transactions – this was up 1.6M and 2,861 transactions from 2024/2025.

Arrears Commentary (Rates owing for prior years)

Status	Units	$	Recovery plan
Bankrupt	1	21,691	Owner declared bankrupt. Currently with Official Assignee who is reluctant to sell property.
Rating Sale	1	12,809	Both internal & external legal consultants are proceeding with rating sale.
Deceased Estate	4	14,844	Details sent to solicitors, penalties stopped. Rates will be cleared once probate/estate settlements are complete.
Legal	7	32,404	Default notices have been issued internally and the matter is now with legal counsel for proceedings.
Mortgagee	3	10,091	Mortgage default notifications sent in Aug 25. Final demand sent after 90 days.
Repayment Plan	9	16,961	Repayment plans in place.
DD Cancelled	3	8,663	Direct Debit has been cancelled - normal arrears recovery action to be take from July 2026
Under $250	2	225	Standard reminder letters sent.
	30	**117,689**	

Rate Rebates

A total of 462 applications processed @ 30/6/26. Another 17 processed @ 3/7/26 with another 16 awaiting proof of income – final cutoff for processing will be 15/7/26. Not the significant increase we thought we'd get with the increase in income threshold with SuperGold cards some other councils are experiencing.

Repayment Plans

Currently 68 – highest number in 9 years. Some of these will be finishing in July or maybe extended. Reminders were sent early June resulting in 11 new plans this month. The upside of this is ratepayers are contacting us rather than ignoring the reminders.

Email vs Postage

Only recently started keeping comparisons but with the ongoing increases in printing and postage costs this is becoming more of a focus - currently 67% of rating units are emailed.

Recovery Action

Will commence late July; involving mortgage default notifications as well as referring non-mortgaged properties to legal.

10.2 RISK MANAGEMENT UPDATE

Author: **Stefan Corbett, Group Manager, Corporate Services**

Authoriser: **Janice Smith, Chief Executive Officer**

File Number: **N/A**

PURPOSE

To provide members of the Risk and Assurance Committee with updates regarding risk management.

EXECUTIVE SUMMARY

- Robust risk management is essential to South Wairarapa District Council to support the achievement of its strategic objectives.
- The systematic management of risk is important for any organisation and to a business as diverse as Council. Ensuring an appropriate risk management framework is in place is an important function of the Risk and Assurance Committee.
- This report outlines initiatives that in staff's view should provide members of the Committee with confidence that risks, and statutory compliance are being well managed across the organisation and there is continuous improvement in the management of risk at Council. This formal reporting sits alongside the less formal Chief Executive and Strategic Leadership Team risk discussions, and the discussions that generally take place at each meeting of the Committee.

RECOMMENDATIONS

Officers recommend that the Risk and Assurance Committee:

1. Receive the Risk Management Update report.
2. Note the information included in the Risk Management Update.

BACKGROUND

This report been developed in line with Council's current Risk Policy and Risk Management Framework and feedback from previous Committee meetings.

The key purpose of the report is to provide a base for discussion and to trigger effective risk conversations by the Committee. The report provides the Committee with the results of the quarterly review of risks including significant risk trends and any emerging risks.

The Strategic Leadership Team also conducts a quarterly review of the report in the lead-in to the Risk and Assurance Committee review.

The evolution of risk management reporting will continue as mechanisms for gathering the necessary data are developed and the organisation continues to mature in its' risk management practices. Staff welcome feedback and ideas from this Committee to improve the usefulness of the information provided.

The current risk framework for Council can be viewed on our website: https://swdc.govt.nz/wp-content/uploads/Risk-Management-Framework-Feb24-1.pdf

DISCUSSION

1. Summary and Key Insights

Overall risk profile

- The July 2026 register (attached as Appendix 1) comprises 14 risks across strategic, operational, and strategic/operational categories.
- Residual risk distribution:
    - High (Red): 7 risks
    - Medium (Amber): 5 risks
    - Low (Green): 2 risks
- Overall risk exposure remains high, with increased pressure from external factors (climate, reforms, economic conditions).
- Two emergency management risks have increased, reflecting capacity constraints and rising demand.
- Critical transition risks (Three Waters reform) are being actively managed with strong progress.
- Some areas show delivery risk due to resource gaps (notably climate change – officers further note there is a climate change impact risk around us having assessed risks to our infrastructure and assets and working out resilience options).

Key movements and updates

- SR3 – Crisis Management (Local) - Increased from 6 to 8 (high risk). This has been driven by the increased frequency of events and reduced staff capacity due to key resignation.
- SR4 – Emergency Management (Strategic) - Increased from 4 to 8 (high risk). This has been driven by workforce capacity constraints and ongoing reliance on regional coordination.
- SR6 - Government Reforms - Water services transition has moved from planning into implementation. Transition from Wellington Water to City Care Water has been successfully completed. "Regional entity to deliver water services" treatment action is now marked Completed. Water services have been incorporated into the Annual Plan (AP) and Long-Term Plan (LTP). A new treatment action has been added regarding local government reform ("Head Start/Back Stop"), including community engagement, a survey, digital campaign, and dedicated email channel.
- SR9 - Regional Alignment - Updated to reflect the successful transition of water services from Wellington Water to City Care Water. Water Services Delivery Plan has now been approved by

both Council and DIA. Focus has shifted to preparing for transition to the future Wai+T/Waiti Waters entity by June 2027. Risk assessment was specifically updated in July 2026.

- OR2 - Critical Asset Failure - Several new operational improvements have been added: Infrastructure Strategy is being refreshed for the upcoming LTP; water capital projects are now being delivered in-house, generating efficiencies in cost and timing; and resourcing is being reviewed against future work programmes.
- SR11 – Water Transition (expanded) – reduced from 12 to 4 (medium risk) significant detail added on including: transition risks between entities, supplier and contract arrangements and confirmed transition to City Care Water from 1 July 2026.

Current risks in the July 2026 register

High **Medium** **Low**

Risk ID	Risk theme	Primary type	Residual score	Residual rating
SR1	Relationship with iwi, hapū, Māori	Cultural	2	Low
SR2	Climate Change	Climatic	12	High
SR3	Crisis Management (Local)	People	8	High
SR4	Emergency Management (Regional)	People	8	High
SR5	Financial Accountability	Operational	2	Low
SR6	Government Reforms	Legislative / Regulatory	8	High
SR7	Social Licence & Reputation	Reputational	3	Medium
SR8	Economic Uncertainty	Reputational	8	High
SR9	Regional Alignment	Financial / Reputational	12	High
SR10	Health & Safety	Legislative / Reputational	4	Medium
SR11	Water Interim Transition (Opex)	Legal / Operational	4	Medium
SO1	Legal Compliance & Advice	Legal	4	Medium
OR1	IT System Failure	Operational	4	Medium
OR2	Critical Asset Failure	Infrastructure	12	High

Principal mitigations in place

- Strong governance and frameworks are in place (risk reporting, strategic plans, policies, audit oversight), ensuring structured decision-making and regular monitoring.
- Established organisational systems and procedures (e.g. H&S, crisis management, financial and legal controls) provide consistent controls and reduce operational and compliance failures.
- Ongoing training and capability building (emergency management, cultural capability, H&S, legal awareness) strengthens staff preparedness and response capability.
- Operational resilience measures (asset management improvements, IT safeguards, water service transition planning) reduce the likelihood and impact of service disruption.
- Collaboration and communication mechanisms (regional partnerships, iwi engagement, community engagement platforms, proactive communications) enhance coordination, trust, and shared response to risks.

Risks ranked highest to lowest by residual risk (July 2026)

Risk ID	Risk theme	Residual score	Rating
SR2	Climate Change	12	High
SR9	Regional Alignment	12	High
OR2	Critical Asset Failure	12	High
SR3	Crisis Management (Local)	8	High
SR4	Emergency Management	8	High
SR6	Government Reforms	8	High
SR8	Economic Uncertainty	8	High
SR10	Health & Safety	4	Medium
SR11	Water Interim Transition	4	Medium
SO1	Legal	4	Medium
OR1	IT System Failure	4	Medium
SR7	Social Licence & Reputation	3	Medium
SR1	Māori Relationships	2	Low
SR5	Financial Accountability	2	Low

2. Information compliance reporting

Appendix 2 outlines information that in staff's view should provide the Risk and Assurance Committee confidence that compliance in relation to official information requests, Ombudsman investigations and privacy.

The report provides an opportunity for the Committee to raise any further questions about statutory compliance in relation to these areas and to discuss any areas for improvement.

APPENDICES

Appendix 1 **Risk Updates - July 2026**

Appendix 2 **Information Compliance Summary - 1 July 2025 to 30 June 2026**

ID	Risk Theme	Risk Type (primary)	Risk and Impact Description	Accountable	Responsible Manager / Owners	Residual Risk Score	Residual Risk result	Increase, decrease, no change / date of change	Key updates - treatment plans (July 2026)	Monitoring and review
SR1	Relationship with iwi, hapū, Māori	Cultural Risks	Where Council fails to meet its obligations under Te Tiriti o Waitangi which leads to negative impacts to our marae, hapū and Māori. Where Council fails to ensure adequate resourcing is provided to the organisation for cultural uplift of te reo māori, tikanga, Te Tiriti training and development of Strategic Frameworks that build Kotahitanga. Where Council fails to demonstrate the commitment to build Kotahitanga. If Council does not engage appropriately it can result in loss of trust, a claim to the Waitangi Tribunal, financial loss and reputational damage.	CE	**GM CS** Pou Māori	2	Low	*No change*	Māori Engagement Framework in place and being implemented. Pou Māori role established and actively improving Iwi/Māori relationships. Capacity training and internal understanding of Te Ao Māori and the nature and history of Mana Whenua interests and history is ongoing.	Quarterly at Risk and Assurance Committee meetings.
SR2	Climate Change	Climatic Risks	Failing to adapt to the impacts of climate change on our environment and failing to mitigate council's contributions to greenhouse gas emissions may result from the complexity of processes and dependencies that may not adequately consider climate impacts. There may be impacts on the environment, health and safety or wellbeing of staff and the community, reputation, operations and finance and strategic goals may not be delivered.	CE	**SLT**	12	High		Review of the Ruamāhanga Climate Change Strategy and Action Plan - internal review on hold, pending decisions on future structure/resource to support climate change as this was removed in August 2025 with the disestablishment of shared services with CDC.	Monthly at SLT meetings and quarterly at Risk and Assurance Committee meetings.
SR3	Crisis Management and Response (local)	People Risks	Risk relates to any event that disrupts or has the potential to impact the health and safety or wellbeing of staff and the community and service delivery and resulting in financial loss. Required response is managed in-house.	CE	General Manager Corporate Support Lead Advisor HSW & EM	8	[illegible]	Increased from 6-8	Emergency Management Wairarapa strategy and work plan approved, including aligning with SWDC Emergency Management workflows and planning for South Wairarapa communities. Ongoing reviews of in-house event response providing	Quarterly at SLT meetings and quarterly at Risk and Assurance Committee meetings.

ID	Risk Theme	Risk Type (primary)	Risk and Impact Description	Accountable	Responsible Manager / Owners	Residual Risk Score	Residual Risk result	Increase, decrease, no change / date of change	Key updates - treatment plans (July 2026)	Monitoring and review
									improvement opportunities. established to assist with vulnerable community planning. Frequency of events is increasing, putting further strain on staff capacity and resource. The Manager, Corporate Support has resigned with this also being the Local Controller and CMT Lead. Recruitment is being undertaken but there is likely to be reduced EM capacity locally.	
SR4	Emergency Management and Response	People Risks	Risk relates to a strategic natural or human-induced disaster event impacting the health and safety or wellbeing of staff and the community across a significant geography, and service delivery resulting in financial loss. Response requires support from neighbouring councils and/or partner agencies	CE	**GM CS** Manager Corporate Support (vacant) Lead Advisor HSW & EM	8	High	Increased from 4 to 8 in April 2026	Continued capability uplift for council staff working in EOC through ongoing training. Continued exercising of emergency response to enable the practice of response process, embedded training and strengthened connections with partner organisations. The Manager, Corporate Support has resigned with this also being the Local Controller and CMT Lead. Recruitment is being undertaken but there is likely to be reduced EM capacity locally.	Quarterly at SLT meetings and quarterly at Risk and Assurance Committee meetings. Monthly meetings with EM leads from SWDC, CDC & MDC with WREMO. Six weekly engagements with EM leads from Wellington Region Councils and WREMO.

ID	Risk Theme	Risk Type (primary)	Risk and Impact Description	Accountable	Responsible Manager / Owners	Residual Risk Score	Residual Risk result	Increase, decrease, no change / date of change	Key updates - treatment plans (July 2026)	Monitoring and review
SR5	Financial accountability	Operational Risks	Risk of over-committing Council to work programmes, excess unbudgeted expenditure, fraud, inaccurate modelling, or financial shock. This may impact Council reputation, financial stability and sustainability, legal compliance, and ability to deliver strategic goals or meet service levels.	CE and GMCS	**SLT** Chief Financial Officer	2	Low		No new updates.	Monthly at SLT meetings and quarterly at Risk and Assurance Committee meetings.
SR6	Government reforms	Legislative/Governance/Regulatory Risks	There are number of significant government reforms including changes to climate change, resource management, three waters reform and the future of local government review. These changes may impact council's strategic direction and community confidence and may raise challenges in terms of change preparedness. There may be misalignment between government and Council's strategic goals and failure to adapt to changes may affect community wellbeing.	CE	**GM I&CO** **GM P&R** **GM CS** Principal Advisor - Waters	8	High		Regional entity to deliver water services is approved and being established by July 2026 and operational by July 2027. SLT is leading a strategic review of our operating environment to inform future planning. Further information to be provided on 28 May to members regarding RM reforms and local government change.	Fortnightly at SLT meetings and quarterly at Risk and Assurance Committee meetings.
SR7	Social Licence to Operate and Reputation	Reputational Risks	This risk involves ongoing failure to effectively communicate or engage with the community on strategic, governance or operational matters, and includes risks associated with an ineffective media relationship. This may impact the ability to meet community outcomes and strategic goals, loss of trust and confidence, council reputation and operational delivery. Significant and ongoing failure may undermine Council's purpose and impact participation in, or effective conduct of, local democracy. This risk involves a failure to implement council's strategic direction; to monitor Council's performance against community outcomes; and to work effectively and cohesively at a governance level resulting in	CE	**SLT** Manager, Communications	3	Medium		Data integrity exercise (in progress - September/October 2024). Results to be confirmed. Noted that Audit NZ were unable to issue their opinion until 20 November. A media statement was issued. New community engagement platform being launched called Engagement HQ to support consultation processes. Proactive media releases issued including the results	Monthly at SLT meetings and quarterly at Risk and Assurance Committee meetings.

ID	Risk Theme	Risk Type (primary)	Risk and Impact Description	Accountable	Responsible Manager / Owners	Residual Risk Score	Residual Risk result	Increase, decrease, no change / date of change	Key updates - treatment plans (July 2026)	Monitoring and review
			poor decision-making and failure to meet strategic goals. It also includes working effectively with Community Boards. This may impact Council reputation, trust and confidence and the ability to deliver strategic goals or meet service levels. There is a genuine desire to be transparent, open and honest.						of the Resident Satisfaction Survey.	
SR8	Economic Uncertainty	Reputational Risks	**Updated**: Economic uncertainty in New Zealand significantly impacts council, which plays a crucial role in community development and service delivery. The current economic climate, characterized by high interest rates and inflation, poses challenges for council in managing budgets and funding essential services. Council faces increased costs for infrastructure projects, maintenance, and public services due to rising prices and supply chain disruptions. Additionally, reduced consumer spending and business activity can lead to lower revenue from rates and other local taxes. This financial strain may force council to prioritize spending, delay projects, or seek alternative funding sources. Despite these challenges, council can develop resilience and adaptability. By fostering collaboration with central government, iwi, and community	CE	**SLT**	8	High		Although inflation and interests rates are coming down, this risk remains high. The degree of flex built into programmes allows us to be fluid. We also have awareness of what is happening globally.	Monthly at SLT meetings and quarterly at Risk and Assurance Committee meetings. The outcome of the US election, insurance costs and economic indicators.

