

## Notice of Meeting:

I hereby give notice that an ordinary Meeting of the Strategic Risk and Assurance Committee will be held on:

**Date:** Tuesday 17 June 2025  
**Time:** 9:30 am  
**Meeting Room:** Council Chamber  
**Venue:** Municipal Building, Garden Place, Hamilton

Lance Vervoort  
Chief Executive

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## Strategic Risk and Assurance Committee

### *Te Komiti Rautaki tuuraru me te whakatuuturu*

## OPEN AGENDA

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#### Membership

**Chairperson** Mr Bruce Robertson  
*Heamana*

**Deputy Chairperson** Ms Carol Bellette  
*Heamana Tuarua*

**Members** Mayor Paula Southgate  
Deputy Mayor Angela O'Leary  
Cr Maxine van Oosten  
Cr Moko Tauariki  
Cr Kesh Naidoo-Rauf  
Cr Ewan Wilson  
Cr Louise Hutt  
Cr Sarah Thomson

**Quorum:** Four members (including one external appointee)

**Meeting frequency:** As required – no less than four times a year

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Amy Viggers  
*Mana Whakahaere*  
Governance Lead

**6 June 2025**

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**Purpose:**

1. The Strategic Risk and Assurance Committee is responsible for providing objective advice and recommendations to the governing body on the adequacy and functioning of the Council's risk management and assurance framework and external reporting.
2. The committee will review the effectiveness of the following aspects of governance, risk, and resilience management and internal control:
  - risk and resilience management
  - internal and external audit and assurance
  - health, safety, and wellbeing
  - integrity and investigations
  - monitoring of compliance with laws and regulations

**Terms of Reference:***Risk and Resilience*

3. Review the effectiveness of the risk control environment established by management to safeguard Council's financial and non-financial assets, including the adequacy and appropriateness of insurance policies in place and management's actions to mitigate risks and report six monthly to Council.
4. To review the Risk Management Policy and recommend to Council revisions to the policy for adoption.
5. Review Council's strategic and organisational risk register and monitor existing controls and treatment actions.
6. Periodic in-depth reviews of specific, significant risks.
7. Monitor emerging risks and recommend to Council or management new strategic and organisational risks to be added to the strategic and organisational risk register.
8. Oversight of risk management and assurance across Council's CCOs and CCTOs with respect to risks that may have a significant impact on Council.
9. Review the adequacy and effectiveness of Council's health, safety and wellbeing and resilience (cybersecurity, protective security, business continuity, crisis, emergency, incident) management programmes.
10. Review the Fraud and Corruption, Protected Disclosure, Conflict of Interest, and Sensitive Expenditure management policies to ensure appropriate guidance and processes are in place.

*Internal Audit*

11. In conjunction with the Chief Executive, agree the scope of the annual internal audit work programme, having regard to Council's significant risks.
12. Monitor the delivery of the internal audit work programme to ensure the effectiveness of the Council's internal control framework.
13. Assess whether internal audit recommendations have been properly implemented by management.
14. Review the annual internal audit plans to ensure appropriate organisational structures, authority, access, independence, resourcing and reporting arrangements are in place.

### *External Audit*

15. Engage with Council's external auditors regarding the external audit work programme and agree the proposed terms and arrangements of the external audit.
16. Recommend to Council the terms and arrangements for the external audit programme.
17. Review the effectiveness of the Annual Plan audit and Long Term Plan audit.
18. Assess management response to audit reports and the extent to which external audit recommendations concerning internal accounting controls and other matters are implemented.

### *Statutory Reporting*

19. Review and monitor the integrity of the interim and annual report, focusing particularly on:
  - a) compliance with, and the appropriate application of, relevant accounting policies, practices and accounting standards
  - b) compliance with applicable legal requirements relevant to statutory reporting
  - c) the consistency of application of accounting policies as well as changes to accounting policies and practices that may affect the way that accounts are presented
  - d) any decisions involving significant judgment, estimation or uncertainty
  - e) the extent to which financial statements are affected by any unusual transactions and the manner in which these are disclosed
  - f) the disclosure of contingent liabilities and contingent assets
  - g) the clarity of disclosures generally
  - h) the basis for the adoption of the going concern assumption
  - i) significant adjustments resulting from the audit

### *Other Matters*

20. Review the effectiveness of the systems for monitoring the Council's compliance legislation, regulation, policy and guidelines.
21. Engage with internal and external auditors on any specific one-off audit assignments.
22. Conduct and monitor special investigations in accordance with Council policy and approved budget or in response to material matters raised by staff or committee members, including engaging expert assistance, on matters within its Terms of Reference.
23. The Chairperson shall review the travel and other reimbursed expenses of the Chief Executive and confirm compliance with Council policies. This information will be provided to the Chairperson on a six-monthly basis.
24. Such other Matters referred to it by Council.

### **The Committee is delegated the following recommendatory powers:**

- The Committee has no decision-making powers.
- The Committee may make recommendations to the Council and/or the Chief Executive, as appropriate.
- The Committee may request expert external advice through the Chief Executive where necessary.

**Special Notes:**

- In fulfilling their role on the committee, members shall be impartial and independent at all times.
- Members are appointed for an initial term of no more than three years that aligns with the triennial elections, after which they may be eligible for extension or reappointment.
- Council appoints two external members of the committee, one of whom shall be Chairperson. External members shall have a broad range of skills and experience including risk management, health, safety and wellbeing, accounting or audit experience; the terms of the appointment to be recorded in a contract. External member contracts are to be reviewed and assessed six (6) months after each triennial election with no external members staying on Committee for longer than three (3) trienniums.
- The Chief Executive and any Internal Auditor(s) are required to attend all meetings but are not members and have no voting rights. Other Council officers may attend the committee meetings, as required.
- The Chief Executive and the Principal Advisor shall be responsible for drawing to the committee's immediate attention any material matter that relates to the financial condition of Council, any material breakdown in internal controls, and any material event of fraud, corruption or malpractice.
- The chairperson shall present an annual Audit and Risk Self Review to Council summarising the committee's activities during the year and any related significant results and findings.

**Recommendatory Oversight of Policies and Bylaws:**

- *Risk Management Council Policy*
- *Fraud and Corruption Management Policy*
- *Protected Disclosure Management Policy*
- *Conflict of Interest Management Policy*
- *Sensitive Expenditure Management Policy*

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**1 Apologies – *Tono aroha***

**2 Confirmation of Agenda – *Whakatau raarangi take***

The Committee to confirm the agenda.

**3 Declaration of Interest – *Tauaakii whaipaaanga***

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as an elected representative and any private or other external interest they might have.

**4 Public Forum – *Aatea koorero***

As per Hamilton City Council's Standing Orders, a period of up to 30 minutes has been set aside for a public forum. Each speaker during the public forum section of this meeting may speak for five minutes or longer at the discretion of the Chair.

Please note that the public forum is to be confined to those items falling within the terms of the reference of this meeting.

Speakers will be put on a Public Forum speaking list on a first come first served basis in the Committee Room prior to the start of the Meeting. A member of the Council Governance Team will be available to co-ordinate this. As many speakers as possible will be heard within the allocated time.

If you have any questions regarding Public Forum please contact Governance by telephoning 07 838 6699.

# Council Report

Item 5

**Committee:** Strategic Risk and Assurance Committee

**Date:** 17 June 2025

**Author:** Stephanie Goss

**Authoriser:** Michelle Hawthorne

**Position:** Governance Advisor

**Position:** Governance and Assurance Manager

**Report Name:** Confirmation of the Strategic Risk and Assurance Open Minutes 6 March 2025

<b>Report Status</b>	Open
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## Staff Recommendation - *Tuutohu-aa-kaimahi*

That the Strategic Risk and Assurance Committee confirms the Open Minutes of the strategic Risk and Assurance Meeting held on 6 March 2025 as a true and correct record.

## Attachments - *Ngaa taapirihanga*

Attachment 1 - Strategic Risk and Assurance Open Unconfirmed Minutes 6 March 2025



Strategic Risk and Assurance Committee  
*Komiti Whakamauru Tuuraru*  
OPEN MINUTES

Minutes of a meeting of the Strategic Risk and Assurance Committee held in Council Chamber and Audio-Visual Link, Municipal Building, Garden Place, Hamilton on Thursday 6 March 2025 at 1:02 pm.

PRESENT

Chairperson Mr Bruce Robertson  
*Heamana*

Deputy Chairperson Ms Carol Bellette  
*Heamana Tuarua*

Members Mayor Paula Southgate  
Cr Maxine van Oosten  
Cr Ewan Wilson  
Cr Sarah Thomson

In Attendance: Cr Tim Macindoe  
Cr Anna Casey-Cox  
Bineeta Nand and Murtaza Ali – Representatives from KPMG NZ  
Katarina Macown and Athol Graham – Representatives from Audit NZ

*The Chair opened the meeting with a karakia.*

- 1. Apologies – Tono aroha**  
**Resolved:** (Mr Robertson/ Cr Wilson)  
That the Strategic Risk and Assurance Committee accepts the apologies for lateness from Mayor Paula Southgate and full absence from Deputy Mayor Angela O’Leary, Cr Moko Tauariki and Cr Kesh Naidoo-Rauf.
- 2. Confirmation of Agenda – Whakatau raarangi take**  
**Resolved:** (Mr Robertson/Cr van Oosten)  
That the agenda is confirmed noting that the late attachments for Item 11 (*Audit New Zealand Update*) are accepted. These were circulated to members prior to the meeting and will be attached to the Open Minutes of this meeting via Appendix 1.
- 3. Declarations of Interest – Tauaakii whaipaaanga**  
Chair Bruce Robertson declared an interest in Item 6 *Chief Executive Report and Item C4 (SR3 Loss of Information or Access to Systems and Services)*. He noted that he was not conflicted and would take part in the discussion and vote on the matter.

**4. Public Forum – AAtēa korero**

**Roger Stratford** spoke to Item 6: *Chief Executive Report* in relation to language used in the Chief Executive Report.

**5. Confirmation of the Strategic Risk and Assurance Open Minutes 10 December 2024**

**Resolved:** (Cr Robertson/Cr van Oosten)

That the Strategic Risk and Assurance Committee confirm the Open Minutes of the Strategic Risk and Assurance Meeting held on 10 December 2024 as a true and correct record.

*Item Number 6 (Chief Executive Report) was taken after Item 12 (Compliance Reporting Update) to accommodate availability of the Chief Executive*

**6. Health & Safety Report - 1 November 2024 to 31 January 2025 (Recommendation to the Council)**

The People and Safety Wellness Manager spoke to the report, highlighting an increase in threatening behaviour towards staff in the last quarter and the upcoming ISO45001 Audit. Staff responded to questions from Members concerning the Safety Governance Committee.

**Resolved:** (Cr van Oosten/Cr Thomson)

That the Strategic Risk and Assurance Committee recommends that the Council receives the report.

**7. Risk Management Report**

The Senior Risk and Resilience Advisor took the report as read. Staff responded to questions from Members concerning Council's risk appetite and the continued work on the Business Impact Analyses.

**Resolved:** (Mr Robertson/Ms Bellette)

That the Strategic Risk and Assurance Committee recommends that the Council receives the report.

**8. Other Independent Assurance Updates and Report**

The Chief Financial Officer and Accounting Manager spoke to the report highlighting the work being undertaken by Independent Assurances across Council. Staff responded to questions from Members concerning the appointment of independent assurance experts and previous internal audit functions.

**Resolved:** (Ms Bellette/Cr Thomson)

That the Strategic Risk and Assurance Committee receives the report.

**9. KPMG – Internal Audit Update and Report**

Representatives from KPMG spoke to the report noting changes to the Internal Audit process. Staff and KPMG Representatives responded to questions concerning the Internal Audit process and the fees associated with this.

**Resolved:** (Ms Bellette/Cr van Oosten)  
That the Strategic Risk and Assurance Committee receives the report.

**10. Organisational Improvement Report**

The Accounting Manager took the report as read.

**Resolved:** (Mr Robertson/Cr Wilson)  
That the Strategic Risk and Assurance Committee receives the report.

**11. Audit New Zealand Update**

The Accounting Manager and Audit NZ representatives spoke to the report, noting the rotation of auditors and the valuation of infrastructure assets. They responded to questions from Members concerning revaluation of assets volatility and benchmarking across Councils.

**Resolved:** (Mayor Southgate/Cr van Oosten)  
That the Strategic Risk and Assurance Committee receives the report.

*Mayor Paula Southgate joined the meeting (2:23pm) during the discussion of the above item. She was present when the matter was voted on.*

**12. Annual Report 2024-25 Planning and Accounting Technical Review**

**Resolved:** (Mayor Southgate/Cr van Oosten)  
That the Strategic Risk and Assurance Committee receives the report.

**13. Chief Executive Report**

The Chief Executive spoke to his report highlighting recent Central Government policy changes, performance reporting and potential benchmarking for Local Government.

**Resolved:** (Ms Bellette/Cr van Oosten)  
That the Strategic Risk and Assurance Committee receives the report.

*Item Number 13 (Other Independent Assurance Updates and Reports) was taken after Item 8 (Risk Management Report ) to accommodate availability of presenters*

**14. Compliance Reporting Update**

The Governance and Assurance Manager took the report as read.

**Resolved:** (Mr Robertson/Cr van Oosten)  
That the Strategic Risk and Assurance Committee receives the report.

15. Resolution to Exclude the Public

Resolved: (Cr Wilson/Cr Thomson)

Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Strategic Risk and Assurance Public Excluded Minutes 10 December 2024	) Good reason to withhold information exists under Section 7 Local Government Official Information and Meetings Act 1987	Section 48(1)(a)
C2. Legal Risks - Committee Update	)	
C3. Organisational Improvement Register - Public Excluded		
C4. SR3 Loss of Information or Access to Systems and Services		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to maintain legal professional privilege	Section 7 (2) (g)
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C4.	to protect information which is subject to an obligation of confidence where disclosure would likely damage the public interest to enable Council to carry out commercial activities without disadvantage to prevent the disclosure or use of official	Section 7 (2) (c) (ii) Section 7 (2) (h) Section 7 (2) (j)

Strategic Risk and Assurance Committee 6 MARCH 2025 - OPEN

information for improper gain or improper  
advantage

**The meeting moved to public excluded session at 3:02 pm.**

**The meeting was declared closed at 3:49pm.**

# Council Report

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 17 June 2025  
**Author:** Lance Vervoort  
**Authoriser:** Lance Vervoort  
**Position:** Chief Executive  
**Position:** Chief Executive  
**Report Name:** Chief Executive Report

<b>Report Status</b>	<i>Open</i>
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## Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee of the key risks faced by Hamilton City Council that the Chief Executive would like to highlight.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee receives the report

## Executive Summary - *Whakaraapopototanga matua*

3. Key areas of interest to be highlighted at this meeting are risks associated with current economic conditions, impacts of the recent water revaluations, tension between infrastructure constraints and development opportunities, and Local Waters Done Well. These have been grouped under the relevant strategic risks.
4. Other topics may be included in the verbal update should they become a matter of concern to the Chief Executive following submission of this report.
5. A more detailed review of Council's key risks is included in the Risk Management report and Safety and Wellness report to this Committee meeting.
6. Staff consider the matters in this report to have low significance and that the recommendations comply with Council's legal requirements.

## Discussion - *Matapaki*

### Strategic Risk 2 – Significant Negative Impact on Financial Strategy

7. Economic and financial conditions are increasingly volatile amid global trade concerns, international conflict, and domestic slowdown. These significant changes could have a variety of operational consequences for Council. Across both Strategic Risk 2 and Strategic Risk 7 the approach to risk management has moved to monitoring. Staff continue to implement existing controls to keep abreast of any changes that could or will influence Council's operational position. For further commentary, refer to Strategic Risk 2 and Strategic Risk 7 within the Risk Management Report presented to this Committee.

8. Significant shifts in water asset revaluations versus planned indications based on market indices was raised as a risk in mid-May.
9. The changes indicated, including impact of new valuation guidelines changes published in early 2025, if correct would have a major impact on asset values in our annual report at 30 June 2025 and resulting depreciation in subsequent years.
10. The Chief Financial Officer has stated that he cannot confidently advise that the inclusion of the draft revaluation result would not potentially result in a material misstatement of the financial value of assets reported at 30 June 2025, or not have implications for the consistent valuation of assets intended to be transferred, and equity, in the proposed waters Council Controlled Organisation.
11. The key risks currently associated with this are: a material inaccuracy in reported financial position of property plant and equipment and some impact on depreciation expense at 30 June 2025 , understatement of depreciation in the Annual Plan 2025-26 as currently drafted, accuracy of asset replacement values identified for insurance purposes, future loss insurance loss modelling activities, assessment of value of assets and consistency of equity positions in the transfer of water supply and wastewater assets to the two waters Council Controlled Organisation approved by Hamilton City Council and Waikato District Council in May.
12. Further management of this risk, including a probable recommendation of addition analysis and expert review of the valuation methodology and resulting valuation, incorporating sufficient explanation of any material shift above indices between this and previous valuations be undertaken to provide sufficient confidence in the results prior to recognition in future reporting and planning, will be brought to an upcoming Finance and Monitoring Committee Meeting.

#### **Strategic Risk 5 – Failure to Deliver Growth Outcomes**

13. Developers have expressed significant concern about wastewater and infrastructure constraints blocking development within critical areas of the city. Following the 8 April Strategic Growth and District Plan Committee Meeting where this issue was highlighted, a number of staff actions were requested by Council to be brought to the 10 June Strategic Growth District Plan Committee Meeting. Any significant updates can be provided verbally at this Strategic Risk and Assurance Committee Meeting.
14. At the time of writing the report there is tension between the strategic risk appetite statements for delivering growth outcomes (neutral) vs unexpected failure of critical assets (averse) relative to the concerns raised by the development community. This specific topic is being brought to the 10 June Information Session for further review and testing our current approach vs. other ways to manage this risk.

#### **Strategic Risk 6 – Political Changes Negatively Impact Strategic Direction**

15. Local Waters Done Well presents a number of significant operational risks to Council. One of the most significant for this programme includes retention and wellbeing. The significant workload and pace of the programme increases the risks for key staff dealing with the pressure of delivering the programme to schedule. This wellbeing risk directly impacts the risk of retention. Additionally, there is the prospect that critical staff may be headhunted by other water reform programmes given the national changes coming into effect.

16. Significant risks to the programme and Council have been identified and are being managed through the programme team. A deep dive into the programme's risks is set to be a topic at the 17 June Strategic Risk and Assurance Committee Workshop.

**Organisational Risk 2 – Failure to Maintain Trust and Confidence of Stakeholders**

17. On 30 June 2025, Central Government will be publishing the first of what will become an annual release of information regarding Council performance as part of the 'Back to Basics' agenda.
18. This year's release will only cover financial performance and will compare our performance against other 'large metros'. These Councils are defined as over 100,000 population but excluding Auckland Council. They are: Christchurch, Dunedin, Hutt, Tauranga, Wellington and Whangarei.
19. The government's approach is loosely based on the approach in New South Wales, but the initial tranche of measures is only 25% of the measures used in New South Wales which provide more context. The intention is however, that in future years the information provided will diversify beyond financial metrics, and be presented in a more advanced, interactive format.
20. The Department of Internal Affairs (DIA) has outlined how the data will be presented in **Attachment 1**.
21. There is significant concern across Councils regarding the fact that this is headline data that will be used to form rudimentary 'league tables', and doesn't give any context, nuance, or commentary. Local Government New Zealand is concerned that the metrics don't account for local context, like whether a council is high-growth, or inundated with tourists, or recovering from an extreme weather event or earthquake, or making up for past underinvestment, or numerous other factors specific to that particular council. An example of the nature of the metrics is that both rates measures that will be included relate to year-on-year changes. There's no consideration of the total rates in dollar terms per average household, or the different contexts that, for example, a high-growth metro is operating in compared to other cities. Similarly, Councils will be ranked by number of staff, with no consideration of different operating models (e.g. varying use of external service providers versus directly employed staff)
22. DIA explicitly said it's for Councils to provide the necessary explanation but have agreed they will provide some general contextual information and provide links to councils' own website where we'll be able to provide our own commentary, but risks remain in relation to the reputation of Council when government is using a limited set of information to compare Councils.
23. Ahead of the publication, staff will ensure that context is provided to the results and in answering any public or media enquiries. While we want to work in partnership with the Government to form effective benchmarking and provide enhanced transparency, it is important that we have data that is useful and helpful for our communities.
24. On the same day as the information is released, the government will publish its Local Government Systems Improvements Bill, which is due to contain the revised 'purpose' of local government and pave the way towards rate capping for 'non-core activities'. It is also expected to:
- i. enable a standard code of conduct being imposed on all councils;
  - ii. enable the setting of compulsory non-financial performance measures wider than those currently enabled by legislation; and

- iii. remove or modify current requirements to reduce cost and complexity.

### **Financial Considerations - *Whaiwhakaaro Puutea***

- 25. There are no financial implications in relation to receiving this report.

### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

- 26. Staff confirm that this report complies with Council's legal and policy requirements.

### **Climate Change Impact Statement**

- 27. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation or emissions assessment is required.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

- 28. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
- 29. The subject matter of this report has been evaluated in terms of the ('the 4 wellbeings') during the process of developing this report.
- 30. The recommendations set out in this report are consistent with that purpose.
- 31. No known social, economic, environmental, or cultural considerations were identified in the development of this report.

### **Risks - *Tuuraru***

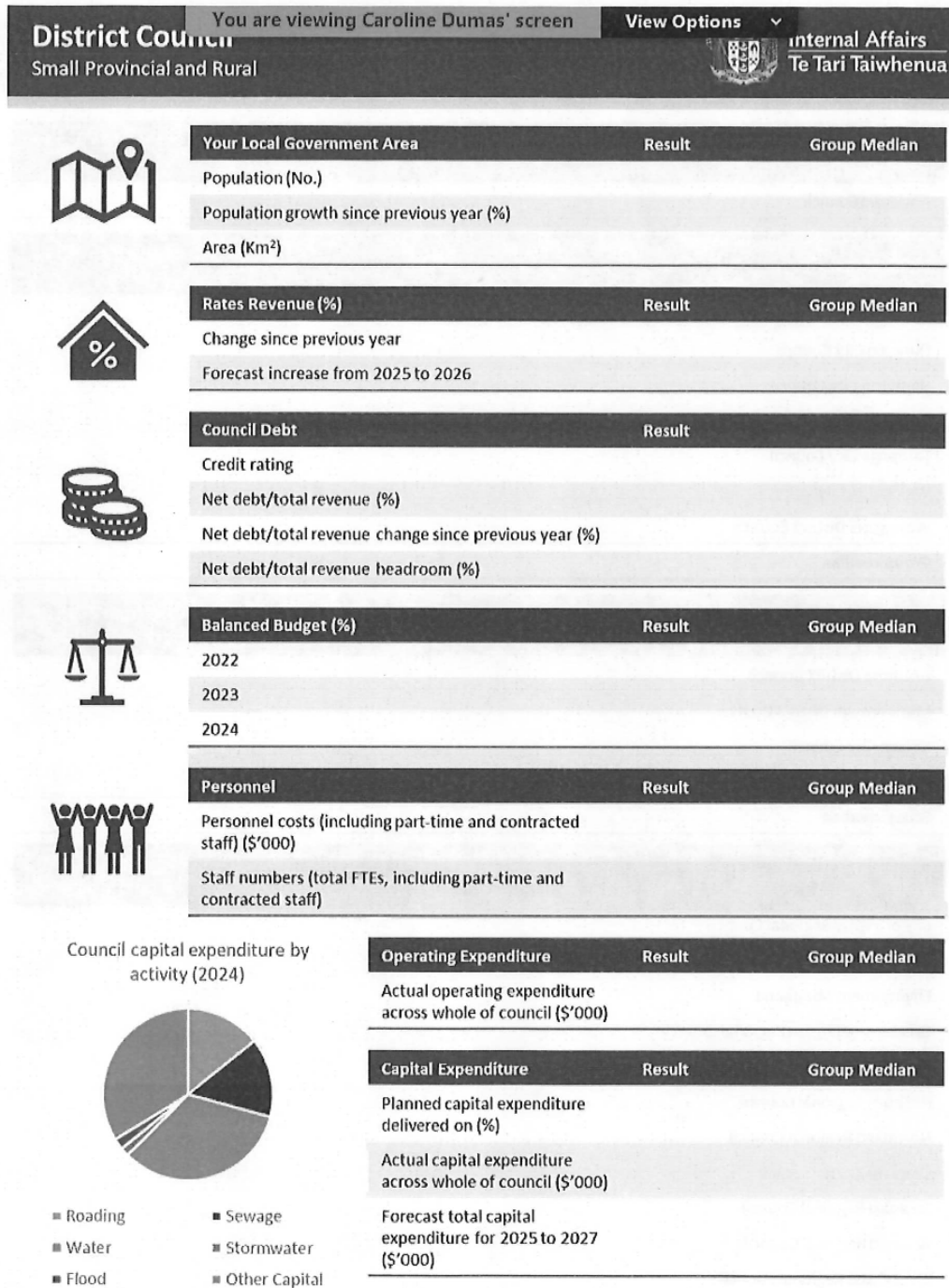
- 32. The matters raised in this report link directly to Strategic Risks 2, 5, 6, and 7. For further information on these risks please refer to the Risk Management Report.
- 33. There are no known risks associated with the decisions sought in this report.

### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

- 34. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.
- 35. Given the low level of significance determined, the engagement level is low. No engagement is required.

### **Attachments - *Ngaa taapirihanga***

Attachment 1 - DIA - Example of Performance Metrics - May 2025 .



Rates Revenue		
You are viewing Caroline Dumas' screen		View Options
		Internal Affairs Te Tari Taiwhenua
Auckland	Change from previous year (%)	Forecast Increase from 2025 to 2026 (%)
Auckland Council		
Large Metro Group	Change from previous year (%)	Forecast increase from 2025 to 2026 (%)
<a href="#">Christchurch City Council</a>		
Dunedin City Council		
Hamilton City Council		
Hutt City Council		
Tauranga City Council		
Wellington City Council		
Whangārei District Council		
Group median		
Unitary Group	Change from previous year (%)	Forecast increase from 2025 to 2026 (%)
Gisborne District Council		
Marlborough District Council		
Nelson City Council		
Tasman District Council		
Group median		
Regional Group	Change from previous year (%)	Forecast Increase from 2025 to 2026 (%)
Bay of Plenty Regional Council		
Environment Canterbury		
Environment Southland		
Greater Wellington Regional Council		
Hawke's Bay Regional Council		
Horizons Regional Council		
Northland Regional Council		
Otago Regional Council		
Taranaki Regional Council		
Waikato Regional Council		
West Coast Regional Council		
Group median		

# Council Report

Item 7

**Committee:** Strategic Risk and Assurance Committee

**Date:** 17 June 2025

**Author:** Dan Finn

**Authoriser:** Sean Hickey

**Position:** People, Safety & Wellness Manager

**Position:** General Manager People, Performance and Culture

**Report Name:** Health & Safety Report - 1 February 2025 to 30 April 2025

<b>Report Status</b>	<i>Open</i>
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## Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on safety and wellbeing progress, performance, and activities for the period covering 1 February 2025 to 30 April 2025.

## Staff Recommendation - *Tuutohu-aa-kaimahi* (Recommendation to the Council)

2. That the Strategic Risk and Assurance Committee recommends that the Council receives the report.

## Executive Summary - *Whakaraapopototanga matua*

3. This report is focussed on our continued progress of key strategic activities that are aligned to risks, relationships, and resources. To provide the Committee with a more comprehensive overview of our progress, we have included supplementary updates on wider activities, assurance, and successes.
4. There has been a slight increase in the total number of health and safety events during this quarter, compared to the same period last year (from 204 to 222). The number of Lost Time Injuries (LTIs) reduced from 16 LTIs to 10 LTIs. The number of Medical Treatment events also reduced from 16 to 5. There was 1 WorkSafe notifiable event reported during this period by an external contractor.
5. As previously reported, Council have engaged Telarc NZ to undertake an external audit against the ISO45001 standards, with Stage 1 of 2 scheduled for the 3<sup>rd</sup> & 4<sup>th</sup> of June 2025. Subject to Stage 1 standards being satisfied, Stage 2 will then follow.
6. Staff wellbeing continues to be a priority with increased support provided by Vitae during this quarter. Ten Council sites/facilities are now using this service on a regular basis as well as having access to general Employment Assistance Programme advice and support through our standard provider.
7. Staff consider the matters highlighted in this report to have low significance, and there are no recommendations of note.

## Discussion - *Matapaki*

### Strategic Progress – *Te ahunga whakamua rautaki*

8. Our strategic health and safety programs continue to evolve to ensure our obligations and requirements under health and safety legislation continue to be met.
9. To provide the committee with visibility of current, new and emerging programs, the following workstreams have been tabled, noting that good progress has been made during this quarter:

**Table 1:** Key workstreams

Workstream	Status	Next milestone	Comment
Critical risk management	100%	All 13 critical risk assessments have been completed with results updated into the Bowtie Risk Assessment software.	The critical risk bowties are complete and have been shared with leadership teams. Bowties will be now used as a source of reference for staff so they know what controls are in place, what to do in the event of an incident occurring and how the bowties should be referenced as part an investigation process.
Review Lone Worker Devices	100%	Following the procurement process a new provider has been selected, with planning underway to launch the new devices.	Council went 'Live' with the new provider on the 27 <sup>th</sup> May. Training has been completed with users and call tree responders.
ISO45001 Internal Audits	75%	The Health & Safety Team has continued to support business units as well as preparing documentation to support evidence aligned with key audit elements.	Stage 1 of the audit is scheduled for the 3rd & 4th June 2025. This stage needs to be achieved before moving onto Stage 2 which will involve site visits at some of our key facilities that have been selected.
Who's on Location	90%	Who's on Location continues to be rolled out across sites. The contractor module includes both a sign in component at site as well as an induction for verification.	The Who's on Location project will provide Council with assurance that contractors and visitors have been formally inducted and/or signed in correctly and are being managed appropriately whilst on our sites.
Review Standard Operating Procedures (SOPs)	10%	To host all SOPs in one central location that can be easily accessed across all of Hamilton City Council.	A review of SOPs will be completed across Council to determine how they are formulated, where they are currently and best stored.

10. The situational awareness map (SAM) has been successfully launched within this quarter and adds another layer of safety assurance for our employees when working out in the field. Council employees can refer to SAM prior to visiting sites, locations or properties, to determine in advance whether there are any associated risks that have been identified at those locations, so that controls can be considered, planned for and implemented to improve safety.

#### Risks and Incidents – *Ngaa Tuuraru me nga Paanga*

11. The incidents profiled during this quarter are summarised in the below table, and provides a comparison to the previous quarter, and for the same period last year:

	1 Feb to 30 Apr 25 (current quarter)	1 Nov 24 to 31 Jan 25 (previous quarter)	1 Feb to 30 Apr 24 (same quarter, previous year 2024)
<b>Total number of events</b>	222	205	204
<b>Injuries</b>	74	62	87
<b>Lost Time Injuries</b>	10	8	16
<b>Medical Treatment Injuries</b>	5	11	16



12. There has been an intense focus on work injury management within Council in the last 12 months with face-to-face training and online training made available for People Leaders to better support their employees. When managed well, early intervention can minimise the injury severity, ensure that appropriate medical treatment is provided and return to work plans put in place benefitting both the employee and Council as the employer.
13. Psychological Safety Workshops have been rolled out to People Leaders during this quarter. Since introducing our psychological safety training in March, 75% (190 approximately) of our People Leaders have participated or have registered to attend workshops. We have also seen 625 plus employees complete the online module(s), with further activities being designed to sustain change, continue awareness and create deeper understanding. This training has been designed to help create an inclusive work environment, where employees feel safe to contribute, to be themselves and feel comfortable speaking up at work.
14. Annual flu shots have been organised and are available for all employees during the months of April and May by way of onsite clinics or via a voucher system, which can be used at selected pharmacies.

#### Council and Contractor WorkSafe Notifiable Events

15. There was 1 WorkSafe notifiable event reported by a Contractor. This was an electrical shock received when disconnecting a cable. Further details of this notifiable event can be found in **Attachment 1**.

### Relationships – *Whanaungatanga*

16. The Safety Governance Committee met on the 24<sup>th</sup> February 2025 and used the first meeting of the calendar year to serve as a safety reset. Chaired by Greg Dearsly – independent chair, committee members were then taken through a case study by Tompkins Wake involving the Ports of Auckland Chief Executive, following prosecution in relation to a workplace fatality involving a Port worker in 2020. Key health and safety projects for 2025 were also highlighted. Refer to **Attachment 2**.
17. The next Safety Governance Committee meeting is scheduled for the 9<sup>th</sup> June 2025 and will be hosted at the Hamilton Gardens. Critical risks that workers may be exposed to on location will be discussed, with the relevant critical risk bowties being used as a reference. Frontline workers will also be present and will share with the Committee their perspective and learnings in relation to their work, health and safety.

### Resources – *Rauemi*

18. The resourcing within the Health & Safety Team remains unchanged with all current and established positions filled.
19. Health & Safety Representatives from across Council came together in February 2025. This was an opportunity for all health and safety representatives to hear from a number of external providers who support Council's health and safety practices. Members of the Health & Safety Team also provided updates on key projects in progress and planned for 2025 as well as the technology and resources available to support them in their role.

### Assurance – *Kii Taurangi*

20. Telarc NZ will be completing the Stage 1 ISO45001 health and safety audit on the 3<sup>rd</sup> & 4<sup>th</sup> June 2025. Stage 1 will focus on those elements at an organisational level, key business activities, our corporate systems, policies and processes. Leadership and commitment will also be assessed.
21. Subject to Stage 1 elements being satisfied, a Stage 2 audit will be conducted across selected sites and facilities involving operational areas where our critical risks are most prominent. If the criteria to achieve Stage 1 is not met, recommendations will be provided, giving Council a period of 4-6 months approximately to implement improvements before progressing to Stage 2.
22. Health & Safety Business Partners continue to work closely with operational teams to ensure that health and safety practices are being maintained and that sites are in the best position possible leading into the audit.

### Successes – *Angituutanga*

23. Council have been working with Provention to run the 'Move Programme' that focusses on all facets of manual handling for our frontline workers. This is a proactive approach to improve employee manual handling techniques at work and at home to prevent injuries. Alison Richmond took the Health & Safety Representatives through an overview of the programme at the February workshop.



