



2025/26

# Annual Report

Puurongo aa-Tau 2025/26

Te Kaunihera aa Takiwaa o Waikato  
Waikato District Council

0800 492 452  
[www.waikatodistrict.govt.nz](http://www.waikatodistrict.govt.nz)

Waikato  
  
District Council  
Te Kaunihera aa Takiwaa o Waikato



# What is an Annual Report?

## He aha teenei mea, te Puurongo aa-Tau?

Our Long Term Plan (LTP) sets out what we (Council) plan to do over the next decade and how it will 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 Report outlines the progress we have made towards meeting the goals and intentions set out in the LTP. It's our way of keeping you informed about our financial position after the 2025/26 year and highlights the work done in year one of the 2025-2034 LTP, as well as outlining how we've paid for it.



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.*

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Section one

## **Setting the scene**

Ngaa aahuatanga o te takiwaa





## Message from the **Mayor and Chief Executive** Karere naa te Koromatua me te Tumu Whakarae

### **A year of significant change, with more to come**

Local government is undergoing its most significant reform in 30 years, including proposals to rethink how councils are structured through the Government's *Simplifying Local Government* programme. At the same time, rising costs continue to place pressure on households and businesses across our district.

The October 2025 local elections brought a new Mayor and Council, elected with a clear mandate to give our communities greater voice, choice and control over the decisions that affect them. Since taking office, we have focused on listening, setting clear priorities and delivering practical results and value for ratepayers.

Against this backdrop, our responsibility has remained clear: keep affordability at the centre of our decisions, deliver the core services our communities rely on and prepare the district for the future.

### **Delivering across our district**

One of the year's most significant milestones was the establishment of IAWAI – Flowing Waters. Jointly owned by Waikato District Council and Hamilton City Council, the new organisation will ensure our communities continue to receive safe, reliable and affordable water and wastewater services.

We continued to deliver practical improvements across the district. More than 380 kilometres of roadside drainage was maintained, more than 110

kilometres of roads were resurfaced and over 9 kilometres of sealed roads were reconstructed. Improvements around Te Kowhai and Te Kauwhata schools, new footpaths, intersection upgrades and cycling education also helped make local journeys safer.

The first year of the new road maintenance contracts delivered one of the largest maintenance and renewals programmes in recent years: achieved a 94% on-time response rate for customer requests, repaired more than 500 streetlights, and progressed 40 resilience and emergency works. Capital works, winter readiness activities, and road safety improvements were also delivered across the district.

We invested in the places that bring communities together. This included pool upgrades in Huntly, Ngaaruawaahia and Tuakau, new and renewed playgrounds in Raglan, Huntly, Taupiri, Gordonton and Tauwhare; sports lighting in Whatawhata Tuakau, Whitikahu; walkways in Tamahere, Raglan, Huntly; and planning for future facilities in Ngaaruawaahia and Pokeno. We also supported community-led initiatives that strengthened wellbeing, resilience, food security and connections between whaanau.

We also progressed drinking water, wastewater and stormwater improvements across the district, including Raglan Wastewater Treatment Plant upgrade, awarding contracts for upgrades at Huntly, Ngaaruawaahia and Te Kauwhata Wastewater Treatment Plants, upgrading and extending



wastewater pipes in Horotiu, Ngaaruawaahia, Tuakau and Huntly, and improving equipment at the Ngaaruawaahia Wastewater Treatment Plant.

Alongside this we renewed water pipes across the district, upgraded water treatment facilities in Ngaaruawaahia, Horotiu, Huntly and Tuakau, progressed resilience improvements at Port Waikato, and planned for future water storage in Raglan, Tuakau and Matangi. We also supported restoration and biodiversity projects and worked with communities and partners to protect waterways and strengthen resilience. Contracts were awarded for stormwater infrastructure upgrades in Raglan, Te Kauwhata and Pookeno for delivery in 2026/2027.

We continued planning for the district's growth and advocating for the infrastructure our communities will need, including enabling up to 1,500 new homes through Government-approved infrastructure funding for Te Awa Lakes, and supporting fast-track approval of the National Green Steel project at Te Kauwhata.

None of this happens through Council alone. Progress depends on the knowledge, leadership and contribution of mana whenua, community organisations, volunteers, businesses, government agencies and residents across our rural, coastal and urban communities.

We also created more ways for people to participate in local decisions. Council delivered the 2025 local elections and Maaori ward referendum, established the Community Voice Panel and introduced public forums at Council meetings. These are practical steps towards a more open Council that listens earlier, understands different perspectives and makes better-informed decisions.

### Preparing for the future

Council began a major organisational change programme to become more financially sustainable and focused on the services and outcomes our communities value most.

We also submitted our Head Start proposal to central government. Throughout that process, communities told us clearly that any future structure must protect the district's assets and infrastructure, ensure local voices are heard and deliver value for money. Central government is considering all proposals, with decisions expected by the end of September 2026.

The transition to IAWAI, Council's ongoing transformation, and wider local government reform will require careful leadership, and open communication. Our direction remains clear: focus on essential services, keep affordability at the centre of our decisions, spend responsibly, and give communities meaningful opportunities to influence their district's future.

We thank our elected members, kaimahi, mana whenua, partners, volunteers and communities for their contribution throughout a demanding year. Together, we can build liveable, thriving and connected communities where current, and future generations, can prosper.

**Nga mihi nui**  
**Thank you very much**

**His Worship**  
**Aksel Bech**

**Craig Hobbs**  
**Chief Executive**



## Karere naa te Koromatua me te Tumu Whakare

### Message from the Mayor and Chief Executive

#### He tau hurihanga nui, me eeteahi atu anoo hei whai

E whakahaerehia ana ngaa whakahoutanga nui puta noa i ngaa kaawanatanga aa-rohe o te motu i roto i ngaa tau 30, koia ko ngaa tono e tirohia anoo ai ngaa hanganga o ngaa kaunihera maa roto i te kaupapa *Simplifying Local Government* a te Kaawanatanga. I teenei waa tonu ko ngaa pikinga utu teenaa e peehi tonu ana i ngaa kaainga me ngaa pakihi puta noa i te takiwaa.

I tooia mai e ngaa pootitanga o te Oketopa 2025 teeteahi Manu Kaahui me teeteahi Kaunihera hou, i runga i te maarama kia whai mana kookiri kia whai waahi atu ngaa koorero a ngaa hapori, kia whai koowhiringa ngaa hapori, kia whai waahi i roto i ngaa whakataunga paanga nui ki a raatou. Noo taa maatou noho nei, kua aro ki te whakarongo, ki te whakarite aronga maarama me te tuku i ngaa hua whai tikanga moo ngaa kaiutu reiti.

Moo roto i teenei horopaki, he maarama ngaa haepapa: maatua raa ko te utu e taea ana kei te pito o ngaa whakataunga, ko te tuku i ngaa ratonga matua e whakawhirinaki nei e oo maatou hapori me te whakarite i te takiwaa moo te anamata.

#### Te tuku puta noa i te takiwaa

Ko teetahi o ngaa tutukihanga nui o te tau ko te whakatuunga o IAWAI – Flowing Waters. He mea whiwhi tahi i waenga i Te Kaunihera aa-takiwaa o Waikato me Te Kaunihera o Kirikiriroa, ko taa te

roopu nei he whakapuumaui i te haumarua, te tika me te utu e taea ana, o ngaa wai me ngaa ratonga waipara ka tuku ki oo maatou hapori.

E tukuna tonutia ana e maatou ngaa mahi whakatikatika, whakapai puta noa i te takiwaa. Neke atu i te 380 kiromita waikari taha rori i tiakina, neke atu i te 110 kiromita rori i papataungia, ka mutu, neke atu i te 9 kiromita rori i whakahoungia. Ko ngaa whakatikahanga i ngaa rohenga o ngaa kura o Te Kowhai me Te Kauwhata, ngaa ara whiikoi hou, whakapainga whakawhitinga rori me ngaa akoranga moo te eke pahikara he mea hiki i te haumarua o ngaa haereereetanga.

I te tau tuatahi o ngaa kirimana tiaki rori, i tutuki teeteahi o ngaa hootaka tiaki me te whakahou rori nunui rawa o ngaa tau tata nei: i eke ki te 94% ngaa whakautu wawe ki ngaa tono aa-kiritaki, neke atu i te 500 ngaa rama tiriti i whakatikangia, ka 40 ngaa tuumahi whakamaarohirohi, tuumahi ohotata hoki ka whanake haere. Kua tutuki anoo ngeeteahi mahi whakapai rawa, mahi whakariterite moo te hootoke, me ngeeteahi mahi whakahaumarua rori huri noa i te takiwaa.

I tuku puutea ki ngaa waahi huihui o ngaa hapori. Araa, ko ngaa whakatikahanga o ngaa puna kaukau ki Raahui Pookeka, Ngaaruawaahia me Tuakau, ngaa papataakaro hou, kua whakahoungia raanei ki Whaingaroa, Raahui Pookeka, Taupiri, Hukanui me Tauwhare; ngaa rama moo ngaa mahi haakinakina ki Whatawhata, Tuakau, Whitikahu; ngaa ara whiikoi

ki Tamahere, Whaingaroa, Raahui Pookeka; me te whakamahere i eeteahi atu rauhanganga a muri ake nei ki Ngaaruawaahia me Pookeno. Naa We Council hoki eeteahi taunakitanga ki ngaa kookiritanga aa-hapori e whakakaha nei i te hauora, te manahau, te whiwhinga kai me ngaa hononga i waenga i ngaa whaanau.

I kookiritia hoki e maatou ngaa whakatikahanga wai inu, waipara me te waiaawhaa puta noa i te takiwaa, koia ko te whakahounga o te Puna Raawekeweke Waipara o Whaingaroa, te tuku kirimana moo ngaa whakahounga Puna Raawekeweke Waipara ki Raahui Pookeka, Ngaaruawaahia me Te Kauwhata, te whakahou me te whakaroa i ngaa koorere tuku waipara i Horotiu, Ngaaruawaahia, Tuakau me Raahui Pookeka, me te whakapai i ngaa taputapu ki te Puna Raawekeweke Waipara o Ngaaruawaahia.

Aapiti atu ki teenei kua whakahoungia e maatou ngaa koorere wai puta noa i te takiwaa, kua whakapai ake i ngaa rauhanganga raawekeweke wai i Ngaaruawaahia, Horotiu, Raahui Pookeka me Tuakau, kua kookiritia ngaa mahi whakapakari tuupono ki Te Puuaha o Waikato, me te whakamahere i ngaa puninga wai ki Whaingaroa, Tuakau me Matangi. I taunaki hoki maatou i ngaa mahi whakaoranga, rerenga rauropi hoki, me te mahi tahi ki ngaa hapori me ngaa hoa paatui ki te tiaki i ngaa arawai me te whakapakari i te tuupono. I tukuna ngaa kirimana moo ngaa whakahounga hanganga waiaawhaa ki Whaingaroa, Te Kauwhata me Pokeno hei tuku a te 2026/2027.

Ka whakamahere tonu maatou e whanake tonu ai te takiwaa, me te hapahapai moo ngaa hanganga ka hiahia e oo maatou hapori, koia ko te haapai i ngaa kaainga hou eke atu ki te 1,500, i hua i roto i te hanganga puutea whakaaetanga-Kaawanatanga moo Te Awa Lakes me te taunaki i te tere whakaaetanga o te kaupapa National Green Steel ki Te Kauwhata.

E kore eenei katoa e tutuki i te Kaunihera anahe. Ko eenei ahunga whakamua he mea e kitea i te maatauranga, aratakitanga me ngaa tukunga a te mana whenua, ngaa roopu whakahaere aa-hapori, ngaa kaituuao, ngaa pakihi, ngaa puutahi kaawanatanga me ngaa kainoho puta noa i ngaa hapori tuawhenua, taimoana, noho taone anoo hoki.

I waihangahia hoki e maatou eeteahi huarahi e whai waahi ai ngaa taangata ki ngaa whakataunga a takiwaa. Naa te Kaunihera te pootitanga aa-rohe 2025 me te taapaetanga pooti Waari Maaori i whakahaere, te Pae Reo aa-Hapori i whakatu, me te whai waahitanga a te hunga tuumatanui ki ngaa hui Kaunihera i whakauru. He kookiritanga whai tikanga eenei maa teetei Kaunihera e whakaaro nui

ana ki te toomua o te whakarongo, te maarama ki ngaa tirohanga rerekee atu me te whakatau i ngaa whakatau whai taunakitanga.

### **Te whakarite moo te anamata**

I tiimata te Kaunihera i teetahi hootaka hurihanga nui hei whakauka i te taha tahua me te aro ki ngaa ratonga me ngaa putanga nui ki oo maatou hapori.

I tuku hoki i taa maatou tonu Head Start ki te Kaawanatanga aa-Motu.

Putu noa i teenaa tukatuka, he maarama te mea mai a ngaa hapori, ahakoa te anga a haere ake nei me maatua tiaki i ngaa rawa me ngaa hanganga, me whakarongo ki ngaa reo o te hunga kaainga, me te tuku i ngaa mea whai hua moo te puutea ka whakapauria.

E tirohia ana e te Kaawanatanga aa-motu ngaa tonu katoa, aa, e whakapae ana ka puta ngaa whakatau hei te whiore o te Hepetema 2026.

Moo te whakawhitinga ki IAWAI, te hurihanga a te Kaunihera me te whakahoutanga a ngaa kaawanatanga aa-rohe me whai aratakinga matapopore me ngaa whakawhitinga koorero tuwhera.

He maarama tonu te ahunga; aro ki ngaa ratonga matua, me noho tonu te taea o te utu ki te pito o ngaa whakataunga, me whakapau puutea i runga i te tika, me te tuku kia whai waahi ai ngaa hapori ki te whakaawe i te anamata o too raatou takiwaa.

E mihi ana ki oo maatou mema pooti, kaimahi, mana whenua, hoa paatui, kaituuao, hapori anoo hoki mo ngaa whai waahitanga puta noa i teenei tau taumaha. Ngaatahi nei e taea ana te waihanganga i ngaa hapori oranga pai, momoho, hononga nui e kitea ai te toonuitanga o ngaa whakatupuranga o naaiane, otiraa, o aapoopoo anoo hoki.

### **Ngaa mihi nui Thank you very much**



**His Worship  
Aksel Bech**



**Craig Hobbs  
Chief Executive**

# Your Mayor and Councillors

Too koutou Manu Kaahui me oou 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.

For all other enquiries, contact us on 0800 492 452, email [info@waidc.govt.nz](mailto:info@waidc.govt.nz), or visit [waikatodistrict.govt.nz](http://waikatodistrict.govt.nz)



**Aksel Bech**

**Mayor**

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**Eugene Patterson**

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**Carolyn Eyre**

**Western Districts  
General Ward Councillor**

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**Marlene Raumati**

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**Mike Keir**

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**Peter Thomson**

**Awaroa-Maramarua  
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**Tilly Turner**

**Tai Runga Takiwaa  
Maaori Ward Councillor**

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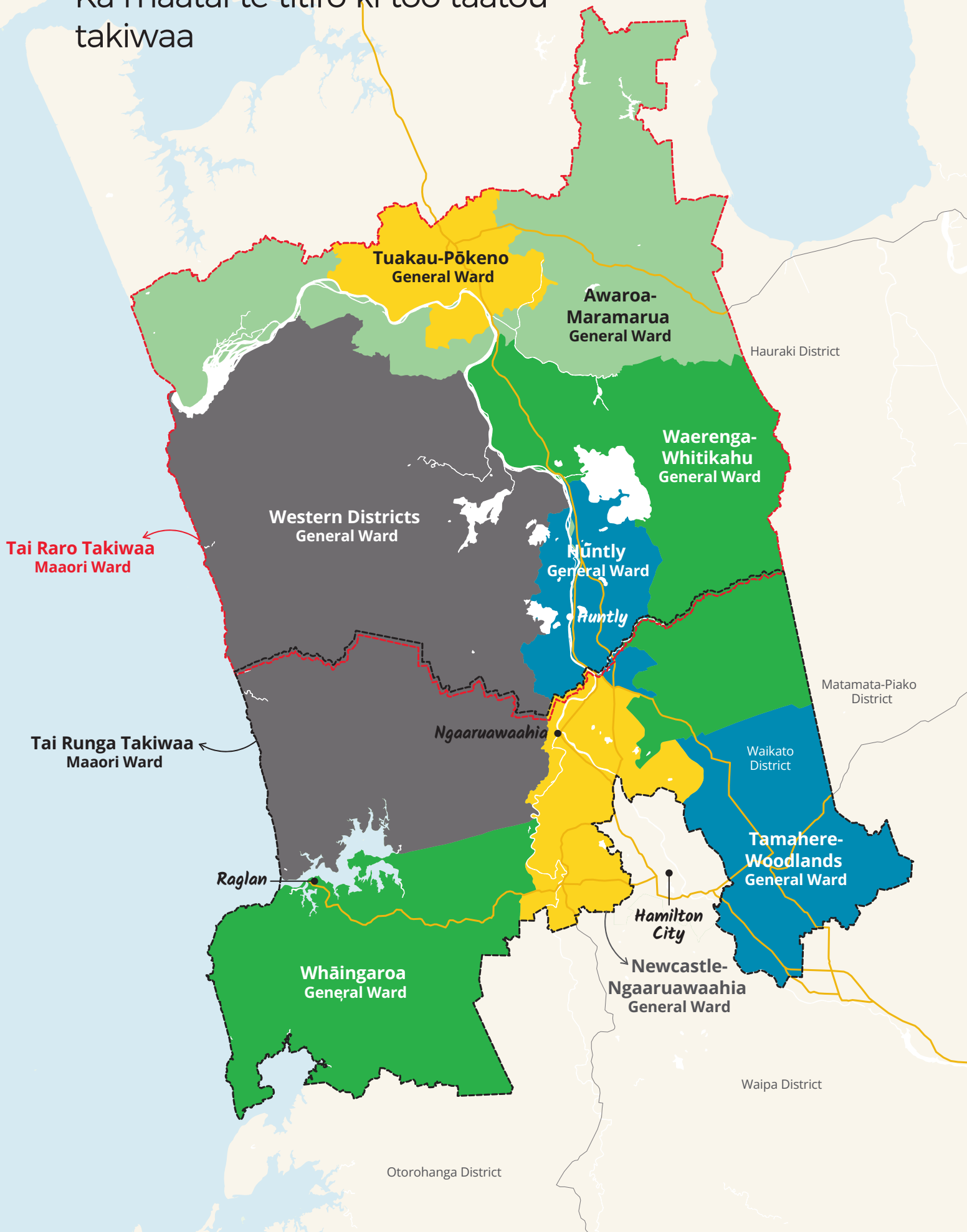
**Vernon (Vern) Reeve**

**Tuakau-Pōkeno  
General Ward Councillor**

vern.reeve@waidc.govt.nz

# Our district at a glance

Ka maatai te titiro ki too taatou  
takiwaa



Our district  
is home to  
**91,100**  
people<sup>1</sup>



diverse population:

**73.6%** European,

**26.9%** Maaori,

**9.1%** Asian,

**5.5%** Pasifika

**1.1%** Middle Eastern/Latin America/African

**1.3%** other ethnicities<sup>2</sup>



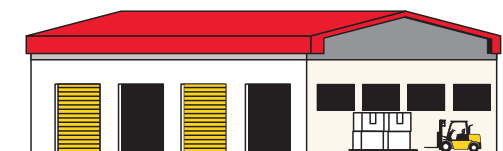
**49.7% male** and **51% female**  
with a median age of **38 years old**<sup>3</sup>

**400,400ha**

which makes us one of the largest  
councils geographically



and has **31,409** urban,  
rural or residential properties

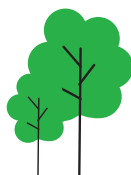


**3,422** business or other non-residential properties and  
**3,155** farmland properties

**39**  
Community  
centres and  
town halls



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



**1,931ha**

of reserves and  
**21,064**  
trees

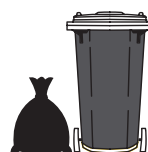


**206ha**

of sports and  
recreation areas



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

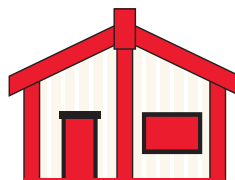


**3.1 million**

individual rubbish  
and recycling  
collections per year



**Over 1,350kms**  
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

<sup>1</sup> As of 30 June 2025. Source: Estimated Resident Population, Stats NZ

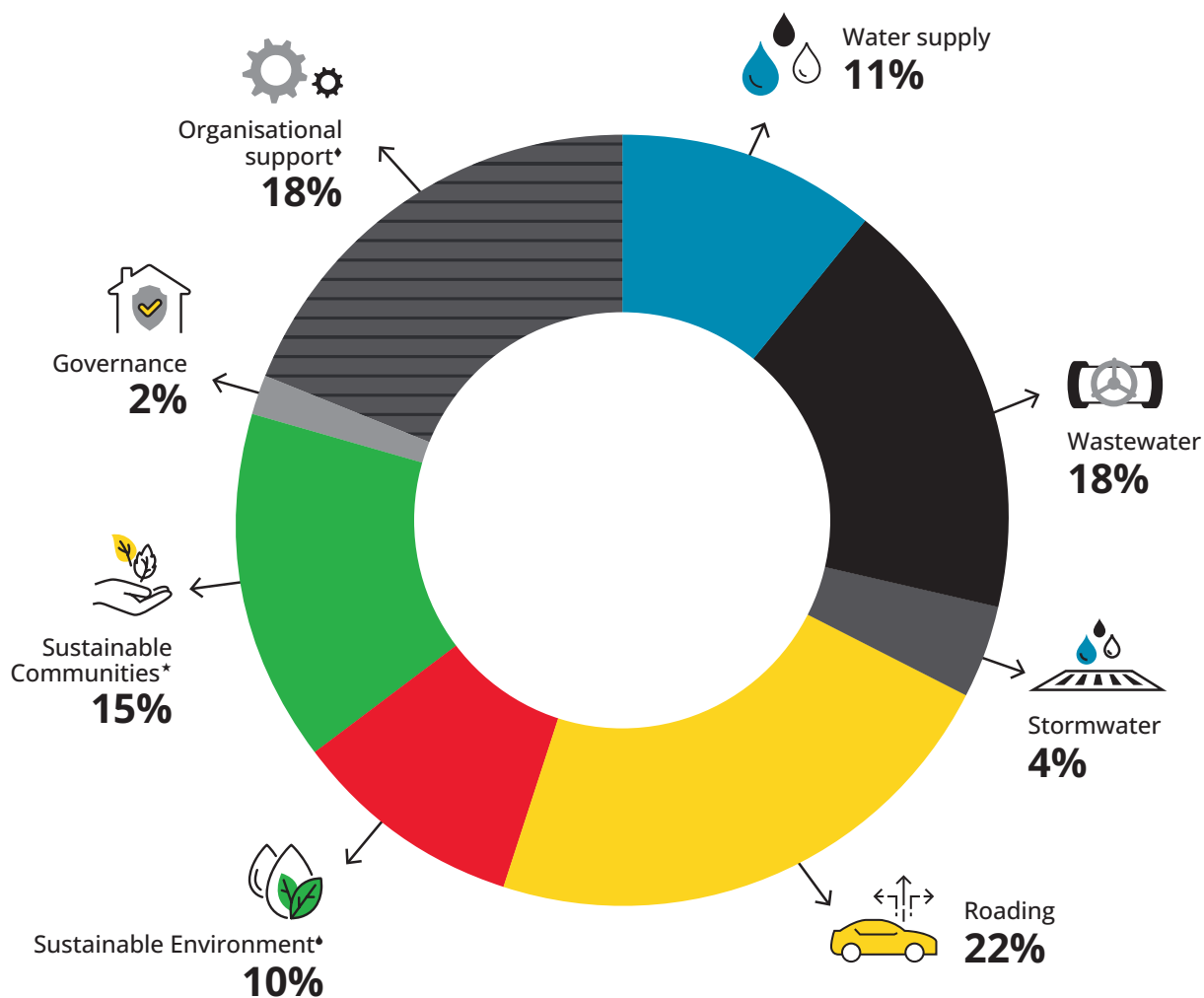
<sup>2</sup> Source: Census 2023, Stats NZ

<sup>3</sup> Source: Census 2023, Stats NZ

## Where we spend our money

### Ngāa utunga puutea

We deliver a broad range of services to our diverse district of residents, business owners, and visitors. Here is an overview of how your money is spent.



A number of these services are funded through targeted rates so you'll only pay for the services you receive.

- \* 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.

Section two

# **Our achievements this year**

Ngaa Angitu o teenei Tau



## Statement of service performance

### Tauaaki Whakahaere Ratonga

Council's statement of service performance from page 24 to 87 has been prepared in accordance with the requirements of the Local Government Act 2002, Public Benefit Entity Financial Reporting Standards (PBE FRS 48), and Generally Accepted Accounting Principles (GAAP).

The service performance information in this Annual Report has been selected to compare Waikato District Council's actual activities and performance with the intended activities and performance levels outlined for the 2025/26 year in the 2025-2034 Long Term Plan.

## Service performance judgements and assumptions

### Ngaa Matapae me te Arotake Ratonga

In preparing the statement of service performance for year one of the 2025-2034 LTP, Council has made the following judgements in the selection of our service performance measures:

- We have reflected on the extent to which the levels of service we plan to provide to the community were best captured by performance measures.
- We have ensured that the performance measures adequately inform progress towards delivering the outcomes in the 2025-2034 LTP.