ID	Risk Theme	Risk Type (primary)	Risk and Impact Description	Accountable	Responsible Manager / Owners	Residual Risk Score	Residual Risk result	Increase, decrease, no change / date of change	Key updates - treatment plans (July 2026)	Monitoring and review
			organizations, council can navigate economic uncertainty and continue to support their communities. Innovative approaches, such as leveraging technology and improving operational efficiency, are essential for maintaining service delivery and promoting local economic recovery.							
SR9	Regional alignment	Reputational and financial risks	Ability to deliver on the outcomes as outlined through SWDC strategic planning process and the financial and reputational implications associated with direction being dictated by external shared services arrangements.	CE	**SLT**	12	High		Council Forums are being attended; water services delivery has been transitioned from Welington Water to City Care Water. Recent disestablishment of the Wairarapa Library Service an example of how quickly a shared service can unwind. Uncertainty around other shared service arrangements must be carefully monitored.	Risk assessment updated in July 2026. Monthly at SLT meetings and quarterly at Risk and Assurance Committee meetings. Combined Council Forum held quarterly.
SR10	Health and safety	Legislative and Reputational	Provision of a safe and healthy workplace. Provision of services and facilities to the community that are free of risk to health and safety. Compliance with Health and Safety at Work Act 2015 and associated regulations and guidance from the regulator. Inappropriately managed risk to H&S can lead to: Harm to a person or people, direct impacts to the family of the person and wider community, potential for prosecution, sites being temporarily shut down while the regulator investigates, damage to public reception and community moral, insurance premiums	CE	**SLT** Lead Advisor HSW & EM	4	Medium		H&S Framework has been adopted and being implemented. Ongoing developments and initiatives to support staff health, safety and wellbeing, including trainings and information. Security and safety requirements have been included in the refurbishment design for the Kitchener St office. Officers working with contractors to ensure	Monthly at SLT meetings and quarterly at Risk and Assurance Committee meetings.

ID	Risk Theme	Risk Type (primary)	Risk and Impact Description	Accountable	Responsible Manager / Owners	Residual Risk Score	Residual Risk result	Increase, decrease, no change / date of change	Key updates - treatment plans (July 2026)	Monitoring and review
			impacted, impact on staff morale and retention, impacted public role modelling						H&S requirements are met during the refurbishment process.	
SR11	Water Interim Transition Arrangement for Opex (from July 2026)	Legal and Reputational risks, and Operational Risks	Operational delivery of three water services is threatened by WWL ceasing to exist before Wairarapa+Tararua water entity is operational. This is due to an anticipated timing mismatch between the stand up of the new Wellington CCO and the stand up of Wairarapa+Tararua CCO.	CE	**GMIC&O**	4	Medium	Decreased from 12 to 4	Finalisation of contract with a preferred supplier for operations and maintenance (O&M) of the three waters networks is complete. We are transitioning from WWL to the City Care Water with a start date 1 July 2026. We have engaged Lutra and Eurofins (incumbent service providers) for regulatory services. Other costs appear to be able to be absorbed within existing budgets.	Monthly at SLT meetings and quarterly at Risk and Assurance Committee meetings.
SO1	Legal	Legal and Reputational risks	1. Legislative Change and Interpretation Risk Failure to correctly interpret, implement, or transition to new or amended legislation (e.g. Local Government Act, RMA replacement legislation, Three Waters reforms, procurement or privacy law changes) may result in non-compliant decisions, unlawful processes, legal challenge, service disruption, and reputational harm.	CE	SLT and Principal Advisor Legal	4	Medium		1. Horizon scanning and legislative monitoring by Legal and Policy teams. Early advice on implementation impacts for significant legislative reforms. Staff and elected member briefings on legislative changes.	Monthly at Risk and Assurance Committee meetings

ID	Risk Theme	Risk Type (primary)	Risk and Impact Description	Accountable	Responsible Manager / Owners	Residual Risk Score	Residual Risk result	Increase, decrease, no change / date of change	Key updates - treatment plans (July 2026)	Monitoring and review
			2. Contracting and Procurement Legal Risk Inadequate legal oversight of procurement and contracting activities may result in unenforceable contracts, procurement challenges, disputes, financial loss, or breaches of Government Procurement Rules.						Engagement with LGNZ, SOLGM and sector legal networks. Use of external legal opinions for complex or novel interpretation issues. 2. Mandatory legal review of high-value or high-risk contracts. Standard contract templates aligned to NZS and government guidance. Procurement and contract management training for staff. Clear delegations and approval thresholds. Lessons-learned reviews following disputes or contract failures.	
OR1	IT System Failure	Operational Risks	Levels of investment in our IT architecture have not kept pace with technological advancements and the evolving needs of our organisation.	CE	GM CS Manager, Governance and Business Operations	4	Medium	↔	Publicly excluded under LGOIMA section 7(2)(j) - to prevent the disclosure or use of official information for improper gain or improper advantage.	Monthly at SLT meetings and bi-annually at Risk and Assurance Committee meetings (public excluded sessions).
OR2	Critical Asset Failure	Asset failure (Infrastructure) Risks	There is a risk of operational failure that has a material impact on service delivery, including failure of critical assets (e.g. roads, drinking and wastewater treatment plants) and Council's ability to operate. This may impact health and safety or wellbeing of staff and the community, council reputation, loss of trust and confidence, not	CE	**GM I&CO**	12	High	↔	We have improved the quality of our Infrastructure Strategy and refreshing it for the upcoming LTP. We have increased our knowledge of our asset condition through network	Fortnightly at SLT meetings and quarterly at Risk and Assurance Committee meetings.

ID	Risk Theme	Risk Type (primary)	Risk and Impact Description	Accountable	Responsible Manager / Owners	Residual Risk Score	Residual Risk result	Increase, decrease, no change / date of change	Key updates - treatment plans (July 2026)	Monitoring and review
			meeting service levels, strategic goals, regulatory or legal requirements and increased costs long term.						inspection, critical asset reports. Network and capacity studies for our major assets are underpinning investment for growth. We are delivering water capital projects inhouse and realising efficiencies in budget and timeliness of project delivery. We are reviewing our resourcing to overlay against work programmes to deliver.	

Strategic Risk 1			
Risk Theme	Relationship with iwi, hapū, Māori	**Risk owner**	Chief Executive
Risk Description and Impact			
Where Council fails to meet its obligations under Te Tiriti o Waitangi which leads to negative impacts to our marae, hapū and Māori. Where Council fails to ensure adequate resourcing is provided to the organisation for cultural uplift of te reo māori, tikanga, Te Tiriti training and development of Strategic Frameworks that build Kotahitanga. Where Council fails to demonstrate the commitment to build Kotahitanga. If Council does not engage appropriately it can result in loss of trust, a claim to the Waitangi Tribunal, financial loss and reputational damage.			
Type	Cultural	**Risk appetite**	TBC
Risk Drivers			
Lack of or inadequate: •Partnership Policy and outdated Māori Policy/Significance and Engagement Policy •Staff and elected official cultural competence •Sharing of relationship insights across council •Sufficient resources •Lack of a full and appropriate process of engagement or consulting with Mana whenua in identifying areas of significance to Māori/Mana Whenua			

Inherent risk assessment	**Likelihood**	Likely (4)	**Consequence**	Moderate (2)
Inherent risk rating	**Score**	8	**Result**	High
Existing Mitigations				
•Established role of Pou Māori (Principal Advisor Māori) which is improving the quality of our Iwi/Māori relationships. •Established a Maori Engagement Framework and actively implementing it across the business. Maintenance and support of the Māori Standing Committee this includes ensuring and maintaining full mana whenua representation •Relationships held between marae committees, Iwi entities, the CE, the and the Mayor •Collaborations with other councils to align engagement with iwi on some projects (e.g. climate change) •Cultural competence training for all staff and elected officials (in progress) •Developing the role of Pou Māori to engage broadly internally and externally to better advise on the Councils obligations under Te Tiriti o Waitangi with Iwi, hapū •Coordinated collaboration with other councils to align engagement with iwi •Representation review includes iwi, hapū, and marae from the outset towards a partnership approach (Māori Ward) •Te Ao Māori and Te Reo opportunities for staff.				
Residual risk assessment	**Likelihood**	Possible (2)	**Consequence**	Minor(1)
Residual risk rating	**Score**	2	**Result**	Low

Responsible manager(s)	GM Corporate Services	**Risk treatment option**		Reduce
Treatment Plans				
Plan action/task and target resolution date	**Owner**	**Status**	**Previous update**	**Latest Update**
Māori Engagement Framework	Pou Māori / Manager Stakeholder Relationships	Completed	Discussed with SLT in October 2024.	Pou Māori is leading implementation
Māori Policy Significance and Engagement Policy review	Pou Māori / Manager Stakeholder Relationships	In progress	Officers to seek approval of Māori Policy November 2024.	N/A
Te Tiriti o Waitangi training and Noho Marae wānanga	Pou Māori	Pending election results	This is a key feature of the Māori Engagement Framework.	N/A

<table>
<tr><th colspan="6">Strategic Risk 2</th></tr>
<tr><td>Risk Theme</td><td colspan="2">Climate Change</td><td>Risk owner</td><td colspan="2">Chief Executive Officer</td></tr>
<tr><td colspan="6">Risk Description and Impact</td></tr>
<tr><td colspan="6">Failing to adapt to the impacts of climate change on our environment and failing to mitigate council's contributions to greenhouse gas emissions may result from the complexity of processes and dependencies that may not adequately consider climate impacts. There may be impacts on the environment, health and safety or wellbeing of staff and the community, reputation, operations and finance and strategic goals may not be delivered.</td></tr>
<tr><td>Type</td><td colspan="2">Climatic</td><td>Risk appetite</td><td colspan="2">TBC</td></tr>
<tr><td colspan="6">Risk Drivers</td></tr>
<tr><td colspan="6">Lack of or inadequate:
•Preparedness
•Coordination across services (planning, roading, finance, etc)
•Connection to emergency management
•Investment
•Training of staff (understanding of issues, roles, and responsibilities)
•Leadership
•Communication internally, with key stakeholders, or the public
• Currently no resource assigned to Climate Change to complete this work.</td></tr>
<tr><td>Inherent risk assessment</td><td>Likelihood</td><td>Likely (4)</td><td>Consequence</td><td colspan="2">Extreme (4)</td></tr>
<tr><td>Inherent risk rating</td><td>Score</td><td>16</td><td>Result</td><td colspan="2">High</td></tr>
<tr><td colspan="6">Existing Mitigations</td></tr>
<tr><td colspan="6">• Ruamāhanga Climate Change Strategy and Action Plan
•Completion of Regional Emissions Reduction Plan and the Regional Climate Change Impacts Assessment through the Wellington Regional Leadership Committee. (The Regional Adaptation Plan is now underway through this Committee).
•Contingency built into LTP budgets
•Energy audits
•Community self-assessment kits
•Climate Change Resilience and Risk Strategy (further detailed mitigations)
•Council's updated procurement policy supports sustainability</td></tr>
<tr><td>Residual risk assessment</td><td>Likelihood</td><td>Likely (4)</td><td>Consequence</td><td colspan="2">Major (3)</td></tr>
<tr><td>Residual risk rating</td><td>Score</td><td>12</td><td>Result</td><td colspan="2">High</td></tr>
<tr><td colspan="2">Responsible manager(s)</td><td>SLT / Climate Change Advisor</td><td colspan="2">Risk treatment option</td><td>Reduce</td></tr>
<tr><td colspan="6">Treatment Plans</td></tr>
<tr><td colspan="2">Plan action/task and target resolution date</td><td>Owner</td><td>Status</td><td>Previous update</td><td>Latest Update</td></tr>
</table>

Advancing planning measures including coastal retreat into our District Plan	GM P&R	In progress	Climate Change and Resilience' added as a key strategic matter.	
Involvement in Regional Climate Change Impacts Assessment and Adaptation Plan, Emissions Reduction Strategy, and Food Systems Strategy projects under the Wellington Regional Leadership Committee which will provide regional and district specific actionable documents	TBC	On Hold	The Climate Change Impacts Assessment and the Emissions Reduction Plan projects are both finished. Final reports are available the WRLC website. The Food System Strategy is ongoing, and the Adaptation Plan is currently on hold	
Review of the Ruamāhanga Climate Change Strategy and Action Plan	TBC	On hold	An internal review is currently on hold (aim for completion TBC), with work with councillors and community engagement paused until after LTP consultation.	
Focused work on climate change specific KPIs (as per Audit request).	TBC	On hold	Previous Climate Change Advisor has linked in with Cr Gray and Masterton DC.	

Strategic Risk 3					
Risk Theme	Crisis Management and Response (Local)		**Risk owner**	Chief Executive Officer	
Risk Description and Impact					
Risk relates to any event that disrupts or has the potential to impact the health and safety or wellbeing of staff and the community and service delivery and resulting in financial loss. Required response is managed in-house.					
Type	People		**Risk appetite**	TBC	
Risk Drivers					
Lack of, or inadequate: •Preparedness •Investment •Training of staff (understanding of issues, roles, and responsibilities) •Leadership •Communication internally, with key stakeholders, or the public •Governance capability in leading an emergency response.					
Inherent risk assessment	**Likelihood**	Likely (4)	**Consequence**	Major (3)	
Inherent risk rating	**Score**	12	**Result**	High	
Existing Mitigations					
• Crisis Management Plan developed, reviewed annually and CIMS framework adopted for management of crisis situations • Business Continuity Plan developed, reviewed annually • Essential business process owners identified. Staff roles analysed for compatibility with CIMS roles to build crisis response capability. • CIMS Foundation training for most staff, to take up lead roles if necessary					
Residual risk assessment	**Likelihood**	Probably (4)	**Consequence**	Moderate (2)	
Residual risk rating	**Score**	8	**Result**	Medium	
Responsible manager(s)		GM Corporate Services	**Risk treatment option**		Reduce
Treatment Plans					
Plan action/task and target resolution date		**Owner**	**Status**	**Previous update**	**Latest Update**
•Working with WREMO on coastal community resilience and response plan.		Lead Advisor, HSW & Emergency Management	In Progress	Coastal community resilience outreach work has included	Further connections with coastal and rural communities

			the formation of the Ngawi Community Emergency Hub, community response plan, and associated community events.	have resulted in stronger community ties in Lake Ferry, Pirinoa, Whāngaimoana and Ruakōkopatuna. Ongoing community planning work with Community Boards will further enhance this.
•Uplift in staff capability to respond to district level events through Crisis Management Team (CMT) response (in-house SWDC response)	Lead Advisor, HSW & Emergency Management	In Progress	Continued uplift in staff capability, with increases in Foundation and Intermediate level, function training, notably the Welfare training pathway for library staff, including needs assessment training.	Continued uplift in staff capability, with increases in Foundation and Intermediate level, function training, notably the Welfare training pathway for library staff.

