



Strategic Risk Workshop

Councillor briefing pack
Waikato Regional Council



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Introduction and Workshop objectives

Purpose of this Workshop

To seek your input in the Strategic risks and risk appetite statement refresh (**pages 9-17**), so that we can ensure your perspectives are captured in the revised risk profile. Following this Workshop, we will work with the Executive Leadership Team, Fiona and James to finalise the revision of the risk descriptions and risk appetite statements to present a final draft for endorsement at the June Risk and Assurance Committee meeting.

Our ask ahead of our Strategic Risk Workshop

1. Familiarise yourself with our agenda – **see page 4**
2. Keep WRC's Strategic Direction and priorities front-of-mind ahead of the workshop - **see page 26 - 27**
3. Read and familiarise yourself with the ELT revised strategic risks (based on workshop held on 31 March). These will form the starting point for discussion during the workshop as we explore and refine the strategic risks and risk appetite for Waikato Regional Council – **see pages 8 - 17**
4. Read the following enablers. These provide WRC and broader local government perspectives to help with exploring our strategic risks:
 - Current Strategic Risks and Risk appetite Statements – **see pages 28 - 29**
 - Macroeconomic risks – **see page 21**

- Key risks facing local Government across New Zealand, shared by Local Government NZ, PwC, and the Officer of the Auditor General – **see page 22**
- Other readings - **see page 31.**

Key questions to think about

1. What are the key risks Council faces in delivering the strategic priorities and outcomes? I.e. regional resilience, sustaining natural resources, optimised transport system?
2. Do the existing strategic risks describe the heart of our concerns? Would these have a material impact on Council achieving the strategic priorities – and how?
3. How much risk is Council willing to take?

What to expect

The Councillor strategic risk workshop will be held at Waikato Regional Council on **22 April 2026**, and you should expect:

- Open, free, and frank discussion.
- Active participation to identify and refine the strategic risks facing WRC as it delivers its strategic direction and priorities.
- Some questioning, debate and challenge – for example 'why is this a risk, why does this matter to us, what is our role in this, so what...'

Workshop Agenda – 22 April 2026

1:00

- 1. Introductions, housekeeping and purpose of today’s workshop, setting the scene - 10 minutes:**
 - Strategic risk – What are the key challenges/issues faced (i.e. what is going to stop us), and what is changing internally and externally that can introduce risk
 - Overview of the Council’s risk management principles, strategic risk vs. operational risk, key risk appetite concepts
 - Overview of the key updates to the strategic risks and risk appetite statements from the ELT workshop on 31 March

1:10

- 2. Explore and confirm the Council’s key strategic risks – a facilitated session (1hr 45 minutes)**

Update strategic risks, and for each risk:

 - Determine whether there are there any additional risks beyond the current list that if realised would impact the Council’s ability to achieve its overall goals and strategic future direction or any risks that are no longer relevant
 - Explore and seek perspectives on the strategic risks – a facilitated conversation
 - Determine if there are any areas of focus/perspectives the risk description would benefit from, including to the risk appetite statement

2:55

- 3. Wrap up of next steps - 5 minutes:**
 - Agreed actions and discuss how these strategic risks will be presented back to Council.

Outputs/Outcomes

Everybody on board

Updated list of Strategic Risks

Alignment between Risks and Strategy

Updated risk appetite

Agreed next steps

Setting the scene for the risk discussion

Why are we doing this?

Waikato Regional Council have an important role as kaitiaki (guardians) of the Region and in enabling the collective vision of their community through building connected communities. In working towards this vision, the Council operates in, and must navigate through, a complex environment with a number of stakeholders, organisational priorities, operational activities, programmes of work, and external factors.

Council has invested time in developing a new strategic direction (Te Pae Tawhiti | Strategic Direction 2026–2036) to guide the region over the coming decade. This provides a useful foundation, however there is recognition of a need to refresh the Council's strategic risks in achieving this direction over the medium term to enable:

- Elected Officials and the Executive Leadership Team to navigate a complex, and at times inherently challenging environment and roles
- The Risk and Assurance Committee's review, approval and monitoring of the strategic risks that are significant to the Waikato Regional Council, the Council's appetite for risk, and the Council's risk management programme of work
- Council personnel in the delivery of their day-to-day roles
- To ultimately support the Council deliver its important role and realise its vision.

The last strategic risk refresh was done 3 years ago and now that you have a new Strategic Direction, it is timely to revisit the Strategic Risks to make sure that they are aligned.

We started the process of revising the strategic risks with an Executive Leadership Team (ELT) workshop held on 31 March 2026. There was a good level of discussion by the ELT at the workshop and we specifically mapped the risks to the new priorities in the Strategic Direction.

The outputs of the ELT workshop show that most of the current strategic risks map to the priorities, with three risks that were not linked to achievement of any of the priorities moved to being top organisational risks as they are still important to monitor – refer to page 8 and 19.

In recognition of the current environment, two new risks were identified through the ELT workshop discussions (governance and reform transition and strategic prioritisation and decision-making).

Based upon the ELT workshop outputs, we refined the risk descriptions so that they are more succinct and clear on the current top causes, risk event that is most concerning now and in the near term and impacts. We have also refreshed and summarised risk appetite statements accordingly.

Setting the scene for the risk discussion

Key challenges for Waikato Regional Council

As reflected in the Council's strategic direction and risk reporting, Waikato Regional Council is operating in a dynamic and changing environment including:

- Increasing frequency and severity of climate and natural hazard events impacting communities, infrastructure and regional resilience
- Legislative reform and uncertainty around the future role and governance of regional councils
- Rapid technological change, including cyber security, data governance and the adoption of artificial intelligence
- Ongoing pressures on organisational capability, resources and financial sustainability

Risks will need to be considered against this backdrop.

ELT Revised Strategic Risks and Risk Appetite Statements

Summary of Revised Strategic Risks

The below table presents a summary of the changes to the Strategic Risks based upon the Executive Leadership Team workshop.

