



Waikato District Council

Annual Plan

Mahere-aa-tau 2026/27

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www.waikatodistrict.govt.nz



Cover photo by Wade Burke - Lake Waikare, Te Kauwhata
Photo by Shaun Jeffers - Waireinga Falls "Bridal Falls"

What is an Annual Plan?

He aha teenei mea, te Mahere aa-Tau?

Our Long Term Plan (LTP) sets out what we (Council) plan to do over the next decade and how it'll be funded. By law, we must review the LTP every three years with a 10-year outlook. In the years between these reviews, we adopt an Annual Plan that sets out the budget for the coming year, how that budget will be funded, and any significant changes from the LTP.

The current LTP was adopted in 2025 and covers a two year period, following the government's one off option to deliver an Enhanced Annual Plan for the 2024/25 financial year. This was the best option for us at the time. It provided staff, the mayor and councillors more time to engage with you to ensure we deliver the services, activities, and projects needed for our people. This Annual Plan represents year two of the 2025–2034 LTP.

This Annual Plan outlines changes from the LTP. It should be read alongside the LTP to understand the work Council plans to deliver and how it'll be paid for.



For more information, including our levels of service and key financial policies, please refer to the 2025-2034 LTP, available on Council's website at <https://qrco.de/bglnmZ>.



Throughout this document you may see varying spelling in some te reo Maaori. The Waikato dialect refers to a regional preference of te reo Maaori, where double vowels are used to represent long vowel sounds. This reflects local language practices of this region. However, macrons may still be used in some instances where names, including brand names, personal names, or place names, where the official spelling includes a macron. This is to maintain consistency and respect individual or organisational preferences

Contents

Raarangi Kaupapa

What is an Annual Plan? He aha teenei mea, te Mahere aa-Tau?	3
Section 1: Setting the scene Kupu Whakataki	5
Message from Mayor Aksel and Chief Executive Craig Karere naa te Manu Kaahui me te Tumu Whakarae	6
Your Mayor and Councillors Too Manu Kaahui me ou Maangai Kaunihera	10
Our Vision and Community Outcomes Ngaa Whaainga, ngaa Putanga aa-Hapori me ngaa Whakaarotau Matua	12
Our district at a glance Ka maatai te titiro ki too taatou takiwaa	16
Section 2: Overview Tirohanga Whaanui	17
Key drivers impacting our District Ngaa take whakaaweawe i too taatou takiwaa	17
Financial highlights Ngaa Take Ahumoni Whakahirahira	18
Summary of key changes from the 2025-2034 Long Term Plan Whakaraapopoto o ngaa panoni ki te Mahere Whaaroa 2025-2034	19
Section 3: Financials Te Ahumoni	21
Funding Impact Statement Taukii Hua Tuku Puutea	22
Rating Base Information Ngaa Moohiohio Puutake Taatai Reiti	25
Rates Breakdown: Indicator properties He Whakamahuki Reiti	28
Financial Statements Ngaa Taukii Ahumoni	30
Notes to the Financial Statements Aapitihanga ki ngaa taukii ahumoni	38
Annual Plan Disclosure Statement Whakapuakanga Mahere aa-Tau	51

Section one

Setting the scene

Kupu Whakataki



Hakarimata Ranges



Message from Mayor Aksel and Chief Executive Craig

Mayor and Chief Executive

Karere naa te Manu Kaahui me te Tumu Whakarae

This Annual Plan is your guide to what we have committed to do for you and with you in the 2026-27 financial year.

While the Annual Plan reflects what is proposed in the 2025 – 34 Long Term Plan, we've given great thought to what you – our communities, residents and ratepayers – told us through the election campaign and we believe this is reflected in this Annual Plan.

Council has been given a crystal-clear mandate – it's time for meaningful change. Less jargon, common sense decisions, more action, with affordability the key issue for us to tackle. This is a big task, and we are currently developing our Long Term Plan 2027-37 accordingly.

While we're both seasoned local government leaders, we're new to our roles here at the Waikato District Council. This gives us fresh perspective on the challenges ahead, and importantly on the solutions needed to meet them head on. There is new leadership at Waikato District Council with the need to transform now deeply engrained.

This Annual Plan is developed with consideration to significant external pressures from central government on how local government will be reshaped and what services councils will deliver in the future.

We understand our residents are struggling to pay their bills, that many households are deeply concerned about the cost of rates, what you get for your rates, and the autonomy of local voices. We're also operating in a constantly changing world impacted by geopolitical decisions, market fluctuations, and extreme weather that's calling for innovation on how to build resilience into our communities.

How does that look for you?

Council approved a 2.8% general rate increase for this Annual Plan. It's one of the lowest in years and below the rate of inflation.

Overall, the average increase, including targeted rate, will be 3.79%, which is inside the rate cap signalled by the government. We know this still

adds pressure for households, but it does reflect our commitment to focus on affordability for the 2026/27 rates, with further savings being worked on for the upcoming Long Term Plan.

Through IAWAI – Flowing Waters Limited, the waters Council Controlled Organisation (CCO) with Hamilton City Council, we've halved the fixed charges increase for drinking water and wastewater. By joining forces with Hamilton, we'll share infrastructure costs ensuring a vastly more economical option than if water had stayed solely with Waikato District Council.

For residents that receive reticulated water services, we've kept the additional fixed charge increase to \$143 per annum, significantly reduced from \$364 previously indicated before IAWAI.

Other savings have been made around council by renegotiating contracts and reviewing million-dollar technology investments and the cost of implementation. This also allows us to consider how our systems will work when we seek shared services with other councils and organisations.

We're reviewing staff vacancies and numbers, and how we use contractors, to understand if we need to replace these roles or if we can change the way we operate to be more efficient and effective.

What makes us different

As a Council serving a district undergoing significant growth and change, we recognise that progress is not only about where we are heading, but also about honouring where we have come from and respecting the diverse communities and cultures that shape the Waikato district.

Our council is in the heart of the Kiingitanga, in the rohe that is home to the Maaori King movement and Turangawaewae Marae in Ngaaruawaahia.

Our relationship to this place is grounded in whakapapa, history, and responsibility. Where we stand – and who we stand with – matters.

Waikato was the first iwi to settle historical Treaty claims with the Crown, helping to establish the framework that has shaped Treaty settlements across Aotearoa. That history informs our present. It shapes how we understand Te Tiriti o Waitangi, how we honour tikanga Maaori, and how we work in partnership today.

As a council, we reflect the communities we serve, and we are committed to ensuring that Te Ao Maaori is visible, embedded, and upheld in what we do.

Community Voice

You have chosen to make your home and build your life in the Waikato district, and we want you to have a voice. Because of this, we launched our [Community Voice Panel](#) in 2025. The feedback we get from this panel helps guide decisions and ensures our communities have agency in local planning.

Ngaa mihi nui

Thank you very much



His Worship
Aksel Bech



Chief Executive
Craig Hobbs



Ko teenei Mahere aa-Tau he aratohu otiraa he mea i kaingaakautia e maatou hei aratohu moo koutou i teenei tau tahua

Ahako e kitea ana ki te Mahere aa-Tau ngaa anga whakamuatanga o te Mahere Pae Tawhiti 2025-34, kua aata whakaarohia ngaa urupare aa koutou – oo maatou hapori, kainoho, kaiutu reiti hoki – i roto i te kookiritanga pooti, ka mutu, e whakapae ana maatou kei roto kei teenei Mahere aa-Tau aua hiahia.

Kua tuutohua nei te Kaunihera te mana whakatau – kua tae te waa e whai hua ai ngaa nekehanga.

Kia iti ake ngaa kupu umanga, kia atamai ake ai ngaa whakatau, kia nui ake te mahi me te taea o te utu i ngaa utu, koia te take nui hei tutuki maa maatou. He mahi nui teenei, ka mutu e whakaritea ana e maatou taa taatou Mahere Pae Tawhiti 2027-37 ki eenei whai waahitanga.

Ahako e hira maaui i te tauhou ki ngaa mahi arataki mana whakahaere, he tauhou tonu ki eenei tuuranga i konei i te Kaunihera aa Takiwaa o Waikato. Naa konaa he upoko hou, he tirohanga hou moo ngaa taupaa kei mua, ka mutu ki ngaa wetenga

taupaa hei whiri maa maatou. Kua ara ake ngaa kaitataki hou ki te Kaunihera aa Takiwaa o Waikato, me te hiahia nui ki teetahi hurihanga hou.

Kua whakaritea teenei Mahere a Tau me te whakaaronui ki ngaa hiahia a raawaho nei o te Kaawanatanga o Aotearoa moo te panoni haere i ngaa kaunihera aa rohe me ngaa ratonga ka tukuna e ngaa kaunihera aa haere ake nei.

E kite nei maatou he uaua taa te kainoho utu i aana nama, e maaharahara ana ngaa kaainga ki ngaa reiti me te aha e whiwhi nei raatou i ngaa reiti, ko te whai waahitanga a te hunga iti hoki.

E mahi hoki ana maatou i teetahi ao e kaha hurihuri ana, e kaha paangia ana e ngaa nekehanga a ngaa whenua mana nui o te ao, e ngaa hurihanga o te maakete me ngaa aahuarangi puta noa, e mea ana kia auaha te whakapakari i oo taatou hapori.

He peewhea te aahua ki a koe?

I whakaaetia e te Kaunihera te 2.8% pikinga reiti moo teenei Mahere aa-Tau. He iti ake i ngaa tau kua hipa, aa, kei raro iho i te reiti o te pikinga utu.

Katoa katoa, ko te tau toharite pikinga utu, taapiri atu i te reiti whaainga, ko te 3.79% kei raro tonu i te whakatepenga reiti i tohua e te kaawanatanga. E moohio ana maatou he taumaha tonu teenei mo ngaa kaainga, engari kei roto ko taa maatou oati ki te aro ki te taea o te utu i ngaa utu mo ngaa reiti 2026/27, me ngaa penapenatanga moo te Mahere Pae Tawhiti e haere mai nei.

Maa roto i te IAWAI – Flowing Waters Limited, me te Council Controlled Organisation (CCO) ki te taha o Kaunihera o Kirikiriroa, kua haurua te pikinga utu motuhake moo te wai inu me te waipara. Maa roto i te hono ki Kirikiriroa, ka piikauria tahitia ngaa utu hanganga e ngaawari ake ai i teena meena i noho katoa nei ki te Kaunihera aa Takiwaa o Waikato.

Moo ngaa kainoho ka whiwhi wai mai i te puunaha ngongo wai, kua mau maatou ki te pikinga utu motuhake o te \$143 ia tau, he iti ake i te \$364 i tohua i mua o IAWAI.

Eetahi atu penapenatanga kaunihera kua tutuki, he mea hoki ki te whiriwhiri i ngaa kirimana me te arotake anoo i ngaa haumitanga hangarau miriona taara, me te utu o te whakatinana. Maa teenei hoki maatou e tahuri anoo ki te kite meena ka ea ngaa mahi i oo taatou puunaha i a maatou e kimi ana i eetahi ratonga e taea te mahi tahi ki teetahi kaunihera me teetahi roopu whakahaere kee atu hoki.

E arotakengia ana e maatou ngaa waateatanga kaimahi, ngaa tatau kaimahi, me te peewhea o te whakamahi kaikirimana, e maarama ai meena raanei me titiro anoo ki eenei tuuranga, me panoni raanei i ngaa aahuatanga ki te whakahaere i ngaa mahi kia tutuki pai i roto tonu i te waa pai.

He aha e motuhake ai taatou

Hei Kaunihera tuku ratonga ki teetahi takiwaa e kaha tupu ana, e kaha whanake ana, e kite ana maatou, ehake i te mea ko te whakanake e aro noa ana ki te ahunga whakamua, engari he whakamaanawa hoki i te ahunga mai, me te whakaute i ngaa hapori matahuhua me ngaa ahurea e whakatinatina nei i te takiwaa o Waikato.

Kei te uma o te Kiingitanga te Kaunihera, te rohe e whakamarumaruru nei i te Kiingitanga, i te Marae o Turangawaewae ki konei ki Ngaaruawaahia.