Under the Local Government Act 2002 we are mandated to report on standard performance measures for specific services. These include water supply, wastewater treatment and disposal, stormwater drainage, and the provision of roads and footpaths. We are also required to demonstrate regulatory compliance for statutory measures (such as percentage of both building consents and resource consents applications processed within statutory timeframes).

Further to the above, Council has applied professional judgement in how we measure, group and present service performance information. Council has balanced the information available with the need to report in a clear and easy to understand manner.

When setting funding levels, Council considered the impact on services and their related performance measures. Council has determined it is possible to continue to provide services at current levels and the related performance measures do not need to be adjusted for funding reasons.

During the development of the 2025-2034 Long Term Plan, staff assessed the major aspects of each Group of Activities (GOA) to ensure the performance measures reflected these aspects.

They also reviewed measures to ensure they were measurable and of interest to the community. The new measures noted throughout the various GOAs reflect these changes, along with the measures that were removed from the previous 2021-2031 Long Term Plan.

#### Resident satisfaction survey

Council uses a resident satisfaction survey to measure how our community experiences and perceives the services we provide. This survey helps us track performance and identify areas for improvement.

The survey is designed by independent research experts, based on best practice methods, and the survey is independently run and analysed to ensure objectivity and reliability.

To make sure the results reflect the diverse population of the Waikato district, the survey uses sampling methods that aim to include a wide range of residents. To reduce the risk of under-representation, statistical weighting is applied so that the sample aligns with census data. The survey questions are regularly reviewed to ensure they remain relevant and effective.

The surveys are conducted quarterly and are usually electronic, however paper-based questionnaires can be provided upon request. The minimum sample size is 400 residents, however we had an average of 666 responses across the year. The margin of error is +/- 4.7%, with a confidence margin of 95%.

#### Library customer survey

The library survey measures customer satisfaction with library services and seeks to understand which libraries in our district respondents use, whether they are library members, how often they visit, and their overall satisfaction with the library service to name a few. The survey is administered

by an in-house team bi-annually. The survey has been ongoing for a number of years, with reviews undertaken by Council's library leadership group. The survey is available online, via QR code at our libraries, and using printed questionnaires on site at our libraries. It runs for one week twice a calendar year in May and November. All customers onsite are asked to complete the survey during that time. The link to the online survey is available on our website and promoted via Council's social media. Sample size varies by site and is determined by the number of participants willing to complete the survey. In the 2025 calendar year, there were 657 respondents.

### External implications for statements about performance

There are conditions that affect the service performance results and may cause a variation from the anticipated or forecasted results. These are outside Council's control. Examples of this are, but not limited to, changes in government policy in New Zealand, extreme weather events, global and domestic economic conditions that may impact areas such as recruitment and other unforeseen considerations.

## Statement of compliance

### Tauaakii Tuutohu Ture

The service performance information in this report is compliant with New Zealand Generally Accepted Accounting Practice (NZ GAAP).



# Our vision and community outcomes

## Ngaa Whaainga me ngaa Putanga aa-Hapori

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

### Our vision | Too maatau 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 will 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 are responsible for improving the wellbeing of our community. Our community outcomes help 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.

On the next page you'll see the work we did in 2025/26 that shows how our community outcomes enable us to make progress towards improving wellbeing.



#### Cultural Ahurea

##### We celebrate who we are.

*Ka whakanui i too maatou katoa.*



#### Social Paapori

##### We have well connected communities.

*He hononga whaitake katoa o oo maatou hapori.*



#### Economic Ohaoha

##### We support local prosperity.

*Ka tautoko maatou i te houkura aa-rohe.*



#### 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.*

# Community Outcomes highlights

Ngaa hiranga putanga aa-hapori

## Cultural | Ahurea

**We celebrate who we are.**

*Ka whakanui i too maatou katoa.*



### Key focus

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.

### Key highlights

#### **Celebrating local identity, heritage and place**

The stories, history and people of our communities are what make the Waikato district special. This year, we supported projects that celebrate and protect local heritage, including restoration work at Feather Cottage in Tuakau and new storytelling signs along the Te Araroa Trail that share the history of the places you're walking through. Feather Cottage was relocated to the Tuakau and District Museum site, with work progressing on consent, foundations, structural repairs and accessibility improvements so the building can be restored and used to share local history. The Te Araroa Trail signage project also supported place-based storytelling by helping people understand the cultural, environmental and historic context of the places they move through. Together, these initiatives help preserve local stories, strengthen community pride and create opportunities for residents and visitors to connect with the people, places and history that have shaped our district.

#### **Supporting community voice and civic participation**

Strong communities are built when people take part in the decisions that affect them. This year we delivered the 2025 local government elections and Maaori Ward referendum, and encouraged more people to get involved through the Enrol, Stand, Vote campaign and candidate information sessions. We added more special voting options to make voting easier to access. We also set up the Community

Voice Panel and brought back public forums at Council meetings, giving residents two direct ways to share their views with elected members.

#### **Recognising diverse voices and perspectives**

We worked alongside communities, mana whenua and local organisations again this year. Together we backed projects that reflect local identity and connect people with the places they live. We also partnered with schools, community groups, local businesses, funders and government agencies. These partnerships helped communities lead their own initiatives — to sharing local stories, strengthening participation, and creating lasting cultural, social and environmental value.



## Economic | Ohaoha

### We support local prosperity.

*Ka tautoko maatou i te hokura aa-rohe.*

#### Key focus

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.

#### Key highlights

##### Planning for growth across the district

Good planning today builds stronger communities tomorrow. This year we started reviewing Waikato 2070, our Growth and Economic Development Strategy. The review sets out our long-term direction for growth and will feed into the upcoming Regional Spatial Plan.

We also kept working on the Raahui Pookeka/ Huntly Socio-Economic Master Plan in partnership alongside central government agencies, local leaders and mana whenua.

Together, this work shapes where we invest in infrastructure, lifts economic and social wellbeing, and opens up development options across the district.

##### Making it easier to build and develop

We kept improving our planning tools and so people can get on with building, developing and investing. We launched the Development Portal, an online platform for engineering design approval applications. We also updated our webpages so planning information is easier to find.

Our team handled a big volume of work this year:

- 1,863 duty planner enquiries answered
- 770 resource consents processed
- 159 engineering clearances completed
- 888 new property lots issued
- 715 LIMs (Land Information Memoranda) processed
- 773 property information requests answered



This work gives residents, developers and businesses the certainty they need to plan.

##### Supporting housing choice and growth

Our District Plan improvements are giving people more flexibility to build. Updated rules make it easier to put a detached minor residential unit on your property. That means more housing choice, more options for whaanau needing multigenerational living arrangements, and better use of residential land we already have.

We also resolved six District Plan appeals this year. The District Plan — Operative in Part is now about 97 percent complete, which gives developers and landowners far more certainty about what they can build.

##### Establishing IAWAI for future generations

Establishing IAWAI Flowing Waters with Hamilton City Council and Waikato-Tainui was one of our biggest achievements this year. It draws on years of planning, collaboration and, it creates a stronger platform for future investment, performance and growth in water services.

This year, we helped develop IAWAI's inaugural Water Services Strategy. We also completed the arrangements to transfer our water and wastewater assets across from 1 July 2026.

IAWAI puts us in a better position to meet growth, and to keep water services affordable and reliable for generations to come.

##### Supporting local leadership and opportunity

We continue to back locally led initiatives that contribute to long-term prosperity and community ownership.

Our Rural Ward Fund supported nine community projects this year. We also worked with community groups on the practical side of running an organisation — governance, funding strategies, project planning, working with stakeholders, and planning for the long-term. Some of that work went into rangatahi development and employment pathways, helping young people build practical skills, confidence, and a clear route into work.

## Social | Paapori

### We have well connected communities.

*He hononga whaitake katoa o oo maatou hapori.*

#### Key focus

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.

#### Key highlights

##### Community-led wellbeing and connection

Communities do best when local people lead solutions. This year, we backed community groups to run initiatives that built wellbeing, connection and resilience.

That work included community gardens, maara kai projects, local food initiatives, and composting systems. We also supported programmes for education, sustainability, and the wellbeing of kaumaatua and whaanau.

Community groups also received assistance with planning, governance, funding, health and safety and stakeholder engagement, helping bring locally led ideas to life.



##### Investing in places where people come together

We continued investing in facilities where our communities gather, learn and play.

We finished upgrades at the Huntly, Ngaaruawaahia and Tuakau pools. Planning progressed for a new Ngaaruawaahia Library and the Pokeno Community Hub.



We also lease land and buildings to community groups at rates they can afford, so local organisations have somewhere to base themselves.

##### More places to get outdoors

Parks, reserves and sports grounds are where people get active and connect with each other.

This year, we renewed the sports lighting at Doctor John Lightbody Courts, Whatawhata Tennis Courts and Whitikahu Courts, and planning progressed for Te Kowhai Sports Park.

Walkway projects moved ahead in Tuumate Mahuta, Rotokauri, Te Kauwhata and Tamahere. We finished the Putoetoe Walkway and the Manu Bay Steps.

##### New playgrounds for tamariki and whaanau

We kept investing in playgrounds where children can play safely and families feel welcome. Tauwhare Playground opened this year. We renewed the playgrounds at Riverview Road and Huntly West, finished Hukanui Playground — which picked up national recognition — and kept working on the Waitetuna Pump Track.

##### Keeping people moving safely

Good roads get people to work, school, the shops and the sports field.

This year we reconstructed more than nine kilometres of sealed road, resurfaced more than 110 kilometres, and maintained over 380 kilometres of roadside drainage.

We also made improvements around Te Kowhai and Te Kauwhata schools, built new footpaths, upgraded intersections and ran cycling education programmes — all of it about getting people around more safely.

##### Ready for what's next

We keep investing in the systems that help us respond when things go wrong.

Transport recovery work progressed across several storm-damaged sites. We completed a three-year programme to strengthen our cyber security and upgraded our business continuity and disaster recovery systems so we can keep critical services running in an emergency.

## 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.*

#### Key focus

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.

#### Key highlights

##### Protecting our waterways with world-leading infrastructure

Healthy waterways need steady investment in the infrastructure that protects them.

This year we completed and commissioned the Raglan Wastewater Treatment Plant upgrade, using treatment technology recognised internationally for its performance. We've since awarded contracts to upgrade the Huntly, Ngaaruawaahia and Te Kauwhata plants the same way.

We also renewed and extended wastewater networks across Horotiu, Ngaaruawaahia, Tuakau and Huntly.

##### Cleaner water, healthier ecosystems

We kept investing in the smaller projects that add up to healthier waterways.

We upgraded fish passages, renewed rain gardens, ran water quality monitoring, and planted and desludged the Horotiu pond — work that improves water quality and gives native species better habitat.

##### Restoring nature alongside volunteers

Looking after the districts natural places depends on people who give their time.

This year we worked alongside Kirikiripu Catchment Care, the Tamahere Mangaone Restoration Trust, Whaingaroa Weedbusters and the Te Otamanui Walkway Group to restore natural areas across the district. We endorsed the Lorenzen Bay Reserve



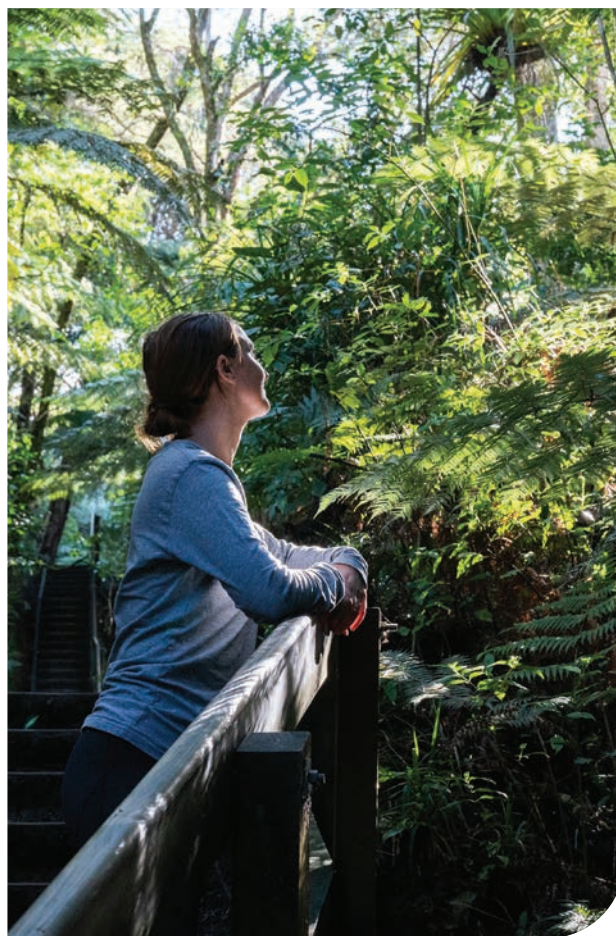
Restoration and Development Plan, and together we planted more than 9,000 trees in wetlands, along streams and reserves.

##### Reducing flood risk

We kept investing in stormwater infrastructure that lowers flood risk and keeps waterways healthier.

Key projects included renewing the Huntly Stormwater Pond, extending the Horotiu stormwater network, and inlet works at Port Waikato. We also designed major upgrades for Raglan, Te Kauwhata and Pokeno.

Planning progressed for future wastewater needs in Pokeno, Tuakau and Te Kowhai, so growth in those areas has the infrastructure to support it.



## Working in Partnership with Maaori

### Te mahi ngaatahi ki te iwi Maaori

**We're committed to building meaningful, enduring relationships with iwi, hapuu, marae and Maaori communities across the Waikato district. Working together, we support Maaori participation in decision-making and deliver outcomes that reflect the aspirations of taangata whenua and our wider communities.**

The Local Government Act 2002 requires us to create opportunities for Maaori to contribute to local decision-making. We also have obligations under Treaty settlement legislation, including giving effect to Te Ture Whaimana o Te Awa o Waikato — the Vision and Strategy for the Waikato River. Te Ture Whaimana sets the long-term framework for restoring and protecting the health of the river and the communities it sustains.

These commitments shape how we work: strengthening relationships, sharing decision-making, and contributing to environmental, social, cultural and economic wellbeing across the district. Here's how that looked this year:

#### **Working alongside marae**

Strong relationships with marae are central to how we work with Maaori communities.

The Toituu Marae Forum met three times this year, with representatives from 29 of the district's 40 marae taking part. We developed and rolled out the Kii Tapu framework, and kept delivering the Toituu Paanui, both of which strengthen the connection between us, marae, hapuu and iwi.

Marae representatives also sit on forum governance and help shape its operational planning, so Maaori perspectives inform how we work and engage.



#### **Maaori voices in our decisions**

We kept working with iwi, hapuu, marae and Maaori organisations so their aspirations shape the plans, policies and projects that set the district's direction.

This year that included engagement on community facility and infrastructure projects, and ongoing delivery of Joint Management Agreement work programmes with Waikato-Tainui and Te Nehenehenui. We also adopted the Whenua Maaori Rates and Remissions Policy after engaging with more than 400 Maaori stakeholders.

#### **Giving effect to Te Ture Whaimana**

We continued working with Waikato-Tainui and Te Nehenehenui to protect the long-term health of the Waikato and Waipaa Rivers.

Through Joint Management Agreements and day-to-day collaboration on planning, infrastructure and environmental initiatives, iwi perspectives shaped decisions affecting our waterways and communities around them.

We also worked with Hamilton City Council, Waikato-Tainui and Watercare Waikato on IAWAI's first Water Services Strategy, planning tomorrow's water infrastructure while keeping the health of our rivers front of mind.

#### **Building resilience alongside marae**

We worked with Waikato-Tainui, Te Nehenehenui and Waikato Civil Defence Emergency Management partners to strengthen emergency preparedness at marae across the district.

This year we built the Marae Resilience Data Tool and set up a co-investment work programme with Waikato-Tainui. We installed AEDs (automated external defibrillators) and delivered first aid training at 68 marae, and established crisis bunkers at Waahi Paa and Te Kauri Marae. We also agreed a standard operating procedure with Waikato-Tainui for activating an emergency response.

Marae have always looked after their communities before, during and after emergencies. This work helps them keep doing it.

## Section three

# Our performance

Taa Maatou Mahi



## How to read this section

Ka peewhea te paanui i teenei waahanga

**This section of the Annual Report describes our 2025/26 service performance, as grouped in the 2025-2034 Long Term Plan (LTP). Within each group of activities, work is structured into individual activities. Each group of activity includes the following sections.**

**What we do** – This section provides a brief description of the activities and services within the activities.

**How these activities improve wellbeing** – This section describes how the activities contribute to Council's community outcomes: cultural, economic, social, environmental.

**How we paid for it** – this section reports on the operating and capital costs to deliver the service, including any variances.

**Key deliverables** – This section features graphics of the key highlights for 2025/26.

**What we delivered** – This section describes the performance measure, target, and actual result for each activity, along with supporting commentary. Commentary is provided for measures that were not achieved or if it provides useful context. Performance status is determined using three categories, as described in the key below.

### Achieved

All components of the performance measure have been met, including meeting or exceeding a stated target for performance.

### Achieved in part

One or more but not all, of the components of a measure have been completed. This result is only applicable when the measure can be broken into more than one component.

### Not achieved

All components were not achieved.

Trend data has been provided for performance measures where possible to illustrate how the result has changed over the last three years, including the first year of the 2025-2034 LTP.

Some performance measures introduced in the 2025-2034 LTP are new measures and no historical trend data is available because the information was not previously collected or reported.

Other performance measures have been amended from those reported in previous years. Where historical results have been included, they are presented to provide performance context and trend information. In some cases, changes to the measure definition, scope, or methodology mean that results are not directly comparable between reporting periods. These instances are identified through footnotes accompanying the relevant performance measures.

The example below shows the performance measure target as a dotted line for 2023/24, 2024/25, and 2025/26 compared with the actual result as a solid line for the same periods.

**Trend line key**

The year-on-year change is indicated with the following symbols:

|                                                                                   |                                                                                   |                                                                                   |                                                                                   |                                                                                     |                                                                                     |
|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-----------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
|  |  |  |  |  |  |
| Result achieved and performance improved on previous year.                        | Result not achieved, but performance improved on previous year.                   | Result achieved and no change from previous year.                                 | Result not achieved and no change from previous year.                             | Result achieved and performance declined on previous year.                          | Result not achieved and performance declined on previous year.                      |

**Significant negative effects** – Identifies potential significant negative effects caused by the activity and how we are addressing these.



# Governance

## Mana Whakahaere

Our work in this area includes **Council and Democracy**, and **Cultural Partnerships**.

### What we do

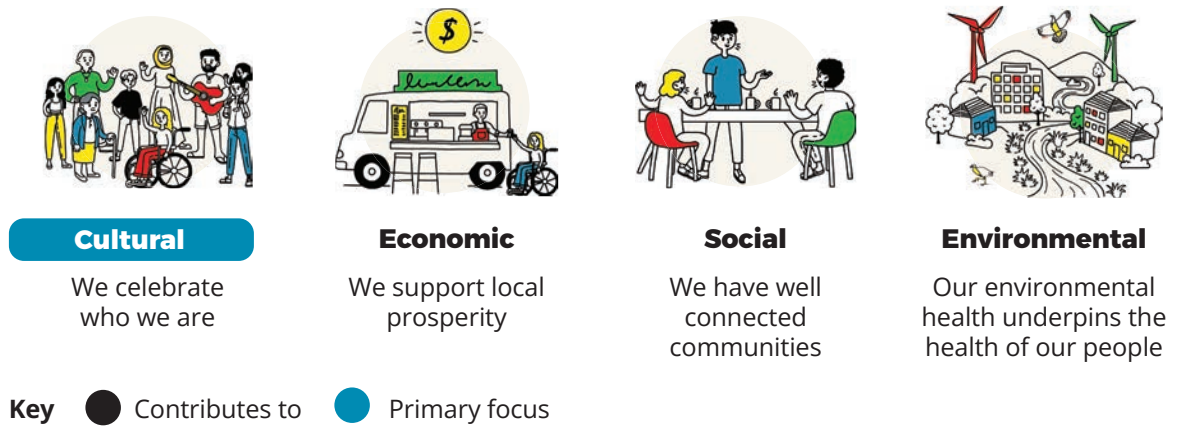
This group of activities is dedicated to promoting local democracy, supporting elected officials, and managing local elections. Our commitment extends to working with whaanau, marae, hapuu, iwi and Maaori communities to develop and maintain meaningful partnerships and provide opportunities for participation in decision-making, as well as upholding Te Ao Maaori, and ensuring Te Tiriti o Waitangi principles are embedded across the organisation.

### How these activities improve wellbeing

These activities support and contribute to all four of our community outcomes, by ensuring community wellbeing in all its facets is at the forefront of decision-making.

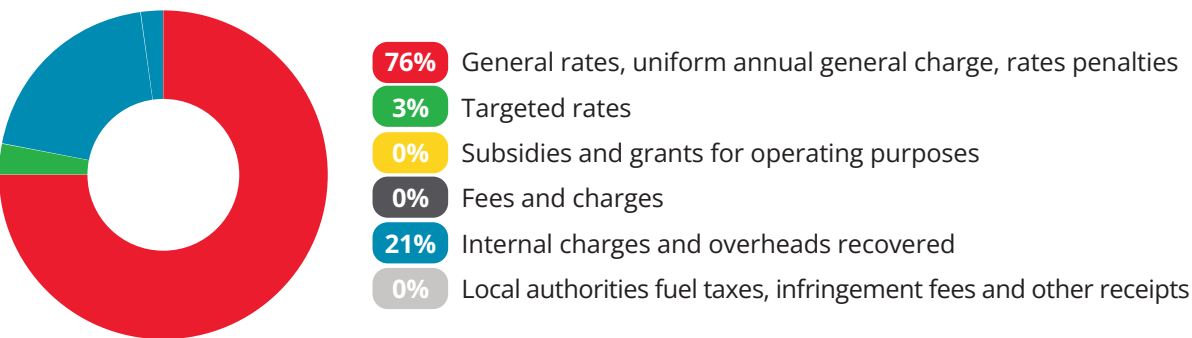
These activities provide opportunities for communities to engage with Council, enabling them to share their future aspirations and identify how the work we do can help support the achievement of outcomes that make a difference in their lives. The activities also help to ensure that our district's strong cultural heritage is considered and reflected in our work.

Level of alignment to Community Outcomes



### How we paid for it

Governance - Operating Funding



## Key deliverables



Responded to 591 official information requests within legislative timeframes.



Supported informed and transparent decision-making by publishing agendas online for 78 Council and Committee meetings, 86 Community Board and Committee meetings, four hearings and 64 workshops.



Hosted three Toituu Marae Forum hui to strengthen governance relationships and engagement with iwi and hapuu.

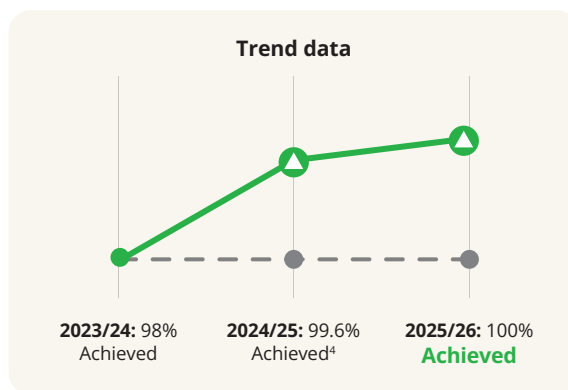
## What we delivered

### Council and Democracy

**Percentage of Council agendas for all open meetings that are publicly available within legislative timeframes.**

**2025/26 Target: 98%**

**Commentary:** During 2025/26, agendas for 78 Council and Committee meetings, four hearings, 86 Community Board and Committee meetings, and 64 workshops were published on Council's website. All within legislative timeframes.



<sup>4</sup>This measure amended in 2025/26. Prior to 2025/26, this measure reported the percentage of agendas and minutes for all open meetings that were made publicly available within legislative timeframes. From 2025/26, the measure reports the percentage of Council agendas for all open meetings that are publicly available within legislative timeframes. Historical results from 2023/24 to 2024/25 have been included to provide performance context and trend information; however, they are not directly comparable to the 2025/26 result due to the change in measure definition.

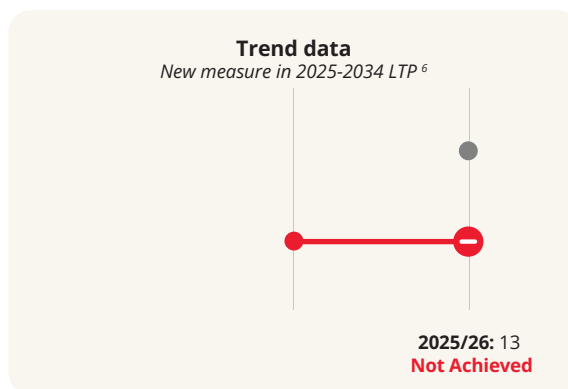
**The number of appointed councillors that attend 75 per cent of scheduled council meetings, council committee meetings and community board and supported community committee meetings.\* <sup>5</sup>**

**2025/26 Target:** 14

**Commentary:** During 2025/26, 13 out of 14 Councillors attended 75% or more of scheduled meetings. Of the remaining one, the Councillor attended 62% of meetings. An extraordinary vacancy in the Ward seat from the previous triennium significantly reduced the result for this Councillor seat. The overall average attendance across all Councillor seats is 91%.

As part of the Annual Plan process, staff proposed to add an additional footnote to this measure excluding extraordinary vacancies which will be in place for 2026/27 reporting.

\* Excludes meetings where the councillor is on other council business.