	Current Strategic Risks	Revised Strategic Risks by ELT on 31/3	Notes
1	Emergency Response	Emergency Response	
2	Legislative Compliance		Moved to be a Top Organisational Risk
3	Relationships	Relationships	
4	People, Capacity, Capability and Culture	People, Capacity, Capability and Culture	
5	Health and Safety		Moved to be a Top Organisational Risk
6	Information Technology	Information, Data and Technology	
7	Financial Sustainability	Financial Sustainability	
8	Fraud		Moved to be a Top Organisational Risk
9	Climate Change	Climate Change	
10	Giving Effect to Te Tiriti o Waitangi	Giving Effect to Te Tiriti o Waitangi	
		Governance and Reform transition	New Risk – replaces Legislative Compliance as the strategic risk in relation to the volume and impact of current legislative change.
		Strategic Prioritisation and Decision-making	New Risk – reflects the risk that actions to address current short term pressures may impact on the achievement of strategic priorities in the long-term.

Revised Strategic Risk One – Emergency Response

Revised Risk Description	Current Risk Description
<p>Due to staff not being adequately trained, operational systems not being fit for purpose or decision making not being as informed by the most recent and relevant data, Waikato Regional Council is unable to effectively respond to a critical event or situation. Ultimately this could lead to a range of consequences including loss of life, damage to property, natural resources and critical infrastructure.</p>	<p>There is a risk that Waikato Regional Council is unable to effectively respond to a critical event or situation due to staff not being adequately trained, operational systems not being fit for purpose or decision making not being as informed by the most recent and relevant data. Ultimately this could lead to a range of consequences including loss of life, damage to property and critical infrastructure.</p>
<p><i>Does the risk description capture the essence of the risk? If not: what are the specific areas of risk that concern you more – need to highlight? Any areas that are less risky that can come out?</i></p>	
<p>Revised Risk Appetite Statement We will invest and partner to stay response-ready and capable. We will not accept avoidable gaps in training, decision support, emergency coordination or continuity for critical services.</p> <p>To achieve this goal, we maintain a "Low" risk appetite for emergency response, which reflects our commitment to minimising the impact of emergency situations.</p>	<p>Current Risk Appetite Statement The council places great importance on being responsive to the needs of our communities, with a focus on prioritising the safety and well-being of our people, communities, and stakeholders. Council acknowledges the need to work with others, and acknowledges that, in some emergency response situations, Council will not be the lead agency – requiring clear co-ordination and communication in relation to roles and responsibilities. To achieve this goal, we maintain a "Low" risk appetite for emergency response, which reflects our commitment to minimising the impact of emergency situations. Our aim is to implement and maintain effective response plans that not only keeps our communities safe but also well-informed during critical times. We will be response ready and capable at all times.</p>
<p><i>Does the risk appetite description reflect where you are willing and not willing to take risk? Based on events of past year and future has the Council's risk appetite changed – are you more open or adverse to this risk?</i></p>	

Revised Strategic Risk Two – Governance and Reform Transition

Revised Risk Description	Current Risk Description
<p>Due to changing regulatory environment and uncertainty regarding complex changes, WRC may fail to adapt to new legislative and regulatory requirements leading to penalties, service disruption and reputational damage.</p>	<p>New Risk</p> <p>In addition to Legislative Compliance which moves to an organisational risk as it is more operational</p>
<p><i>Does the risk description capture the essence of the risk? If not: what are the specific areas of risk that concern you more – need to highlight? Any areas that are less risky that can come out?</i></p>	
<p>Revised Risk Appetite Statement</p> <p>We will be active participants in designing the reforms and advocating for what is right for us and the Waikato region. We will not take risks that result in the failure to effectively anticipate, interpret and implement regulatory change.</p>	<p>New Risk</p>
<p><i>Does the risk appetite description reflect where you are willing and not willing to take risk?</i></p> <p><i>Based on events of past year and future has the Council's risk appetite changed – are you more open or adverse to this risk?</i></p>	

Revised Strategic Risk Three – Relationships

Revised Risk Description	Current Risk Description
<p>Due to ineffective engagement with required stakeholders, unclear roles and responsibilities and unclear messaging Waikato Regional Council may lose the trust and confidence among communities, iwi, partners and key stakeholders, leading to resistance to decisions, slower delivery and reduced mandate to implement strategic change.</p>	<p>There is a risk that Waikato Regional Council does not effectively manage relationships with its communities and key stakeholders that may affect their trust and confidence in our ability to deliver on our services and commitments.</p>
<p><i>Does the risk description capture the essence of the risk? If not: what are the specific areas of risk that concern you more – need to highlight? Any areas that are less risky that can come out?</i></p>	
<p>Revised Risk Appetite Statement We will take considered positions on key issues aligned to our strategic objectives and statutory responsibilities, and engaging on complex, contested issues. We remain open to constructive challenge, and compromise where this enables better long-term outcomes. We will not compromise on our core obligations, values or legislative responsibilities or take risk that damages trust through ineffective engagement, inconsistent messages or failure to honour commitments.</p> <p>Accordingly, we have a Medium appetite for risks to relationships.</p>	<p>Current Risk Appetite Statement Waikato regional council recognises the importance of establishing and upholding our positive relationships with our communities, business partners and central government. Our "Medium" risk appetite acknowledges that there is increased levels of inherent risk in the current environment with regulatory uncertainty, extreme weather events and the worsening of global economic conditions. This appetite level also captures that these market pressures also apply to our stakeholders, and therefore, what is most important to them as well their expectations of the council, will differ depending on their immediate and short term needs. Accordingly, we will do our utmost to remain proactive in responding to the needs of all of our key stakeholders while accepting that the current settings of complexity will need to be navigated alongside us achieving our strategic objectives.</p>
<p><i>Does the risk appetite description reflect where you are willing and not willing to take risk? Based on events of past year and future has the Council's risk appetite changed – are you more open or adverse to this risk?</i></p>	