Strategic Risk 4				
Risk Theme	Emergency management and response	**Risk owner**	Chief Executive Officer	
Risk Description and Impact				
Risk relates to a natural or human-induced disaster event impacting the health and safety or wellbeing of staff and the community across a significant geography, and service delivery resulting in financial loss. Response requires support from neighbouring councils and/or partner agencies.				
Type	People	**Risk appetite**	TBC	
Risk Drivers				
Lack of, or inadequate: •Preparedness •Investment •Training of staff (understanding of issues, roles, and responsibilities) •Leadership •Communication internally, with key stakeholders, or the public •Governance capability in leading an emergency response.				
Inherent risk assessment	**Likelihood**	Probable (3)	**Consequence**	Extreme(4)
Inherent risk rating	**Score**	12	**Result**	High
Existing Mitigations				
•Participation in Wellington Region Civil Defence Emergency Management Group •Contracted activities to Wellington Region Emergency Management Office, including 24/7 duty officer system. •Participation in the Joint Committee, Coordinating Executives Group, and Local Government Emergency Management Collective. •Agreement with Masterton and Carterton District councils, and Greater Wellington Regional Council to operate the Wairarapa Emergency Operation Centre (EOC) • Emergency Management Wairarapa set up to manage the Emergency Management of the three district councils, and compliment the Emergency Management •Engage the community boards and rural communities to participate in the Community Emergency Hubs.				
Residual risk assessment	**Likelihood**	Possible (2)	**Consequence**	Extreme(4)
Residual risk rating	**Score**	8	**Result**	High
Responsible manager(s)		GM Corporate Services	**Risk treatment option**	Reduce
Treatment Plans				
Plan action/task and target resolution date	**Owner**	**Status**	**Previous update**	**Latest Update**
Wairarapa needs review, partnership work	Manager, Corporate Support	In progress	Emergency Management Wairarapa	Emergency Management Wairarapa strategy

	Lead Advisor, HSW & Emergency Management		strategy agreed to by the three Councils to agree on priorities and work streams.	approved by SWDC. When approved by MDC and CDC this will form part of the priorities and work streams.
Training pathways	Lead Advisor, HSW & Emergency Management	In Progress	Continued uplift in staff capability, with increases in Foundation and Intermediate level, function training, notably the Welfare training pathway for library staff, including needs assessment training.	Continued uplift in staff capability, with increases in Foundation and Intermediate level, function training, notably the Welfare training pathway for library staff
Potential for Highly Pathogenic Avian Influenza to escalate, requiring response from Emergency Management	Lead Advisor, HSW & Emergency Management Manager, Environmental Services	In progress	Continuing to monitor HPAI situation. BAU for EH team working collaboratively with GWRC. EM in watching brief.	Continuing to monitor HPAI situation. BAU for EH team working collaboratively with GWRC. EM in watching brief.

<table>
<tr><th colspan="5">Strategic Risk 5</th></tr>
<tr><td>Risk Theme</td><td colspan="2">Financial accountability</td><td>Risk owner</td><td>Chief Executive Officer</td></tr>
<tr><td colspan="5">Risk of over-committing Council to work programmes, excess unbudgeted expenditure, fraud, inaccurate modelling, or financial shock. This may impact Council reputation, financial stability and sustainability, legal compliance, and ability to deliver strategic goals or meet service levels.</td></tr>
<tr><td>Type</td><td colspan="2">Reputational</td><td>Risk appetite</td><td>TBC</td></tr>
<tr><td colspan="5">Risk Drivers</td></tr>
<tr><td colspan="5">Lack of or inadequate:
•Financial policies and procedures
•Leadership
•Training of staff (understanding of issues, roles, and responsibilities)
•Code(s) of Conduct</td></tr>
<tr><td>Inherent risk assessment</td><td>Likelihood</td><td>Possible (2)</td><td>Consequence</td><td>Major (3)</td></tr>
<tr><td>Inherent risk rating</td><td>Score</td><td>6</td><td>Result</td><td>Medium</td></tr>
<tr><td colspan="5">Existing Mitigations</td></tr>
<tr><td colspan="5">•Financial policies and financial delegations
•Reporting to Risk and Assurance Committee
•Code(s) of Conduct reviewed and updated
•Staff training and elected member induction
•Conflict of Interest Register.</td></tr>
<tr><td>Residual risk assessment</td><td>Likelihood</td><td>Rare (1)</td><td>Consequence</td><td>Moderate (2)</td></tr>
<tr><td>Residual risk rating</td><td>Score</td><td>2</td><td>Result</td><td>Low</td></tr>
<tr><td colspan="2">Responsible manager(s)</td><td>SLT</td><td colspan="2">Risk treatment option — Reduce</td></tr>
<tr><td colspan="5">Treatment Plans</td></tr>
<tr><td colspan="2">Plan action/task and target resolution date</td><td>Owner</td><td>Status</td><td>Previous update / Latest Update</td></tr>
<tr><td colspan="2">Implementation of new rating modelling platform</td><td>Chief Financial Officer</td><td>Completed</td><td>N/A / 30/06/2024</td></tr>
</table>

Strategic Risk 6			
Risk Theme	Government reforms	**Risk owner**	Chief Executive Officer
There are number of significant government reforms including changes to climate change, resource management, three waters reform and the future of local government review. These changes may impact council's strategic direction and community confidence and may raise challenges in terms of change preparedness. There may be misalignment between government and Council's strategic goals and failure to adapt to changes may affect community wellbeing.			
Type	Legislative / Regulatory	**Risk appetite**	TBC
Risk Drivers			
Lack of or inadequate: •Preparedness •Investment •Leadership (regional integration and coherence) •Communication internally, with key stakeholders, or the public			

Inherent risk assessment	**Likelihood**	Likely (4)	**Consequence**	Major (3)
Inherent risk rating	**Score**	12	**Result**	**High**
Existing Mitigations				
•Principal Advisor Water Transition role established •Participation in external forums on multiple levels •WWLASC coordinated strategic approach for transition management planning and delivery •Monthly updates and forward planning reports provided •Appointment to Pou Māori role •Participation by CE in external forums •Agenda item on Executive Leadership fortnightly meetings •Membership of LGNZ and Taituarā • decision to move from an LTP to an Enhanced AP in February 2024. • CE update report to Strategy Working Committee (legislative changes and updates).				
Residual risk assessment	**Likelihood**	**Likely (4)**	**Consequence**	**Moderate (2)**
Residual risk rating	**Score**	8	**Result**	**High**
Treatment Plans				

Plan action/task and target resolution date	**Owner**	**Status**	**Previous update**	**Latest Update**

Regional entity to deliver water services in progress	GM I&CO Principal Advisor - Waters	Completed	Councils are preparing to adopt the Water Services Delivery Plan in mid-August which will then be submitted to DIA. This document includes a high- level implementation plan to legally establish the entity by 1 July 2026 and be operational by 1 July 2027.	Water services delivery successfully transitioned from Wellington Water to City Care Water.
Water services built into AP and LTP	SLT	Complete	Relies on the outcomes of the plan above.	Incorporated into AP and LTP.
Prepare information for the Elected Members on potential implications for SWDC of the RM Reforms - Natural Environment and Planning Bills.	GM P&R	In progress	N/A	Paper provided to 28 May meeting. Further information particularly around spatial planning will be provided shortly.
Head Start/Back Stop – Local government reform	CE	Report to 30 July meeting	N/A	Risk that Council may make a decision that does not align with community expectations or preferences. The primary mitigation is to gather and provide as much information as possible to support informed decision-making and public understanding. Transparent communication and the provision of comprehensive information to the public are seen as critical mitigations. Letterbox drop to encourage public feedback via survey on Council's Have Your Say platform and establish an amalgamation@swdc.govt.nz email address to support enquiries and submissions. Digital campaign to drive awareness.

<table>
<tr><th colspan="5">Strategic Risk 7</th></tr>
<tr><td>Risk Theme</td><td colspan="2">Social Licence to Operate and Reputation</td><td>Risk owner</td><td>Chief Executive Officer</td></tr>
<tr><td colspan="5">Risk Description and Impact</td></tr>
<tr><td colspan="5">This risk involves ongoing failure to effectively communicate or engage with the community on strategic, governance or operational matters, and includes risks associated with an ineffective media relationship.
This may impact the ability to meet community outcomes and strategic goals, loss of trust and confidence, council reputation and operational delivery. Significant and ongoing failure may undermine Council's purpose and impact participation in, or effective conduct of, local democracy.
This risk involves a failure to implement council's strategic direction; to monitor Council's performance against community outcomes; and to work effectively and cohesively at a governance level resulting in poor decision-making and failure to meet strategic goals. It also includes working effectively with Community Boards. This may impact Council reputation, trust and confidence and the ability to deliver strategic goals or meet service levels. There is a genuine desire to be transparent, open and honest.</td></tr>
<tr><td>Type</td><td colspan="2">Reputational</td><td>Risk appetite</td><td>TBC</td></tr>
<tr><td colspan="5">Risk Drivers</td></tr>
<tr><td colspan="5">Lack of or inadequate:
•Preparedness
•Investment
•Leadership
•Communication internally, with key stakeholders, or the public
•Communications & Engagement Strategy</td></tr>
<tr><td>Inherent risk assessment</td><td>Likelihood</td><td>Likely (4)</td><td>Consequence</td><td>Moderate (2)</td></tr>
<tr><td>Inherent risk rating</td><td>Score</td><td>8</td><td>Result</td><td>High</td></tr>
<tr><td colspan="5">Existing Mitigations</td></tr>
<tr><td colspan="5">•Timely, fact based responses to media enquiries
•Proactive information sharing and media releases via website, social media, and print media
•Regular general communications on relevant topics using multiple channels
•Improved connection between service delivery teams and comms team
•Improved website content
•Elected member e.g. drop in sessions, community forums etc
•Proactive Release Policy for LGOIMA implemented and website content being built
•LGOIMA process streamlined</td></tr>
<tr><td>Residual risk assessment</td><td>Likelihood</td><td>Probable(3)</td><td>Consequence</td><td>Minor (1)</td></tr>
<tr><td>Residual risk rating</td><td>Score</td><td>3</td><td>Result</td><td>Medium</td></tr>
<tr><td colspan="2">Responsible manager(s)</td><td>SLT</td><td>Risk treatment option</td><td>Reduce</td></tr>
<tr><td colspan="5">Treatment Plans</td></tr>
</table>

Plan action/task and target resolution date	Owner	Status	Previous update	Latest Update
Due to the number of complaints regarding rates increases we are carrying out a data integrity exercise.	GM Corporate Services	In programmes	Property inspections commenced week of 16/09	Data is still being gathered. Anticipated all information will be made available by end of FY.
Development of Communications and Engagement Strategy	Manager, Communications	Scope	A workshop was held with the Communications Team to start scoping the plan	The draft strategy is with elected members for feedback, likely to be finalised and active in March.
Improvements to engagement practices and processes e.g. Internal capability	Manager, Governance and Business Operations	In progress	The intranet was launched.	
Digital communications approach	Manager, Communications	Scope	Bi-weekly meetings with Customer Services and Communications to identify service improvements along with digital communications	
Improved governance transparency.	Manager, Governance and Business Operations	TBC	For the first time, a proactive media release was issued with the results of the Resident Satisfaction Survey	

<table>
<tr><th colspan="6">Strategic Risk 8</th></tr>
<tr><td>Risk Theme</td><td colspan="2">Economic uncertainty</td><td>Risk owner</td><td colspan="2">Chief Executive Officer</td></tr>
<tr><td colspan="6">Risk Description and Impact</td></tr>
<tr><td colspan="6">Economic uncertainty in New Zealand significantly impacts council, which plays a crucial role in community development and service delivery. The current economic climate, characterized by high interest rates and inflation, poses challenges for council in managing budgets and funding essential services. Council faces increased costs for infrastructure projects, maintenance, and public services due to rising prices and supply chain disruptions.
Additionally, reduced consumer spending and business activity can lead to lower revenue from rates and other local taxes. This financial strain may force council to prioritize spending, delay projects, or seek alternative funding sources.
Despite these challenges, council can develop resilience and adaptability. By fostering collaboration with central government, iwi, and community organisations, council can navigate economic uncertainty and continue to support their communities.
Innovative approaches, such as leveraging technology and improving operational efficiency, are essential for maintaining service delivery and promoting local economic recovery.</td></tr>
<tr><td>Type</td><td colspan="2">Operational</td><td>Risk appetite</td><td colspan="2">TBC</td></tr>
<tr><td colspan="6">Risk Drivers</td></tr>
<tr><td colspan="6">Lack of or inadequate:
•Preparedness and understanding of economic climate
•Leadership and decision-making
•Policies and procedures</td></tr>
<tr><td>Inherent risk assessment</td><td>Likelihood</td><td>Likely (4)</td><td>Consequence</td><td colspan="2">Moderate (2)</td></tr>
<tr><td>Inherent risk rating</td><td>Score</td><td>8</td><td>Result</td><td colspan="2">High</td></tr>
<tr><td colspan="6">Existing Mitigations</td></tr>
<tr><td colspan="6">•Planning – annual plan, long term plan, project planning
•Membership of LGNZ and Taituara
•Quarterly review of financial position to Risk and Assurance Committee
•Prioritisation framework
•Mayor's Taskforce for Jobs (exceeding current targets)</td></tr>
<tr><td>Residual risk assessment</td><td>Likelihood</td><td>Probable(3)</td><td>Consequence</td><td colspan="2">Moderate (2)</td></tr>
<tr><td>Residual risk rating</td><td>Score</td><td>6</td><td>Result</td><td colspan="2">Medium</td></tr>
<tr><td colspan="2">Responsible manager(s)</td><td>SLT</td><td colspan="2">Risk treatment option</td><td>Reduce</td></tr>
<tr><td colspan="6">Treatment Plans</td></tr>
<tr><td colspan="2">Plan action/task and target resolution date</td><td>Owner</td><td>Status</td><td>Previous update</td><td>Latest Update</td></tr>
<tr><td colspan="2">•Develop contingency plans for constrained resources</td><td>TBC</td><td></td><td></td><td></td></tr>
</table>

•Prioritisation framework	Acting General Manager Infrastructure and Community Operations	Completed	LTP workshop to discuss Economic Development performance framework	Completed
•Collaboration with community response and support organisations.	Manager, Stakeholder Relationships	In progress	LTP workshop to discuss long term funding of partners	A meeting was held in Sept 2024 with MSD to discuss unemployment in Wairarapa; noted that unemployment has increased by over 100 compared to the same time last year. These figures are being included into the Environmental Scan for the Long Term Plan.

Strategic Risk 9				
Risk Theme	Regional alignment	**Risk owner**	Chief Executive Officer	
Risk Description and Impact				
Ability to deliver on the outcomes as outlined through SWDC strategic planning process and the financial and reputational implications associated with direction being dictated by external shared services arrangements.				
Type	Financial / Reputational	**Risk appetite**	TBC	
Risk Drivers				
Lack of (or in)adequate: • consistency of design for shared services arrangements •alignment of political view between Wairarapa councils. • communication • alignment in policy design.				
Inherent risk assessment	**Likelihood**	Likely (4)	**Consequence**	Major (3)
Inherent risk rating	**Score**	12	**Result**	**High**
Existing Mitigations				
• Combined Council Forum - opportunities to discuss areas of commonality. Make best possible use of joint policy working groups. • Regular catch ups between Chief Executives. • Managers involved in discussions about integrated services.				
Residual risk assessment	**Likelihood**	Likely (4)	**Consequence**	Major (3)
Residual risk rating	**Score**	12	**Result**	**High**
Responsible manager(s)	SLT	**Risk treatment option**	Share	
Treatment Plans				
Plan action/task and target resolution date	**Owner**	**Status**	**Previous update**	**Latest Update**
• Discussions underway to identify areas for improvement for shared and integrated service opportunities.	GM Corporate Services	In Progress	Combined Council Forum held in August 2024. Next in November.	Regional employing partner has dis-established roles, withdrawal from shared services, significant work will be needed post- election to re-establish shared services at a governance level

• Discussions underway for water services delivery	Principal Advisor, 3 Waters	In progress	Water services delivery plan between 4 councils underway – due for adoption on 13 August 2025	Water Services Delivery Plan approved by Council and DIA. Successful transition form Wellington Water to City Care Water. Working with four Councils to transition to Waiti Waters by 30 June 2027.