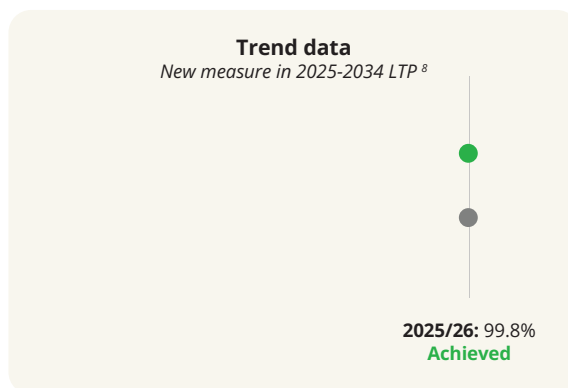
**Percentage of official information requests responded to within statutory timeframes. \* <sup>7</sup>**

**2025/26 Target:** 95%

**Commentary:** During 2025/26, Council received 592 official information requests, with 591 (99.8%) being responded to within the required legislative timeframes. The one official information request that exceeded the statutory timeframe was due to uncertainty around the original receipt date of the request, resulting in a revised deadline being applied.

The 2025/26 result exceeded the target and demonstrates a high level of compliance with statutory response timeframes for official information requests. The result demonstrates Council's continued commitment to responding to official information requests in a timely manner while managing requests involving complex or extensive documentation.

\* Our service level timeframes for responding to official information requests is within 20 days



<sup>5</sup> This measure reflects attendance by councillor seat rather than individual elected members. As this was an election year, some seats changed hands during the financial year, with the 2022-2025 governance structure applying in quarter one and the 2025-2028 governance structure applying from quarter two onwards. As a result, attendance percentages may not accurately represent the attendance of specific individuals.

The measure includes attendance at Council, Council Committee, Community Board, and supported Community Committee meetings. Council meetings involve all councillors and consider significant governance matters, while committees, community boards and supported community committees focus on specific subject areas or local community issues. Workshops are excluded from this measure.

Attendance is only recorded for elected members formally appointed to the relevant meeting, with ex-officio members excluded. Attendance percentages are calculated based on attended and absent meetings only. Members may be recorded as excused where they are undertaking approved Council business, such as representing Council at another official event or meeting at the same time. Attendance is counted at the councillor seat level to provide a consistent measure across changes in elected membership.

<sup>6</sup> This performance measure is being reported for the first time following its adoption in the 2025-2034 Long Term Plan. A 2024/25 result has been included in the trend graph to provide performance context, based on attendance information recorded during testing of the measure prior to its formal introduction. The measure was not reported as a performance measure in the 2024/25 Annual Report. Historical trend information prior to 2024/25 is not available because councillor attendance was not maintained and reported as a performance dataset using the current methodology.

<sup>7</sup> Official information requests are managed in accordance with the Local Government Official Information and Meetings Act 1987 (LGOIMA), which sets requirements for how requests are processed and the timeframes within which Council must respond. This measure assesses Council's performance against those legislative response requirements.

<sup>8</sup> This performance measure is being reported for the first time, following its adoption in the 2025-2034 Long Term Plan. Historical trend data is not available as official information requests were not previously measured and reported against this specific performance measure.

## Cultural Partnerships

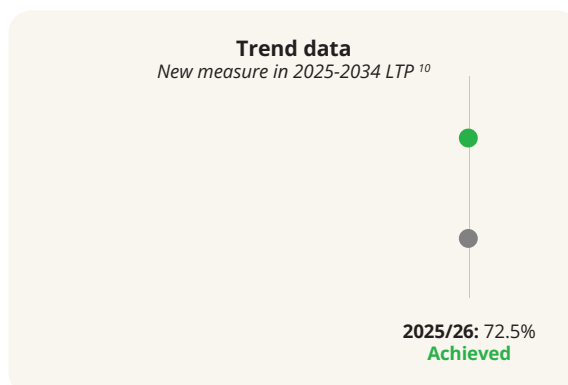
### Percentage of marae\* in the district participating in Council's Toituu Marae forum\* <sup>9</sup> 2025/26 Target: 25%

**Commentary:** The 2025/26 result of 72.5% significantly exceeded the target of 25%, with 29 of the district's 40 marae participating at least once in Council's Toituu Marae Forum during the year.

Three forum hui were delivered throughout the reporting period, including the official launch of Toituu Marae in June. A significant focus during the year was the development and implementation of the Kii Tapu framework, which established the foundation for marae participation and helped strengthen collaboration between Council and marae across the district.

The forum provided opportunities for marae to engage with Council and partner organisations on a range of kaupapa, including Long Term Plan priorities, marae capability and readiness initiatives, and whenua Maaori policy matters. Considerable effort was invested in building relationships with marae across the district, resulting in a higher level of engagement and participation than originally anticipated when the target was established.

\* There are currently 40 marae in the district.



### Significant negative effects

| Significant negative effect                                                                  | Mitigation |
|----------------------------------------------------------------------------------------------|------------|
| There are no significant negative effects identified for the Governance group of activities. |            |

<sup>9</sup> Official Toituu Marae Forum meetings include meetings that were instrumental in establishing the Kii Tapu (terms of reference) and formal forum meetings held following establishment of the group. Planning and administrative meetings are excluded from this measure. Marae participation is counted once per year regardless of the number of meetings attended, recognising the significant time and commitment involved in participating in the forum and reflecting the ongoing relationship and engagement between marae and Council.

<sup>10</sup> This performance measure is being reported for the first time, following its adoption in the 2025-2034 Long Term Plan. Historical trend data is not available as marae participation in Council's Toituu Marae Forum was not previously measured and reported as a performance measure.

## Funding impact statement

|                                                                          | 2024/25<br>Long Term Plan<br>\$'000 | 2025/26<br>Long Term Plan<br>\$'000 | 2025/26<br>Actual<br>\$'000 |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|
| <b>Sources of operating funding</b>                                      |                                     |                                     |                             |
| General rates, uniform annual general charge, rates penalties            | 6,996                               | 9,072                               | 8,396                       |
| Targeted rates                                                           | 278                                 | 287                                 | 297                         |
| Subsidies and grants for operating purposes                              | -                                   | -                                   | 1                           |
| Fees and charges                                                         | -                                   | -                                   | -                           |
| Internal charges and overheads recovered                                 | 1,593                               | 2,576                               | 2,208                       |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 2                                   | 194                                 | 179                         |
| <b>Total operating funding (A)</b>                                       | <b>8,869</b>                        | <b>12,129</b>                       | <b>11,081</b>               |
| <b>Applications of operating funding</b>                                 |                                     |                                     |                             |
| Payments to staff and suppliers                                          | 3,355                               | 4,123                               | 5,442                       |
| Finance costs                                                            | -                                   | -                                   | -                           |
| Internal charges and overheads applied                                   | 5,486                               | 7,824                               | 6,649                       |
| Other operating funding applications                                     | 2                                   | 177                                 | 5                           |
| <b>Total applications of operating funding (B)</b>                       | <b>8,843</b>                        | <b>12,125</b>                       | <b>12,096</b>               |
| <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>26</b>                           | <b>4</b>                            | <b>(1,015)</b>              |
| <b>Sources of capital funding</b>                                        |                                     |                                     |                             |
| Subsidies and grants for capital expenditure                             | -                                   | -                                   | -                           |
| Development and financial contributions                                  | -                                   | -                                   | -                           |
| Increase (decrease) in debt                                              | -                                   | -                                   | -                           |
| Gross proceeds from the sale of assets                                   | -                                   | -                                   | -                           |
| Lump sum contributions                                                   | -                                   | -                                   | -                           |
| Other dedicated capital funding                                          | -                                   | -                                   | -                           |
| <b>Total sources of capital funding (C)</b>                              | <b>-</b>                            | <b>-</b>                            | <b>-</b>                    |
| <b>Applications of capital funding</b>                                   |                                     |                                     |                             |
| Capital expenditure                                                      |                                     |                                     |                             |
| - to meet additional demand                                              | -                                   | -                                   | -                           |
| - to improve the level of service                                        | -                                   | -                                   | -                           |
| - to replace existing assets                                             | -                                   | -                                   | -                           |
| Increase (decrease) in reserves                                          | 26                                  | 4                                   | (1,015)                     |
| Increase (decrease) in investments                                       | -                                   | -                                   | -                           |
| <b>Total applications of capital funding (D)</b>                         | <b>26</b>                           | <b>4</b>                            | <b>(1,015)</b>              |
| <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(26)</b>                         | <b>(4)</b>                          | <b>1,015</b>                |
| <b>Funding balance ((A - B) + (C - D))</b>                               | <b>-</b>                            | <b>-</b>                            | <b>-</b>                    |

# Sustainable Communities

## Toituutanga Hapori

Our work in this area includes **Economic and Community Development, Open Spaces, Property and Community Facilities, Community Resilience, and Customer Experience.**

### What we do

These activities focus on supporting our communities through the provision of leisure options and by strengthening community resilience and protecting the enduring nature of our communities. Additionally, we support economic development in our district to enrich people's lives through fostering local employment opportunities and improved quality of life.

### How these activities improve wellbeing

These activities primarily contribute to our economic and social wellbeing outcomes by providing leisure options and support for community-led initiatives. They also promote quality of life and broader economic development opportunities for local employment through promoting and supporting business growth and sustainability.

These activities support Council's responsibility for increasing citizen-led democracy and improved community outcomes for residents through supporting our community boards, committees and local community groups.

These activities contribute to cultural wellbeing by working in partnership and consultation with Māori to ensure our shared aspirations for the district are brought to life.

Level of alignment to Community Outcomes



#### Cultural

We celebrate who we are



#### Economic

We support local prosperity



#### Social

We have well connected communities



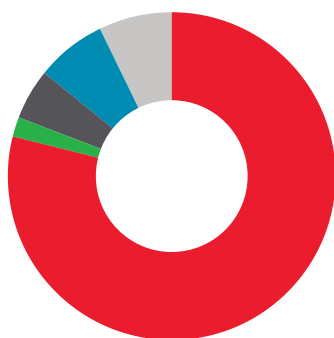
#### Environmental

Our environmental health underpins the health of our people

**Key** ● Contributes to ● Primary focus

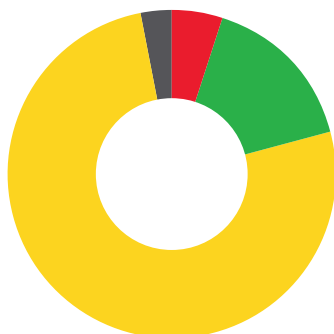
## How we paid for it

### Sustainable Communities - Operating Funding



- 79%** General rates, uniform annual general charge, rates penalties
- 2%** Targeted rates
- 0%** Subsidies and grants for operating purposes
- 5%** Fees and charges
- 7%** Internal charges and overheads recovered
- 7%** Local authorities fuel taxes, infringement fees and other receipts

### Sustainable Communities - Capital Funding



- 5%** Subsidies and grants for capital expenditure
- 16%** Development and financial contributions
- 76%** Increase (decrease) in debt
- 3%** Gross proceeds from the sale of assets
- 0%** Lump sum contributions
- 0%** Other dedicated capital funding

## Key deliverables



Delivered five adaptation and resilience workshops with communities in at-risk locations to support local resilience planning and adaptation discussions.



Closed 32,722 service requests, with 29,413 responded to within target timeframes and 28,605 completed within target timeframes.



Maintained 100% availability of key digital customer tools, providing reliable access to Council services when it suits customers.



## What we delivered

### Economic and Community Development

#### Number of economic and community development\* related events held.

**2025/26 Target:** >6

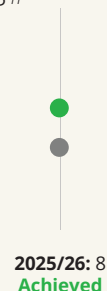
**Commentary:** The 2025/26 result exceeded the target, with eight economic and community development events delivered compared with a target of more than six.

The events included business-focused workshops, networking opportunities, visitor economy and workforce development forums, strategic planning engagement, and capability-building initiatives for community organisations. These activities brought together businesses, community groups, and partner organisations to support economic growth, collaboration, and community development across the district.

The result reflects a strong programme of engagement and partnership throughout the year, providing opportunities to build capability, strengthen networks, and support local economic and community outcomes.

\* Economic and community development events include business networking, workforce development, community capability building and network funding events

#### Trend data New measure in 2025-2034 LTP <sup>11</sup>



<sup>11</sup> This performance measure is being reported for the first time, following its adoption in the 2025-2034 Long Term Plan. Historical trend data is not available as economic and community development-related events were not previously measured and reported as a performance measure, and comparative information is not available from existing records.

### Total area of Council managed open space available for recreation.\*

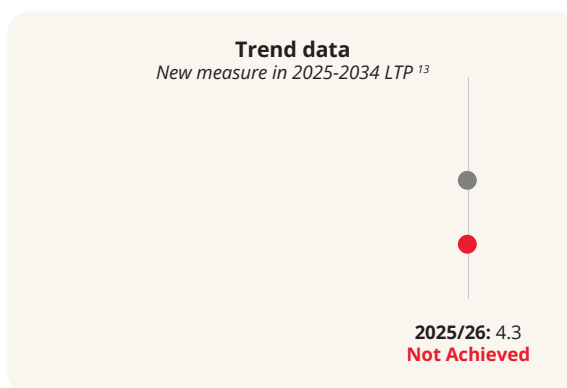
**2025/26 Target:** 4.6 hectares per head of 1,000 population<sup>12</sup>.

**Commentary:** The 2025/26 result of 4.3 hectares of Council-managed open space per 1,000 population was below the target of 4.6 hectares.

The result reflects the use of updated population estimates, which increased from 86,468 to 95,343 residents. As the measure is calculated on a per-capita basis, the higher population reduced the amount of open space available per 1,000 residents and contributed to the target not being achieved.

Council will continue to plan for growth by acquiring and securing new park land through both development agreements and targeted land purchases. Planned park vesting through developments in Pookeno, Te Kauwhata and Raglan, together with land acquired in Ngaaruaawahia and Tuakau for future neighbourhood parks, will help increase recreational provision in growing communities. Council will also continue working with developers through subdivision and fast-track consenting processes to ensure levels of service are maintained as the district grows.

*\*Includes all publicly accessible land which is either owned or managed by Council.*



### The percentage of parks and reserves that are maintained to the agreed standard.\*

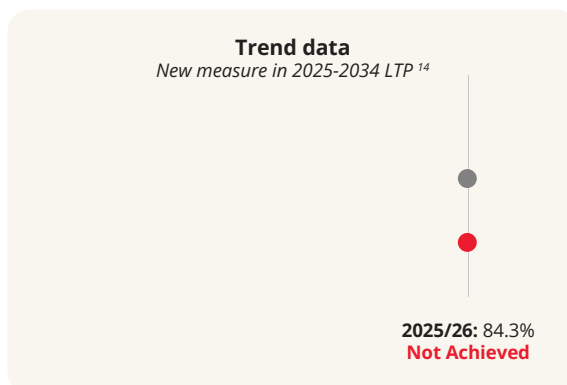
**2025/26 Target:** 90% of contracted standards.

**Commentary:** The 2025/26 result of 84.3% was below the target of 90%, with 141,534 of 167,903 scheduled maintenance activities for parks and reserves recorded as being completed to the agreed standard.

The result was primarily influenced by gaps in contract reporting processes and inconsistencies in contractor scoring identified during the year. These issues affected the accuracy and completeness of reported maintenance performance and contributed to the result being below target. Further investigation identified issues relating to the verification of subcontractor work undertaken through Council's maintenance contractor, which also contributed to the reported result.

Next year, there will be a change in the maintenance contractor and Council will establish clear reporting expectations from the beginning to improve data processes.

*\* The agreed service standard is outlined with the contractor requirements and includes works such as maintenance of gardens, hard surface areas / courts, litter bins at reserves, mowing, weekly playground assessments and maintenance, sports fields, and any reactive works including damage repair, graffiti, reactive mowing, and line marking.*



<sup>12</sup> A per head of 1,000 population measurement has been used as it provides a meaningful indication of whether residents have access to recreation space within their neighbourhood and whether open space provision is keeping pace with population growth. This approach supports the objectives of the Parks Strategy, which sets recommended levels of provision for neighbourhood parks and sports parks based on population.

<sup>13</sup> This performance measure is being reported for the first time, following its adoption in the 2025-2034 Long Term Plan. Historical trend data is not available because this information was not previously measured and reported as a performance measure.

<sup>14</sup> This performance measure is being reported for the first time, following its adoption in the 2025-2034 Long Term Plan. Historical trend data is not available as this information was not previously reported as a performance measure.

## Property and Community Facilities

**Public toilets are maintained to the agreed standard.\***

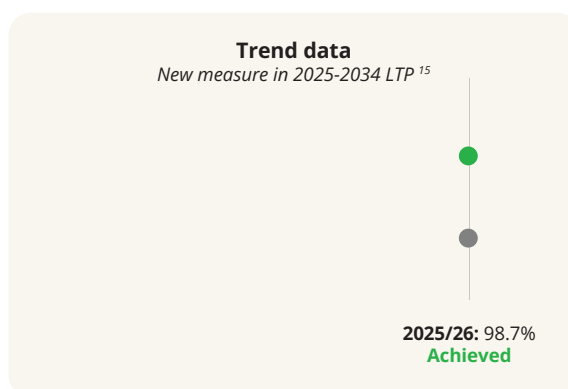
**2025/26 Target:** 85% of actions in the audit are met.

**Commentary:** The 2025/26 result of 98.7% exceeded the target of 85%, indicating that Council's public toilets were maintained to a consistently high standard throughout the year.

A total of 40 audits were undertaken, with 98.7% of audit actions achieving the agreed standard. Audit results found facilities to be clean, well maintained, and performing above average across most assessment areas. The strong result reflects the ongoing focus on maintaining service standards through regular inspections, contractor performance management, and timely identification and resolution of maintenance issues.

*\* The agreed service standard is outlined with the contractor and includes actions such as ensuring the toilet is working, that there is running water, any tagging has been reported, adequate lighting and the building and gardens are maintained, as well as cleaning of the interior of the building. This work is assessed by conducting quarterly audits of maintenance and cleaning work.*

*There is no performance measure for the strategic property activity as the work the community see from this service is delivered by other activities across the organisation.*



## Community Resilience

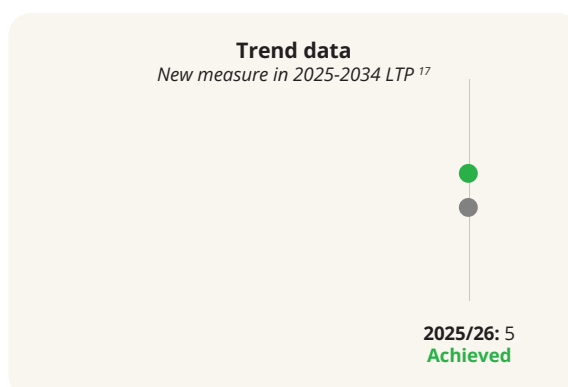
**Communities in at risk locations will be supported to undertake adaptation planning or resilience actions.<sup>16</sup>**

**2025/26 Target:** Deliver four, resilience or adaptation workshops to at risk communities.

**Commentary:** The 2025/26 result exceeded the target, with five adaptation and resilience workshops delivered to communities in at-risk locations.

Council supported community-led adaptation and resilience planning through initiatives including the Whaingaroa Resilience Forums and a series of workshops in Port Waikato. These activities provided opportunities for communities to identify local priorities, discuss adaptation needs, and contribute to resilience planning.

The higher result reflects the level of community engagement and support required to progress adaptation and resilience actions in at-risk locations.



<sup>15</sup> This performance measure is being reported for the first time, following its adoption in the 2025-2034 Long Term Plan. Historical trend data is not available because public toilet maintenance was not previously measured and reported against this performance measure.

<sup>16</sup> At-risk communities are those identified as being particularly vulnerable to the impacts of climate change, including coastal, river, and other hazard-prone communities such as Port Waikato, Raglan, and river communities. Resilience and adaptation workshops are community engagement activities that support understanding of climate risks, preparedness, and adaptation responses. This measure tracks the delivery of workshops designed to build community resilience and improve readiness for current and future climate impacts.

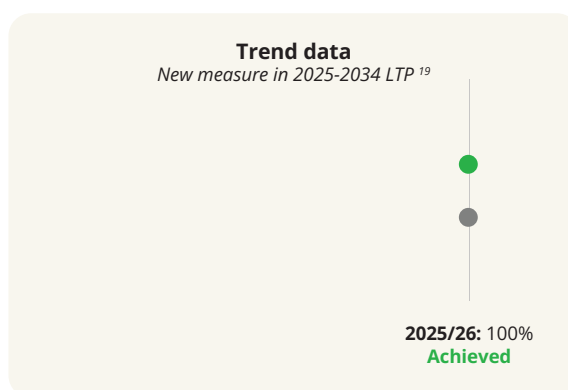
<sup>17</sup> This performance measure is being reported for the first time, following its adoption in the 2025-2034 Long Term Plan. Historical trend data is not available because community adaptation planning and resilience actions were not previously measured and reported against this performance measure.

## Existing community response plans are reviewed, updated or tested every year.<sup>18</sup>

**2025/26 Target:** 80% of all response plans.

**Commentary:** All of our existing community response groups were actively engaged during the Cyclone Vaianu response, with Community Response Groups demonstrating readiness through plan use, mobilisation of staff and facilities, and ongoing coordination.

This activity provides practical evidence that community response plans were tested, supported by status reports and operational updates received during the event.

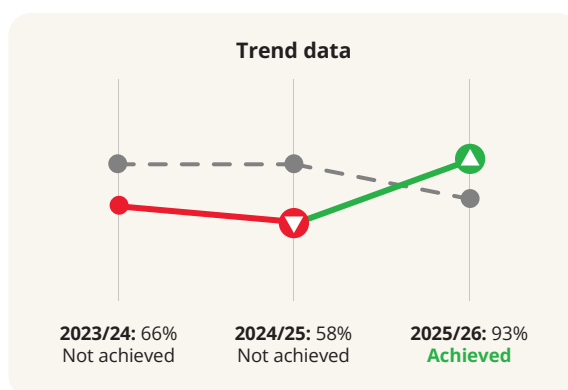


## The evaluation of annual exercise\* as a measure of effectiveness of training delivery.

★★20 21

**2025/26 Target:** Score of >70% from evaluation<sup>22</sup>

**Commentary:** Our evaluated performance in responding to an emergency improved significantly, increasing from 58% last year to 93% this year. This increase reflects a change in how performance was assessed, moving from a training exercise to our response to Cyclone Vaianu, aligning with the approach to assess real-world activations where they occur within the assessment period.



The result demonstrates a more mature capability, particularly in an environment where performance could develop over a longer timeframe rather than within the compressed timeframes typical of exercises. In an exercise, outcomes must be achieved within limited time and staff availability. In contrast, the Cyclone Vaianu response allowed performance to develop across multiple operational periods. As such, while the result indicates strengthened capability, it should be understood in the context of these different assessment conditions.

\* If within six months of a planned assessment, a Coordination Centre has been activated and an after-action report (AAR) has been produced, there is no requirement to conduct the planned assessment. An assessment will instead then be performed on the activation efficiency based on the outcome of debriefs conducted by the nominated assessor(s).

\*\* Mandatory Civil Defence Emergency Management performance measure for Councils in the Waikato region.

<sup>18</sup> A community response plan is a locally developed plan that helps communities prepare for and respond to emergency events. Community response plans are developed for communities identified as benefiting from local preparedness planning based on their hazards, risks, and community needs. There are currently 26 communities across the District represented in Community Response Plans. This measure tracks the number of those groups that engage with Council to review and update their plan, ensuring it remains aligned with current hazard information, community needs and response arrangements.

<sup>19</sup> This performance measure is being reported for the first time, following its adoption in the 2025-2034 Long Term Plan. Historical trend data is not available because the review, updating and testing of community response plans was not previously measured and reported against this performance measure.

<sup>20</sup> The assessment was conducted by the Civil Defence Group Emergency Management Office. It should be noted that assessment is focused on the effectiveness of training, not on the overall response capability.

<sup>21</sup> Where a Coordination Centre is activated during the reporting period, the evaluation is based on the activation rather than a training exercise, as it provides a real-world assessment of performance and avoids the need to divert resources from response activities to exercise planning and delivery. This approach also ensures years with significant emergency events are not disadvantaged in reporting. Annual evaluations are undertaken by independent and trained assessors with specialist expertise in Emergency Management.

<sup>22</sup> The target for this measure has reduced from 90% in 2024/25.

## How easy is it to conduct business with Council. \*

**2025/26 Target:** 2.5 or less

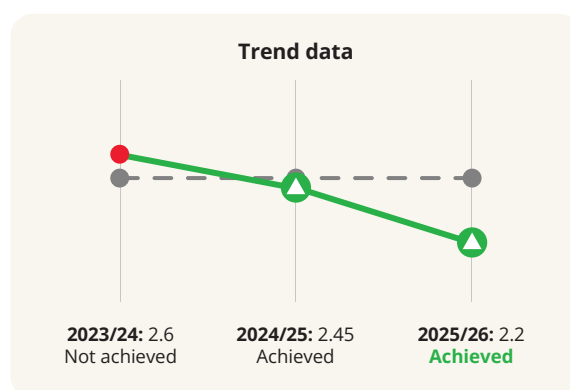
**Commentary:** This year's result of 2.2 represents an improvement over the course of the reporting period and is below the target of 2.5, as the level of effort required for customers to conduct business with Council has decreased over the past year leading to an improvement in the overall result.