Revised Strategic Risk Four – People, Capacity, Capability and Culture

Revised Risk Description	Current Risk Description
<p>Due to capability gaps, constrained capacity and change fatigue/resistance, Waikato Regional Council does not enable a constructive organisational culture with capability and capacity to adapt to the future state needs. This may result in poor staff attraction, retention, engagement, and performance.</p>	<p>There is a risk that Waikato Regional Council does not enable a constructive organisational culture that may result in poor staff attraction, retention, engagement, and performance. This will in turn mean that we are not able to deliver on our strategic priorities and goals as we will not have the capacity, skillset, or relationships to effectively engage with communities, iwi partners and our key stakeholders.</p>
<p><i>Does the risk description capture the essence of the risk? If not: what are the specific areas of risk that concern you more – need to highlight? Any areas that are less risky that can come out?</i></p>	
<p>Revised Risk Appetite Statement We will invest in positive ways of working, leadership and capability building to support our staff resilience.</p> <p>We have a Low appetite for risks that relate to sustained critical capability gaps, harmful culture or unmanaged change that undermines delivery.</p>	<p>Current Risk Appetite Statement The wellbeing of our people is central to the core of our purpose. We have a "Low" risk appetite to failing to create an organisation and culture that does not attract, retain, support and therefore create a positive working environment that complements our strategic direction. Our culture that we wish to cultivate will promote safe practice, encourage open and honest communication as well as prioritise investment into our people, so that we have both the technical and cultural skills required to continually support the achievement of our strategic objectives.</p>
<p><i>Does the risk appetite description reflect where you are willing and not willing to take risk? Based on events of past year and future has the Council's risk appetite changed – are you more open or adverse to this risk?</i></p>	

Revised Strategic Risk Five – Information, Data and Technology

Revised Risk Description	Current Risk Description
<p>Fragmented and underinvestment in secure, resilient information, data/AI and technology capabilities may result in cyber or privacy events, or poor information quality, leading to impaired decision-making, technical debt and disrupted services.</p>	<p>There is a risk that Waikato Regional Council does not innovate and invest enough in information and technology capabilities and solutions. This may compromise our ability to deliver our services, conduct our business activities, and lead to further impacts to our ability to support our communities in times of crises.</p>
<p><i>Does the risk description capture the essence of the risk? If not: what are the specific areas of risk that concern you more – need to highlight? Any areas that are less risky that can come out?</i></p>	
<p>Revised Risk Appetite Statement We will take considered opportunities to modernise systems, use data and adopt AI where governance, security and capability are in place, accordingly our appetite is Moderate in this area.</p> <p>We have a Low appetite for risks relating to privacy, cyber security, critical system resilience or poor information management.</p>	<p>Current Risk Appetite Statement At the Waikato Regional Council we recognise the critical nature of information technology (IT) systems and their importance to our businesses operations, service delivery, communication channels and therefore overall capability of our business. We also understand the inherent and increasing risks and vulnerabilities that IT poses to any organisation. Accordingly, these two factors result in our “Medium” risk appetite in this area.</p>
<p><i>Does the risk appetite description reflect where you are willing and not willing to take risk?</i> <i>Based on events of past year and future has the Council's risk appetite changed – are you more open or adverse to this risk?</i></p>	

Revised Strategic Risk Six – Financial Sustainability

Revised Risk Description	Current Risk Description
<p>Due to cost escalation, funding constraints, rates affordability pressure, weak forecasting/prioritisation or investment discipline, WRC may have insufficient or poorly allocated funding, leading to inability to maintain service levels, invest in infrastructure and deliver strategic outcomes.</p>	<p>There is a risk that WRC is unable to plan, attract and effectively allocate sufficient funding to deliver on its strategic objectives. This can then lead to failing to achieve social outcomes for our communities, effectively forecast for organisational growth as well as maintain and build new infrastructure that will support the longevity of the council through times of economic and environmental change.</p>
<p><i>Does the risk description capture the essence of the risk? If not: what are the specific areas of risk that concern you more – need to highlight? Any areas that are less risky that can come out?</i></p>	
<p>Revised Risk Appetite Statement We will take prudent funding and investment risk to enable long-term value, resilience and alternative revenue. We will not take risk that threatens affordability, statutory service levels, core asset stewardship or intergenerational equity.</p> <p>Our risk appetite will therefore be set as "Medium".</p>	<p>Current Risk Appetite Statement The current market settings pose increased inherent risk in maintaining organisational financial sustainability. Therefore, our risk appetite will ensure that we remain balanced in aligning our strategic objectives we seek to achieve against the potential risks that that we will need to navigate. Our risk appetite will therefore be set as "Medium". This will encompass our approach of maintaining a prudent approach to risk and financial management, while allowing the organisation to remain agile to adapt to upcoming market and environmental changes and therefore, effectively plan, assess and mitigate key risks to and from our strategy.</p>
<p><i>Does the risk appetite description reflect where you are willing and not willing to take risk? Based on events of past year and future has the Council's risk appetite changed – are you more open or adverse to this risk?</i></p>	

Revised Strategic Risk Seven – Climate Change

Revised Risk Description	Current Risk Description
<p>Due to insufficient integration of the impact analysis of climate change into planning, infrastructure, service design and land-use decisions, communities may be exposed to maladaptation, increased hazard exposure or missed transition opportunities, leading to long-term financial, social, environmental impacts and reputational costs.</p>	<p>There is a risk that Waikato Regional Council does not appropriately consider the impact of climate change in its planning and decision making processes for infrastructure, organisational business, policies and service delivery, that may result in long term financial and social costs for communities, iwi partners and stakeholders. This can lead to legislative impacts as well as reputational impacts which can impact our social license to operate.</p>
<p><i>Does the risk description capture the essence of the risk? If not: what are the specific areas of risk that concern you more – need to highlight? Any areas that are less risky that can come out?</i></p>	
<p>Revised Risk Appetite Statement We will take considered adaptation and transition risk by acting early, testing scenarios and making evidence based investments despite uncertainty. We have a low risk appetite of not addressing material climate impacts in policy, land use or service design.</p> <p>Therefore, we have a "Medium" risk appetite.</p>	<p>Current Risk Appetite Statement Climate change is an issue with significant complexity and the potential for fast changing regulatory requirements. If not managed effectively, there are significant risks to our communities, environment and our ability to operate as an organisation. Therefore, we have a "Medium" risk appetite towards climate change, which encompasses us acting now in taking a more proactive approach to understanding changing climate standards and it's impact on our strategic direction, while also acknowledging the level of complexity that we as an organisation will need to navigate.</p>
<p><i>Does the risk appetite description reflect where you are willing and not willing to take risk? Based on events of past year and future has the Council's risk appetite changed – are you more open or adverse to this risk?</i></p>	