## **Financial Considerations - *Whaiwhakaaro Puutea***

24. This is a regular operating activity funded through the Long-Term Plan.

## **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

25. Staff confirm that the matters in this report complies with the Council's legal and policy requirements.
26. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

## **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

27. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
28. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.
29. The recommendations set out in this report are consistent with that purpose.

### **Social**

30. The matters highlighted in this report may have the capacity to affect social wellbeing should they materialise. Social wellbeing continues to be prioritised and is considered alongside Council's risk management processes.

### **Economic**

31. The matters highlighted in this report may have the capacity to affect economic wellbeing should they materialise. Identifying and measuring the economic costs of accidents, the relationship between operational requirements and safety and determining the inter-relationship between safety and other organisational goals and priorities. Economic wellbeing continues to be prioritised and is considered alongside Council's risk management processes.

### **Environmental**

32. The matters highlighted in this report may have the capacity to affect environmental wellbeing should they materialise. Environmental protection includes programmes to reduce risks to the environment from contaminants like hazardous materials and waste. Environmental wellbeing continues to be prioritised and is considered alongside Council's risk management processes.

### **Cultural**

33. Staff consider the matters highlighted in this report do not have a direct impact on cultural wellbeing.

### **Risks - *Tuuraru***

34. There are no known risks associated with the decisions required for this matter.

**Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

35. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.
36. Given the low level of significance determined, the engagement level is low. No engagement is required.

**Attachments - *Ngaa taapirihanga***

Attachment 1 - Worksafe Notifiable Event

Attachment 2 - Safety Governance Committee Meeting - Minutes 24 February 2025

# WorkSafe Notifiable Event

Item 7

Attachment 1

<b>DATE OF EVENT:</b>	11 <sup>th</sup> March 2025 at 8:42am
<b>LOCATION:</b>	Ruakiwi Reservoir, Ruakiwi Road, Hamilton Lake
<b>BUSINESS GROUP INVOLVED:</b>	External Contractor
<b>WHAT HAPPENED?</b>	Electrical work was underway to modify cabling for the new generator installation. A test was done before disconnecting the power supply. Whilst disconnecting a cable a minor shock was received by the electrician. The disconnected UPS unit was holding residual current and arced against the voltmeter.
<b>WHAT IMMEDIATE ACTION HAS BEEN TAKEN:</b>	<ul style="list-style-type: none"> <li>The system was fully isolated, and the issue cause Identified.</li> <li>No pain or discomfort was noted by the electrician, and the contractor followed HCC request to visit emergency clinic, ECG test showed cardiovascular rhythm was normal - no signs of electric shock.</li> </ul>
<b>NEXT STEPS:</b>	<ul style="list-style-type: none"> <li>Notification to WorkSafe was made by the contractor.</li> <li>Investigation is underway.</li> <li>Awaiting incident report from contracting company.</li> <li>Ora Event No: 03810</li> </ul>

# Meeting Minutes

## Safety Governance Committee

Time and date:	10.30am, Monday, 24 February 2025
Venue:	Kitenga Room, Level 8, Municipal Building
In Attendance:	Greg Dearsly (Independent Chair), Lance Vervoort (Chief Executive), Helen Paki (GM Customer & Community), Andrew Parsons (GM IA), Sean Murray (GM Destinations), Louise Lukin (Director CE and Mayoral Offices), Ewan Wilson (Elected Member), Marie Snowball (Health & Safety Manager), Gary Connelly (CFO), Janet Carson (GM PC&M), Dan Finn (People, Safety & Wellbeing Manager), Claire Toko (H3) and Michelle Becker ( Minutes).
Guests:	Amanda Rochester (First Union)
Apologies:	Sean Hickey

### 1. Welcome and Safety Governance Reset by Greg Dearsly

Discussion with those present about what they wanted to achieve from the meetings over the next 12 months. This included assurance, risk management and ensuring members are up to date with legislative changes, critical risks and culture. Greg mentioned the direction he thinks WorkSafe will be moving in the future, this will depend on assets and capabilities.

### 2. Case Study – Tony Gibson Prosecution – CEO Ports of Auckland by Tompkins Wake

It was noted that this is the first time a CEO has been convicted under the current legislation in NZ. Implications and discussion about what went wrong and what could have been done and relevance to the role of the CEO at HCC. Important to note you cannot insure against prosecution.

### 3. Key Health and Safety Strategic Projects for 2025 – Marie Snowball

ISO Audit, Lone worker devices, Bowtie critical risk assessments, WOL training module, SAM (Situational Awareness Map).

### 4. KPI Recommendations – Marie Snowball

Discussion of relevant KPIs for ELT, conversation about more thematic reporting, relevance of KPIs for critical risks and contractor management

### 6. General Discussion – around the table

Conversation about KPIs

### 7. Actions assigned from meeting

Dan to design a framework for Organisational KPIs

**The meeting was declared closed at 12.30pm**

**Next Meeting: TBA**

Meeting Minutes

Page 1 of 1

# Council Report

Item 8

**Committee:** Strategic Risk and Assurance Committee

**Date:** 17 June 2025

**Author:** Nicholas Whittaker

**Authoriser:** Janet Carson

**Position:** Senior Risk and Resilience Advisor

**Position:** General Manager Partnerships, Communication & Maaori

**Report Name:** Risk Management Report

**Report Status**

*Open*

## Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on the status of Council's seven strategic risks, four organisational risks and any potentially significant emerging risks. Significant updates to the risks or the strategic risk environment this quarter are reported below.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee receives the report.

## Executive Summary - *Whakaraapopototanga matua*

3. Each risk has provided a summarised paragraph of the relationship between Council's agreed risk appetite statement and the residual risk level. The purpose of this is to better understand and explore what these differences mean operationally and to highlight the tension between how risks are managed and the context in which they exist.
4. **Strategic Risk 2 and 7** have highlighted the global economic and financial risk context. Staff continue to monitor any new developments to identify any potential localised impacts on either our financial position or capital work programmes.
5. **Strategic Risk 6** has been increased to an Extreme Risk, from Very High, given the numerous legislative changes from central government and the impact these are likely to have on Council's form and function. The wide-ranging impacts of these changes could materially impact other strategic risks including SR2, SR4, SR5, all four organisational risks.
6. Staff consider the matters in this report have medium significance and that the recommendations comply with Council's legal requirements.

## Discussion - *Matapaki*

### Strategic Risk 1 – Failure to Respond to a Disaster, Crisis, or Emergency

7. This risk description is ‘A lack of preparedness leads to a failure to respond or an ineffective response to a disaster, crisis, or emergency resulting in compromised organisational and community resilience.’ This risk links to Strategic Risk 3 – Loss of information or access to systems, and Strategic Risk 4 – Failure to respond to climate change.
8. There is no change to the residual risk rating for this risk – it remains very high. This sits outside of our appetite of ‘cautious’.
9. Staff accept that the residual rating for this risk will always be higher than our risk appetite. The potential consequence of any disaster, crisis or emergency is likely to be severe/major regardless of our response structures. This tension between the higher residual risk rating and lower risk appetite highlights the need for continuous improvement and forms the “why” behind continuing to progress the treatment actions relating to this risk. Ultimately Council will always be further mitigating this risk to enhance our preparedness to respond to a variety of events.

### Organisational Resilience Policy

10. **Attachment 2** provides a final draft of the new Organisational Resilience Policy. The document has been reviewed by internal subject matter experts and will be taken to the internal policy steering group for final approval in the coming weeks. As this is a management policy it does not require Council sign off.
11. This policy establishes the framework for Council’s approaches to business continuity, incident management, and crisis management. The purpose of the policy is to outline clear organisational expectations by highlighting key responsibilities to make it simpler for staff to understand their role in managing disruptive events and foster a shared understanding of what can be a complex topic.

### Crisis Management

12. We are in the process of developing our teams who will be involved in crisis management and have commenced initial engagement with them. Work is underway to finalise the crisis management team, with Executive Leadership Team sign off in progress.
13. The Organisational Resilience Working Group continue to work through the organisational resilience refresh programme. The approval of the Organisational Resilience Policy will provide further mandate for staff to implement additional organisational improvements to Council’s crisis management function.

### Business Continuity

14. The Business Continuity Management programme continues to progress with work currently underway to finalise the critical unit’s business impact analyses (BIA). The majority have been completed however due to resource capacity some have taken longer to finalise. Once all 26 BIAs are finalised, staff will work with support areas to understand the organisational analysis and priority areas.
15. The next stage of the programme will be the rollout of the refreshed business continuity planning workshops. This is currently being scoped.

### Civil Defence Emergency Management

16. The Emergency Management Bill is currently out for consultation.
17. We have recently seen a significant uptake in training:
  - i. 180 staff have completed foundation training this quarter and another 120 are booked in the next quarter; and
  - ii. 32 staff have recently completed intermediate training and a further 30 are booked on courses over the next 7 weeks.
18. Two staff have recently completed their training and assessments meaning we have an additional qualified controller and qualified recovery manager.
19. Our two Emergency Management Officer positions have been filled.
20. We are in the process of score moderation from our annual exercise. This ensures alignment with other councils across the region.

### Bird flu

21. As we are now outside of bird migratory season the risk of bird flu is reduced. We continue to progress work on response plans for the coming spring/summer migratory season.

### **Strategic Risk 2 – Significant Negative Impact on Financial Strategy**

22. This risk description is 'A major economic or financial shock event negatively impacts Council's financial strategy, fiscal and monetary position resulting in significant financial pressure on Council.' This risk links to Strategic Risk 7 – Failure to deliver Council's work programmes.
23. The inherent risk rating for this risk remains at very high, however the inherent risk likelihood has been increased from possible to likely due to New Zealand's negative GDP result in the prior quarter and market expectations of a further contraction in the March quarter, alongside heightened volatility in global trade markets driven by the uncertain direction and timings of U.S. trade tariff policies.
24. Despite the elevated likelihood of the inherent risk, current detective and corrective controls are considered sufficiently effective to manage the risk's impact, with no immediate need to adjust the financial strategy or utilise available debt headroom. Therefore, there is no change to the residual risk rating for this risk – it remains at high.
25. The residual risk rating currently sits outside Council's formal risk appetite threshold of 'cautious'. Within the current residual risk likelihood criteria this risk is rated as 'possible' as less than 70% of the controls are considered effective, and the consequence criteria this risk is rated as 'serious' because the unplanned expenditure, loss of income or cashflow is assessed as being above \$1m, but under \$3m (0.2% - 0.6% of revenue). The likelihood rating reflects the predominance of detective and corrective controls for this risk because the ability for Council to 'prevent' shifts in economic conditions is negligible. However, we consider the existing controls to be adequate and appropriately targeted as in current circumstances the consequence though rated as serious is unlikely to require a significant shift in financial strategy or use of debt headroom. This may indicate the need to review the financial consequence scale, as the current rating may overstate the severity of this risk given the unpreventable nature of most of the risk and effectiveness of the controls in place.
26. While New Zealand faces economic headwinds from global trade tensions, domestic slowdown, and construction sector challenges, there are opposing signs of resilience and potential recovery with monetary policy easing, stable inflation, and robust infrastructure investment.

27. The economic outlook for New Zealand has deteriorated since the imposition of high global tariffs by America and subsequent retaliatory tariffs by other countries. The tariff war has weakened the outlook for New Zealand exports, which flows into expectations for the economy.
28. Slow economic growth is likely to prolong the recovery of the construction sector in Hamilton, with house price growth lower and businesses more wary of taking on more risk or debt by expanding or building new premises. Low construction activity will impact development contribution revenue and consenting fees over the next 12 months.
29. Interest rates have come down significantly, and there is some potential for further drops if the official cash rate (OCR) falls below the forecast 3% later this year.
30. Tariff-induced reductions in demand in America, coupled with increasing and ongoing global conflict, are impacting supply chains and may lead to increased costs in New Zealand. However, inflation is forecast to remain within the Reserve Bank of New Zealand target of 1% to 3%. Some products could decline if overseas producers try to offload goods now impacted by tariffs. This impact is likely to be short-term as production adjusts. There are trade negotiations underway that are likely to see tariffs reduced and subsequent economic growth prospects revised. The extent of this is currently unknown. Any potential impacts to Council's work programmes will be managed through Strategic Risk 7.
31. Net-debt capacity headroom is a treatment for this risk, enabling Council to utilise headroom in the short term while developing longer term structural treatments should a significant negative impact occur. The Financial Strategy within the Long-Term Plan 2024-2034 identified a likely reduction in headroom capacity which would reducing the effectiveness this treatment over the next 5 years. However, the draft Annual Plan 2025/26 identifies material headroom capacity over the next 12 months, and the potential shift of waters debt to a proposed Council Controlled Organisation improves the effectiveness of this control for Council in the longer term.
32. Local Government Funding Agency (LGFA) have approved changes to debt covenants enabling Councils to seek a council-specific covenant up to 350%, above the current 280% capacity, which would provide additional treatment through increased facility headroom if necessary. Based on current projections prepared as part of the draft Annual Plan 2025/26 management believes that the available headroom against the current 280% limit, being never less than 40%, is a sufficient treatment at this time, without needing to apply for the 350% limit with the additional administrative burden associated with it. Management recognise that the additional capacity still provides as a potential treatment which could be enacted in case of a 'black swan' event and the consequence being catastrophic (> \$10m in cashflow).

### Strategic Risk 3 – Loss of Information or Access to Systems and Services

33. Commentary and treatment plans relating to this risk contains confidential and commercially sensitive information and are covered in the Loss of Information or Access to Systems Report presented to the Committee in the public excluded part of this meeting.

### Strategic Risk 4 – Failure to Respond to Climate Change

34. This risk description is '**Climate change causes changes to our community and City that Council have not anticipated or planned for** which will negatively impact on the wellbeing of Hamilton's community.' This risk links to Strategic Risk 1 – Failure to respond to a disaster, crisis, or emergency.
35. There is no change to the residual risk rating for this risk – it remains at very high.

36. This sits outside of Council's appetite of 'cautious'. The nature of climate change and the global and national response makes it increasingly hard to anticipate and plan for what will happen. For this reason, it is likely that this risk will remain outside of Council's risk appetite for some time. This difference between the residual risk rating and our appetite informs our approach to managing this risk. We will continue to implement risk treatment actions that enable Council to better understand this risk and support the organisation's approach to climate change risk management.
37. Our climate change response has three key elements:
  - i. a long-term strategy for the city - Our Climate Future: Te Pae Tawhiti o Kirikiriroa;
  - ii. requirements for integrating into decision making – Climate Change Policy; and
  - iii. an acknowledgment of the strategic risk it presents for our city and organisation – Strategic Risk 4 – Failure to Respond to Climate Change.
38. The current work programme for Council is driven by these three elements and addresses gaps in current knowledge. It is focused on emissions reduction, risk and adaptation, maturity and disclosure and climate change education.
39. This Strategic Risk specifically, has driven the Climate Change Maturity and Disclosure programme. This programme aims to make Hamilton City Council a climate ready organisation. The maturity roadmap is a 3-year plan that will be reviewed and updated annually, to ensure that we are prioritising the actions to understand and effectively manage the risks and opportunities of climate change. The roadmap and second climate change disclosure report will be discussed further in the Strategic Risk and Assurance Committee workshop.
40. In this review of Strategic Risk 4 we have removed the Emissions Trajectory for the City as a control and included a new treatment plan – Implement the Local Emissions Data Platform. This project will provide Council with an annual greenhouse gas profile for the city, instead of the current 3 yearly profile. It also includes a module for testing different policies and actions that will reduce greenhouse gas emissions, which will enable us to create dynamic emissions trajectories for the City that we can update as required.

#### Strategic Risk 5 – Failure to Deliver Growth Outcomes

41. This risk description is 'Step-changes in growth requirements or demand or consequences of growth means **Council can't deliver expected growth outcomes** resulting in increased costs and the perception that growth delivers negative outcomes for the community.'
42. There is no change to the residual risk rating for this risk – it remains at high. This sits within our appetite of 'neutral.'
43. While we are within appetite, we continue to further mitigate this risk through the 3 active treatment plans in order to maintain sitting within appetite. Council acknowledges the tension between delivering positive growth outcomes and existing constraints of infrastructure capacity and economic conditions. As per our risk appetite statement, Council continues to consult and engage with community stakeholders for growth (including developers and iwi).
44. Updates have been provided to the Strategic Growth and District Plan Committee in November 2024 and again highlighted at the 20 February 2025. A summary activity in this space:
  - i. Several Private Plan Changes are progressing, including zoning updates in Te Rapa North, Te Kowhai Road, and Ruakura.
  - ii. Fast-track development poses significant risks, enabling large-scale urban expansion that may misalign with existing strategies, potentially altering growth patterns and investment priorities.

- iii. The Central City is a major growth hub, with significant construction expected from 2026. A Hamilton City Council Development Response Plan has been prepared for internal staff use to ensure smooth delivery and to minimise the impact on central city residents, businesses, events, workers and visitors.
  - iv. Funding constraints in the Long-Term Plan limit infrastructure development, necessitating alternative solutions, such as developer agreements and strategic investment decisions.
  - v. Central Government's Going for Housing Growth policy increases environmental and compliance pressures, requiring collaboration across multiple agencies. It is addressed in more detail later in this report.
  - vi. Council is assessing growth costs to understand financial impacts on ratepayers.
  - vii. A revised operating model is needed to address infrastructure ownership, planning leadership, and jurisdictional considerations.
45. The Council must navigate these challenges while ensuring sustainable growth, balancing infrastructure demands, funding constraints, and stakeholder expectations.

#### **Strategic Risk 6 – Political Changes Negatively Impact Strategic Direction**

46. This risk description is '**Political stakeholders** make unanticipated changes or decisions or take actions that **negatively impact Council's strategic direction** resulting in significant changes to Council's form or function, resourcing and work programme.' This risk links to SR3 – Failure to meet compliance standards.
47. There is an increase to the residual risk rating for this risk to **Extreme**. This now sits outside of our appetite.
48. Council has a receptive risk appetite to political changes that may negatively impact its strategic direction. Having a receptive risk appetite means that there is some uncertainty expected, controls in place may be inadequate or ineffective, and council is willing to trade off under the right conditions. With the residual risk rating being upgraded to Extreme, council is recognising that the residual risk now exceeds this appetite and that the likelihood and consequence of this risk occurring is extremely likely. This means that our ability to manage impacts and make trade-offs is now significantly reduced, as is our ability to put in place effective controls. Given the increasing scale of legislative change that is occurring, council has less control and decision-making ability in a number of areas. Given the limited ability to influence these changes, Council must take a 'comfortably uncomfortable' position with the tension between our risk appetite and our residual risk rating.
49. The increased risk rating is due to the current Government progressing its significant work programme of legislative change, which will result in significant and fundamental changes to local government work programmes and legislative obligations. This includes the changes to how local government will deliver water, the 'Going for Housing Growth' programme and suite of legislative changes, and the signalled changes to the purpose of local government. The likelihood of these changes occurring is high, with council poised to make a decision on the future delivery model for water in May 2025. The Going for Housing Growth programme is underway, with further phases progressing through central government processes. These work streams will fundamentally change the functions of council, lessening council's influence on how the city will develop and how it will be serviced. This impacts on council's agreed strategic direction for growth and investment and will require a change in approach by council.

50. Collectively, these are driving Council away from its previously agreed strategic direction as well as lessening the control the Council has over certain aspects of growth and service delivery. Strategic Risk 5 – Failure to deliver growth outcomes is also impacted by political changes, and the commentary around SR5 notes the need for a change in operating model to respond to growth pressures, including decisions on who builds, owns and operates infrastructure, who leads planning for new growth areas, and jurisdictional considerations.
51. This risk is being considered by Council's Executive Leadership Team (ELT) through a series of strategic sessions in which business response can be aligned. This programme of strategic sessions is framing up the issues and risks that are facing council as a result of legislative change. This programme will result in Council's ELT to have access to consistent information, understand the challenges and potential impacts on council, and provide aligned direction to the business on how these challenges will be addressed.

### Three Waters

52. On 29 May 2024 the Council resolved the establishment of a joint Council Controlled Organisation between Hamilton City Council and Waikato District Council to own wastewater and drinking water assets, and deliver water services. (Agenda and minutes link).
53. Over the next 12 months, work to get the company operational will be overseen by a Establishment Board to be in place from July 2025. They will guide the transfer of staff, assets, liabilities, consents, contracts and land to the CCO, subject to a transfer agreement. This includes the identification, valuation and transfer of all water assets and water-related debt for both councils.
54. This change to delivery model for a core council service has significant impacts on the scale, function and form of Council and ultimately its strategic direction.

### Going for Housing Growth Programme and Resource Management Reform

55. The Government is pursuing its Going for Housing Growth programme across this triennium which is structured around three pillars that make system changes to address the underlying causes of the housing supply shortage. These are:
  - i. freeing up land for urban development, including removing unnecessary planning barriers this includes requiring Tier 1 and 2 councils to enable 30 years of feasible housing capacity in district plans using 'high' population growth projections, enabling greenfield growth, enabling intensification in the right places and enabling a greater mix of uses across urban environments;
  - ii. improving infrastructure funding and financing to support urban growth. This includes replacing development contributions with a development levy system, making changes to improve the Infrastructure Funding and Financing Act, and improving the flexibility of targeted rates for growth infrastructure; and
  - iii. providing incentives for communities and councils to support growth.
56. The government is taking a phased approach to the reform of the resource management system including the introduction of the Fast-track Approvals Act 2024, The Resource Management (Freshwater and Other Matters) Amendment Act 2024, the Resource Management (Consenting and Other System Changes) Amendment Bill and the National direction programme.

57. The government has also announced that Phase 3 will be the replacement of the Resource Management Act 1991 with two new acts that clearly distinguish between land-use planning and natural resource management, while putting a priority on the enjoyment of private property rights. Each new act will be supported by one set of national direction, to ensure it is implemented by councils and others in an efficient, nationally consistent way. This national direction will also provide guidance on how to resolve conflicts between competing priorities. Phase 3 is anticipated to be delivered before the end of this parliamentary term.
58. It will narrow the scope of the resource management system to make clear what the system manages, and what regulation is covered by other legislation. It will define more closely what effects may be considered, while raising the threshold of effects that are permitted.
59. Council has no ability in how it chooses to respond to these changes, outside of submitting through any select committee or other submission process. Once these changes are passed into law, council will be required to give effect to them. This has an impact on how Council has traditionally planned and provided for growth. Historically, Council has had more control over the timing and sequencing of land being released for urban development, however the changes being progressed by Government are resulting in a more market-led approach with the aim of drastically increasing the supply of land and creating a more enabling approach to development. This presents challenges for Council in how it will plan for and service land and will require Council to look at alternative ways to deliver infrastructure as providing for all areas that will be enabled will be unaffordable.

#### **Local Government 'Back to Basics'**

60. The Government has agreed to reforms that refocus local councils on delivering essential services and core infrastructure, spending responsibly, and operating under greater scrutiny. This legislation is anticipated before the end of 2025.
61. As with the other legislative changes outlined above, Council has no ability in to choose how it responds. By law, we will need to give effect to these changes. This impacts on our agreed strategic direction in that the increased focus on 'core services' will mean that Council's investment priorities and long-term planning will need to change.

#### **Strategic Risk 7 – Failure to deliver our Work Programmes**

62. This risk description is 'An ongoing shortage of necessary resources (people and materials) means **Council is unable to deliver our work programmes** resulting in constrained growth and negative long-term outcomes for the community.' This risk links to Strategic Risk 2 – Significant negative impact on financial strategy.
63. There is currently no change to the residual risk rating for this risk – it remains at medium. This sits within our appetite of 'neutral'. Given the residual risk rating is within our appetite statement, staff have moved to a monitoring position in the management of this risk. Given the potential volatility of the global market especially across Asia, Europe, and North America staff continue to assess any local impacts and currently these are being managed through existing business as usual (BAU) structures. Staff will continue to monitor this risk to ensure it remains within appetite and if the risk escalates, appropriate treatment plans will be developed.

64. There are some supply chain issues remaining, impacting on delivery of our work programmes. There is potential for increased costs or supply chain challenges for components that originate from Russia/Ukraine, India/Pakistan, and United States of America. When these obstacles arise, our project teams work with the local supplier to understand potential solutions and impacts. Cost escalation continues to impact on the delivery of our work programmes, which includes the shift to the new Guide to Temporary Traffic Management. The international tariff impact is being monitored for any cost increases on products, and this will be managed through project contingency. For commentary relating to cost escalation, refer to Strategic Risk 2 - Significant negative impact on financial strategy.

#### **Organisational Risk 1 – Failure to Maintain Trust and Confidence of Iwi and Maaori**

65. Deterioration of relationships with iwi and Maaori could result in a loss of credibility and impact Council's reputation. This will jeopardise delivering immediate core projects in a timely and financially sustainable way and reduce what Council achieve over generations.
66. Amorangi Maaori continues to collaborate with our partners through a Tiriti based partnership. This includes the training rollout of council's maatauranga Maaori framework He Paa Waananga Ora and Te Tiriti workshops aimed at enhancing council engagement with iwi, mana whenua, and maataawaka by building organisational knowledge and capability. An example is the collaboration to propose a name for the Council Controlled Organisation that acknowledges the significance of water to both iwi and the city.
67. The experience and networks of our current Amorangi Maaori staff in roles like Kiingitanga, iwi politics, and marae significantly enhances trust between our Tiriti partners and council. Staff often represent or are approached on council issues outside work roles on marae and other Maaori gatherings as 'kanohi kitea'. This engagement helps to lift council's reputation within Te Ao Maaori.
68. Building strong relationships with other council partners and agencies serving Maaori is essential to upholding trust with iwi Maaori. Staff must stay informed on issues affecting council-Maaori interactions, including parliamentary amendments related to the Tiriti o Waitangi.
69. Collaboration with Iwi, mana whenua and maataawaka is on-going on in particular examples of work in the area is the projects focusing on Increasing Maaori participation in voting and Waters Council Controlled Organisation programme.

#### **Organisational Risk 2 – Failure to Maintain Trust and Confidence of Stakeholders**

70. This risk description is 'Lack of timely and transparent engagement and poor stakeholder relationship management could lead to a failure to maintain the trust and confidence of key stakeholders resulting in reduced access to funding streams, low community engagement and social disconnect and discontent.
71. This risk has been assessed with a residual risk rating of Very High.

#### Interagency meetings

72. A new control has been added this quarter as regular meetings are held across the city with key stakeholders from community groups, non-government organisations, and central government to foster collaborative relationships and front foot issues as they may arise.

#### Co-design community input into plan development

73. Where possible a co-design approach to community engagement is facilitated; and specifically in development of community plans. A recent example has been the development of the Rangatahi Action Plan which saw a range of engagement opportunities through a youth working group, service providers advisory group and in person and online engagement. A number of opportunities were provided for input from across the youth sector.

#### Establishment of Disability Advisory Group

74. Expressions of Interest are currently being sought for 8 members to join a newly created Disability Advisory Group. The Group will provide advice on strategies, plans and accessibility matters; and support the implementation of the Disability Policy Action Plan 2026.

#### Fire and Emergency New Zealand

75. Council's transport team initiated a proactive partnership with Fire and Emergency New Zealand (FENZ) to strengthen collaboration and improve emergency response outcomes across the city. Through a series of meetings, ride-alongs, and crew engagements, the team built a shared understanding of each organisation's goals and operational needs.
76. This partnership led to the development of smart traffic signal controls that give fire trucks a "green wave" through key intersections near fire stations. This has improved response times, increased safety for fire crews and the public, and reduced the need to use sirens or drive against traffic.
77. Further stages of the initiative are now underway, including automation of the green wave system and integration with GPS technology to optimise emergency routes city-wide. Ongoing data sharing between Council and FENZ is also being explored.
78. This initiative demonstrates the value of solutions-focused stakeholder engagement. By working in partnership, Council has strengthened a critical relationship, restored confidence, and generated positive feedback.

#### Response to Developer feedback

79. A recent example of reputation management occurred following a public forum where developers expressed concern about wastewater capacity and its impact on the city's growth.
80. Council responded quickly by using a media interview to clarify the situation. The spokesperson addressed the complexity of balancing development with infrastructure capacity, reinforcing that Council is actively working on long-term planning, network investment, and collaborative solutions.
81. The media interview was followed by a LinkedIn post which corrected inaccuracies and provided context to complex infrastructure planning issues in a way that was concise and constructive. The media interview and LinkedIn post received positive feedback in showing Council's willingness to engage directly with difficult topics.
82. The internal review, requested by Council, will be reported on 26 June 2025.

#### Mis/Disinformation

83. Council's approach to Mis/Disinformation was recently published in a three-page article in Local Government New Zealand magazine.
84. Council's proactive work to manage mis/dis information was also shared on LinkedIn and has been acknowledged by industry experts. Since the article and LinkedIn post were published, multiple Council's and public sector organisations have reached out to discuss our policy and approach and commended the proactive work achieved in this space.
85. Staff have also engaged with the page, with an additional section added on Council's response to climate change, based on comments received on social media and focused on local government's role on this issue.

### What's next for water? Consultation

86. The consultation campaign reached nearly 300,000 users on social media, and generated almost 20,000 visits to the relevant pages on Council's website. While 221 submissions were received, the number of Hamiltonians made aware (reached) and engaged (visited website) should be considered alongside this.

### Pulse Survey

87. At the time of writing this report, staff are anticipating receiving the results of the annual Quality of Life pulse survey from its independent supplier. The pulse survey is undertaken with Hamilton residents in the year between the two-yearly nationwide nine-council Quality of Life survey. The results will allow staff to identify trends in the sentiment data and is a key reporting device for the Annual Report and CE KPIs.

### Communication effectiveness review

88. As per the March 2024 resolution of the Strategic Risk and Assurance Committee, a review of communication effectiveness has been completed and will be presented to the Committee in another report as a part of this agenda. Any recommendations from the review will be considered as treatment plans for this risk.

### **Organisational Risk 3 – Failure of Critical Assets**

89. This risk description is 'Incorrect investment (timing and/or amounts) results in the unexpected failure of critical assets (loss of levels of service), resulting in loss of service delivery, financial impact, environmental damage.
90. There is no change to the residual risk rating for this risk – it remains at very high. This sits outside of the risk appetite of Averse. The potential consequence of critical asset failure is likely to be severe/major regardless of any corrective controls. This tension between the higher residual risk rating and lower risk appetite highlights the need for Council to continue implementing the Organisational Asset Management Improvement (the treatment action attached to this risk). Ultimately Council will always be further mitigating this risk to ensure our critical assets remain adequately funded and our asset management processes continue to improve.
91. Council has confirmed budgets for the 2024-34 Long-Term Plan. A prioritised delivery programme is in place and reflects the confirmed Renewals and Compliance budget provision for the first three years of the 2024-34 Long-Term Plan. This delivery programme is based on the projects included in the latest prepared Activity Management Plans (AMPs) and using any updated information that is relevant that may alter these priorities – such as reactive renewals that may have become apparent since preparation.
92. Staff will continue to actively monitor asset need and reprioritise Renewals and Compliance programme to ensure that highest priority projects are progressed. The programme will be prioritised and adjusted based on factors including criticality. The prioritised delivery programme will also consider the interaction with maintenance activities and other capital improvements that are both funded and unfunded.
93. Having adequate funding and the continued delivery of the Renewals and Compliance budgets as a programme that allows for continual reprioritisation and flexibility on timing across the three-year period, will help staff in managing the risks associated with failure of critical assets. The programme approach is a key tool to ensure that timing and investment is optimised and targeted on the assets with highest need and criticality. Budget allocations for reactive renewal activities has been retained in recent capital programme reviews and remains within the 3-year Renewals and Compliance programme for use if required.

94. A suite of asset management improvements for various community group and facility activities has been ongoing for the last 12 months. This work is nearing completion and will deliver the planned outcomes from the previous Organisational Asset Management Improvement Programme. On completion of these projects, an update of the multi-year Organisational Asset Management Improvement Programme will be prepared for implementation from September 2025. This will include prioritised improvements that will assist in managing this risk.

#### **Organisational Risk 4 – Low Staff Engagement**

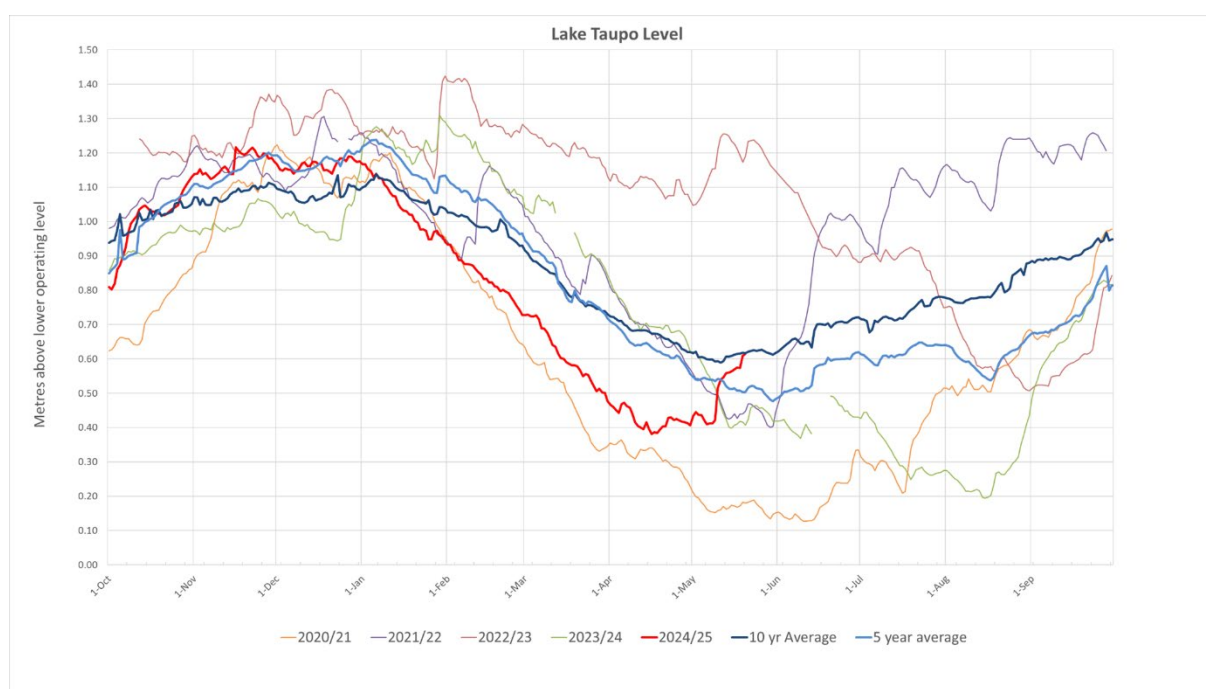
95. This risk description is ‘A lack of adequate people resource, unclear direction and strategy, inadequate business tools, systems and processes or ineffective leadership could lead to low staff engagement resulting in fatigue, health and safety issues, poor performance and retention issues.’
96. This risk has been assessed with a residual risk rating of Medium.
97. Since the last report, we have progressed key activities that relate specifically to addressing the risk of ‘low staff engagement’.
98. In March we undertook a Pulse check survey across all staff, which was designed to provide employees a further opportunity to share their voice and to help shape our focus on key areas affecting workplace culture. With a 75% participation rate and a 65% engagement score, we continue to focus our efforts towards lifting leadership capability and creating open and honest two-way communication. Planning work is underway for our full employee engagement survey later in July with a further pulse check planned for November, which now forms our regular staff survey rhythm.
99. We have initiated a robust programme of work under ‘Hire to Inspire’ to improve our attraction as ‘an employer of choice’, as well as the processes associated with recruitment, onboarding, and induction for new employees. Improving these elements are designed to increase productivity, organisational alignment, and role connection, as well as improving staff engagement during those critical first few months of employment.
100. Since introducing our psychological safety training in March of this year, 75% (190 approx) of our People Leaders have participated or have registered to attend workshops by May 2025. We have also seen 625 plus employees complete the online module(s), with further activities being designed to sustain change, continue awareness and create deeper understanding. This training has been designed to help create an inclusive work environment, where employees feel safe to contribute, to be themselves and feel comfortable speaking up at work.
101. Our leadership pathways continue to expand with our first pilot program of Koronga (self-led leadership) now complete and a second cohort being planned for July. We will be shortly starting our fifth Puutake cohort, which is aimed at our existing leaders, with a sixth cohort also planned for later this year. Lifting leadership capability and effectiveness is a core to shaping the culture and organisation we want.
102. Our Way of Working - our annual performance cycle, is currently in the performance review stage, with all performance reviews now complete. Our Way of Working helps connect our people to our organisational objectives through the work they do, giving direction and purpose and the next stage in the cycle will be new goal setting in June/July.