Ko te whanaungatanga i konei he hononga whakapapa, he hononga hiitori me aua kawenga o roto. Ki whea tuu ai maatou – ki too wai taha tuu ai maatou – he mea nui.

Ko Waikato te iwi tuatahi ki te whakatau i ngaa kereme Tiriti me te Karauna, naa konaa te tuaapapa i puta ai ngaa whakataunga Tiriti puta noa i Aotearoa. Naa teena i puta ake ai te inamata. Koia e taarai nei i te maaramatanga ki te Tiriti o Waitangi, te whakahoonore i ngaa tikanga Maaori, me te mahinga tahitanga i teenei raa.

A Kaunihera nei, ko taa maatou he whakaata atu i ngaa hapori e noho pononga nei maatou, ka mutu e paiheretia ana ko Te Ao Maaori, ka kitea, ka raraua, ka haapaitia i roto i a maatou mahi.

Te Reo o te Hapori

Kua koowhiri koe ki te noho me te whakatupu i too ao ki te takiwaa o Waikato, ka mutu e hiahia ana maatou kia whai reo koorero koe. Naa teenei i whakarewaina too maatou [Community Voice Panel](#) i te tau 2025. Ko ngaa urupare ka puta i teenei pae e aawhina nei i ngaa whakataunga me te whakauu i te whai waahitanga a ngaa hapori ki ngaa whakamaheretanga o te takiwaa.

Naaku iti nei,



His Worship
Aksel Bech



Chief Executive
Craig Hobbs

Your Mayor and Councillors

Too Manu Kaahui me ou Maangai Kaunihera

The Waikato District Council is an elected body of 14 representatives – the mayor and 13 councillors. Council is accountable to the ratepayers and residents of the Waikato district for the planning, direction and management of resources needed to meet the present and future needs of the community.

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Our Vision, Community Outcomes and Strategic Priorities

Ngaa Whaainga, ngaa Putanga aa- Hapori me ngaa Whakaarotau Matua

Our vision and community outcomes describe our aspirations for the Waikato district.

Our vision

Too maatou whakakitenga

Our Vision is that we work together to build:



Liveable, thriving and connected communities.

He noohanga aahuru, he iwi whai ora, he hapori tuuhono tahi.

By working together, we'll ensure that we meet present and future needs, so our district is the kind of place we all want for generations to come.

Community outcomes | Ngaa putanga aa-hapori

We're responsible for improving the wellbeing of our community. Our community outcomes let us define what wellbeing means and how Council and the wider community can contribute to this. They're aspirational statements and recognise that other agencies, and the community itself, will need to play a part in meeting those goals.

In early 2023, we undertook a review of our community outcomes. We asked our communities to define what wellbeing meant to them, and to share what was important to them now and in the future. Based on community feedback, we developed a new set of community outcomes aligned with the four wellbeing pillars described in the Local Government Act 2002: cultural, economic, environmental and social.

Our community outcomes describe what we want to achieve for the Waikato District in the future.



Cultural | Ahurea

We celebrate who we are.
Ka whakanui i too maatou katoa.

We celebrate all cultures. We treasure our diverse communities and acknowledge our cultural rights and obligations. We honour, understand and implement Te Tiriti o Waitangi and acknowledge the relationship with mana whenua of our district.

Ka whakanui maatou i ngaa ahurea katoa. Ka maimoatia e taatou te kanorautanga o oo maatou hapori me te whakamaanawa hoki i aa maatou mootika aa-ahurea me oona herenga katoa. Ka whakahoore, ka maarama, ka whakatinana hoki maatou i Te Tiriti o Waitangi me te whakanui hoki i te hononga ki ngaa mana whenua o too taatou takiwaa.



Economic | Ohaoha

We support local prosperity.
Ka tautoko maatou i te houkura aa-rohe.

We champion sustainable growth in our local economy. We support local enterprise and encourage innovation and socio-economic prosperity for all while managing regulatory processes to protect and promote our unique district. We acknowledge our rural and Maaori economies as key contributors to our district's prosperity and sustainability.

Ka maatua kookiri maatou i te tupunga toituu i too taatou ohaoha aa-rohe. Ka tautoko maatou i ngaa hinonga aa-rohe, ka akiaki anoo hoki i te aronga hou me te houkura aa-hapori moo te katoa, kei whakahaere ana i ngaa haatepe kia tiaki, kia whakatairanga hoki i o too taatou takiwaa rongomaiwhiti. Ka whakamaanawa maatou i aa maatou ohaoha aa-rohe, ohaoha aa-Maaori hoki hei kaiaawhina matua moo te toituuatanga me te houkura oo too taatou takiwaa.



Social | Paapori

We have well connected communities.
He hononga whitake katoa o oo maatou hapori.

Our communities are connected, safe, accessible and resilient. We put community wellbeing at the heart of our decisions, and we embrace partnerships to get things done to improve people's lives.

Kua honohono katoa oo taatou hapori, e noho haumarua ana, e waatea ana, e manawaroa ana hoki. Ko te oranga aa-hapori kei te pito o aa maatou whakatau, aa, e kauawhi ana maatou i te rangapuu mahitahi kia piki ake ai te kounga o too te hunga tangata ora.



Environmental | Taiao

Our environmental health underpins the health of our people.
Ka taunaki too maatou oranga aa-taiao i te oranga o oo taatou iwi.

We want waterways which are healthy and create connections. We protect and enhance our soil, water and native biodiversity and take care of our Taiao (natural environment) for the health and wellbeing of our people, our communities and for future generations.

E hiahia ana maatou ki ngaa arawai ora, ki ngaa arawai whai hononga. Ka tiaki, ka whakahaumako hoki maatou i aa maatou oneone, wai me te kanorau koirora Maaori, aa, ka tiaki hoki i too taatou Taiao (taiao maaori) moo te hauora me te oranga o oo taatou iwi, oo taatou hapori o aa taatou uri whakatupu hoki.

Strategic priorities | Ngaa rautaki whakaarotau

A key building block to developing an LTP is reviewing our strategic priorities to provide focus and guide our work programmes. These six strategic priorities, reviewed in June 2023, helped us prioritise our investment to ensure the immediate needs of our communities are met.

The strategic priorities are:



Building community resilience *Te whakatupu i te manawaroa aa-hapori*

We'll prioritise the wellbeing of our district by building and supporting strong and resilient communities.

Ka maatua whakaarotau maatou i te oranga o too maatou takiwaa maa te waihanga me te tautoko i ngaa hapori e kaha ana, ngaa hapori e manawaroa ana.

We'll partner with communities to address climate change, natural disasters and social change. We'll do this by connecting volunteers, businesses, communities, agencies, and by providing relevant information and protecting our critical infrastructure.

Ka mahi ngaatahi maatou i te taha o ngaa hapori ki te koorero moo te aahuarangi hurihuri, aituaa Maaori me te panoni paapori. Ka peenei aa maatou mahi maa te honohono i ngaa tuuao, i ngaa pakihi, i ngaa hapori me ngaa umanga, ka whakaputa hoki i ngaa moohiohio whai paanga me te tiaki anoo hoki i too maatou tuuaahanga maataamua.



Building relationships *Te whakatupu whanaungatanga*

We're committed to building strong partnerships.

E uu ana maatou ki te whakatupu i ngaa rangapuu mahitahi kaha.

We'll work with our communities, stakeholders and governance to tell our stories, learn from each other and build a shared sense of belonging.

Ka mahi ngaatahi maatou me oo maatou hapori, ngaa kiripaanga me te mana urungi ki te whakapuaki i a maatou koorero, ka ako tahi maatou, ka whakatupu i teenei mea te noho huaanga moo te katoa.

We'll uphold Te Tiriti o Waitangi.

Ka tautiinei maatou i Te Tiriti o Waitangi.

We'll foster and strengthen relationships within and between our communities, respecting cultural heritage and embracing diversity.

Ka whakatiitina, ka whakapakari i te whanaungatanga ki roto, ki waenga hoki i oo maatou hapori, te whakaute i te ahurea tuku iho me te tauawhi i te kanorautanga.



Consistent delivery of core services
Te tuku tonu i ngaa ratonga maataamua

Council will focus on reliable and essential services that keep our community safe and resilient.

Ka aro puu te Kaunihera ki ngaa ratonga pono me ngaa ratonga whaitake e haumaru ai, e manawaroa ai te noho o too taatou hapori.

We'll ensure our current levels of service for core assets and services such as roading, parks and open spaces, waste collection, and water services, meet agreed standards and will seek to improve animal control, rural roadside amenities, and safety measures.

Ka whakatuuturu maatou kia eke katoa aa maatou ratonga hua maataamua me ngaa ratonga peenei i ngaa mahi aa-rori, ngaa papa reehia me ngaa waahi waatea, te kohinga para me ngaa ratonga wai hoki ki ngaa paerewa matatika, ka mutu, e whai ana kia whakawhanake ai i ngaa ture kararehe, te tukuora tuawhenua me ngaa haumarutanga.



Improving Council responsiveness
Te whakawhanake i te urupare a te Kaunihera

Council will improve its responsiveness and communication to communities and customers.

Ka whakawhanake te Kaunihera i oona urupare me toona whakawhitinga koorero ki ngaa hapori me ngaa kiritaki.

We'll keep you informed about our work and services, what you can expect from us, and respond to requests in a timely manner. We aim to listen and engage with you on issues that matter most, and ensure your voices are heard and represented in our decisions.

Ka whakamoohio atu maatou ki a koe i aa maatou mahi me aa maatou ratonga, he aha aa maatou kawatau, me te whakahoki koorero ki ngaa tono i te waa e tika ana. Ko taa maatou tino whaainga kia whakarongo me te whai waahi atu ki a koe me ngaa take nui ahakoa he aha, ka mutu, ka maatua whakarite kia rongohia too reo, aa, ka whakaatu atu maa roto mai i aa maatou whakatau.



Improving connectivity
Te whakawhanake aaheinga

Our district is easy to explore, and communities are connected and well-informed.

He ngaawari noa te torotoro i too maatou takiwaa, aa, e maatua moohio ana, e honohono katoa ana o maatou hapori.

We're committed to improving connectivity within and between settlements to create a more accessible and connected district. We'll make it easy for you to engage in what's important to you, to access information about what's happening locally, and promote local attractions and events.

E uu ana maatou ki te whakawhanake i ngaa aaheinga whakahono i roto, i waenganui hoki i ngaa nohoanga kia waihangatia ai hei takiwaa waatea, hei takiwaa honohono. Ka whakangaawari ake maatou i teenei aahuatanga e pai ai too whai waahi mai ki te toha i ngaa mea e tino whai tikanga ana ki a koe, e whai waahi ai koe ki ngaa moohiohia moo ngaa kaupapa ka tuu i te hapori me te whakatairanga i ngaa taiopenga me ngaa kaupapa a te hapori.



Supporting sustainable growth
Te tautoko i te whanaketanga toituu

We plan for growth in a sustainable and responsible way, ensuring we preserve our local heritage and sense of community.

E maatua whakarite ana maatou kia tupu tuutika, kia tupu toituu kia tau ai hoki ko te tiakanga oo aa maatou taonga tuku iho aa-hapori me te noho aa-hapori.

We'll focus on existing and planned growth nodes throughout the district and explore funding tools to ensure that economic and residential growth benefits our communities. We'll work with you to create a vibrant and active district while managing regulatory processes to preserve our unique identity.

Ka tino arotahi maatou ki te tupu o ngaa tiipona kua whakaritea keetia puta noa i te takiwaa, me te tuuhura anoo hoki i eetahi puutea kia moohiotia ai he painga too te tipu ohaoha me te tipu o te taupori ki oo taatou hapori. Ka mahi tahi taaua ki te waihanga i teetahi takiwaa ngangahu me teetahi takiwaa whitawhita me te whakahaere anoo i ngaa tikanga ki te tiaki i too maatou tuakiritanga ahurei.