Revised Strategic Risk Eight – Giving Effect to Te Tiriti o Waitangi

Revised Risk Description	Current Risk Description
<p>Due to insufficient capability, early engagement and effective partnership arrangements, WRC may not give proper effect to Te Tiriti o Waitangi, its principles and associated obligations, leading to damaged relationships with iwi and Mana Whenua, failure to meet obligations and reduced ability to deliver key priorities and co-governance outcomes.</p>	<p>There is a risk that the Council does not give effect to Te Tiriti o Waitangi, its principles (partnership, participation, and protection), and associated legislative obligations, which therefore fails to build and sustain partnerships with Iwi/Mana Whenua. This includes the risk that WRC does not adequately develop its capability and capacity to collaborate with Mana Whenua and Iwi. With The failure to do so means meaning that Council will not meet its legislative and statutory obligations, or develop the ability to operate and deliver key projects with Iwi and Mana Whenua organisations.</p>
<p><i>Does the risk description capture the essence of the risk? If not: what are the specific areas of risk that concern you more – need to highlight? Any areas that are less risky that can come out?</i></p>	
<p>Revised Risk Appetite Statement We will take thoughtful, early engagement risk to build enduring partnerships and shared decision-making. We will not take risk with token engagement or failure to meet Treaty and statutory obligations that undermines trust or damages relationships with iwi and mana whenua.</p> <p>Therefore the Council has a “Medium” risk appetite given the level of external complexities that add to the overall risk management of this risk.</p>	<p>Current Risk Appetite Statement The Waikato regional Council strives for full compliance with the Te Tiriti O Waitangi. The Council acknowledges though, that mitigating this risk is challenging due to the current macroeconomic environment, future electoral uncertainty, increasing demand from Iwi for local government engagement, and a constrained labour market to provide the technical capability to effectively engage and deliver cohesive partnership. The Council accepts that there are a number of uncontrollable pressures that are influencing the inherent risk associated with this risk area. Therefore the Council has a “Medium” risk appetite given the level of external complexities that add to the overall risk management of this risk. .</p>
<p><i>Does the risk appetite description reflect where you are willing and not willing to take risk? Based on events of past year and future has the Council’s risk appetite changed – are you more open or adverse to this risk?</i></p>	

Revised Strategic Risk Nine – Strategic Prioritisation and Decision-making

Revised Risk Description	Current Risk Description
<p>Due to converging short-term pressures/demands from reform, natural hazards and macroeconomic uncertainty, constrained capacity and funding, WRC may fail to effectively prioritise, trade-off and plan for the longer term, leading to underdelivery of the strategic priorities.</p>	<p>New Risk</p>
<p><i>Does the risk description capture the essence of the risk? If not: what are the specific areas of risk that concern you more – need to highlight? Any areas that are less risky that can come out?</i></p>	
<p>Revised Risk Appetite Statement We will take evidence based transparent decisions in making clear trade-offs, including stopping, re-scoping, adapting plans or redesigning work in order to achieve long term priorities.</p> <p>We have Low/Medium appetite for risk which leads to underdelivery of strategic priorities, compromised long-term resilience or financial sustainability, or erosion of trust through inconsistent reactive decision-making.</p> <p>Low or Medium rating?</p>	<p>New Risk</p>
<p><i>Does the risk appetite description reflect where you are willing and not willing to take risk? Based on events of past year and future has the Council's risk appetite changed – are you more open or adverse to this risk?</i></p>	