<table>
<tr><th colspan="6">Strategic Risk 10</th></tr>
<tr><td>Risk Theme</td><td colspan="2">Health & safety</td><td>Risk owner</td><td colspan="2">Chief Executive Officer</td></tr>
<tr><td colspan="6">Risk Description and Impact</td></tr>
<tr><td colspan="6">Provision of a safe and healthy workplace. Provision of services and facilities to the community that are free of risk to health and safety. Compliance with Health and Safety at Work Act 2015 and associated regulations and guidance from the regulator. Inappropriately managed risk to H&S can lead to: Harm to a person or people, direct impacts to the family of the person and wider community, potential for prosecution, sites being temporarily shut down while the regulator investigates, damage to public reception and community moral, insurance premiums impacted, impact on staff morale and retention, impacted public role modelling</td></tr>
<tr><td>Type</td><td colspan="2">Legislative / Reputational</td><td>Risk appetite</td><td colspan="2">TBC</td></tr>
<tr><td colspan="6">Risk Drivers</td></tr>
<tr><td colspan="6">Lack of adequate:
• Staff resourcing to ensure safe methods are not discounted at the expense of workload and time constraints.
• Funding budgeted to procure appropriate services and equipment.
• Funding to enable H&S aspects to be prioritised in procurement.
• Championing of staff value in the face of public negativity.</td></tr>
<tr><td>Inherent risk assessment</td><td>Likelihood</td><td>Likely (4)</td><td>Consequence</td><td colspan="2">Major (3)</td></tr>
<tr><td>Inherent risk rating</td><td>Score</td><td>12</td><td>Result</td><td colspan="2">High</td></tr>
<tr><td colspan="6">Existing Mitigations</td></tr>
<tr><td colspan="6">H&S management system including risk management, contractor management, staff wellbeing provisions.</td></tr>
<tr><td>Residual risk assessment</td><td>Likelihood</td><td>Possible (2)</td><td>Consequence</td><td colspan="2">Moderate (2)</td></tr>
<tr><td>Residual risk rating</td><td>Score</td><td>4</td><td>Result</td><td colspan="2">Medium</td></tr>
<tr><td colspan="2">Responsible manager(s)</td><td>SLT</td><td colspan="2">Risk treatment option</td><td>Reduce</td></tr>
<tr><td colspan="6">Treatment Plans</td></tr>
<tr><td colspan="2">Plan action/task and target resolution date</td><td>Owner</td><td>Status</td><td>Previous update</td><td>Latest Update</td></tr>
</table>

Continuous improvement approach to H&S.	SLT	Ongoing	Regular meetings, updates and opportunities for staff to engage in H&S conversations, development and courses.	Regular meetings, updates and opportunities for staff to engage in H&S conversations, development and courses.
Office Accommodation Improvements	SLT	Ongoing	Security and safety requirements have been planned into the refurbishment design. Officers working with contractors to ensure H&S requirements are met during the refurbishment process.	Safety and security upgrades have been included in the office renovation, including physical separation of public and staff spaces, and development of meeting security protocols.

<table>
<tr><th colspan="5">Strategic Risk 11</th></tr>
<tr><td>Risk Theme</td><td colspan="2">Water Interim Transition Arrangement for Opex (from July 2026)</td><td>Risk owner</td><td>Chief Executive Officer</td></tr>
<tr><td colspan="5">Risk Description and Impact</td></tr>
<tr><td colspan="5">Operational delivery of three water services is threatened by WWL ceasing to exist before SWDC has engaged a transition partner. This is the result of an anticipated mismatch between the stand up date for the new Wellington entity and the stand up date for Wairarapa+Tararua (Wai+T).</td></tr>
<tr><td>Type</td><td colspan="2">Legal, reputational, operational</td><td>Risk appetite</td><td>TBC</td></tr>
<tr><td colspan="5">Risk Drivers</td></tr>
<tr><td colspan="5">- Planning – WWL slow to outline a transition plan and Wellington entity transition proceeding at pace that is not matched by operational transition planning
- Resourcing – Contract negotiations taking longer than expected with preferred supplier, resulting in constrained timeframes for effective transition.
- Potential to interfere with transition to the water services CCO
- Facing possible significant interruption to levels of service.
- No one service provider available that will undertake all three waters operations. Introducing integration and financial risk</td></tr>
<tr><td>Inherent risk assessment</td><td>Likelihood</td><td>Probable (3)</td><td>Consequence</td><td>Extreme (4)</td></tr>
<tr><td>Inherent risk rating</td><td>Score</td><td>12</td><td>Result</td><td>High</td></tr>
<tr><td colspan="5">Existing Mitigations</td></tr>
<tr><td colspan="5">- Plan to embed a transition manager in WWL.
- Communicating with WWL and Wellington regional transition team on detailed transition plan.
- Researched what's involved in transition with Fulton Hogan.
- Specialist advice from Integral Group Ltd.
- Exploring use of Crown facilitator through DIA.
- Existing WWL & Fulton Hogan blended team are all resident in Wairarapa
- Exploring options including going to market for interim arrangements and contracting through Metro Water for period of up to 12 months
- Ongoing discussions with alternative service providers including understanding the size and scope of any additional resource required.
- Transition staff are working closely with the preferred supplier and have started transition tasks ahead of the contract being signed.
- Infrastructure Data platform (Lutra) has been secured for ongoing regulatory services
- Negotiations with Eurofins (incumbent Lab Services) is ongoing.
- SCADA Transition work is well underway and is expected to delivered on time
• AFI SLA signed for ongoing SCADA automation support services
• Assetfinda transition support provider sourced – seeking proposal for assistance
• Existing data and digital transition is underway, supported by SWDC staff
• GIS transition directly to cloud is being considered.
• Finalisation of contract with a preferred supplier for operations and maintenance (O&M) of the three waters networks is being progressed to maintain continuity of service complete. We are transitioning from WWL to the City Care Water with a start date 1 July 2026. Completion of contract negotiations has taken longer than expected, and timeframes for effective transition are constrained. We are actively mitigating this risk by working closely with the preferred supplier, and have started transition tasks ahead of the contract being signed. We have engaged Lutra and Eurofins (incumbent service providers) for regulatory services. Other costs appear to be able to be absorbed within existing budgets.</td></tr>
</table>

<table>
<tr><td colspan="6">•</td></tr>
<tr><td>Residual risk assessment</td><td>Likelihood</td><td>Probable(2)</td><td>Consequence</td><td colspan="2">Extreme (2)</td></tr>
<tr><td>Residual risk rating</td><td>Score</td><td>4</td><td>Result</td><td colspan="2">Medium</td></tr>
<tr><td colspan="2">Responsible manager(s)</td><td>GMI&CO</td><td colspan="2">Risk treatment option</td><td>Reduce</td></tr>
<tr><td colspan="6">Treatment Plans</td></tr>
<tr><td colspan="2">Plan action/task and target resolution date</td><td>Owner</td><td>Status</td><td>Previous update</td><td>Latest Update</td></tr>
<tr><td colspan="2">Explore transitional arrangement for staff to be offered after Wellington Water ceases and before Wairarapa + Tararua starts</td><td>GMI&CO</td><td>Completed</td><td>N/A</td><td>Offers have been made to existing staff. Three have been agreed. Deadline for responses end of April Offers have been accepted.</td></tr>
<tr><td colspan="2">Recruit and embed a transition manager in WWL to pull out methods and practices for SWDC water services</td><td>GMI&CO</td><td>Completed</td><td></td><td>Started in early August.</td></tr>
<tr><td colspan="2">Establish temporary transitional arrangement for water operations and reactive renewals for after Wellington Water ceases and before Wairarapa + Tararua starts</td><td>GMI&CO</td><td>Completed</td><td>Procurement strategy being considered as a backup if WWL arrangement ends prior to June 2027. However there remains a risk that the short term nature of an interim arrangement would lead to higher costs.</td><td>Preferred supplier selected for operations and maintenance continuity. Contract negotiations completed.</td></tr>
</table>

<table>
<tr><th colspan="5">Operational Risk 1</th></tr>
<tr><td>Risk Theme</td><td colspan="2">IT System Failure</td><td>Risk owner</td><td>Chief Executive</td></tr>
<tr><td colspan="5">Risk Description and Impact</td></tr>
<tr><td colspan="5">Risk description: Levels of investment in our IT architecture have not kept pace with technological advancements and the evolving needs of our organisation.</td></tr>
<tr><td>Type</td><td colspan="2">Operational</td><td>Risk appetite</td><td>TBC</td></tr>
<tr><td colspan="5">Risk Drivers</td></tr>
<tr><td colspan="5">Lack of or inadequate:
•Protection against external cyber-attack e.g. ransomware
•Planning
•Understanding of the key issues
•Policies and processes to support good practice
•Training of staff (understanding of issues, roles, and responsibilities)
•System architecture and software
•Disaster recovery, business continuity and backups
•IT transition (migration)
•System resilience testing</td></tr>
<tr><td>Inherent risk assessment</td><td>Likelihood</td><td>Likely (4)</td><td>Consequence</td><td>Extreme (4)</td></tr>
<tr><td>Inherent risk rating</td><td>Score</td><td>16</td><td>Result</td><td>High</td></tr>
<tr><td colspan="5">Existing mitigations</td></tr>
<tr><td colspan="5">•Ongoing updates for staff and regular updates on how to identify and respond to threats.
•Annual testing of system resilience
•Audit conducted of security measures and disaster recovery needs.
•Appointment of Lead Advisor Information Management
•Review and update of IT service contracts
•Development of ICT and Information rolling 3-year Strategic Plan</td></tr>
<tr><td>Residual risk assessment</td><td>Likelihood</td><td>Possible (2)</td><td>Consequence</td><td>Moderate (2)</td></tr>
<tr><td>Residual risk rating</td><td>Score</td><td>4</td><td>Result</td><td>Medium</td></tr>
<tr><td colspan="2">Responsible manager(s)</td><td>GM Corporate Services</td><td>Risk treatment option</td><td>Reduce</td></tr>
<tr><td colspan="5">Treatment Plans</td></tr>
</table>

Plan action/task and target resolution date	Owner	Status	Previous update	Latest Update
Publicly excluded under LGOIMA section 7(2)(j) as per summary page.	Manager, Customer Services	Ongoing	Feb-24	N/A

<table>
<tr><th colspan="6">Operational Risk 2</th></tr>
<tr><td>Risk Theme</td><td colspan="2">Critical Asset Failure</td><td>Risk owner</td><td colspan="2">Chief Executive Officer</td></tr>
<tr><td colspan="6">Risk Description and Impact</td></tr>
<tr><td colspan="6">There is a risk of operational failure that has a material impact on service delivery, including failure of critical assets (e.g. roads, drinking and wastewater treatment plants) and Council's ability to operate. This may impact health and safety or wellbeing of staff and the community, council reputation, loss of trust and confidence, not meeting service levels, strategic goals, regulatory or legal requirements and increased costs long term.</td></tr>
<tr><td>Type</td><td colspan="2">Asset failure (infrastructure)</td><td>Risk appetite</td><td colspan="2">TBC</td></tr>
<tr><td colspan="6">Risk Drivers</td></tr>
<tr><td colspan="6">Lack of or inadequate:
•Investment
•Asset management programme
- Aging assets reaching end of life
- Frequent and significant weather events</td></tr>
<tr><td>Inherent risk assessment</td><td>Likelihood</td><td>Likely (4)</td><td>Consequence</td><td colspan="2">Major (3)</td></tr>
<tr><td>Inherent risk rating</td><td>Score</td><td>12</td><td>Result</td><td colspan="2">High</td></tr>
<tr><td colspan="6">Existing Mitigations</td></tr>
<tr><td colspan="6">•Refreshing Infrastructure Strategy for upcoming LTP
•Budget for asset planning, condition assessments and maintenance
•Principal Advisor Water transition role established.
- Water services operation successfully transitioned from Wellington Water to City Care Water
- Improving capability and engaging specialist support
•Improved monitoring and control systems for early warning
•Improved supply contingency capabilities for water
•Improved communications with stakeholders
•Improved governance
- Delivering water capital projects to improve the network.
- Reviewing resourcing against work programme to deliver.</td></tr>
<tr><td>Residual risk assessment</td><td>Likelihood</td><td>Likely (4)</td><td>Consequence</td><td colspan="2">Major (3)</td></tr>
<tr><td>Residual risk rating</td><td>Score</td><td>12</td><td>Result</td><td colspan="2">High</td></tr>
<tr><td colspan="2">Responsible manager(s)</td><td>GM Infrastructure and Community Operations</td><td colspan="2">Risk treatment option</td><td>Reduce</td></tr>
<tr><td colspan="6">Treatment Plans</td></tr>
<tr><td colspan="2">Plan action/task and target resolution date</td><td>Owner</td><td>Status</td><td>Previous update</td><td>Latest Update</td></tr>
<tr><td colspan="2">Increase resourcing to be examined as part of the LTP process</td><td>GM Infrastructure and Community Operations</td><td>In progress</td><td>N/A</td><td>Review of resourcing underway to overlay against work</td></tr>
</table>

				programmes to deliver
Develop business continuity plan and improve reporting	GM Infrastructure and Community Operations	In progress	N/A	We have increased our knowledge of our asset condition through network inspection, critical asset reports.
Infrastructure Strategy	GM Infrastructure and Community Operations	In progress	We have improved the quality of our Infrastructure Strategy. Network and capacity studies for our major assets are underpinning investment for growth.	We have improved the quality of our Infrastructure Strategy and are refreshing it for the upcoming LTP. Network and capacity studies for our major assets are underpinning investment for growth.

Strategic and Operational Risk 1			
Risk Theme	Legal	**Risk owner**	Chief Executive
Risk Description and Impact			
Failure to obtain timely and accurate legal advice, or non-compliance with statutory obligations, may lead to unlawful decision-making, legal challenges, financial penalties, reputational damage. This risk includes the inadequate review of contracts, bylaws, regulatory frameworks, and property transactions.			
Type	Legal and Reputational risks	**Risk appetite**	TBC
Risk Drivers			
• Insufficient internal legal resources or expertise. • Delays in seeking legal input during project planning or decision-making. • Failure to keep up with changes in legislation, case law, or regulatory requirements. • Poor documentation or contract management. • Lack of awareness or training on legal obligations among staff, elected members and community boards.			

Inherent risk assessment	**Likelihood**	Probable (3)	**Consequence**	Moderate (2)
Inherent risk rating	**Score**	6	**Result**	High Medium
Existing Mitigations				
• Dedicated in-house legal and access to qualified external legal advisors.				
Residual risk assessment	**Likelihood**	Possible (2)	**Consequence**	Moderate (2)
Residual risk rating	**Score**	4	**Result**	Medium
Responsible manager(s)		GM Corporate services/SLT	**Risk treatment option**	Reduce

Treatment Plans

Plan action/task and target resolution date	Owner	Status	Previous update	Latest Update
Legal review checkpoints embedded in projects and decision processes so that legal considerations are identified early and integrated into planning and delivery. Treating legal advice as a core business function, not just a reactive service.	Legal	On-going	N/A	On-going
Training and legal updates for staff, elected members and community board members.	Legal	On-going	N/A	On-going
Documented policies and procedures for contract and compliance management.	Legal	On-going	N/A	On-going

Legal risk assessments for significant projects and legislative changes.	Legal	On-going	N/A	On-going

Risk Assessment and Scoring Matrix

Likelihood Title	Description
Rare	It has not occurred before in these circumstances, but it is not impossible. Probability < 10%
Possible	It is not expected to occur, but it has been known to occur in a similar or related context. Probability between 10 and 40%.
Probably	There is some expectation that it may occur and is common in this context. Probability between 40 and 70%.
Likely	It is expected to occur, because it occurs frequently or is a well-documented expectation in this context. Probability > 70%.