At the start of the year, a series of quality assurance improvements and website-focused initiatives were introduced to better assess and support customer interactions, with a particular focus on reducing effort across digital channels. Over the reporting period, these initiatives have progressed from planning into implementation, including more consistent monitoring of service performance and targeted refinements to website usability and online customer journeys.

The improvement observed over the second half of the year suggests these actions are beginning to have a positive impact, contributing to a more seamless customer experience across service channels and the better than anticipated result.

*\*Measured on a scale of 1-5, 5 being high effort and averaged across all responses.*

*Source: Resident Satisfaction Survey.*



## The overall percentage of service requests\* responded\*\* to by Council within the agreed timeframes. \*\*\*

**2025/26 Target:** 85%<sup>23</sup>

**Commentary:** For 2025/2026, Council received a total of 33,998 service requests, of which 32,722 have been completed. Of the closed requests, 29,413 (89.9%) were responded to within agreed timeframes.

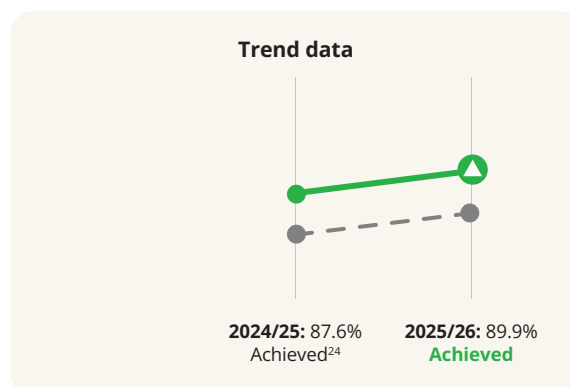
Performance improved over the course of the year, increasing from near target levels at the beginning of the reporting period to consistently above 88% through the second half of the year. This upward trend indicates a strengthening in Council's ability to respond to service requests within expected timeframes.

The sustained performance above target suggests improved consistency in service delivery, likely supported by ongoing monitoring of request volumes and timeframes, and more effective management of workflows across service areas.

*\* A service request is a formal or informal communication from a customer to request assistance, support, or action from Council.*

*\*\* A response to the specific service request, rather than an automated acknowledgement.*

*\*\*\* These measures report on all service requests received by Council that are responded to and completed following the timeframe types outlined in the service level timeframes table.*



<sup>23</sup> The target for this measure has increased from 83% in 2024/25.

<sup>24</sup> This performance measure was reported for the first time in 2024/25, following its adoption in the 2024/25 Enhanced Annual Plan. As we changed the way we collect and report service request information to ensure it is robust and consistent across Council, we are unable to compare progress against prior years before 2024/25 as it was not recorded centrally.

**The overall percentage of service requests\* completed by Council within the agreed timeframes.\*\*\***

**2025/26 Target:** 78%<sup>25</sup>

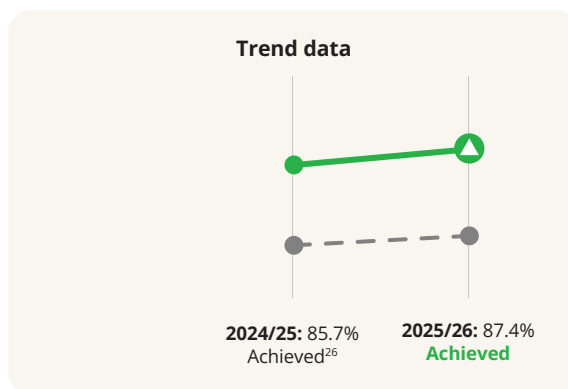
**Commentary:** For 2025/2026, 32,722 service requests have been completed, of which 28,605 (87.4%) were completed within the agreed timeframes, significantly exceeding the 78% target.

Performance at the beginning of the reporting period was impacted by a system integration issue with the roading asset management database, which affected the accuracy of reported timeframes. Following the resolution of this issue early in the year, data accuracy improved significantly, and performance increased above target for the remainder of the reporting period.

This indicates that the annual result reflects sustained service performance rather than a one-off improvement. This measure has continued to track well above target for two years in a row.

*\* A service request is a formal or informal communication from a customer to request assistance, support, or action from Council.*

*\*\*\* These measures report on all service requests received by Council that are responded to and completed following the timeframe types outlined in the service level timeframes table.*

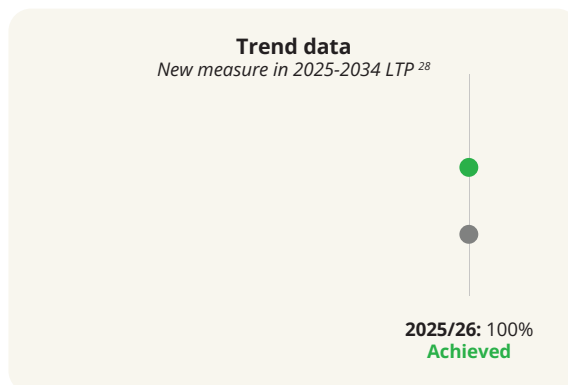


**The percentage of time our customer digital tools\* are available within hours of service.<sup>27</sup>**

**2025/26 Target:** 98.5%

**Commentary:** Our customer digital tools were available 100% of the time, including a 10-minute outage of ePlan (a customer portal tool) during December. As this outage was for a short period of time it did not impact the overall percentage.

The 2025/26 result demonstrates the consistent availability of Council's customer digital tools throughout the year. The result reflects reliable performance across platforms, supporting uninterrupted access to Council services and information.



*\* Digital tools include the contact centre platform, website, customer portal, payment gateway and Antenno.*

<sup>25</sup> The target for this measure has increased from 77% in 2024/25.

<sup>26</sup> This performance measure was reported for the first time in 2024/25, following its adoption in the 2024/25 Enhanced Annual Plan. As we changed the way we collect and report service request information to ensure it is robust and consistent across Council, we are unable to compare progress against prior years before 2024/25 as it was not recorded centrally.

<sup>27</sup> A digital tool is considered available where customers can access the specified digital platform at a time that suits them. This measure assesses the availability of the digital tool from the customer's perspective.

<sup>28</sup> This performance measure is being reported for the first time, following its adoption in the 2025-2034 Long Term Plan. Historical trend data is not available because the availability of customer digital tools was not previously measured and reported against this performance measure.

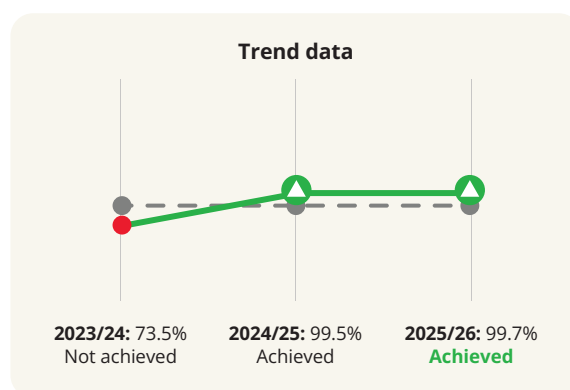
## Level of customer satisfaction that the quality of libraries resources meets their needs.\* <sup>29</sup>

**2025/26 Target:** 90%

**Commentary:** Feedback indicates the vast majority of customers are satisfied or highly satisfied with the quality of library resources, with this year's result exceeding the target.

Last year staff focused on making digital offerings more visible, and staff have continued to uphold a high level of satisfaction in the libraries. Survey feedback identified consistently positive experiences across key aspects of the library service, including staff support, the library environment, and the range and quality of available resources.

\* Measured in a six-monthly inhouse customer survey.



## Significant negative effects

| Significant negative effect                                                                                                                                                                  | Mitigation                                                                                                                                                                                                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Open spaces</b>                                                                                                                                                                           |                                                                                                                                                                                                            |
| Damage to property and harm to people from falling trees and branches.                                                                                                                       | Tree maintenance programme is delivered in accordance with industry standards. Increased asset data to capture age and condition of trees to allow proactive maintenance.                                  |
| Noise and disorderly behaviour issues from events and general use of reserves.                                                                                                               | Events applications are managed in alignment with Council's terms and conditions of hire. Bollards and signage installed to discourage undesirable behaviour, such as motorbikes and vehicles on reserves. |
| There are no potential significant risks associated with the Economic and Community Development, Property and Community Facilities, Community Resilience and Customer Experience activities. |                                                                                                                                                                                                            |

<sup>29</sup> In the customer survey, the question regarding customer satisfaction has response options: highly satisfied, satisfied, dissatisfied, highly dissatisfied. To calculate whether library resources meet customer needs, the results for highly satisfied and satisfied are combined to calculate the level of customer satisfaction.

## Funding impact statement

|                                                                          | 2024/25<br>Long Term Plan<br>\$'000 | 2025/26<br>Long Term Plan<br>\$'000 | 2025/26<br>Actual<br>\$'000 |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|
| <b>Sources of operating funding</b>                                      |                                     |                                     |                             |
| General rates, uniform annual general charge, rates penalties            | 29,846                              | 38,829                              | 38,392                      |
| Targeted rates                                                           | 872                                 | 1,104                               | 1,146                       |
| Subsidies and grants for operating purposes                              | 136                                 | 158                                 | 177                         |
| Fees and charges                                                         | 1,099                               | 2,427                               | 2,601                       |
| Internal charges and overheads recovered                                 | 2,553                               | 2,812                               | 3,683                       |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 3,127                               | 3,438                               | 3,304                       |
| <b>Total operating funding (A)</b>                                       | <b>37,633</b>                       | <b>48,768</b>                       | <b>49,303</b>               |
| <b>Applications of operating funding</b>                                 |                                     |                                     |                             |
| Payments to staff and suppliers                                          | 22,695                              | 31,254                              | 27,507                      |
| Finance costs                                                            | -                                   | -                                   | -                           |
| Internal charges and overheads applied                                   | 7,715                               | 10,144                              | 10,252                      |
| Other operating funding applications                                     | 663                                 | 2,033                               | 1,257                       |
| <b>Total applications of operating funding (B)</b>                       | <b>31,073</b>                       | <b>43,431</b>                       | <b>39,016</b>               |
| <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>6,560</b>                        | <b>5,337</b>                        | <b>10,287</b>               |
| <b>Sources of capital funding</b>                                        |                                     |                                     |                             |
| Subsidies and grants for capital expenditure                             | -                                   | -                                   | 628                         |
| Development and financial contributions                                  | 3,261                               | 1,526                               | 2,086                       |
| Increase (decrease) in debt                                              | 9,502                               | 11,367                              | 10,207                      |
| Gross proceeds from the sale of assets                                   | 579                                 | -                                   | 462                         |
| Lump sum contributions                                                   | -                                   | -                                   | -                           |
| Other dedicated capital funding *                                        | -                                   | -                                   | 40                          |
| <b>Total sources of capital funding (C)</b>                              | <b>13,342</b>                       | <b>12,893</b>                       | <b>13,423</b>               |
| <b>Applications of capital funding</b>                                   |                                     |                                     |                             |
| Capital expenditure                                                      |                                     |                                     |                             |
| - to meet additional demand                                              | 2,400                               | -                                   | 925                         |
| - to improve the level of service                                        | 7,226                               | 6,455                               | 10,578                      |
| - to replace existing assets                                             | 6,165                               | 7,400                               | 6,565                       |
| Increase (decrease) in reserves                                          | 4,111                               | 4,375                               | 5,642                       |
| Increase (decrease) in investments                                       | -                                   | -                                   | -                           |
| <b>Total applications of capital funding (D)</b>                         | <b>19,902</b>                       | <b>18,231</b>                       | <b>23,710</b>               |
| <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(6,560)</b>                      | <b>(5,337)</b>                      | <b>(10,287)</b>             |
| <b>Funding balance ((A - B) + (C - D))</b>                               | <b>-</b>                            | <b>-</b>                            | <b>-</b>                    |

\* Other dedicated capital funding for the Sustainable Communities group of activities represents external funding received from EECA for Huntly Aquatic centre boiler replacement project.

# Sustainable Environment

## Toituutanga Taiao

Our work in this area includes **Regulatory Services, Consenting, Strategic and Spatial Planning, and Waste Management.**

### What we do

These activities are all about improving environmental outcomes and public health and safety. Within these activities we plan, regulate, monitor and consent with a strategic focus on providing an integrated approach to delivering sustainable, attractive, affordable, and safe living options. We also manage and minimise waste in the district, and manage land use, growth, and support our regional partnerships.

### How these activities improve wellbeing

These activities primarily contribute to environmental wellbeing by providing services that improve environmental outcomes from planning processes, regulation and monitoring to community education.

These activities also contribute to economic and social wellbeing as core components and drivers for our strategic and district planning. Cultural wellbeing is woven through all work programmes and approaches.

Level of alignment to Community Outcomes



#### Cultural

We celebrate who we are



#### Economic

We support local prosperity



#### Social

We have well connected communities



#### Environmental

Our environmental health underpins the health of our people

**Key** ● Contributes to ● Primary focus

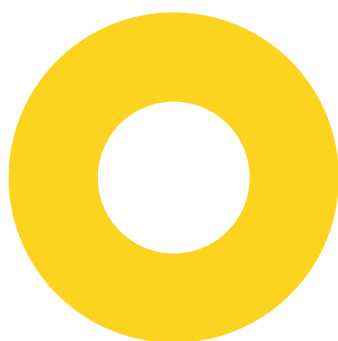
### How we paid for it

Sustainable Environment - Operating Funding



- 37%** General rates, uniform annual general charge, rates penalties
- 19%** Targeted rates
- 0%** Subsidies and grants for operating purposes
- 31%** Fees and charges
- 2%** Internal charges and overheads recovered
- 11%** Local authorities fuel taxes, infringement fees and other receipts

## Sustainable Environment - Capital Funding



- 0%** Subsidies and grants for capital expenditure
- 0%** Development and financial contributions
- 100%** Increase (decrease) in debt
- 0%** Gross proceeds from the sale of assets
- 0%** Lump sum contributions
- 0%** Other dedicated capital funding

## Key deliverables



Processed 649 resource consent applications and 1,362 building consent applications within statutory timeframes.



Verified 227 food operations, undertook 632 swimming pool inspections, and audited all 64 buildings providing sleeping care or paid accommodation to support public health and safety.



Registered 13,529 dogs across the district and responded to all 140 aggressive dog behaviour complaints within required timeframes.

## What we delivered

### Regulatory Services

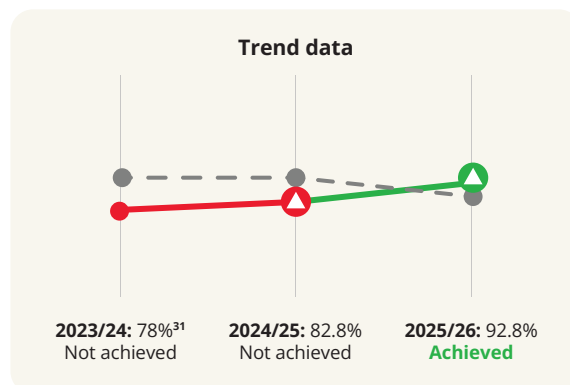
**The percentage of known dogs currently registered.**

**2025/26 Target:** 85%<sup>30</sup>

**Commentary:** As of 30 June 2026, there were 14,573 known dogs in the district. Of these 13,529 (92.8%) were registered while 1,044 (7.2%) remain unregistered.

The result reflects a sustained focus on improving dog registration compliance through increased communication with dog owners, additional payment options, proactive follow-up of unregistered dogs, and ongoing public education.

Data cleansing activities were also undertaken, including bulk communications to update dog ownership records which improved the accuracy of the register by identifying dogs that had left the district or were deceased. Collectively, these efforts have contributed to the highest registration result achieved for this measure since 2020/21.



<sup>30</sup> The target for this measure has reduced from 95% in 2024/25.

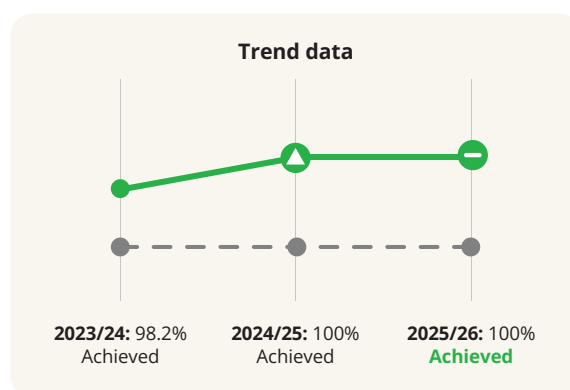
<sup>31</sup> The result included in the 2023/24 Annual Report was 86.6%. This result was reported inaccurately due to a timing error in capturing the data. The result has been retrospectively updated to 78% to reflect only the registrations within the appropriate financial year.

**The percentage of aggressive dog behaviour complaints, where immediate risk to public safety is present, that Council respond to within one hour.\***

**2025/26 Target:** 95%

**Commentary:** 140 priority complaints regarding aggressive dog behaviour were received for the year, all of which were responded to within agreed timeframes.

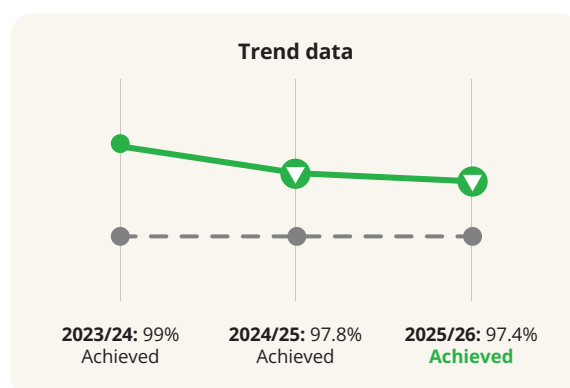
\* Complaints included in this performance measure are categorised as a 1-hour urgent response type as outlined in the service level timeframes table.



**The percentage of food verifications completed annually as required by legislation.**

**2025/26 Target:** 95%

**Commentary:** 233 food operations were required to be verified this year, of which 227 (97.4%) have been verified. Achieving this measure helps to ensure food sold for consumption in the district is safe and suitable.

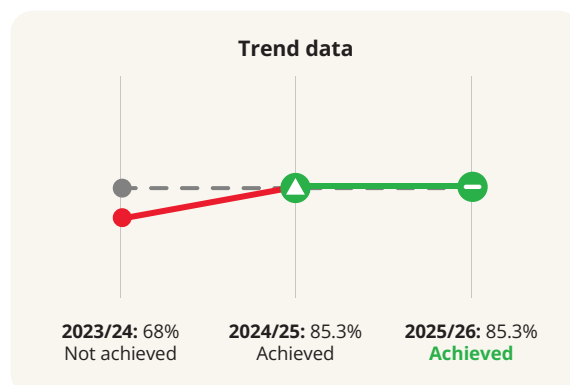


**Percentage of excessive noise complaints responded to within agreed timeframes.\* <sup>32 33</sup>**

**2025/26 Target:** 85%

**Commentary:** 1,104 excessive noise complaints have been received, with 942 (85.3%) responded to within agreed timeframes. Traffic and the location of complaints impacted response times. Achieving this measure helps to ensure the community can enjoy a peaceful environment.

\* Timeframes are dependent on the location of each complaint.



<sup>32</sup> Armourguard Security responds to noise complaints on behalf of Waikato District Council.

<sup>33</sup> An excessive noise direction directs the occupier of the place from which the sound is being emitted, or any other person who appears to be responsible for causing the excessive noise, to immediately reduce the noise to a reasonable level with effect for 72 hours (as per section 327 of the Resource Management Act 1991).

## Consenting

### The percentage of scheduled\* swimming pool fences that are inspected for compliance.

**2025/26 Target:** 100%

**Commentary:** A total of 632 out of 472 (133.9%) swimming pool inspections were carried out this year.

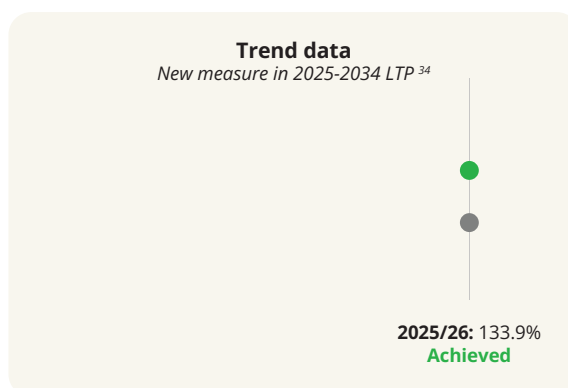
The pools inspected beyond the target were undertaken to meet ongoing regulatory requirements as all pools are required to be inspected within six months of their inspection deadline and these pools were at risk of exceeding.

The annual inspection target used for this measure is derived by dividing the total number of registered pools by three, rather than the specific number due for inspection during the year. This methodology can result in inspection numbers exceeding the annual pool target.

Additional staff capacity during the year enabled more inspections to be completed than originally planned, allowing the team to exceed the KPI target while continuing to meet regulatory requirements.

**Note:** The total number of registered swimming pools in the district was reviewed earlier this year, and the updated count is lower (1,415) than previously recorded (2,526), which has adjusted the annual compliance percentage. This decrease reflects pools being removed from the register over recent years as they have either been decommissioned, filled in, or removed from properties but were not reflected in the annual totals for this measure.

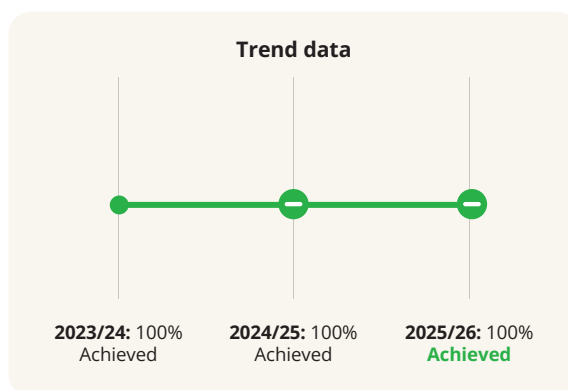
\* All swimming pool fences are inspected once every three years.



### The percentage of buildings that provide sleeping care or paid accommodation are audited for compliance annually.

**2025/26 Target:** 100%

**Commentary:** A total of 64 of the 64 (100%) buildings that provide sleeping care or paid accommodation have been audited for compliance this year.



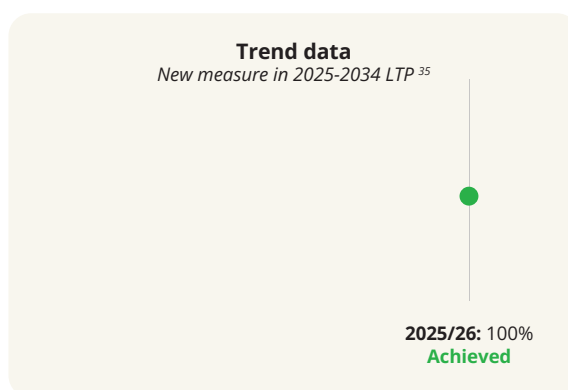
<sup>34</sup> This performance measure is being reported using a revised methodology following its adoption in the 2025-2034 Long Term Plan. Prior to 2025/26, performance was reported based on the percentage of registered swimming pools inspected annually. From 2025/26, the measure reports the percentage of scheduled swimming pool fence inspections completed during the reporting year. In addition, a comprehensive review of the swimming pool register reduced the registered pool population from 2,526 to 1,415 pools. As a result of the changes to both the methodology and underlying inspection population, Council is unable to determine sufficiently reliable and comparable historical results using the current methodology.

**The percentage of existing buildings with building WOFs that are monitored and audited for compliance.\***

**2025/26 Target:** 100%

**Commentary:** A total of 205 out of 205 (100%) existing buildings with building WOFs were monitored and audited this year.

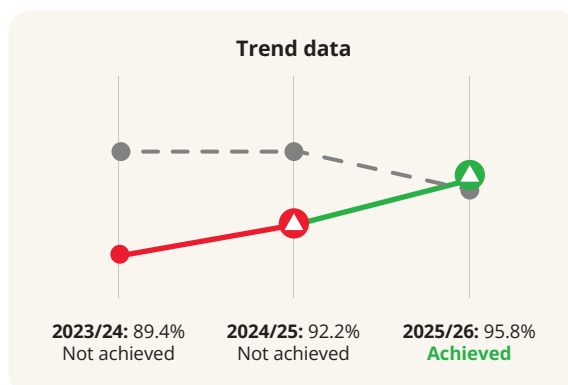
\* All existing buildings with building WOFs are monitored once every three years.



**The percentage of building consent applications that are processed within statutory timeframes<sup>36</sup>**

**2025/26 Target:** 95%<sup>37</sup>

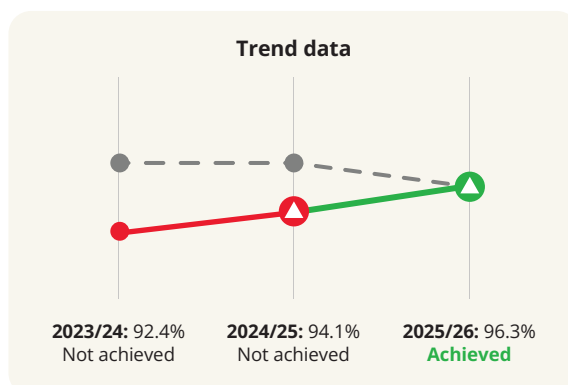
**Commentary:** A total of 1,422 building consent applications were received during 2025/26 with 1,362 (95.8%) processed within statutory timeframes. Collectively, these efforts have contributed to the highest registration result achieved for this measure to date.