Top Organisational Risks

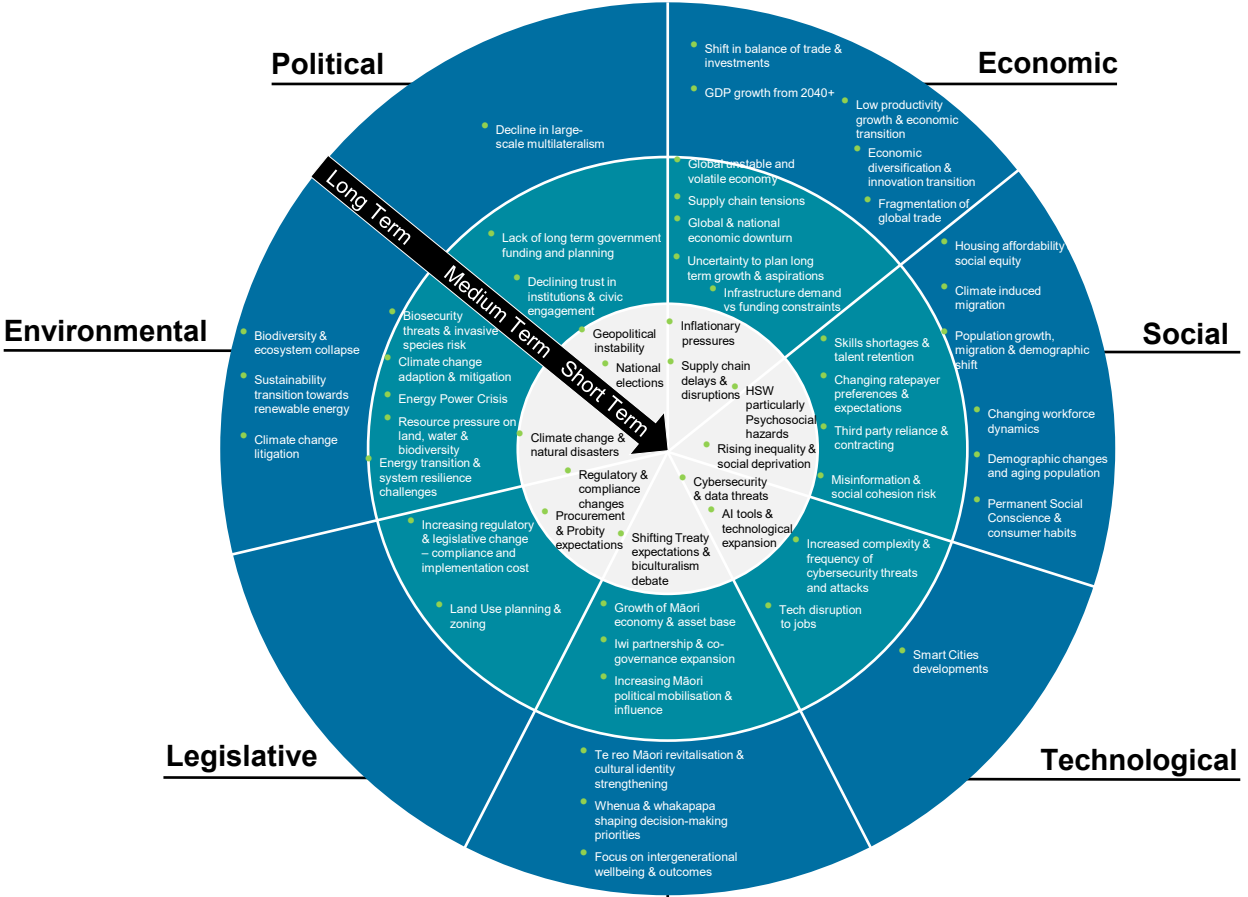
Top Organisational Risks

These are key risks of an operational nature that can materially impact the organisation and warrant ongoing oversight by the Risk and Assurance Committee.

Risk ID / Title	Risk Description	Risk Appetite
Health and Safety	There is a risk that Waikato Regional Council does not provide a safe and healthy work environment for workers, visitors and people affected by our work with the results that workers may be harmed.	The Council is committed to ensuring that the safety of all our people is held to the highest standard. This is representative in our risk appetite of "Low", that reflects our drive to ensure that our people's working environments are therefore aligned to effective health and safety standards, adequate security, up to date information systems, and well-resourced staffing levels that support effective workplace processes and practices.
Legislative Compliance	There is a risk that Waikato Regional Council does not remain compliant with local, regional and national law and regulation, that may result in a breach, damage to reputation and potential financial penalties and/or civil and criminal liability. Legislative compliance is not a static area, and therefore the council must keep pace with the changing regulatory environment to ensure that the organisation is positioned to adapt to new and emerging changes in regulation.	<p>WRC has a Medium risk appetite in navigating regulatory complexity and change, including adopting pragmatic, timely interpretations and approaches to implementation, provided this supports effective service delivery and is within acceptable legal and governance boundaries.</p> <p>We have a Low appetite for risks to legislative compliance and will not knowingly breach legal obligations or allow material non-compliance to persist.</p>
Fraud	There is a risk that Waikato Regional Council does not mitigate exposure to fraudulent activity that may result in financial loss or national negative multi-media coverage requiring significant additional work to repair stakeholder confidence.	The culture we have embedded at the council is to promote honesty and transparency in everything that we do. We therefore take a zero-tolerance approach to fraudulent activity. Our "Low" risk appetite represents our commitment to appropriately invest in our processes and systems, implementing strict controls and the drive to conduct regular audits and reviews so that we are not unnecessarily exposed to fraudulent related activities.

Enabling Material

Macroeconomic trends that may impact risk



Political

Economic

Social

Environmental

Technological

Legislative










Te ao Māori

- Political**
 - Decline in large-scale multilateralism
 - Lack of long term government funding and planning
 - Declining trust in institutions & civic engagement
- Economic**
 - Shift in balance of trade & investments
 - GDP growth from 2040+
 - Low productivity growth & economic transition
 - Economic diversification & innovation transition
 - Fragmentation of global trade
 - Housing affordability social equity
 - Climate induced migration
 - Population growth, migration & demographic shift
 - Changing workforce dynamics
 - Demographic changes and aging population
 - Permanent Social Conscience & consumer habits
- Social**
 - Skills shortages & talent retention
 - Changing ratepayer preferences & expectations
 - Third party reliance & contracting
 - Misinformation & social cohesion risk
 - Increased complexity & frequency of cybersecurity threats and attacks
 - Smart Cities developments
- Technological**
 - Tech disruption to jobs
 - Increased complexity & frequency of cybersecurity threats and attacks
 - Smart Cities developments
- Legislative**
 - Te reo Māori revitalisation & cultural identity strengthening
 - Whenua & whakapapa shaping decision-making priorities
 - Focus on intergenerational wellbeing & outcomes
- Environmental**
 - Biodiversity & ecosystem collapse
 - Sustainability transition towards renewable energy
 - Climate change litigation
 - Biosecurity threats & invasive species risk
 - Climate change adaptation & mitigation
 - Energy Power Crisis
 - Resource pressure on land, water & biodiversity
 - Energy transition & system resilience challenges
 - Increasing regulatory & legislative change – compliance and implementation cost
 - Land Use planning & zoning
- Medium Term**
 - Geopolitical instability
 - National elections
 - Climate change & natural disasters
 - Regulatory & compliance changes
 - Procurement & Probity expectations
 - Shifting Treaty expectations & biculturalism debate
 - Growth of Māori economy & asset base
 - Iwi partnership & co-governance expansion
 - Increasing Māori political mobilisation & influence
- Short Term**
 - Inflationary pressures
 - Supply chain delays & disruptions
 - HSW particularly Psychosocial hazards
 - Rising inequality & social deprivation
 - Cybersecurity & data threats
 - AI tools & technological expansion
- Global**
 - Global unstable and volatile economy
 - Supply chain tensions
 - Global & national economic downturn
 - Uncertainty to plan long term growth & aspirations
 - Infrastructure demand vs funding constraints

Broader key risks facing local Government in NZ

Outlined below are the key risks and issues currently facing local government organisations