#### **Emerging Risks - Waters**

##### Water Quantity – Increased levels in Lake Taupō

103. Lake Taupō is currently at an average level for this time of year; Lake Levels have significantly increased and have been trending upwards since the middle of April 2025.

104. The current Lake levels do not pose a significant risk to water supply, and the risk has decreased since last reported to the committee in March 2025. If a significant dry period occurs during the remainder of the critical risk period ending in June 2025, the level of risk will need to be reassessed.
105. If the minimum operating level of Lake Taupoo is reached, Mercury is required under their resource consent to operate the Waikato River hydro system so the outflows from the Karapiro dam match the inflows to Lake Taupoo. This can result in the Waikato River level downstream of the Karapiro Dam dropping significantly.
106. The Waiora Water Treatment Plant's water inlet pipe is located at a fixed level in the Waikato River. If river levels drop below the level of this pipe, the treatment plant would be unable to physically pump water from the river to the treatment plant.
107. Since 2016, Council has had a low river contingency plan (pumping platform) that is able to be deployed, to pump water from the deeper part of the Awa into the water treatment plant during exceptionally low river levels.
108. This contingency plan, if implemented, should enable the treatment plant to continue to treat and supply Hamilton with up to 90 million litres of treated drinking water per day.
109. Despite the dry weather earlier in the year, the National Institute of Water and Atmospheric Research (NIWA) Seasonal Climate Outlook May - July 2025 is forecasting that overall, seasonal rainfall in the Taupō and the Waikato River catchments will be near normal or below normal.
110. Staff are in regular contact with Mercury and Waikato Regional Council and will continue to closely monitor both Lake Taupō and Waikato River levels to actively manage this potential risk to Hamilton's water supply.
111. The graph below shows the historical water level trends for Lake Taupō since 2020. The 2024/25 lake level trend is indicated in red. The dark blue trend line in the graph shows the 10-year rolling average Lake Taupō level and the brighter blue line is the 5-year rolling average. The measurement on the left-hand axis of the graph shows the meters above the minimum operating level for Lake Taupoo.
112. The low river contingency plan has trigger levels identified that will initiate deployment of the pumping platform ahead of the minimum operating level being reached.



### Water Alert Level 1

113. Hamilton implemented Water Alert Level 1 on Tuesday 11 February 2025 following a period of sustained high water use between mid-January and early February 2025. Water Alert Level 1 was lifted on 4 April 2025.

### Update on Impact of Golden Clams on Infrastructure

114. There have been no significant developments in relation to the invasive gold clam (*Corbicula Fluminea*) in the Waikato River, since the last update provided to the committee in December 2024.
115. There are no health risks associated with our treated water due to clams being present in the river. Hamilton's drinking water remains safe.
116. Staff have increased planned inspections of critical assets and process areas at both the Waiora Water Treatment Plant and Pukete Wastewater Treatment to identify and remove any clams as early as possible to minimise impacts on infrastructure and process performance.
117. Maintenance inspections of river water intake assets indicate that the number of adult size gold clams observed are slowly increasing, however the current programmed maintenance appears to be effective at managing the clam populations to avoid any detrimental impact on asset functionality. This maintenance has increased in frequency but is currently being managed within existing budgets.

### **Financial Considerations - *Whaiwhakaaro Puutea***

118. This is a regular operating activity funded through the Long-Term Plan and there are no financial implications in relation to receiving this report.

### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

119. Staff confirm that this Risk Management Report complies with Council's legal and policy requirements.

### **Climate Change Impact Statement**

120. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation or emissions assessment is required.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

121. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
122. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below. The recommendations set out in this report are consistent with that purpose.

#### **Social**

123. Staff consider the matters set out in this report do not have a direct impact on social wellbeing.
124. Note that several of the strategic and organisational risks do concern social wellbeing, in particular Strategic Risks 1 and 5 as well as Organisational Risks 1 and 2.

#### **Economic**

125. Staff consider the matters set out in this report do not have a direct impact on economic wellbeing.

126. Note that several of the strategic and organisational risks do concern economic wellbeing, in particular Strategic Risks 1, 2 and 5.

### **Environmental**

127. Staff consider the matters set out in this report do not have a direct impact on environmental wellbeing.
128. Note that several of the strategic and organisational risks do concern environmental wellbeing, in particular Strategic Risks 1 and 4 as well as Organisational Risk 3.

### **Cultural**

129. Staff consider the matters set out in this report do not have a direct impact on cultural wellbeing.
130. Note that several of the strategic and organisational risks do concern cultural wellbeing in particular Strategic Risk 1 and Organisational Risks 1 and 2.

### **Risks - *Tuuraru***

131. The Strategic and Organisational Risk Register (**Attachment 1**) identifies the strategic and organisational risks discussed in this report. There are no known risks associated with the decisions sought in this report.

### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

132. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the recommendation(s) in this report has/have a low level of significance.
133. Given the low level of significance determined, the engagement level is low. No engagement is required.

### **Attachments - *Ngaa taapirihanga***

Attachment 1 - Strategic and Organisational Risk Register - June 2025

Attachment 2 - Final Draft - Organisational Resilience Policy

# Strategic & Organisational Risk Register





Q4 2024/25

## How to read this document

Strategic risks are defined as ‘the risk of an event or impact that is external to Council and could impact the organisation’s strategies, including Council’s Financial Strategy, Long Term Plan and 30 Year Infrastructure Strategy’.

Organisational risks are defined as ‘the risk of an event or impact that is internal or external to Council and could impact the whole organisation’.







Pages 3 and 4 provide a summary of strategic and organisational risks. Movement from the previous quarter is shown by the following indicators:





Indicator	Description	Indicator	Description
	No change from previous		Increase in residual risk rating from previous
	New risk		Decrease in residual risk rating from previous

Pages 5 onwards provides additional detail, including the existing controls and treatment plan updates, for each strategic and organisational risk.

The residual risk rating is determined following assessment of likelihood and consequence for each risk category using the following matrix. The maximum residual risk rating from this process is then reported on:

		CONSEQUENCE				
		Minor	Moderate	Serious	Major	Catastrophic
LIKELIHOOD	Almost Certain	H	H	VH	E	E
	Likely	M	H	VH	VH	E
	Possible	L	M	H	VH	VH
	Unlikely	L	M	M	H	VH
	Rare	L	L	L	M	H
		L = Low	M = Medium	H = High	VH = Very High	E = Extreme

Strategic Risk Name	Risk Description	Risk Appetite	Risk Owner	Residual Risk Rating
SR1 Failure to respond to a disaster, crisis, or emergency	A lack of preparedness leads to a failure to respond or an ineffective response to a disaster, crisis, or emergency resulting in compromised community resilience. Links to SR3	Cautious	Helen Paki	Very High 
SR2 Significant negative impact on financial strategy	A major economic or financial shock event negatively impacts Council's financial strategy, fiscal and monetary position resulting in significant financial pressure on Council. Links to SR7	Cautious	Gary Connolly	High 
SR3 Loss of information or access to systems and services	In the event of a cyber-attack, IT service or technology asset failure there is a risk that confidential information and / or Council services are compromised or fail and / or there is a loss of information resulting in ongoing reputational, legal, and financial consequences. SR3 links to SR1.	Neutral	Sean Hickey	Very High 
SR4 Failure to respond to climate change	Climate change causes changes to our community and City we have not anticipated or planned for which will negatively impact on the wellbeing of our community.	Cautious	Blair Bowcott	Very High 
SR5 Failure to deliver growth outcomes	Step-changes in growth requirements or demand or consequences of growth means Council can't deliver expected growth outcomes resulting in increased costs and the perception that growth delivers negative outcomes for the community.	Neutral	Blair Bowcott	High 
SR6 Political changes negatively impact strategic direction	Political stakeholders make unanticipated changes or decisions or take actions that negatively impact Council's strategic direction resulting in significant changes to Council's form or function, resourcing and work programme.	Receptive	Blair Bowcott	Extreme 
SR7 Failure to deliver our work programmes	An ongoing shortage of necessary resources (people and materials) means we are unable to deliver our work programmes resulting in constrained growth and negative long-term outcomes for the community. Links to SR2	Neutral	Andrew Parsons	Medium 

Organisational Risk Name	Risk Description	Risk Appetite	Risk Owner	Residual Risk Rating
OR1 – Failure to Maintain Trust and Confidence of Iwi and Maaori	Deterioration of relationships with iwi and Maaori could result in a loss of credibility and impact Council's reputation. This will jeopardise delivering immediate core projects in a timely and financially sustainable way and reduce what we achieve over generations.	-	Janet Carson	Very High 
OR2 – Failure to Maintain Trust and Confidence of Stakeholders	Deterioration of critical relationships means Council may be unable to deliver its outcomes for the city; in a timely and financially sustainable way. This may result in reduced access to funding streams, low community engagement, and social disconnect and discontent.	-	Janet Carson	Very High 
OR3 Failure of critical assets	Incorrect investment (timing and/or amounts) results the unexpected failure of critical assets (loss of levels of service). Resulting in loss of service delivery, financial impact, environmental damage.	Averse	Andrew Parsons	Very High 
OR4 – Low Staff Engagement	A lack of adequate people resource, unclear direction and strategy, inadequate business tools, systems and processes or ineffective leadership could lead to low staff engagement resulting in fatigue, health and safety issues, poor performance and retention issues.	-	Sean Hickey	Medium 

Strategic Risk 1					
SR1 Failure to Respond to a Disaster, Crisis, or Emergency					
A lack of preparedness leads to a failure to respond or an ineffective response to a disaster, crisis, or emergency resulting in compromised organisational and community resilience. Links to SR3 Loss of information or access to systems.					
Risk Owner	Helen Paki	Category	Disaster Recovery/Business Continuity	Risk Appetite	Cautious - 2
Inherent Risk Rating			Very High – Possible x Catastrophic		
Existing Controls					
1. Annual external (NEMA) capability assessments					
2. Collaboration on emergency management response approach					
3. Co-located EOC in a dedicated leading-edge centre					
4. Early warning processes are in place at a national and regional level					
5. Emergency Management Framework					
6. Emergency management training program					
7. Robust emergency exercise schedule in place					
8. Council has established an Incident Management Team					
9. Availability of technical expertise					
10. Regional and national emergency services relationship management					
11. Council has responsibility for climate change response					
12. District Plan					
13. Asset Management. 2024-2054 Infrastructure Strategy is in place.					
14. Asset Management.2024-34 Activity Management Plans int. ext. reviewed					
15. Asset Management. Manage, monitor, operate and maintain critical assets					
16. Asset Management. Plan policy in place to set standards					
17. Risk Management Policy					
18. Enterprise Business Impact Analysis (EBIA)					
19. Business Continuity Management Policy and Plans					
20. Quarterly Operational Risk Reviews					
21. Security Risk Assessments					
22. Business Continuity and Disaster Recovery (BCDR) Processes					
Residual Risk Rating			Very High – Possible x Major		
Responsible Manager(s)	Kelvin Powell Robbie Hermann Michelle Hawthorne Nicholas Whittaker		Risk Treatment Option		Mitigate
Treatment Plans					
Treatment Plan	Previous Update		Update – June 2025		
Implementation of the 2024/25 Capability Assessment Workplan	March 2025 All 12 of the recommendations from the CDEM Capability Assessment are underway. Most are long term projects that will not be completed within a single financial year and in the cases of hazard research, community engagement, training development and the Operational Resilience Framework work will be ongoing.		June 2025 11 of the 12 actions are long term (3 year) activities - all are under action, on track and are reported to the Community and Natural Environments Committee. The 12th action is due to be completed by the end of 2025.		

Adopt and implement accepted recommendations from SRAs by June 2025	<b>March 2025</b> 348 recommendations have now been completed, leaving 51 recommendations in progress and 12 recommendations not yet started. Broadly speaking many of the In Progress items and Not Started recommendations are lower priority and require budget prioritisation to fully complete. Where possible, steps to mitigate and manage risks have been undertaken.	<b>June 2025</b> A further 22 recommendations being completed since March 2025, leaving 41 either in progress or not started.
Review of Organisational Security Risk Assessment (OSRA) by June 2025	<b>March 2025</b> There are 10 Recommendations. 3 High Risk recommendations have been completed, 4 High Risk recommendations are underway (some will be enduring), 2 Medium Risk recommendations are underway and 1 High Risk recommendation has not been started. Work on this High Risk recommendation (number 9) will follow the completion of recommendations 5, 6 and 8.	<b>June 2025</b> No update
Develop a Resilience Management Policy by March 2025	<b>March 2025</b> No update	<b>June 2025</b> The final draft, pending internal policy steering group approval has been completed. Once the steering group have approved the policy this action will be closed.

Strategic Risk 2					
SR2 Significant Negative Impact on Financial Strategy					
A major economic or financial shock event negatively impacts Council’s financial strategy, fiscal and monetary position resulting in significant financial pressure on Council. Links to SR7 Failure to deliver our work programmes					
Risk Owner	Gary Connolly	Category	Financial	Risk Appetite	Cautious - 2
Inherent Risk Rating		Very High – Likely x Major			
Existing Controls					
1. Monitoring of economic trends with external advisors					
2. Monitoring of financial performance and projections by Governance					
3. Monitoring of local and global economic trends					
4. Financial capacity - access to standby credit facilities					
5. Financial planning scenario and sensitivity modelling					
6. Ability to urgently reprioritise and reduce capital spending					
7. Ability to urgently reprioritise and reduce community LOS spending					
8. Financial policies					
9. Governance report review					
10. Assurance - independent assurance (internal audit) activities					
11. Assurance - external audit of financial statements and long term plans					
12. Monitoring of financial performance and projections by Executive					
13. Financial planning and forecasting					
14. Independent and Professionally Qualified Finance Staff					
15. Fraud and Corruption Management Policy					
16. Financial capacity - sufficient debt headroom					
17. Financial performance reporting					
18. Financial delegations framework and segregation of duties					
Residual Risk Rating		High – Possible x Serious			
Responsible Manager(s)	Sarah Vaz Greg Carstens Tiki Mossop	Risk Treatment Option		Accept	
Treatment Plans					
Treatment Plan	Previous Update		Update – June 2025		
Develop recommendation on utilising LGFA high growth council 350% limit	March 2025 (New Treatment Plan) To review and provide a recommendation, given proposed changes related to the Waters CCO, whether Council has sufficient headroom in its projected net debt position to reasonable respond to this risk, or whether Council should apply to LGFA for a higher bespoke limit.		June 2025 Recommendation on agenda for presentation to Strategic Risk and Assurance Committee June meeting. This action is now closed.		

Strategic Risk 3					
SR3 Loss of Information or Access to Systems and Services					
In the event of a cyber-attack, IT service or technology asset failure there is a risk that confidential information and / or Council services are compromised or fail and / or there is a loss of information resulting in ongoing reputational, legal, and financial consequences. SR3 links to SR1 (Failure to respond to a disaster, crisis, or emergency).					
Risk Owner	Sean Hickey	Category	Disaster Recovery/Business Continuity Technology	Risk Appetite	Neutral - 3
Inherent Risk Rating			Very High – Possible x Catastrophic		
Existing Controls					
A separate public excluded report is taken to the Strategic Risk and Assurance Committee which provides further details about the Organisation’s Cyber Security and Risk					
Residual Risk Rating			Very High – Possible x Major		
Responsible Manager(s)	Allan Lightbourne Ron Rahman Eric Wang	Risk Treatment Option	Mitigate		
Treatment Plans					
A separate public excluded report is taken to the Strategic Risk and Assurance Committee which provides further details about the Organisation’s Cyber Security and Risk Improvement Schedule					

Strategic Risk 4					
SR4 Failure to Respond to Climate Change					
Climate change causes <b>changes to our community and City we have not anticipated or planned for</b> which will negatively impact on the wellbeing of our community.					
Risk Owner	Blair Bowcott	Category	Climate Change	Risk Appetite	Cautious - 2
Inherent Risk Rating			Very High – Likely x Major		
Existing Controls					
1. Activity Management Plans incorporate climate change considerations.					
2. Our Climate Future: Te Pae Tawhiti o Kirikiriroa					
3. Climate Change Policy					
4. Council has responsibility for climate change response					
5. Council Climate Change Risk Assessment					
6. Hamilton Urban Growth Strategy					
7. Access Hamilton - transport strategy					
8. Future Proof Strategy					
9. Open Spaces Strategy					
10. Nature in the City strategy					
11. Stormwater Master Plan					
12. Long term Plan (LTP) and Annual Plan reviews					
13. District Plan					
14. Changes to District Plan (plan changes) where required					
Residual Risk Rating			Very High – Likely x Major		
Responsible Manager(s)	Charlotte Catmur Karen Saunders Poppy Barran Donald Matheson	Risk Treatment Option		Mitigate	
Treatment Plans					
Treatment Plan	Previous Update		Update – June 2025		
Staff learning and development programme for climate change developed and implemented by June 2026	March 2025 This workstream has been prioritised in the Climate Change Maturity Roadmap. Climate Fresk workshops for staff will commence this month and promotion of the climate change learning and development modules. Support for staff to complete the modules and attend the workshops has been sought from ELT.		June 2025 This workstream has been delayed so that it could be reviewed by the Prioritisation Steering Group to ensure that the change impact on the organisation is understood alongside other change programmes. Pilot Climate Fresk workshops have been completed, including for the Executive Leadership Team. There has been good engagement in the pilot sessions and support from ELT to roll out the training to leaders. The timeline for delivery has been extended to June 2026 due to the delay in being able to commence the programme.		
3-year Climate change maturity and disclosure programme developed and implemented by 30 June 2027	March 2025 Climate Change Maturity Roadmap has been drafted and approval is being sought from the Executive Leadership Team. The key workstreams for 2025 include - climate change education, update to climate change policy, emissions		June 2025 The Climate Change Maturity Roadmap was approved by the Executive Leadership Team and key workstreams have commenced. The education and climate change risk treatment actions are workstreams in the roadmap. Other actions includes		

	reduction plan for Council's emissions, embedding climate change in strategic processes and reviewing physical climate change risks for Council assets.	the review of the Climate Change Policy Appendix and guidance to improve the flow of information for decision making and a review of our emissions reduction plan for Council.
Hazard and Climate Change Risk Programme - phase one completed by 30 June 2027	<b>March 2025 (new TP)</b> Phase one of the Hazard and Climate Change Risk Programme aims to improve access and understanding of hazard and climate change risk data to enable better decision making, reduce risks and improve outcomes for the community. It is focused on using existing national, regional and local data to better understand the risk to our assets and the built environment within the city. The first key step in the programme is to procure the tool that will display the data spatially and calculate the vulnerability and risk.	<b>June 2025</b> The Resilience Explorer software has been procured by Council. The first stage is getting all relevant hazard and asset data loaded into the software, this includes Hamilton City Council, Waikato Regional Council and national data. Climate change data from NIWA will also be included and help us to assess the impact of climate change on our city and our assets.
Implement the Local Emissions Data Platform by December 2025	-	<b>June 2025 (new TP)</b> Council has signed up to the Local Emissions Data Platform along with 18 other Councils. This platform will provide a consistent methodology for calculating annual citywide greenhouse gas emissions. It will also include a series of decarbonisation pathways that we can use to test the impact of different policies and actions on our greenhouse gas emissions.

Strategic Risk 5					
SR5 Failure to Deliver Growth Outcomes					
Step-changes in growth requirements or demand or consequences of growth means Council can't deliver expected growth outcomes resulting in increased costs and the perception that growth delivers negative outcomes for the community.					
Risk Owner	Blair Bowcott	Category	Community and Wellbeing, Strategic	Risk Appetite	Neutral - 3
Inherent Risk Rating			Very High – Possible x Major		
Existing Controls					
1. Hamilton Urban Growth Strategy 2. Future Proof Partnership and work programmes 3. Engagement with Central Government 4. Engagement with neighbouring Councils on strategic growth planning 5. Preparation of growth programme business cases 6. Sustainable Communities Unit 7. Communications and engagement strategies for Growth 8. National Policy Statement Urban Development 9. Changes to District Plan (plan changes) where required 10. Zoning Decision Process 11. Submissions on any neighbouring councils plan changes. 12. Management of Resource Consent applications 13. Out of Boundary Principles 14. Private Developer Agreements 15. Monitoring the broader environment 16. HCC Growth and Development Contributions model 17. Long Term Plan (LTP) and Annual Plan reviews 18. Developer Relationship Management					
Residual Risk Rating			High – Possible x Serious		
Responsible Manager(s)	Karen Saunders Greg Carstens Mark Davey Hannah Windle	Risk Treatment Option		Mitigate	
Treatment Plans					
Treatment Plan	Previous Update		Update – June 2025		
Make changes to the district plan as required by law.  Key changes to the district plan are noted.	March 2025 PC14 has now been publicly notified with submissions until end of February 2025. The final decisions on PC9 has been received these decisions are scheduled to be notified on early February 2025. Staff are awaiting more clarity on future policy changes from Government. A Fast-track Action Team has been established under Future Proof to respond to successful fast-track		June 2025 PC14 further submissions closed 16 April. Hearing expected early 2026. NOR – Rotokauri Strategic Infrastructure has been notified and a hearing is expected late 2025 Private Plan Change 17 – Te Rapa North – notified Plan Change 15 – Tuumata – extension of time granted by Minister Consultation on re-zoning Percival Road has commenced Fast-track development applications are being worked on, cost recovery		

	<p>applicants in a joined-up and collaborative manner. Internal HCC resourcing and capacity issues are being worked through in order to fully engage in this process.</p> <p>NOR – Rotokauri Strategic Infrastructure has been notified and a hearing is expected late 2025.</p>	<p>agreements are being negotiated. Initial applications are due to be lodged with the EPA Q4 2025 for approval</p> <p>Working with appellants to resolve appeals on Plan Change 9 related to heritage and significant natural areas.</p>
Monitoring the release of the Resource Management Reform and amendment bills	<p><b>March 2025 (new TP)</b></p> <p>Engagement with RM reform programme and development of implementation work plan once the reforms are made.</p>	<p><b>June 2025</b></p> <p>Engaging and providing feedback to the Ministry for the Environment case by case on reform programme</p> <p>Awaiting updated national policy statements (Q3)</p> <p>Waiting formal consultation to commence on RM Reform late 2025.</p>
Continuously responding to changes in Government policy	<p><b>March 2025 (new TP)</b></p> <p>Input into/submissions on forthcoming and revised national planning direction (eg changes to the RMA and national policy statements) and consequential changes to Hamilton's district plan that may be required as a result.</p>	<p><b>June 2025</b></p> <p>We submitted on Resource Management (Consenting and Other System Changes) Amendment Bill. HCC presented to the Select Committee in March 2025 We expect consultation to commence shortly on further changes to RMA National Policy Statements.</p>

Strategic Risk 6					
SR6 Political Changes Negatively Impact Strategic Direction					
Political stakeholders make unanticipated changes or decisions or take actions that negatively impact Council’s strategic direction resulting in significant changes to Council’s form or function, resourcing and work programme.					
Risk Owner	Blair Bowcott	Category	Political Service Delivery Strategic	Risk Appetite	Receptive - 4
Inherent Risk Rating			Extreme – Almost Certain x Major		
Existing Controls					
1. Collaborative governance group meetings 2. Culture, expectation, and policies of HCC organisation 3. Monthly ELT discussion to ensure awareness of strategic initiatives 4. Participation in national and regional advisory groups 5. Participation in processes to influence government policy direction 6. Proactive steps taken at the start of each local government triennium 7. Regular Council briefings 8. Regular engagement with stakeholders at political and executive level 9. Regular meetings with Government Ministers and MPs					
Residual Risk Rating			Extreme - Almost Certain x Major		
Responsible Manager(s)	Hannah Windle	Risk Treatment Option		Mitigate	
Treatment Plans					
Treatment Plan	Previous Update			Update – June 2025	
3 Waters Reform Treatment Plan	March 2025 Council has agreed to consult on a proposed joint CCO with Waikato District Council, with a start date of 1 July 2026. There is still the potential for others to join the CCO (should it go ahead) in the future. Separation of waters rates from the general rate is planned from 1 July 2025, with the development of a Water Services Delivery Plan required by September 2025. An LTP amendment will be completed subsequent to this.			June 2025 Council has consulted on a proposed joint CCO with Waikato District Council and will be making a decision on 29 May 2025 on whether to proceed with its establishment.	
Keep up to date with political changes	March 2025 (new TP) Staff continue to keep a close watch on the changing political environment, including the recent Cabinet reshuffle that resulted in portfolios relevant to Local Government changing. The implications of these changes are still emerging, however the government work programme of RMA change, waters change, Regional Deals and other changes will significantly change the strategic direction of council. There are also potential changes to the purpose of local government which may alter how and what local government delivers.			June 2025 Staff continue to keep a close watch on the changing political environment noting the large amount of legislative change that is currently impacting council. In addition to the 3 waters reform, changes as a result of the Going for Housing Growth programme, RM reform and upcoming changes to the Local Government Act are going to fundamentally change the form and function of local government.	

Strategic Risk 7					
SR7 Failure to Deliver our Work Programmes					
An ongoing shortage of necessary resources (people and materials) means <b>we are unable to deliver our work programmes</b> resulting in constrained growth and negative long-term outcomes for the community. Links to SR2 Significant negative impact on financial strategy.					
Risk Owner	Andrew Parsons	Category	Financial People Service Delivery	Risk Appetite	Neutral - 3
Inherent Risk Rating			Extreme – Almost Certain x Catastrophic		
Existing Controls					
<div>1. Established procurement planning frameworks</div> <div>2. Forward works pipeline visibility and supply chain engagement</div> <div>3. Procurement optimisation</div> <div>4. Utilising panel arrangement for procurement and engagement</div> <div>5. Portfolio Framework in place</div> <div>6. Resource management tool for Project Management</div> <div>7. Scope of projects reduced to fit the budget</div> <div>8. 3 yearly LTP Capital Portfolio Programme</div>					
Residual Risk Rating			Medium – Unlikely x Serious		
Responsible Manager(s)		Kelly Stokes	Risk Treatment Option		Mitigate
Treatment Plans					
Treatment Plan		Previous Update		Update – June 2025	
Optimise procurement processes and contracts to enable HCC to be a construction industry client of choice.		March 2025 Deferrals are being understood and delivery is being managed within the 3 Year Programme. Components of the programme are being delivered through developer agreements or partnerships that utilise third party funding.		June 2025 Progress on delivery is assessed on a monthly basis.	

Organisational Risk 1				
OR1 Failure to Maintain Trust and Confidence of Iwi and Maaori				
Deterioration of relationships with iwi and Maaori could result in a loss of credibility and impact Council's reputation. This will jeopardise delivering immediate core projects in a timely and financially sustainable way and reduce what we achieve over generations				
Risk Owner	Janet Carson	Category	Community and Wellbeing Reputation	Risk Appetite
Inherent Risk Rating			Very High – Possible x Major	
Existing Controls				
1. Key relationship holders identified				
2. Maaori relationship development, monitoring, and maintenance				
3. Effective public communication				
4. Waikato-Tainui Co-Governance Forum				
5. He Pou Manawa Ora				
6. Maangai Maaori				
7. Amorangi Maaori Business Unit				
8. Governance Report Review				
Residual Risk Rating			Very High – Possible x Major	
Responsible Manager(s)	Muna Wharawhara Nicole Nooyen	Risk Treatment Option	Mitigate	
Treatment Plans				
Treatment Plan	Previous Update		Update – June 2025	
Deliver the He Pou Manawa Ora Programme by June 2025	<b>March 2025</b> He Paa Waananga Ora briefing with councillors to endorse Maatauranga Maaorii framework 2025 Local body election strategy to encourage Maaori participation rates Engagement with mana whenua and maataawaka over LTPA and CCO submissions City wide Waitangi Day event and cultural history trails along the river. Attended by 3500 people. Hamilton Gardens festival promoting Kiingitanga and relationship with tuupuna awa Waikato (23 Mar) in partnership with Waikato Tainui Tourism Inc.		<b>June 2025</b> We are currently in the process of formally reviewing the health of our relationship with out Tiriti Partners. We hope to have a draft of the report in June. The Tiriti partnerships review is being conducted by University of Waikato researchers Dr Dara Dimitrov and Rogena Sterling.  Council has commenced roll out of He Paa Waananga Ora, councils bespoke Maatauranga Maaori framework. Moving forward Amorangi Maaori will work with Learning and Development to deliver the training organisation wide aimed at building organisational capability of staff. Council’s relationship with its partner councils is a growth area where we are working closely together on common issues and opportunities. Examples of this include providing opportunity for council staff to engage with Kiingitanga through marae learning opportunities, collaboration on elections and CCO. Amorangi Maaori notes concern around a raft of bills that refer to the status of the Tiriti and potential impacts on relationships between council and its Tiriti partner.	

<p>Deliver the JMA Work Programme by June 2025</p>	<p><b>March 2025</b>            Approved partnership priorities programme of works reported to the November JMA hui.            Updates on the CCO and LTPA to the JMA committee            Discussion on Maaori Ward Poll and working in collaboration to support increased enrolment and voting in upcoming elections.</p>	<p><b>June 2025</b>            Current priority projects under our JMA relationship with Waikato Tainui are due to be complete in June and reported back to the JMA co-governance committee in July. We are working with Waikato Tainui to organise a waananga to identify new priority projects for 2025-26.</p>
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Organisational Risk 2					
OR2 Failure to Maintain Trust and Confidence of Stakeholders					
Lack of timely and transparent engagement and poor stakeholder relationship management could lead to a failure to maintain the trust and confidence of key stakeholders resulting in reduced access to funding streams, low community engagement and social disconnect and discontent.					
Risk Owner	Janet Carson	Category	Reputation Political	Risk Appetite	
Inherent Risk Rating			Very High – Possible x Major		
Existing Controls					
1. Key relationship holders identified 2. Media Management 3. Effective public communication 4. Relationship building of Elected Members 5. Regular engagement with stakeholders at political and executive level 6. Emerging trend analysis and horizon scanning 7. Misinformation Policy 8. Community Sentiment Reporting 9. Reactive responses and pre-bunking 10. Online key messaging portal 11. Civic Engagement Sessions 12. Governance Report Review 13. Regular interagency meetings are facilitated across the city 14. Welcoming Communities Plan 15. Community and Social Development Strategy 16. Age Friendly Plan 17. Disability Action Plan					
Residual Risk Rating			Very High – Possible x Major		
Responsible Manager(s)	Nicole Nooyen Erin Bates Michelle Hawthorne	Risk Treatment Option		Mitigate	
Treatment Plans					
Treatment Plan		Previous Update		Update – June 2025	
Implementation of Online Key Messaging Portal by April 2025		March 2025 Final checks are being done on the key messaging portal with plans to share the tool this month.		June 2025 Key message portal is live, and will continue to be updated as plans, projects and community sentiment changes.	
Update the Communication and Engagement Strategy by October 2025		-		June 2025 Council has plans to update the Communication and Engagement strategy by September 2025. A key component of the strategy will be how all of Council business units contribute to Council’s trust and reputation.	
Implementation of the Rangatahi Action Plan 2025-28		-		June 2025 The Draft Rangatahi Action Plan will be considered for approval at the 5 June 2025 Community and Natural Environment Committee meeting.	