**The percentage of resource consent applications which are processed within statutory timeframes<sup>38</sup>**

**2025/26 Target:** 96%<sup>39</sup>

**Commentary:** A total of 674 resource consent applications were received during 2025/26 with 649 (96.3%) processed within statutory timeframes. This represents an improvement in performance compared with recent years and reflects a higher proportion of applications being processed internally, together with strengthened oversight of incoming applications and consent recommendations. These factors supported more efficient processing and contributed to a greater proportion of resource consent applications being completed within statutory timeframes during the year.



<sup>35</sup> This measure was reported differently prior to 2025/26. Prior to 2025/26, this measure reported the percentage of existing buildings with Building Warrants of Fitness (Building WoFs) that were monitored and audited for compliance annually. From 2025/26, the measure reports the percentage of scheduled buildings with Building WoFs that are monitored and audited for compliance during the reporting year. As a result of the changes to both the methodology and target population, Council is unable to determine sufficiently reliable and comparable historical results using the current methodology.

<sup>36</sup> The time it takes to process consents is measured according to the timeframes specified in the Building Act 2004, about when timing starts and stops.

<sup>37</sup> The target for this measure has reduced from 98% in 2024/25.

<sup>38</sup> The time it takes to process consents is measured according to the timeframes specified in the Resource Management Act 1991 about when timing starts and stops. A majority of the consents that Council receives are non-notified and are normally required to be processed within 20 working days.

<sup>39</sup> The target for this measure has reduced from 98% in 2024/25.

## The percentage of live\* land use consents monitored.<sup>40</sup>

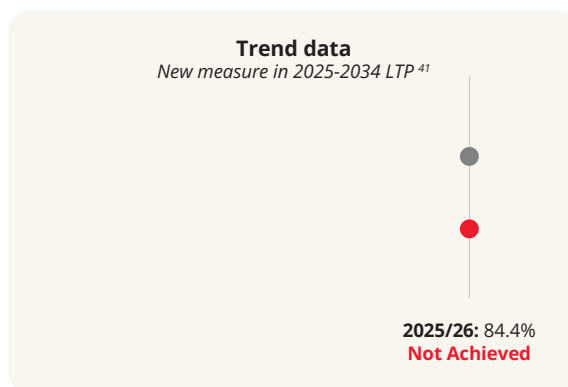
**2025/26 Target:** 85%

**Commentary:** Of the 1,219 live land use consents requiring monitoring during 2025/26, 1,029 (84.4%) were monitored. While the annual result was slightly below the target of 85%, performance remained close to target despite ongoing fluctuations in the number of consents requiring monitoring throughout the year.

The volume of live consents continued to place pressure on available resources, impacting the team's ability to meet the target in full. In response, staff regularly reassessed monitoring priorities, workloads, and resource allocation to ensure monitoring activities were focused on the highest priority consents.

Although the target was not achieved, the result demonstrates the team's continued effort to maintain a high level of monitoring coverage in a changing operating environment. Staff remain committed to working towards this target in the year ahead, balancing monitoring requirements with available resources.

*\*A land use consent that has ongoing requirements to monitor.*



## Strategic and Spatial Planning

### The amount of land zoned\* (supply) to cater for growth and development (demand) is in line with statutory requirements. \*\* <sup>42</sup>

**2025/26 Target:** 100%

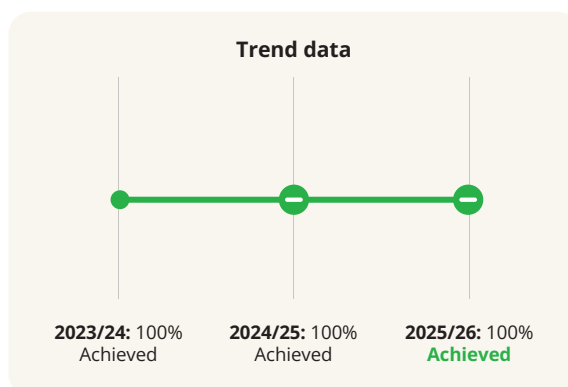
**Commentary:** The Future Proof Housing Business Assessment shows that:

- Residential short term housing is at 88% sufficiency and medium term is 135% sufficiency.
- Business land short and medium term is greater than 100% sufficiency.

Sufficiency means that land is available, zoned, and may require infrastructure to be developed by developers. Staff are preparing for the next Housing Business Assessment with Future Proof councils to be delivered in 2027. Noting that some changes are expected to NPS-UD requirements through the Resource Management Act reform.

*\* District Plan-enabled but not necessarily serviced or market-feasible.*

*\*\* This measure is informed by the Housing Development Capacity Assessment approximately every three years. In the intervening years staff undertake an assessment using available internal data.*



<sup>40</sup> Land use consents are required for activities that do not comply with relevant planning rules. While some consents involve one-off conditions that are assessed as part of the consent process, others include ongoing conditions that require monitoring after the consent has been granted. This measure only includes land use consents with ongoing monitoring requirements.

<sup>41</sup> This performance measure is being reported for the first time, following its adoption in the 2025-2034 Long Term Plan. Historical trend data is not available because the measure assesses a different population of consents and uses a different monitoring methodology to previous land use consent monitoring measures.

<sup>42</sup> Future Proof (sub-regional growth forum) undertook a Housing Business Assessment (July 2021) for councils in the sub-region, to determine the demand and land supply availability for both residential and business.

## Waste Management

### The number of substantiated complaints received by Council about uncollected kerbside rubbish and recycling. \* <sup>43</sup>

**2025/26 Target:** <350

**Commentary:** The 2025/26 result of 297 substantiated complaints was below the target of 350, indicating that kerbside rubbish and recycling services were delivered with a high level of reliability across the district.

Council provides weekly kerbside collection services to approximately 30,000 households, with substantiated complaints representing a small proportion of total collections undertaken during the year.

Ongoing operational improvements, timely resolution of service issues, and staff oversight of collection performance have supported the positive result. Where issues did occur, they primarily related to missed collections and service requirements and were addressed through operational follow-up and customer education.

*\* We service approximately 30,000 households per week across the district for rubbish and recycling (for Raglan this includes recycling and food scraps only).*

#### Trend data New measure in 2025-2034 LTP <sup>44</sup>

2025/26: 297  
Achieved

### Number of face-to-face engagements\* with the community relating to waste minimisation.

**2025/26 Target:** >1,100 people attended face-to-face engagements.

**Commentary:** In 2025/26, 1,859 people attended face-to-face engagements across seven workshops and six waste minimisation events.

Across the year, Council delivered a strong programme of waste minimisation initiatives across the district, combining school-based education, community engagement and targeted collection events. This included waste minimisation programmes in schools, community outreach in response to pricing changes, expansion of composting hubs, industry workshops and training and a range of collection events for e-waste, hazardous waste and scrap materials. Engagement at community events and initiatives such as September and Regatta also supported ongoing public education and behaviour change.

While the waste minimisation work programme remained largely unchanged, partnerships with schools, community groups, iwi and waste service providers helped expand Council's reach and increase community participation in waste minimisation activities, resulting in engagement levels exceeding the annual target.

*\* Face-to-face engagements mean people in workshops, participating in education for example. It also includes pre-arranged engagements held virtually. But does not capture social media engagement.*

#### Trend data New measure in 2025-2034 LTP <sup>45</sup>

2025/26: 1,859  
Achieved

<sup>43</sup> Customer complaints about uncollected kerbside rubbish and recycling from our contractors are assessed by a staff member using available evidence such as GPS coordinates and collection truck footage. A complaint is considered substantiated where the evidence confirms that rubbish or recycling was not collected when it should have been. This assessment process ensures only verified service requests are counted as substantiated complaints.

<sup>44</sup> This performance measure is being reported for the first time, following its adoption in the 2025-2034 Long Term Plan. Historical trend data is not available because substantiated complaints about uncollected kerbside rubbish and recycling were not previously measured and reported as a performance measure.

<sup>45</sup> This performance measure is being reported for the first time, following its adoption in the 2025-2034 Long Term Plan. Historical trend data is not available because face-to-face community engagement relating to waste minimisation was not previously measured and reported as a performance measure.

## Significant negative effects

| Significant negative effect                                                                                                     | Mitigation                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Regulatory Services                                                                                                             |                                                                                                                                                                                          |
| Attacking of animal control officers resulting in injury, by dogs, their owners, and livestock.                                 | Continue to provide ongoing training and ensure the correct and required personal protection equipment is provided.                                                                      |
| Dog owners disgruntled by enforcement action taken against them.                                                                | Professional and courteous enforcement.                                                                                                                                                  |
| Public injury risk from dog attacks.                                                                                            | Ensure animal control services are maintained at a level to ensure stray dogs are impounded and attacks responded to quickly.                                                            |
| Consenting                                                                                                                      |                                                                                                                                                                                          |
| Legislation is requiring more Council input into plan review and building inspection, which increases costs.                    | Council must react to new legislation but tries to limit the cost increase as much as possible.                                                                                          |
| Non-compliance requires Council to take offenders before the court.                                                             | Prosecution of blatant offences against the Building Act is necessary to reinforce compliance and maintain equity for those who obtain consents and fulfil statutory duty.               |
| The time to process applications might be regarded as a delay to construction.                                                  | Improvement of systems is ongoing to ensure continual improvement in services.                                                                                                           |
| Non-compliance with statutory requirements for the issuing of resource consents may cause delays.                               | Improvement of systems is ongoing to ensure continual improvement in services.                                                                                                           |
| Strategic and Spatial Planning                                                                                                  |                                                                                                                                                                                          |
| Planning may increase development costs, through compliance costs, development levies, or financial contributions.              | Benefits flow back to developers from improved environmental quality, and provision and coordination of services such as infrastructure, and any net negative effect is not significant. |
| Inadequate or harsh monitoring of District Plan requirements may discourage development, affecting the economy in the district. | Apply a reasonable, concise, consistent monitoring process.                                                                                                                              |
| Waste Management                                                                                                                |                                                                                                                                                                                          |
| There are no potential significant risks associated with the Waste Management activity.                                         |                                                                                                                                                                                          |

## Funding impact statement

|                                                                         | 2024/25<br>Long Term Plan<br>\$'000 | 2025/26<br>Long Term Plan<br>\$'000 | 2025/26<br>Actual<br>\$'000 |
|-------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|
| <b>Sources of operating funding</b>                                     |                                     |                                     |                             |
| General rates, uniform annual general charge, rates penalties           | 10,027                              | 14,278                              | 14,156                      |
| Targeted rates                                                          | 5,614                               | 7,181                               | 7,354                       |
| Subsidies and grants for operating purposes                             | -                                   | -                                   | 4                           |
| Fees and charges                                                        | 10,105                              | 15,390                              | 12,039                      |
| Internal charges and overheads recovered                                | 663                                 | 951                                 | 829                         |
| Local authorities fuel tax, fines, infringement fees, and other receipt | 5,014                               | 5,366                               | 4,036                       |
| <b>Total operating funding (A)</b>                                      | <b>31,423</b>                       | <b>43,166</b>                       | <b>38,418</b>               |
| <b>Applications of operating funding</b>                                |                                     |                                     |                             |
| Payments to staff and suppliers                                         | 23,277                              | 32,341                              | 28,900                      |
| Finance costs                                                           | -                                   | -                                   | -                           |
| Internal charges and overheads applied                                  | 8,029                               | 10,392                              | 9,184                       |
| Other operating funding applications                                    | 61                                  | 16                                  | 824                         |
| <b>Total applications of operating funding (B)</b>                      | <b>31,367</b>                       | <b>42,749</b>                       | <b>38,908</b>               |
| <b>Surplus (deficit) of operating funding (A - B)</b>                   | <b>56</b>                           | <b>417</b>                          | <b>(490)</b>                |
| <b>Sources of capital funding</b>                                       |                                     |                                     |                             |
| Subsidies and grants for capital expenditure                            | -                                   | -                                   | -                           |
| Development and financial contributions                                 | -                                   | -                                   | -                           |
| Increase (decrease) in debt                                             | 16                                  | 1,690                               | 811                         |
| Gross proceeds from the sale of assets                                  | -                                   | -                                   | -                           |
| Lump sum contributions                                                  | -                                   | -                                   | -                           |
| Other dedicated capital funding                                         | -                                   | -                                   | -                           |
| <b>Total sources of capital funding (C)</b>                             | <b>16</b>                           | <b>1,690</b>                        | <b>811</b>                  |
| <b>Applications of capital funding</b>                                  |                                     |                                     |                             |
| Capital expenditure                                                     |                                     |                                     |                             |
| - to meet additional demand                                             | -                                   | -                                   | -                           |
| - to improve the level of service                                       | 16                                  | 1,549                               | 760                         |
| - to replace existing assets                                            | 211                                 | 228                                 | 100                         |
| Increase (decrease) in reserves                                         | (155)                               | 330                                 | (540)                       |
| Increase (decrease) in investments                                      | -                                   | -                                   | -                           |
| <b>Total applications of capital funding (D)</b>                        | <b>72</b>                           | <b>2,106</b>                        | <b>320</b>                  |
| <b>Surplus (deficit) of capital funding (C - D)</b>                     | <b>(56)</b>                         | <b>(417)</b>                        | <b>490</b>                  |
| <b>Funding balance ((A - B) + (C - D))</b>                              | <b>-</b>                            | <b>-</b>                            | <b>-</b>                    |

# Transport

## Tuunuku Waka

Our work in this area includes **Transport**.

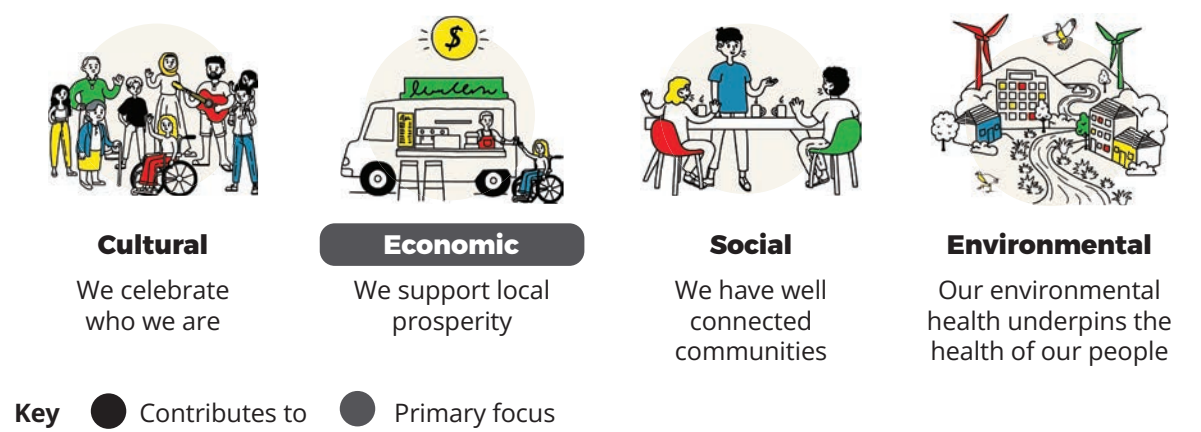
### What we do

The transport activity provides a well-designed and fit-for-purpose transport network that gives people choices about how they move around our district. This includes urban and rural roads, footpaths, cycleways, and safe crossings within the roading corridor. This activity also supports the development of the public transport network.

### How these activities improve wellbeing

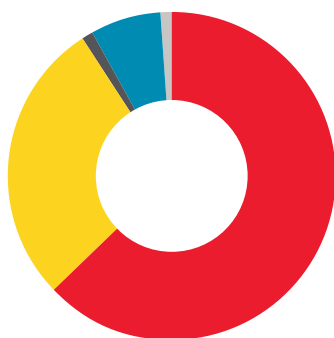
This activity primarily contributes to economic wellbeing by enabling connectivity to employment and education, and for commerce and industry. It also contributes to cultural, social, and environmental wellbeing by supporting connectivity in these areas, as well as safety and sustainability.

Level of alignment to Community Outcomes



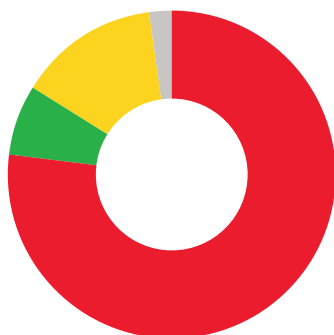
## How we paid for it

### Transport - Operating Funding



- 63%** General rates, uniform annual general charge, rates penalties
- 0%** Targeted rates
- 28%** Subsidies and grants for operating purposes
- 1%** Fees and charges
- 7%** Internal charges and overheads recovered
- 1%** Local authorities fuel taxes, infringement fees and other receipts

### Transport - Capital Funding



- 77%** Subsidies and grants for capital expenditure
- 7%** Development and financial contributions
- 14%** Increase (decrease) in debt
- 0%** Gross proceeds from the sale of assets
- 0%** Lump sum contributions
- 2%** Other dedicated capital funding

## Key deliverables



Maintained a high-quality sealed road network with 95% of travel on sealed roads providing a smooth ride experience.



Responded to 5,422 road service requests and 231 footpath service requests within required timeframes.



Maintained the district's footpath network with 97.7% assessed as fair, good or very good.



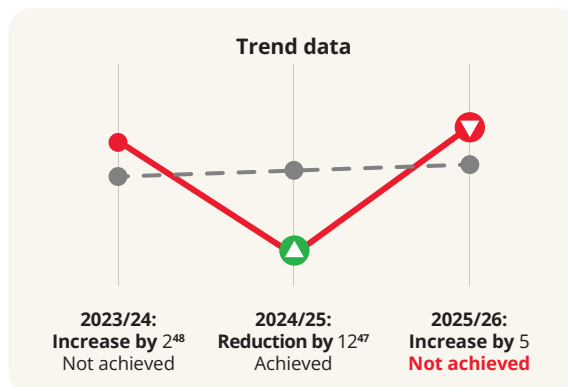
## What we delivered

### Transport

**The change from the previous financial year in the number of fatalities and serious injury crashes on the local road network, expressed as a number.\***

**2025/26 Target:** Reduction by 1 on the previous year<sup>46</sup>

**Commentary:** In 2025/26, there were 48 crashes on roads within the Waikato District, compared to the 2024/25 result of 43. This represents an increase of five crashes from the previous financial year and is higher than the target of a reduction by 1 on the previous year.



While the increase has resulted in this measure not being achieved, the long-term trend shows the 2025/26 result remains below the average of the preceding five years. The previous financial year saw a significant reduction of 12 crashes, resulting in a lower starting point for further reductions this year.

Road safety outcomes are influenced by a range of factors, many of which are not within the direct control of Council. Council continues to support road safety through maintenance, resurfacing, line marking, minor safety improvements and road safety education. Crash analysis shows an increase in straight-loss-of-control/head on, overtaking and miscellaneous crash types, while other crash types have remained constant or reduced. The main contributing factors continue to be alcohol/drugs, road positioning and loss of control, with most crashes involving cars or motorcycles.

In 2026/27, Council will place a stronger focus on targeted road safety education and future investment planning through the next Long Term Plan, working alongside NZTA Waka Kotahi, Police and regional road safety partners to help reduce deaths and serious injuries across the district.

*\*Mandatory measure.*

<sup>46</sup> The target for this measure has reduced from 'reduction by 2 on the previous year' in 2024/25.

<sup>47</sup> The result included in the 2024/25 Annual Report was a 'reduction by 13'. This has been corrected to a 'reduction by 12' after an accident at the end of June 2025 was entered into the Crash Analysis System in late July 2025. The New Zealand Transport Agency has a standard four-week window for logging injury crashes once police reports are received which caused this crash to be missed.

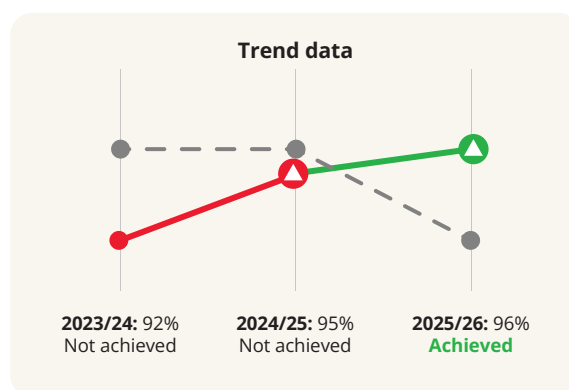
<sup>48</sup> The result included in the 2023/24 Annual Report was an 'increase by one'. This has been corrected to an 'increase by two' after an accident at the end of June 2024 was entered into the Crash Analysis System in late July 2024. The New Zealand Transport Agency has a standard four-week window for logging injury crashes once police reports are received which caused this crash to be missed.

### The average quality of ride on a sealed local road network, measured by smooth travel exposure.\* <sup>49</sup>

**2025/26 Target:** 92%<sup>50</sup>

**Commentary:** The average quality of ride on Council's sealed local road network has remained consistent from last year. This is a positive result for a large and growing district network. Waikato District continues to experience growth, increased traffic demand and ongoing heavy vehicle pressure, particularly across rural and freight routes.

This result reflects targeted investment in sealed road maintenance, resurfacing and renewal activities, with work prioritised on sections where it provides the greatest benefit to road users and long-term asset performance. Council will continue to monitor pavement condition through our data system, condition assessments and renewal planning to ensure future investment remains targeted and affordable.



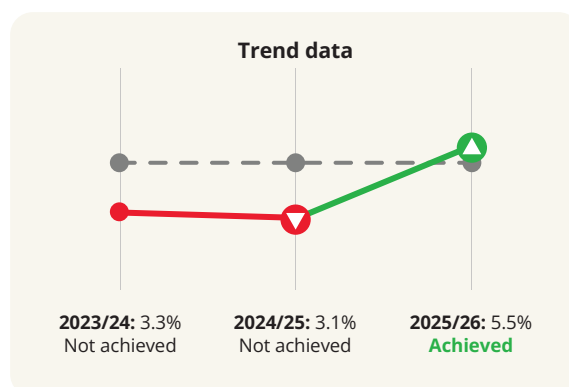
### The percentage of the sealed local road network that is resurfaced. \*

**2025/26 Target:** Min 5%

**Commentary:** There has been a significant increase in the sealed road resurfacing compared to last year. This positive result reflects the introduction of a new road maintenance and renewals delivery model, which enabled a greater proportion of available funding to be directed to physical works on the network. Additional resurfacing was also supported by procurement efficiencies and carry-forward funding from 2024/25.

Resurfacing is an important renewal activity because it protects the underlying pavement structure, improves the road surface for users, and helps reduce the need for more costly repairs in future years. Council's programme was targeted to locations where renewal would provide the best long-term benefit, taking into account pavement condition, traffic demand, safety, and whole-of-life asset performance.

Despite ongoing cost pressures across materials, labour and traffic management, Council achieved the planned level of resurfacing for the year. Council will continue to use asset condition data and forward works planning to ensure resurfacing investment is directed to the right locations at the right time.



\*Mandatory measure.

<sup>49</sup> Smooth Travel Exposure (STE) is a customer outcome measure indicating 'ride quality'. It is an indication of the percentage of vehicle kilometres travelled on a road network with roughness below a defined upper threshold level. The threshold varies depending on the traffic volume band and urban/rural environment of the road.

<sup>50</sup> The target for this measure has reduced from 96% in 2024/25.

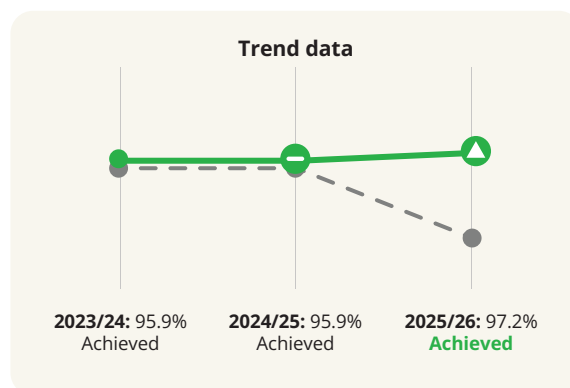
The percentage of footpaths that fall within the level of service or service standard for the condition of footpaths that is set out in the LTP. \* \*\*

2025/26 Target: 85%<sup>51</sup>

**Commentary:** There has been a slight increase in the overall condition of Council's footpath network compared to last year, with 97.2% of footpaths assessed as fair, good or very good. This result reflects the generally good condition of the existing footpath network and the benefit of previous maintenance and renewal investment.

While the result is positive, Council remains mindful that future footpath renewals funding has reduced due to changes in national funding priorities. Continued monitoring will therefore be important to ensure defects are identified early and available funding is directed to the highest-risk locations.

Council will continue to use condition data, customer requests and safety risk to prioritise footpath maintenance and renewal work across the district.



\*Mandatory measure.

\*\* Works include essential maintenance and repairs to minimise trips, slips and falls relating to footpaths.

<sup>51</sup> The target for this measure has reduced from 95% in 2024/25.