Categories	Consequence			
	Minor	Moderate	Major	Extreme
Financial	• < $5,000 pa impact to Council operating expenditure; or • < $10,000 impact to Council capital expenditure; or • < 0.04 rates increase.	• < $10,000 pa impact to Council operating expenditure; or • < $100,000 impact to Council capital expenditure; or • < 0.4% rates increase.	• < $250,000 pa impact to Council operating expenditure; or • < $1,000,000 impact to Council capital expenditure; or • < 1% rates increase.	• ≥ $250,000 pa impact to Council operating expenditure; or • ≥ $1,000,000 impact to Council capital expenditure; or • ≥ 1% rates increase.
Reputation	• External reputation minimally affected, little effort or expense required to recover; and • Minimal loss of stakeholder trust & confidence at local level; and • No presence in local media; and • Negligible impact on staff, < 5% turnover per annum.	• External reputation slightly affected, minor effort or expense required to recover, with < 1 year to re-establish confidence; and/or • Loss of stakeholder trust & confidence at local level; and/or • Presence in local media only; and/or • Elevated impact on staff, < 10% staff turnover per annum.	• External reputation damaged, effort and expense is required to recover, with 1-2 years to re-establish confidence; and/or • Loss of regional trust & confidence including iwi, funding partners and elected members; and/or • Presence in regional/local media only; and/or • Critical staff roles impacted, 10 - 15% staff turnover per annum.	• External reputation severely damaged, considerable effort and expense required to recover, with 2-5 years to re-establish confidence; and/or • Loss of national trust & confidence including government; and/or • Trending presence in national and international media; and/or • Major staff impact including critical roles, > 15% staff turnover per annum.

Compliance / Legal	• Council challenge or threat of litigation, but are compliant or have the appetite to tolerate non-compliance costs; and • Contractor do not express concerns, or retract prior concerns.	• Council get challenged and are found to be non-compliant with fines, penalties or legal exposure < $100,000; and/or • Contractor expresses concern and/or give verbal advice that, if breaches continue a default notice may be issued.	• Council get challenged and are found to be non-compliant with fines, penalties or legal exposure < $250,000; and/or • Contractor give written notice threatening termination if not rectified.	• Council get challenged and are found to be non-compliant with legal exposure in excess of $500,000; and/or • Criminal conviction; and/or • Appointment of a commissioner under the LGA. • Contractor terminates contract (breach / default etc.)

Likelihood	Value	Consequence	Value
Rare	1	Minor	1
Possible	2	Moderate	2
Probable	3	Major	3
Likely	4	Extreme	4

Risk Rating	Min Score	Max Score
Low	0	2.9999
Medium	3	6.9999
High	7	7 - 16

Note: Consequence of finance, reputation, legal is recorded as the highest of any of those categories.

Note: Definitions of operational and strategic risk.

			LIKELIHOOD			
			Rare	Possible	Probable	Likely
			1	2	3	4
CONSEQUENCE	Extreme	4	Medium	High	High	High
	Major	3	Medium	Medium	High	High
	Moderate	2	Low	Medium	Medium	High
	Minor	1	Low	Low	Medium	Medium

Information Compliance Update

1 July 2025 – 30 June 2026

1. Local Government Information and Meetings Act (LGOIMA) Requests

Total requests recorded	Cancelled by requestor	Late	Extended	Total requests completed within timeframes	% of requests completed within timeframes
211	3	7	11	204	96%

1.1 Summary of Requests Logged 1 July 2025 – 30 June 2026

A total of 211 LGOIMA requests were recorded during the reporting period.

Demand remained consistently high across the year, with a noticeable increase in complex, multi-part requests—particularly in the third quarter.

Key service areas most frequently subject to requests included:

- Water / wastewater infrastructure (notably Martinborough wastewater proposals)
- Planning and resource consents
- Governance and council decision-making
- Finance and rates data
- Roading and infrastructure

Three requests were formally cancelled by requestors, typically after clarification or where interest was withdrawn.

A total of 11 requests required extensions, generally due to complexity, consultation requirements, or high volumes of information.

Overall performance remained strong, with 96% of requests completed within statutory timeframes.

1.2 Key Themes

Requests were heavily concentrated around a small number of key themes, with water and wastewater infrastructure emerging as the dominant area of exposure. A significant proportion of requests focused on wastewater treatment plants, land purchases such as Pain Farm, and effluent disposal, reflecting sustained public and stakeholder interest.

Planning and regulatory matters also featured prominently, particularly resource consents, subdivisions, and compliance records, often requiring the collation of detailed, property-specific information. In addition, there was continued demand for governance-related information, including council reports, workshops, and decision-making rationale, indicating ongoing scrutiny of council processes.

Requests relating to finance and rates were also common, typically high in volume but lower in complexity, covering areas such as valuation data, rating units, and expenditure.

Only a small number of requests required transfer to other agencies, suggesting requests are generally well-directed, with minimal misrouting and effective initial triage.

2. Ombudsman's Investigations

Between July 2025 and June 2026, the Office of the Ombudsman has notified council of seven complaints:

- One was regarding a refusal in part; there was no investigation and the complaint was withdrawn, including no response to further enquiry.
- Three resulted in further investigation but were resolved by Council providing further or clarified information.
- Two resulted in preliminary investigations which did not result in further action or recommendations from the Ombudsman.
- One is currently being investigated.

The majority of complaints relate to the fullness of information provided and correct usage withholding clauses in the LGOIMA.

General information regarding complaints received by the Ombudsman are available on the website: https://www.ombudsman.parliament.nz/resources A full report on this financial year is not yet available and may show further data.

3. Privacy

There have been six breaches reported during this period. In all cases, no further action or reporting was deemed necessary.

Breach	Remedial action taken
An email sent to an incorrect address by an SWDC staff member.	The SWDC sender advised the recipient of the error and asked that the email be deleted. Confirmation was received that this had been done.

Breach	Remedial action taken
The address of a staff member appearing as the Martinborough Library address in multiple online locations.	A number of other SWDC staff members undertook to correct the location error. The staff member whose address mistakenly appeared was satisfied with this remedial action.
A property owner reported that their personal information had been shared with members of the community by a Councillor.	The complaint was investigated by the Privacy Officer. It was determined that the personal information had in fact been shared by another member of the community, not the Councillor. The Privacy Officer's findings were communicated to the complainant.
Email including invoice sent to wrong email address.	The (incorrect) recipient was sent an email requesting that the correspondence be deleted.
An external contractor working on behalf of the Council accidentally sent personal information to another council. This happened several times over the course of May-June.	The council in question was contacted and asked to delete the relevant emails and attachments. The internal process has been changed so that the contractor is no longer responsible for sending those emails. That work is now being carried out by SWDC staff.
A SWDC manager reported that they had become aware that a week earlier a sensitive document (containing personal information) had been accidentally uploaded to a building consent record, which then became viewable by a customer.	The manager contacted the customer and asked them to delete the document, and followed up with the staff member who had uploaded the document to ensure that if such a mistake were to occur again, they would be notified immediately.

10.3 PEOPLE AND HEALTH & SAFETY REPORT

Author: Mai Griffiths, Principal Advisor, People & Culture

Authoriser: Stefan Corbett, Group Manager, Corporate Services

File Number: N/A

PURPOSE

To provide councillors an overview of people and health and safety matters.

EXECUTIVE SUMMARY

- This report provides Council with an overview of People, Health, Safety and Wellbeing performance, key workforce trends and associated risks. It is intended to support Council's governance and assurance responsibilities by highlighting significant risks, emerging issues and the controls in place to manage them.
- Council has a duty of care to ensure the health, safety and wellbeing of its workforce. The Chief Executive, as the primary employer is responsible for the day-to-day management of these obligations and reports to Councillors, who, together with the Chief Executive are considered officers under the Health and Safety at Work Act 2015 and are required to exercise due diligence in relation to health and safety matters.
- This report provides an overview of ongoing people, health, safety and wellbeing related risks, and the associated actions and mitigations that are being used to manage them.
- This report also includes a snapshot of workforce and health and safety data, highlighting key trends.

RECOMMENDATIONS

Officers recommend that the Risk and Assurance Committee:

1. Receive the People and Health and Safety Report.

BACKGROUND

People-related risks to Council as a legal entity may originate from various sources and be tied to one or more of those factors, including workforce capability and capacity, employee relations and health, safety and wellbeing. Our workforce obligations are clearly defined through legislation.

The Health and Safety at Work Act 2015 includes due diligence requirements for Officers, including Councillors and the Chief Executive, to proactively engage in health and safety matters.

Any updates to legislation will be captured and reported to the Risk and Assurance Committee as part of this paper on a bi-monthly basis.

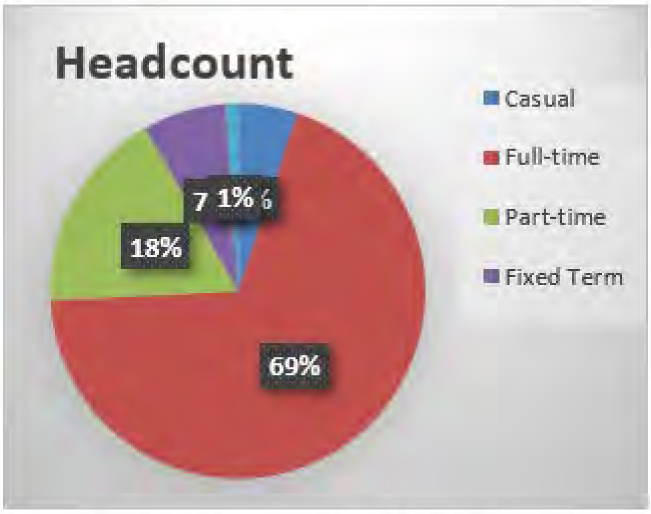
DISCUSSION

Headcount and FTE

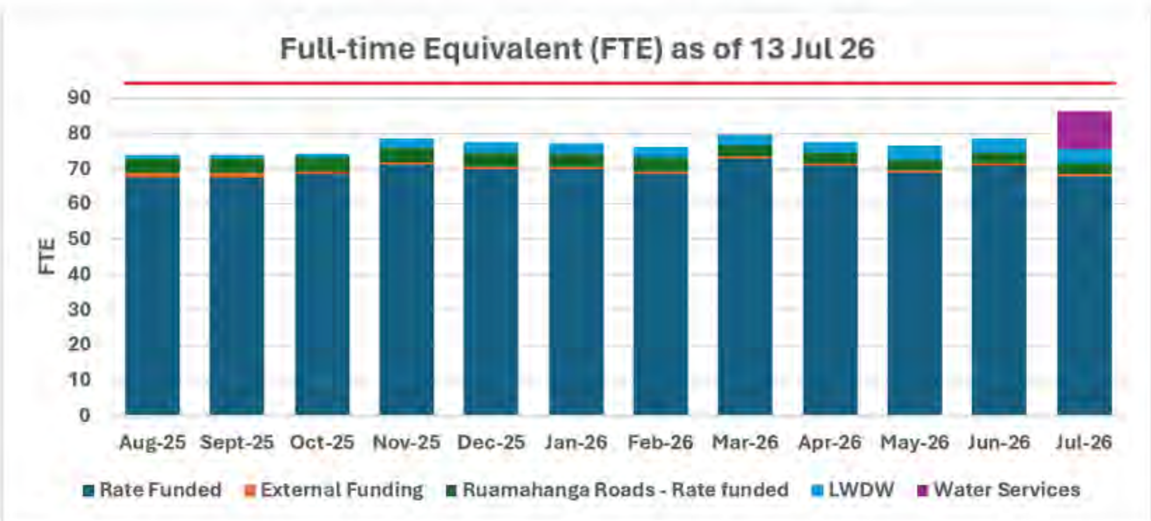
As at 13 July 2026, Council employed 97 staff, representing 86.3 full-time equivalent (FTE). Workforce numbers have remained largely unchanged in the prior 12 months, except for 11 water services staff who commenced employment with Council from Wellington Water Ltd and Fulton Hogan on 1 July 2026. With the addition of two vacant roles transferring to Council from Wellington Water Ltd, there are currently 10 vacant positions across the organisation.

Workforce levels remain within approved budget and establishment levels. Current workforce metrics do not indicate any significant workforce capacity risks, however recruitment challenges for specialised and hard-to-fill positions remain an ongoing area of focus.

The number of weather events experienced during the reporting period has also placed increased pressure on some areas of the organisation, resulting in higher workloads and competing priorities.



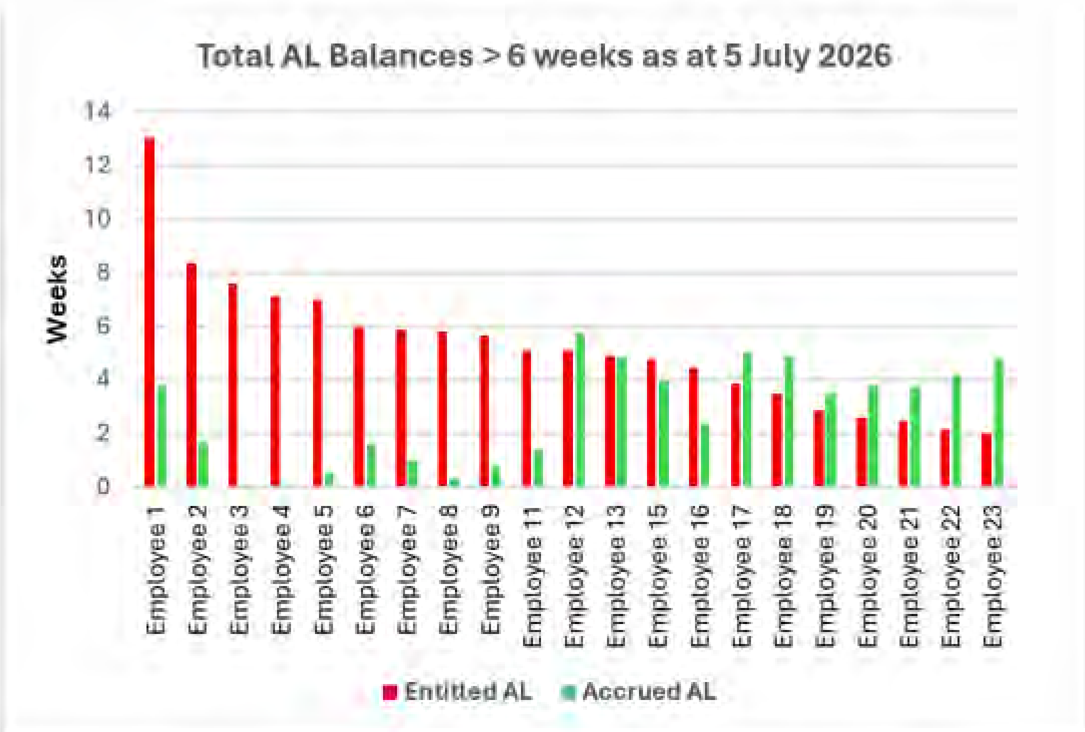
Graph 1 - headcount as of 13 Jul 26



Graph 2 - FTE as of 13 Jul 26, broken down by groups and projects where applicable

Leave Liability

There are currently 23 staff members with total annual leave balance exceeding 6 weeks. This represents an increase during the reporting period, largely due to the addition of ex Wellington Water Ltd staff. Overall, high annual leave balances are being actively managed, with staff having leave plans in place where appropriate to reduce balances over time.