Organisational Risk 3					
OR3 Failure of Critical Assets					
Incorrect investment (timing or amounts) results in the unexpected failure of critical assets (loss of levels of service), resulting in loss of service delivery, financial impact, and environmental damage.					
Risk Owner	Andrew Parsons	Category	Environmental Financial Reputation Service Delivery	Risk Appetite	Averse - 1
Inherent Risk Rating			Very High – Likely x Major		
Existing Controls					
Asset Management Controls					
1. Regular monitoring and submission on industry change					
2. Resourcing for Activity Management Plan (AMP) funded					
3. 2024-2054 Infrastructure Strategy is in place.					
4. Modelling and master planning of strategic network assets					
5. Asset Management Plan policy in place to set standards					
6. 2021-31 Activity Management Plans int. ext. reviewed					
7. Asset Strategy Team in place to drive org consistency					
8. Manage, monitor, operate and maintain critical assets					
Operational Controls:					
9. Processes in place Re: supervision design and test					
10. Quarterly Threat and Risk assessments					
11. Training and development plans in place for staff					
12. Business Continuity and Essential Maintenance Plans					
Planning Controls:					
13. Annual review of infrastructure capital and renewal programme					
14. Anomaly detection and vulnerability scanning capability					
15. Solutions for redundancy (physical and process) in place					
16. Project management and procurement processes are in place					
Procurement Controls:					
17. Robust procurement process followed to identify/scope					
18. Maintenance and service agreements in place with the supplier					
19. Speciality contracts in place to maintain critical assets					
20. Stakeholder engaged before procure/replacement of asset					
Residual Risk Rating			Very High – Possible x Major		
Responsible Manager(s)	Paul Gower, Tania Hermann, Jo Keall, Claire Toko,	Risk Treatment Option		Mitigate	
Treatment Plans					
Treatment Plan	Previous Update		Update – June 2025		
Implement the Organisational Asset Management Improvement Plan by June 2025	March 2025 The community and facility asset management improvement programme is in progress and will continue until June 2025. Funding is available for this programme . This programme comprises		March 2025 The community and facility asset management improvement programme is in progress and nearing completion and will continue beyond June 2025. Funding is available for this		

	<p>9 related projects - improving asset registers, practices and capabilities across key community infrastructure and assets and Council buildings. The recent Future Fit staffing changes has made some changes to staffing of asset management activities and embedding these changes will be progressed over coming months. These have been informed by the themes contained in the 2021 organisational improvement programme. The Organisational Improvement programme will be updated over the next few months and be adopted by July 2025 to guide future improvements.</p>	<p>programme in current financial year. This programme comprises 9 related projects - improving asset registers, practices and capabilities across key community infrastructure and assets and Council buildings. On completion of this work the Organisational Improvement programme will be reported on and updated to guide future improvements.</p>
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Organisational Risk 4					
OR4 Low Staff Engagement					
A lack of adequate people resource, unclear direction and strategy, inadequate business tools, systems and processes or ineffective leadership could lead to low staff engagement resulting in fatigue, health and safety issues, poor performance and retention issues.					
Risk Owner	Sean Hickey	Category	People Service Delivery	Risk Appetite	
Inherent Risk Rating			Very High – Possible x Major		
Existing Controls					
1. Change Management					
2. Annual Engagement Survey					
3. Rewards and Recognition Scheme					
4. Internal Communications					
5. He Waka Eke Noa – Our Way of Working					
6. Diversity Equity and Inclusion Strategy					
7. Leadership Capability					
8. Culture Rebuild Programme					
Residual Risk Rating			Medium – Possible x Moderate		
Responsible Manager(s)	Dan Finn Julie Sanderson Natalie Haysom	Risk Treatment Option	Mitigate		
Treatment Plans					
Treatment Plan		Previous Update		Update – June 2025	
Implement the Culture Rebuild Programme by July 2025		<b>March 2025</b> Our revised Culture Rebuild program consists of team/ leader led culture initiatives including employee engagement action planning, pulse and annual surveys, DISC training, psychological safety training, ELT reset and our Corporate People Strategy. Employee engagement action planning is underway starting with our Senior Leaders who met prior to Xmas to further progress their key focus area - compelling vision that inspires. Work remains ongoing in this area and impact will be evidenced through pulse survey in March and annual survey in July/August 2025, which are currently being planned for. Corporate People Strategy is currently in draft and will be finalized following review in April.		<b>June 2025</b> A pilot training program has also been run with a select group of people leaders to elevate and use storytelling to help engage and inspire business communications. Working with 'The Pickering Group', further workshops will be made available for senior leaders. Other work remains ongoing in this area following the recent pulse survey in March which largely highlighted that we remain on-track and that we were continuing to focus efforts in the right areas. Our annual survey is scheduled for July/August 2025, with planning already underway. Corporate People Strategy is currently in its final draft and will be finalized in May.	
Rollout Psychological Safety Training by June 2025		-		Psychological safety training continues to be rolled out with 77% of people leaders having either completed or registered to	

		attend the workshops in May. 624 employees have completed the 'Psychological Safety in the Workplace' online training to date.
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Date approved by IPSG:	
Next review date:	(3 years after date approved by BSLT)
Document number / location:	
Associated documents:	
Sponsor/Group:	Customer and Community and Partnerships, Communication & Maaori
Policy Owner:	Chief Executive

## Organisational Resilience Policy

### *Ko te Puutaketanga*

### Purpose

1. The purpose of this policy is to:
  - a) outline Hamilton City Council's (Council) approach to organisational resilience to enable the provision of resilient, sustainable, efficient, and effective services.
  - b) ensure Council can continue to deliver critical functions before, during, and after a disruptive event; and
  - c) establish Council's framework for incident, crisis, and business continuity management.

### *Ko te Whaanuitanga*

### Scope

2. This Policy applies to all Council business units, activities, and employees (including contractors and volunteers). It addresses all disruptive events that affect both Council and the wider community.
3. This Policy does not apply to Civil Defence and Emergency Management which is covered under its own policy. However, it is important to note that these policies are interrelated and should a significant disruptive event (including but not limited to a natural disaster) occur, these will be managed using an integrated approach.

### *Ko ngaa Whakamaaramatanga*

### Definitions

Term	Definition in this Policy
Business Continuity (and Business Continuity Management)	<p>The capability of Council to continue delivery of products or services at acceptable predefined levels following disruptive incident.</p> <p>A holistic management process that identifies potential threats to an organisation and the impacts on business operations from those threats, if realised. It provides a framework for building organisational resilience by enabling capability for an effective response that safeguards the interests of an organisations' key stakeholders, reputation, brand and value-creating activities.</p>
Business Continuity Plan	Documented procedures that guide an organisation to respond, recover, resume, and restore to a pre-defined level of operation following disruption.

Business Impact Analysis (BIA)	<p>The process of analysing activities and the effect that a business disruption might have upon them.</p> <p>An Enterprise BIA considers Council's core functions and identifies which of these are the highest priority to recover from a disruptive event(s).</p> <p>Critical units identified through an Enterprise BIA will be required to undertake an operational business impact analysis.</p>
Civil Defence Emergency Management (CDEM)	<p>Civil Defence Emergency Management (CDEM) is a coordinated system designed to protect people, property, and the environment in emergencies. It involves identifying hazards, assessing vulnerability, building resilience, and mobilising resources to cope with disasters. CDEM is not a single organization, but rather a collaborative effort of communities, government, and other agencies to prepare for, respond to, and recover from emergencies.</p>
Crisis	<p>An unstable condition involving an impending abrupt or significant change that requires urgent attention and action to protect life, assets, property, or the environment.</p> <p>A crisis is an abnormal or disruptive situation, incident or event that threatens the council's strategic objectives, reputation, staff or ability to provide services for the community. A crisis may also be external to the council, with implications for the continued safety, health or wellbeing of individuals or the community. Crises by their nature tend to be extraordinary and serious, with strategic implications for the council.</p>
Crisis Management (and Crisis Management Plan)	<p>Includes processes that identify potential impacts that threaten an organisation and provides a framework for building resilience. Consideration includes the capability to deliver an effective response that safeguards the interests of the organisation's key stakeholders, reputation, brand, and value-creating activities, as well as effectively restoring operational capabilities.</p> <p>Note: Crisis management also involves the management of preparedness, mitigation response, and continuity or recovery in the event of an incident. It also includes management of the overall programme through training, rehearsals, and reviews to ensure the preparedness, response, and continuity plans stay current and up to date.</p> <p>Documented procedures that guide organisations to respond, recover, resume, and restore to a pre-defined level of operation following a crisis.</p>
Disruptive Event	<p>An anticipated or unanticipated event that interrupts normal functions, operations, or processes (e.g. severe weather, political or labour unrest, utility outage, criminal/terrorist attack, technology failure, or earthquake)</p> <p>Note: A disruption can be caused by either positive or negative factors that will disrupt normal functions, operations, or processes.</p>
Emergency management	<p>The overall approach preventing emergencies and managing those that occur</p> <p>Note 1: In general, emergency management utilises a risk-management approach to prevention, preparedness, response and recovery before, during and after potentially destabilising and/or disruptive events.</p>
Hamilton City Council (HCC or Council)	<p>Hamilton City Council as an organisation.</p>

Incident management	Documented processes in response to an event with consequences that have the capacity to cause loss of life, harm to assets, or negatively impact human rights and fundamental freedoms of internal or external stakeholders.
Incident Management Plan	<p>Is a structured approach designed to identify, respond to, and recover from events that disrupt normal operations. It outlines clear procedures for detecting incidents, assessing their impact, and coordinating an effective response to minimise damage and restore functionality as quickly as possible.</p> <p><b>A Site-Specific Incident Management Plan</b> is for location-specific incident management planning where Hamilton City Council activities have specific risks that are localised or exclusive to their business.</p> <p>For example, an SSIMP will need to be created and maintained for sites such as Hamilton Zoo, Hamilton Gardens, Waterworld, and the Duke Street Depot.</p> <p><b>A Support Service Incident Management Plan</b> is for activity-based incident management planning that applies across sites/activities but sits solely under the control of one business unit. The focus of these plans is having coordinated responses for the management of critical services.</p> <p>Examples include Facilities, Finance, and Digital Services.</p>
Organisational Resilience	An organisation's ability to anticipate, prepare for, respond to, and adapt to disruptions to not only survive but thrive. For Hamilton City Council this consists of the interconnected disciplines of incident, crisis, emergency, and business continuity management.
Risk	The effect of uncertainty on objectives. It can be understood as an event that could occur which would impact on an activities or organisation's strategy, purpose, or goals.

### ***Ko ngaa Tikanga Whakahaere Kaupapahere* Policy Principles**

4. The guiding principles for this Policy are that Council:
  - a) will maintain ongoing organisational resilience through the implementation of the Incident, Crisis, Emergency, and Business Continuity Management frameworks;
  - b) will swiftly respond to and recover from disruptive events;
  - c) services and activities are agile, adaptable and flexible;
  - d) recognises the inter-relationships between people, assets, and technology as critical components of organisational resilience; and
  - e) recognises that effective risk management is an essential tool for good business practice.

### ***Ko ngaa Tikanga Policy***

#### **The Four Disciplines of Organisational Resilience**

5. Hamilton City Council's approach to organisational resilience is underpinned by four distinct disciplines of disruptive event management: Business Continuity, Incident Management, Crisis Management, Emergency Management.
6. Outlined below is the approach to these inter-related disciplines (see Figure 1 Guide). In summary - Business Continuity enables proactive planning and recovery strategies. The

focus for business continuity is to ensure that critical business units are able to continue to provide core services despite disruptive events. Incident management focuses on identifying, responding to, and mitigating disruptions, often dealing with localised events. When an incident escalates and threatens the organisation's strategic direction, operations or reputation, crisis management steps in, ensuring coordinated decision-making and communication. Emergency management operates at a broader level, addressing large-scale threats like natural disasters and often involving external agencies.

Together these four disciplines create a layered defence against unforeseen events, enhancing adaptability and stability.

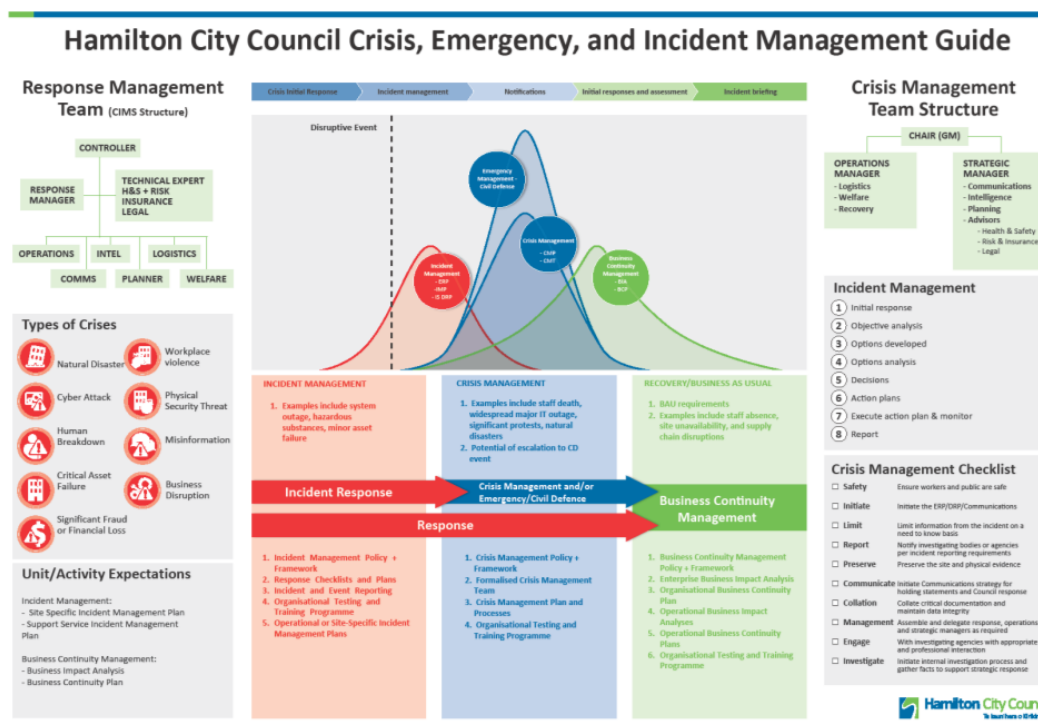


Figure 1: Hamilton City Council's Crisis, Emergency, and Incident Management Guide

### Business Continuity Management

- Hamilton City Council will always have an up-to-date business continuity management establishment and implementation cycle. This cycle brings together the various plans, structures and processes that the Council uses to ensure business continuity for its critical functions (see Figure 2). These include:
  - this Policy and its associated standards and guidelines;
  - business impact analyses at an enterprise level and for the organisation's critical functions at the operational level;
  - the business continuity plans developed for each critical function;

- d) testing and review processes conducted annually;
- e) any links with the council's policies related to crisis, emergency, incident and risk management;
- f) key suppliers and partners' plans.



Figure 2: Business Continuity Management Establishment and Implementation Cycle

- 8. Hamilton City Council will have current business continuity plans for each of its critical functions. Critical functions are outlined in the Enterprise Business Impact Analysis and form the basis of the annual business continuity management work programme.
- 9. As part of good business practice, activities must identify any critical supply chains including the use of third parties that deliver part or all of a critical service.
- 10. Where an activity relies on a service or product delivered by a third party to maintain its own services for customers, its contractual arrangements with the third party should specify expectations for the continued provision of that service or product. The third party may be required to provide evidence of its own business continuity planning and testing.

#### Incident and Crisis Management

- 11. The Council's crisis management approach will be based on the following principles and strategies.
  - a) achieving control of the situation as soon as possible;
  - b) providing effective leadership for Council activities and the broader community, before, during and after a crisis;
  - c) communicating effectively, both internally and externally, with staff, stakeholders and the broader community;
  - d) being prepared, with clear, well-understood structures, roles and responsibilities;
  - e) building situational awareness through good information management, enquiry and analysis, and collective working;

- f) having clear and well-rehearsed decision-making, delegation and activity management processes;
  - g) ensuring staff are competent to fulfil their incident and/or crisis management roles
  - h) balancing competing demands for resources and considering how they are best be allocated;
  - i) working to assess and establish business continuity activities as soon as possible after the incident or crisis, to ensure the council can continue to deliver a minimum level of service to customers, stakeholders and the community, and ultimately restore service levels;
  - j) maintaining comprehensive records of all decisions made and actions taken in the time leading up to, during and after a crisis;
  - k) evaluating the effectiveness of its incident and crisis management approaches and learning from this to enable it to respond more effectively in the future, and if possible, prevent the crisis reoccurring.
12. Hamilton City Council will maintain an up-to-date crisis management plan (CMP) which will:
- a) Identify the top crises that could significantly impact the organisation's strategic or organisational direction;
  - b) Identify a dedicated team with clear roles and responsibilities;
  - c) Identify critical response procedures including communication strategies;
  - d) Identify strategies for recovery and returning to normal operations post-crisis as soon as practicable;
  - e) Be reviewed and tested annually.
13. Identified critical activities or support units will maintain an up-to-date site-specific incident management plan (SSIMP) which will:
- a) Identify the top incidents that could either; significantly disrupt an individual activity or multiple activities where the incident response responsibility sits under one teams' control. organisational financial outage incidents.
  - b) Identify a dedicated team with clear roles and responsibilities
  - c) Identify critical response procedures including communication strategies
  - d) Identify strategies for recovery and returning to normal operations post-crisis as soon as practicable
  - e) Be reviewed and tested annually
14. The Council's incident and crisis management framework, including this policy, standards and all other associated documents and tools will be:
- a) regularly updated to reflect the council's changing needs
  - b) effectively implemented and maintained
  - c) proactively communicated to staff.

### Responsibilities

**The Executive Leadership Team is responsible for:**

- Leading the organisation before, during, and after a disruptive event
- Implementing incident, crisis, and business continuity management within their area of control
- Communicating significant business continuity risks to Hamilton City Council and where appropriate other key stakeholders.
- Promoting a risk-aware culture across Hamilton City Council.
- The GM Partnerships, Communication & Maaori is responsible for the effective implementation of business continuity management
- The GM Customer and Community is responsible for effective implementation of incident and crisis management

**The Organisational Resilience Governance and Working Groups are responsible for:**

- Setting the vision, strategy, and objectives of organisational resilience initiatives within the organisation
- Provides direction, oversight, and alignment for the organisational resilience initiatives, ensuring that they are aligned with the organisation's strategic goals, values, and priorities.
- Regularly reviewing incident and crisis management related documents and processes with relevant leadership teams or activities – including incident management plans, and any exercise or testing documents.

**The Crisis Management Team is responsible for**

- Leading the Organisation's crisis management response and implementing the crisis management plan
- Developing, implementing, reviewing, and testing the Council's Crisis Management Plan

**The risk management team is responsible for:**

- Regular review and update of the business continuity management framework and associated documentation.
- Regularly reviewing business continuity related documents and processes with relevant leadership teams – including business impact analyses, business continuity plans, and testing documents.
- Developing, implementing, and maintaining the annual business continuity management work programme including reviews, tests, and training.
- Enabling all staff and leadership teams to implement business continuity management
- Advising the organisation on business continuity practices to ensure they are adequate and appropriate.

**People Leaders are responsible for:**

- Implementing business continuity management within their area of control, including

ensuring the following documents are up to date:

- Business Impact Analysis
- Business Continuity Plan
- Ensuring staff understand and implement business continuity management processes.
- Implementing incident management within their area of control as directed by the Organisational Resilience Governance and Working Group, including ensuring the following documents are up to date:
  - Site Specific Incident Management Plan (SSIMP)
  - Support Services Incident Management Plan
- Managing risks in their area of control in accordance with the Risk Management Policy and the Risk Management Framework.

**All staff are responsible for:**

- Understanding and implementing relevant business continuity management processes
- Understanding and implementing relevant incident and crisis management processes
- Managing risks in their area of control in accordance with the Risk Management Policy and the Risk Management Framework.

***Ko te Aroturukitanga me te Whakatinanatanga***  
**and Implementation**

**Monitoring**

15. Implementation of the policy will be monitored by the Resilience Governance and Working Group as part of their mandate to maintain and improve organisational resilience.
16. The policy will be reviewed in response to any issues that may arise, every three years, at the request of Council or in response to changed legislative and statutory requirements (whichever occurs first).

**References**

17. Risk Management – Council Policy
18. Climate Change – Council Policy
19. Civil Defence and Emergency Management – Council Policy
20. Asset Management Policy 2023
21. Health and Safety – Management Policy
22. Disinformation – Management Policy
23. Visitor Control – Management Policy

# Council Report

Item 9

**Committee:** Strategic Risk and Assurance Committee

**Date:** 17 June 2025

**Author:** Sarah Vaz

**Authoriser:** Gary Connolly

**Position:** Accounting Manager

**Position:** Chief Financial Officer

**Report Name:** Audit New Zealand Update

<b>Report Status</b>	Open
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## Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on Audit New Zealand audit progress since the last committee meeting.
2. To update the Strategic Risk and Assurance Committee on material accounting issues relating to the preparation of the 2024-25 Annual Report.
3. To seek Strategic Risk and Assurance Committee endorsement of managements recommendation that the Council discontinues presenting Consolidated Financial Statements.
4. To note the risks and impacts in relation to the revaluation of the Waters Reticulation asset classes for the Annual Report for the year ending 30 June 2025.

## Staff Recommendation - *Tuutohu-aa-kaimahi* (Recommendation to the Council)

5. That the Strategic Risk and Assurance Committee:
  - a) receives the report;
  - b) recommends that the Council approves the managements recommendation to discontinuation of the presentation of Consolidated Financial Statements subject to confirmation of the treatment by Audit New Zealand; and
  - c) notes the risks and impacts in relation to the revaluation of the Waters Reticulation asset classes for the Annual Report for the year ending 30 June 2025.

## Executive Summary - *Whakaraapopototanga matua*

### 2024-25 Annual Report

6. Audit NZ have completed the first and second interim audits. They will be onsite for the pre-final audit on 7 July 2025.
7. The Interim Management Report will be provided as a late attachment to this report. Athol Graham, Appointed Auditor, will provide a verbal update at this meeting.

### Group Accounting Treatment

8. Council has historically prepared Consolidated Financial Statements as a controlling entity due to its 100% shareholding of Waikato Innovation Growth Ltd (WIGL). This has resulted in the consolidation of WIGL into the group accounts and equity accounting for the 50% shareholding in Waikato Regional Airport Limited (WRAL).
9. Following the disposal of WIGL during the 2023-24 financial year, staff have assessed whether this is still the appropriate accounting treatment.
10. Staff have determined that Council is no longer a controlling entity as defined by PBE IPSAS 35, nor is it expected to be a controlling entity of the Waters Council Controlled Organisation, and therefore recommend no longer preparing consolidated group financial statements.
11. Staff's determination is currently under review by Audit NZ.

### Revaluations

12. The following asset classes were due for revaluation in the current year, due to considerations of materiality of the movement in fair values and financial policy guidance.

Asset Classes	Revaluation Status
Operational Buildings	Completed and in the process of being committed
Investment Property	To be completed at 30 June 2025
Treatment Plant & Reservoir Building Water Treatment Plant Water Supply Plant	Underway, in review
Stormwater Reticulation Wastewater Reticulation Water Supply Reticulation	Under review, potentially delayed pending further investigation of the results to improve confidence in outputs

13. At the Council Meeting on 29 May, Council approved the intention to defer the recognition of the three water reticulation book revaluations pending completion of additional work to validate correct financial measurement ahead of the transfer to the Council Controlled Organisation noting that the matter would be reported on to this Committee.
14. The deferral of the reticulation revaluations will allow further work to be completed to enable a sufficient level of confidence in the findings and ensure alignment of methodology with Waikato District Council to ensure confidence in the value of asset transfers to the Council Controlled Organisation.
15. Non-recognition of the revaluation as at 30 June 2025 is expected to result in a qualified audit opinion in respect to the values of the waters reticulation asset book values in the 2024/25 Annual Report and a qualification over the opening balances in the 2025/26 Annual Report due to the materiality of these asset books and the movements in the fair value of those assets.
16. The risks for non-recognition are limited to potential reputational risks and are not considered to have any operational or strategic impacts on the Council's water activities in the next year.
17. Staff consider the matters in this report to have medium significance and that the recommendations comply with Council's legal obligations.

## Discussion – *Matapaki*

### Group Accounting Treatment

18. Under New Zealand Generally Accepted Accounting Practice, reporting under NZ PBE Tier 1 Financial Reporting Standards, Council must determine:
  - i. whether or not Council is a controlling entity and is required to produce Consolidated Financial Statements for its Annual Report for the year ending 30 June 2025; and
  - ii. the appropriate presentation for each entity that Council has an investment in or is identified as having a specific interest in that may indicate a level of significant influence or control.
19. Staff conducted an evaluation of control in accordance with PBE IPSAS 35, alongside and assessment of significant influence under PBE IPSAS 36, for WRAL and the Waters Council Controlled Organisation due to considering the consistency of presentation from year to year.
20. No assessment of Waikato Innovation Growth Ltd was necessary given that the entity was disposed of during the 2023-24 financial year.
21. Audit New Zealand also required an assessment of influence and control in relation to Waikato Regional Property Trust due to the value of the capital grants provided to that entity.
22. The assessment was submitted to Audit New Zealand on 16 April 2025 but they have yet to provide a response.

### Waikato Regional Airport Limited (WRAL) Assessment

23. Under PBE IPSAS 35, Council does not control WRAL due to shared ownership (50%) without board representation and limited influence over operations. While Council can oppose director appointments and provide feedback on WRAL's Statement of Intent, these do not equate to control.
24. Under PBE IPSAS 36, Council has significant influence over WRAL through its 50% shareholding, which allows participation in director appointments and strategic discussions. Despite lacking board representation, Hamilton City Council's engagement in governance confirms its ability to influence WRAL's direction.
25. As Council has significant influence over WRAL, the entity must be equity accounted. Currently, WRAL is recorded at cost in the parent financial statements and equity accounted in the Group financial statements. It is recommended that the parent adopt equity accounting, requiring an adjustment to transition from cost accounting.

### Waters Council Controlled Organisation Assessment

26. Hamilton City Council and Waikato District Council are expected to jointly incorporate a Waters Entity on 1 July 2026 in response to the Local Waters Done Well legislation. The assessment has been made using the Record of Agreement as the binding arrangement between Hamilton City Council and Waikato District Council on which the entity is expected to be formed and to operate.
27. Shareholding values are currently expected to be approximately 50/50, however may vary based on final asset values and debt levels. Governance decisions will be made through a Shareholder Forum, granting each shareholder one vote is expected that governance control will be jointly held. The Board will comprise 5 to 7 directors, with the Chair appointed by the Shareholder Forum. The Waters Council Controlled Organisation will operate independently, setting its own fees and charges to maintain financial sustainability without relying on Hamilton City Council funding. It will not pay dividends to shareholders, and shared services may be utilized initially.

28. Under PBE IPSAS 36, joint control exists when decisions require unanimous consent and are governed by a binding arrangement. The Record of Agreement between Hamilton City Council and Waikato District Council establishes this binding arrangement, confirming joint control. Shareholder decisions and director appointments are jointly managed, reinforcing this classification
29. Given the joint control structure, the Waters Council Controlled Organisation should be equity accounted rather than consolidated in Hamilton City Council's financial statements, in line with IPSAS 36 requirements.

#### **Waikato Regional Property Trust Assessment**

In 2024 Hamilton City Council granted Waikato Regional Property Trust \$25 million for the construction of the theatre. Upon commencement of operations, Hamilton City Council has agreed to provide a \$1.1 million grant per annum for 10 years (cpi adjusted) towards ongoing maintenance costs for the building. Due to the material nature of this transaction, Audit New Zealand required an assessment of significant influence and control.

30. The outcome of the assessment confirmed that Council has no shareholding in the entity, no governance representation and no ability to derive variable benefits. Therefore, there is no significant influence or control and there is no requirement under the financial reporting standards to recognise any balances in relation to this entity in its financial statements beyond the recognition of the expenses in the Statement of Comprehensive Revenue and Expenses.

#### **Revaluation**

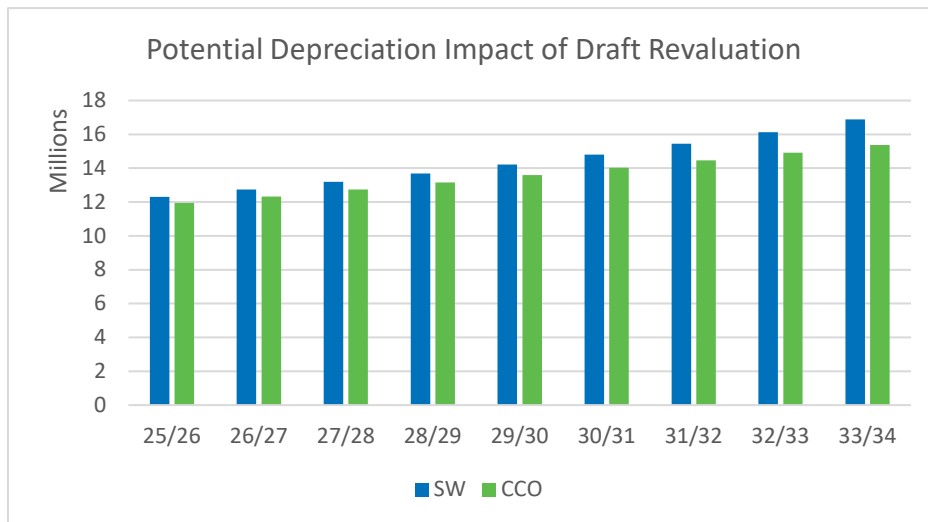
31. Council chooses to apply the Revaluation Model to most classes of assets. For assets carried at on a revalued basis, PBE IPSAS 17 requires that revaluations shall be made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date.
32. The following asset classes were due for revaluation in the current year, due to considerations of materiality of the movement in fair values and financial policy guidance.

<b>Asset Classes</b>	<b>Revaluation Status</b>
Operational Buildings	Completed and in the process of being committed
Investment Property	To be completed at 30 June 2025
Treatment Plant & Reservoir Building Water Treatment Plant Water Supply Plant	Underway, in review
Stormwater Reticulation Wastewater Reticulation Water Supply Reticulation	Under review, potentially delayed pending further investigation of the results to improve confidence in outputs

33. The Operational Buildings book is completed by staff and peer reviewed by an external expert. It is based on market value methodologies where the property is commercially viable and depreciated replacement cost (DRC) for buildings that normally have no value on the open market.
34. Waters Buildings with a depreciated replacement cost of \$7.1 million have been removed from the Asset Class and transferred to the Waters asset classes to ensure separation of waters assets as part of the Local Waters Done Well work.

35. The revaluation has resulted in a \$45 million (13%) gain on current depreciated replacement cost which will result in an additional \$2.2 million of annual depreciation. The depreciation included in the Annual Plan 2025-26 is sufficient to absorb the increased depreciation however, it does not cover additional depreciation for the waters buildings transferred to the waters book.
36. The Treatment Plant and Reservoir valuations are currently underway and are in the final stages of review and are expected to be finalised by 30 June 2025. The revaluations use DRC methodology. Due to the specialised nature of treatment plants and reservoir assets which are typically bespoke componentised assets, the Capital Good Price Index (CGPI) indexation methodology is used to escalate values.
37. Investment property revaluations are performed annually and are based on capitalisation of net revenue, discounted cashflow and sales comparison methodology as at 30 June and will be completed at balance date.
38. The current DRC of the Reticulation asset books that are under review is \$1.4 billion with a current annual depreciation value of \$28 million. It makes up approximately 27% of the total Council asset book.
39. At the Council Meeting on 29 May, Council approved the intention to defer the recognition of the water reticulation book revaluations pending completion of additional work to validate correct financial measurement ahead of the transfer to the Council Controlled Organisation noting that the matter would be reported on to this Committee.
40. Considerations for the deferral of the reticulation revaluation provided to the Council at the meeting on the 29 May 2025 include:
  - i. There have been considerable changes to industry guidelines on how revaluations are carried out since the last waters revaluation. The new guidelines clarify the need to value assets based on what we would replace them with now – i.e., a modern-day equivalent, rather than a like-for-like replacement. The new guidelines also increase the range of components that are considered as part of the associated costs, including considering additional technical complexities of undertaking renewals in areas of increased intensification.
  - ii. The workings supporting the current revaluation have produced complex results, with significant uncertainty about the validity for budgeting purposes. The initial results suggest approximately a 120% increase in the cost of replacing assets across the three waters network compared to 2022.
  - iii. Given the significantly material gap between initial results at 120% versus reasonably expected results based on Capital Goods Price Indices over that period of 25-30%, management is not confident in the draft findings to the degree necessary to complete the revaluation this financial year.
  - iv. Management considers that inclusion in the annual report of the revaluation based on initial result could result in a material error and misrepresentation of the financial position of Water Reticulation assets within Property Plant and Equipment at 30 June 2025. Management therefore recommends that recognition of the valuation be deferred pending completion of additional work to validate correct financial measurement within financial reporting.

- v. If the Council establishes an asset-owning Council Controlled Organisation to deliver water services from 1 July 2026, a further revaluation will be required ahead of the transfer of assets. The proposal is therefore that we take the time to investigate the issues uncovered during the current revaluation process to provide confidence in the result ahead of the transfer of assets to the Council Controlled Organisation (if approved). This would also provide the opportunity to align our approach with Waikato District Council, which will also be conducting revaluations over the next year, to enable an equitable valuation and transfer of assets.
  - vi. The Commerce Commission has indicated it may be setting out revised requirements for water asset valuations. Depending on timing, the pause may also give us chance to align our work with the revised requirements.
41. The reticulation revaluations are based on unit rates and it is the development of these unit rates that is most impacted by the new standards and is driving the complexity for these revaluations.
42. The differential between indexed cost movements, the various additional inputs relating to the change in the valuation standards and the valuation outputs have not yet been explained sufficiently to give management sufficient confidence in the outputs.
43. Based on the initial draft revaluation, the approximate impact on depreciation for Stormwater which will remain with Future Council and the impact of the Wastewater and Water Supply elements which will be transferred to the Council Controlled Organisation are shown in the graph below.



44. Risks of including the draft valuation received to date include:
- i. material misstatement of the financial value of assets
  - ii. inaccurate assessment of the value of assets and consistency of equity positions in the transfer of water assets to the Waters Council Controlled Organisation.
  - iii. qualification of the audit opinion in relation to asset values
  - iv. overstatement of the depreciation included in the Annual Plan 2025-26.

45. Risks of excluding the draft valuation received include:

- i. material misstatement of the financial value of assets
- ii. inaccurate assessment of the value of assets and consistency of equity positions in the transfer of water assets to the Waters Council Controlled Organisation
- iii. qualification of the audit opinion in relation to asset values
- iv. understatement of depreciation in the Annual Plan 2025-26
- v. understatement of asset replacement values identified for insurance purposes and future loss insurance modelling activities.

46. The completion of the Annual Report requires the Chief Financial Officer, the Chief Executive and the Mayor to sign a representation letter to the auditor attesting to the fair presentation and compliance with generally accepted accounting practice and that the significant assumptions, and data used in making and supporting accounting estimates and the related disclosures in the financial statements are in accordance with reporting standards. The Chief Financial Officer to date has had insufficient information to be able to have confidence in making that attestation in compliance with the ethical requirements of the Chartered Accountancy designation.

47. Expansion of the scope of the engagement with the peer reviewer is one option being explored to get independent insights and critique into the compilation of the unit rates.

48. A work programme is planned to ensure the alignment of the valuation of the waters books between Waikato District Council and Hamilton City Council with outputs expected to be available in December 2025 to ascertain asset values for the transfer of assets to the Council Controlled Organisation.

49. It is proposed that the work programme for the further testing of the draft revaluation be aligned with the Council Controlled Organisation work programme in the interests of efficiency, noting that the outputs of the work programme are not likely to provide data in time to meet the 31 October deadline for Council Statutory reporting.