**The percentage of customer service requests relating to roads and footpaths responded to within the timeframe specified in the LTP. \* \*\***

**2025/26 Target:** 95%

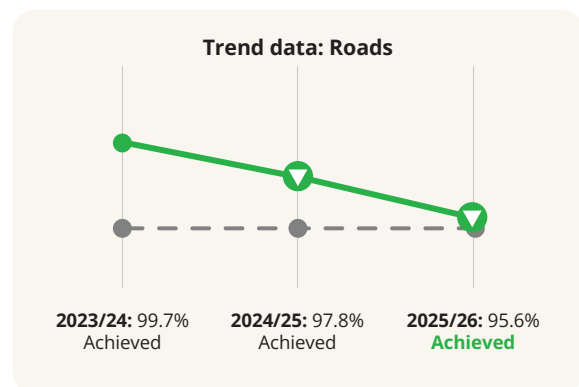
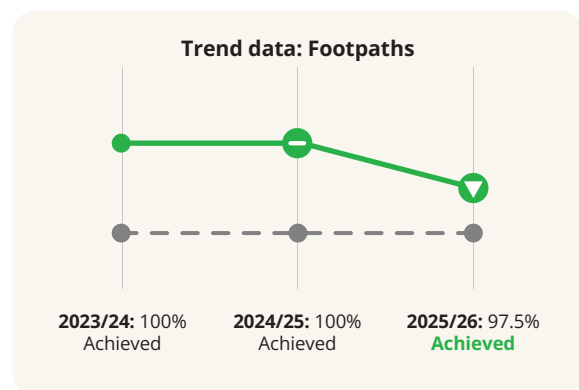
**Commentary:** 237 service requests relating to footpaths were received this year with 231 (97.5%) responded to within timeframes. Although the total number of footpath requests is lower than general roading requests, timely response remains important because footpaths directly affect pedestrian safety, accessibility and community confidence. Council will continue to prioritise footpath requests based on safety risk, accessibility impact and the condition of the surrounding network.

5,670 service requests relating to roads were received this year with 5,422 (95.6%) responded to within timeframes. This is a strong result given the significant increase in customer demand compared with the previous year. The number of roading-related requests increased from 2,087 in 2024/25 to 5,670 in 2025/26. Despite this increase, Council maintained the required level of service through closer monitoring of requests, improved internal processes, and regular follow-up with maintenance contractors.

For those service requests that were not responded to within timeframes, these were mainly associated with high-volume operational categories such as road surface/pavement issues, emergency response, drainage/flooding matters, vegetation and signage. Some delays related to more complex requests that required site inspection, contractor attendance, or technical assessment before a response could be closed.

\* Mandatory measure.

\*\* Service requests included in this performance measure are categorised as a 1-hour urgent, 4-hour urgent, 5-day routine and assessment required response types as outlined in the service level timeframes table.



## Significant negative effects

| Significant negative effect                                                                                                                                                                                                 | Mitigation                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Limited funding could reduce our ability to deliver the capital programme as well as renewals and maintenance required to maintain a safe roading network.                                                                  | Council aims to manage assets strategically by ensuring the appropriate timing of maintenance and asset replacement to increase the expected lifespan of assets. Advocate to New Zealand Transport Agency for increased subsidy to support the increasing cost of maintenance.                                                                                          |
| Increased traffic volumes on main roads can limit access between sections of the community. They can be difficult to cross particularly for pedestrians and cyclists.                                                       | Continue to consider all network users in the planning and design of new infrastructure and when updating existing roading to increase connectivity and safety. Implement the recommendations of the Walking and Cycling Strategy which identifies the linkages within townships and communities. We will also continue to advocate for by-passes around urban centres. |
| Potential for road construction to disturb sites of cultural significance, including waahi tapu.                                                                                                                            | Continue to invest in good relationships with tangata whenua to understand sites of cultural significance and implement robust processes for any accidental discoveries.                                                                                                                                                                                                |
| Danger to people and property and high social cost from road crashes.                                                                                                                                                       | Continue to deliver road safety programmes, safety improvements, and speed limit changes.                                                                                                                                                                                                                                                                               |
| The roading network, maintenance and the construction of new roads can have negative environmental effects such as noise pollution, air pollution and water run-off that may carry contaminants into the stormwater system. | Continue to advocate for bypasses around urban centres and expansion of the road sealing programme to incorporate seal extension for communities on unsealed roads. Council also considers the impacts of maintenance and construction works on communities and plans works to reduce this where possible.                                                              |

## Funding impact statement

|                                                                          | 2024/25<br>Long Term Plan<br>\$'000 | 2025/26<br>Long Term Plan<br>\$'000 | 2025/26<br>Actual<br>\$'000 |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|
| <b>Sources of operating funding</b>                                      |                                     |                                     |                             |
| General rates, uniform annual general charge, rates penalties            | 25,649                              | 32,857                              | 32,775                      |
| Targeted rates                                                           | -                                   | -                                   | -                           |
| Subsidies and grants for operating purposes                              | 10,523                              | 13,477                              | 14,537                      |
| Fees and charges                                                         | 302                                 | 468                                 | 378                         |
| Internal charges and overheads recovered                                 | 772                                 | 3,923                               | 3,508                       |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 2,118                               | 572                                 | 588                         |
| <b>Total operating funding (A)</b>                                       | <b>39,364</b>                       | <b>51,297</b>                       | <b>51,786</b>               |
| <b>Applications of operating funding</b>                                 |                                     |                                     |                             |
| Payments to staff and suppliers                                          | 24,427                              | 27,723                              | 30,443                      |
| Finance costs                                                            | -                                   | -                                   | -                           |
| Internal charges and overheads applied                                   | 4,929                               | 9,024                               | 7,090                       |
| Other operating funding applications                                     | -                                   | 816                                 | -                           |
| <b>Total applications of operating funding (B)</b>                       | <b>29,356</b>                       | <b>37,563</b>                       | <b>37,533</b>               |
| <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>10,008</b>                       | <b>13,734</b>                       | <b>14,253</b>               |
| <b>Sources of capital funding</b>                                        |                                     |                                     |                             |
| Subsidies and grants for capital expenditure                             | 20,419                              | 15,896                              | 17,917                      |
| Development and financial contributions                                  | 2,399                               | 1,036                               | 1,741                       |
| Increase (decrease) in debt                                              | 2,343                               | 1,700                               | 3,306                       |
| Gross proceeds from the sale of assets                                   | -                                   | -                                   | -                           |
| Lump sum contributions                                                   | -                                   | -                                   | -                           |
| Other dedicated capital funding *                                        | -                                   | -                                   | 519                         |
| <b>Total sources of capital funding (C)</b>                              | <b>25,161</b>                       | <b>18,632</b>                       | <b>23,483</b>               |
| <b>Applications of capital funding</b>                                   |                                     |                                     |                             |
| Capital expenditure                                                      |                                     |                                     |                             |
| - to meet additional demand                                              | 5,359                               | 324                                 | 3,154                       |
| - to improve the level of service                                        | 5,048                               | 3,990                               | 6,854                       |
| - to replace existing assets                                             | 26,005                              | 26,355                              | 29,604                      |
| Increase (decrease) in reserves                                          | (1,243)                             | 1,697                               | (1,874)                     |
| Increase (decrease) in investments                                       | -                                   | -                                   | -                           |
| <b>Total applications of capital funding (D)</b>                         | <b>35,169</b>                       | <b>32,366</b>                       | <b>37,738</b>               |
| <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(10,008)</b>                     | <b>(13,734)</b>                     | <b>(14,253)</b>             |
| <b>Funding balance ((A - B) + (C - D))</b>                               | <b>-</b>                            | <b>-</b>                            | <b>-</b>                    |

\* Other dedicated capital funding for the Roding group of activities represents contributions from Waka Kotahi for revocation works. As well as additional funding from cost-sharing arrangements with the Fillmore Trusts Partnership in accordance with the Development Agreement for Road 3 within the Northgate Business Park development in Horotiu.

# Stormwater

## Wai Ua

Our work in this area includes **Stormwater**.

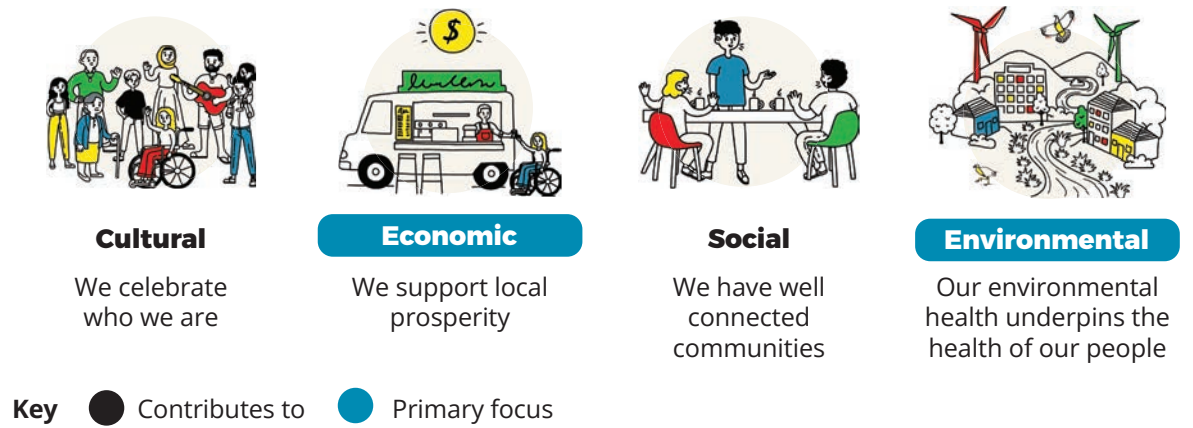
### What we do

Through this activity, we are responsible for efficiently operating and maintaining all of Council's existing stormwater infrastructure. This protects our environment from storm damage and runoff. We also plan for the renewal of existing infrastructure and work on new infrastructure through growth-driven projects.

### How these activities improve wellbeing

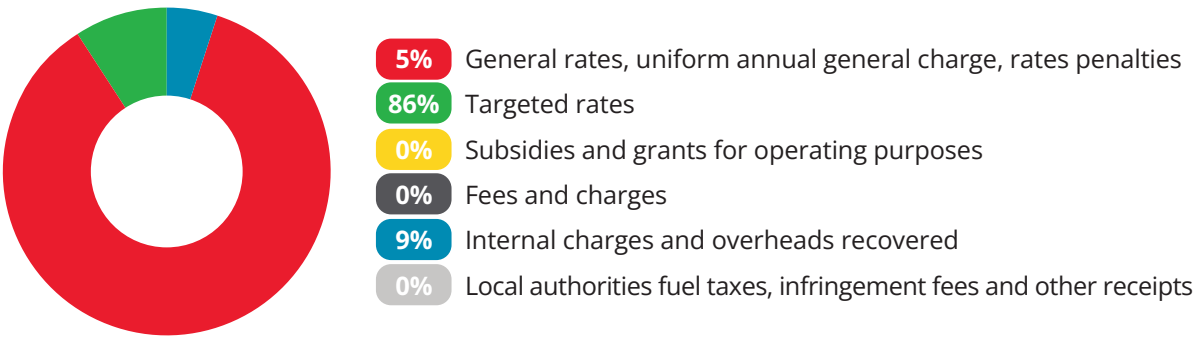
This activity contributes primarily to the economic and environmental community wellbeing outcomes, by effectively managing stormwater services to protect public health and minimise the effect of stormwater on the environment. This activity also helps to protect the social wellbeing of our communities, so they are not negatively impacted by stormwater.

Level of alignment to Community Outcomes

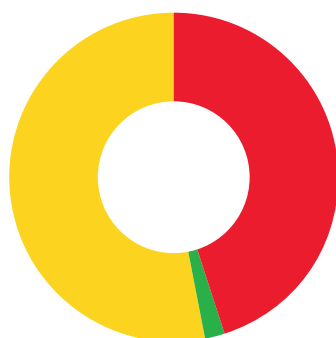


### How we paid for it

Stormwater - Operational Funding



## Stormwater - Capital Funding



- 45%** Subsidies and grants for capital expenditure
- 2%** Development and financial contributions
- 53%** Increase (decrease) in debt
- 0%** Gross proceeds from the sale of assets
- 0%** Lump sum contributions
- 0%** Other dedicated capital funding

## Key deliverables



Maintained a reliable stormwater network, receiving only 0.8 complaints per 1,000 properties connected to Council's stormwater system.



Managed the stormwater system without receiving any abatement notices, infringement notices, enforcement orders or successful prosecutions.

## What we delivered

### Stormwater

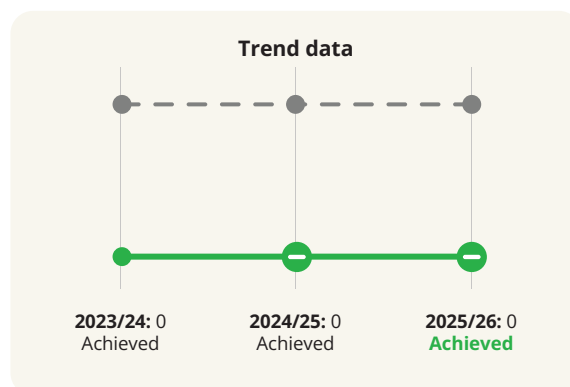
These performance measure results are supplied by Watercare Services Limited, on behalf of Waikato District Council.

### The number of flood events\*\* that occur in the Waikato district.\*

**2025/26 Target:** Less than 5 events per annum

**Commentary:** There were no extreme weather events reported that met the criteria of a flood event in 2025/26.

*\*\* Flood event is defined as an overflow of stormwater from Council's stormwater system that enters a habitable floor.*

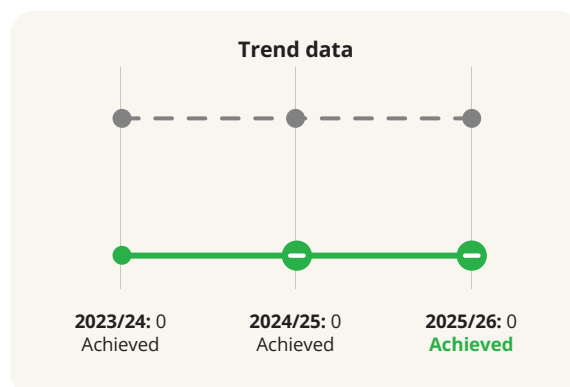


### For each flooding event, the number of habitable floors affected. (Expressed per 1,000 properties connected to Council's stormwater system). \*

**2025/26 Target:** 0.3 affected per 1,000 properties per event

**Commentary:** There were no extreme weather events reported that met the criteria of a flood event in 2025/26.

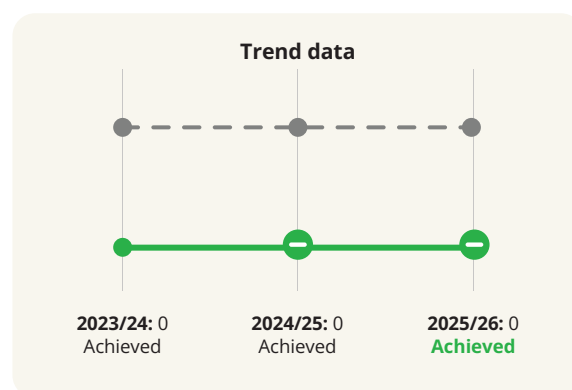
*\*Mandatory measure.*



**The median response time to attend a flooding event, measured from the time that Council receives notification to the time that service personnel reach the site.\***

**2025/26 Target:** Less than or equal to 2 hours

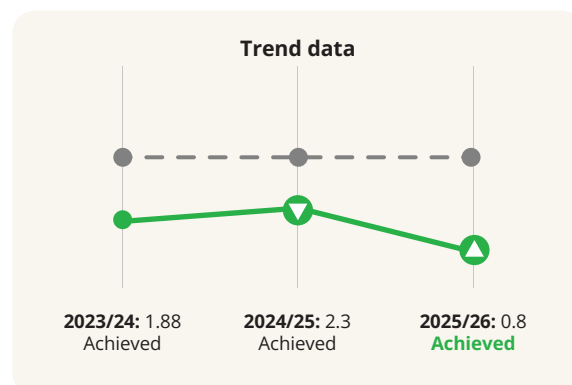
**Commentary:** There were no extreme weather events reported that met the criteria of a flood event in 2025/26.



**The total number of complaints received by Council about the performance of its stormwater system, expressed per 1,000 properties connected to Council's stormwater system.\***

**2025/26 Target:** Less than 4 per 1,000 properties per year

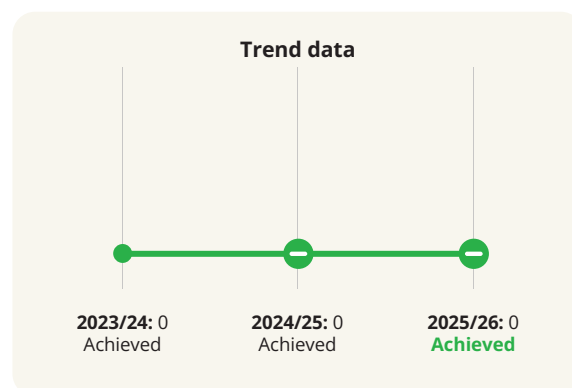
**Commentary:** The number of complaints per 1,000 properties was 0.8. This is a reduction from previous years. This reduced result could be due to the projects undertaken at Huntly and Port Waikato to improve the network as the complaints last year were centred around these areas.



**Compliance with Council's resource consents for discharge from its stormwater system, measured by the number of abatement notices, infringement notices, enforcement orders and successful prosecutions received by Council in relation to those resource consents.\***

**2025/26 Target:** 0

**Commentary:** It should be noted that Waikato Regional Council received six notifications during the year where wastewater entered the stormwater network. These notifications relate to the same six unauthorised wastewater discharge incidents reported under Wastewater Measure #45. None of these notifications resulted in an abatement notice, infringement notice, enforcement order or successful prosecution.



\*Mandatory measure.

## Significant negative effects

| Significant negative effect                                                                                                                                                                                                        | Mitigation                                                                                                                                 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Discharges to land and waterways not complying with resource consents.                                                                                                                                                             | Improve processes (may be capital related) and continue to monitor discharges.                                                             |
| Discharge of contaminants to waterways and streams impacting on public health and the environment (including but not limited to wastewater overflows and stormwater runoff containing sediments, oils, greases, and heavy metals). | Implement improvements (capital related) and ensure compliance with Council's Development Manual Guidelines for new developments.          |
| Erosion of streams and riverbeds.                                                                                                                                                                                                  | Implement Development Manual Guidelines.                                                                                                   |
| Chemical spills affecting waterways.                                                                                                                                                                                               | Establish procedures and emergency response plans with Waikato Regional Council.                                                           |
| Health and safety risks associated with the operation, maintenance, or construction of stormwater infrastructure.                                                                                                                  | Ensure compliance with legislation and health and safety management plans. Maintain an incidents register.                                 |
| Potential impacts on customer satisfaction due to service failure/delays/responsiveness.                                                                                                                                           | Monitor customer requests for service and report on levels of service. Ensure customer complaints are resolved.                            |
| Disruption during the implementation of works.                                                                                                                                                                                     | Works will be implemented under resource consent or contract conditions dictating how the service will be maintained (case-by-case basis). |
| Individuals can affect the stormwater network and neighbouring properties by altering natural flow paths.                                                                                                                          | Monitor new developments to ensure natural flow paths are maintained.                                                                      |
| Flooding can affect public health and safety.                                                                                                                                                                                      | Continue to advise landowners of potential flood prone areas.                                                                              |
| Stormwater can cause public health issues through bacterial contamination of beaches.                                                                                                                                              | Establish procedures and emergency response plans with Waikato Regional Council.                                                           |
| Contamination of the receiving environment is unacceptable to tangata whenua.                                                                                                                                                      | Continue to better identify sites of cultural significance.                                                                                |

## Funding impact statement

|                                                                          | 2024/25<br>Long Term Plan<br>\$'000 | 2025/26<br>Long Term Plan<br>\$'000 | 2025/26<br>Actual<br>\$'000 |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|
| <b>Sources of operating funding</b>                                      |                                     |                                     |                             |
| General rates, uniform annual general charge, rates penalties            | 216                                 | 200                                 | 267                         |
| Targeted rates                                                           | 3,327                               | 4,020                               | 4,266                       |
| Subsidies and grants for operating purposes                              | -                                   | -                                   | -                           |
| Fees and charges                                                         | -                                   | -                                   | 2                           |
| Internal charges and overheads recovered                                 | 313                                 | 449                                 | 463                         |
| Local authorities fuel tax, fines, infringement fees, and other receipts | -                                   | -                                   | -                           |
| <b>Total operating funding (A)</b>                                       | <b>3,856</b>                        | <b>4,669</b>                        | <b>4,998</b>                |
| <b>Applications of operating funding</b>                                 |                                     |                                     |                             |
| Payments to staff and suppliers                                          | 2,323                               | 3,904                               | 4,960                       |
| Finance costs                                                            | -                                   | -                                   | -                           |
| Internal charges and overheads applied                                   | 482                                 | 1,143                               | 853                         |
| Other operating funding applications                                     | 9                                   | 8                                   | 28                          |
| <b>Total applications of operating funding (B)</b>                       | <b>2,814</b>                        | <b>5,055</b>                        | <b>5,841</b>                |
| <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>1,042</b>                        | <b>(386)</b>                        | <b>(843)</b>                |
| <b>Sources of capital funding</b>                                        |                                     |                                     |                             |
| Subsidies and grants for capital expenditure                             | -                                   | -                                   | 3,330                       |
| Development and financial contributions                                  | 948                                 | 125                                 | 172                         |
| Increase (decrease) in debt                                              | 1,751                               | 5,866                               | 3,898                       |
| Gross proceeds from the sale of assets                                   | -                                   | -                                   | -                           |
| Lump sum contributions                                                   | -                                   | -                                   | -                           |
| Other dedicated capital funding                                          | -                                   | -                                   | -                           |
| <b>Total sources of capital funding (C)</b>                              | <b>2,699</b>                        | <b>5,991</b>                        | <b>7,400</b>                |
| <b>Applications of capital funding</b>                                   |                                     |                                     |                             |
| Capital expenditure                                                      |                                     |                                     |                             |
| - to meet additional demand                                              | 103                                 | 2,186                               | 2,134                       |
| - to improve the level of service                                        | 1,751                               | 5,818                               | 4,180                       |
| - to replace existing assets                                             | 608                                 | 1,917                               | 1,351                       |
| Increase (decrease) in reserves                                          | 1,279                               | (4,315)                             | (1,108)                     |
| Increase (decrease) in investments                                       | -                                   | -                                   | -                           |
| <b>Total applications of capital funding (D)</b>                         | <b>3,741</b>                        | <b>5,605</b>                        | <b>6,557</b>                |
| <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(1,042)</b>                      | <b>386</b>                          | <b>843</b>                  |
| <b>Funding balance ((A - B) + (C - D))</b>                               | <b>-</b>                            | <b>-</b>                            | <b>-</b>                    |

# Wastewater

## Wai Para

Our work in this area includes **Wastewater**.

### What we do

Through this activity we ensure wastewater is collected, treated and disposed of to protect our environment and the public's health. We also plan for the renewal of existing infrastructure and work on new infrastructure through growth-driven projects.

### How these activities improve wellbeing

This activity contributes to all four of our community wellbeing outcomes, by protecting the health of our people and our waterways, treating wastewater to a standard to be discharged into the environment, allowing for growth development within the district and considering cultural values in the way we work.

Level of alignment to Community Outcomes



#### Cultural

We celebrate who we are



#### Economic

We support local prosperity



#### Social

We have well connected communities



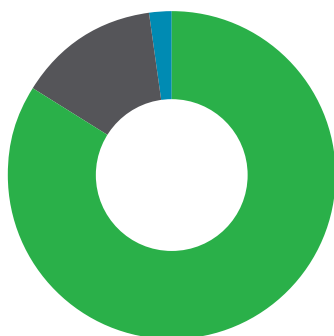
#### Environmental

Our environmental health underpins the health of our people

**Key** ● Contributes to ● Primary focus

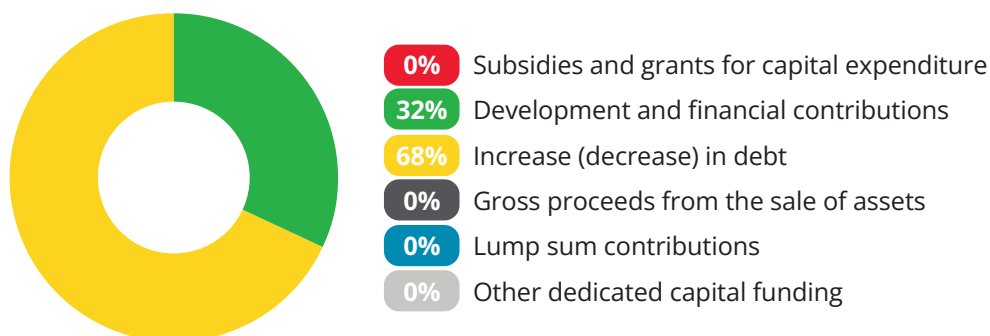
### How we paid for it

Wastewater - Operational Funding



|     |                                                                    |
|-----|--------------------------------------------------------------------|
| 0%  | General rates, uniform annual general charge, rates penalties      |
| 84% | Targeted rates                                                     |
| 0%  | Subsidies and grants for operating purposes                        |
| 14% | Fees and charges                                                   |
| 2%  | Internal charges and overheads recovered                           |
| 0%  | Local authorities fuel taxes, infringement fees and other receipts |

## Wastewater - Capital Funding



## Key deliverables



Maintained the wastewater network with 1.00 dry weather sewerage overflow per 1,000 wastewater connections.



Responded to wastewater overflows within a median attendance time of 40 minutes and resolved issues within a median time of 129 minutes.



Managed the wastewater system without receiving any abatement notices, infringement notices, enforcement orders or successful prosecutions and with no convictions relating to resource consent discharges

## What we delivered

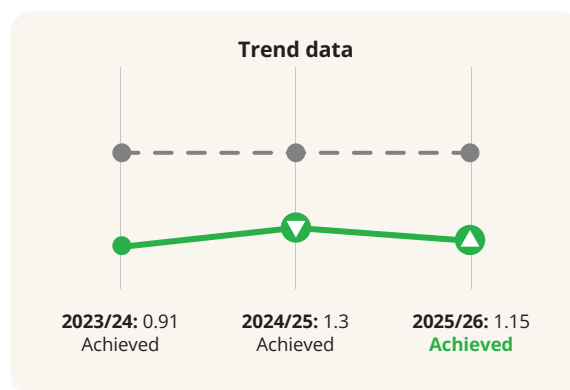
### Wastewater

These performance measure results are supplied by Watercare Services Limited, on behalf of Waikato District Council.