Graph 3 – Total Annual Leave greater than 6 weeks

Training

During the reporting period, Council delivered Building Resilience in the Workplace training, which was attended by 35 staff. A further session is planned for later in the year for the remaining staff. The training provided practical tools to help staff manage workplace pressures, adapt to change, strengthen resilience, and support their overall wellbeing and performance.

In addition, one staff member conducted first aid training and seven staff members attended psychological first aid training which was organised by WREM.

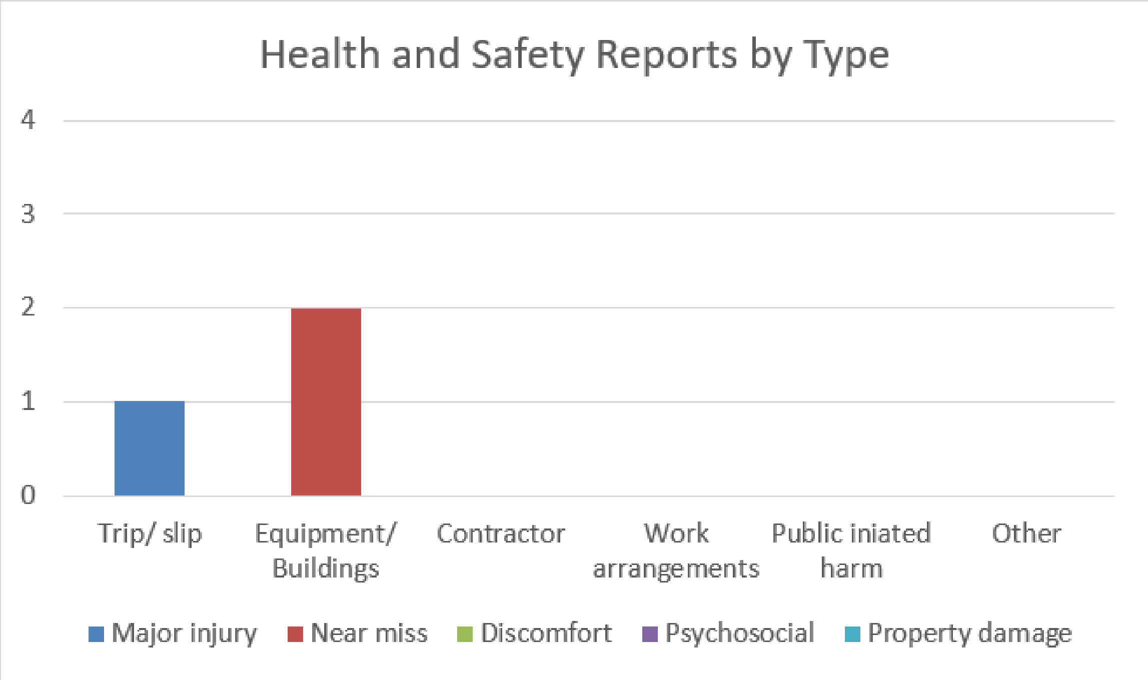
Furthermore, Customer Service and other frontline staff attended Customer Excellence training.

Employee Assistance Programme

Between July 2025 to June 2026 a total of 22 staff utilised the Employee Assistance Programme (EAP). This confidential service provides support for personal and work-related challenges that may impact an employee's wellbeing, health or performance at work.

Health and Safety Incident Reports

For the period 1 May 26 to 10 Jul 26 there were 3 internal health and safety incident reports raised. Two were near misses raised to address minor hazards. One report involved a member of public being impacted by the automatic door at the main office reception entrance, sustaining serious injuries. To prevent recurrence: additional sensors were installed on the door to introduce a second safety curtain sensor, the existing sensors adjusted, and the door speed, impact sensitivity and dwell time were adjusted.



Graph 4 – H&S incident report by type

Council Buildings

Anchor points and ladder brackets were installed on six key council buildings to enable compliant heights access. While longer periods of work with multiple workers will require scaffolding, the recent installations will enable individual workers, for medium durations to work at heights using fall restraint or fall arrest systems (e.g. harnesses and anchor ropes). This will reduce the risk level and costs for future roof maintenance work.

Contractors

SWDC officers continue to work with external PCBUs where we have overlapping duties to ensure the duties are being met, and to assist in upskilling the PCBUs as required.

The use of the contractor prequalification platform is continuing to grow with more contractors added. The assessment scores of SWDC contractors in this platform continue to be above the average of all contractors in the system, indicating sound health and safety practices.

Service Level Agreement Contractors continue to provide regular health and safety reporting.

The most critical people and health and safety related risks are outlined below:

Risk Description	Risk Cause	Impact	Initial Risk Rating	Risk Controls	Residual Risk Rating
Workforce Tenure – Organisational Capability and continuity are at risk due to similarly grouped length of service across the workforce	• More than half of our workforce has less than 5 years length of service. • Length of service is generally on a downwards trend in various industries.	• Sudden and cumulative loss of organisational knowledge. • Increased staff attrition • Significant increases in financial costs in terms of opportunity loss and recruitment (time to hire) • Poor 'perceived' employee brand, with high recruitment • Team Cohesion- frequent changes disrupt team dynamics and can hinder collaboration	High	• Improved employee experience • Structured onboarding process. • Development opportunities • Professional Development and training opportunities • Inclusive workplace culture • Work-life balance • Engagement Survey • People policies and processes	Moderate
Conditions of employment	• Contractual conditions of employment being challengeable or not competitive. • Unhealthy levels of physical and psychological safety • Inappropriate behaviour	• Critical roles being left vacant • Significant strain on remaining staff members • Legal challenge • Increased staff attrition • Increases in sickness levels • Significant increases in financial costs in terms of opportunity loss, recruitment (time to hire) • Poor employer brand	High	• Well-formed policies, standard procedures • Development of a culture of continuous improvement. • Embedding of the Performance Management framework. • Abusive incident response processes. • Staff Code of Conduct. • Onboarding and induction processes. • Support mechanisms i.e. EAP. • Collective Agreement terms • Regular reviews of salaries and benefits. • Employee recognition programmes. • Assignment of appropriate delegations	Moderate
Knowledge Transfer for Critical Roles –	• Aging workforce of key technical staff	• Loss of institutional knowledge amongst team members		• Succession planning • Pathway to retirement plans	

Insufficient transfer of knowledge for critical roles may result in loss of capability and reduced operational effectiveness	• Reliance on a small number of individuals in critical or specialist roles (single point of failure) • Limited overlap between role holders, • Lack of maturity in business processes	• Inability to deliver against service and service level expectations • Over reliance on contractors to maintain technical insights	High	• Cross functional roles • Mentoring responsibilities woven into expectations of senior staff • Skills and knowledge mapping	Moderate
Leave Liability – Employee leave liabilities may become excessive or poorly managed, creating financial and operational risk	• Employees accruing high leave balances due to limited ability or encouragement to take leave • Role dependency or workforce capacity constraints restricting leave uptake • Inconsistent monitoring or enforcement of leave management practices	• Increased financial liability on the balance sheet • Operational disruption if large volumes of leave are taken at short notice • Employee fatigue, burnout, and reduced wellbeing • Levels of sick leave impact upon organisational performance • Reduced service continuity and increased reliance on temporary cover	High	• Leave management plans • SLT monitoring of sick and annual leave • People and Culture monitoring excessive AL leave balances and providing additional oversight and guidance to managers • Managers have view of leave balances in the People Management system. • Management application of Managed Sick Leave policy • Workforce planning to support leave cover	Moderate
Automation, AI and the future of work The organisation may not effectively adapt to automation and AI resulting in capability gaps, workforce disruption or missed opportunities for productivity and service improvement	• Rapid advancement of automation and AI technologies • Limited organisational readiness or understanding of AI impacts. • Resistance to change or uncertainty about role impacts	• Council fails to harness the opportunities as presented by AI to deliver quality timely services and better outcomes to our communities • Ongoing reliance on manual processes, leading to slower response times • Workforce capability gaps as emerging AI related skills evolve faster than training	High	• Knowledge and Information Management framework • Providing future skills focused training through personal development planning • Dispensing clear guidelines on generative AI use • Improving messaging about job security • Stay informed of emerging technology and provide training	Moderate

				• Communications and engagement planning • Introduce strategic workforce planning with a multi-year outlook • Leverage IT and other tools to promote team connectedness • Analyse skill gaps in the workforce and offer reskilling and upskilling • Review our physical work environment and how teams are formed	
Form Following function – Organsational structure, roles or ways of working may not align with actual functions and service needs	• The size, shape and resourcing of the organisation may not align with the outcomes and services it is mandated to deliver.	• Community services and priority expectations of the Council are not met • Community trust diminishes • The relationship between EM's and Officers erodes	High	• Organisational design reviews • Strategic workforce planning across all tiers of the organisation • Review of role expectations as vacancies arise • Review of delegations • IT architecture is fit for purpose • Development of cross functional teams	Low

Risk Description	Risk Cause	Impact	Initial Risk Rating	Risk Controls	Residual Risk Rating
Inappropriate behaviour directed towards staff	Abusive, threatening, rude, or inappropriate behaviour directed towards staff. Sources: members of public, media, EMs, other staff.	Psycho-social harm, potential for physical harm, traumatic psychological injury, staff attrition, reduced productivity	Critical	Policies, standard procedures and protocols De-escalation training Abusive incident response process Staff & EM Code of Conduct Leadership & EM's consistently providing support and encouragement to staff. New employee H&S inductions EAP	Moderate

Risk Description	Risk Cause	Impact	Initial Risk Rating	Risk Controls	Residual Risk Rating
				Lone worker and vehicle location monitoring protocols Body cameras Duress mechanisms Separation of staff and public areas at the main office	
Working with other PCBU's	Work carried out on our behalf by other companies without direct employment management of workers, work arrangements, safety plans and culture.	Potential for harm: fatalities, injuries, near miss Noncompliance with HSW Act: working with other PCBU's, notifiable events, risk management. Damage to public/council property, damage to reputation. Public reputation Inadequate insurance	Critical	Procedures for engaging contractors align with WorkSafe guidelines and Unit Standard 17595 Ongoing use of SiteWise prequalification platform Ongoing training with officers who regularly engage contractors on best practice, risk identification, pre-qualification & selection, onboarding, monitoring and review. Review of safety plans for all high risk work for direct-hire contractors Assistance offered to contractors for completion of safety plans for lower risk work Review of performance reports, and safety plans as needed, for Service Level Agreement contractors.	Moderate
Vehicles, Driving, Roads	Staff driving behaviour Very limited control of other road user behaviour Vehicle safety aspects Limited mobile reception in areas of district	Vehicular accident: fatality, serious injury, property damage Worker isolation: breakdown, accident, violence in areas without mobile reception Reputational damage Climate impact	Critical	Driving policy & associated protocols: vehicle procurement standards, licence checks, etc. Argus vehicle tracking: location, speed, behaviour monitoring. Garmin GPS devices Vehicle safety checks	Moderate

Risk Description	Risk Cause	Impact	Initial Risk Rating	Risk Controls	Residual Risk Rating
	High driving hours in specific teams Largest geographic district in Wellington region Fatigue, impairment			Corridor access training	
Work at Height	Lack of physical equipment for heights access throughout property portfolio (e.g. ladder brackets, anchor points) Added expense for contractors using appropriate methods Increased staff resource to ensure appropriate methods	Fall from heights: fatality, serious injury Items dropped: bystander impact Prosecution for risk management failure/ failure to adhere to safe working practices Reputational damage	Critical	Policies, standard procedures Contractor engagement protocols Heights work designated as high-risk requiring confirmation of safety plans Heights access equipment (ladder brackets and anchor points) included in budget, not yet installed	Moderate

APPENDICES

Nil

10.4 EMERGENCY MANAGEMENT UPDATE

Author: **Nigel Carter, Senior Advisor Community Resilience & Emergency Management**

Authoriser: **Stefan Corbett, Group Manager, Corporate Services**

File Number:

PURPOSE

To provide members with an overview of emergency management matters by way of the Emergency Management Report for the period 1 May 2026 to 10 July 2026.

EXECUTIVE SUMMARY

- The Civil Defence Emergency Management Act 2002 requires territorial authorities to provide Emergency Management for their districts, and to be part of the region's Emergency Management Group.
- Regular Emergency Management reporting updates Elected Members on matters pertaining to Emergency Management performance, to provide assurance that SWDC is managing risks appropriately.
- This report no longer contains Health and Safety related matters, which are now found in the People and Culture report.

RECOMMENDATIONS

Officers recommend that the Risk and Assurance Committee:

Receive the Emergency Management Update.

BACKGROUND

This report provides an update on emergency management activities between 1 May 2026 and 10 July 2026, including severe weather responses, progress of the Wairarapa Emergency Management Capability Strategy, staff capability development, community resilience initiatives, and regional recovery and preparedness activities.

DISCUSSION

South Wairarapa District Council works collaboratively with Emergency Management Wairarapa (EM Wairarapa), Wellington Region Emergency Management Office (WREMO), other Wellington & Wairarapa councils, iwi, support agencies and communities to manage emergency Reduction, Readiness, Response and Recovery (the "4 R's").

Wairarapa Emergency Management Capability Strategy

We can now report that Masterton District Council adopted the Emergency Management Wairarapa Capability Strategy 2025-2030 at their May 2026 Council Meeting. This completes the agreement by the three Wairarapa based councils to proceed with execution of the strategy through EM Wairarapa.

Global Fuel Disruption

The Ministry of Business, Innovation and Employment (MBIE) is leading the national fuel security plan with input from NEMA. The response is separated into four phases, which represent escalating risk levels and can be applied to petrol, diesel, or jet fuel together or separately. The country is currently in Phase 1 (at time of writing):

- **Phase 1: Watchful/Monitoring**
  Standard operations, monitoring stock and promoting voluntary conservation
- **Phase 2: Precautionary**
  Active encouragement for public transport, carpooling, and working from home
- **Phase 3: Managed**
  Managed, tightened supply with priority given to essential services
- **Phase 4: Protected**
  Severe disruption response with mandatory training/prioritisation.

WREMO has developed significant preparatory work on behalf of the region's councils in the event that the country escalates to higher Phase levels. Across the Wairarapa, councils have been proactive in supporting fuel savings and other opportunities to reduce overall fuel usage and cost.

Since the last report, the government has confirmed that fuel supply is currently stable, and our stocks remain sufficient. We are currently in phase 1 of the National Fuel Response Plan 2026.

Severe Weather Events

Two significant events impacted Wairarapa over the reporting period:

- 8-10 June 2026 – Sea Swells
  Combined wave and swells rising to 9m along Wairarapa coastline
  Gale force winds up to 100kmph

- 26-30 June 2026 – Severe weather event
  This event had heavy rainfall, flooding, slips and storm impacts. Impacts across South Wairarapa included road closures, bridge washouts (Tūranganui River Bridge at Cape Palliser Road), isolated communities, power outages and activation of the Emergency Operations Centre.

Staff Resource

Continued improvements in training and development for council staff has resulted in increased capacity and capability for emergency response for SWDC. This increase has improved the inhouse level crisis management response and our contributions to the Wairarapa combined Emergency Operations Centre rostering.

Against the KPI of 75% of eligible staff being trained to at least Foundation level, for the 2025 – 2026 financial year, SWDC achieved:

- *Q2: 49% of eligible staff trained to at least Foundation level*
- *Q3: 75% of eligible staff trained to at least Foundation level*
- *Q4: 96% of eligible staff trained to at least Foundation level*

The June severe weather event again provided an opportunity to demonstrate this increased ability to roster a good number of capable staff to the EOC. This event was manageable in scale compared to potentially larger events, and further work is needed to ensure the training and development strategy enables a continuously capable staff base for such an event.