50. Completion of the revaluation by December 2025 would ensure that the values are available for consideration in the Annual Plan 2026-27.

### **Financial Considerations - *Whaiwhakaaro Puutea***

51. The cost of this engagement is funded through the 2024-34 Long Term Plan.

### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

52. Staff confirm that the matters in this report comply with the Council's legal and policy requirements.

53. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matters in this report.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-orange tonutanga***

54. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural well-being of communities in the present and for the future ('the 4 well-beings').

55. The subject matter of this report has been evaluated in terms of the 4 well-beings during the process of developing this report.

**Risks - *Tuuraru***

56. There known risks are addressed earlier in the report.

**Significance and Engagement Policy**

57. Having considered the Significance and Engagement Policy, staff have assessed that the matter in this report is of medium significance.
58. Given the medium level of significance determined, the engagement level is low. No engagement is required.

**Attachments**

There are no attachments for this report.

# Council Report

Item 10

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 17 June 2025  
**Author:** Sarah Vaz  
**Authoriser:** Gary Connolly  
**Position:** Accounting Manager  
**Position:** Chief Financial Officer  
**Report Name:** KPMG – Internal Audit Report

<b>Report Status</b>	Open
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## Purpose - *Take*

1. To inform and update the Strategic Risk and Assurance Committee on the programme of independent assurance activity through internal audits being undertaken by KPMG across Council as of May 2025.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee receives the report.

## Executive Summary - *Whakaraapopototanga matua*

3. This report identifies and provides an update to the Committee on the programme of independent assurance undertaken by KPMG through internal audits as requested by management or the Committee as part of its risk management programme.
4. Key updates on the KPMG internal audit assessments addressed in this report are:
  - i. scoping for the **Future Fit and Simplification Programme Controls Impact Assessment** is currently underway, with fieldwork scheduled to commence in mid-June 2025; and
  - ii. KPMG will begin the **Internal Audit Plan Refresh** process to identify and confirm focus areas for the FY26 Internal Audit Plan.
5. Staff consider the matters in this report to have low significance and that the recommendations comply with Council's legal obligations.

## Discussion – *Matapaki*

6. Council's risk management programme includes the completion of independent assurance in the form of audits completed by both external agencies and internal Council Staff.
7. This report identifies and provides an update to the Committee on the programme of independent assurance undertaken by KPMG through internal audits as requested by management or the Committee as part of its risk management programme.

8. Since the last report to this committee, there are two updates to note. The table below provides a summary of the FY2025 Internal Audit program:

Engagement	Current Status
Climate Change Maturity Assessment	Deferred until FY2026
Cyber Security Review	Performed by alternative provider Completed and reported March 2025
Communication Integrity Review	Performed by alternative provider Completed May 2025, report contained in the Other Independent Assurance Report being presented to this committee.
Future Fit and Simplification Programme Controls Impact Assessment	Initial scoping undertaken Fieldwork to be kicked off in June 2025

9. As part of the FY2025 Internal Audit Plan, several proposed focus areas were identified for FY2026 Internal Audit Plan. KPMG will now commence the Internal Audit Plan Refresh process to assess the relevance and validity of these areas for inclusion in the FY2026 Internal Audit Plan. The refreshed plan will be presented at the September Strategic Risk and Assurance Committee Meeting for approval.

#### **Financial Considerations - *Whaiwhakaaro Puutea***

10. The internal audit programme is a regular operating activity funded through the current Long-Term Plan.

#### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

11. Staff confirm that the matters in this report comply with the Council's legal and policy requirements.

#### **Climate Change Impact Statement**

12. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation or emissions assessment is required.

#### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

13. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
14. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.

#### **Risks - *Tuuraru***

15. There are no known risks identified by staff in relation to decision sought by this report.

#### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

16. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance. Given the low level of significance determined, the engagement level is low. No engagement is required.

#### **Attachments - *Ngaa taapirihanga***

There are no attachments for this report.

# Council Report

Item 11

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 17 June 2025  
**Author:** Sarah Vaz  
**Authoriser:** Gary Connolly  
**Position:** Accounting Manager  
**Position:** Chief Financial Officer  
**Report Name:** Other Independent Assurance Updates

<b>Report Status</b>	Open
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## Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on the programme of other independent assurance activity, outside of Audit New Zealand external audits and KPMG internal audits occurring across Council as of 26 May 2025.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee receives the report.

## Executive Summary - *Whakaraapopototanga matua*

3. Council's risk management programme includes the completion of independent assurance in the form of audits completed by both external agencies and internal Council Staff.
4. This report identifies and provides an update to the Committee on the programme of independent assurance by external parties other than Audit New Zealand or KPMG, undertaken as compulsorily required through legislation or in compliance with the delivery of Council activities, or as requested by management or the Committee as part of its risk management programme.
5. Key updates on the audit assessments addressed in this report are:
  - i. Other Assessments – management has continued to compile a schedule of other assessments completed or anticipated across the organisation to inform the Committee of the range of assurance assessments undertaken across the organisation that provide assurance over a range of organisational risks. This is provided in **Attachment 1**.
  - ii. Communication Effectiveness Review – the review was shifted from the KPMG programme and a specialist provider was appointed. The final report has been completed with key recommendations and management responses summarised in **Attachment 2**, The full final report is attached in **Attachment 3**. There were no Urgent/High findings identified. Karl Ferguson (Arkus Communication) will be present to provide responses to any points of clarity raised about the report at this meeting.
6. Staff consider the matters have low significance and that the recommendations comply with Council's legal requirements.

## Discussion – *Matapaki*

7. Council's risk management programme includes the completion of independent assurance in the form of audits completed by both external agencies and internal Council Staff in line with the "Four Lines of Defence Model" as recommended by the Institute of Internal Auditors New Zealand (IIANZ) and Chartered Accountants Australia and New Zealand (CAANZ):



8. Internal audit assessments are generally undertaken by external agencies rather than Council internal audit staff as Council no longer has a dedicated internal audit function. These assessments will normally be undertaken by our appointed internal audit agency KPMG, or where appropriate based on specialist skills and experience may be undertaken by other external independent parties.
9. The external audits on behalf of the Office of the Auditor General by Audit New Zealand, and the programme of internal audits undertaken by KPMG from 2024, and PricewaterhouseCoopers prior to the appointment of KPMG, are addressed in separate reports to the Committee on this agenda.
10. On occasion internal audit assessments may be undertaken by appropriate Council staff based on specialist skills and experience and reported to the Committee for assurance. These will only be considered as internal audit assessments, in line with the "Four Lines of Defence Model" as recommended by the Institute of Internal Auditors New Zealand (IIANZ) and Chartered Accountants Australia and New Zealand (CAANZ), where appropriate levels of independent and objective assurance are evident.
11. This report identifies and provides an update to the Committee on the programme of independent assurance by external parties other than Audit New Zealand or KPMG, or Council staff, undertaken as compulsorily required through legislation or in compliance with the delivery of Council activities, or as requested by management or the Committee as part of its risk management programme.

### Other Independent Assurance Programme:

12. Within Council's risk management framework, a variety of assessments are conducted across different council activities. These assessments are driven by legislative requirements, compliance obligations, or specific requests from management.
13. Management continues to identify these and will provide an update to the Committee at each of its future meetings within this report, providing the level of assurance as recommended by the Office of the Auditor General ([setting up a council's Audit and Risk Committee](#)) and ISO 31000 "ISO 31000:2018 - Risk management — Guidelines".
14. To inform the Committee of the range of assurance assessments undertaken across the organisation that provide assurance over a range of organisational risks a schedule of assessments is provided in **Attachment 1**.

### Communication Effectiveness Review:

15. In the Strategic Risk and Assurance Committee meeting of June 2024, the KPMG Internal Audit update identified an assessment to be undertaken with respect to Council communication activities with the scope identified as:
  - i. Assess(ing) the Council's external communication processes, including identifying misinformation sources, evaluating communication gaps, assessing crisis communication readiness, gauging public perception, analysing social media impact, evaluating fact-checking effectiveness, and reviewing the overall communication strategy for improvement.
16. We identified in the committee meeting of 10 December 2024 that management was reviewing the effectiveness of having KPMG or a specialist third party undertake this assessment. We have subsequently resolved that this assessment would benefit from by being undertaken by a specialist agency directly rather than through KPMG.
17. Following a procurement process, Arkus Communications Ltd was appointed to undertake the review.
18. The review included an audit of communication plans, policies, processes and channels. It also included interviews with five Elected Members, the Chief Executive and other staff across the business.
19. The final report has been completed with key recommendations and management responses summarised in **Attachment 2**, The full final report is attached in **Attachment 3**. There were no Urgent/High findings identified. There were three necessary and seven beneficial findings identified in the report, of which one has already been implemented.

### Financial Considerations - *Whaiwhakaaro Puutea*

20. This is a regular operating activity funded through the Long-Term Plan.

### Legal and Policy Considerations - *Whaiwhakaaro-aa-ture*

21. Staff confirm that matters in this report comply with the Council's legal and policy requirements.
22. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matters in this report.

### Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga*

23. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
24. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.

### Risks - *Tuuraru*

25. There are no known risks associated with the decision sought in this report.

### Significance & Engagement Policy - *Kaupapa here whakahira/anganui*

26. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.
27. Given the low level of significance determined, the engagement level is low. No engagement is required.

**Attachments - *Ngaa taapirihanga***

Attachment 1 - Other Independent Assurance Activities Schedule

Attachment 2 - Recommendations and Management Response

Attachment 3 - Hamilton City Council Communications Effectiveness Review Final Report

HAMILTON CITY COUNCIL - INTERNAL AUDIT  
SCHEDULE OF OTHER INDEPENDENT ASSURANCE ACTIVITIES  
JUNE 2025

TABLE 1: COMPLIANCE AND ACCREDITATION ASSURANCE ACTIVITIES					
Business Unit	Nature of assurance	Purpose	Assurance provider	Last assessment	Next assessment
Aquatics	Poolsafe Quality Management Scheme (Poolsafe)	Poolsafe audit of Council's aquatic facilities assesses and certifies that the facilities meet nationally recognised standards for safety, supervision, and water quality. This provides assurance to the public that the facility is managed in a way that prioritises health, safety, and best practice operations.	Poolsafe	Annually	
Hamilton Gardens and others	Hazardous Substances Certification	Hazardous substances certification for Council facilities such as Hamilton Gardens, ensures that any hazardous materials such as fuels, fertilisers, or pesticides, are safely stored, handled, and used in accordance with legislation. Certification provides assurance that the facility meets legal safety standards and protects staff, visitors, and the environment from potential harm.	Inferno Consultants	November 2024	November 2027
Regulatory Services	Building Consent Authority Accreditation (BCA)	BCA accreditation ensures Council has the necessary systems, processes, and competencies to perform building control functions effectively and in compliance with the Building Act 2004. This accreditation provides assurance to the public that building consents are assessed and approved to consistent, nationally accepted standards.	International Accreditation New Zealand (IANZ)	May 2024	May 2026
Te Kaaroro Zoo and Waiwhakareke	Animal Containment Facilities Accreditation	MPI accreditation ensuring that Council has meet the rigorous requirements for animal welfare, safety, and containment as a containment facility and container transitional facility under Environmental Protection Authority (EPA) standards and legislation. This accreditation provides public assurance that these facilities operate to nationally approved standards and manage exotic species responsibly.	Ministry of Primary Industries (MPI)	October 2024	October 2025

TABLE 1: COMPLIANCE AND ACCREDITATION ASSURANCE ACTIVITIES					
Business Unit	Nature of assurance	Purpose	Assurance provider	Last assessment	Next assessment
Te Kaaroro Zoo and Waiwhakareke	ZAA Zoo Accreditation	ZAA accreditation process is designed to assess and recognize zoos that meet high standards of animal welfare, conservation and operational excellence.	Zoo and Aquarium Association (ZAA)	2020	2025
Te Kaaroro Zoo and Waiwhakareke	Compliance to Hold Wildlife	DOC assessment identifies whether the Council meets legal and operational requirements related to animal welfare, biosecurity, conservation objectives and facility standards.	Department of Conservation	December 2024	December 2029
Transportation	NZTA Waka Kotahi investment audit	Provides assurance that the NZTA's investment in Council's land transport programme is being well managed and delivering value for money, and that Council is appropriately managing risk associated investment with recommended improvements made where appropriate.	NZTA	May 2024	

TABLE 2: OTHER SPECIFIC ASSURANCE ACTIVITIES					
Business Unit	Nature of assurance	Purpose	Assurance provider	Assessed	Reassessment
Communications	Communications Integrity review	Evaluating the effectiveness of the Council's communication strategy, focusing on external environment impacts, overall strategy, misinformation management, and emergency communications readiness. This includes assessing how well the Council identifies and manages misinformation related to its activities.	Arkus Communications Ltd	May 2025 (on agenda)	N/A
Digital services	Cyber Security Maturity Audit	Assess the overall effectiveness, governance and resilience of Council's cybersecurity framework, including policies, processes, capabilities and culture.	PWC	2022	
			KAON Security Services		December 2024
Digital services	External Penetration Test	Identify and address vulnerabilities in Council systems or website, ensuring external links and interfaces are secure against unauthorized access, data breaches, or cyberattacks. Helps protect sensitive information,	KAON Security Services	November 2024	

TABLE 2: OTHER SPECIFIC ASSURANCE ACTIVITIES					
Business Unit	Nature of assurance	Purpose	Assurance provider	Assessed	Reassessment
		maintain public trust, and comply with cybersecurity good practices and legal obligations.			
Health safety and wellbeing	Health & Safety ISO45001	Assess whether Council's occupational health and safety management systems meet the internal ISO45001 standard. Ensuring Council systematically manages health and safety risks, promotes a safe working environment, and demonstrates its commitment to continuous improvement and legal compliance.	Telarc	June 2025 (in progress)	November 2027

OTHER GENERAL MANAGEMENT ASSURANCE ACTIVITIES			
Nature of assurance	Purpose	Auditing partner	Period of assessment
Waste water audits	Assess the efficiency, compliance and environmental impact of wastewater systems, of Council facilities to ensure they meet regulatory standards and support sustainable water management.	Co-Lab Solutions	Annual programme of audits
Trade waste audits	Verifying that Council operations comply with trade waste bylaws and discharge limits, ensuring the organisation meets the same environmental and infrastructure protection standards expected of other trade waste customers.	Co-Lab Solutions	Annual programme of audits
Building warrant of fitness audits	Ensuring specified building systems such as fire alarms, lifts and emergency lighting are regularly inspected, maintained and compliant with legislation. Assurance that Council-owned buildings are safe, functional, and legally maintained for public and staff use.	Cove Kinlock and others	Annual programme of audits

## APPENDIX: Recommendations and Management Response

Our recommendations for improvement and their priority are based on our assessment of how far short current practice is from a standard that is appropriate for the size, nature, and complexity of your business. We use the following priority ratings for our recommended improvements.

Urgent	Necessary	Beneficial
These recommendations relate to a significant deficiency that exposes the Council to significant risk or for any other reason should be addressed with urgency.	These recommendations relate to deficiencies that need to be addressed to meet expected standards of good practice. These include any control weakness that could undermine systems of internal control. These should be addressed at the earliest reasonable opportunity.	These recommendations relate to areas where the Council is falling short of good practice but are not anticipated to generate material risk or compromise to internal control systems. In our view it is beneficial for management to address these, provided the benefits outweigh the costs.

**Table of Recommendations and Management response:**

Priority	Ref	Recommendation	Management response	Management proposed actions
<b>A changing and challenging external environment</b>				
Beneficial	B.01	Continuously review and adjust the tone of communications to reflect community sentiment.		Ongoing.
Beneficial	B.02	Consider various ways to test messaging, especially those related to cost increases or service changes.	This is current practice using A/B testing.	Will implement more frequently and consider other approaches.
<b>Council communications and engagement strategy – context, value and approach</b>				
Necessary	C.01	Develop a refreshed, enterprise-wide Communications and Engagement strategy with clear communication objectives aligned with the LTP. Consider how		To be delivered by October 2025.

Priority	Ref	Recommendation	Management response	Management proposed actions
		communication activity is funded as part of the strategy development and implementation.		
Beneficial	C.02	Establish a Council-wide core narrative		To be delivered alongside the refreshed strategy by October 2025.
Beneficial	C.03	Set deadlines and assign responsibilities for strategy development and implementation.		As per C.01, to be delivered by October 2025.
<b>Communicating with the community, and the management of misinformation and disinformation</b>				
Necessary	D.01	Undertake further/dedicated promotion of direct communication channels (Antenno, Our Hamilton).	Currently reviewing EDM tool.	Promotion to take place once tool is finalised.
Beneficial	D.02	Explore a printed or digital rates newsletter to reach a key audience (ie homeowners).	Estimated cost of \$7000 per instalment for A4 double-sided colour page.	Start with first instalment in 2025/26 and provide data (through link clicks and QR codes) in Exec Update.
Beneficial	D.03	Enlist trusted community figures and elected members to assist in myth-busting and public engagement, specifically by developing engaging, shareable content (e.g. videos, live events) to address misinformation and explain Council decisions.		To start post the October 2025 elections.

Priority	Ref	Recommendation	Management response	Management proposed actions
Beneficial	D.04	Introduce the proposed resident's survey, including potential questions that could provide for further insights into perceptions of Council services, and effectiveness and preferences in relation to current communications and engagement activities.		Scoping underway. Survey scheduled for October.
<b>Emergency Communications Readiness</b>				
Necessary	E.01	Ensure new Communications and Engagement staff onboarding includes emergency communication and PIM training to maintain current capability levels.	In place now.	To continue as part of the Communication and Engagement induction programme.



# Hamilton City Council Communications effectiveness review in the context of rising misinformation and disinformation

JUNE 2025

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# Introduction

**Hamilton City Council (HCC) strives to create a thriving and liveable environment for the people of Hamilton. Residents rely on the Council to deliver everything from critical infrastructure and services such as road maintenance and rubbish collection through to functions of a more recreational nature such as pools, libraries and events.**

Collectively, these services are essential to Hamilton being a well-run, efficient city that delivers quality of life for the people who live there. Effective communications play a key role in the Council's day-to-day activities. Residents, businesses and local organisations rely on the Council to know important things, such as changes to a key service or how to influence and inform the Council about its plans and priorities. In times of emergency, critical and timely communications from the Council could mean the difference between people being safe and their welfare needs met versus suffering hardship or even injury.

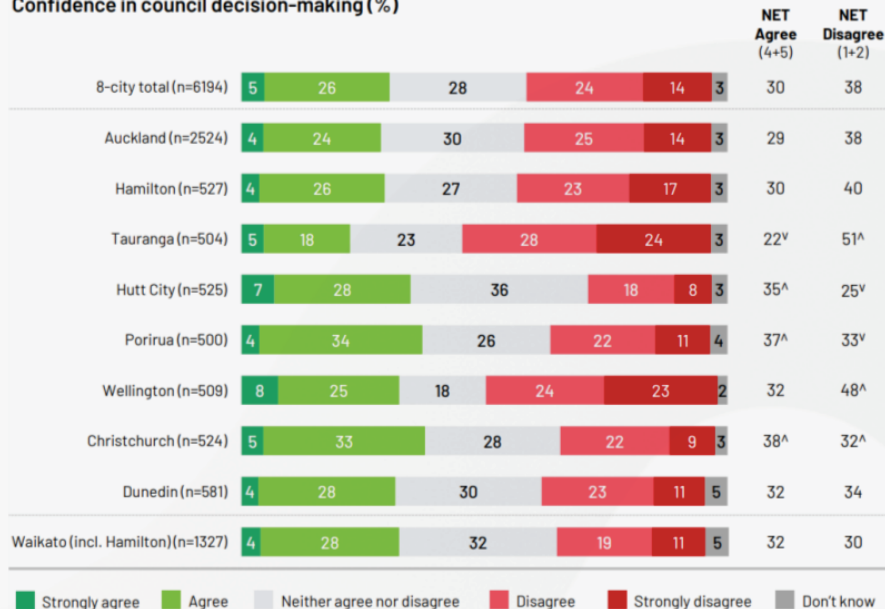
Arguably, effective communication plays an even more critical role now than ever before. In an environment where there is increasing scepticism about 'truth' and people engage less with those in positions of authority, and more with social media content of questionable integrity and accuracy, ensuring residents, ratepayers and communities can trust the communications from their local authority is essential.

HCC, like all local government entities, faces some significant challenges, including extensive government reform programmes – many of which are being revisited or significantly modified as a result of the change of government – greatly increased living costs, and a community dealing with a post-COVID environment and the associated anxiety and disquiet it has led to. At the same time, escalating costs will continue to impact the Council's ability to deliver services affordably. Public trust and confidence in institutions are at an historic low across the country, including for local Government (around 28 percent)<sup>1</sup> and this is also true for Hamilton – alongside comparable councils – where there is comparatively low confidence in the decisions that Council is making (see graph below). Similarly, only 35 per cent of residents believe they have some influence over council decision-making.<sup>2</sup>

<sup>1</sup> Quality of Life Survey, January 2025

<sup>2</sup> Quality of Life Survey, January 2025

## Confidence in council decision-making (%)



## Review scope and purpose

The Council have commissioned a review of some specific Council communications and engagement related activities on behalf of the Strategic Risk and Assurance Committee.

Like many organisations, the Council has recognised that effective communication plays a critical role in Hamilton City Council's overall success – particularly in terms of strategy, response to public issues, and demonstrating value and effectiveness to ratepayers and the community.

In particular, the Council would like assurance that:

- communication efforts are effective at managing and identifying misinformation in the community that relates to the work of the Council, and any communication gaps;
- emergency communications readiness; and
- that the Council's overall communications strategy and planning is fit for purpose.

The review involved a discovery phase which included undertaking a series of interviews with Council officers and Elected Members; the review of documents including plans, strategies and benchmarking documents; along with analysis and report writing phases respectively.<sup>3</sup>

The outcome of this review is twofold: an assessment of communication management and performance in relation to misinformation and disinformation; emergency readiness and overall communications strategy; and actionable recommendations aimed at improving communication processes and strategies that would lead to enhanced transparency, build public trust, and strengthen Council's capacity to respond effectively to misinformation.

<sup>3</sup> See review scope and methodology in Appendix 1

## Part A: Executive summary

Hamilton City Council (HCC) commissioned this review in order to assess the effectiveness of its communications and engagement activities, particularly in the face of growing misinformation and disinformation, and to identify potential initiatives that could support an increase in trust and public confidence in the Council. The review has examined the Council's strategic approach, operational communications – with a particular focus on channels management – misinformation management, and emergency communications readiness.

Overall, the key findings of the review are that the Council has in place an effective suite of communication channels that broadly meets the needs of the wider community, and are performing well. This is supported by 'best practice' community management. Regarding the key areas of scope for this review, I have found that:

- The Council has a comprehensive policy in place to address misinformation and disinformation which is being applied in a consistent and effective fashion
- The overall capability and readiness of the Communications team, and its PIM (Public Information Manager) functions is rated highly and compares favourably to other councils for emergency and crisis readiness
- The Council's communications strategy was fit for purpose when it was last updated in 2020, but the absence of a current strategy is a gap.

The audit identifies key areas for improvement including the development and implementation of an overarching Communications and Engagement strategy for the Council, and measures to strengthen both channel effectiveness, and the response to misinformation and disinformation.

Lastly, in considering all of the above, Council continues to operate in a challenging environment, and this needs to be considered in the context of its communications effectiveness and management of misinformation and disinformation. Accordingly, this report addresses the external environment as well as the other areas specified. Specific findings of the review are set out below against the various report sections:

### Part B: A changing and challenging external environment

Hamilton operates in a complex environment marked by economic pressure, political change (primarily driven a change in central Government), and the rise of misinformation and disinformation. Trust in local government is low, with only 28% of New Zealanders expressing confidence and just 35% of Hamilton residents believing they have influence over Council decisions. These conditions are impacting on the Council's ability to communicate effectively with its community. In response, the Council needs to consider implementing an organisational wide approach that is driven by a refreshed strategy; further consideration about 'tone of voice' in relation to some specific communication; greater direct communications with its residents and communities of interest; and more proactive communications that directly engages communities, reinforces Council credibility, and counters misleading narratives and information.

Council staff and elected members acknowledge the challenging environment—characterised by rising costs, social disconnection, and distrust in institutions—as a major influence on community attitudes. While positive City-wide events have demonstrated strong public engagement, there are competing and contradictory views from Elected Members about the overall approach and style of Council communication, especially in relation to more contentious issues like rates increases and how that should be characterised and framed.

**Recommendations:**

- Continuously review and adjust the tone of communications to reflect community sentiment.
- Consider various ways to test messaging, especially those related to cost increases or service changes.

### Part C: Council communications and engagement strategy – context, value and approach

The Council's communications strategy was fit for purpose when it was last updated in 2020, but the absence of a current strategy is a gap. It needs to be refreshed in the context of current organisational challenges, and its focus expanded beyond the Communications and Engagement Team to incorporate the whole organisation and the collective work it does to communicate and inform the people of Hamilton. Effective communication must be embedded across all Council operations and linked clearly to the Council's Long-Term Plan (LTP) priorities, and to other organisational strategies as appropriate.

**Recommendations:**

- Develop a refreshed, enterprise-wide Communications and Engagement strategy with clear communication objectives aligned with the LTP. Consider how communication activity is funded as part of the strategy development.
- Establish a Council-wide core narrative
- Set deadlines and assign responsibilities for strategy development and implementation.

### Part D: Communicating with the community, and the management of misinformation and disinformation

The Council has a comprehensive and well-managed suite of digital and social media channels, which play a vital role in informing the community and countering misinformation. The 2024 Social Media Strategy is fit-for-purpose but should more directly align with wider strategic priorities. However, there is scope for the Antenno app, and the 'Our Hamilton' Electronic Digital Mail (EDM) channel to be expanded to improve the Councils' overall reach. There would also be benefit in investigating adding a dedicated 'rates newsletter' as a key point of contact with homeowners.

HCC has a robust and well-implemented misinformation policy, including real-time monitoring and effective interventions. There are opportunities to strengthen the Council's overall response to misinformation and disinformation including by directly involving the community, and by expanding the role and involvement of elected members.

#### Recommendations:

- Undertake further/dedicated promotion of direct communication channels (Antenno, EDMs).
- Explore a printed or digital rates newsletter to reach a key audience (ie homeowners).
- Enlist trusted community figures and elected members to assist in myth-busting and public engagement, specifically by developing engaging, shareable content (e.g. videos, live events) to address misinformation and explain Council decisions.
- Introduce the proposed resident's survey, including potential questions that could provide further insights into perceptions of Council services, and effectiveness and preferences in relation to current communications and engagement activities.

### Part E: Emergency Communications Readiness

HCC's Communications and Engagement Team demonstrates strong emergency response capability, including high-performing Public Information Management (PIM) planning. The team is highly regarded both internally for its responsiveness and use of social media to disseminate critical information, and rated highly in an external review of Civil Defense capability.

#### Recommendations:

- Ensure new Communications and Engagement staff onboarding includes emergency communication and PIM training to maintain current capability levels.

## Part B: A changing and challenging external environment

**The external environment has a significant impact on an organisation's overall communication outcomes, and the current environment is a challenging one.**

Throughout the country, New Zealanders have been dealing with a cost-of-living crisis; a post COVID-19 environment that includes people feeling less connected to their wider communities and often disillusioned about the Government and its role and ability to address a wide range of issues and problems; and increasingly, uncertainty over employment. In addition, people are coming to terms with a Government whose style and tone is a significant departure from the previous Government, and what was already a significant programme of reform that is now being thoroughly reviewed, and in some cases – three waters reform being an example – replaced with an approach that is quite different from what was proposed. All of this leads to uncertainty and ambiguity for the community as a whole. Related to this, overall trust in institutions, including Government, is in decline, and the media landscape – where people access news and information – is increasingly fractured. This is leading to some residents sourcing 'news' from sites that potentially host and amplify misinformation and disinformation, and to people – in a general sense – being more susceptible to misinformation and disinformation. The independent research team, 'The Disinformation Project' has said that since the COVID-19 pandemic, they have 'charted the descent of New Zealanders into more extreme conspiratorial beliefs' and that 'these challenges to social harmony, democracy and the maintenance of a shared reality in Aotearoa New Zealand require urgent, meaningful responses.'<sup>4</sup>

Within that wider context, Hamiltonians, like most towns and centres around the country, are also having to contend with a significant Council rates increase – an average of 16.5 per cent for the 2024/2025 rating year. For many residents, this will be a cost they will struggle to meet and is likely to lead to either greater engagement with, or scrutiny of the Council and its actions and decisions. Meanwhile, escalating costs will continue to impact the Council's ability to deliver services affordably.

### Perspectives from Council Officers

During interviews, Council communication and engagement staff, and senior Council officers, said the overall environment was 'mixed.' While there was general acknowledgment that factors, like increased costs, were contributing to a more challenging environment, there wasn't a sense necessarily that this was unique to Hamilton, or that the actions of Council were particularly influencing the environment.

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**“I don't think it's particularly any better or worse in Hamilton than it is in other metros. I think some of the things that we are seeing and experiencing is that there's just a general lower interest in council and politics from the general population. I don't think that's caused by anything that council is doing per se. I think there are lots of more fundamental societal drivers for that.”** Council Officer.

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<sup>4</sup> The Disinformation Project, [www.thedisinfoproject.org/view](http://www.thedisinfoproject.org/view)

Others felt that there were 'lots of stresses out in the community at the moment', and that the cost-of-living crisis, which is affecting all of Aotearoa, 'is also obviously prominent with Hamiltonians'. Along with the pressure of rates increases, came concerns about council decision-making and whether the council was listening sufficiently to the concerns of residents, and in particular, around specific projects that 'get over the line'. There was a strong sense that these issues had come to the fore in recent years and that there has 'definitely been a change.'

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**“I think, since COVID times... people have become more, I guess, angry. Angry with their kind of sentiment and thoughts and feelings...most (of) that comes through on social media and in consultation feedback as well.” Council Officer.**

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Alongside this sentiment though, Council staff who were interviewed were broadly positive and generally upbeat, both about the organisation, and its culture, and the work that was being delivered by the Council on behalf of the community.

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**“At the same time... there is a lot of good things happening in Hamilton, which people talk about and know about and celebrate as well.” Council Officer**

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An example that was referenced was the recent Te Ara Pekapeka bridge opening in Peacock which attracted around 20,000 attendees. The sentiment associated with the bridge opening was described as 'really positive' and an event that counteracted a lot of the negativity that the Council might otherwise be encountering.

In terms of overall reputation, a number of interviewees acknowledged that Council decisions that were not well supported by the community could have a significant impact on reputation, and that communications had 'its limits' in how reputational impact could be mitigated. One example referenced often was the introduction of 'raised safety platforms' (speed humps) as part of climate related transport initiatives, largely funded by NZTA as part of its CERF (Climate Emergency Response Fund) initiative. A range of views were expressed, but there was a general sense that in the absence of strong community support for this initiative, especially as it directly impacted on people (in this case, how they used local roads) that communications efforts alone could not deliver widespread community buy-in.

## Perspectives from Elected Members

Elected members had a range of – and often contradictory – views on both the wider environment that the Council was operating in, including its cause, and the role of communications in this context. Some commented that the Council was struggling to get 'cut through' with the community because of a loss of credibility, and within an environment that was increasingly 'anti-establishment' and one where increased costs and other factors were impacting on reputation.

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**“Obviously rates have gone up significantly, and that’s by no means exclusive to Hamilton. There are additional costs that are being pushed onto local government from central government. And there’s quite... powerful rhetoric coming out of...Wellington about the poor performance of councils.” Elected Member**

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“I think a sector, probably a decent sector of the community is frustrated and feels that the council has mismanaged its financial obligations. They’re aware that our debt has probably doubled in the last six years. They’re aware that they’ve been pinged with a 16.5% rate rise, and I think we’ve got a 15.5% rate rise coming. So they feel – a good chunk of the community, it’s impossible to know how much, but a vocal chunk – feels that we’re over spenders and it’s time for fiscal responsibility.” **Elected Member**

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Others agreed but had different conclusions about why it was challenging for the Council to effectively communicate with Hamiltonians, specifically citing the rise of misinformation and disinformation.

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“I’ve always been very, very transparent with the community, and been able to communicate freely, be able to go to events, public events freely, and of course, after the pandemic, this, you know, the emergence of misinformation and disinformation, and mis-information has reared its ugly head, and it often feels like you just can’t get that cut through... as an elected member.” **Elected Member**

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Some felt that the Council was obligated to do more proactive communication as a result of the challenging environment and the difficulties the community faced. This included providing greater support to Elected Members in their role as the ‘conduit between community and bureaucracy... and breaking down barriers to process.’ Some Elected Members also felt the Council needed to do more to acknowledge the role that Officers’ advice and recommendations have in terms of the Council reaching a decision and to not ‘stand back’ from this in Council communication.

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“The community is feeling a bit shafted... (they’re) like, we just don’t want you to do anything (post COVID-19), there’s been so much change and so quickly (and are)... just like, why are you doing this? Why are you forcing this on us? Hey, we’re trying to make the city better.” **Elected Member**

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There was also broad acknowledgement that communications with the community was important, while also recognising that there’s a section of people in every community who are not that interested in the work of the Council. This was a factor that was also influencing some Elected Members in their overall level of effort and activity in terms of proactively communicating with Hamiltonians.

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“A lot of people just don’t have the capacity or time or desire to be receptive to a lot of what comes out of local government. And so, I must confess, I don’t spend a lot of time on my social media platforms trying to advise people of necessarily what’s going on.” **Elected Member**

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These external factors are likely to make the Council’s communication efforts less effective overall and must be considered when thinking about communications performance in general. For example, some residents and members of the community are less likely to engage with the Council’s communications, seeing them as having little relevance within households that have more pressing priorities. At the same time, other residents will take a more forensic interest in the work of Council, and may respond more negatively than might usually be the case. For example, there may be a disproportionate reaction to something seen as ‘wasteful’ or increased frustration with a service that’s perceived as being poorly delivered.

In addition, there are competing and contradictory views from Elected Members about the overall approach, quantity, and style of Council communication, especially in relation to more contentious issues like rates increases and how that should be characterised – including in relation to the role of Elected Members in communications activity.

To ensure communications are effective, the Council should consider ‘tone of voice’, particularly in relation to topics that might involve cost increases or changes that reduce services, as well as giving thought to how these messages might be delivered. This could include considering ways to test communication. Operationally, the Council might also like to consider ways to offset key concerns from the community. For example, further promote the Government’s Rates Rebate policy to both acknowledge and support households who might be experiencing financial difficulty and who have a fixed or low income (noting that there is an eligibility criteria that households have to meet).