**The number of dry weather sewerage overflows from Council's sewerage system, expressed per 1,000 sewerage connections to the sewerage system.\*<sup>52</sup>**

**2025/26 Target:** Less than or equal to 3 per 1,000 connections

**Commentary:** The result remained well below the target during 2025/26, reflecting continued investment in network renewals, proactive maintenance and operational management of the wastewater network. These activities helped minimise dry weather sewerage overflows despite ongoing growth and demand across the district.



\*Mandatory measure.

<sup>52</sup> Dry weather sewerage overflow means sewage that escapes a territorial authority's sewerage system and enters the environment during periods of dry weather.

Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system, the median response time.

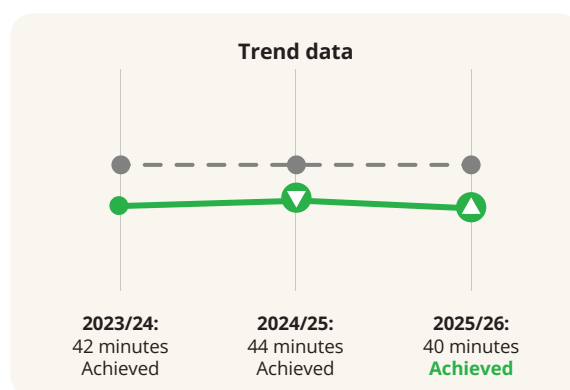
**Attendance time:** from the time that Council receives notification to the time that service personnel reach the site. \* \*\* <sup>53</sup>

**2025/26 Target:** ≤60 minutes

**Commentary:** Council's attendance to sewage overflows resulting from a blockage or other fault in the sewerage system has remained relatively stable over recent years.

We have consistently responded within our agreed service level standards which are what we aim to achieve. However, there are occasionally factors outside our control that can occur and these have been factored into the annual target.

*\*\* Call outs included in this performance measure are categorised as a 1-hour urgent response type as outlined in the service level timeframes table.*



Where Council attends to sewage overflows resulting from a blockage or other fault in Council's sewerage system, the median response time.

**Resolution time:** from the time that Council receives notification to the time that service personnel confirm resolution of the blockage or other fault. \* \*\*

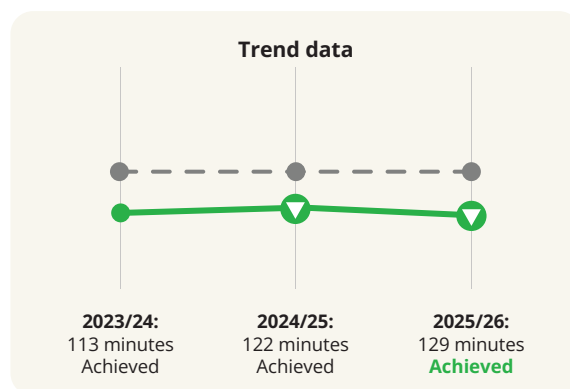
**2025/26 Target:** ≤240 minutes

**Commentary:** Council's resolution for sewage overflows resulting from a blockage or other fault in the sewerage system has remained relatively stable over recent years.

We have consistently responded within our agreed service level standards which are what we aim to achieve. However, there are occasionally factors outside our control that can occur and these have been factored into the annual target.

**Note:** Watercare's contractual response and resolution timeframes are more stringent than the Department of Internal Affairs (DIA) performance measure requirements, contributing to sewage overflows being resolved well within the 240-minute target.

*\*\* Call outs included in this performance measure are categorised as a 1-hour urgent response type as outlined in the service level timeframes table.*



\*Mandatory measure

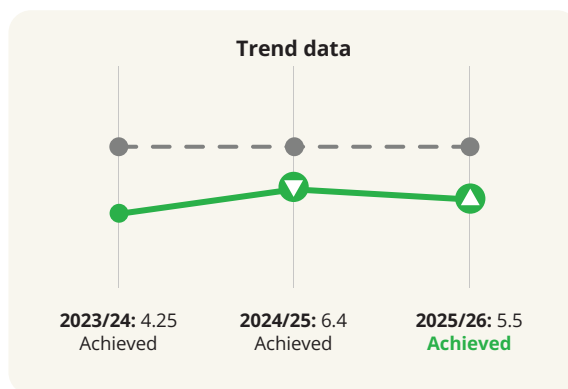
<sup>53</sup> Sewerage overflow means sewerage that escape a territorial authority's sewerage system and enters the environment.

The total number of complaints received by Council about sewage odour, sewerage system faults, sewerage system blockages, and Council's response to issues with its sewerage system, expressed per 1,000 connections to Council's sewerage system. \*

**2025/26 Target:** Less than or equal to 10 per 1,000 connections

**Commentary:** The number of complaints per 1,000 properties was 5.5. This is lower than the 2024/25 result of 6.4. The change in result each year remains relatively small as there is always a level of change expected due to weather events, growth, network demand and the timing of planned network renewals and repairs.

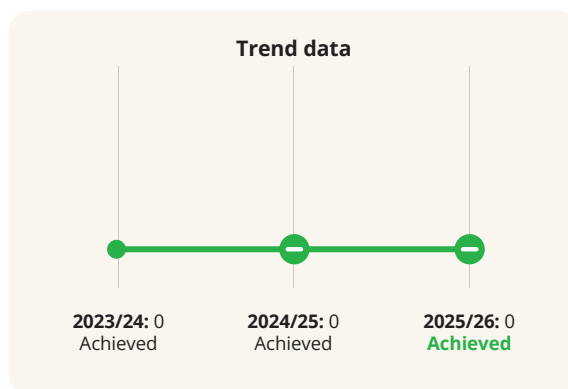
The result remained well below the target during 2025/26, reflecting ongoing treatment in wastewater network renewals and proactive maintenance programmes. These activities helped reduce service faults and network disruptions, resulting in fewer customer complaints than the level anticipated when the target was set.



Compliance with Council's resource consents for discharge from its sewerage system measured by the number of convictions received by Council in relation to those resource consents. \*

**2025/26 Target:** 0

**Commentary:** There were no convictions issued against Council's sewerage system in 2025/26.



**Compliance with the Council's resource consents for discharge from its sewerage system, measured by the number of abatement notices, infringement notices and enforcement orders received by the Council in relation to those resource consents. \***

**2025/26 Target:**  $\leq 2$

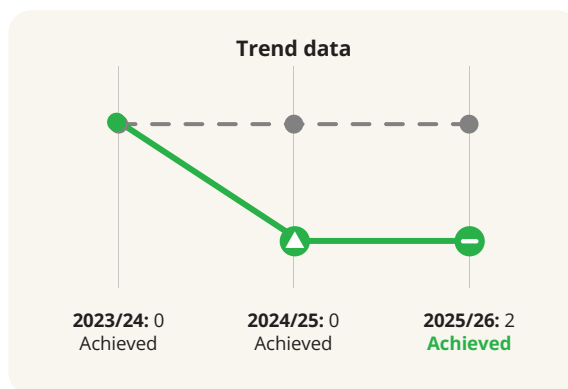
**Commentary:** There were no abatement notices, infringement notices, enforcement orders or successful prosecutions issued against Council's sewerage system in 2025/26.

It should be noted that there are existing abatement notices for Raglan and Te Kauwhata wastewater treatment plants carried over from prior years.

A new plant in Raglan has been established and a new plant in Te Kauwhata has been commissioned to address compliance issues and Council has lodged to renew the resource consent. Additionally, in Ngaaruawaahia no formal enforcement action has been issued pending an appropriate upgrade to improve discharge quality. As these notices were issued in prior years, they are not included in the result for this financial year.

Waikato Regional Council issued six notifications relating to unauthorised wastewater discharges.

It should also be noted that a notification was issued this year by Waikato Regional Council relating to wastewater discharge from Te Kowhai Wastewater Treatment Plant which has not resulted in an abatement notice, infringement notice, enforcement order or successful prosecution.



### Significant negative effects

| Significant negative effect                                                                                       | Mitigation                                                                                                                                                          |
|-------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Discharges to land and waterways not complying with resource consents.                                            | Improve processes (may be capital related) and continue to monitor discharge.                                                                                       |
| Odour from manholes, pump stations, and at treatment plants.                                                      | Improve process and implement improvements (capital related).                                                                                                       |
| Discharges from manholes.                                                                                         | Investigate and take remedial measures.                                                                                                                             |
| Health and safety risks associated with the operation, maintenance, or construction of wastewater infrastructure. | Ensure compliance with legislation and health and safety management plans. Maintain an incidents register.                                                          |
| Pump station overflows.                                                                                           | Investigate causes and provide additional storage if required.                                                                                                      |
| Chemical spills at treatment plants.                                                                              | Ensure procedures are in place for correct identification, storage, and handling of chemicals. Ensure appropriate funded areas and storage facilities are in place. |
| The cost of providing, operating, and maintaining the schemes is high due to energy requirements.                 | When looking for solutions for small communities, consider alternatives to traditional public wastewater systems.                                                   |
| Unless properly maintained there can be problems with foul odour from sewage sludge.                              | We will continue to investigate alternatives for the sustainable disposal of sewage sludge.                                                                         |
| Creates an ongoing need for the disposal of sewage sludge.                                                        | We will continue to encourage households to reduce the amount of wastewater they produce, for example through re-use of grey water for garden irrigation.           |

## Funding impact statement

|                                                                          | 2024/25<br>Long Term Plan<br>\$'000 | 2025/26<br>Long Term Plan<br>\$'000 | 2025/26<br>Actual<br>\$'000 |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|
| <b>Sources of operating funding</b>                                      |                                     |                                     |                             |
| General rates, uniform annual general charge, rates penalties            | 421                                 | -                                   | 54                          |
| Targeted rates                                                           | 18,153                              | 21,901                              | 23,590                      |
| Subsidies and grants for operating purposes                              | -                                   | -                                   | -                           |
| Fees and charges                                                         | 3,889                               | 5,604                               | 3,914                       |
| Internal charges and overheads recovered                                 | 293                                 | 579                                 | 592                         |
| Local authorities fuel tax, fines, infringement fees, and other receipts | -                                   | -                                   | -                           |
| <b>Total operating funding (A)</b>                                       | <b>22,756</b>                       | <b>28,083</b>                       | <b>28,150</b>               |
| <b>Applications of operating funding</b>                                 |                                     |                                     |                             |
| Payments to staff and suppliers                                          | 12,728                              | 16,184                              | 14,506                      |
| Finance costs                                                            | -                                   | -                                   | -                           |
| Internal charges and overheads applied                                   | 4,443                               | 6,284                               | 5,466                       |
| Other operating funding applications                                     | 469                                 | 374                                 | 317                         |
| <b>Total applications of operating funding (B)</b>                       | <b>17,640</b>                       | <b>22,842</b>                       | <b>20,289</b>               |
| <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>5,116</b>                        | <b>5,241</b>                        | <b>7,861</b>                |
| <b>Sources of capital funding</b>                                        |                                     |                                     |                             |
| Subsidies and grants for capital expenditure                             | -                                   | -                                   | -                           |
| Development and financial contributions                                  | 5,138                               | 1,863                               | 5,759                       |
| Increase (decrease) in debt                                              | 9,415                               | 39,332                              | 11,993                      |
| Gross proceeds from the sale of assets                                   | -                                   | -                                   | -                           |
| Lump sum contributions                                                   | -                                   | -                                   | -                           |
| Other dedicated capital funding                                          | -                                   | -                                   | -                           |
| <b>Total sources of capital funding (C)</b>                              | <b>14,553</b>                       | <b>41,195</b>                       | <b>17,752</b>               |
| <b>Applications of capital funding</b>                                   |                                     |                                     |                             |
| Capital expenditure                                                      |                                     |                                     |                             |
| - to meet additional demand                                              | 14,680                              | 21,247                              | 10,608                      |
| - to improve the level of service                                        | 3,394                               | 25,113                              | 16,101                      |
| - to replace existing assets                                             | 7,110                               | 18,610                              | 14,007                      |
| Increase (decrease) in reserves                                          | (5,515)                             | (18,534)                            | (15,101)                    |
| Increase (decrease) in investments                                       | -                                   | -                                   | -                           |
| <b>Total applications of capital funding (D)</b>                         | <b>19,669</b>                       | <b>46,436</b>                       | <b>25,615</b>               |
| <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(5,116)</b>                      | <b>(5,241)</b>                      | <b>(7,861)</b>              |
| <b>Funding balance ((A - B) + (C - D))</b>                               | <b>-</b>                            | <b>-</b>                            | <b>-</b>                    |

# Water Supply

## Ara Tukutuku Wai

Our work in this area includes **Water Supply**.

### What we do

Through this activity, we are responsible for the efficient management of Council's water supply infrastructure across the rohe (district), including treatment plants, pump stations, reservoirs, and the reticulation network.

We develop, maintain, and manage the water supply network and its components such as pipes, valves, hydrants, pumps, and treatment plant equipment. We also address specific health concerns in the water supply and work on growth-driven infrastructure projects.

### How these activities improve wellbeing

This activity primarily contributes to environmental wellbeing, by delivering high-quality drinking water so that our communities are safe and healthy while promoting the sustainable use of resources. It also contributes to our economy by providing modern and robust water infrastructure, and cultural values are considered in the way we work.

Level of alignment to Community Outcomes



#### Cultural

We celebrate who we are



#### Economic

We support local prosperity



#### Social

We have well connected communities



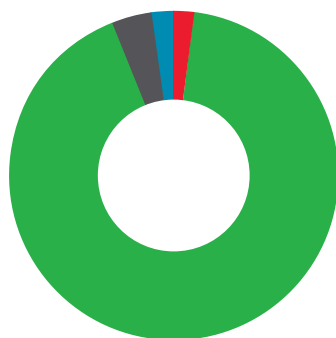
#### Environmental

Our environmental health underpins the health of our people

**Key** ● Contributes to ● Primary focus

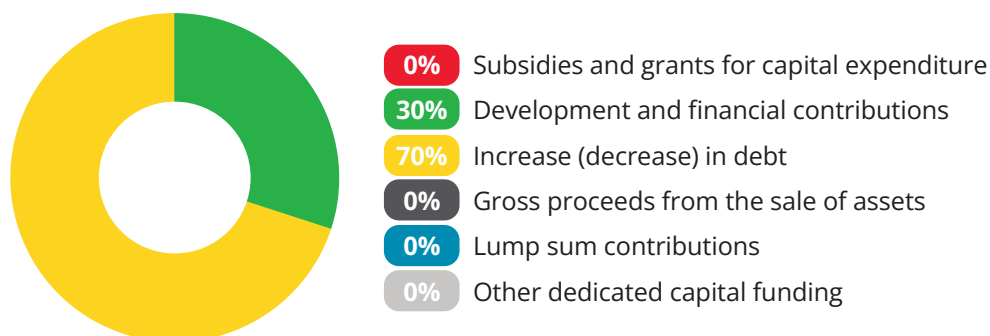
### How we paid for it

Water Supply - Operational Funding



- 2% General rates, uniform annual general charge, rates penalties
- 92% Targeted rates
- 0% Subsidies and grants for operating purposes
- 4% Fees and charges
- 2% Internal charges and overheads recovered
- 0% Local authorities fuel taxes, infringement fees and other receipts

## Water Supply - Capital Funding



## Key deliverables



Met all drinking water quality assurance rules, providing safe and compliant drinking water for the community.



Responded to urgent water supply faults or unplanned interruptions within a median attendance time of 28 minutes and resolved them within a median time of 83 minutes.



Responded to non-urgent water supply faults or unplanned interruptions within a median attendance time of 3 days and resolved them within a median time of 3 days.

## What we delivered

### Water Supply

These performance measure results are supplied by Watercare Services Limited, on behalf of Waikato District Council.

### Mandatory drinking water quality performance measures

Council has 12 drinking water supply areas across the Waikato district. Different drinking water quality rules apply to each supply area depending on the population that they service. For some supply areas, water is sourced from a water treatment plant outside of the district. When this occurs, the treatment rules apply to the water treatment plant the water is sourced from, not the zone it supplies.

The following table outlines the supply area and corresponding population, along with the applicable rules and water source.

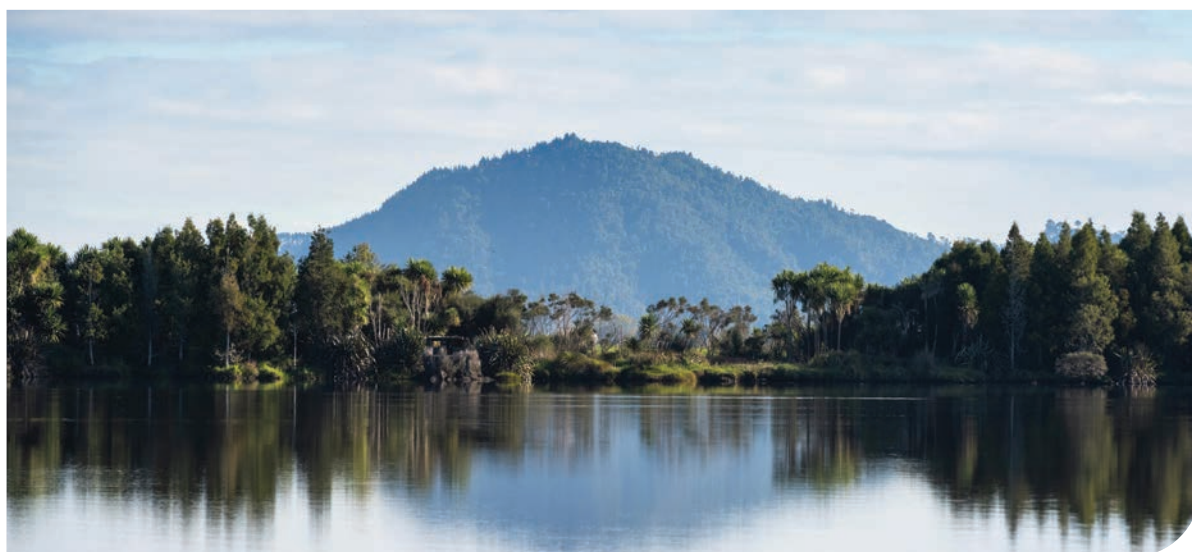
| Supply area           | Population | Applicable rules       | Notes                                                                                                                                            |
|-----------------------|------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Onewhero              | 32 people  | Level 1 rules (T1, D1) |                                                                                                                                                  |
| Te Aakau              | 49 people  | Level 1 rules (T1, D1) |                                                                                                                                                  |
| Northwestern district | 30 people  | Level 1 rules (D1)     | This supply area is sourced from a Hamilton City Council treatment plant. Treatment (T) rules only apply to the plant, not the zone it supplies. |
| Port Waikato          | 32 people  | Level 2 rules (T2, D2) |                                                                                                                                                  |

| Supply area       | Population   | Applicable rules       | Notes                                                                                                                                            |
|-------------------|--------------|------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------|
| Western district  | 119 people   | Level 2 rules (D2)     | This supply area is sourced from a Hamilton City Council treatment plant. Treatment (T) rules only apply to the plant, not the zone it supplies. |
| Huntly            | 8,551 people | Level 3 rules (T3, D3) |                                                                                                                                                  |
| Ngaaruawaahia     | 9,223 people | Level 3 rules (T3, D3) |                                                                                                                                                  |
| Raglan            | 5,559 people | Level 3 rules (T3, D3) |                                                                                                                                                  |
| Te Kauwhata       | 4,698 people | Level 3 rules (T3, D3) |                                                                                                                                                  |
| Pookeno           | 5,527 people | Level 3 rules (D3)     | This supply area is sourced from a Watercare Auckland treatment plant. Treatment (T) rules only apply to the plant, not the zone it supplies.    |
| Tuakau            | 5,594 people | Level 3 rules (D3)     | This supply area is sourced from a Watercare Auckland treatment plant. Treatment (T) rules only apply to the plant, not the zone it supplies.    |
| Southern district | 9,734 people | Level 3 rules (D3)     | This supply area is sourced from a Hamilton City Council treatment plant. Treatment (T) rules only apply to the plant, not the zone it supplies. |

\* Population numbers have been estimated using a standard calculation for population serviced, which is: active meters (as of 1 July 2025) × 2.7.

### Out of district water supply

| Water treatment plant          | Managed by            | Applicable rules | Supply areas                                                                               |
|--------------------------------|-----------------------|------------------|--------------------------------------------------------------------------------------------|
| Hamilton water treatment plant | Hamilton City Council | Level 3 (T3)     | This treatment plant supplies: Southern, Western, and Northwestern districts supply areas. |
| Waikato water treatment plant  | Watercare Auckland    | Level 3 (T3)     | This treatment plant supplies: Pookeno and Tuakau supply areas.                            |



The extent to which the Council's drinking water supply complies with the following parts of the drinking water quality assurance rules:

#### 2025/26: 100% **Achieved**

This measure is broken into ten parts with results, trend data and commentary included in the table below for each part.

#### 4.4 T1 Treatment Rules. \*

**2025/26 Target:** 100%

##### Commentary:

Onewhero

Bacterial compliance: All met

Protozoal compliance: All met

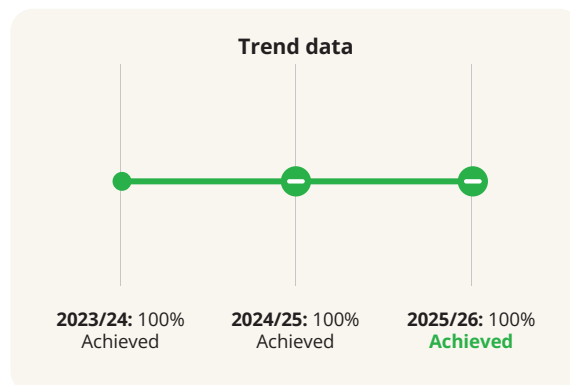
Te Aakau<sup>54,55,56</sup>

Bacterial compliance: All met<sup>57</sup>

Protozoal compliance: All met<sup>58</sup>

##### Northwestern district

Water is sourced from a Hamilton City Council treatment plant and therefore this treatment rule is not applicable to this supply area. Refer to Hamilton water treatment plant results.



#### 4.5 D1.1 Distribution System Rules. \*

**2025/26 Target:** 100%

##### Commentary:

Onewhero

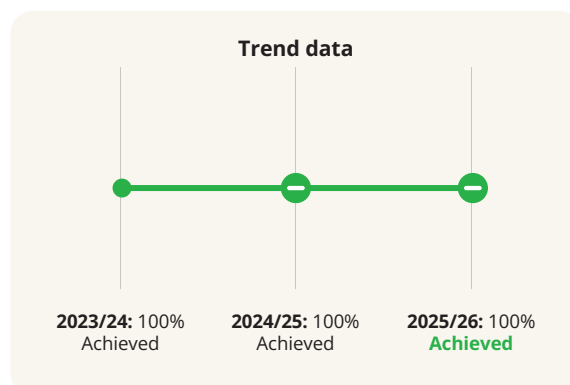
Bacterial compliance: All met

Te Aakau<sup>59</sup>

Bacterial compliance: All met<sup>60</sup>

##### Northwestern district

Bacterial compliance: All met



\* *Mandatory measure*

<sup>54</sup> On 17 February, chlorate measured 0.82 mg/L in the treated water at Te Aakau WTP, exceeding the DWSNZ MAV of 0.8 mg/L. Three days of follow-up sampling returned two results below 50% the MAV. Chlorate remains a risk under Rule T1.2. Chlorate will be sampled weekly at Te Aakau WTP for the remainder of the 2024-25 FY.

<sup>55</sup> On 6 April, chlorate measured 0.88 mg/L in the treated water at Te Aakau WTP, exceeding the DWSNZ MAV of 0.8 mg/L. Six days of follow-up sampling returned three results below 50% the MAV. Chlorate will be sampled weekly at Te Aakau WTP for the remainder of the 2024-25 FY.

<sup>56</sup> On 17 and 19 June, the chlorine residual at Te Aakau WTP measured 0.05 mg/L. This occurred after the sodium hypochlorite dose was reduced from 14 mg/L to 10 mg/L in response to chlorate levels exceeding 50% of the MAV. The dose was increased to 13 mg/L, and follow-up sampling confirmed chlorine residuals were restored.

<sup>57</sup> From August 2025, the Te Aakau WTP started supplying water from a newly constructed WTP to the Te Aakau community.

<sup>58</sup> From August 2025, the Te Aakau WTP started supplying water from a newly constructed WTP to the Te Aakau community.

<sup>59</sup> On 17 and 18 June, the chlorine residual at 561 Te Aakau Wharf Rd measured 0.03 mg/L and 0.05 mg/L, respectively. This occurred after the sodium hypochlorite dose was reduced from 14 mg/L to 10 mg/L in response to chlorate levels exceeding 50% of the MAV. The dose was increased to 13 mg/L, and follow-up sampling confirmed chlorine residuals were restored.

<sup>60</sup> From August 2025, the Te Aakau WTP started supplying water from a newly constructed WTP to the Te Aakau community.