Statistics of the June severe weather response by staffing in the room are shown below. It should be noted that the period covered by this event is 26 June – 2 July 2026.

Percentage of hours worked by council resource assigned to EOC during an activation

Organisation	Personnel Working	Sum of Total Hours	% Total Hours
Council SWDC	12	261.15	33.03%
Council EM Wai	2	178.33	22.56%
Council MDC	6	162.75	20.59%
Council GWRC	9	156.30	19.77%
Council CDC	3	32.08	4.06%
Grand Total	**32**	**790.62**	**100.00%**

Percentage of hours worked by all stakeholders assigned to EOC during activation

Organisation	Num People	Sum of Total Hours	Percentage %
Council SWDC	12	261.15	27.79%
Council GWRC	9	156.30	16.63%
Council Wai EM	2	178.33	18.97%
Council MDC	6	162.75	17.32%
WREMO	4	93.83	9.98%
Council CDC	3	32.08	3.41%
RST	4	32.03	3.41%
NZ Police	4	18.93	2.01%
Wellington Free Ambulance	1	4.42	0.47%
Grand Total	**45**	**939.83**	**100.00%**

REVIEWING EMERGENCY MANAGEMENT ACROSS THE REGION

Community Resilience Programme (Energy Efficiency and Conservation Authority "EECA")

EECA continued to work with EM Wairarapa, acknowledging delays in getting information to them will be accommodated. A number of the delays have related to the weather impacts during the reporting period, along with a change in government policy indicating schools may have a different funding mechanism. However, EECA has advised to continue to includes schools where they act as a community resource during events.

Welfare

The EM Wairarapa Welfare Manager has continued to provide welfare services in Recovery as we work through the impacts of the February, April and now June events.

Response

Controllers

The primary role of a Controller is to lead teams during an event, providing the conduit for Mayors and CEs into what's happening and liaising with WREMO if the event is regionally significant. Between events, Controllers are also expected to be rostered on call 24/7 to be available to assess potential impacts from a variety of extreme events, including earthquake, tsunami, floods, severe weather, pandemic, and lifelines failure and take the appropriate action.

Since the last report, the SWDC controller resigned. This reduces the controller pool to four Wairarapa based resources until a suitable replacement is found. One GWRC resource is in the final stages of training and should be available from September.   Training for a controller can take between 6-9 months to complete leaving EM Wairarapa exposed should we get impacted by a severe and enduring weather event in the meantime. WREMO have offered to support, and we have the ability seek staff from other Wellington councils.

Wairarapa Engineers Lifelines Association (WELA)

WELA's Annual General Meeting (AGM) is due to be held in August where it will select a new Chair and Deputy Chair. These appointments will provide direction for the Wairarapa based group for the next 3-5 years.

As previously advised, WELA successfully engaged a PhD candidate at the Management School of the University of Waikato to do research on the prepositioning of essential resources needed after a major event. This research will be shared with council in the next report.

The study researches diesel availability in the Wairarapa region, the extent to which the diesel demand for critical customers after a major earthquake can be covered, and the mitigation strategies to improve the demand coverage for critical customers. This research will support future fuel supply stocks as we understand the impact of usage across Wairarapa.

Recovery

Following the April severe weather event, the Wairarapa Recovery Office stood up during the transition period 24 April – 22 May 2026 to understand the impact of recent events, the compounding impact on our community and whether there needs to be a dedicated recovery focus over the next 3, 6 or 12 months. This work is ongoing with key stakeholders from across Wairarapa and we are currently reviewing the impact of the latest severe weather event in June as this has been considered worse than February or April.

WREMO Resilience and Response in Wairarapa

Community Preparedness

Outside of supporting response activities due to extreme weather events, the WREMO Emergency Management Advisor Community Resilience had a particularly strong May and June providing support and guidance to improve community preparedness, particularly in South Wairarapa. This included direct engagement with communities impacted by the February and April events, following up on readiness actions and including Business Continuity Planning workshops. We are seeing stronger community engagement before and during events along southern coastal communities, a tribute to these communities and their commitment to become more self-sufficient during events.

Operational Readiness

WREMO continue to provide training across the region, including Psychological First Aid, Technical training and CIMS foundation, intermediate and function courses. In addition, ongoing review of the Wairarapa Catchment Guides to keep them current and relevant during events, and conducting After Action Reviews for each severe weather event. The AAR's provide feedback from those directly involved on what went well, what didn't go well and what could be improved. This ongoing reflective practise has enabled us to mature our response each time, making notable step changes since February 2026.

We continue to manage and test our VHF network, one of the communication channels available to us and alongside mobile networks, satellite and data.

APPENDICES

Nil

10.5 CAPITAL PROJECTS SUMMARY

Author: **James O'Connor, Group Manager, Infrastructure and Community Operations**

Authoriser: **Janice Smith, Chief Executive Officer**

File Number:

PURPOSE

To inform the Risk and Assurance Committee (the Committee) about progress on a small number of key projects. Feedback is welcomed in relation to any additional information members would like to see in future reporting.

EXECUTIVE SUMMARY

- This Capital Projects Summary provides an overview of Council's planned and in-progress infrastructure and community facility investments for the current financial year.
- It outlines key projects, expected timeframes, budget allocations, and progress updates to support transparency and informed decision-making in relation to risk management.

RECOMMENDATIONS

Officers recommend that the Risk and Assurance Committee:

1. Receive the Capital Projects Summary report.
2. Note the information included in the report.

BACKGROUND

A capital projects summary report to the Committee is important because it provides independent oversight of how well Council is managing the financial, operational, and strategic risks associated with its major infrastructure programme.

The Committee's focus on governance, assurance, and risk controls, so regular reporting helps members to understand whether projects are on track, whether risk mitigation strategies are working, and whether internal processes—such as procurement, project management, and financial controls—are being followed.

It gives early visibility of cost escalations, delays, compliance issues, or scope changes, allowing the committee to challenge assumptions, and ensure the organisation is delivering projects responsibly and sustainably. By receiving a clear and consistent summary, officers can provide elected members with confidence that the capital programme is well-managed, transparent, and aligned with Council's risk management framework and statutory obligations.

DISCUSSION

The organisation continues to make steady progress across Community Operations, Water, and Land Transport CAPEX programmes, with several key projects now completed or actively in delivery.

Recruitment to critical asset management roles is strengthening forecasting capability and supporting improved programme planning and future delivery.

Recent weather events, both in their frequency and severity, are having a significant impact on the organisation, particularly within the Roading activity. With five weather events occurring in as many months, the business has been operating in an almost constant state of emergency response and recovery. This sustained level of disruption is placing considerable pressure on operational budgets, with unplanned emergency works and recovery activities requiring the reprioritisation of resources and funding. The ongoing response effort is also impacting staff wellbeing, with teams working extended periods under heightened pressure and uncertainty.

Communities affected by these events continue to experience disruption to transport networks, access, and essential services, increasing expectations on Council to respond quickly while balancing longer-term recovery needs. At the same time, the organisation is facing growing challenges in maintaining business-as-usual activities, as staff, contractors, and financial resources are diverted to address emergency works, recovery programmes, and resilience planning. Despite these challenges, teams remain focused on delivering key projects and maintaining service levels across the district.

Overall Risk Themes

Across the portfolio, the dominant risk themes include:

- Frequent and severe weather events impacting assets across the Group, in particular Roading assets.
- Reputational risk linked to delays on long-standing projects or essential community assets. Although this risk is reducing with a number of projects completed or in delivery.
- Regulatory and consent-related delays, particularly in the Water programme.
- Contractor capacity and cost escalation, impacting scheduling and budgeting. Particularly as a result of increases in fuel costs.
- Data quality and historical knowledge gaps, now being addressed through recruitment.

APPENDICES

Appendix 1 Capex Dashboard - July 2026

Community Operations

SOUTH WAIRARAPA DISTRICT COUNCIL
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SOUTH WAIRARAPA DISTRICT COUNCIL
Kia Reretahi Tātau

CAPEX Project Dashboard

July 2026

Project	Delivery RAG	Objectives	Implication of Non-Delivery	Update
Martinborough Campground: Drainage solution $42,390 July 2026		Reduce flooding around campground during adverse weather.	Possible relationship/reputation damage.	Full cost of works is more than allocated budget, but we are attempting a different solution on advice of contractor. If this is successful, further work will not be required. Contractor has been engaged to continue this work.
Greytown Campground Driveway Redo $150,000 October 2026		Repair damaged driveway.	Possible relationship/reputation damage.	First part of this was completed in time for Festival of Christmas. Contractor made a call to hold off on sealing until later in the year due to weather, as it can impact the longevity of the final product. Will be completed well below budget (circa $90k).
Greytown Town Centre Upgrades $205,000 November 2026		Repair leaks and broken fixtures such as windows, doors, heat/cooling works.	Possible asset and reputational risk if asset deteriorates.	Made a call to postpone some of these works to line up with painting, as this will reduce costs for scaffolding where works require this. Some internal works are underway.
Paint Exteriors of Public Buildings $205,000 October 2026		Regular asset management cycle.	Possible asset and reputational risk if asset deteriorates.	Rescheduled to September as we missed the painting widow due to severe weather events.

SOUTH WAIRARAPA DISTRICT COUNCIL
Kia Reretahi Tātau

CAPEX Project Dashboard

July 2026

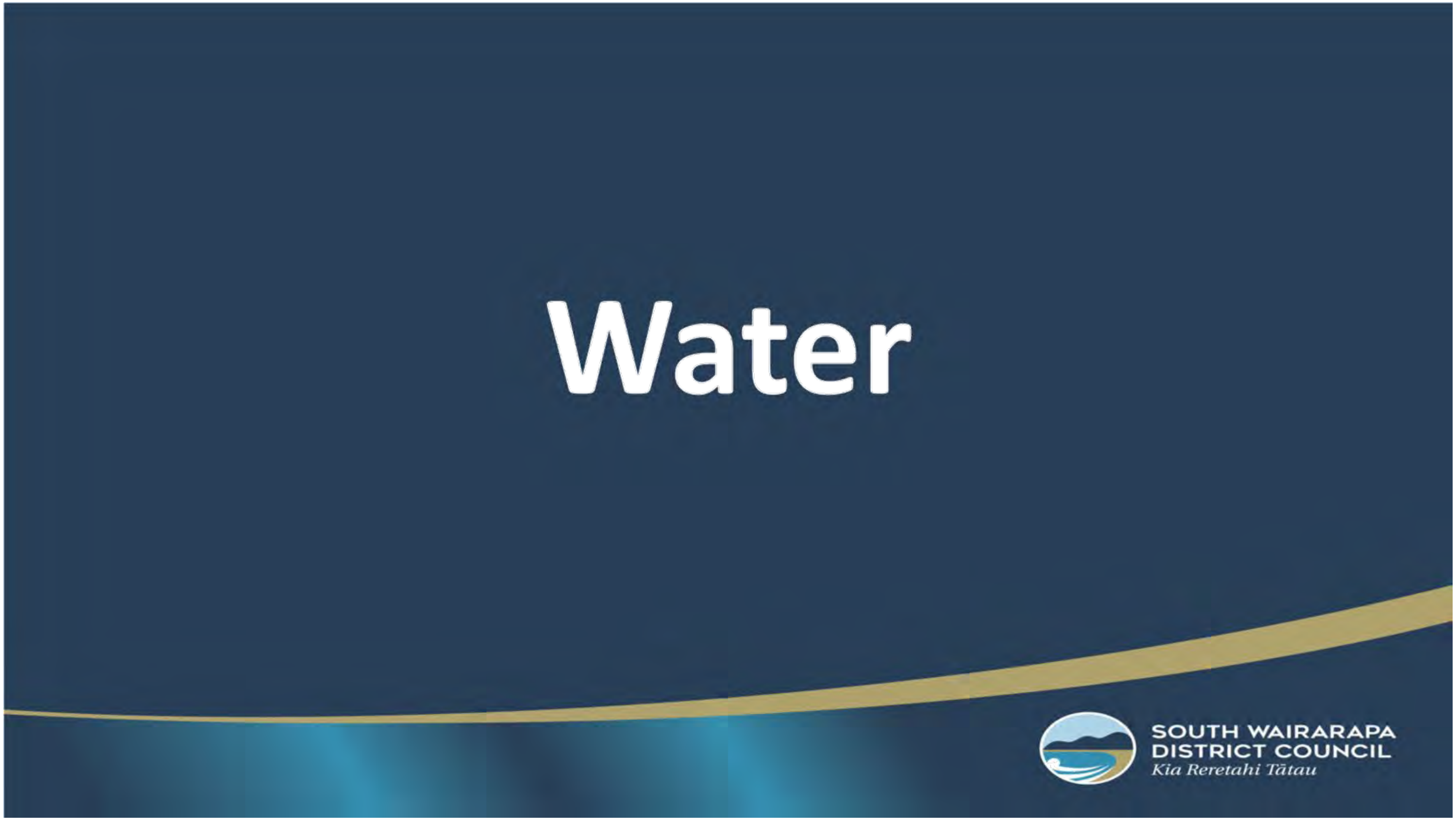
Project	Delivery RAG	Objectives	Implication of Non-Delivery	Risks/Mitigations
Heights Access for Buildings $70,173 June 2026		Install hooks for contractors working at height on community buildings.	May be non-compliant with works at height. Could be liable for injury if fall occurs.	Completed, handed over to Asset Manager for annual maintenance and checks.
Carkeek Observatory $157,000 July 2026		Build a protective structure over Carkeek Observatory remains.	Degradation to structure. Possible reputational/stakeholder damage.	Due to complete imminently, weather has delayed. Working with external groups to progress next stages around possible tourism, and information sharing. Heritage Festival have proposed inclusion in their programme.
Greytown Rugby Grounds $102,500 Ongoing		Increase access to/use of facilities for more users. (annual works until allocation is exhausted).	Reputational risk.	This is an annual pot of money allocated to the rugby grounds for the purposes of increasing use by other groups. We will shortly be meeting with GRC to discuss ideas for the new FY.
Playgrounds Refurbishment July 2027		Refurbish playgrounds in district (annual works).	Health and Safety, reputational damage.	2025-26 works all completed on time. Will be confirming new budget for this FY, then making plan for the next upgrades and will report back to group when these plans are made.

SOUTH WAIRARAPA DISTRICT COUNCIL
Kia Reretahi Tātau

CAPEX Project Dashboard

July 2026

Project	Delivery RAG	Objectives	Implication of Non-Delivery	Risks/Mitigations
Farm Rental Property Upgrades (Hodder Farm & Longwood) $110,022 June 26		Meet Healthy Homes obligations, upgrade facilities for rental properties.	Non-compliance with healthy homes. Reputational risk.	Recommended that we do not proceed with required upgrades to Longwood Property. A decision paper is being prepared for Infrastructure Committee, outlining alternative options.
Featherston Toilet Upgrades $307,500 TBC		Upgrade Featherston Toilet (interior).	Reputational damage.	Awaiting return of EOIs and contractor availability. Will update delivery schedule when this is received.
Refuse/Recycling Upgrades $102,500 May 26		Install new kiosk and weighbridge software at Martinborough Transfer station to improve facilities for staff and improving weighing and payment processes.	Minimal – kiosk will better support contracted staff, and software will streamline processing and payment, but currently still operational.	WeighBridge software quote received, electrician scheduled to confirm site can power and support new system, then will be installed if so.


Water
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CAPEX Project Dashboard – key projects

June 2026

Water

Coming up to the first year into the SWDC Waters Capex programme we expect to have completed:

1. Tauwharenikau Pipeline Replacement C1266
2. Featherston Watermain Renewals C1268
3. Waiohine WTP pH Dosing upgrade C1275
4. Pirinoa water take consent renewal

Challenges include accuracy of as-built information, managing the diverse programme during construction, fuel costs and material prices.