#### Recommendations

- Keep regularly, and systemically, reviewing the tone and content of Council communications. Ensure all communications are empathetic to cost pressures on households etc, particularly in relation to topics that might involve cost increases or changes that reduce services.
- Consider testing ways to engage audiences on the communication approaches that would work best for them.

## Part C: Council communications and engagement strategy – context, value and approach

The challenging environment and concerns reflected does require an organisational response from the Council in order for there to be an improvement in overall trust and confidence in the community, and to lead to more effective communication outcomes. This will likely require a change of mindset from the wider organisation in terms of its collective role, and the need to adopt a 'system' approach. This section sets out some further context, the case for a strategy refresh, its scope (including greater alignment to the Council's Long-Term Plan), and some guidance on how best to approach the strategy's development.

### Communications as an organisational undertaking

Communications are an all-of organisation undertaking, not just the role of the Communications and Engagement function. Effective communications rely on the critical link between strategy and planning, operations and delivery, organisational culture, and stakeholder and public engagement. These activities work together to drive and enhance reputation and increase levels of trust and confidence within the community. From past experience, councils that deliver successful communication outcomes do so because they support and understand that communication effort is an integral part of the whole organisation.

The Communications and Engagement function have an important role to play though, especially in ensuring a collective focus on Council reputation management and in building trust and confidence in the Council. Included in this are the direct channels they are responsible for – such as the Council website and social media – and the work they partner with the rest of the organisation on to meet the communication needs of both the Council, and the community that they collectively serve. The Council also relies on its Communications and Engagement team for professional and technical advice.

Hamiltonians interact with the Council in many ways and undertake or receive communications in many forms, not all of which are generated by or through the Communications and Engagement Team.

### Strategy and planning

In principle, organisational communications and engagement strategies are only ever as strong as the organisation's strategic plan and commitment to operationalise that plan through prioritising projects and activities. As with other strategic or central functions, it is the number of competing organisational priorities that often dictate the overall work programme of the Communications and Engagement Team and their ability to deliver on those priorities.

To help inform the work of the team, and the wider organisation, the Council has a clear purpose and mission, and this is supported by five clearly articulated priorities that are documented within the Long-term plan (LTP). These are:

**Purpose and mission:**

**“To improve the wellbeing of Hamiltonians and to help build a more vibrant, attractive and more prosperous city.”**

**Priorities**

- A city that's easy to live in | Ahuahungia teetahi taaone e tau ai te noho ki roto
- A city where our people thrive | Ahuahungia teetahi taaone e puaawai ai ngaa taangata katoa
- A central city where people love to be | Ahuahungia te pokapuu o teetahi taaone e arohaina ai e te taangata
- A fun city with lots to do | Ahuahungia teetahi taaone ngahau e tini ai ngaa kaupapa papai hei whai
- A green city | Ahuahungia teetahi taaone tiaki taiao

There is a suite of other, external facing strategies that shape and inform the work of the Council. These strategies should also be considered in the context of the work and overall direction of Council's communication activity.

**Current state**

The Communications and Engagement team clearly demonstrated, both through our engagements, and the various documents that they provided, that they are applying strategic planning and critical thinking to their work on a regular basis. In particular, this is evidenced by the existence of key strategies and plans to support a specific Council goal or initiative. The scope of this work is broad. For example, the existence of a dedicated strategy and plan to support communicating and engaging effectively with the community on the introduction of paid entry to Hamilton Gardens, amongst other strategies, including a comprehensive communications approach to the 'Local water done well' initiative. And dedicated strategies that inform the work that the team lead on behalf of Council, such as channel and social media strategies.

However, the Council's most recent, overarching Communications and Engagement strategy was developed in 2020. In reviewing this strategy, it is clear that it was 'fit for purpose' at the time, and much of the work-programme it set out has since been implemented. As well, the scope of the strategy was restricted to the work of the Communications and Engagement team, rather than that of the wider organisation, where all parts of the Council are expected to contribute to its implementation.

The development of a new strategy has been identified as part of the deliverables for the Partnerships, Communication and Maaori Group Strategy, and it's encouraging to see this work has been prioritised. It's important this strategy refresh and development is progressed for the following reasons:

- **Currency:** since a strategy was last developed, the overall environment has changed (see 'Part B'), and the way the Council communicates and the means it has to communicate have also changed. This needs to be reflected in an overall strategic approach.
- **Enterprise:** as referenced earlier, communications is the responsibility of the whole of Council. While the Communications and Engagement team should take the lead on the overall

development of the strategy, it needs to be enterprise wide. This reflects the role the wider Council has in both directly and indirectly influencing overall trust and confidence in the Council as a result of the way it operates and communicates.

- **Effectiveness and Efficiency:** a refreshed strategy should clearly articulate internally the shared communication priorities and work to Elected Members, senior leaders, the wider organisation and staff in the Communications and Engagement Team. It also makes it easier for the Council business groups to coordinate and align their communication activities against common purpose and shared objectives.
- **Measurement:** a whole-of-organisation strategy allows for the development of suitable council-wide metrics that can be monitored and reported on.

The development of the strategy should support the organisation to identify its most important communications priorities and facilitate the organisation working together collectively to deliver it. For example, key business units might partner with the Communications and Engagement Team to improve resident information on how to access key services. Or jointly develop a campaign to tell the people of Hamilton about the long-term housing plan for the city. These activities would sit under some specific and agreed objectives – aligned to the Long-Term Plan (LTP) – but also be informed by key issues or concerns facing the community, such as infrastructure needs.

All the Communications and Engagement Team's other planning documents should become part of the wider communications strategy, including digital strategies, for example. As part of the planning, there will need to be a prioritisation exercise of all current activities to ensure there is capacity to prioritise its implementation. Related to this, a number of interviewees commented on the current way that communications and engagement activities are funded. Communication budgets sit across the organisation meaning the communication and engagement team does not fully own the budget that is allocated to a project. Accordingly, some projects have bigger, or smaller, communication budgets than the communication and engagement team would necessarily recommend. For the next Long-Term Plan, Council should potentially explore a centralised communication budget to give better effect to the strategy.

A further key element of the strategy should be the development of an overall core narrative for the Council. The purpose of the core narrative would be to anchor all the Council's communications around some agreed key messages. While these would be drawn from the Council's overall mission and priorities, as outlined in the LTP, the messaging is likely to be more specific and take account of the current environment. For example, agreed messages about the current level of investment in infrastructure; Council decisions to support future growth; or the Council's focus on managing costs in an inflationary environment. There are existing key messages that the Communications and Engagement Team are using that could be used as the basis of developing the core narrative.

A process and deadline should be agreed with the CE for the delivery of the communications and engagement strategy, with agreement at ELT about how each business group will contribute to both the development and implementation of the strategy.

The following principles and approach should be considered in the overall development of the strategy:

**Clear, not complicated** – The strategy need not be complicated. For example, it could be organised around the Council's five priorities. Mapping the current communications and engagement activities to these areas would illustrate where current activity is broadly focused and highlight any potential gaps or

inconsistency. It should reflect key priorities from the community, such as those identified in the Quality of Life survey.

**Senior Leadership Team oversight, involvement and implementation partnership** – The strategy should be endorsed by the Senior Leadership Team and they should support the implementation of its approach, even if it means some areas of the organisation may have a reduction in service. The strategy should also be informed by Elected Members and consideration given to how they can support its implementation.

**Audience centric** – The strategy must be audience focused. For example, as well as outlining what the Council wants to tell its audiences about itself, the strategy should be focused on what those audiences want and need to hear. The Communications and Engagement Team have a clear understanding of who the Council's audiences are. However, it would be useful, again, to map their work against these audiences. For example, the Council serves more than ratepayers, and there is a significant younger demographic and also a large Māori audience in Hamilton. It would be good to map the current activities for these audiences and identify gaps and opportunities.

**Informed** – The strategy will need to evaluate the effort allocated to the different activities currently conducted by the team and prioritise competing requests. These will need to be regularly re-evaluated.

### Part C findings:

While the Communications and Engagement team are demonstrably acting in a strategic fashion in terms of their day-to-day work, the absence of a current, overarching Communications and Engagement strategy is a gap. The overall effectiveness of the Council's communication could be strengthened – and in turn, help to mitigate the effects of misinformation and disinformation – by a strategy that recognises, and incorporates the work of the whole organisation to communicate with, and inform the people of Hamilton.

### Recommendations

Develop an organisation-wide communications and engagement strategy in partnership with key parts of the organisation using the ideas in this report as a guide for development. Consider how communication activity is funded as part of the strategy development.

- Add a process and set a deadline for completing the strategy
- Establish a Council-wide core narrative

## Part D: Communicating with the community, and the management of misinformation and disinformation

This section is split into two parts.

**Section A** considers the overall approach to, and effectiveness of the Council's current channels suite – in other words, how it formally and directly communicates with Hamiltonians. A key 'pillar' in a strategic response to increased misinformation and disinformation about the Council in the community is to ensure that you're reaching the community directly, that your information is timely and relevant, and that the Council is a trusted source of communication and information. Effective communication also leads to enhanced levels of trust and confidence and reduces the likelihood Hamiltonians will 'believe' misinformation or disinformation about the Council. Specifically, Section A will consider and examine the 'current state' and approach to the management of key communication channels, including social media strategy and 'community management' for these various channels.

**Section B** will complement Section A (as the two are closely related), and will directly address specific questions raised about misinformation and disinformation management including:

The Council's practice of identifying misinformation and disinformation and social media management in the context of misinformation and disinformation

- Identification of any 'gaps' that might exist in terms of the Council's overall management and approach to misinformation and disinformation
- The overall 'perception' of Council

### Section A – Council Communication Channels and overall effectiveness

Effective communication is an essential tool to help build and maintain trust and confidence in council. Within this broad context, communication channels are becoming a more important tool than ever when it comes to connecting and informing communities, especially in a 'post-truth' environment when facts are often disputed, and legitimate sources of information are increasingly being challenged.

In order to analyse and assess the Council's response to, and identification of misinformation and disinformation, it's important to first consider and understand how the Council currently informs, communicates with, and engages the people of Hamilton via its suite of communication channels. Ensuring an effective suite of communication channels are in place is an essential part of the Council's overall approach to communication and engagement with Hamiltonians. Done well, it ensures that

the community is well informed; supports high levels of trust and confidence of the community in the Council; and enables transparency about the council's work and decisions.

For local government generally, and over time (but during the last five years in particular), there has been a significant shift in how residents engage with their local Council. Increasingly, people use social media channels to communicate their concerns, seek information, and provide feedback rather than traditional methods such as walk-ins and phone calls. In the past, customers and residents were most likely to interact with the Council in person – by accessing a service, using a facility, or attending an event, for example. While this is still the case for some people, for many others their interactions will be through their phone, tablet or laptop and via social media or a website. In many cases, it will be both. A resident might check the times of the local pool online to ensure it's open before heading along for a swim or look out for information about an event before deciding whether or not to attend. In this respect, Council channels should be considered the new 'shopfront' and the work the Communications and Engagement Team do to support this channel approach as essential frontline services.

### Channel offering and scope

The current Council external channel offering is comprehensive. The Council supports a presence and following on a broad range of social media platforms and apps, a core website, and proactively distributes a digital update – 'Electronic Direct Mail' – to around 1000 current subscribers on a regular basis ie at least weekly (in 2024, the team sent 260 updates). The current mix of channels includes:

- Facebook - <https://www.facebook.com/hamiltoncitycouncil/>
- Instagram - [https://www.instagram.com/hamilton\\_city\\_nz/](https://www.instagram.com/hamilton_city_nz/)
- Instagram Threads – [https://www.threads.net/@hamilton\\_city\\_nz](https://www.threads.net/@hamilton_city_nz)
- LinkedIn - <https://www.linkedin.com/company/hamilton-city-council>
- TikTok - <https://www.tiktok.com/@hamiltoncitycouncil>
- YouTube - <https://www.youtube.com/user/HamiltonCityCouncil>
- Neighbourly - <https://www.neighbourly.co.nz/business/hamilton-city-council-2>
- Antenna
- Electronic Direct Mail (EDMs)
- Council website(s) – [hamilton.govt.nz](https://hamilton.govt.nz)

The overall channel mix represents a significant amount of work for the Communications and Engagement Team in terms of day-to-day management, development and maintenance, and that demand is increasing. For example, in 2024, there was a 74 per cent increase in private messages via the Council's Facebook pages, and a corresponding increase in new users, over comparable volumes during 2023.

### A strategic approach to social media management

Within the context of the Council's wider channels management, the Communications and Engagement team have developed a strategy – '*Hamilton City Council Social Media Strategy 2024*' – to guide and support the management of Council's presence on a range of social media platforms. This is reassuring and recognises both the importance of key social media platforms to the work of the Council, as well as demonstrating the team's commitment to ensuring that what is delivered via these channels is effective and meets the needs of the wider community.

The strategy and approach rightly identifies that: ‘when used effectively, social media can be one of the most powerful and cost-effective tools for an organisation.’ Specifically in the council context, the strategy reflects that social media represents an opportunity to ‘grow our online community, share our stories, inform and educate Hamiltonians and build pride in our great river city and greater Waikato area.’

Objectives include:

- to champion city pride
- to inform and excite Hamiltonians
- to connect the community and the Council.

The team report that the overall volume of contacts and number of messages and conversations started on the Council’s social media channels has increased significantly. The majority of these interactions occur on Facebook, but other channels have also seen an increase. Over the last 12 months Instagram has had a 340% increase in engagement (likes, shares and comments) and Tik Tok has had a 224% increase in comments when compared to the 12 months prior. The Communications and Engagement team are generally able to answer these queries as they have FAQs and other information to hand, however, the team state that the nature of the requests are increasing in complexity, and in some cases, are requiring significant time and effort in order for a suitable response to be provided.

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**“Increasingly, and maybe this is related to the overall misinformation space, the questions that come through are so complicated...they cover a range (of topics), people are potentially confused, and it’s really hard to know how to provide an answer.” Council Officer**

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The nature of the queries can also vary, which can make it difficult to provide an appropriate response.

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**“People are not using a filter when they are engaging with us on social media. It’s just whatever is top of mind (for them).” Council Officer**

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In addition, the team report that there is a general trend for residents to expect quicker responses on social media, often within hours, compared to traditional channels where a response time of 24-48 hours is acceptable. Experience suggests that this trend is likely to continue and will require careful management, sustainable resourcing and potentially, some expectation management with the community.

The strategy also has a focus on: content ‘pillars’; audience segmentation and the type of content that ‘will perform best for which audience’; consideration and use of Te reo Māori in social media posts; and a section dedicated to measurement. Overall, in my assessment, the strategy is fit-for-purpose and builds on an earlier version of a strategy that was developed in 2020. However, the strategy only indirectly connects to the Council’s wider five strategic priorities, especially in terms of how content might be shaped or curated to highlight to the community these broad goals and progress towards them.

Instead, it focuses on growing audiences and ensuring they connect to content and offerings that will appeal to residents and the community. While this is a worthy goal in itself, and will likely contribute to broader Council objectives such as increasing trust and confidence, the strategy could be strengthened by a more explicit connection to the Council’s immediate priorities.

## Insights into Hamiltonian's channels preferences

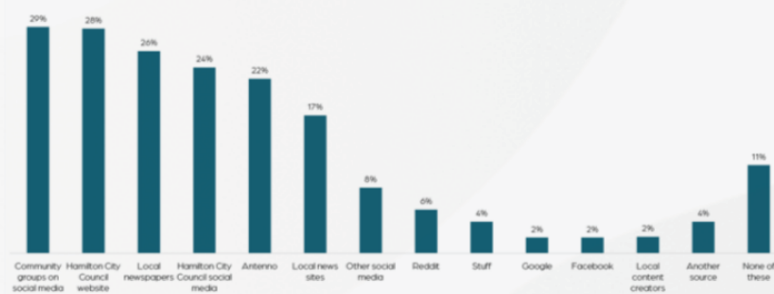
During 2024, the Council commissioned a 'Media Habits' survey. It asked a sample group of 480 Hamiltonians about their media consumption, and in particular, how they best like to access and receive news about Hamilton, and the Council more generally. There are some rich insights within the survey that can both inform the development of a refreshed Council-wide communications strategy, and continue to inform any channels strategy development or refinement.

The survey results indicate that the overall channels suite that the Council supports and maintains – especially via social media platforms – are effective at delivering a means to reach and engage with a significant number of Hamiltonians on a regular basis (see 'Sources of News' graph below).

## Sources of News

Respondents were asked where they got information about the city. Their primary sources are community groups on Facebook, the HCC website, local papers, and HCC social media or Antenno. Respondents under 30 are much more likely to use Reddit, while those aged 30-44 are much more likely to use other forms of social media. Respondents who identify as Indian are also more likely to use Reddit.

Main sources of news about the city



Q. Where do you go to find information or news about our city? (select all which apply) n=480

Hamilton City Council Media Survey 2024

## Channel mix and potential for enhancing current channels and/or expansion

As above, there is clear evidence that the Council has in place a comprehensive and generally fit for purpose suite of communication and engagement channels. It's important to note too that the degree of effort and resource to manage this channel suite is considerable, and only likely to increase as more residents migrate to digital channels. However, during discussions with Council staff and Elected Members, some questions were raised about channel effectiveness and use, especially in relation to the management of misinformation and disinformation, and more generally, in terms of the Council being confident that 'as many Hamiltonians as possible are being reached.'

## The 'Antenno' app

A number of interviewees referenced the value that they saw in the Council's use of the Antenno app (application) as both a way for Hamiltonians to engage with the Council, but also for people in the community to take 'some ownership' of issues or problems they might encounter, leading to shared responsibility for ensuring best outcomes for the city. Antenno is described as a 'free mobile app that

sends you Council-related notifications about the places you care about, including alerts, major water outages, roadworks, closures, Council events, rates and registration reminders, consultations and more. The app rated highly (22 per cent) as a preferred channel for Hamiltonians to access information and news about the Council. There are 21,787 users of that app as of December 2024. Within the wider Council channel mix, there is the opportunity to grow the overall awareness of, and use of the app. This would be beneficial for a number of reasons. It would increase the direct contact between the Council and the communities and people it serves (supporting overall trust levels); unlike other apps, there is no need for community management, making it less resource intensive; the content published on the app and the interactions are tightly controlled, minimising the likelihood of any misinformation appearing on the app. However, some interviewees raised some concerns about the functionality of the app, in particular, what 'level of service' the app provides to people who report an issue, in particular, getting a response as to how the issue was resolved. This should also be investigated ahead of any further promotion. Note that the responsibility for this app sits outside of the Communications and Engagement team.

### Electronic Direct Mail (EDM)/Emails

The 'Media Habits' survey also indicated that many Hamiltonians have a preference for receiving information about the Council via email. Council currently have around 5500 people signed up to their regular EDMs covering everything from roadworks and events. While this is a significant number of subscribers, there is scope to grow this number. The Communications and Engagement Team may wish to consider ways to increase this overall subscriber base. This could be as simple as regular promotion of the channel via other social media channels to raise awareness and 'convert' the audience, through to a dedicated and resourced campaign.

### Rates newsletter

Not everybody in the community has access to, or engages with the Council on digital channels. Therefore, the Council may wish to consider the potential for a 'rates newsletter' to accompany rates notices as a physical newsletter inserted into the rates envelope, and/or as an electronic communication that accompanies the rates email notice. A rates notice is an important 'touchpoint' with residents and ratepayers, and the team currently recognises this through the use of inserts to align with key community events ie elections, and using space on the actual notice to provide important information. The invoicing of rates ensures a degree of certainty that people will be connecting – albeit possibly briefly – with the Council and its work. In this context, residents will also be thinking about how the Council is delivering value for money. Given this, there is the opportunity to highlight some of the work the Council is doing that is likely of value and interest to the ratepayer eg local infrastructure initiatives or improvements, a new facility etc. It's a valuable and important opportunity to remind the community about what the Council offers, and what they might otherwise take for granted. However, a decision to introduce a further channel, or channels, would need to be carefully considered against other priorities and in the context of existing resource limitations within the current Communications and Engagement Team. Also, adding a further channel, especially a newsletter, might be perceived as a waste of Council resources.

### Community management of social media channels

An important element of effective management of social media channels is what is known as 'community management.' There are a number of definitions for community management, but in essence, it can be characterised as 'how you build and care for your social media audience'<sup>15</sup>.

<sup>15</sup> Brandwatch.com: What is community management?

It involves creating a (social media) space where people can: talk about your organisation, you engage with followers, including answering questions; and share content. Done well, it can help to build trust and confidence in the organisation, and improve reputation outcomes. In particular, it has an important role in providing accurate information to the community, and addressing misinformation and disinformation.

Community management involves:

- Listening to what people are saying
- Responding to comments, questions and messages
- Creating engaging posts
- Moderating discussions
- Gathering feedback from users

### Council approach to community management

Within its wider social media strategy, the Council has an overall approach to community management.

This includes:

- An agreed approach, and standard of service in regard to responding to all comments
- An appropriate 'tone of voice' ie friendly and welcoming
- Ensuring the identification and management of the use of profanity
- Blocking users who repetitively post offensive/inappropriate comments
- Addressing spam
- Identifying and addressing misinformation disinformation shared by others on the Council's channels (see also Part B of this section).
- Proactive listening and monitoring of social media for keywords and mentions (tagged and un-tagged)
- On-going review and evolution of new and better ways to engage with Hamiltonians

Striking an appropriate balance when it comes to community management is important, but can also be hard to achieve. An overly heavy-handed approach might discourage the audience from returning (ie appearing to censor posts or information at the expense of information sharing), and/or encourage them to engage with unofficial Council channels. Too little community management ('a light touch') can lead to users feeling the channel has been 'overrun' and that fringe voices have a disproportionate voice within the channel, or lead users to feel unsafe.

In reviewing both the strategic approach and the overall day to day management, the current practice observed during this time is 'about right' and is consistent with what would be described within the industry as best practice. By best practice, we mean limiting direct interactions with posters, unless to provide a factual correction (often in the form of directing people to a further information source) or to acknowledge a concern or complaint and promise some follow-up. I note too that the overall tone and style of interactions via Facebook utilises a good mix of useful information and 'banter', which is consistent with the Council supporting a tone of voice that is friendly and approachable. This mirrors

<sup>4</sup> The Disinformation Project, [www.thedisinfoproject.org/view](http://www.thedisinfoproject.org/view)

the approach adopted by both public and private organisations considered to be leaders in this field.

There was feedback and discussion about the overall 'level of service' of channels and community management that the Council should offer, especially in terms of responding to comments and/or service requests during evenings and weekends. The Communications and Engagement team report that, if needed, they do monitor social media channels into the evening and over the weekend (especially for emergencies, weather events, council events, an unexpected high interest in Council posts), but in general, and as a standard 'level of service' they're currently not resourced to proactively manage Facebook (or other social media channels) comments after work hours and over the weekend. However, it's important to note that private messages via Facebook are monitored and responded to by the Council's customer services team 24/7, as is Antenno.

Related to this, the team undertake interventions where necessary by temporarily disabling the comments section related to a specific post eg if they consider that it will be contentious and when they know comments won't be monitored out of normal work hours. They also give consideration to when they might post content in relation to both the time of day and/or day of the week. Many comments are also automatically 'hidden' by Facebook as the Communications and Engagement team have put in place key words that enable this response. The team then review these posts to determine an appropriate action.

### Website

The Council's main website – [hamilton.govt.nz](https://hamilton.govt.nz) – has been identified (via the Media Survey) as a key source of information for the community. In reviewing the website, I found it to be:

- Visually attractive and accessible
- Brand compliant and mobile responsive
- Effective at highlighting latest news and events in an engaging way
- Effective at supporting a good customer experience and easy to navigate
- Appropriately prioritising information and services on the homepage
- 'Clean and welcoming' looking and supported by appropriate graphics and imagery

Note that as part of annual ALGIM web audit results, the Hamilton City Council website was ranked number 6 out of 80 councils for both 2023 and 2024, which is very encouraging.

### Section A findings

The Council has a comprehensive suite of communications channels in place that serve the needs of the wider community well. The 'community management' associated with these channels is well-managed and is consistent with established best practices in comparison with other Councils. The 'level of service' is also fit for purpose, but could potentially be increased subject to any additional effort being adequately resourced. There is some scope for the overall effectiveness of the channels mix, and channel reach to be improved (see recommendations).

### Section A recommendations

- Consider undertaking further campaigns to promote key Council information channels, especially Antenno (subject to 'level of service' assessment) and EDMs to grow audience and increase

reach. Use more traditional channels as part of the campaign including print media and radio to reach members of the community who may not yet have migrated to digital channels.

- Investigate the potential to add a further channel to the current mix in the form of a Rates Newsletter.

## Section B – Council management of misinformation and disinformation

### Introduction – defining misinformation and disinformation, and understanding the current New Zealand context and experience

The way that people access and consume information has radically changed in the last few decades. The ease and speed of access to digitised information has come with numerous benefits. However, these technologies can be used in ways that cause harm. Where individuals or groups communicate to shape public perception in ways that may be manipulative, deceptive or misleading, this can be referred to as 'disinformation'.

Misinformation and disinformation are defined as:

1. **Disinformation** is false or modified information knowingly and deliberately shared to cause harm or achieve a broader aim.
2. **Misinformation** is information that is false or misleading, though not created or shared with the direct intention of causing harm<sup>6</sup>.

In their public facing information, Department of Prime Minister and Cabinet (DPMC) says that *'New Zealanders have told us they are concerned about the effects of disinformation and misinformation. Results from public engagement, including National Security public surveys in 2022 and 2023 showed that misinformation and disinformation are high on the list of national security threats that people feel would likely occur in both the short- and long-term.'*

DPMC have commissioned New Zealand specific research into misinformation and disinformation. The research, undertaken by Auckland University's Hate and Extremism Insights Aotearoa (HEIA) has been looking at misinformation and disinformation trends in New Zealand over a number of years. They have identified four overarching key themes, under the broad definition of 'Harmful Inaccurate Information (HII)<sup>7</sup>':

- **Theme 1**, Health and COVID-19 is HII related to distrust in the official health narratives and initiatives of the New Zealand Government and international health organisations.
- **Theme 2**, Globalist Conspiracies is HII infused with the belief that world events, including in New Zealand, are being controlled by an elite cabal of 'globalists' intent on creating a 'New World Order'.

<sup>6</sup>Department of Prime Minister and Cabinet – Strengthening resilience to disinformation

<sup>7</sup>HEIA use the phrase Harmful Inaccurate Information (HII), which refers to all misleading information which causes harm, or which is likely to have a harmful impact, regardless of whether the spreader of that information is a) aware of its misleading nature or b) intending to cause harm. HII includes both misinformation and disinformation (false information, which is spread unintentionally and deliberately, respectively) and can also include other components such as hate speech or incitement of violence involving false information.

- **Theme 3**, Politics (Distrust and Withdrawal) is HII which maintains the New Zealand Government is undemocratic or cannot lawfully control individuals. Elections are rigged, and the government is authoritarian and / or tyrannical.
- **Theme 4**, Social Anxiety is HII associated with a belief that society is moving in the wrong direction. It often includes suspicion of any attempt to support marginalised communities.<sup>8</sup>

The research concludes that New Zealanders are regularly exposed to misinformation and disinformation on social media, although the magnitude of such content has waned since the 2023 national election. Out of 3.9 million social media posts from New Zealanders across a range of platforms in 2023, including mainstream networks like Facebook, Instagram and YouTube, around 1.4 percent were classified as HII. The data suggests that New Zealanders see something that is harmfully inaccurate around once for every 71 posts. While this is a relatively low percentage of incorrect information overall, the researchers believe that it indicates a larger proportion of the population hold more moderate versions of the same inaccurate ideas.

### Council context and approach to misinformation and disinformation management

Noting the themes (particularly 3 and 4), and both the role of Hamilton City Council, and the nature of the work that it does, it's not surprising that there is misinformation and disinformation about its work in the community. In addition, it can be expected that members of the public and/or 'bad actors' will look to make use of Council social media channels to amplify misinformation to a wide audience or support its wider reach and dissemination.

### A strategic approach

In response to the rise of misinformation and disinformation, the Council has developed a comprehensive policy to address the risk this presents to the Council, and to the wider community as a whole. Within the policy, the Council have developed tailored definitions (see below):

#### Ko ngaa Whakamaaramatanga Definitions

Definition	Detail
<b>Misinformation</b>	False information that is spread, regardless of intent to mislead.
<b>Disinformation</b>	Deliberately misleading or biased information; manipulated narrative or facts; misinformation that is intentionally spread
<b>Malinformation</b>	Genuine information that is shared to cause harm. This includes private or revealing information that is spread to harm a person or reputation.

The stated purpose of the policy is:

1. To minimise harmful effects on the wellbeing of our community which can be caused by the creation and circulation of false information by people and organisations external to Hamilton City Council (the Council).
2. To reduce these impacts on our community by defining and supporting an organisational approach to managing misinformation, disinformation and malinformation in relation to the activities of Council.

<sup>8</sup> DPMC commissioned research: [www.heiaglobal.com/post/trends-in-harmful-inaccurate-information-in-new-zealand-3](https://www.heiaglobal.com/post/trends-in-harmful-inaccurate-information-in-new-zealand-3)

The following summarises key elements from the policy:

- **Authority to respond on behalf of Council** – empowers Council communications staff to authorise an initial response to misinformation when warranted, and when timely approval is not available under Council's Media and Social Media Management Policy.
- **Removal of content on Council social media channels** – recognising that Council channels could accentuate the spread of misinformation, Council officers are authorised to remove content defined as misinformation when appropriate.
- **Removal of access to Council social media channels** – Council (in line with its Media and Social Media Management Policy) may restrict or block access to Council's social media channels from accounts which infringe terms and conditions and/or repeatedly share misinformation.
- **Establishment of webpage for managing disinformation** – allows for Council communications staff to proactively provide information or communication, via a suitable channel, to address misinformation.
- **Active identification, monitoring and reporting of misinformation trends** – supports processes, eg training and development, for all staff to identify and report misinformation impacting the activities of Council.
- **Implementation of controls to mitigate risk** – Council will record appropriate controls to mitigate risks caused by misinformation as it relates to Council activities.
- **Identification of misinformation by the community** – the ability for the Council to capture and record reports from the community about misinformation.
- **Awareness of media and social media landscape** – the ability to monitor and identify trends in misinformation topics in media and social media, and to take appropriate action to counter or prevent misinformation from spreading.
- **Sharing information with external organisations and institutions** – the ability to share, where appropriate, misinformation where an external or third-party organisation might be referenced and actively seek to make these agencies aware of potential improvements to their public information to more readily combat misinformation which impacts Council.

The policy is comprehensive and is consistent with current best practice – noting that the management of misinformation and disinformation for Government is an evolving discipline, given how dynamic the environment is, and the fact that responses and approaches are often best tailored to the local community and setting.

There are also a number of risks to proactive interventions. These include:

- Accidentally or unintentionally amplifying a false message
- Repeating a false message, even with a correction, can lead to more people believing it
- Correcting efforts can 'backfire' ie challenging or correcting misinformation/a false story may cause people to believe it even more<sup>9</sup>

The policy design acknowledges these potential limitations and risks, and the various controls that it outlines (including sign-off, and other checks and balances around a response) addresses these concerns. However, some judgement will always be required as to how best to respond to, or address, misinformation in the community, and this may influence the overall approach, and lead to some variation in terms of an action or a response.

<sup>9</sup>WPP Public Sector Practice – 'The erosion of trust in the age of rumour management' presentation, November 2024

## Assessment of policy application in a day-to-day setting

### • Identification of misinformation and social media management in the context of misinformation

The Communications and Engagement Team have provided information about how they are actively monitoring, identifying and addressing on-line misinformation about the Council and/or city, within the wider community. This includes:

- The use of a dedicated tool to identify misinformation posted to online channels and support a faster response time
- An assessment of the misinformation and an associated response or process that includes the following steps, and a decision tree:
  - A comment is determined to be mis/disinformation
  - We are unsure if the comment is mis/dis information
  - If we are seeing trends in mis/disinformation

The following example, provided by the Communications and Engagement Team, illustrates how the identification of misinformation, and then subsequent response is managed.

Customer services received a phone call alerting (the Council) to someone on social media claiming they have gastro from giardia in Hamilton's water supply. We provided this response to Customer Services:

There has been some information circulating on social media today (13 March 2025) that there is giardia present in Hamilton's drinking water supply following a change in water systems. This is false.

Hamilton's water is thoroughly treated before making its way to the city's taps. We specifically monitor how effective our processes are in treating protozoa, such as giardia, and we are confident Hamilton's water is safe to drink.

If anyone is feeling unwell, we recommend they contact a medical professional and they will coordinate with local public health advisors.

More information can be found through Health New Zealand: [https://info.health.nz/conditions-treatments/infectious-diseases/giardia#:~:text=Giardia%20is%20a%20parasite%20\(living,vomiting%20and%20diarrhoea%20\(gastroenteritis\).](https://info.health.nz/conditions-treatments/infectious-diseases/giardia#:~:text=Giardia%20is%20a%20parasite%20(living,vomiting%20and%20diarrhoea%20(gastroenteritis).)

The Council Communications and Engagement team proactively contacted the page owner with the following response:

Hi Naomi,

We've been made aware by members of the public about some content on your Facebook and Instagram Stories claiming that there's giardia in the Hamilton water supply. You say that this is due to a change of our water systems, and you instruct your followers not to drink it. This is false.

Hamilton's water is thoroughly treated before making its way to the city's taps. We specifically monitor how effective our processes are in treating protozoa, such as giardia, and we are confident Hamilton's water is safe to drink.

Can you please remove or update the posts to avoid spreading misinformation?

Sharing unverified information can cause unnecessary worry and panic in the community. And we've already received calls of concern from people who have seen your posts.

If you have concerns about water quality, we encourage you to report them to us so we can investigate properly. You can do this online at <https://hamilton.govt.nz/do-it-online/report-itz/>, via the Ante

Message continued.... via the Antenno App, or by calling us on 07 838 6699.

We understand health concerns like this can be really distressing, and we hope you're feeling better. We recommend you reach out to your doctor or medical professional as they have processes for responding to things like this.

As a result of the communication from the Council, the page owner deleted the stories within an hour of the proactive contact.

The Communications and Engagement team report that the response times to management of misinformation can vary and depend on a number of factors, including how quickly the information can be determined to be false; accessing information from the wider organisation when needed; and when the content was published ie outside of usual business hours. However, they aim to respond within a two-hour window.