Our district at a glance

Ka maatai te titiro ki too taatou takiwaa

Our district is home to **91,100** people¹



diverse population:

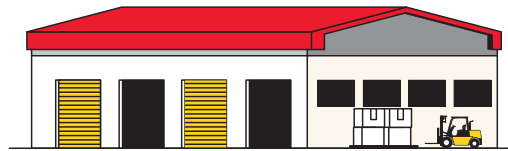
- 73.6%** European,
- 26.9%** Maaori,
- 9.1%** Asian,
- 5.5%** Pasifika
- 1.1%** Middle Eastern/Latin America/African
- 1.3%** other ethnicities²

 **49.7% male** and **51% female** with a median age of **38 years old**³

400,000ha which makes us one of the largest councils geographically



and has **30,793** urban, rural or residential properties

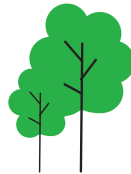


3,291 business or other non-residential properties and **3,144** farmland properties

39 Community centres and town halls



Six (6) Council libraries with over **85,000** books



1,931ha of reserves and **21,064** trees



206ha of sports and recreation areas



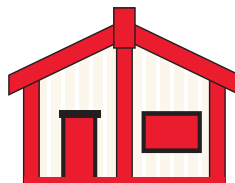
Council maintains over **2,520kms** of roads with **1,925kms** being sealed and **595kms** unsealed



3.1 million individual rubbish and recycling collections per year



Over 1,382kms of pipes either supply, drain or remove water through our residential towns



Waikato is the principal iwi in the district, we also have **27** hapuu and **40** marae

¹ As of 30 June 2025. Source: Estimated Resident Population, Stats NZ

² Source: Census 2023, Stats NZ

³ Source: Census 2023, Stats NZ

Section two

Overview

Tirohanga Whaanui

Key drivers impacting our District

Ngaa take whakaaweawe i too taatou takiwaa

The 2026/27 Annual Plan is year two of Council's 2025–2034 LTP and should be read alongside it. The LTP was developed during a period of ongoing economic pressure. These pressures include high inflation, rising interest costs, increasing central government requirements, and growing demand on infrastructure and services. These challenges have not gone away and continue to influence Council's financial decisions.

As part of developing this Annual Plan, Council reviewed the budgets for 2026/27 to manage costs, identify efficiencies, and respond to the changing environment. Elected Members provided direction during this process, which is reflected in the proposed budget.

A key driver this year is continued global uncertainty. Ongoing international conflict has contributed to higher fuel prices and ongoing volatility in global markets. This affects the cost of materials and services Council relies on, particularly for roading, infrastructure, and waste services. These pressures are difficult to predict and may affect costs during the year.

The Annual Plan uses the same inflation and interest rate assumptions as the LTP. While there is still uncertainty about future movements, recent reviews show only minor differences, so no changes have been made. This approach provides stability for a significant portion of Council's borrowing, while household growth assumptions have been updated using the most recent data to better reflect expected growth across the district.

Council remains focused on balancing affordability for households with the need to deliver reliable services. The LTP set a 3.0% increase in general rates for 2026/27, however following further review, Council has reduced this to 2.8% through the Annual Plan. This has required careful cost control and prioritisation to absorb new cost pressures while continuing to deliver essential services.

Climate resilience also remains an important consideration. Council is taking a cautious approach to planning so it can respond to future weather events and disruptions, particularly where infrastructure and service delivery may be affected.

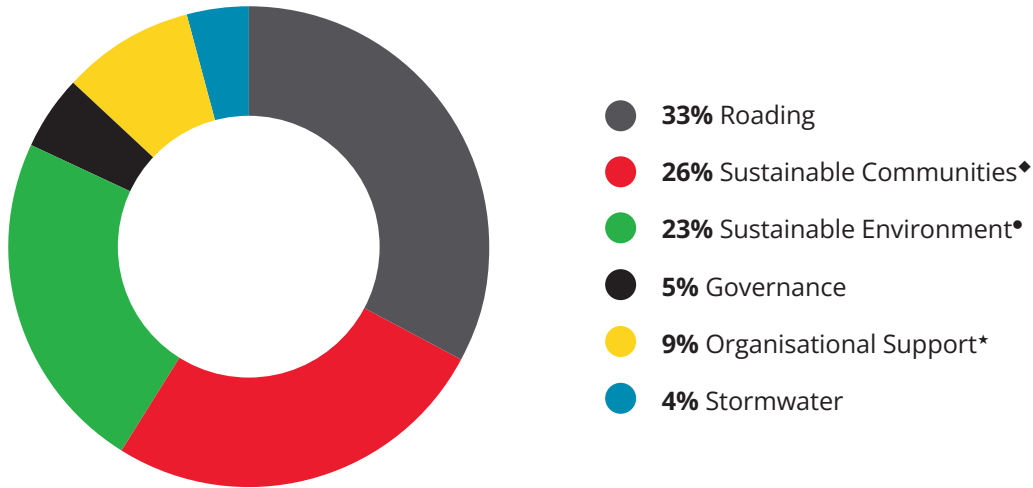
Overall, the 2026/27 Annual Plan reflects a balanced response to economic uncertainty, global influences, and local growth pressures. Council has focused on savings and tight cost controls to reduce impacts on households. We have made prudent decisions to support financial sustainability, while maintaining essential service levels for the community.

Financial highlights

Ngaa Take Ahumoni Whakahirahira

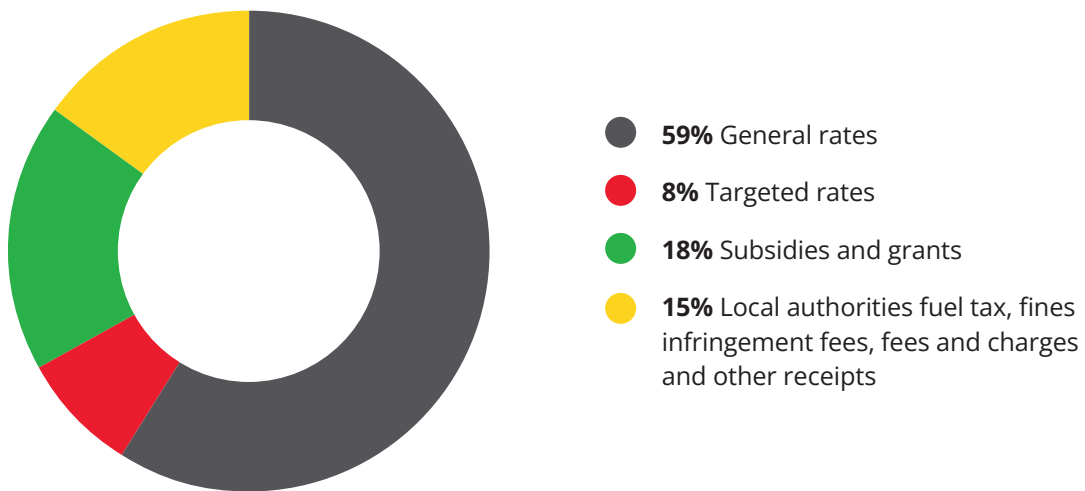
The total cost of Council's expenditure in the 2026/27 year is \$186 million, this is \$3million less than the \$189 million that was proposed in year two of the 2025-2034 LTP. Below is the breakdown of where the money is spent across our groups of activities:

Total expenditure by group of activities



The money collected through general rates is expected to contribute 59 percent of the budget for all of our services. The graph below shows the breakdown of all our sources of income for 2026/27.

How is expenditure funded?



[♦]Sustainable Communities includes the following activities: economic and community development, open spaces (such as parks and reserves), property and community facilities, community resilience, and customer experience.

[•]Sustainable Environment includes consenting, regulatory services, waste management, and strategic and spatial planning.

^{*}Other core Organisational Support services play a key role in moving Council forward, making services more efficient and cost effective for ratepayers, and fostering continuous improvement.

Summary of key changes from the 2025-2034 Long Term Plan

Whakaraapopoto o ngaa panoni ki te Mahere Whaaroa 2025-2034

The 2026/27 Annual Plan reflects year 2 of Council's 2025–2034 LTP. The LTP sets out the groups of activities and key programmes of work Council intends to deliver across Governance, Sustainable Communities, Sustainable Environment, Transport, Stormwater, and Organisational Support.

While the overall direction of the LTP remains unchanged, several updates have been made in response to cost pressures, and Council decisions to improve affordability. If you would like to read the Long Term Plan, you can access it on Council's website at <https://qrco.de/bglnmZ>.



Formal consultation was not required for this Annual Plan, as there are no material changes from the LTP. Council has instead chosen to focus engagement efforts on the development of the 2027–2037 Long Term Plan.

Rates and funding changes

The LTP assumed a 3.0% increase in general rates for 2026/27. Following further review, Council has reduced the general rates increase to 2.8% to help manage affordability pressures.

Targeted rates have largely been kept in line with year 2 projections in the LTP, with an average targeted rates increase of 11.66%. The overall average rates increase for 2026/27 is 3.79%, which is lower than the 3.94% forecast in the LTP.

Council has included an additional \$2 million savings target on top of the \$2 million already built into the LTP. These savings partly offset a \$2.9 million reduction in solid waste revenue resulting from lower-than-expected user pay volumes, caused from a calculation shortfall.

Updated asset information, informed by the latest revaluations, has also reduced forecast depreciation costs by \$1.4 million. This change has contributed to a lower overall forecast deficit for 2026/27.

Capital programme adjustments

Council has reviewed the capital works programme as another way to reduce pressure on rates. As a result, the total capital programme for 2026/27 has been reduced by \$50.7 million through a combination of project deferrals and cancellations.

The most significant change is the deferral of the Ngaaruawaahia Library project to allow additional time for investigation and consultation work, including engaging with stakeholders and mana whenua. Other changes include deferring some reserve acquisition projects, district wide walkways and fitness trails, cancelling the Ngaaruawaahia office carpark resurfacing, and cancelling several planned information technology projects.

There has been a change to the Transport capital works programme, with the Harrisville Bridge replacement brought forward from 2027/28 and 2028/29 to 2025/26 and 2026/27. This change reflects confirmation from NZTA that 51% funding is available for the full bridge replacement.

Water services transition

While not a change from the 2025-2034 LTP, the Annual Plan reflects the planned transfer of \$31.4 million in targeted rates revenue, and associated costs, to IAWAI – Flowing Waters. IAWAI is a Council-Controlled Organisation jointly owned by Hamilton City Council and Waikato District Council to deliver water supply and wastewater services from 1 July 2026. This transition was consulted on as part of the 2025–2034 LTP and is reflected in the year two budgets.

Stormwater services review

During the development of the 2025-2034 LTP, Council directed staff to review stormwater services and associated charges, with any changes to be considered through the 2026/27 Annual Plan. While this work is underway, it won't be completed in time to inform this Annual Plan. Any proposed changes will instead be considered through the 2027–2037 Long Term Plan.

Community halls targeted rates

Community halls are primarily funded through targeted rates and are experiencing increasing cost pressures. Rising insurance premiums, higher material and labour costs, and ageing buildings all contribute to the need for higher levels of funding to keep halls operational and safe. Hall Committees have an opportunity to request a change in targeted rate.

The following targeted rate changes have been requested and approved by Council, and will apply from 2026/27:

- **Mangatangi Hall:** increase of \$19 from \$35 to \$54
- **Maramarua Hall:** increase of \$19 from \$37 to \$56
- **Meremere Hall:** increase of \$16 from \$24 to \$40
- **Opuatia Hall:** increase of \$19 from \$35 to \$54
- **Pukekawa Hall:** increase of \$5 from \$55 to \$60
- **Raglan Hall:** increase of \$9 from \$25 to \$34
- **Te Akau Complex:** increase of \$17 from \$33 to \$50
- **Te Kowhai Hall:** increase of \$9 from \$51 to \$60

Fees and charges

Several updates have been made to the Fees and Charges Schedule to better reflect the cost of providing services and to simplify the schedule. These changes don't require consultation and are being progressed through the 2026/27 Annual Plan.

Key changes include:

- Removing water supply and wastewater fees, which will be included in the IAWAI fees and charges schedule.
- Updating building Project Information Memoranda (PIM) and building consent charges to better align with the value of works undertaken and reflect legislative changes.
- Removing hairdresser registration and annual renewal fees, as these are no longer required under legislation.