SOUTH WAIRARAPA DISTRICT COUNCIL
Kia Reretahi Tātau

CAPEX Project Dashboard – key projects

June 2026

Project	Commentary	Objectives	Key Risks/Opportunities
Tauwharenikau River Pipeline Renewal **Budget $2,147,323** **Forecast $1,491,970** **May 2026** **CLOSURE**	Construction is 100% complete. The pipeline is in service awaiting final handover to Operations. The old pipe was removed from the river and a post-construction blessing by local iwi held.	Replace pipe crossing Tauwharenikau River because it is exposed to damage during wet weather event by debris or is undermined by river. Renewal proposed is 300NB PE pipeline trenched below riverbed within protective concrete pipe sections as sleeve.	Incomplete handover results in low asset data accuracy - Follow asset data template and maintain focus on closing out the contract properly
Martinborough and Greytown WWTP Plant Compliance & Growth	Greytown WWTP desludging has restarted progress GWRC requested further information request is prepared. A consent application and community consultation for Martinborough irrigation is in final stages **Refer dedicated slide for WWTP Upgrades**	Meeting resource consent obligations that have been previously committed to by SWDC in 2016 consents. WWTP upgrades proposed are desludging bund for geobags, inlet screen, effluent pump station, pipeline, land purchase and pivot irrigators	Concerns from neighbours about land use - This risk has become an issue for both Greytown and Martinborough. The new desludging bund location clashes with the WWTP Upgrade - The WWTP Upgrade contractor's design has been checked Flood risk for new infrastructure - Apply for resource consent to clear waterways
Featherston WWTP Upgrade	Riparian planting has started with initial clearing and a planting plan to provide to GWRC is being prepared. **Refer dedicated slide for WWTP Upgrades**	A 10 year consent term has been applied for because the current consent has expired. WWTP upgrades proposed are riparian planting, inlet screens, clarifier (DAF), polymer dosing, geobags, dewatering bund, irrigation trial.	Management plans need to be written progressively. These have been delayed - Risk of regulator Opportunity to get riparian planting underway Opportunity to begin works in same contract as Martinborough and Greytown WWTPs.
Greytown WTP Upgrade Stage 3 **Budget $4,232,967** **Forecast $850,000** **August 2026** **DESIGN**	A tender for the design and construction of the bore pump, pipework, chemical delivery, chemical storage and treatment container is being drafted. This has been delayed due to shortage of staff and the existing bore pump, which has now been replaced and the bore seems in good condition.	Upgrade existing plant because of a very poor condition of the existing single bore pump and lack of multiple barriers for water treatment. Upgrade proposed is new containerised water treatment plant, chemical storage and spill containment bund.	SWDC has contacted the neighbouring community activity clubs to inform them of likely disruption during construction. This will be tendered in this financial year.

SOUTH WAIRARAPA DISTRICT COUNCIL
Kia Reretahi Tātau

CAPEX Project Dashboard – key projects

June 2026

Project	Commentary	Objectives	Key Risks/Opportunities
Featherston Watermain Renewals **Budget $2,560,000** **Forecast $2,149,666** **July 2026** DELIVERY	Elite Drainage, supervised by C&F Projects, has completed 98% of the planned work. Some minor works will be removed from scope due to delays applying to KiwiRail. Additional scope of asbestos cement pipe replacement being prepared from age and leakage records. 2-3 L/s reduced midnight demand compared with March 2026	To replace Featherston AC and RC water mains because they frequently fail and/or have high water loss. Renewal proposed is full replacement with new PE/PVC pipework	All risks have been closed
Lake Ferry WWTP Resource Consent Renewal **Budget $303,152** **Forecast $104,766** **September 2026** DELIVERY	The consent application was lodged September 2025, so operation is secured. CCTV inspection of the network has been reviewed for high flows likely from inflow and their associated address. A wet day inspection will be done of these points. Wellington Water has fixed some leaks found on the disposal field.	Renew resource consent because current consent expires in 2025. Upgrades proposed are add anoxic tank, reduce inflow and infiltration, extra control valves.	GWRC has requested a cultural impact assessment, and SWDC are seeking an independent facilitator as agreed with iwi for this. - This will be mitigated by an engagement of a facilitator each for Ngati Kahungunu and Rangitane o Wairarapa
Waiohine WTP Stage 2 and 3 Upgrades **Budget $1,723,485** **Forecast $1,127,376** **August 2026** DELIVERY	Tarros, supervised by SWDC, has completed 90% of the planned work. All the equipment is in place. Commissioning is delayed due to the chemical bund failing the leak test, correction underway.	A permanent, reliable and safe caustic dosing system because the existing temporary system does not have bulk storage, causes H&S hazards and signficant opex costs. Upgrades proposed are road and fence upgrade, bulk caustic storage for tanker delivery and dose pumps and control.	Insufficiency of compliance evidence from WWL tenure - The existing records will be redone
Brandon St Wastewater Repair **$450,000** CONSENTING	The road-stopping of Brandon St and Bell St will then create the Kiwirail site works situation to be able to have them trench a replacement pipe. The road-stopping process is underway. KiwiRail has asked SWDC if a trenchless method on the old pipe could be an alternative.	Replace the sewer that has a deformed alignment because of a boulder during installation.	Stopping two roads that cross railways in Featherston creates less options to get around town, which could be feedback during the road-stopping consultation.

SOUTH WAIRARAPA DISTRICT COUNCIL
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WWTP UPGRADES

July 2026

Overall Project	The project is about to achieve a major milestone with the signing of the 3916 contract with Filtec Engineering Limited. The project team are meeting regularly and are establishing project controls and communication procedures. In July we expect the design phase to begin – we anticipate a busy month with the kick-off meeting, site visits and RFI responses being the main tasks	
Programme	Project practical completion baseline: **April 2028** Project practical completion forecast: **April 2028**	
Budget	Project budget set by council approval. Expected outturn cost: **$13,745,000** *Spend data to be added next month*	
Quality	N/A	
Health & Safety	Contractor / subcontractors to follow WWTP induction processes.	
Issues	3916 Contract to be signed by both parties to allow project activities to begin.	
Communication	Communication plans to be followed once finalised. Project is mindful of community perception risks.	

Activities Complete this month

- Award letter signed
- Council approval meeting held for project budget and contract signing
- Post-tender clarifications closed out
- 3916 Contract prepared
- Internal and external communications plan created for review
- Tenderer debrief sessions held with unsuccessful tenderers

Activities Next Month

- Project Kick-off meeting
- Survey and Geotech investigations to begin on site
- 3916 Contract to be signed
- Design phase to begin
- Final tender debrief session to be held

Item	SP1 Martinborough	SP2 Featherston	SP3 Greytown
Inlet screen	✓	✓	✓
Surface aerator			✓
Upgrade of UV			✓
MBBR	✓		✓
DAF		✓	
Electrical supply upgrade	✓	✓	✓

SOUTH WAIRARAPA DISTRICT COUNCIL
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CAPEX Project Dashboard – other projects

June 2026

Other Projects

Project Name	Brief summary	Project Execution Plan
Reservoir Water Quality Renewals	To address drinking water contamination risks at reservoirs. H&S improvements for access. Elevated risk of drinking water contamination due to missing vermin controls, roof sealants and operator H&S risks due to poor access	~~Discuss with WWL contractor - COMPLETE~~ ~~Negotiate price based on WWL contract tendered sum - COMPLETE~~ ~~Obtain permission from WWL Operations to work on reservoir - COMPLETE~~ Construction- IN PROGRESS Hand over to WWL
Consenting of Water Races (Moroa)	To renew reseource consent for 5 years because it expires in 2025. Proposed to use 5 years to gather good information ahead of next resource consent application, similarly to Longwood Water Race consent. WAR010200 is now reinstated and the consent term extended until 31 December 2027.	Obtain resource consent - IN PROGRESS/ ON HOLD. ~~Handover to WWL~~ Set-up monitoring programme
WTP Wellfield Security	Work to improve condition and integrity of existing bores to reduce contamination risk because of non-compliance with Taumata Arowai's drinking water assurance rules. Proposed upgrade is property easement changes, stock and public exclusion fencing, sanitary borehead requirements.	~~Discuss with landowner at Pirinoa - COMPLETE~~ ~~Considering re-scope of this - COMPLETE~~ ~~Property arrangement - CANCELLED~~ ~~Fencing and civil works - CANCELLED~~
WW Pump Station Renewals	To renew sewer pump station equipment such as pumps, lifting chains, level sensors, telemetry, foot valves.	~~Discuss with WWL/FH – COMPLETE~~ ~~Assemble scope of renewal items discovered – COMPLETE~~ Obtain prices from local contractors – IN PROGRESS
Pirinoa Water Take Consent	The Pirinoa WTP has been consented for a further 30 years out to 2055	~~Obtain resource consent - COMPLETE~~ ~~Handover to WWL - COMPLETE~~ ~~Set-up monitoring programme - COMPLETE~~


Land Transport
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CAPEX Project Dashboard – key projects

June 2026

Land Transport

Low cost low risk projects have been identified as project specific along with a project status update. There is a split in delivery with some projects being delivered through Ruamahanga Roads and others tendered on the open market.

SOUTH WAIRARAPA DISTRICT COUNCIL
Kia Reretahi Tātau

CAPEX Project Dashboard – key projects

July 2026

Project	Commentary	Objectives	Benefits/Key Risks
Walkway/Cycleway Improvements **$112,500** **June 2026** PLANNING	Shared path along Huangarua and Puruatanga Roads. Aligns with the Government Policy Statement strategic priority of safety by providing walking and cycling improvements. Deferred waiting for MARG outcomes. Budget rolled over to 26/27	Share pedestrian cycle path to link vineyards on the urban fringe. Reduction of Death and Serious Injury (DSI) accidents.	Primary benefit is an impact to perception of safety and security and avoids conflict with different modes of transport. Risk is that budget will allow only partial completion of full length.
Kerb and Channel and footpath additions **$450,000** **April -June 2026** COMPLETE	New kerb and channel along a section of Watts Street Featherston, and new Kerb and channel plus new footpath along Lyons and Harrison Streets in Featherston along with a section of Regent Street in Martinborough. Featherston streets are completed only Regent Street in Martinborough is now complete	To infill missing links within the Kerb/channel and foot paths assets to provide urban connectivity and drainage improvements.	Primary benefit is to provide a safe walking mode of transport for residents along with enhanced drainage
Guard Rail installation along Lake Ferry and Cape Palliser Roads **$165,000** **April 2026** COMPLETE	Bridge approach guard rail installation. Aligns with the Government Policy Statement strategic priority of Safety options by providing local road improvements. Come in under budget	The guardrail beam deflects and absorbs the energy of vehicle which would normally impact with the solid concrete parapet headwalls. Reduction of Death and Serious Injury (DSI) accidents.	Primary benefit is to provide a safe impact system on the network.
East Cost Resilience study **$85,000** **March to May 2026** COMPLETE	To produce a management Plan for Whakapuni and Ushers Hill on White Rock Road. Aligns with the Government Policy Statement strategic priority Increased Maintenance and Resilience by providing options that reduce unplanned closures and whole of life cost savings. Under budget additional works approved to improve level of confidence of outputs	Increasing resilience studies enables effective management to reduce future risk of unplanned closures	Primary benefit is to have road network reliability.

SOUTH WAIRARAPA DISTRICT COUNCIL
Kia Reretahi Tātau

CAPEX Project Dashboard – key projects

July 2026

Project	Commentary	Objectives	Benefits/Key Risks
Birdwood /Fox Street intersection improvements **$ 400,000** **April/May 2026** DELIVERY	Safety improvements works include kerb build outs, splitter islands, marking and signage improvements together with a raised platform along with improved access to the Birdwood Street pedestrian crossing. Noting increased movements due to Bell Street Railway crossing closure. Works commenced planned delivery June -August 2026	Providing and safer road network for vehicles and pedestrians within the urban roading network.	Primary benefit is to reduce the impact on social costs and incidents of accidents.
Rock supply to Cape Palliser Road **$300,000** COMPLETE	Supply of large Rip Rap Rock to meet the requirements of the Boulder Beach Resource Consents, which allows rock to be stockpiled on site. NZTA have funded this activity. Delivery commenced January 2026 , additional budget approved for 26/27 year	To provide a resilient network and enables an immediate response if required.	Primary benefit is to have a positive impact on perceptions on safety and security of Cape Palliser Road.
Riddiford Bridge Pier Remediation **$482,600** **July 2026** COMPLETE	Remediate the western pier which has vertical cracks running almost the entire height of the pier. Riddiford's bridge is a one lane bridge with 3 piers, 4 span steel castellated girder bridge on Te Awaiti Road. Work commended February 2026 and has been completed	To provide a safe network for vehicles	Primary benefit is to have road network reliability. The key risks are environmental working with chemical and concrete within natural waterways
Glue Pot Stability **$500,000** PLANNING	Initial Investigation has been carried out by Stantec. Ruamahnga Roads are now instructing work to place bore holes and start the monitoring of slip. The design to remedy the slip is being considered when more data is available.	Stabilize this venerable East coastal road.	Local community impacted if this active slip closes the road.

SOUTH WAIRARAPA DISTRICT COUNCIL
Kia Reretahi Tātau

CAPEX Project Dashboard – key projects

June 2026

Project	Commentary	Objectives	Benefits/Key Risks
Speed Review **$537,000** DELIVERY	School review completed. The remaining speed review is nearing completion.	Deliver the two phases of the speed review and implement in 2026.	Speed reduction. Improve road safety.
Ponatahi Road and Huangarua Bridge safety improvements **$100,000** COMPLETE	Safety measures have been identified and the work has been completed. It was confirmed by council the bridge will reduced to a one lane bridge	Improve road safety.	Improve road safety for all road users.
Bridge Strengthening **$225,000** PLANNING	Inspection have been done. Six bridges have been identified Ruamahanga Roads have started to priorities the work. First bridge Lower Valley started. Option reports are being written by Stantec and consultation with GWRC is ongoing.	The objective for this bridge strengthening work is to remove any posted restriction and increase resilience for key bridges used by SWDC residents.	Remove restrictions on bridges where possible and to ensure bridges are safe.
Eco Reef Extension (SPR) **$990,000** DELIVERY	Resource Consent has been granted inclusive of visual impact reports and detailed design for a section of emergency works damage. Work is underway.	Improve coastal resilience due to the impact of sea level rise, coastal erosion and reduce unplanned closures.	Improve network reliability, reduce vulnerabilities, and provide reliable access to tourist and cultural sites

11 PUBLIC EXCLUDED BUSINESS

RESOLUTION TO EXCLUDE THE PUBLIC

RECOMMENDATIONS

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	Plain English reason for passing this resolution in relation to each matter
11.1 - Public Excluded Minutes of the Risk & Assurance Committee Meeting held on 13 May 2026	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(c)(ii) - the withholding of the information is necessary to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely otherwise to damage the public interest s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority s7(2)(j) - the withholding of the information is necessary to prevent the	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	Relates to the Legal Update and Capital Projects Summary (Greytown greenspace)

	disclosure or use of official information for improper gain or improper advantage		
11.2 - Legal Update	s7(2)(a) - the withholding of the information is necessary to protect the privacy of natural persons, including that of deceased natural persons s7(2)(f)(i) - free and frank expression of opinions by or between or to members or officers or employees of any local authority	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	Ability to speak freely about legal matters facing Council.

12 KARAKIA WHAKAMUTUNGA – CLOSING

Kua mutu ā mātou mahi
Mō tēnei wā
Manaakitia mai mātou katoa
O mātou hoa
O mātou whānau
Aio ki te Aorangi

Our work is finished
For the moment
Blessing upon us all
Our friends
Our families
Peace to the Universe