- **General observations and assessment**

The Communications and Engagement team either spoke to, or provided additional documentation to set out how other aspects of the policy are being implemented on a regular basis. This included:

- The removal of access for individuals to Council social media pages
- Routine deletion of posted content on Council-owned social media channels
- The creation and management of a 'disinformation' website resource and pages: Myths and misunderstandings | Hamilton City Council
- Examples of where the community has proactively provided the Council with information about potential misinformation posts or other material that might be circulating in the community (both online or in print)
- On-going monitoring of the environment to detect and identify misinformation or disinformation

Note that the Communications and Engagement Team's social media 'community management' (see section A – 'Council communication channels and overall effectiveness.') work is complementary and aligned to the misinformation management activity and they should be looked at in unison.

## Gap analysis

As above, the Council's policy on misinformation and disinformation management is comprehensive and there is clear evidence that key aspects of the policy are being acted on and addressed by the Communications and Engagement Team, with the support of the wider Council, on a regular basis. However, there are several areas of the overall response and management that could potentially be strengthened.

- **A greater role for the community**

In 2024, the Department of Prime Minister and Cabinet convened a Multi-Stakeholder Panel to consider the issue of misinformation and disinformation in the New Zealand context, and to report back with advice and recommendations about how the challenge could be addressed. A key recommendation from the group was the concept of 'Civil society leading and coordinating responses to misinformation and disinformation.' The proposal was not well-developed within the report, and while the recommendation has been accepted and endorsed by DPMC, no concrete actions have yet been taken. In the context of Hamilton, there may be value in testing this approach in a local setting. That could include identifying key community leaders – outside of Council – who could be called upon to debunk or challenge misinformation or disinformation as it appeared in the community. Potential candidates would be trusted individuals with a high public profile such as members of the business community, medical community (a local GP), or from other sectors like academia (a local Professor at the University of Waikato for example). The relationship between the Council and the individuals could be either formal or informal, depending on preference, and set out how the individual would be supported by the Council. Practical application of the approach could include these individuals posting

'myth busting' content on their own social media pages that the Council could then share and amplify through their channels.

- **A greater role for elected members**

As above, Elected Members could also be called upon to more proactively – and with the support of the Communications and Engagement Team – address or debunk misinformation and disinformation via Council channels, and be more proactive generally about Council communications. During the course of interviews, Elected Members expressed a range of views about their role in proactively communicating about decisions the Council makes, or the wider work of the Council. However, some felt they could do more, if they were supported to do this.

This could be done through the development of video content, or via a Facebook-live event etc. Depending on the topic, the issue could be addressed with humour to ensure the content had broad appeal and was 'sharable.' Potentially the Elected Member could stand alongside a local or Council expert. While the primary responsibility could sit with the Mayor or Deputy Mayor, other elected members could also play an active role either aligned to relevant portfolios, or with a particular audience or demographic in mind eg Māori or young people. The initiative could serve to both grow trust and confidence in the organisation through more effective communication and directly address misinformation and disinformation when necessary. The Communications and Engagement Team report that an example of this approach has been used previously, and was generally well-regarded by Elected Members, and considered to be successful.

## Section B findings

The rise of misinformation and disinformation in the community has rightly been identified as a significant concern, and in particular, as having the potential to undermine trust and confidence in the Council. In response, the Council have developed a comprehensive misinformation and disinformation policy which is being effectively implemented. Responses to, and management of instances of misinformation and disinformation are appropriate and timely, and the Communications and Engagement team take necessary action to ensure that Council channels are effectively 'fortified' where needed ie temporarily Introturning off comments, or timing the release of particular posts to minimise potential effects. There is scope for this overall response to be further strengthened by enlisting greater support and direct involvement from the wider community, and considering an expansion of the role of Elected Members to directly address instances of misinformation or disinformation (see Section B recommendations).

## Section B recommendations

- Explore an initiative to seek the support of community leaders and/or high-profile community members to support the Council in addressing misinformation and disinformation in the community.
- Explore an approach to support Elected Members to both better 'tell the Council story' and/or directly address misinformation and disinformation in the community through the development of bespoke content, primarily for Council's digital channels.

## Overall perceptions of Council

The Council participates in an annual 'Quality of Life' survey, alongside eight other metropolitan councils within New Zealand.

The survey is described as 'a collaborative local government research project... with the primary objective... to measure residents' perceptions of aspects of living in larger urban areas. The survey provides data for councils to use as part of their planning and monitoring activities. It also contributes to public knowledge and research on quality-of-life issues in New Zealand.'

The scope of this review is primarily about the effectiveness of communications and engagement activity to help improve trust and confidence in Hamilton City Council, within the context of rising misinformation and disinformation in the community. Related to that, the survey has two specific Council measures (as referenced in the Introduction section) that indicate there is work to be done. This includes comparatively low confidence in the decisions that Council is making and similarly, only 35 per cent of residents believing they have some influence over council decision-making.

There may be some value in the Council further exploring with the community these findings in the context of communications and engagement effectiveness. I understand from discussions with the Communications and Engagement Team that they are exploring complementing the 'Quality of Life' survey with a local resident's survey tailored more towards customer satisfaction. This would be another way Council is engaging in two-way dialogue with Hamiltonians. The findings could also be used to guide council decisions to increase trust and confidence in decision making. As part of this survey design, it would make sense to consider including a question on how they currently perceive and value the communication they receive from the organisation (in addition to the perception of engagement performance measure introduced in the 2024-34 Long-Term Plan).

## Recommendation

- Introduce the proposed resident's survey, including potential questions that could provide further insights into perceptions of Council services, and effectiveness and preferences in relation to current communications and engagement activities.

## Part E: Emergency communications readiness, with a focus on misinformation and disinformation management

The increasing number of natural disasters and emergencies in recent times has again highlighted the critical role communicators and communications play in responding to the immediate needs of residents and the wider community in an emergency. This, and the readiness and capability of the team to respond in an emergency, was a focus of interviews and conversations.

### Capability and readiness assessment

Across the organisation, there was universal support and praise for the Communication and Engagement Team's capability and effectiveness when it came to communicating and responding in an emergency. A number of examples were provided to support this position, particularly in relation to water management, and issues that had arisen with the community. Some interviewees acknowledged that in many cases, the Communications and Engagement Team wasn't necessarily responding in an official 'PIM' (Public Information Manager) capacity, but more generally in a crisis or issue sense, but wanted to make the point that the principles of their approach, and the related response were highly aligned.

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**“Hamilton City is probably one of the standout councils at the moment when it comes to PIM. I certainly feel in very safe hands with some of the expertise that we’ve got in that team at the moment.”** Council Officer

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Interviewees similarly highlighted the overlap and close relationship between responding to an emergency situation, and issues with/or the presence of misinformation or disinformation in the community which was either a cause of the issue, or a contributing factor.

In April of 2024, a capability assessment report was completed on the Council's Civil Defence and Emergency Management functions. This included an assessment of the Council's PIM capability which graded two key metrics for the team – Public Information Management planning – and that a PIM is appointed and resourced to be able to do the job, with scores out of a 100 of 94.0 and 96.9 respectively (see table below).<sup>10</sup>

Weighted Score by Key Performance Indicator		2024
G1A-1	Public education programme on hazards and risks is planned, coordinated and given priority by	66.7
G1A-2	Awareness-building opportunities are proactively pursued	60.0
G1A-3	Public information management is planned, coordinated and given priority by the organisation	94.0
G1A-4	Public information manager is appointed and resourced to be able to do the job	96.9

The report also commented favourably on the work of the team and the wider Council in relation to Public Education and the Council's ability to effectively inform communities in an emergency, particularly commenting on the use of social media channels and their reach.

### Effectiveness in the context of rising misinformation in the community

In considering the Communication and Engagement Team's capability in response to managing an emergency in the context of misinformation and disinformation, I consider that many of the tools and practices that the team are currently making use of could be leveraged. For example, the use of a 'myth busting' website page. This is consistent with recognised best practice.<sup>11</sup>

It's encouraging to see the level of capability that the team have built in this space. At the same time, it's important to ensure that this level of capability is maintained given the ever-greater risk of emergencies to the community.

### Part E Findings:

HCC's Communications and Engagement Team demonstrates strong emergency response capability, including high-performing Public Information Management (PIM) planning. The team is highly regarded both internally for its responsiveness and use of social media to disseminate critical information, and rated highly in an external review of Civil Defense capability.

### Recommendation

- Review on-boarding, induction processes and training for new Communications and Engagement staff to ensure it includes the PIM function so that the team's overall level of capability is maintained.

<sup>10</sup> Hamilton City Council Civil Defence Emergency Management Capability Assessment Report April 2024 v 0.1

<sup>11</sup> WPP Public Sector Practice, Emergency Media and Public Affairs conference presentation, November 2024

# Appendix 1 – Commissioning Brief, Scope and Methodology

## Introduction and context

Hamilton City Council are seeking to undertake a review of some specific Council communications and engagement related activities on behalf of the Council's Strategic Risk and Assurance committee.

Based on an initial brief provided by email, and a subsequent conversation around purpose and objectives, the following proposal sets out a draft approach to the review, which includes scope, overall methodology, project deliverables, as well as timing and budget. The review is intended to be part of the Council's wider Internal Audit Plan, and to provide assurance about 'communications effectiveness' in some key areas.

The review will be undertaken at a time when Councils throughout New Zealand are experiencing some significant challenges. These include sizeable increases in overall rates; uncertainty about a wide range of central government initiatives and the on-going role of local government including for water reform, and changes to the Resource Management Act; and in an environment where the high cost of living, an overall economic downturn, and escalating costs more generally, will continue to impact local government's ability to deliver services affordably. This context, and these challenges are contributing to an overall decline in trust and confidence in Government by communities.

Like many organisations the Council has recognised that effective communication plays a critical role in Hamilton City Council's overall success – particularly in terms of strategy, response to public issues, and demonstrating value and effectiveness to ratepayers and the community. In particular, the Council would like assurance that communications efforts are effective at managing and identifying misinformation in the community that relates to the work of the Council, and any communication gaps; emergency communications readiness; and that the Council's overall communications strategy and planning is fit for purpose.

As an outcome of this review, the Council is seeking actionable recommendations aimed at improving communication processes and strategies that would lead to enhanced transparency, build public trust, and strengthen Council's capacity to respond effectively to misinformation.

## Scope

Communications is an all of organisation undertaking, not just the preserve of a dedicated communications and/or engagement team. While there is understandably a need to focus on the role and effectiveness of the Council's communications and engagement function within this review against specific deliverables, from experience, councils that deliver successful communications outcomes do so because they support and understand communication as an organisation-wide system.

Effective communications systems recognise the critical link between strategy and planning, operations and delivery, organisational culture, and stakeholder and public engagement, in order to drive and enhance overall levels of trust and confidence within the community.

Other factors that contribute to communication outcomes include:

- The external environment including current social trends
- The level of understanding, at both a Governance and Senior Leadership Team level of how shared communications goals are delivered and achieved.
- Where communication, as a function, sits within the organisation, and how its role and influence shapes overall Council thinking, planning and strategy.

Given this, and for the purposes of the review, the following scope is proposed.

1. **External environment evaluation** – consider and evaluate the external environment that the Council's communications are taking place in, and how this is likely impacting on effectiveness more generally. Investigate the overall awareness and understanding within the wider organisation about the importance of communications and how this contributes to, and grows, trust and confidence in the Council from within the community. A perspective from Elected Members would also be sought.
2. **Council's overall communication strategy** – review the Council's communication strategy to identify opportunities for improvement. Within the review, consider how the work of the wider organisation, particularly business groups that directly interact with customers, citizens and communities contribute to Council-wide communication strategy and outcomes.
3. **Misinformation** – evaluate the communications functions current practice to managing misinformation that relates to the Council including:
  - Identification of misinformation
  - Gap analysis in terms of overall management and approach
  - Social media management in the context of misinformation
  - Overall perception of Council
4. **Emergency and crisis communications** – review the Council's overall approach and readiness in terms of emergency communications practice and approach, including evaluating the Council's readiness to respond, the current communication plans that are in place, and identify any gaps.

## Approach and methodology

The overall approach to the review, and high-level review methodology, consists of four component parts:

**Scope and commissioning** – agree scope of the review as part of the commissioning including key areas of interest, and deliverables.

**Discovery** – review publicly available information, Council documents, and gather insights through interviews, meetings, and workshops with Council staff. Draw on specific insights that can be gathered from key questions to be included in an upcoming Council 'pulse' survey.

**Analysis** – use the information gathered and the reviewers experience and expertise, to assess and evaluate the effectiveness of key aspects of the communication and engagement teams work against key areas of interest (see Scope). Provide insights and recommendations about other parts of the organisation that contribute to communication outcomes, and how these various parts contribute.

*Report and Recommendations* – provide a detailed report which will incorporate insights, analysis and an overall assessment. The report will include actionable recommendations aimed at improving Council's communication processes and strategies. Recommendations will be designed to enhance transparency, build public trust, and strengthen Council's capacity to respond effectively to misinformation. The seven motions identified by the Council's Strategic Risk and Assurance committee will be addressed.

## Appendix 2 – Misinformation policy

<b>Date Approved by BSLT:</b>	
<b>Next review date:</b>	
<b>Document number/ Tahī Reference:</b>	
<b>Associated documents:</b>	Media and Social Media Management Policy
<b>Sponsor/Group:</b>	Partnerships, Communication and Māori.
<b>Policy Owner:</b>	Communications and Engagement Unit

### Disinformation Management Policy

#### *Ko te Puutaketanga* Purpose

1. To minimise harmful effects on the wellbeing of our community which can be caused by the creation and circulation of false information by people and organisations external to Hamilton City Council (the Council).
2. To reduce these impacts on our community by defining and supporting an organisational approach to managing misinformation, disinformation and malinformation in relation to the activities of Council.

#### *Ko ngā Tikanga Whakahaere Kaupapahere* Principles of Policy

3. Council will
  - a. Recognise its obligations under the Local Government Act 2002 to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.
  - b. Proactively identify misinformation and the associated risks as it pertains to Council activities or operations in a timely manner.
  - c. Promote the public's resilience to misinformation and disinformation, as well as an environment conducive to accessing, sharing, and facilitating constructive engagement around information and data.
  - d. Collaborate with relevant stakeholders, including the media, private sector, civil society, academia, and individuals to address misinformation.
  - e. Strive to ensure public communication is public interest driven and independent from politicisation in implementing interventions to counter misinformation and disinformation.
  - f. Undertake responses or interventions under a cohesive approach guided the Media and Social media Policy and other relevant management policies, standards, and guidelines, if misinformation is identified in relation to Council's activities.
  - g. Ensure its responses or interventions are transparent, evidence based, inclusive and designed with respect for cultural and linguistic differences and with attention paid to reaching disengaged, under-represented or marginalised groups.
  - h. Adhere to its obligations under the Privacy Act 2020.

***Ko te Whaanuitanga*    Scope**

4. This Policy
  - a. Applies to all staff employed by the Council, unless otherwise specified.
  - b. Does not address management of individual abusive or aggressive customers, whether these relate to mis/disinformation or other matters. Behaviour by a current or former complainant which raises substantial risk to staff health and safety, unproductive use of staff time or

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resources which may prejudice the rights of other service users, or the community should be addressed via Council's Unreasonable Customer Conduct Management Policy

***Ko ngaa Tikanga*    Policy****Authority to respond on behalf of Council**

5. To ensure timeliness of response, Council's staff lead for Communication (or their delegate) can authorise initial responses to misinformation on behalf of the organisation, should such intervention be necessary to reduce the spread of misinformation or because the misinformation presents an immediate risk to public or Council's activities.
6. This authority is activated only when the Council's staff lead for Communication (or their delegate) is unable to obtain timely authorisation through existing spokesperson protocols under Council's Media and Social Media Management Policy. Any responses under this authority shall be advised to the relevant business units and/or general manager as soon as practicable.

**Removal of content on Council social media channels**

7. Council recognises the reach of its social media channels provide an opportunity for misinformation to be spread.
8. In line with its Media and Social Media Management Policy, Council will remove content defined as misinformation from these channels at the earliest opportunity unless a public response to the misinformation on the channel is determined to assist community understanding.

**Removal of access to Council social media channels**

9. In line with its Media and Social Media Management Policy, Council may, at its sole discretion, restrict or block access to Council's social media channels from accounts which infringe terms and conditions and/or repeatedly share misinformation.

#### **Establishment of webpage for managing disinformation**

10. If Council identifies a specific issue or trend which is causing heightened concern in the community due to misinformation, Council may include information to address the misinformation on a specific section of the Council website and/or via social media campaign or press release. Council's staff lead for Communication (or delegate) will determine whether the issue or trend meets the threshold for inclusion.

#### **Active identification, monitoring and reporting of misinformation trends**

11. Council's Communication and Engagement team will support processes for all staff to identify and report misinformation impacting the activities of Council. This will include, but is not limited to, training and development opportunities to understand evolving national and international best practice in responding to misinformation.
12. Council will develop and implement systems and processes to support staff monitoring and reporting of misinformation trends.

#### **Implementation of controls to mitigate risk**

13. Council will record appropriate controls to mitigate risks caused by misinformation as it relates to Council activities. Misinformation risks will be managed through Council's Enterprise Risk

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Management system, and any emerging risks escalated in line with those processes and Council's Risk Management Policy.

#### **Identification of misinformation by the community**

14. If Council receives communication from a member of the community with regards to potential misinformation, this will be captured in Council's current customer request system. This allows the concern to be consistently tracked and responded to within defined timelines in accordance with Council's Customer Feedback Management Policy.

#### **Awareness of media and social media landscape**

15. Within allocated budgets, Council's Communication and Engagement Team will use existing resource and technology, including external media and social media monitoring agencies where appropriate, to identify trends in misinformation topics or reach in a timely manner, and to take appropriate action to counter or prevent misinformation from spreading.

Awareness of media and social media landscape

15. Within allocated budgets, Council’s Communication and Engagement Team will use existing resource and technology, including external media and social media monitoring agencies where appropriate, to identify trends in misinformation topics or reach in a timely manner, and to take appropriate action to counter or prevent misinformation from spreading.

Sharing information with external organisations and institutions

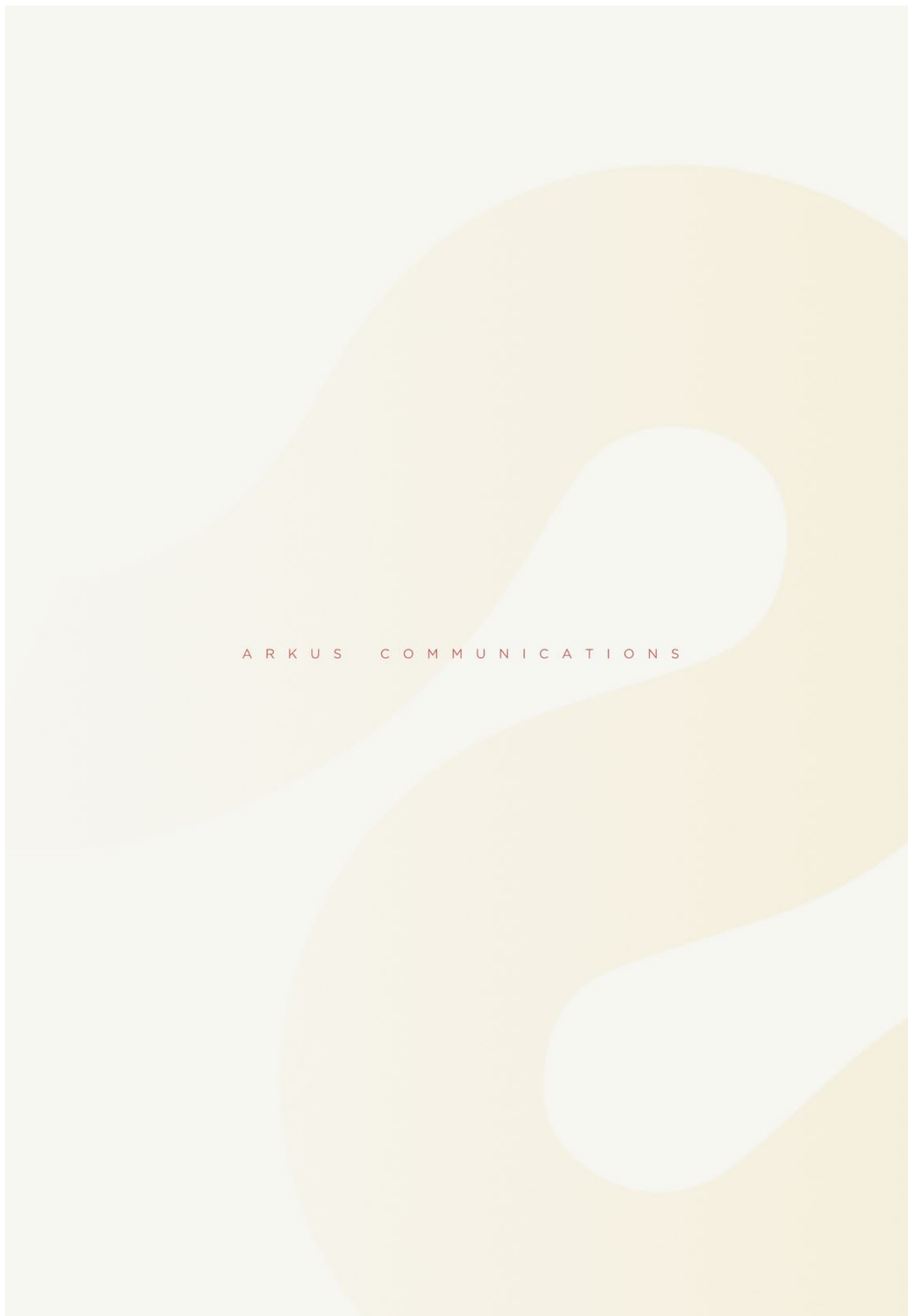
16. When Council responds to or identifies misinformation related to Council’s activities, which references external agencies or institutions, Council will share this information at an appropriate level with the external organisation. In the interests of a holistic approach to misinformation, Council will actively seek to make these agencies aware of potential improvements to their public information to more readily combat misinformation which impacts Council.

Ko ngaa Whakamaaramatanga Definitions

Definition	Detail
Misinformation	False information that is spread, regardless of intent to mislead.
Disinformation	Deliberately misleading or biased information; manipulated narrative or facts; misinformation that is intentionally spread
Malinformation	Genuine information that is shared to cause harm. This includes private or revealing information that is spread to harm a person or reputation.

Ko ngaa Tohutoro References

[Privacy Act 2020](#)  
[Good practice principles for Public Communication Responses to Mis- and Disinformation \(OCED, 2022\)](#)  
[RESIST 2 Counter Disinformation Toolkit \(January 2022\)](#)  
[Media and Social Media Management Policy](#)  
[Unreasonable Customer Conduct Management Policy](#)  
[Customer Feedback Management Policy](#)  
[Risk Management Policy](#)



# Council Report

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 17 June 2025  
**Author:** Sarah Vaz  
**Authoriser:** Gary Connolly  
**Position:** Accounting Manager  
**Position:** Chief Financial Officer  
**Report Name:** Organisational Improvement Report

<b>Report Status</b>	<i>Open</i>
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## Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on the status of Council's Organisational Improvement Register as of 30 April 2025.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee receives the report.

## Executive Summary - *Whakaraapopototanga matua*

3. Council's risk management programme includes the completion of external audits by Audit New Zealand, Office of the Auditor General (OAG), Waka Kotahi (New Zealand Transport Agency), Ministry of Business, Innovation and Employment (MBIE) and others, and internal audits by PricewaterhouseCoopers (PwC), KPMG and Council staff.
4. **Attachment 1** to this report is the Organisational Improvement Register, listing all remaining high-risk items that have been identified through audits.
5. Staff consider the matters have low significance and that the recommendations comply with Council's legal requirements.

## Discussion – *Matapaki*

### Organisational Improvement Register

6. The Organisational Improvement Register contains a detailed breakdown of all internal and external audit recommendations identified through Council's risk management programme. They are categorised by risk (low, moderate, high) and by their current status (complete and ready for reauditing, in progress, delayed or not yet started). For the items that are complete, the next audit round needs to occur before they can be cleared from the register.
7. All 'in progress' or 'delayed or not yet started' items are actively monitored on a quarterly basis.
8. The tables below summarise the status of the high-risk items contained within the attached Organisational Improvement Register.

Auditors	Complete	In progress	Delayed or not yet started	Not due yet	Total
PwC Internal Audits	0	2	1	0	3
KPMG Internal Audits	0	7	0	0	7
<b>Total</b>	<b>0</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>10</b>

Risk	Complete	In progress	Delayed or not yet started	Not due yet	Total
High	0	9	1	0	10
<b>Total</b>	<b>0</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>10</b>

9. Once the audit reports have been finalised, any recommendations will be included in the organisational improvement register.

### **Financial Considerations - *Whaiwhakaaro Puutea***

10. This is a regular operating activity funded through the Long-Term Plan.

### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

11. Staff confirm that matters in this report comply with the Council's legal and policy requirements.
12. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment are not required for the matters in this report.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

13. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
14. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.
15. There are no known social, economic, environmental, or cultural considerations associated with this matter.

### **Risks - *Tuuraru***

16. There are no known risks associated with the decision sought by this report.

### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

17. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.
18. Given the low level of significance determined, the engagement level is low. No engagement is required.

### **Attachments - *Ngaa taapirihanga***

Attachment 1 - Organisational Improvement Register April 2025 .

ID Number	Description	Audit Recommendation	Risk	Date raised	Owner	Status	Status Update
Dat-E 3060	Business Continuity Management D-						
Ent-E 3061	Development of a Resilience Management Policy	Develop a Resilience Management Policy incorporating business continuity, crisis, emergency and incident, and protective security management.	High	Oct-22	Nicholas Whittaker	In progress	The Organisational Resilience Policy is in it's final draft and has been shared with internal SME for review by 29 May. This action should be closed in June 2025.
Ent-E 3063	Development and implement a resilience training and testing programme	Development and implement a resilience training and testing programme.	High	Oct-22	Nicholas Whittaker	Delayed or not started	This programme of work has been delayed due to resource constraints. This treatment plan will be put on hold until mid-2025, following the roll out of the refreshed business continuity management framework.
Dat-E 3100	GST & FBT Compliance Evaluation						
Ent-E 3115	Motor Vehicle Fleet Listing Accuracy	Ensure that asset listing is up to date reflecting current vehicles, their category for FBT purposes and who they are being used by. This should be regularly updated to ensure it remains accurate. FBT categories should include work-related, full private use, pooled and no private use vehicles to support FBT compliance.	High	Feb-23	Louise Millich	In progress	The Fleet master data is up to date reflecting current vehicles, who they are used by and whether a vehicle is FBT exempt or not. It gets updated regularly as changes occur. It does not yet include the FBT categories for each of the vehicles.
Ent-E 3299	Procurement review						
Ent-E 3300	Align on Strategy	ELT to align & communicate an organisation-wide procurement strategy that aligns with wider goals.	High	Aug-24	Igor Magud	In progress	KPMG have been selected as our audit partner to compete a Procurement Maturity Assessment, which was presented to SRAC in September 2024. Their proposed hybrid model was agreed as an outcome with Elected Members at that meeting.
Ent-E 3302	Endorse procurement	ELT to endorse procurement as an enabler for HCC. Highlight the importance of procurement in long-term planning.	High	Aug-24	Igor Magud	In progress	
Ent-E 3303	Improve adherence	Implement controls and test mechanisms to monitor compliance. Hold individuals and teams accountable to manage risk.	High	Aug-24	Igor Magud	In progress	
Ent-E 3304	Regular, compulsory training	Establish a routine for risk and procurement training for all relevant personnel and contractors.	High	Aug-24	Igor Magud	In progress	Based on those findings it was agreed by our CEO that their proposed Procurement Service Delivery Model Design program would start in 2025. Key deliverables will include a workable strategy with an agreed delivery model and an implementation roadmap.
Ent-E 3311	Define structure	ELT to define preferred procurement structure. KPMG Advocates a hybrid model but expects transition difficulties at HCC.	High	Aug-24	Igor Magud	In progress	
Ent-E 3314	Create collaboration framework	Set up a frameworks for collaboration across all units. Make CP an enabler and clear choice for support.	High	Aug-24	Igor Magud	In progress	Senior level and operational level engagement has been sought through workshops in May. A final presentation to the senior group will be completed in July, followed by a presentation to the ELT.
Ent-E 3319	Standardise spend analysis	Set up spend analysis dashboards for transparency and to raise awareness of supplier use and collaboration opportunities.	High	Aug-24	Igor Magud	In progress	The points required in the performance indicators will be mass addressed in that program of work

# Council Report

Item 13

**Committee:** Strategic Risk and Assurance Committee

**Date:** 17 June 2025

**Author:** Michelle Hawthorne

**Authoriser:** Janet Carson

**Position:** Governance and Assurance Manager

**Position:** General Manager Partnerships, Communication & Maaori

**Report Name:** Compliance Reporting Update

<b>Report Status</b>	Open
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## Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee of any protected disclosures or instances of fraud or corruption since the last Strategic Risk and Assurance Committee Meeting.
2. To inform the Strategic Risk and Assurance Committee of any matters of significant non-compliance with the Privacy Act 2020.
3. To inform the Strategic Risk and Assurance Committee of the status of Council's policy reviews.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

4. That the Strategic Risk and Assurance Committee receives the report.

## Executive Summary - *Whakaraapopototanga matua*

5. There are no protected disclosures to report since the last Strategic Risk and Assurance Committee Meeting.
6. There are no instances of fraud or corruption to report since the last Strategic Risk and Assurance Committee Meeting.
7. There are no notifiable breaches of the Privacy Act 2020 to report since the last Strategic Risk and Assurance Committee Meeting.
8. A list of current Council and Management Policies is set out in the report.
9. Staff consider the matters in this report have a low level of significance and that the recommendations comply with Council's legal requirements.

## Discussion - *Matapaki*

### Protected Disclosures

10. At the time of writing the report, there are no protected disclosures to report to the Strategic Risk and Assurance Committee.

### **Fraud and Corruption**

11. At the time of writing the report, there are no instances of fraud or corruption internally to report to the Strategic Risk and Assurance Committee.
12. The Committee was updated at its last meeting on the fraud perpetrated by a third party in relation to Building Consents. This was subsequently reported to Council and a further update is provided in the Legal Risk Public Excluded Report in this agenda.

### **Privacy Act 2020**

13. At the time of writing the report, there are no notifiable breaches of the Privacy Act 2020 to report to the Committee.
14. This year staff worked to promote 'Privacy Week' in the organisation. Privacy Week is organised by the Office of the Privacy Commissioner to raise awareness of privacy obligations, the Office runs free webinars on a number of topics, some of which are relevant to local government as a sector. Additionally information on the availability of online and in person training was promoted to the organisation. More information on the webinars can be found [here](#).

### **Council/committee policies update as of 28 May 2025**

15. A list of the status of current Council and Management Policies is provided in **Attachment 1**.

### **Financial Considerations - *Whaiwhakaaro Puutea***

16. This is a regular operating activity funded through the Long-Term Plan.

### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

17. Staff confirm that the staff recommendation complies with the Council's legal and policy requirements.

### **Climate Change Impact Statement**

18. Staff have also considered the key considerations under the Climate Change Policy and have determined that an adaptation assessment and emissions assessment is not required for the matter(s) in this report.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

19. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental, and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
20. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report.

### **Risks - *Tuuraru***

21. There are no known risks associated with the decisions sought by this report.

### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

22. Staff have considered the key considerations under the Significance and Engagement Policy and have assessed that the matter(s) in this report has/have a low level of significance.