Section three

Financials

Te Ahumoni

Taupiri Maunga

Funding Impact Statement

Taukii Hua Tuku Puutea

Definitions

Residential - General

Properties which are identified in the District Plan as residential use.

Commercial

Properties which are identified in the District Plan as non-residential use.

Separately Used or Inhabited part of a rating unit (SUIP)

A separately used or inhabited part of a rating unit includes any portion inhabited or used by the owner, or a person other than the owner and who has the right to use or inhabit that portion by virtue of a tenancy, lease, licence, or other agreement.

This definition includes separately used parts, whether or not actually occupied at any particular time, which are used by the owner for rental (or other form of occupation) on an occasional or Long-term basis by someone other than the owner. For the purposes of this definition, vacant land and vacant premises offered or intended for use or habitation by a person other than the owner and usually used as such are defined as 'used'. This includes any part or parts of a rating unit that is used or occupied by the ratepayer for more than one single use.

For the purpose of this definition, where the use or inhabitation is an accessory one or is ancillary to another property or part thereof, it's not a separately used or inhabited part. For example:

- Not separately used or inhabited parts of a rating unit.
- A residential sleep-out or granny flat without independent kitchen facilities.
- A hotel room with or without kitchen facilities.
- Motel rooms with or without kitchen facilities.
- Individual storage garages/sheds/partitioned areas of a warehouse.
- Individual offices/premises of partners in a partnership.

The following are examples of where there may be application of multiple charges because a rating unit's comprised of more than one separately used or inhabited part:

- Houses/flats/apartments.
- Flats that share kitchen/bathroom.

As a minimum, the land or premises intended to form a separately used or inhabited part of the rating unit must be capable of actual habitation or actual separate use.

The Council proposes to set the following rates for the financial year commencing 1 July 2026 and ending 30 June 2027. All amounts (except where otherwise stated) are inclusive of GST.

Rates

General rate

The Council proposes to set a general rate on the capital value of rateable land within its district. The general rate required to undertake the work programme outlined in the Annual Plan 2026/2027 is proposed to be \$0.0022657 per dollar of the capital value. The work programme covers Animal Control, Community and Safety, Corporate and Council Leadership, Environmental Health, Community Liaison, Libraries, Parks and Reserves, Resource Management, Roading, Solid Waste Management and Stormwater.

Uniform Annual General Charge (UAGC)

The Council proposes to set a UAGC of \$564.94 per rating unit in the 2026/27 rating year.

Targeted Rates

Community Facilities Rates

The Council proposes to set targeted rates for the purpose of covering the costs of maintenance and operation of community facilities in the respective defined rating areas of Huntly (urban), Ngaaruawaahia and Raglan. This rate is a fixed amount per rating unit on all rating units within the catchment area.

Community board targeted rate

The Council proposes to set a targeted rate for the purpose of covering the direct costs of operating all the community boards within the district. This rate is a fixed amount per rating unit for all rating units within the Tuakau, Huntly, Taupiri, Rural-Port Waikato, Ngaaruawaahia and Raglan areas.
www.waikatodistrict.govt.nz/ltpmaps

Hall or Community Centres

The Council proposes to set targeted rates for the purpose of covering the costs of maintenance and operation of halls, other facilities and community centres in the respective rating areas. This rate is a fixed amount per separately used or inhabited part of a rating unit (SUIP) within the defined hall/community centre area (except for the Te Kōhanga rate which is an amount in dollar of land value). The targeted rates are specific to individual areas.
www.waikatodistrict.govt.nz/ltpmaps

Tamahere Recreation Reserve

The Council proposes to set a targeted rate for the purpose of covering the costs of loan interest and additional operational costs for the above average level of service of Tamahere Recreation Reserve. This rate is a fixed amount per separately used or inhabited part of a rating unit (SUIP) used for residential purposes within the defined catchment area of the Tamahere Ward.

Tamahere gully conservation

The Council proposes to set targeted rates for the purpose of covering the costs of ongoing and future conservation within the Tamahere Gully network.

Rubbish and Recycling

District wide refuse and recycling collection

The rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area.

Raglan recycling and food waste collection

This rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area.

Te Mata/Te Uku recycling collection point

This rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area.

Tuakau rubbish and recycling collection

The rate is a fixed amount per wheelie bin supplied to each rating unit within the serviced area.

Glen Murray recycling collection point

This rate is a fixed amount per separately used or inhabited part of a residential rating unit (SUIP) within the serviced area.

Stormwater

Urban stormwater

The Council proposes to set a targeted rate to fund expenditure on stormwater activities for stormwater catchments in Horotiu, Huntly, Maatangi, Meremere, Ngaaruawaahia, Pookeno, Port Waikato, Raglan, Taupiri, Te Kauwhata and Tuakau based on the availability of drainage to land as a fixed amount per rating unit.
www.waikatodistrict.govt.nz/ltpmaps

Tamahere rural stormwater – availability and land drainage

The Council proposes to set a targeted rate to fund expenditure on rural stormwater activities for the Tamahere stormwater rating area based on the availability of drainage to land. This targeted rate is a fixed amount per rating unit across the scheme.
www.waikatodistrict.govt.nz/ltpmaps

In addition to this targeted rate, ratepayers in the Tamahere stormwater rating area will also be liable for a Land Drainage targeted rate to fund expenditure on drainage activities received from the Tamahere drainage system. This charge is an amount per hectare of land.
www.waikatodistrict.govt.nz/ltpmaps

Lump Sum contributions

Lump sum contributions generally

The Council will not accept lump sum contributions in respect of any targeted rate, except where stated explicitly in this Funding Impact Statement.

Early Payment Policy

Per resolution WDC05/105/1/2 Council will accept payment in advance of any applicable rate instalment both in the current or future years. No discount will be given, or interest paid in relation to any payments on this basis. Any such payments made in advance will be credited against the appropriate rate instalment as directed by the ratepayer.

Due Dates

The Waikato District Council due dates for rate payments for the 2026/27 year shall be due in three equal instalments as follows:

First Instalment	21 September 2026
Second Instalment	20 January 2027
Third Instalment	20 May 2027

A penalty of 10 per cent on so much of any rates instalment that has been assessed after 01 July 2026 and which is unpaid after the due date for payment, will be applied on the penalty dates as follows:

First instalment	22 September 2026
Second instalment	21 January 2027
Third instalment	21 May 2027

A penalty of 10 per cent on so much of any rates assessed before 30 June 2026 which remain unpaid on 1 July 2026. The penalty date is 1 July 2026.

A further penalty of 10 per cent on any rates to which a penalty has been added on 1 July 2026 if the rates remain unpaid. The penalty date is 1 January 2027.



Photo by Shaun Jeffers – Waireinga Falls “Bridal Falls”

Rating Base Information

Ngaa Moohiohio Puutake Taatai Reiti

Rates for the financial year commencing 1 July 2026 to 30 June 2027 (All figures are inclusive of GST).

Source	Category	Funding	Basis of Rating	Annual Plan 2026/27 (\$)	Estimated revenue (\$'000)
General Rate		Work program as highlighted in the Long Term Plan including animal control, community and safety, corporate and council leadership, environmental health, community liaison, libraries, parks and reserves, resource management, roading, solid waste management, stormwater.	Uniform rate in the dollar of capital value.	0.0022657	104,912
Uniform annual general charge (UAGC)	All rateable land in the district	People related activities including but not limited to libraries, parks and reserves, public cemeteries, public swimming pools, public toilets, community centres, community liaison, grants and donations, safer communities, animal control, civil defence and safety, building control, environmental health, resource management planning, environmental consents planning, area offices and democracy/ local government.	Fixed amount per rating unit.	564.94	20,068
Targeted community facilities rates (apply to all Rating units within each ward catchment area)	Huntly Community Facilities (urban catchment)	Covers the cost of maintenance and operation of community facilities.	Fixed amount per rating unit.	34.00	114
	Ngaaruawaahia Community Facilities			25.00	77
	Raglan Community Facilities			34.00	77
Targeted hall or community centre rates (apply to all rating units within each hall catchment area)	Te Koohanga	Covers the cost of maintenance and operation of halls, other facilities and community centres.	Fixed amount per separately used or inhabited part of a rating unit.	0.000026	3
	Aka Aka			55.00	13
	Eureka			60.00	18
	Glen Murray			70.00	9
	Gordonton			26.00	16
	Horsham Downs			35.00	17
	Huntly			25.00	84
	Karioitahi			55.00	4
	Mangatangi			54.00	11
	Mangataawhiri			58.50	18
	Maramarua			56.00	23
	Maatangi			30.00	38
	Meremere			40.00	8
Naike	80.00	10			

Source	Category	Funding	Basis of Rating	Annual Plan 2026/27 (\$)	Estimated revenue (\$'000)
Targeted hall or community centre rates (apply to all rating units within each hall catchment area)	Oohinewai	Covers the cost of maintenance and operation of halls, other facilities and community centres.	Fixed amount per separately used or inhabited part of a rating unit.	24.00	4
	Opuatia			54.00	6
	Orini			26.00	6
	Otaua			55.00	12
	Pookeno			23.00	46
	Port Waikato			125.00	62
	Pukekawa			60.00	31
	Puketaha			45.00	17
	Tamahere			70.00	126
	Taupiri			24.00	17
	Tauwhare			30.00	11
	Te Aakau/Waingaro			50.00	13
	Te Hoe			30.00	5
	Te Koowhai			60.00	59
	Te Mata			24.00	7
	Tuakau			46.13	105
	Whangarata			46.00	4
Whatawhata	51.43	52			
Waikaaretu	50.00	2			
Whitikahu	53.00	10			
Tamahere Recreation Reserve	Based on location of rating unit within the Tamahere Ward	Covers the cost of loan interest and additional operational costs for the above average level of service of the Tamahere Recreation Reserve.	Fixed amount per separately used or inhabited part of a rating unit.	38.00	96
Tamahere gully conservation	Rating units within catchment area.	Contribution to ongoing and future conservation work in the Tamahere gully network.	Fixed amount per rating unit.	52.00	121
District wide rubbish and recycling collection	Residential rating units within serviced areas (Eureka, Glen Afton/ Pukemiro, Gordonton and surrounds, Horotiu, Horsham Downs, Huntly and surrounds, Meremere, Ngaaruawaahia and surrounds, Port Waikato and surrounds, Pukekawa, Rangiriri and surrounds, Rotokauri, Tamahere and surrounds, Taupiri and surrounds, Te Kauwhata and surrounds, Te Koowhai, Whatawhata).	Covers the cost of rubbish and recycling where the service is provided.	Fixed amount per separately used or inhabited part of a rating unit.	314.79	7,941

Source	Category	Funding	Basis of Rating	Annual Plan 2026/27 (\$)	Estimated revenue (\$'000)
Tuakau rubbish and recycling collection	Rating units within serviced areas.	Covers the cost of rubbish and recycling collection where the service is provided.	Fixed amount per wheelie bin.	314.79	690
Glen Murray pop up recycling collection point	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit.	92.03	27
Raglan recycling collection	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit.	200.70	451
Raglan food waste collection	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit.	117.67	272
Te Mata/Te Uku recycling collection points	Residential rating units within serviced areas.		Fixed amount per separately used or inhabited part of a rating unit.	79.81	65
Urban Stormwater	Rating units within the stormwater catchment areas for which the service is available (Horotiu, Huntly, Maatangi, Meremere, Ngaaruwāhia, Pookeno, Port Waikato, Raglan, Taupiri, Te Kauwhata and Tuakau).	District wide stormwater activity as per the Annual Plan.	Fixed amount per rating unit.	364.68	5,388
Tamahere rural stormwater	Rating units within the Tamahere stormwater catchment area.	Tamahere rural stormwater activities.	Fixed amount per rating unit.	29.11	30
Tamahere land drainage	Rating units within the Tamahere land drainage catchment area.	Land drainage activities.	Amount per hectare of land area.	6.59	11
Community Boards	Ngāruawāhia	Direct costs of operating all the community boards within the district.	Fixed amount per rating unit.	23.12	71
	Tuakau			23.12	80
	Rural Port Waikato			23.12	38
	Raglan			23.12	62
	Taupiri			23.12	8
	Huntly			23.12	77

Rates Breakdown: Indicator properties

He Whakamahuki Reiti

These are the indicated rates, inclusive of GST.