Local Government NZ have identified the following key issues facing local Councils:

	Local electoral reform: Despite their crucial role in shaping communities, local elections in Aotearoa New Zealand saw only a 40% turnout in October 2025, highlighting the need for local councils to boost public engagement and ensure diverse representation for a stronger democracy.
	Funding and financing: Local councils are facing financial challenges due to an outdated funding and financing system, with costs rising faster than consumer inflation. Successive governments are introducing new roles and responsibilities, without additional funding which adds burden upon ratepayers.
	Flood infrastructure: Flood protection infrastructure is being pressured by climate change and extreme weather events. The increasing severity of events is exceeding the design capacity of current infrastructure. There is also a shortage of experienced staff in this area.
	Resource management and Freshwater reforms: The Government is undertaking a comprehensive resource management and freshwater reform programmes, which involves repealing the previous Government's reforms and designing a replacement for the RMA.
	Climate change: Regional Councils require enhanced tools, resources, and a stronger voice in national climate strategies to effectively manage climate risks and implement sustainable adaptations, ensuring policies are impactful and cost-effective for communities.
	Emergency management and recovery: Local government plays a central role in civil defence and emergency management. With the increase in severe weather events that have devastated some communities, civil defence alerting, preparedness, co-ordination has been challenged.
	Transport: Local Council current networks are facing a range of challenges, including the impact of more frequent extreme weather events, urgent maintenance needs, population growth and climate adaptation.
	Housing: Working with Central Government on National Policy Statement on Urban Development and rules that enable rapid acceleration of supply of housing in high demand areas.
	Environment: Leading and championing policy and working with central government, iwi and stakeholders to address the increasing impact of environmental issues, including climate change, the quality and quantity of New Zealand's freshwater resources, reducing waste and protecting biodiversity.

Local government risks seen across our other clients and the recent Office of the Auditor General LTP report:

Weather events risk profiling and response	Freshwater reforms	RMA reforms
Community engagement	Demonstrating value for money in light of rate increases and cost of living challenges	Funding constraints and increasing debt levels
Organisational capacity and operating models reviews	AI and automation	Iwi partnership and iwi / hapu delineations
Flood Protection investment	Climate resilience and emissions targets	Exposure to, and reliance on, government funding for infrastructure

Risk Management Roles

The role of risk at Council: Good risk management helps an organisation understand what success looks like and what could get in the way of our success (risks), enables the management and mitigation of these risks to prevent them turning into issues, and helps an organisation to proactively navigate emerging challenges and changing environments to ultimately realise its goals and deliver value to its stakeholders

In these circumstances:

- Risk is neither good nor bad. It merely reflects the uncertainty and challenge inherent in the Council's environment. This uncertainty can present downside risks or upside opportunities
- Risk management is therefore seen as just good governance and management
- There is a clear link between the mandate/objectives/priorities of the Council, uncertainty and challenge (i.e. risk) inherent within the Council's operating environment that could impact these objectives, and how this is managed by the Council (i.e. control/mitigation)
- Ultimately risk management is seen as a practical tool that helps and enables an organisation and its people, without adding unnecessary overhead

Defining roles across risk management

Governance

- Ensure that risks are adequately considered when setting WRC's objectives.
- Understand the risks facing the organisation in pursuit of its objectives.
- Ensure that systems to manage such risks are implemented and operating effectively.
- Ensure that such risks are appropriate in the context of WRC's objectives.
- Ensure that information about such risks and their management is properly communicated.

WRC's definition of strategic risk

Strategic risks are risks that may have an impact on Waikato Regional Council achieving its vision, mission, and strategic objectives.

Chief Executive Officer

- Advocate risk identification and management across the organisation.
- Assure the Risk and Assurance Committee and Council that risks to WRC's objectives are identified and managed.
- Assure the Risk and Assurance Committee and Council that systems to manage risks are implemented and operating effectively.

Executive Team

- Assure the Chief Executive Officer that risks to WRC's objectives are identified and managed.
- Identify and manage strategic risks in accordance with the risk management framework including holding Strategic Risk Owner responsibilities themselves where allocated.

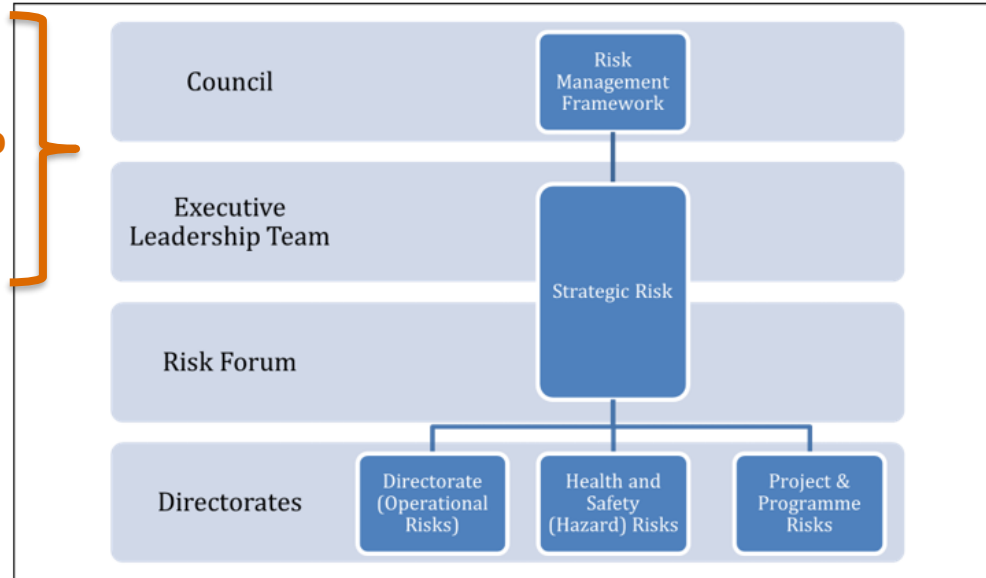
Risk Owner

- Identify and manage risks in accordance with the risk management framework.