23. Given the low level of significance determined, the engagement level is low. No engagement is required.

**Attachments - *Ngaa taapirihanga***

Attachment 1 - 22 May - Council and Committee Policies and Bylaw Update

## 26 Council/committee policies update as of 26 May 2025

KEY
Review in progress / In development
Due for review / Review deferred or Review on hold, due to prioritisation, resourcing or pending legislation change / Under consideration
Current

## Council Policies

COUNCIL POLICIES						
Committee	Policy	Group	Last reviewed date	Next review date	Status	Related Legislation
Council	<b>Corporate Hospitality and Entertainment Policy</b>	Partnerships Communication and Maaori	Jul-15	Jul-18	Review on hold	n/a
Infrastructure and Transport	<b>Hamilton Gateways Policy</b>	Infrastructure and Assets	Dec-15	Oct-18	Review in progress	n/a
Infrastructure and Transport	<b>Streetscape Beautification and Verge Maintenance Policy</b>	Infrastructure and Assets / Customer and Community	Nov-12	Nov-18	Review in progress	n/a
Community and Natural Environment	<b>Citizens Initiated Referenda Policy</b>	Partnerships, Communication and Maaori	Aug-24	Jul-27	Current	Local Electoral Act 2001
Community and Natural Environment	<b>Community Occupancy Policy</b>	Customer and Community	Nov-18	Apr-21	Review deferred	n/a
Community and Natural Environment	<b>Open Space Provision Policy</b>	Customer and Community	Apr-24	Apr-27	Current	n/a
Community and Natural Environment	<b>TAB Board Venue Policy</b>	Strategy, Growth and Planning	Oct-23	Oct-26	Current	Racing Industry Act 2020
Economic Development	<b>Business Improvement District (BID) Policy 2019</b>	Strategy, Growth and Planning	May-25	May-28	Current	n/a
Strategic Growth and District Plan	<b>Sale and Disposal of Council Land Policy</b>	Strategy, Growth and Planning	May-23	May-26	Current	n/a

COUNCIL POLICIES						
Committee	Policy	Group	Last reviewed date	Next review date	Status	Related Legislation
Community and Natural Environment	<b>Class 4 Gambling Venue Policy</b>	Strategy, Growth and Planning	Oct-23	Oct-26	Current	Gambling Act 2003
Council	<b>Delegations to Positions Policy</b>	Partnerships, Communication and Maaori	Jun-23	Jun-26	Review in progress	n/a
Economic Development	<b>Appointment and Remuneration of Board Members of COs, CCOs and CCTOs Policy</b>	CFO /Strategy, Growth & planning	Aug-24	Aug-27	Current	Local Government Act 2002
Community and Natural Environment	<b>Dog Control Policy</b>	Customer and Community	July-25	July-30	Current (operative 1 July 2025)	Dog Control Act 1996
Infrastructure and Transport	<b>Dangerous and Insanitary Buildings Policy</b>	Customer and Community	Aug-23	Aug-26	Current	Building Act 2004
Strategic Growth and District Plan	<b>Growth Funding Policy</b>	Strategy, Growth and Planning	Jul-24	Jui-27	Current	n/a
Strategic Risk and Assurance	<b>Risk Management Policy</b>	Partnerships, Communication and Maaori / CFO	May-24	May-27	Current	n/a
Community and Natural Environment	<b>Community Grants Policy</b>	Partnerships, Communication and Maaori	Oct-23	Oct-26	Review in progress (minor)	n/a
Council	<b>Significance and Engagement Policy</b>	Partnerships, Communication and Maaori	Dec-23	Dec-26	Current	Local Government Act 2002
Economic Development	<b>Municipal Endowment Fund Policy</b>	Strategy, Growth and Planning	Oct-23	Oct-26	Current	n/a
Community and Natural Environment	<b>Smokefree and Vapefree Outdoor Areas Policy</b>	Customer and Community	Sep-20	Sep-23	Review deferred	n/a
Infrastructure and Transport	<b>Three Waters Connections Policy</b>	Infrastructure and Assets	Sep-20	Sep-23	Review in progress	n/a

COUNCIL POLICIES						
Committee	Policy	Group	Last reviewed date	Next review date	Status	Related Legislation
Community and Natural Environment	<b>City Honours Policy</b>	Partnerships, Communication and Maaori	Oct-20	Oct-23	Review deferred	n/a
Community and Natural Environment	<b>Psychoactive Substances (Local Approved Products) Policy</b>	Strategy, Growth and Planning	Oct-18	Oct-23	Review on hold	Psychoactive Substances Act 2013
Community and Natural Environment	<b>Domain Endowment Fund Policy</b>	Strategy, Growth and Planning	Nov-20	Nov-23	Review deferred	n/a
Community and Natural Environment	<b>Trading in Public Places Policy</b>	Customer and Community	Dec-20	Dec-23	Review in progress	n/a
Economic Development	<b>International Relations Policy</b>	Mayoral Office	Mar-21	Mar-24	Review deferred	n/a
Strategic Growth and District Plan	<b>Development Contributions Policy</b>	Strategy, Growth and Planning	Jul-24	Jul-27	Current	Local Government Act 2002
Finance and Monitoring	<b>Funding Needs Analysis Policy</b>	CFO	Jun-24	Jun-27	Current	Local Government Act 2002
Finance and Monitoring	<b>Investment and Liability Management Policy</b>	CFO	Jun-24	Jun-27	Current	Local Government Act 2002
Finance and Monitoring	<b>Rates Remissions and Postponements Policy</b>	CFO	Jul-24	Jul-27	Current	Local Government Act 2002
Finance and Monitoring	<b>Rating Policy</b>	CFO	Jun-24	Jun-27	Current	Local Government Act 2002; Local Government Rating Act 2002
Finance and Monitoring	<b>Revenue and Financing Policy</b>	CFO	Jun-24	Jun-27	Review in progress	Local Government Act 2002

COUNCIL POLICIES						
Committee	Policy	Group	Last reviewed date	Next review date	Status	Related Legislation
Community and Natural Environment	<b>External Funding Applications Policy</b>	Partnerships, Communication and Maaori	Oct-23	Oct-26	Current	n/a
Economic Development	<b>Freeholding of Council Endowment Land Policy</b>	Strategy, Growth and Planning	Aug-24	Aug-27	Current	Hamilton Domain Endowment Act 1979
Council	<b>Delegations to officers specific to the Resource Management Act 1991</b>	Strategy, Growth and Planning	Oct-21	Oct-24	Review on hold	Resource Management Act 1991
Community and Natural Environment	<b>Monuments and Memorial Art Policy</b>	Customer and Community	Nov-21	Nov-24	Review deferred	n/a
Community and Natural Environment	<b>Permanent Public Art Policy</b>	Customer and Community	Nov-21	Nov-24	Review deferred	n/a
Economic Development	<b>Event Sponsorship Policy</b>	Destinations	Apr-25	Apr-28	Current	n/a
Community and Natural Environment	<b>Naming of Roads, Open Spaces and Council Facilities Policy</b>	Infrastructure and Assets	Jun-22	Jun-25	Review deferred	n/a
Infrastructure and Transport	<b>Hamilton Parking Policy</b>	Infrastructure and Assets	Mar-24	Mar-27	Current	n/a
Community and Natural Environment	<b>Disability Policy</b>	Customer and Community	Sep-22	Sep-25	Current	n/a
Council	<b>Elected Members Support Policy</b>	Partnerships, Communication and Maaori	Nov-22	Nov-25	Current	Local Government Act 2002
Council	<b>Climate Change Policy</b>	Strategy, Growth and Planning	Jun-22	Jun-27	Review in progress	n/a
Council (TBC)	<b>Te Tiriti o Waitangi Statement (new)</b>	Partnerships, Communication and Maaori	n/a	n/a	Under consideration	n/a

COUNCIL POLICIES						
Committee	Policy	Group	Last reviewed date	Next review date	Status	Related Legislation
Community and Natural Environment	<b>Tree Policy (new)</b>	Customer and Community	n/a	n/a	In development	n/a
Community and Natural Environment	<b>Provisional Local Alcohol Policy (LAP)</b>	Customer and Community	n/a	n/a	In development	Sale and Supply of Alcohol Act 2012
Community and Natural Environment	<b>Art in Infrastructure Policy (new)</b>	Customer and Community	n/a	n/a	In development	n/a
Finance and Monitoring	<b>Financial Contributions Policy (new)</b>	CFO	n/a	n/a	In development	Local Government Act 2002
Community and Natural Environment Committee	<b>Events Policy (new)</b>	Partnerships, Communication and Maaori	n/a	n/a	In development	n/a

## Bylaws

BYLAWS				
Committee	Bylaw	Group	Next review date	Status
Community and Natural Environment	<b>Animal Nuisance Bylaw 2013</b>	Customer and Community	Mar-35	Current
Infrastructure and Transport	<b>Water Supply Bylaw 2013</b>	Infrastructure and Assets	Nov-34	Current
Community and Natural Environment	<b>Dog Control Bylaw 2015</b>	Customer and Community	Mar-35	Current (operative 1 July)
Community and Natural Environment	<b>Alcohol Control Bylaw 2015</b>	Customer and Community	Dec-25	Review in progress
Community and Natural Environment	<b>Public Places Bylaw 2016</b>	Customer and Community	Feb-26	Review in progress
Community and Natural Environment	<b>Parks, Domains and Reserves Bylaw 2019</b>	Customer and Community	Jun-29	Current
Community and Natural Environment	<b>Prostitution Bylaw 2019</b>	Customer and Community	Jul-29	Current
Infrastructure and Transport	<b>Waste Management and Minimisation Bylaw 2019</b>	Infrastructure and Assets	Nov-29	Review in progress (minor)
Community and Natural Environment	<b>Safety in Public Places Bylaw 2020</b>	Customer and Community	Oct-30	Review in progress

BYLAWS				
Committee	Bylaw	Group	Next review date	Status
Infrastructure and Transport	<b>Traffic Bylaw 2021</b>	Infrastructure and Assets	Dec-31	Current
Infrastructure and Transport	<b>Trade Waste and Wastewater Bylaw 2016</b>	Infrastructure and Assets	Jul-33	Current
Community and Natural Environment	<b>Cemeteries and Crematorium Bylaw 2012</b>	Customer and Community	Apr-34	Current
Infrastructure and Transport	<b>Stormwater Bylaw 2021</b>	Infrastructure and Assets	Apr 31	Current
Community and Natural Environment	<b>Alcohol Control (Fees) Bylaw</b>	Customer and Community	n/a	In development

#### Other Governance Documents

Council	Document	Sponsor/ Group	Last review date	Next review date	Status	Related legal provisions
Council	Committee Terms of Reference and Governance Structure	Partnerships, Communication and Maaori	Nov-22	Nov-25	Current	Local Government Act 2002
Council	Elected Member Code of Conduct	Partnerships, Communication and Maaori	May-22	May-25	Review on hold	Local Government Act 2002

#### Management Policies

MANAGEMENT POLICIES					
Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor
<b>Information Management</b>	Defines the role and functions of Records Management and establishes the principles and responsibilities of Hamilton City Council and its officers to ensure appropriate management of records.	Nov-24	Nov-27	Current	Digital Services
<b>Herbicide Use</b>	To provide high level guidelines around the use of herbicides in the management of unwanted vegetation.	Mar-15	Mar-18	Review deferred	Customer and Community
<b>Smoke Free Workplace</b>	To provide a healthy work environment for workers and visitors to our facilities and open spaces. It is an additional requirement that sets our	Jun-24	Jun-27	Current	People, Safety and Wellness

MANAGEMENT POLICIES					
Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor
	minimum standard above current legislation to prevent the detrimental effects of smoking on the health of people who do not smoke, or who do not wish to smoke.				
<b>Gifts and Hospitality</b>	To explain the principles and procedures for Council Staff to follow when considering whether to accept or decline offers of Gifts or Hospitality.	Jun-23	Jun-26	Current	Finance (CFO)
<b>Asset Management</b>	To outline the organisation's approach to asset management to ensure the City's physical infrastructure is managed in a way that delivers the desired level of service in a sustainable, well planned and cost-effective manner.	Jun-23	Jun-26	Current	Infrastructure and Assets
<b>Treasury</b>	To outline approved policies and procedures in respect of all treasury activity to be undertaken by Hamilton City Council ("HCC"). The formalisation of such policies and procedures will enable treasury risks within HCC to be prudently managed.	Feb-24	Feb-27	Current	Finance (CFO)
<b>Museum Collection</b>	To guide the growth, development and management of the Museum's collection.	Apr-24	Apr-27	Current	Destinations
<b>Unreasonable Complainant Conduct</b>	To set out Council's commitment to fair, transparent and appropriate dealings with customers and the principles that guide this commitment and provide a management framework for dealing with unreasonable complainant conduct	Aug-23	Aug-26	Current	Customer Services
<b>Surveillance Camera</b>	To outline the guidelines for Council's collection, storage and use of images collected.	Oct-18	Oct-21	Review in progress	City Safe
<b>Debtor Management</b>	To provide guidance around invoicing and debtor management practices, and outline expectations of business units to support effective and efficient processes, generating positive collection outcomes.	Sep-24	Sep-27	Current	Finance (CFO)
<b>Execution of Documents</b>	To provide procedure for execution and signing of documents having legal significance.	Nov-19	Nov-21	Review in progress	Governance and Assurance
<b>Acceptable Use</b>	To ensure that all computer systems and networks owned or managed by HCC are operated in	Jun-24	Jun-27	Current	Digital Services

MANAGEMENT POLICIES					
Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor
	an effective, safe, ethical and lawful manner and it is the responsibility of every computer user to know these requirements and to comply with them.				
<b>Intellectual Property and Ownership Rights</b>	To ensure Council retains ownership and rights of use of its assets, information, and intellectual property.	Dec-18	Dec-21	Review in progress	Governance and Assurance
<b>Fencing</b>	To provide guidance for how Council will apply their obligations under the Fencing Act 1978 in regard to contributions towards fences that share a boundary	Feb-19	Feb-22	Review in progress	City Transportation
<b>Capitalisation</b>	To provide guidance to council officers around the recognition and treatment of capital costs, revaluation, depreciation, impairment, disposal and accounting for assets.	Jul-24	Jul-27	Current	Finance (CFO)
<b>Compliance</b>	To provide the principles and set the expectations for how the Council will manage and achieve compliance in all areas of its operations.	Dec-23	Dec-26	Current	Governance and Assurance
<b>H3 Venue Conditions of Entry</b>	To provide guidelines and support for the implementation of Conditions of Entry at Hamilton City Council event venues managed by H3.	Sep-23	Sep-26	Current	Destinations
<b>Encroachment</b>	To enable Council to reasonably control encroachments into Road Reserves and Reserves	Mar-22	Mar-25	Review in progress	City Transportation
<b>Business Continuity</b>	This policy provides the principles and sets the expectations for how Hamilton City Council will provide business continuity management with respect to its critical functions. It should be read alongside the Business Continuity Management Standards and Guidelines, which provide guidance for staff on how to meet those expectations in practice.	Aug-19	Aug-22	Review in progress	Governance and Assurance
<b>Family Violence Leave</b>	To set out Council's commitment in protecting the wellbeing of all staff who may be subject to or perpetrators of Family Violence.	Dec-24	Dec-27	Current	People, Safety and Wellness
<b>Visitor Control</b>	To control visitors' exposure to workplace hazards and to control visitor access for all council buildings.	Oct-23	Oct-26	Current	Facilities Support

MANAGEMENT POLICIES					
Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor
<b>Energy and Carbon Management</b>	To minimise energy consumption and greenhouse gas emissions across the organisation in accordance with our sustainability principles.	Nov-19	Nov-22	Review in progress	Facilities
<b>Remuneration</b>	Our remuneration supports our strategy to attract and retain talented people to achieve key community outcomes that help to improve the wellbeing of Hamiltonians.	Apr-24	Apr-27	Current	People, Safety and Wellness
<b>Flexible Working</b>	To support the achievement of organisational goals and objectives by supporting staff to balance their work and personal lives. In turn, this is expected to enhance the attraction, retention and productivity of our people.	Oct-20	Oct-23	Review deferred	People, Safety and Wellness
<b>Leave</b>	To provide guidance on how HCC manages Leave. This policy should be read in conjunction with the relevant employment agreement.	Oct-23	Oct-26	Current	People, Safety and Wellness
<b>Hamilton City Libraries Collection</b>	To provide a framework for the development and management of Hamilton City Libraries' collections.	Feb-25	Feb-28	Current	Hamilton Libraries
<b>Procurement Policy and Procedures Manual</b>	This Policy is to provide Council staff with clear guidelines relating to procurement and ensure any Hamilton City Council procurement is made appropriately and in line with good public sector practice.	Dec-21	Dec-24	Review in progress	Procurement (CFO)
<b>Child Protection</b>	To take all practicable measures to protect young people under the age of 18 years by providing a safe environment for children attending council-owned and operated facilities. Hamilton City Council will work in partnership with government and social development agencies to ensure the safety and wellbeing of children whilst meeting the requirements of the Vulnerable Children's Act (2014).	Apr-25	Apr-28	Current	People, Safety and Wellness
<b>Health and Safety</b>	To contribute to all aspects of Hamilton City Council's organisational health and safety performance as part of a demonstrable commitment to continuous improvement in health and safety.	Apr-25	Apr-28	Current	People, Safety and Wellness
<b>Recruitment and Selection</b>	To ensure that the recruitment and selection of HCC staff is undertaken	Feb-25	Feb-28	Current	People, Safety and Wellness

MANAGEMENT POLICIES					
Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor
	in a fair, consistent, transparent and cost-effective way.				
<b>Litter Enforcement</b>	To provide guidance to Council officers on issuing infringement notices under the Litter Act 1979.	Jan-22	Jan-25	Review in progress	Sustainable Resource Recovery Team (Infrastructure)
<b>Civil Defence and Emergency Management</b>	To ensure that Hamilton City Council (HCC) meets the requirements of the Civil Defence Act 2002 and is able to effectively and efficiently respond to and recover from an emergency event.	Apr-25	Apr-28	Current	Risk and Emergency Management
<b>Election Protocols for Staff</b>	To help employees understand and balance their role in a politically neutral public organisation, with their right to participate in the local democratic process and local elections.	Feb-25	Feb-28	Current	Governance and Assurance
<b>Media and Social Media</b>	To ensure Council staff understand our process to take a coordinated and consistent approach to communicating with the public and media.	Jun-22	Jun-25	Review in progress	Communication
<b>Revaluation</b>	To outline the organisations approach to revaluations to ensure that the value and depreciation held for City assets is accurate.	Jun-22	Jun-25	Review on hold	Finance (CFO)
<b>Workplace Diversity and Inclusion</b>	To ensure all Council employees work in an environment where diversity and inclusion (D&I) is encouraged, respected and embraced in day-to-day operations; individuals are supported. Recognised as valuable. Treated with respect, positively included and feel safe; and Council's commitment to D&I in the workplace helps us to be inclusive in our engagement with the community and delivery of services. Note this includes the Rainbow Policy and, in future, Religion Policy, ethnicity Policy etc.	Aug-22	Aug-25	Review in progress	People, Safety and Wellness
<b>LGOIMA Charging</b>	To provide guidance on when and how HCC will charge for LGOIMAs and the considerations in doing so.	Feb-24	Feb-27	Current	Governance and Assurance
<b>Workplace Travel and Fleet Management</b>	To ensure that Council fleet is operated and managed in a manner that is fit for purpose, cost efficient, safe, lawful, and reduces carbon emissions.	Mar-25	Mar-28	Current	Operate and Maintain (Assets)
<b>Cash Handling</b>	To ensure that there is consistent cash management practices which minimise risk and hazards and enable cash handling processing to be carried out in a safe and secure manner.	Oct-22	Oct-25	Current	Finance (CFO)

MANAGEMENT POLICIES					
Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor
<b>Membership of Professional Organisations</b>	To specify the circumstances when Council will pay for/reimburse the cost of professional membership fees for Council employees.	Oct-22	Oct-25	Current	Finance (CFO)
<b>Study Assistance</b>	To support staff who wish to continue to develop their personal and/or professional skills through further study, in support of their career development whilst working at Council. The purpose of this Policy is to outline relevant information in support of staff pursuing further study through approval, which is relevant and beneficial to both the staff member and Council.	Nov-22	Nov-25	Current	People, Safety and Wellness
<b>Drug and Alcohol</b>	To: show our responsibility and commitment to ensure a safe and healthy workplace for our staff; ensure that our staff can work in an environment free of alcohol and drug use or abuse; outline Council's expectations and requirements for creating and maintaining an alcohol and drug-free work environment and for dealing with substance abuse in the workplace; and provide an opportunity to staff members with a substance use problem to get well.	Nov-22	Nov-25	Current	People, Safety and Wellness
<b>Bullying, Harassment and Discrimination</b>	To provide a safe and supportive working environment for all its employees and customers. To promote awareness of the issues and define workplace harassment, bullying, discrimination and conflict.	Dec-22	Dec-25	Current	People, Safety and Wellness
<b>Performance Management and Disciplinary</b>	To ensure that HCC has a performance management and disciplinary process that is fair, transparent and applied consistently.	Dec-22	Dec-25	Current	People, Safety and Wellness
<b>Code of Conduct</b>	To set out the rules and expectations of staff while they are employees at Hamilton City Council.	Dec-22	Dec-25	Current	People, Safety and Wellness
<b>Customer Feedback</b>	This customer feedback policy sets out how Council will adhere to good governance obligations in relation to complaints, compliments, and customer insights about our services as the territorial authority for the people of Hamilton.	Aug-23	Aug-26	Current	Customer

MANAGEMENT POLICIES					
Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor
<b>Privacy Statement</b>	To outline how Council collects, uses and responds to disclosures your personal information as well as its obligations and public rights as set out in the Privacy Act 2020.	Apr-23	Apr-27	Current	Governance and Assurance
<b>Lone Worker</b>	To assist Council in understanding its responsibilities in looking after the health, safety, and wellbeing of all staff whilst at work. This Policy explains how Council will ensure the safety of staff who may be required to work alone through minimising the risks that they face and putting in place appropriate measures to improve their safety.	Apr-24	Apr-27	Current	People, Safety and Wellbeing
<b>Te Reo Maaori (new)</b>	To provide guidance and direction for the use of te reo Maaori by Hamilton City Council (the Council) staff.	n/a	n/a	Under consideration	Amorangi Maaori
<b>Disinformation Management</b>	To reduce the impacts of misinformation (scope includes dis-information and mal-information) in relation to the activities of Hamilton City Council (the Council) on our community by defining and supporting an organisational approach to managing this in relation to the activities of Council.	Dec-23	Dec-26	Current	Communication and Engagement
<b>Erosion (Open watercourse) (new)</b>	Still to be advised.	n/a	n/a	Under consideration	Waters

#### Management Policies with Committee Oversight

Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Group
<b>Conflicts of Interest</b>	To ensure staff are aware of and declare actual and potential conflicts of interest between their employment and their activities outside of work.	Nov-22	Nov-25	Current	People, Safety and Wellbeing
<b>Sensitive Expenditure</b>	To provide Council staff with clear guidelines relating to Sensitive Expenditure and ensure any HCC expenditure is made appropriately and in line with good public sector practice.	Mar-24	Mar-27	Current	Finance (CFO)
<b>Protected Disclosure</b>	If an employee discovers information which they believe shows serious wrongdoing within the organisation, there should be established procedures which enable the employee to disclose such information without fear of reprisal	Aug-22	Aug-25	Current	People, Safety and Wellbeing

Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Group
<b>Fraud and Corruption</b>	To prevent fraud and/or corruption and ensure the overall integrity and performance of Council. This policy provides a consistent and transparent approach to all allegations of fraud and/or corruption.	Jun-23	Jun-26	Current	CFO

#### Delegations Management Policies

DELEGATIONS MANAGEMENT POLICIES					
Delegations Management Policy Title	Purpose	Last reviewed and approved	Next Review Date	Status	Sponsor
<b>Delegations to Officers under the Public Works Act 1981</b>	To set out the delegations from the Chief Executive to Council Officers under the Public Works Act 1981.	Oct-23	Oct-26	Current	Strategy, Growth and Planning
<b>Financial Delegations to Officers</b>	To ensure consistency in carrying out activities and to ensure that the authority to commit (or bind) Council to arrangements with third parties (suppliers, vendors, contractors, tenants, event promoters, sales agencies, CCO's, government departments and statutory organisations, etc.) is properly delegated and correctly monitored.	Dec-23	Dec-26	Current	Finance
<b>Delegations to Officers under the Trespass Act 1980</b>	To set out the delegations from the Chief Executive to Council Officers under the Trespass Act 1980.	Dec-20	Dec-23	Review in progress	Customer and Community
<b>Delegations to Growth Officers and City Safe Unit Officers (excluding delegations under the RMA)</b>	To set out the delegations from the Chief Executive to Council officers in Growth and the City Safe Unit.	Jul-21	Jul-24	Review in progress	Strategy, Growth and Planning
<b>Delegations to City Infrastructure Officers (new)</b>	To set out the delegations from the Chief Executive to Council Officers in City Infrastructure.	Mar-23	Mar-26	Review in progress	Infrastructure and Assets

# Council Report

Item 14

**Committee:** Strategic Risk and Assurance Committee  
**Date:** 17 June 2025  
**Author:** Julia Kofoed  
**Authoriser:** Gary Connolly  
**Position:** Insurance Lead  
**Position:** Chief Financial Officer  
**Report Name:** Annual Pre-Renewal Insurance Report

<b>Report Status</b>	Open
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## Purpose - *Take*

1. To inform the Strategic Risk and Assurance Committee on the general insurance activity across Council in preparation for the 2025/2026 annual insurance renewal.

## Staff Recommendation - *Tuutohu-aa-kaimahi*

2. That the Strategic Risk and Assurance Committee:
  - a) receives the report; and
  - b) notes the market commentary and approach for the 2025/2026 insurance renewal.

## Executive Summary - *Whakaraapopototanga matua*

3. The insurance market in New Zealand has begun to soften in 2025 following the hard market conditions of recent years, particularly in the material damage market. Increased market capacity and competitive pricing are evident, especially in regions with lower natural catastrophe exposure. Globally, a similar trend is supporting favourable conditions for insureds to negotiate better terms, although prudent underwriting and demand for accurate valuations remain critical.
4. The global reinsurance market has shown significant growth despite recent natural disasters like Cyclone Alfred and the Los Angeles wildfires. Liability markets, however, remain constrained for councils. Insurers have responded by introducing aggregate limits and tightening cover for emerging risks.
5. For the 2025/2026 renewal period, Council will renew its insurance programme via the Co-Lab group arrangement with Aon. Council insures based on probable maximum loss (PML) rather than full replacement value, allowing for a cost-effective balance between risk and expenditure. Loss modelling completed for Hamilton's insured above ground assets in 2024 has recommended an increase in the upper limits purchased from \$300 million to just over \$400 million. Staff propose purchasing an additional \$100 million excess layer, already budgeted, to ensure coverage confidence within our existing risk appetite.
6. While the changes to water services are being finalised, the insurance renewal will proceed in two phases: standard renewal followed by a strategic review in preparation for the 1 July 2026 structural changes.

7. Estimated renewal premiums for 1 November 2025 are projected to fall within existing budgets. The total premium for 2024 was \$4.42 million (exclusive of GST), with no significant changes proposed beyond the additional material damage excess layer.
8. Staff consider the matters in this report have low significance and that the recommendations comply with Council's legal requirements.

## Discussion - *Matapaki*

### *Material Damage and Infrastructure Market Commentary*

9. The New Zealand insurance market has shown signs of softening in early 2025, following a period of hard market conditions driven by significant weather events in 2023. Insurers are exhibiting increased capacity and more competitive pricing, particularly in regions with lower natural catastrophe exposure, such as the Waikato. However, underwriting remains prudent, with a continued emphasis on accurate valuations and comprehensive risk data.
10. Internationally, the insurance market is experiencing a similar trend, with increased capacity and stabilising rates across various lines. This global shift is contributing to favourable conditions in the New Zealand market, offering opportunities for insureds to negotiate improved terms.
11. Bushfire exposures are again topical following the Los Angeles wildfires in January, which, whilst damaging, are unlikely to have pricing repercussions for the New Zealand market. Cyclone Alfred was another natural catastrophe event of note, however the impact on the market is expected to be modest.
12. The reinsurance market has shown increased capacity, particularly for property catastrophe risks. Notably, New Zealand's state-backed natural hazard insurance scheme, EQC Toka Tū Ake, secured a record NZ\$9.2 billion in reinsurance coverage as of June 1, 2024, reflecting strong market confidence and appetite for New Zealand earthquake risk.

### *Liability Market Commentary*

13. The liability insurance market for New Zealand councils remains challenging. Recent legal developments, such as the Riskpool v Napier City Council case, have led to some international insurers withdrawing from this sector. Nonetheless, primary layer liability insurers have reaffirmed their commitment to the local government sector, albeit with the introduction of annual aggregate limits to manage exposure.
14. In the excess liability market, particularly in London, there is a cautious approach towards New Zealand local government risks. This is influenced by broader concerns over climate-related exposures and litigation trends. Alternative markets in Singapore and Australia are being explored to fill capacity gaps.
15. Insurers are increasingly cautious about exposures related to per- and polyfluoroalkyl substances (PFAS), leading to broader exclusions in many policies. Additionally, social inflation and litigation trends are contributing to an uncertain outlook for casualty lines.

### *Motor Market Commentary*

16. The motor insurance market in New Zealand is stabilising, with insurers maintaining rates for well performing fleets. The relative absence of severe weather events in 2024 has contributed to this stability. However, rising repair costs continue to be a concern, prompting insurers to focus on cost containment and repair efficiencies.

### 2025/2026 Renewal Approach

17. Council purchases its insurance programme under the collective agreement with Co-Lab with Aon as the appointed broker. The purpose of this relationship is to leverage the region's collective insurance requirements and deliver economies of scale.
18. Council insures for a probable maximum loss reinstatement value for the material damage, business interruption and infrastructure policies. This is as opposed to insuring the full replacement value of all Council assets. This approach allows spend on premium to be balanced with associated risk and likelihood of a major event. Loss modelling has historically been used to validate upper limits that are purchased.
19. The infrastructure placement provides partial catastrophe cover following a natural disaster for underground water reticulation assets and key high value bridges that are deemed critical to the water network. In February 2025, the Insurance Advisory Group who manage the purchase of insurances for the collective Waikato group, acknowledged the need for updated loss modelling with the last exercise being over five years old. The group reviewed a proposal from Aon's risk advisory service to complete this exercise, however due to a lack of group funding and with upcoming changes to water services it was decided that the exercise would not go ahead. As such, Council will continue to purchase the same level of cover for the upper limit, and replacement values will be increased in line with inflationary adjustments.
20. Material damage and business interruption cover is purchased for assets listed on Council's property schedule with cover extending beyond natural disasters to include other perils including but not limited to fire, theft, and vandalism. The property schedule is mainly made up of buildings and above ground structures (for example destination playgrounds, feature gardens, reservoirs) and their associated contents, plant, and equipment.
21. Though Council purchases policies with loss limits, individual assets are listed for their full insurance replacement value. Exceptions are made where assets are intended to be demolished or have been impaired. These assets are insured for their demolition value only. Material damage values for the 2025/2026 renewal will be informed by the most current asset revaluations or updated for inflation where valuations are not available.
22. Council purchases a loss limit of \$300 million for all material damage losses (excluding fire) with the limit being informed by probable maximum loss modelling for earthquake, being the most likely peril to cause catastrophe loss. Probable maximum loss modelling is informed by the National Seismic Hazard Model (NHSM) which estimates the likelihood and strength of earthquake shaking in different parts of New Zealand. This model is widely used by the government, industry, reinsurers, and insurers to help estimate earthquake risk. It was recently updated to include the latest science, data, and knowledge from significant earthquakes around New Zealand over the last two decades (including Canterbury and Kaikoura).
23. Staff commissioned loss modelling for Hamilton only in 2024 to inform the \$300 million limit against the renewing asset base of \$2.08 billion. The output from this exercise was delayed and was unable to be used for the last renewal, however this has now been received. For Council to retain the same risk tolerance for catastrophe events and continue to purchase limits for a 1,000-year event, the output suggests an increase to \$406 million. Above ground waters assets were included in this exercise, making up approximately 33% of the portfolio by value. The waters subset was modelled on its own with the output for the 1,000-year event being \$106 million. It should be acknowledged that values into this loss modelling exercise have now also increased.

24. Staff recommend purchasing an additional \$100 million excess layer for this year's renewal. Aon provided indicative pricing of approximately \$300,000 for this layer and this had already been factored into the insurance budget for 2025. While this report has been written in advance of the decision on water services, a separate excess layer is recommended rather than an increase to the Waikato group limit to provide Hamilton with confidence of availability in a catastrophe event for all assets on the material damage schedule. This would be reviewed once waters assets are transferred to a new entity, but until that time Hamilton City Council still has an exposure to manage.
25. Staff are actively working with Aon on what potential changes to water services will mean for the wider insurance portfolio structure and the collective purchase of insurance across the Waikato group. Aon have recommended a phased approach to this year's renewal whereby all data and disclosures are provided normally as per previous years and in line with existing timeframes. In the second phase, staff will work with Aon and project teams to ensure the insurance is fit for purpose. The current exception to this is the placement of Directors and Officers liability insurance which the potential Council Controlled Organisation will need in place at incorporation.
26. Council purchases an overall limit of \$160 million of professional indemnity and public liability insurance and intends to renew cover at these levels. Staff continue to work with teams across Council to improve liability disclosures throughout the year, as well as at renewal. Aon have informed Hamilton City Council that the insurers will have specific focus on the reporting of known circumstance during the policy period, as this has been an issue that the liability markets have identified. Additionally, the liability markets will require information related to internal operational procedures and risk mitigations. Insurers will be particularly interested in activities governed by the Building Act.
27. No other changes are proposed to the approach for renewal for policies that mentioned above.

### Financial Considerations - *Whaiwhakaaro Puutea*

28. This is a regular operating activity funded through existing budgets. On a pro rata basis to align the insurance year with Council's financial year, projected renewal premiums for 1 November 2025 are currently estimated to fall within existing budgets.
29. Insurance policies and premium for the current year are shown below. 2024 figures are actuals and were effective 1 November 2024 and are inclusive of levies and exclusive of GST.

	2024 Renewal Premium
<b>Physical damage policies:</b>	
Material damage and business interruption	\$2,173,435
Material damage excess layer	\$330,895
Infrastructure	\$946,539
Motor	\$119,602
Fine arts	\$103,644
Annual contract works	\$46,540
Boiler explosion	\$3,625
<b>Liability policies:</b>	
Professional indemnity	\$501,443
General liability	\$94,569
Liability excess layer	\$53,068
Crime	\$35,786
Statutory liability	\$9,720
Aviation liability	\$2,865
Employers' liability	\$1,435

<b>Other policies:</b>	
Travel	\$418
Personal Accident	\$1,185
<b>Total</b>	<b>\$4,424,770</b>

### **Legal and Policy Considerations - *Whaiwhakaaro-aa-ture***

30. Staff confirm that this matter complies with the Council's legal and policy requirements.

### **Climate Change Impact Statement**

31. Staff have assessed this option against the Climate Change Policy for both emissions and climate change adaptation. Staff have determined no adaptation assessment is required.

### **Wellbeing Considerations - *Whaiwhakaaro-aa-oranga tonutanga***

32. The purpose of Local Government changed on the 14 May 2019 to include promotion of the social, economic, environmental and cultural wellbeing of communities in the present and for the future ('the 4 wellbeings').
33. The subject matter of this report has been evaluated in terms of the 4 wellbeings during the process of developing this report as outlined below.

### **Risks - *Tuuraru***

34. There are no known risks associated with this matter.

### **Significance & Engagement Policy - *Kaupapa here whakahira/anganui***

35. Having considered the Significance and Engagement Policy, staff have assessed that the matters in this report have low significance.
36. Given the low level of significance determined, the engagement level is low. No engagement is required.

### **Attachments - *Ngaa taapirihanga***

There are no attachments for this report.

## Resolution to Exclude the Public

### Section 48, Local Government Official Information and Meetings Act 1987

The following motion is submitted for consideration:

That the public be excluded from the following parts of the proceedings of this meeting, namely consideration of the public excluded agenda.

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

General subject of each matter to be considered	Reasons for passing this resolution in relation to each matter	Ground(s) under section 48(1) for the passing of this resolution
C1. Confirmation of the Strategic Risk and Assurance Public Excluded Minutes 6 March 2025	) Good reason to withhold ) information exists under ) Section 7 Local Government ) Official Information and ) Meetings Act 1987	Section 48(1)(a)
C2. Legal Risks - Committee Update		
C3. Organisational Improvement Register - Public Excluded		
C4. SR3 Loss of Information or Access to Systems and Services		

This resolution is made in reliance on section 48(1)(a) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Section 6 or Section 7 of that Act which would be prejudiced by the holding of the whole or relevant part of the proceedings of the meeting in public, as follows:

Item C1.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C2.	to maintain legal professional privilege	Section 7 (2) (g)
Item C3.	to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (j)
Item C4.	to protect information which is subject to an obligation of confidence where disclosure would likely damage the public interest to enable Council to carry out commercial activities without disadvantage to prevent the disclosure or use of official information for improper gain or improper advantage	Section 7 (2) (c) (ii) Section 7 (2) (h) Section 7 (2) (j)