IAWAI – Flowing Waters LTD will be responsible for charging for the water and wastewater Services from 1 July 2026. The targeted rates for these services have been removed from the comparison of rates charged for 2025/26. The amount charged for these services in 2025/26 is shown in the row below each relevant property example.

	Residential - Tuakau		Residential - Huntly		Residential - Ngaaruwaahia		Residential - Raglan	
	2025/26	2026/27	2025/26	2026/27	2025/26	2026/27	2025/26	2026/27
Average Capital Value	\$740,000	\$740,000	\$490,000	\$490,000	\$550,000	\$550,000	\$1,050,000	\$1,050,000
General Rates	\$1,630.96	\$1,684.66	\$1,079.96	\$1,115.52	\$1,212.20	\$1,252.11	\$2,314.19	\$2,390.40
UAGC	\$548.50	\$565.23	\$548.50	\$565.23	\$548.50	\$565.23	\$548.50	\$565.23
Fixed Targeted Rates (Excl Water and Wastewater rates)	\$665.92	\$748.72	\$678.79	\$761.59	\$644.79	\$727.59	\$659.35	\$739.17
Total Rates (Excl Water and Wastewater Rates)	\$2,845.38	\$2,998.61	\$2,307.25	\$2,442.34	\$2,405.49	\$2,544.93	\$3,522.04	\$3,694.80
Total % Increase (over 2025/26)	5.39%		5.86%		5.80%		4.91%	
Total \$ Increase (over 2025/26)	\$153.23		\$135.09		\$139.45		\$172.76	
Weekly \$ Increase (over 2025/26)	\$2.95		\$2.60		\$2.68		\$3.32	
Excluded Water and Wastewater Targeted Rates 2025/26	\$2,892.97	IAWAI charge from 1 July 2026	\$2,892.97	IAWAI charge from 1 July 2026	\$2,892.97	IAWAI charge from 1 July 2026	\$2,892.97	IAWAI charge from 1 July 2026

	Residential - Tamahere		Residential - Pookeno		Residential - Te Kauwhata	
	2025/26	2026/27	2025/26	2026/27	2025/26	2026/27
Average Capital Value	\$1,820,000	\$1,820,000	\$950,000	\$950,000	\$680,000	\$680,000
General Rates	\$4,011.27	\$4,143.36	\$2,093.79	\$2,162.74	\$1,498.72	\$1,548.07
UAGC	\$548.50	\$565.23	\$548.50	\$565.23	\$548.50	\$565.23
Fixed Targeted Rates (Excl Water and Wastewater rates)	\$472.75	\$507.51	\$619.67	\$702.47	\$596.67	\$679.47
Total Rates (Excl Water and Wastewater Rates)	\$5,032.52	\$5,216.10	\$3,261.97	\$3,430.44	\$2,643.89	\$2,792.76
Total % Increase (over 2025/26)	3.65%		5.16%		5.63%	
Total \$ Increase (over 2025/26)	\$183.58		\$168.47		\$148.88	
Weekly \$ Increase (over 2025/26)	\$3.53		\$3.24		\$2.86	
Excluded Water and Wastewater Targeted Rates 2025/26	\$1,107.10	IAWAI charge from 1 July 2026	\$2,892.97	IAWAI charge from 1 July 2026	\$2,892.97	IAWAI charge from 1 July 2026

	Rural		Lifestyle		Commercial		Industrial	
	2025/26	2026/27	2025/26	2026/27	2025/26	2026/27	2025/26	2026/27
Average Capital Value	\$12,200,000	\$12,200,000	\$1,320,000	\$1,320,000	\$2,510,000	\$2,510,000	\$4,470,000	\$4,470,000
General Rates	\$26,888.73	\$27,774.15	\$2,909.27	\$3,005.07	\$5,532.02	\$5,714.19	\$9,851.85	\$10,176.27
UAGC	\$548.50	\$565.23	\$548.50	\$565.23	\$548.50	\$565.23	\$548.50	\$565.23
Fixed Targeted Rates (Excl Water and Wastewater rates)	\$0.00	\$0.00	\$400.03	\$434.79	\$364.76	\$412.80	\$0.00	\$0.00
Total Rates (Excl Water and Wastewater Rates)	\$27,437.22	\$28,339.38	\$3,857.80	\$4,005.09	\$6,445.28	\$6,692.22	\$10,400.35	\$10,741.50
Total % Increase (over 2025/26)	3.29%		3.82%		3.83%		3.28%	
Total \$ Increase (over 2025/26)	\$902.16		\$147.29		\$246.94		\$341.15	
Weekly \$ Increase (over 2025/26)	\$17.35		\$2.83		\$4.75		\$6.56	
Excluded Water and Wastewater Targeted Rates 2025/26	\$1,785.87	IAWAI charge from 1 July 2026	\$964.71	IAWAI charge from 1 July 2026	\$2,892.97	IAWAI charge from 1 July 2026	\$2,892.97	IAWAI charge from 1 July 2026

Note 1: Individual rate increases will vary depending on property type, value and location, and services available.

Note 2: Average Capital Value is per the 2023 district wide valuation

Note 3: Fixed Targeted Rates reflect the range of services available for each property example.

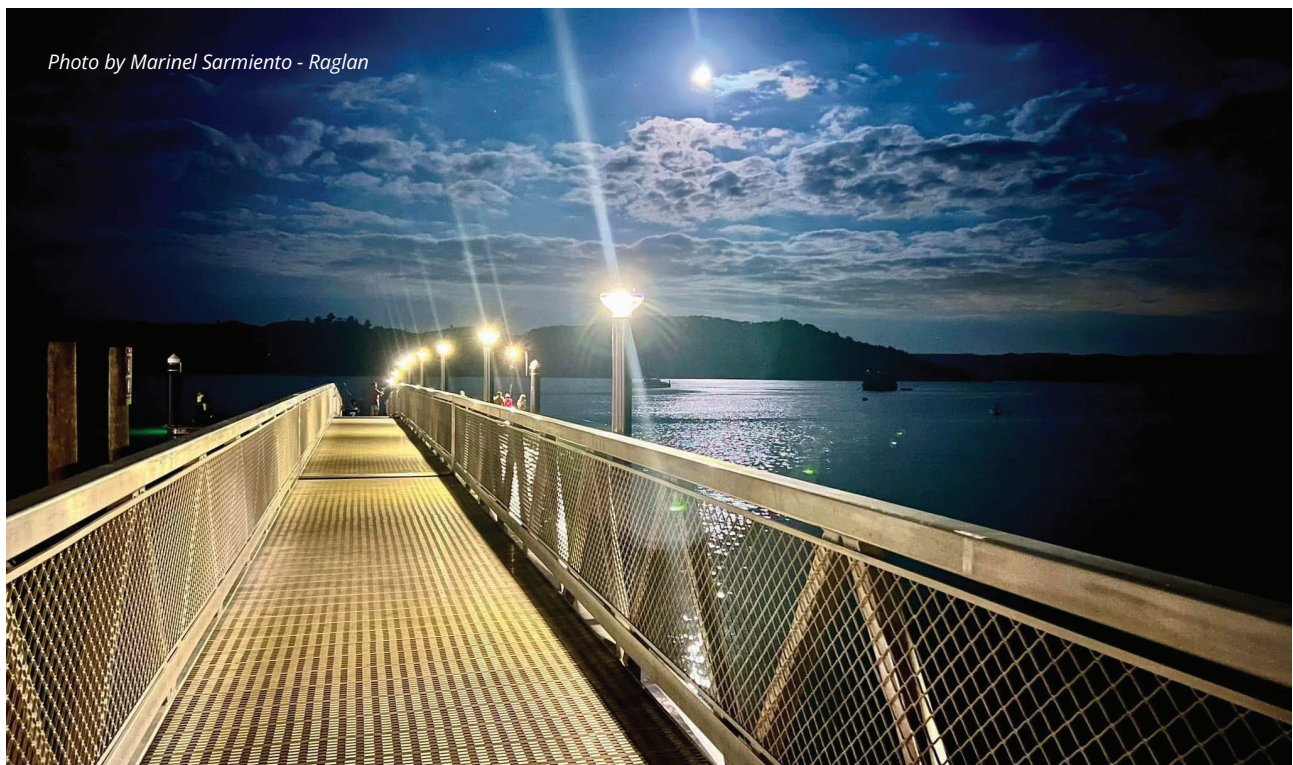


Photo by Marinel Sarmiento - Raglan

Financial Statements

Ngaa Taukii Ahumoni

Prospective Funding Impact Statement - Whole of Council

A forecast for the year ending 30 June 2027

	Long Term plan 2025/26 \$'000	Long Term Plan 2026/27 \$'000	Annual plan 2026/27 \$'000
Sources of Operating Funding			
General rates, uniform annual general charges, rates penalties	105,161	110,065	108,284
Targeted rates	52,781	14,294	14,402
Subsidies and grants for operating purposes	13,635	16,849	16,342
Fees and charges	25,105	18,573	15,740
Interest and dividends from investments	660	660	660
Local authorities fuel tax, fines, infringement fees, and other receipts	10,550	11,058	10,943
Total operating funding	207,891	171,499	166,371
Applications of operating funding			
Payments to staff and suppliers	159,066	135,033	133,930
Finance costs	11,469	5,629	5,630
Other operating funding applications	8,272	6,186	6,232
Total applications of operating funding	178,807	146,848	145,792
Surplus (deficit) of operating funding	29,084	24,651	20,579
Sources of Capital Funding			
Subsidies and grants for capital expenditure	15,896	14,159	17,300
Development and financial contributions	7,049	3,402	3,402
Increase (decrease) in debt	109,427	(205,654)	(209,002)
Gross proceeds from sale of assets	-	-	-
Other dedicated capital funding	222	-	2,539
Total sources of capital funding	132,595	(188,092)	(185,761)
Applications of Capital Funding			
Capital expenditure			
- To meet additional demand	38,367	3,107	2,536
- To improve the level of service	51,915	16,748	15,249
- To replace existing assets	69,158	38,678	38,636
Increase (decrease) in reserves	(429)	(216,959)	(216,508)
Increase (decrease) of investments	2,669	(5,016)	(5,098)
Total applications of capital funding	161,679	(163,442)	(165,185)
Surplus (deficit) of capital funding	(29,084)	(24,651)	(20,579)
Funding balance	-	-	-
Depreciation and amortisation	58,477	42,799	41,386

Prospective Statement of Comprehensive Revenue and Expense

A forecast for the year ending 30 June 2027

	Long Term plan 2025/26 \$'000	Long Term Plan 2026/27 \$'000	Annual plan 2026/27 \$'000
Revenue			
Rates	156,832	123,629	123,994
Development and financial contributions	7,049	3,402	3,402
Subsidies and grants	29,531	31,008	33,642
Finance revenue	660	660	660
Other revenue	36,305	30,131	27,184
Total revenue	230,377	188,830	188,882
Expenses			
Depreciation and amortisation expense	58,477	42,799	41,386
Employee costs	56,549	58,019	57,085
Finance costs	11,469	5,629	5,630
Other expenses and losses	109,680	82,470	82,347
Total operating expenses	236,175	188,917	186,448
Surplus (deficit) before tax	(5,798)	(87)	2,434
Other comprehensive revenue and expense			
Gain (loss) on property revaluations	54,046	43,041	42,022
Total other comprehensive revenue and expense	54,046	43,041	42,022
Total comprehensive revenue and expense	48,248	42,954	44,456

Note 1: Reconciliation of total comprehensive revenue and expense with net operating funding per prospective whole of Council funding impact statement