Strategic Risk Focus

The workshop is focussed on Strategic Risks rather than operational risks.

Our focus for the workshop



The focus of strategic risks are more likely, but not exclusively, to be on:

- External influences affecting WRC's effective operations.
- WRC's most critical and essential assets, activities and associated risks.
- Risks that are common to more than one WRC directorate or activity.
- Risks to WRC meeting expected stakeholder service levels and relationships.

What is Risk Appetite

Risk appetite is the conscious decision about the amount and type of risk that Waikato Regional Council is willing to take in pursuit of its organisational objectives, Council's vision, strategic priorities and outcomes. Its purpose is to define and communicate to the organisation expectations regarding various risk types, and where risk is to be pursued and where it is to be avoided.

The below are extracts from WRC's risk management framework

- Risk appetite:
- a. informs targeted residual risk for the key risks.
 - b. clarifies and communicates Council and Executive Leadership Team expectations on the amount of risk the council is willing to take and accept.
 - c. delegates authority at the operational level to proactively manage and monitor risks.
 - d. defines clear reporting and escalation thresholds and protocols.
 - e. enhances risk oversight and assurance by providing clarity to assume acceptable risk types and levels.
 - f. optimises risk management and control effectiveness by ensuring early actions are taken.
 - g. encourages consistent and desired risk behaviours across the organisation.

RISK APPETITE	DEFINITION
LOW	Acceptable level is no to little residual risk. Controls in place to mitigate risks to as low as reasonably practicable.
MEDIUM	Acceptable level of medium residual risk so that innovation and opportunities can be maximised to provide value and threats are reduced to a safe level appropriately and cost effectively.
HIGH	Acceptable level of residual risk is high as it is either outside Council's control, provides opportunities that will result in rewards and value higher than the overall risk, or the investment required to mitigate the risk further is not prudent.
EXTREME	Acceptable level of residual risk is at a maximum tolerance.

To assist in making risk appetite operationally relevant we will be focussed on the rating and where we will and will not take risk.

Risk Appetite Statement	Where We Will Take Risk (with operational examples)	Where We Will NOT Take Risk (with operational examples)	Decision Rules / Scenarios
<p>WRC maintains a Low risk appetite for emergency response, reflecting its commitment to minimising the impact of emergencies. We will be response-ready and capable at all times, while acknowledging that uncertainty and external dependencies exist.</p>	<ul style="list-style-type: none"> • Accepting uncertainty in external events (e.g., weather severity, infrastructure failures) and adjusting plans dynamically. • Trialling new methods for community alerts (e.g., push notifications, SMS) even if reliability is unproven. • Diverting staff and funding from non-essential programmes to focus on urgent response activities. • Using emerging tools (e.g., drones for flood assessment) where benefits outweigh untested elements. 	<ul style="list-style-type: none"> • Failing to maintain or test the Emergency Response Framework (ERF) and business continuity plans. • Sending staff into field situations without PPE or refresher training. • Cutting budgets for critical response infrastructure (e.g., pumps, floodgates, comms systems). • Ignoring learnings from post-event reviews and debriefs. 	<ul style="list-style-type: none"> • If faced with a choice between speed of response and safety of staff/community, prioritise safety. • Trial innovations in emergency response, but ensure mitigations are in place and lessons are captured. • If ERF requirements, PPE, or critical systems are not operational → halt activity and escalate immediately to ELT. • Escalate resource gaps (staffing, funding) early so response capability is not compromised in real time.

Waikato Regional Council Vision and Priorities

Matawhānui **Vision**

Waikato: Empowered people shaping a healthy, prosperous place for generations to come.

Aronga **Purpose**

Working together for a Waikato region that has a healthy environment, vibrant communities and strong economy.

Ngā uara **Values**

Kia tika **Responsible**

Our people model the highest standards of personal and professional behaviour in all job-related activities.

Kia tau **Respectful**

Showing others respect is the basis of all our behaviour.

Kia toa **Effective**

We always aim to give the best we can.



[Read more about our values on our website](#)

Ngā aronga nui **Our priorities**

At the core of this strategy is a commitment to being a future-fit and high-performing organisation – one that makes evidence-based, technology-enabled decisions that are informed by the experiences, aspirations and preferences of the people and communities we serve.

Te whakarite mō āpōpō **Future-fit organisation**

Building value and thriving through uncertainty to successfully transition into any future state.

Ka tōnui, ka taurikura te rohe **Productivity and prosperity**

Enable and promote a productive region that delivers shared prosperity, profitability and security.

Kia manawaroa ake te rohe **Building regional resilience**

Support communities to understand natural hazard risks, take action to reduce them, and respond to and recover from disasters and change.

E toitū ai ngā rawa taiao **Sustaining natural resources**

Accelerate action to protect and restore the natural resources that make the Waikato nationally significant – our soils, water bodies, native plants and animals, geothermal areas, forests and coastal habitats.

Pūnaha waka tītike **Optimised transport system**

Maintain an integrated, safe and efficient transport system to improve mobility and equity, reduce emissions and support regional productivity.

Waikato Regional Council Priority Outcomes

Te whakarite mō āpōpō | Future-fit organisation

- Our organisation, and the region, is change ready.

Ka tōnuī, ka taurikura te rohe | Productivity and prosperity

- The Waikato is recognised as a leading region for integrated spatial planning where well-coordinated decisions ensure the responsible use, development and protection of our natural and built resources.
- An agreed direction for the regional economy to enable better decision making and efficient allocation of resources.

Kia manawaroa ake te rohe | Building regional resilience

- Communities are less vulnerable and exposed to natural hazards.
- Flood impacts are reduced within agreed service levels for communities, and our flood infrastructure and drainage network is enduring and affordable for ratepayers.
- Waikato Regional Council has built and maintained an organisation-wide state of response readiness, with all staff trained, equipped and confident to activate and support emergency management functions for any event.