	Long Term plan 2025/26 \$'000	Long Term Plan 2026/27 \$'000	Annual plan 2026/27 \$'000
Total prospective revenue and expense wholly attributable to Waikato District Council	48,248	42,954	44,456
Surplus (deficit) of operating funding per prospective whole of Council funding impact statement	29,084	24,651	20,579
Difference	19,164	18,303	23,877
The difference is due to:			
Capital income	23,596	18,062	23,241
Vested assets	-	-	-
Revaluation of assets	54,046	43,041	42,022
Gain (loss) on sale of assets	-	-	-
Depreciation and amortisation	(58,477)	(42,799)	(41,386)
Total explained difference	19,164	18,303	23,877

Note 2: Exchange and non-exchange revenue

	Long Term plan 2025/26 \$'000	Long Term Plan 2026/27 \$'000	Annual plan 2026/27 \$'000
Revenue from non-exchange transactions			
Revenue from rates	147,983	123,629	123,994
Vested and found assets	-	-	-
Regulatory revenue	2,179	2,189	2,189
Infringement and fines	205	227	227
NZTA government subsidies	29,373	27,898	30,972
Petrol tax	572	587	587
Other subsidies and grants	158	3,111	2,670
Other fees and charges	2,071	809	866
Other non-exchange revenue	2,214	2,214	2,214
Total revenue from non-exchange transactions	184,755	160,664	163,719
Revenue from exchange transactions			
Water billing charges	8,849	-	-
Development & financial contributions	7,049	3,402	3,402
Other fees and charges	21,083	19,124	16,246
Finance income	660	660	660
Dividends	-	-	-
Other exchange revenue	7,981	4,982	4,856
Total revenue from exchange transactions	45,622	28,168	25,164
Total revenue	230,377	188,830	188,882

Prospective Statement of Financial Position

A forecast for the year ending 30 June 2027

	Long Term plan 2025/26 \$'000	Long Term Plan 2026/27 \$'000	Annual plan 2026/27 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	6,530	3,445	3,173
Recoverables from non-exchange transactions	10,375	9,730	9,633
Receivables from exchange transactions	10,615	7,341	7,614
Non-current assets held for sale	-	-	-
Biological assets - cattle	11	11	11
Other financial assets	1,825	1,825	1,825
Prepayments	3,970	3,370	3,361
Derivative financial instruments	36	36	36
Total current assets	33,362	25,758	25,653
Non-current assets			
Property, plant and equipment	3,001,204	2,418,760	2,418,317
Intangible assets	9,484	10,194	8,918
Investment property	635	635	635
Investments in CCOs and other similar organisations	37,459	461,511	461,511
Derivative financial instruments	2,973	2,973	2,973
Other financial assets	8,293	3,277	3,195
Total non-current assets	3,060,048	2,897,350	2,895,549
Total assets	3,093,410	2,923,108	2,921,202
LIABILITIES			
Current liabilities			
Payables under exchange transactions	48,083	40,860	40,750
Taxes and transfers payable	3,280	2,736	2,728
Employee entitlements	6,304	6,460	6,361
Provisions	113	113	113
Derivative financial instruments	-	-	-
Borrowing	48,344	21,608	21,173
Total current liabilities	106,124	71,777	71,125
Non-current liabilities			
Provisions	1,987	1,987	1,987
Employee entitlements	39	45	41
Derivative financial instruments	-	-	-
Borrowing	323,530	144,610	141,698
Total non-current liabilities	325,556	146,642	143,726
Total liabilities	431,680	218,419	214,851
Net assets/equity	2,661,730	2,704,689	2,706,351
NET ASSETS/EQUITY			
Accumulated comprehensive revenue and expense	1,465,253	1,593,694	1,596,906
Other reserves	1,196,477	1,110,992	1,109,445
Total net assets/equity	2,661,730	2,704,689	2,706,351

Prospective statement of changes in net assets/equity

A forecast for the year ending 30 June 2027

	Long Term plan 2025/26 \$'000	Long Term Plan 2026/27 \$'000	Annual plan 2026/27 \$'000
Balance at beginning of year			
Accumulated comprehensive revenue & expense	1,433,834	1,465,253	1,593,780
Other reserves			
Revaluation	1,282,398	1,336,444	1,110,950
Restricted	(207)	(199)	231
Council created	(424)	(2,918)	(3,027)
Special rates and user pays	(46,815)	(54,388)	(7,675)
Capital replacement funds	19,088	30,488	24,607
Development contributions	(107,513)	(146,073)	(90,095)
Fair value through other comprehensive revenue and expense	33,122	33,122	33,122
Total net assets/equity at beginning of year	2,613,483	2,661,729	2,661,893
Comprehensive revenue and expense for the year			
Accumulated comprehensive revenue & expense	(5,798)	(87)	2,435
Other reserves			
Revaluation	54,046	43,041	42,022
Revaluation (landfill)	-	-	-
Fair value through other comprehensive revenue and expense	-	-	-
Total comprehensive revenue and expense for the year	48,248	42,954	44,457
Transfers to (from) accumulated comprehensive revenue & expense			
Accumulated comprehensive revenue & expense	37,217	128,527	691
Other reserves			
Revaluation	-	(225,494)	-
Restricted	8	26	9
Council created	(2,493)	(35)	646
Special rates and user pays	(7,573)	46,997	(2,707)
Capital replacement fund	11,401	(1,002)	3,967
Development contributions	(38,560)	50,981	(2,606)
Total transfers to (from) accumulated comprehensive revenue & expense	-	-	-
Net assets/equity at end of year			
Accumulated comprehensive revenue & expense	1,465,253	1,593,694	1,596,906
Other reserves			
Revaluation	1,336,442	1,153,994	1,152,972
Restricted	(199)	(173)	240
Council created	(2,917)	(2,953)	(2,381)
Special rates and user pays	(54,388)	(7,391)	(10,382)
Capital replacement funds	30,489	29,486	28,574
Development contributions	(146,073)	(95,092)	(92,701)
Fair value through other comprehensive revenue and expense	33,123	33,121	33,122
Total net assets/equity at end of year	2,661,730	2,704,689	2,706,351

Prospective Statement of Reserve Funds

A forecast for the year ending 30 June 2027

Reserve	Purpose	Forecast Balance 1-Jul-26 \$'000	Transfers into fund \$'000	Transfers out of fund \$'000	Balance 30-Jun-27 \$'000
Conservation fund	To fund expenditure items for conservation purposes.	504	19	-	523
Raglan Harbour reserve	Council took over assets from the Raglan Harbour Board. Any revenue or expense on these properties is kept separate from general funds.	(2,451)	637	(483)	(2,297)
Housing for the elderly	Income from housing for the elderly is put aside for use on the properties involved.	(798)	-	(78)	(876)
Plant reserve	Reserve used for control of expenditure and sale proceeds for vehicle and other plant running and maintenance costs.	(2,855)	84	(999)	(3,770)
Lake Hakanoa Caravan Park reserve	Revenue and expense for the Lake Hakanoa Caravan Park in Huntly is kept separate. The camp operation is self-funding.	232	32	(85)	179
Raglan Kopua Holiday Park reserve	Revenue and expense for Kopua Camp in Raglan is kept separate. The camp operation is self-funding.	1,030	147	(1,470)	(293)
Wainui Reserve farm	Revenue and expense for Wainui Reserve farm operations is kept separate. The farm operation is self-funding, and surpluses are used towards projects at Wainui Reserve.	672	25	(57)	640
Hillary Commission grants	These funds are committed to a club development programme for the future.	22	-	-	22
Creative NZ grant	The balance from Creative Communities New Zealand to be re-distributed as grants to suitable candidates.	19	-	-	19
Disaster recovery fund	Fund set aside for use in the event of a disaster.	(864)	750	(17)	(131)
Hillary Commission loans	Remaining funds and interest credits built up from Council's contribution to match Hillary Commission loans used in the past to assist sporting organisations. All loans have been repaid.	(127)	4	(9)	(132)
North Waikato development reserve	Remaining funds with interest credits from the Department of Corrections for use to assist the local community.	242	9	-	251
Hamilton East property proceeds	Proceeds from the sale of the Hamilton East property held separately for property related purposes.	2,308	-	-	2,308
Mayoral Relief Fund	The fund is established in relation to the flooding and damage caused by Cyclone Gabrielle.	-	-	-	-
Hakarimata Restoration Trust	A restricted reserve for Hakarimata Hills Reserve Trust to record all trust operations.	-	-	-	-
Landfill aftercare contribution	Reserve created on amalgamation of part of Franklin District Council with Waikato District Council to assist with aftercare costs for closed landfills transferred.	(8)	-	-	(8)
Structure plan non-growth reserve	Reserve to provide funding for the non-growth element of Structure Plan development.	2,239	84	-	2,323
Waste minimisation reserve	To manage waste minimisation grants and qualifying expenditure.	3,078	90	(126)	3,042
Huntly College jubilee award	A restricted reserve; the interest income from which is to be used for educational sponsorship.	14	1	-	15
Francis Paki Trust	A restricted reserve in memory of Francis Paki of Huntly. Interest income to be used as sponsorship for educational purposes.	2	-	-	2

Reserve	Purpose	Forecast Balance 1-Jul-26 \$'000	Transfers into fund \$'000	Transfers out of fund \$'000	Balance 30-Jun-27 \$'000
Mungall Scholarship Trust	A restricted reserve in memory of Agnes Simpson Mungall. Interest income to be used for educational sponsorship.	1	-	-	1
Huntly Social Services	A restricted reserve created by the transfer of funds from the former Huntly Social Services Coordinating Committee Inc when it was wound up in 2015.	214	25	(17)	222
Sundry reserves	Sundry reserves for township development and other operational purposes.	21,343	2,659	(763)	23,239
Targeted rate reserves – operational	Reserves to monitor operational costs in relation to special rates and user pays.	(7,675)	11,456	(14,163)	(10,382)
Replacement funds	Reserves where amounts equivalent to funded depreciation are held for use on capital renewals work.	24,607	30,068	(26,101)	28,574
Revaluation reserves	Non-cash reserves representing the increases or decreases in the value of infrastructural assets that are periodically revalued.	1,110,950	43,041	(1,019)	1,152,972
Capital rates and contributions	Reserves for structure plans, development contributions, financial contributions and capital targeted rates.	(84,587)	3,781	(6,194)	(87,000)
		1,068,112	92,912	(51,581)	1,109,445

Prospective Cash Flow Statement

A forecast for the year ending 30 June 2027

	Long Term plan 2025/26 \$'000	Long Term Plan 2026/27 \$'000	Annual plan 2026/27 \$'000
Cash flows from operating activities			
Receipts			
Receipts from rates revenue	155,416	126,949	127,278
Subsidies received	30,566	30,861	33,231
Contributions received	7,962	4,132	4,132
Receipts from other revenue	35,953	30,748	28,096
Interest received	660	660	660
Dividends received	-	-	-
Payments			
Employee costs	(56,020)	(57,858)	(57,026)
Suppliers	(110,041)	(85,191)	(85,080)
Interest paid	(11,469)	(5,629)	(5,630)
Goods and services tax (net)	-	-	-
Net cash flows from operating activities	53,027	44,672	45,661
Cash flows from investing activities			
Purchase of property, plant and equipment	(155,901)	(61,008)	(60,213)
Proceeds from sale of property, plant and equipment	-	-	-
Proceeds from transfer of Waters and Wastewaters to CCO	-	216,459	216,459
Community loans repayments received	-	-	-
Purchase of intangible assets	(2,800)	(2,571)	(1,359)
Community loans granted	-	-	-
Acquisition of investments	(3,419)	(1,521)	(1,439)
Proceeds from sale of investments	750	6,536	6,536
Net cash flows from investing activities	(161,370)	157,895	159,984
Cash flows from financing activities			
Proceeds from borrowings	139,427	55,805	52,457
Repayment of borrowings	(30,000)	(261,459)	(261,459)
Net cash flows from financing activities	109,427	(205,654)	(209,002)
Net increase(decrease) in cash and cash equivalents	1,084	(3,085)	(3,357)
Cash and cash equivalents at the beginning of the year	5,446	6,530	6,530
Cash and cash equivalents on 30 June	6,530	3,445	3,173

Notes to the Financial Statements

Aapitihanga ki ngaa taukii ahumoni

Reporting Entity

Waikato District Council is a territorial authority governed by the Local Government Act 2002 (LGA) and is domiciled and operates in New Zealand. The relevant legislation governing Council's operations includes the Local Government Act 2002 (LGA) and the Local Government (Rating) Act 2002 (LG(R)A).

The Waikato District Council Group (the Group) consists of the ultimate parent Waikato District Council (Council) and its 100%-owned subsidiary; Strada Corporation Limited (Strada).

Strada is no longer trading and has been registered as non-active with Inland Revenue Department (IRD).

The companies in which Council has an interest, either directly or through Strada, are incorporated and domiciled in New Zealand.

The principal activity of Council is the provision of local infrastructure, local public services and the performance of regulatory functions to the community. Council does not operate to make financial return.

Council has designated itself and the Group as public benefit entities (PBEs) for financial reporting purposes.

The prospective financial statements are for the year ending 30 June 2027. They were authorised for issue by Council on 9 June 2026. Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

Basis of preparation

Statement of compliance

Council's prospective financial statements have been prepared in accordance with the requirements of Local Government Act 2022 (LGA) and the Local Government (Financial Reporting and Prudence Regulations 2014 (LG(FRP)R) which include the requirement to comply with New Zealand Generally Accepted Accounting Practice (NZ GAAP).

The prospective financial statements (except for the Funding Impact Statement) have been prepared in accordance with and comply with Tier 1 PBE accounting standards; including PBE FRS 42 *Prospective Financial Statements*.

Included in this plan are three types of financial information –

The usual NZ GAAP regulated statements of financial position, comprehensive revenue and expense and the like;

Funding Impact Statements (FIS); and,
A Disclosure Statement.

The key difference between these three types of information is that FISs and the disclosure statement are not required by NZ GAAP.

The FIS is intended to make the sources and applications of Council funds more transparent to its stakeholders than might be the case if only the usual NZ GAAP financial statements were provided. The FIS format is prescribed by the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP)R) and is required by the LGA.

The purpose of the disclosure statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Measurement base

The basis for measurement applied is historical cost, modified by the revaluation of certain assets and liabilities as identified in this summary of significant accounting policies. The accrual basis of accounting has been used unless otherwise stated.

For the assets and liabilities recorded at fair value, fair value is defined as the amount for which an item could be exchanged, or a liability settled, between knowledgeable and willing parties in an arm's-length transaction. For investment property, non-current assets classified as held for sale and items of property, plant and equipment which are

revalued, the fair value is determined by reference to market value. The market value of a property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction.

Amounts expected to be recovered or settled more than one year after the end of the reporting period are recognised at their present value. The present value of the estimated future cash flows is calculated using applicable inflation factors and a discount rate. The inflation rates used are from the latest relevant BERL forecasts and the discount rate is our forecast long-term cost of borrowing.

Functional and presentation currency

The prospective financial statements are presented in New Zealand dollars, which is the Council's functional currency. All financial information has been rounded to the nearest thousand dollars (\$000), unless otherwise stated.

Goods and Services Tax (GST)

All items in the financial statements are stated exclusive of GST except for payables and receivables, which are presented on a GST-inclusive basis. When GST is not recoverable as an input tax, it's recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Changes to Accounting Standards

All standards, interpretations and amendments approved but not yet effective in the current year are either not applicable to Council or are not expected to have a material impact on the financial statements of Council and, therefore, have not been disclosed.

Other changes in accounting policies

There have been no other changes in accounting policies.

Significant Accounting Policies

Basis of consolidation

Council has not consolidated the prospective financial statements to include its subsidiary Strada as a group because Council believes that consolidation would not enhance an understanding of Council's core activities and services.

Revenue Recognition

Revenue is measured at the fair value of consideration received or receivable. The specific accounting policies for significant revenue items are explained below:

Non-exchange Revenue

Rates Revenue

The following policies for rates have been applied:

- General rates, targeted rates and uniform annual general charges are recognised as revenue at the start of the financial year to which the rates resolution relates, and they are recognised at the amount due. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue;
- Rates arising from late payment penalties are recognised as revenue when rates become overdue
- Rate remissions are recognised as a reduction of rates revenue when the Council has received an application that satisfies its rates remission policy.

Subsidies and Grants

Subsidies and grants received are recognised as revenue when the Council obtains control of the transferred asset (cash, goods, other assets or services) and the transfer is free from conditions that require the Council refund or return the asset if the conditions relating to the asset are not fulfilled. When grants and subsidies include a condition, a liability is recognised until the Council has satisfied the conditions when revenue is recognised. The Council receives most grants and subsidies revenue from New Zealand Transport Agency - Waka Kotahi (NZTA), which subsidises part of the Council's costs in maintaining the local road infrastructure. The right to receive the funding from NZTA arises once the work is performed, therefore revenue is recognised when receivable as there are no further conditions attached to the funding.

Donated, Subsidised or Vested Assets

Donated, subsidised or vested assets are recognised when the right to receive them is established. Revenue is recognised at this time unless there are conditions attached to the asset which require the asset to be returned if conditions are not met. A liability is recognised until the conditions are met. Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue. The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

Parking and Traffic Infringement

Revenue is recognised when the ticket is issued as there are no conditions attached.

Exchange Revenue

Licences and Permits

Revenue derived from licences and permits are recognised on receipt of appropriate application. Residential developments sales of sections in residential developments are recognised when contracts for sale are unconditional as control is deemed to have been transferred.

Development and Financial Contributions

Development and financial contributions are recognised as revenue when the Council provides, or can provide, the service for which the contribution was charged. Otherwise, development and financial

contributions are recognised as liabilities until such time as the Council provides, or can provide, the service.

Sales of Goods (Retail)

Sales of goods are recognised when a product is sold to the customer. Retail sales are usually in cash or by credit card. The recorded revenue is the gross amount of sale, including credit card fees payable for the transaction. Such fees are included in distribution costs.

Sales of Services

Sales of services are recognised in the accounting period in which the services are rendered by reference to completion of the specific transaction assessed, based on the actual service provided as a proportion of the total services to be provided.

Rental Revenue

Rental revenue is recognised on a straight-line basis over the term of the lease.

Interest Revenue

Interest revenue is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the Council reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues unwinding the discount as interest revenue. Interest revenue on impaired loans is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Dividend Revenue

Dividend revenue is recognised when the right to receive payment is established.

Building and Resource Consent Revenue

Fees and charges for building and resource consent services are recognised on a percentage completion basis with reference to the recoverable costs incurred at balance date.

Income Tax

In general, local authorities are only subject to tax from income derived through Council-Controlled Organisations (CCOs) and as a port operator.

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction, adjusted by changes in deferred

tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting surplus or deficit, or taxable surplus or deficit.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the controlling entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised in other comprehensive revenue and expense or directly in equity.

Construction contracts

Contract revenue and contract costs are recognised as revenue and expense respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to specific contracts and costs that are specifically chargeable to the customer under the terms of the contract.

An expected deficit on construction contracts is recognised immediately as an expense in surplus or deficit.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date plus recognised surpluses less recognised deficits and progress billings. If there are contracts where progress billings exceed the aggregate costs incurred plus surpluses less deficits, the net amounts are presented as a liability.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria; they are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council approval.

Foreign currency transactions

Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in surplus or deficit.

Leases

Operating leases

An operating lease is a lease which does not transfer substantially all the risks and rewards incidental to ownership. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term, highly liquid investments with original maturities of three months or less, and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities. The carrying amount of cash and cash equivalents approximates their fair value.

Recoverable from non-exchange transactions and other receivables

Short-term receivables are recorded at the amount due, less any provision for collectability. The provision is calculated by applying an expected credit loss model.

A receivable is uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Cattle

Cattle on Council's reserves are revalued annually at fair value less estimated costs to sell. Fair value is determined based on market price at balance date.

Gains and losses from a change in fair value less estimated costs to sell are recognised in the surplus or deficit. The costs incurred in relation to the cattle are included in the surplus or deficit.

Other financial assets

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit, in which case the transaction costs are recognised in surplus or deficit.

Classification

Council classifies its financial assets into the following categories:

- Amortised cost
- Fair value through surplus or deficit
- Fair value through other comprehensive revenue and expense for the following two subcategories:
 - Investments in Equity
 - Other financial assets that are not investments in equity.

The classification depends on Council's business model for managing the financial assets and the contractual terms of the cash flows.

Financial assets at amortised cost

Council classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model whose objective is to collect the contractual cash flows, and
- The contractual terms give rise to cash flows that are solely payments of principal and interest.

Financial assets at amortised cost include the following:

- Cash and cash equivalents
- Receivables from exchange and non-exchange transactions
- Term deposits
- Community Loans, and
- LGFA Borrower notes

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains or losses when the asset is impaired or derecognised are recognised in surplus or deficit.

Loans to community organisations made by Council at nil or below-market interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument. The loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in surplus or deficit as a grant.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the

short term, or if so, designated by management. Council's derivatives are categorised as held for trading. Assets in this category are classified as current assets. After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. Investments in equity that are not held for trading and are held for long-term strategic purposes are subsequently measured at fair value through other comprehensive revenue and expense.

They are included in non-current assets unless management intends to dispose of the investment within 12 months of balance date. They comprise of the following:

- Investments that it intends to hold long-term, but which may be realised before maturity; and
- Shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in surplus or deficit.

On de-recognition the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to surplus or deficit.

Council's shareholding in Civic Financial Services Limited, Waikato Regional Airport Limited and IAWAI – Flowing Waters fall within this category.

Financial assets at cost

Investments in equity that are held at cost are those that as per PBE IPSAS 41 para. AG140 states that investments in equity instruments and contracts on those instruments must be measured at fair value. However, in limited circumstances, cost may be an appropriate estimate of fair value. That may be the case if insufficient more recent information is available to measure fair value, or if there is a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range.

Council's shareholding in Waikato Local Authority Shared Services Limited (LASS) and Strada Corporation Limited is measured at cost as an estimate of fair value. This approach is applied as there is no quoted market price for these investments, limited observable market transactions, and no indicators that the carrying amount differs materially from fair value.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in surplus or deficit.

Financial assets at amortised cost

Impairment is established when there is objective evidence that Council and the group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor/issuer will enter bankruptcy, and default in payments are considered indicators that the asset is impaired.

Cash and cash equivalents have not been impaired due to investments being held in high credit rated banks (BNZ, Westpac, ASB and ANZ) and impairment is immaterial.

For receivables from exchange and non-exchange transactions, Council has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

For all other financial instruments, expected credit losses are measured at an amount equal to the 12-month expected credit losses.

Financial assets at fair value through other comprehensive revenue and expense

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment.

If impairment evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to surplus or deficit.

Impairment losses recognised in surplus or deficit on equity investments are not reversed through surplus or deficit.

Derivative financial instruments

Council uses derivative financial instruments to manage exposure to interest rate risks arising from financing activities. In accordance with its treasury policy, Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The associated gains or losses of derivatives are recognised in surplus or deficit. The portion of the fair value of a non-hedge accounted interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion of the derivative classified as non-current.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in surplus or deficit. Any increases in fair value (less

costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consist of:

- Operational assets: These include land, buildings, improvements, landfill post closure, library books, plant and equipment, furniture, computers and motor vehicles.
- Restricted assets: These are parks and reserves owned by Council which provide a benefit or service to the community and can only be disposed of after following a rigorous legal and public consultation process.
- Infrastructure assets: These are the fixed utility systems owned by Council. Each asset class includes all items that are required for the network to function. For example, wastewater reticulation includes reticulation piping and wastewater pump stations.

Council's pensioner housing and other non-commercial rental properties, which are held for service delivery objectives rather than for rental income or capital appreciation, are accounted for as property, plant and equipment.

Land (operational and restricted) is measured at fair value; buildings (operational and restricted), and infrastructural assets (except land under roads) are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it's probable that future economic benefits or service potential associated with the item will flow to Council and the Group, and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at cost. Where an asset is acquired through a non exchange transaction it's recognised at its fair value as at the date of acquisition.