E toitū ai ngā rawa taiao | Sustaining natural resources

- The Waikato's environment, economy and communities are protected from the impacts of pests, weeds and diseases.
- Native plants and animals and the ecosystems they live in are thriving.
- Water quality is maintained and improved, riverbanks are stable and flood risks reduced.
- Sustainable and reliable access to quality fresh water.

Pūnaha waka tītike | Optimised transport system

- A transport network that supports economic development by efficiently moving freight and people, enhances social wellbeing and ensures equitable access to essential services.
- An environmentally sustainable, energy efficient and increasingly low carbon transport system that reduces overall environmental impacts.
- A range of public and community transport options available that meet diverse access and mobility needs, reducing transport inequities and enabling transport-disadvantaged people and communities to travel safely, independently and reliably.
- A safe, accessible transport system where no-one is killed or seriously injured.



WRC Current Strategic Risks – as at March 2026

	Risk Category	Risk Description	Risk Appetite Rating	Residual Risk Ranking
1	Emergency Response	There is a risk that Waikato Regional Council is unable to effectively respond to a critical event or situation due to staff not being adequately trained, operational systems not being fit for purpose or decision making not being as informed by the most recent and relevant data. Ultimately this could lead to a range of consequences including loss of life, damage to property and critical infrastructure.	Low	High (12)
2	Legislative Compliance	There is a risk that Waikato Regional Council does not remain compliant with local, regional and national law and regulation, that may result in a breach, damage to reputation and potential financial penalties and/or civil and criminal liability. Legislative compliance is not a static area, and therefore the council must keep pace with the changing regulatory environment to ensure that the organisation is positioned to adapt to new and emerging changes in regulation.	Low	Medium (6)
3	Relationships	There is a risk that Waikato Regional Council does not effectively manage relationships with its communities and key stakeholders that may affect their trust and confidence in our ability to deliver on our services and commitments.	Medium	High (12)
4	People, Capacity, Capability and Culture	There is a risk that Waikato Regional Council does not enable a constructive organisational culture that may result in poor staff attraction, retention, engagement, and performance. This will in turn mean that we are not able to deliver on our strategic priorities and goals as we will not have the capacity, skillset, or relationships to effectively engage with communities, iwi partners and our key stakeholders.	Low	Medium (9)
5	Health and Safety	There is a risk that Waikato Regional Council does not provide a safe and healthy work environment for workers, visitors and people affected by our work with the results that workers may be harmed.	Low	Medium (9)

WRC Current Strategic Risks – as at March 2026

	Risk Category	Risk Description	Risk Appetite Rating	Residual Risk Ranking
6	Information Technology	There is a risk that Waikato Regional Council does not innovate and invest enough in information and technology capabilities and solutions. This may compromise our ability to deliver our services, conduct our business activities, and lead to further impacts to our ability to support our communities in times of crises.	Medium	High (12)
7	Financial Sustainability	There is a risk that WRC is unable to plan, attract and effectively allocate sufficient funding to deliver on its strategic objectives. This can then lead to failing to achieve social outcomes for our communities, effectively forecast for organisational growth as well as maintain and build new infrastructure that will support the longevity of the council through times of economic and environmental change.	Medium	Medium (9)
8	Fraud	There is a risk that Waikato Regional Council does not mitigate exposure to fraudulent activity that may result in financial loss or national negative multi-media coverage requiring significant additional work to repair stakeholder confidence.	Low	Medium (6)
9	Climate Change	There is a risk that Waikato Regional Council does not appropriately consider the impact of climate change in its planning and decision making processes for infrastructure, organisational business, policies and service delivery, that may result in long term financial and social costs for communities, iwi partners and stakeholders. This can lead to legislative impacts as well as reputational impacts which can impact our social license to operate.	Medium	High (12)
10	Giving Effect to Te Tiriti o Waitangi	There is a risk that the Council does not give effect to Te Tiriti o Waitangi, its principles (partnership, participation, and protection), and associated legislative obligations, which therefore fails to build and sustain partnerships with Iwi/Mana Whenua. This includes the risk that WRC does not adequately develop its capability and capacity to collaborate with Mana Whenua and Iwi. With the failure to do so meaning that Council will not meet its legislative and statutory obligations, or develop the ability to operate and deliver key projects with Iwi and Mana Whenua organisations.	Medium	Medium (8)

Eight Principles of Risk Management – WRC Risk Mgt Framework

The main principles of risk management at WRC are influenced by the *ISO 31000: Risk management — Guidelines - 2018*:

Principle	How WRC applies this principle:
Integration – Risk management should be embedded into all organisational processes.	Align risk considerations with strategic planning, operations, and daily decision-making rather than treating it as a separate function.
Structured and Comprehensive – A systematic, structured, and comprehensive approach ensures reliable results.	Use standardised frameworks, documented processes, and consistent methodologies to assess and manage risks.
Customised – Tailor risk management to the organisation's external and internal context.	Adapt risk strategies based on industry, organisation size, regulatory environment, and specific business objectives.
Inclusive – Involve stakeholders in risk management processes.	Engage employees, management, councillors, and external stakeholders to identify risks, assess impacts, and develop appropriate mitigation strategies.
Dynamic – Risk management should be responsive to change.	Continuously monitor risks and update risk strategies to address evolving threats, emerging trends, and organisational changes.
Best Available Information – Use the best available information to make informed decisions.	Gather data from credible sources, including market trends, historical incidents, and expert analysis, to improve risk-based decision-making.
Human and Cultural Factors – Consider human and cultural factors in risk management.	Recognise biases, organisational behaviours, and cultural attitudes toward risk, ensuring that risk practices align with company values and employee engagement.
Continual Improvement – Continuously improve risk management practices.	Regularly review and refine risk processes, conduct lessons learned exercises, and implement new tools and methodologies to enhance risk maturity.

Background Reading

Some optional additional reading that is relevant for the session.

- Risk Management Activity update report – Risk and Assurance Committee open agenda 16 March 2026 – item 6.2
- Waikato Regional Council Strategic Direction 2026 - 2036
- WRC Risk Management Framework
- World Economic Forum Global Risks Report 2026 (<https://www.weforum.org/publications/global-risks-report-2026/>)