Assets under construction (work in progress)

Assets under construction are recognised at cost less impairment and not depreciated. The total cost of a project is transferred to the relevant asset class on its completion and then depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in surplus or deficit. When revalued assets are sold, the amounts included in the asset revaluation reserves in respect of those assets are transferred to accumulated funds.



Photo by I-Jay Huirama - Tauwhare playground

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land) at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Description	Useful life (years)	Depreciation rate
Audio visual materials and electronic games - Libraries	5	20%
Buildings	15 – 100	1 – 6.7%
Vehicles / moveable plant	4 – 20	5 – 25%
Library books	8	12.5%
Computers	3 – 7	20 – 33%
Office equipment	3 – 15	6.67 – 33.3%
Furniture and fixtures	10	10%
Water supply	4 – 100	1 – 25%
Wastewater	3 – 100	1 – 33.3%
Urban stormwater	5 – 100	1 – 20%
Roading pavement sealed	2 – 100	1 – 50%
Pavement (basecourse)		
Sealed	65 – 105	0.95 – 1.5%
Unsealed metal	20	5%
Surface water channel	20 – 80	1.25 – 5%
Culverts	50 – 80	1.25 – 2%
Guardrails / barriers	40 – 80	1.25 – 2.5%
Drainage	50 – 80	1.25 – 2%
Retaining walls	50 – 100	1 – 2%
Footpaths	15 – 80	1.25 – 6.67%
Street lighting	20	5%
Bridges		
Timber	50	2%
All other	100	1%
Parks & reserves	1 – 100	1 – 100%
Solid waste		
Refuse transfer stations	10 – 80	1.25 – 10%
Landfills	5 - 90	1.11 - 20%
Signs	20	5%

The residual value, depreciation method and useful life of an asset are reviewed, and adjusted if applicable, at each balance date.

Revaluation

Land and buildings (operational and restricted); parks and reserves; and infrastructural assets (except land under roads) are revalued on a regular basis to ensure their carrying amounts do not differ materially from fair value, and at least every three years. All other asset classes are stated at depreciated historical cost.

The carrying values of the revalued assets are assessed at each balance date to ensure they do not differ materially from the assets' fair value. If there is a material difference, the off-cycle asset classes are revalued.

Revaluations of property, plant and equipment are accounted for on a class-of-asset basis.

The net revaluation results are credited or debited to other comprehensive revenue and expense and are accumulated to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in surplus or deficit, will be recognised first in surplus or deficit up to the amount previously expensed, with any remainder recognised in other comprehensive revenue and expense.

Impairment of property, plant and equipment

Items of property, plant and equipment having a finite useful life are reviewed for impairment at each balance date and whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit.

For assets not carried at a revalued amount the entire loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to other comprehensive revenue and expense and increases the asset revaluation reserve for that class of asset. However, to the extent that an impairment loss for that class of asset was recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at a revalued amount, the reversal of an impairment loss is recognised in the surplus or deficit.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of costs incurred to acquire and bring to use the specific software. This asset class, which is amortised on a straight line basis, has a finite useful life of three to seven years and the amortisation rates are between 20% and 33%.

Consents

Consent costs for capital works are recognised at cost and amortised over the life of the consents – between 10 and 35 years. The amortisation charge for each period is recognised in surplus or deficit.

Impairment of intangible assets

Intangible assets that have an indefinite useful life, or are not yet available for use, are not subject to amortisation and are tested annually for impairment. Intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss is recognised in surplus or deficit.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Investment property

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at cost, including transaction costs. After initial recognition, all investment properties are measured at fair value as determined annually by an independent valuer. Gains or losses arising from a change in the fair value of investment property are recognised in surplus or deficit.

Creditors and other payables

Short term creditors and other payables are recorded at their face value.

Employee entitlements

Short-term employee entitlements

Employee benefits expected to be settled within 12 months after the end of the period in which the employee renders the related service are measured at nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned to, but not yet taken at balance date, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

A liability for sick leave is recognised to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that it will be used by staff to cover those future absences.

Long-term employee entitlements

Entitlements that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculation is based on:

- Likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlement information; and
- The present value of the estimated future cash flows.

The inflation factor is based on the expected long-term increase in remuneration for employees.

Presentation of employee entitlements

Employee entitlements expected to be settled within 12 months of balance date are classified as current liabilities. All other employee entitlements are classified as non-current liabilities.

Superannuation schemes

Defined contribution schemes

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in surplus or deficit when incurred.

Provisions

A provision is recognised for future expenditure of uncertain amount or timing when there is a present legal or constructive obligation because of a past event, it's probable that an outflow of future economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the present value of the expenditure expected to be required to settle the obligation, using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in finance costs.

Provision has been made for future environmental obligations in respect of closed landfills and contract completion costs.

Borrowing

Borrowing is initially recognised at fair value net of transaction costs. After initial recognition, all borrowing is measured at amortised cost using the effective interest method.

Borrowing is classified as a current liability unless Council or the Group has an unconditional right to defer settlement of the liability at least 12 months after the balance date.

Net assets/equity

Net assets/equity is the community's interest in Council and is measured as the difference between total assets and total liabilities. Net assets/equity is disaggregated and classified into the following components:

Accumulated comprehensive revenue and expense

- Other reserves
- Asset revaluation
- Restricted
- Council-created
- Special rates and user pays
- Capital replacement funds
- Development contribution
- Fair value through other comprehensive revenue and expense.

Asset revaluation reserves

These reserves relate to the revaluation of property, plant and equipment to fair value.

Restricted reserves

Restricted reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by Council.

Restricted reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by Council without reference to the Courts or a third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Council-created reserves

Council-created reserves are reserves established by Council decisions. Council may alter them without reference to any third party or the Courts. Transfers to and from these reserves are at the discretion of Council.

Fair value through other comprehensive revenue and expense

This reserve comprises the cumulative net change in the fair value of financial instruments at fair value through other comprehensive revenue and expense.

Cost allocation policy

Council has derived the cost of service for each significant activity of Council using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs which cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using cost drivers such as actual usage, staff numbers and floor area.

Significant forecasting assumptions

The significant assumptions underlying these prospective financial statements, together with the key risks, are disclosed in Council's Long-Term Plan 2025–2034 (refer page 146). These assumptions form the basis of the financial forecasts and reflect Council's best estimates of future conditions at the time of preparation.

The forecasts also incorporate the planned transfer of water services to IAWAI from 1 July 2026. This transition is expected to have a material impact on Council's financial position and performance, including:

- A reduction in rates revenue and fees and charges associated with water services;
- Changes to operating expenditure;
- The transfer of water-related assets and borrowings;
- Impacts on cash flows; and
- Council's investment in Council-Controlled Organisations (CCO)

As the implementation of the new water services arrangements continues to be finalised, there is a risk that actual outcomes may differ from those reflected in these forecasts.

Water Services Transition

The Annual Plan reflects the planned transfer of \$31.4 million of targeted rates revenue, along with the associated costs, and \$689m of net assets to IAWAI – Flowing Waters Limited from 1 July 2026.

IAWAI is a CCO jointly owned by Waikato District Council and Hamilton City Council and will be responsible for the delivery of drinking water and wastewater services.

As part of this transition:

- Water supply and wastewater assets, revenue, expenditure, and associated borrowings will transfer to IAWAI; and
- Council will no longer recognise these activities in its financial statements from 1 July 2026.

Stormwater assets will remain in Council ownership. However, IAWAI will provide management services for stormwater on behalf of Council. The financial impact of these arrangements is reflected in the forecasts.

This transition was consulted on as part of the 2025–2034 Long-Term Plan and is incorporated into the Annual Plan Year 2 (2026/27) budgets.

Public benefit entity financial reporting standard 42 prospective financial statements

The Council has complied with PBE FRS 42 in the preparation of these draft prospective financial statements. In accordance with PBE FRS 42, the following information is provided:

- i Description of the nature of the entity's current operation and its principal activities Council is a territorial local authority, as defined in the 2026-27 ANNUAL PLAN Local Government Act 2002. Council's principal activities are outlined within this Annual Plan.
- ii Purpose for which the prospective financial statements are prepared It's a requirement of the Local Government Act 2002 to present prospective financial statements that span one year and include them within the Annual Plan. This provides an opportunity for ratepayers and residents to review the projected financial results and position of Council. Prospective financial statements are revised annually to reflect updated assumptions and costs.

- iii Bases for assumptions, risks and uncertainties.

The financial information has been prepared based on best estimate assumptions as to the future events which we expect to take place. We have considered factors that may lead to a material difference between information in the prospective financial statements and actual results. These factors, and the assumptions made in relation to the sources of uncertainty and potential effect, are outlined on pages 146 of the 10-Year Plan and remain current. As highlighted in the Long Term Plan, we have assumed that transport operating and capital expenditure programmes that have in the past received Waka Kotahi NZ Transport Agency (NZTA) subsidies and/or satisfy the criteria that NZTA requires in order to provide a subsidy will continue to receive subsidy funding. There is currently some uncertainty as to whether all the capital projects we have planned for 2026-27 will be funded by NZTA under its National Land Transport Programme. We have prepared these prospective financial statements on the assumption that projects will continue to be funded as planned. Should NZTA funding not eventuate, we'll assess the impact on our planned programme of works and may defer projects to a later period or resolve to continue the project and fund the shortfall through debt. There is a low risk of impact on our overall financial strategy.

- iv Cautionary note – the financial information is prospective. Actual results are likely to vary from the information presented, and the variations may be material.

- v Other disclosures

These prospective financial statements were adopted as part of the 2026/27 Annual Plan for Waikato District Council. Council is responsible for the prospective financial statements presented, including the assumptions underlying prospective financial statements and all other disclosures. This Annual Plan is prospective and as such contains no actual operating results.

Annual Plan Disclosure Statement

Whakapuakanga Mahere aa-Tau

For the year ending 30 June 2027

What is the purpose of this statement?

The purpose of this statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether Council is prudently managing its revenues, expenses, assets, liabilities and general financial dealings.

Council is required to include this statement in its Annual Plan in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations). Refer to the Regulations for more information, including definition of some of the terms used in this statement.

Benchmark		Planned	Met
Rates affordability benchmarks			
Total rates income	\$322.83m	\$141.54m	Yes
Rates increases	8%	4%	Yes
Debt affordability benchmarks			
Total debt	\$324.59m	\$158.8m	Yes
Limit on total debt	175%	86%	Yes
Balanced budget benchmark	100%	99%	No
Essential services benchmark	100%	136%	Yes
Debt servicing benchmark	15%	3%	Yes

Notes

1. Rates affordability benchmark

- (1) For this benchmark:
 - (a) Council's planned rates income for the year is compared with a quantified limit on total rates contained in the financial strategy included in Council's Long Term Plan; and
 - (b) Council's planned rates increases for the year are compared with a quantified limit on increases in total rates contained in the financial strategy included in Council's Long Term Plan.
- (2) Council meets the rates affordability benchmark if:
 - (a) Its planned rates income for the year equals or is less than the quantified limit on rates; and
 - (b) Its planned rates increases for the year equal or are less than the quantified limit on rates increases.

2. Debt affordability benchmark

- (1) For this benchmark Council's planned borrowing is compared with a quantified limit on total debt contained in the financial strategy included in Council's Long Term Plan.
- (2) Council meets the debt affordability benchmark if its planned borrowing is within the quantified limit on total debt.
- (3) The quantified limits calculated as follows: net debt as a percentage of total revenue will not exceed 175 per cent.

3. Balanced budget benchmark

- (1) For this benchmark, Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments and revaluations of property plant or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).
- (2) Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

4. Essential services benchmark

- (1) For this benchmark, Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- (2) Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

5. Debt servicing benchmark

- (1) For this benchmark, Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments and revaluations of property plant or equipment).
- (2) Because Statistics New Zealand projects that Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs are equal to or are less than 15 per cent of its planned revenue.

Photo by Shaun Jeffers – Ngarunui Beach, Raglan



Photo by Wade Burke - Hampton Downs





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