#### 4.7.1 T2 Treatment Monitoring Rules. \*

**2025/26 Target:** 100%

**Commentary:**

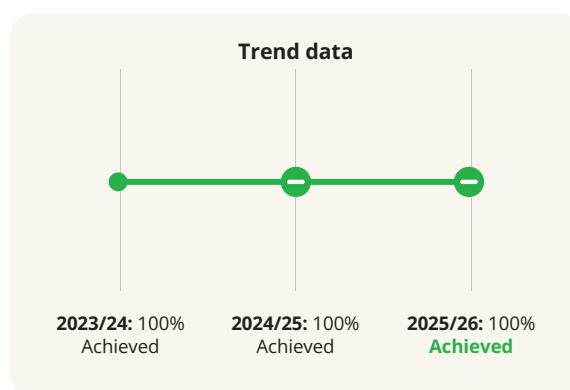
**Port Waikato**

Bacterial compliance: All met

Protozoal compliance: All met

**Western district**

Water is sourced from a Hamilton City Council treatment plant and therefore this treatment rule is not applicable to this supply. Refer to Hamilton water treatment plant results.



#### 4.7.2 T2 Filtration Rules. \*

**2025/26 Target:** 100%

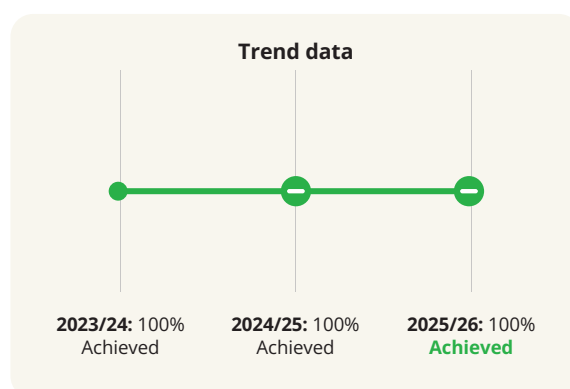
**Commentary:**

**Port Waikato**

Protozoal compliance: All met

**Western district**

Water is sourced from a Hamilton City Council treatment plant and therefore this treatment rule is not applicable to this supply. Refer to Hamilton water treatment plant results.



#### 4.7.3 T2 UV Rules. \*

**2025/26 Target:** 100%

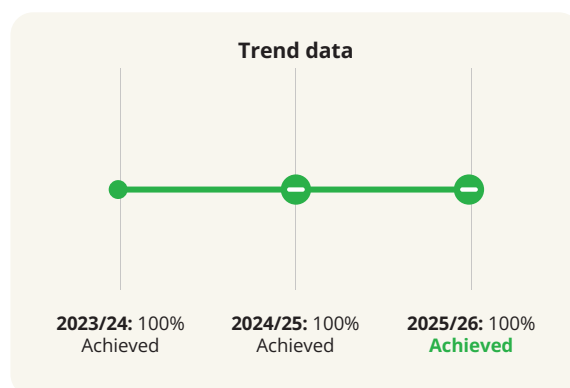
**Commentary:**

**Port Waikato**

Protozoal compliance: All met

**Western district**

Water is sourced from a Hamilton City Council treatment plant and therefore this treatment rule is not applicable to this supply. Refer to Hamilton water treatment plant results.



#### 4.7.4 T2 Chlorine Rules. \*

**2025/26 Target:** 100%

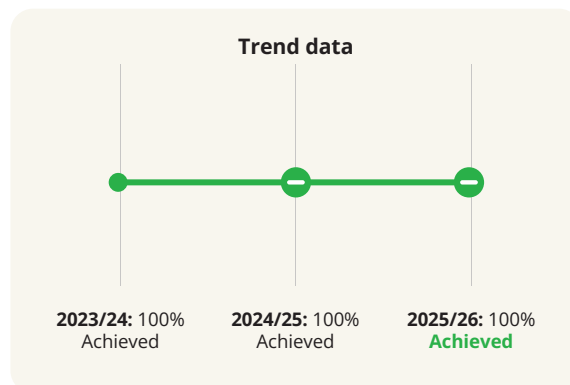
**Commentary:**

**Port Waikato**

Bacterial compliance: All met

**Western district**

Water is sourced from a Hamilton City Council treatment plant and therefore this treatment rule is not applicable to this supply. Refer to Hamilton water treatment plant results.



\* Mandatory measure

#### 4.8 D2.1 Distribution System Rule. \*

**2025/26 Target:** 100%

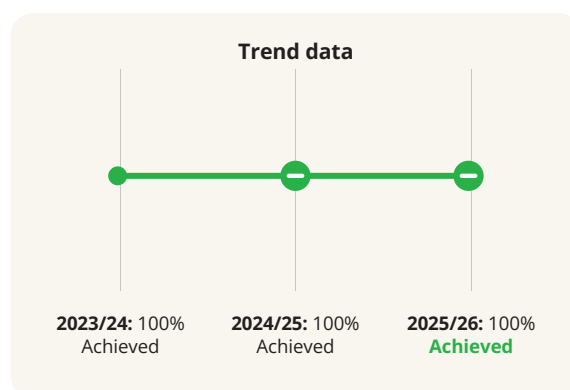
**Commentary:**

**Port Waikato**

Bacterial compliance: All met

**Western district**

Bacterial compliance: All met



#### 4.10.1 T3 Bacterial Rules. \*

**2025/26 Target:** 100%

**Commentary:**

**Huntly**

Bacterial compliance: All met<sup>61</sup>

**Ngaaruawaahia**

Bacterial compliance: All met<sup>62</sup>

**Raglan**

Bacterial compliance: All met<sup>63, 64</sup>

**Te Kauwhata**

Bacterial compliance: All met<sup>65</sup>

**Pookeno**

Water is sourced from a Watercare Auckland treatment plant and therefore this treatment rule is not applicable to this supply. Refer to Waikato water treatment plant results.

**Tuakau**

Water is sourced from a Watercare Auckland treatment plant and therefore this treatment rule is not applicable to this supply. Refer to Waikato water treatment plant results.

**Southern district**

Water is sourced from a Hamilton City Council treatment plant and therefore this treatment rule is not applicable to this supply. Refer to Hamilton water treatment plant results.

**Hamilton water treatment plant**

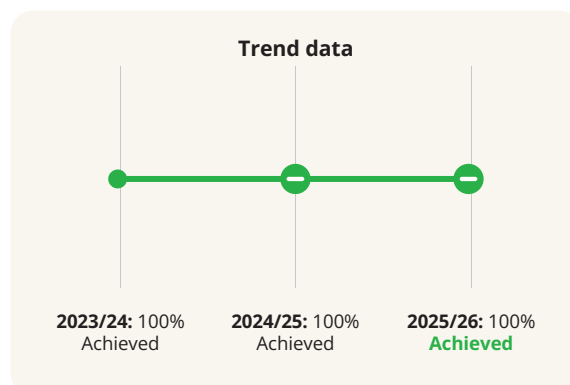
This treatment plant supplies: Southern, Western, and Northwestern districts supply areas.

Bacterial compliance: All met

**Waikato water treatment plant**

This treatment plant supplies: Pookeno and Tuakau supply areas.

Bacterial compliance: All met



\* *Mandatory measure*

<sup>61</sup> On 25 November, sample flow to the chlorine analysers was interrupted during the annual backflow prevention test. This caused a false FACe reading <0.2 mg/L. Compliance was not compromised because the low reading was due to the temporary loss of sample flow, not an actual drop in chlorine residual.

<sup>62</sup> On 22 October, the combined turbidity filter lost sample flow, resulting in a false high reading > 1.0 NTU. Compliance was not compromised as UV B remained in service and compliant as a secondary bacterial barrier.

<sup>63</sup> On 6 September, a fault in the reservoir level transmitter caused the plant to stop production, and the reservoir level dropped to 22%. At this level, the Ct value fell below the required limit, and the loss of sample flow led to a false turbidity reading of > 2 NTU. Compliance was not compromised as UV remained in service and compliant as a secondary bacterial barrier.

<sup>64</sup> On 10 May, a low FAC alarm caused the plant to shut down. Due to a communications outage, no alarms were received and the plant could not restart. While the plant was shut down, the treated water reservoir ran empty, and the Ct value fell below the required limit. Compliance was not compromised as UV remained in service and compliant as a secondary bacterial barrier.

<sup>65</sup> On 17 September, the UV outlet valve was opened to allow treated water to refill the reactor while the system was offline. Compliance was not compromised as the inlet valve remained closed, preventing the entry of untreated water. FAC and turbidity levels remained within compliance parameters during the event.

#### 4.10.2 T3 Protozoal Rules. \*

**2025/26 Target:** 100%

##### **Commentary:**

##### **Huntly**

Protozoal compliance: All met<sup>66</sup>

##### **Ngaaruawaahia**

Protozoal compliance: All met<sup>67,68,69,70</sup>

##### **Raglan**

Protozoal compliance: All met<sup>71,72</sup>

##### **Te Kauwhata**

Protozoal compliance: All met<sup>73,74</sup>

##### **Pookeno**

Water is sourced from a Watercare Auckland treatment plant and therefore this treatment rule is not applicable to this supply area. Refer to Waikato water treatment plant results.

##### **Tuakau**

Water is sourced from a Watercare Auckland treatment plant and therefore this treatment rule is not applicable to this supply area. Refer to Waikato water treatment plant results.

##### **Southern district**

Water is sourced from a Hamilton City Council treatment plant and therefore this treatment rule is not applicable to this supply area. Refer to Hamilton water treatment plant results.

##### **Hamilton water treatment plant**

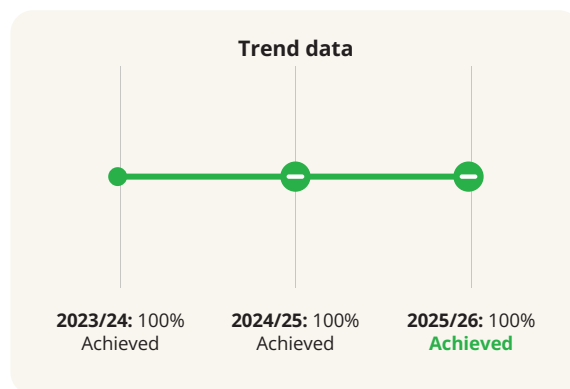
This treatment plant supplies: Southern, Western, and Northwestern districts supply areas.

Protozoal compliance: All met

##### **Waikato water treatment plant**

This treatment plant supplies: Pookeno and Tuakau supply areas.

Protozoal compliance: All met



\* *Mandatory measure.*

<sup>66</sup> On 10 February, UV #2 delivered less than the specified dose for 18 minutes. While undertaking UV sensor verifications, filtered water passed through UV #2 while the unit was not ready to accept flow. Compliance was not compromised, as the required UV dose was delivered for 98.75% of the day, meeting the 95% requirement of Rule T3.86.

<sup>67</sup> Between 14 and 29 July, the filter turbidity set points were adjusted to extend filter run times and increase plant production in response to changes in the quality of water from the Waikato River. Compliance was not compromised as UV remained in service and compliant as a secondary barrier.

<sup>68</sup> On 1 and 8 August, the filter turbidity set points were adjusted to extend filter run times and increase plant production in response to changes in the quality of water from the Waikato River. Compliance was not compromised as UV remained in service and compliant as a secondary barrier.

<sup>69</sup> On 28 February, while out of service, Filter 1 was manually opened and closed to reset a fault. While fully open, flow reached the turbidity analyser causing a spike in turbidity of 0.1066 NTU. Compliance was not compromised as Filter 1 was out of service on this day.

<sup>70</sup> On 25 June, the filter turbidity set points for Filter 1 were adjusted to allow the filter to be returned to service earlier in order to meet production demands. Compliance was not compromised as UV remained in service and compliant as a secondary barrier.

<sup>71</sup> On 29 and 30 November, the turbidity analyser for Filter 2 lost sample flow when production stopped after the storage reservoir reached its high-level limit. This caused inaccurate turbidity readings. **Filtration log credits are not claimed for Raglan WTP.**

<sup>72</sup> On 1 December, the turbidity analyser for Filter 2 lost sample flow when production stopped after the storage reservoir reached its high-level limit. This caused inaccurate turbidity readings. This is a continuation of the non-compliant results seen on 29 and 30 November. **Filtration log credits are not claimed for Raglan WTP.**

<sup>73</sup> On 17 September, the UV outlet valve was opened to allow treated water to refill the reactor while the system was offline. Compliance was not compromised as the inlet valve remained closed, preventing the entry of untreated water. FAC and turbidity levels remained within compliance parameters during the event.

<sup>74</sup> On 24 January, the outlet valve of Filter 3 was manually opened and closed to reset a fault. While fully open, flow reached the turbidity analyser causing a spike in turbidity of 0.1011 NTU for 1 minute and 29 seconds. Compliance was not compromised as UV remained in service and compliant as a secondary barrier.

#### 4.11.5 D3.29 Microbiological Monitoring Rule. \*

**2025/26 Target:** 100%

**Commentary:**

**Huntly**

Bacterial compliance: All met

**Ngaaruawaahia**

Bacterial compliance: All met

**Raglan**

Bacterial compliance: All met

**Te Kauwhata**

Bacterial compliance: All met

**Pookeno**

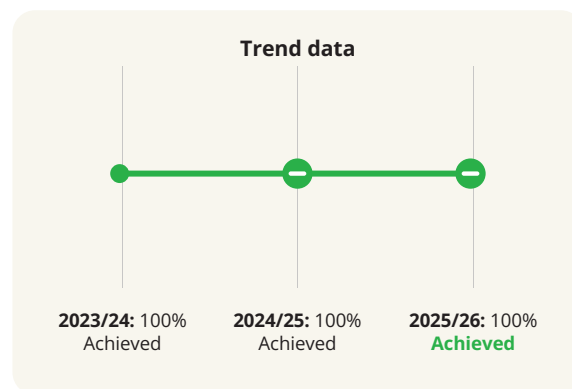
Bacterial compliance: All met

**Tuakau**

Bacterial compliance: All met

**Southern district:**

Bacterial compliance: All met



**Note:** The trend data included above for 2023/24 has been sourced from internal Council reporting systems. This data has not been subject to independent audit by The Audit Office. In addition, 2023/24 results sourced from Hamilton City Council and Watercare Auckland have also not been subject to independent audit by The Audit Office.

\* Mandatory measure.

#### Source data and judgements

Council is using Watercare Services Limited to provide daily, weekly and monthly compliance summaries against a subset of the rules and are aligned with the reporting requirements set out in the Drinking Water Quality Assurance Rules. These reports are uploaded to the Hinekōrako portal.

Compliance is monitored and reported through online monitoring along with a sampling regime, with minimum samples specified for various zones. Council adhered to the minimum sampling requirements and in some zones, exceeded the sampling requirements. Additional sampling is undertaken in situations where the Maximum Acceptable Value (MAV) of a determinant has been exceeded. Compliance against the DWQAR was independently assessed and verified by Wai Comply Limited.

The result has been calculated in accordance with the methodology and calculations indicated in DIA's Supporting guidance for drinking water. The scale being applied (as per DIA's guidance) is: All met (100%), Almost met (95-99%), Partially met (1-94%), None met (0%).

The DWQAR can be found here <https://www.taumataarowai.govt.nz/assets/Drinking-Water-Supplier/Drinking-Water-Quality-Assurance-Rules-2022-Released-25-July-2022.pdf>

Please note the below-mentioned E. coli event does not impact WDCs compliance, as E. coli was detected within the Hamilton City distribution zone. The Hamilton Water Treatment Plant (WTP) achieved compliance with the level 3 Bacteriological reporting measures. This is not required to be reported under Microbiological rule D3.29 rules and is for information only, which is why it's not sitting alongside any particular measure.

#### Hamilton City Council E. coli Event:

On 4 October, a routine water test at the Rototuna reservoir showed a single positive result for E. coli. On advice from Taumata Arowai, Hamilton City Council issued a precautionary boil water notice for properties supplied by Rototuna Reservoir, while further testing was carried out.

The notice affected Waikato District residents in Gordonton and Puketaha, who receive Hamilton-supplied water through the Crosby Road connection.

After three clear test results and ongoing investigations, the boil water notice was lifted on 7 October. No issues or treatment failures were identified at Hamilton City Council WTP.

### Te Aakau WTP Chlorine update:

Following low FAC events in June 2026 and ongoing chlorate issues, it was decided that chlorine will be removed as a treatment requirement at Te Aakau WTP. As a Level 1 WTP, chlorine disinfection is not a mandatory treatment requirement.

Chlorine dosing will continue at a reduced rate to support ammonia oxidation and maintain a chlorine residual within the distribution network. This will help preserve water quality and reduce the risk of contamination by E. coli and Total Coliforms. Weekly chlorate testing at the WTP will continue for the foreseeable future.

**Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response time.**

**Attendance for non-urgent callouts: from the time that Council receives notification to the time that service personnel reach the site \* \*\* <sup>75</sup>**

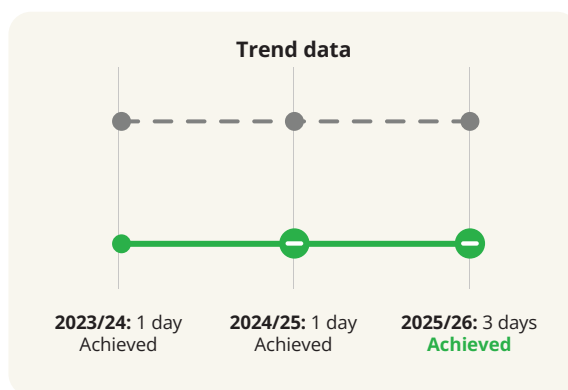
**2025/26 Target:** ≤5 Days

**Commentary:** The median attendance time for non-urgent call-outs has increased significantly from one day in 2024/25 to three days in 2025/26. Staff continue to focus on improving performance in this area. The location and frequency of call-outs can impact the overall performance.

Work has been undertaken to improve the data accuracy in our reporting system. The reporting upgrades have resulted in a higher result compared to previous years, however this is a more accurate reflection of the data.

**Note:** Watercare's contractual response timeframes are more stringent than the Department of Internal Affairs (DIA) performance measure requirements, which contributed to attendance times remaining well within the five-day target.

**\*\*** Call outs included in this performance measure are categorised as a 5-day routine response type as outlined in the service level timeframes table.



\* Mandatory measure

<sup>75</sup> A non-urgent call-out is where there is still a supply of drinking water e.g. water meter inspection, slow leaks. This measure reflects the time taken from notification to attending on-site.

Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response time.

**Attendance for urgent callouts: from the time that Council receives notification to the time that service personnel reach the site.\* \*\* 76**

**2025/26 Target:** ≤60 minutes

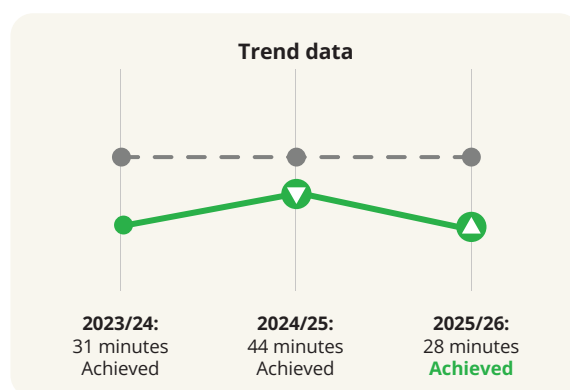
**Commentary:** The median attendance time for urgent call-outs has decreased from 44 minutes in 2024/25 to 28 minutes in 2025/26. Staff continue to focus on improving performance in this area.

The location and frequency of call-outs can impact the overall performance.

The change in result between years is not deemed as significant as there is always a level of change expected due to weather events, maintenance and renewals, growth and network demand.

**Note:** Watercare's contractual response timeframes are more stringent than the Department of Internal Affairs (DIA) performance measure requirements, contributing to attendance times remaining well below the 60-minute target.

**\*\* Call outs included in this performance measure are categorised as a 1-hour urgent response type as outlined in the service level timeframes table.**



Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response time.

**Resolution of non-urgent callouts: from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption. \* \*\* 77**

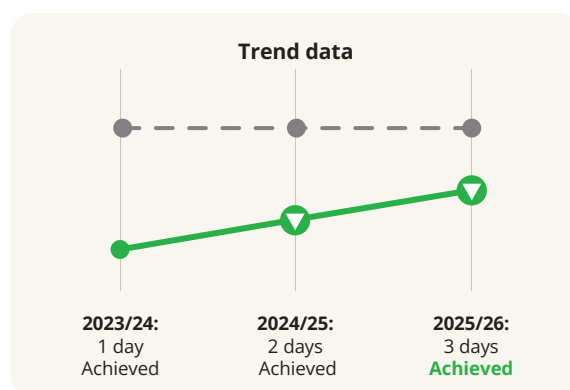
**2025/26 Target:** ≤5 Days

**Commentary:** The median resolution time for non-urgent call-outs has increased from two days in 2024/25 to three days in 2025/26. Staff continue to focus on improving performance in this area. The location and frequency of call-outs can impact the overall performance.

Work has been undertaken to improve the data accuracy in our reporting system. The reporting upgrades have resulted in a higher result compared to previous years, however this is a more accurate reflection of the data.

**Note:** Watercare's contractual response timeframes are more stringent than the Department of Internal Affairs (DIA) performance measure requirements, contributing to faults and service requests being resolved within the five-day target.

**\*\* Call outs included in this performance measure are categorised as a 5-day routine response type as outlined in the service level timeframes table.**



\* Mandatory measure

<sup>76</sup> An urgent call-out is due to a complete loss of supply of drinking water, significant leakage, or high levels of turbidity. This measure reflects the time taken from notification to attending on-site.

<sup>77</sup> A non-urgent call-out is where there is still a supply of drinking water e.g. water meter inspection, slow leaks. This measure reflects the time taken from arriving on site to resolution of the request e.g. inspection completed, or leak repaired.

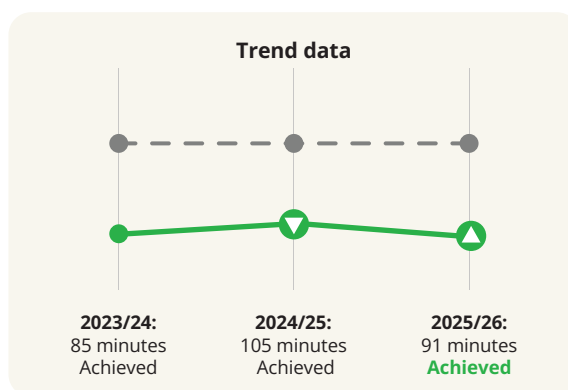
Where Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the median response time.

**Resolution of urgent callouts:** from the time that Council receives notification to the time that service personnel confirm resolution of the fault or interruption. \* \*\* <sup>78</sup>

**2025/26 Target:** ≤240 minutes

**Commentary:** The median resolution time for urgent call-outs has decreased from 105 minutes in 2024/25 to 91 minutes in 2025/26. Staff continue to focus on improving performance in this area. The location and frequency of call outs can impact the overall performance.

**\*\*** Call outs included in this performance measure are categorised as a 4-hour urgent response type as outlined in the service level timeframes table.



**The total number of complaints received by Council on drinking water clarity, drinking water taste, drinking water odour, drinking water pressure or flow, continuity of supply, and Council's response to any of these issues, expressed per 1,000 connections to Council's networked reticulation system. \***

**2025/26 Target:** Less than or equal to 25 per 1,000 connections

**Commentary:** A total of 261 complaints were received this year which is a slight decrease from the 2024/25 result of 278 complaints. The complaints this year included 149 complaints relating to drinking water quality<sup>79</sup>, 55 relating to drinking water quantity/pressure<sup>80</sup> and 57 relating to a customer in an urban area experiencing periods when water was not available.

There has been a significant increase in complaints about drinking water quality from 73 last year to 149 this year, while there has been a reduction in complaints about drinking water quantity/pressure from 151 last year to 55 this year.

Of the 149 complaints received relating to drinking water quality, these are broken down by township as follows:

- Huntly (82)
- Te Kauwhata (36)
- Ngaaruawaahia (11)
- Taupiri (eight)
- Tuakau (four)
- Pookeno (three)
- Meremere (three)
- Raglan (two).

There has been an increase in complaints from Huntly and Te Kauwhata residents compared to the prior year. All but two of the Te Kauwhata complaints were related to a single incident.

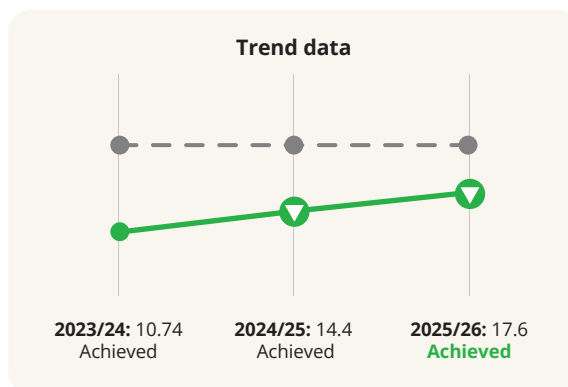
The majority of the Huntly complaints were related to the mechanical water main cleaning process. This process was undertaken as there had been an increased amount of complaints last year from Huntly residents relating to the high levels of manganese in the water which can sometimes cause the water to discolour, despite it being safe to drink. The water mains flushing process was undertaken to remove excess iron and manganese deposits from the walls of the pipes.

\* *Mandatory measure*

<sup>78</sup> An urgent call-out is due to a complete loss of supply of drinking water, significant leakage, or high levels of turbidity. This measure reflects the time taken from arriving on-site to resolution of the request e.g. restoration of water or repair of leak.

<sup>79</sup> Drinking water clarity, drinking water taste and drinking water odour.

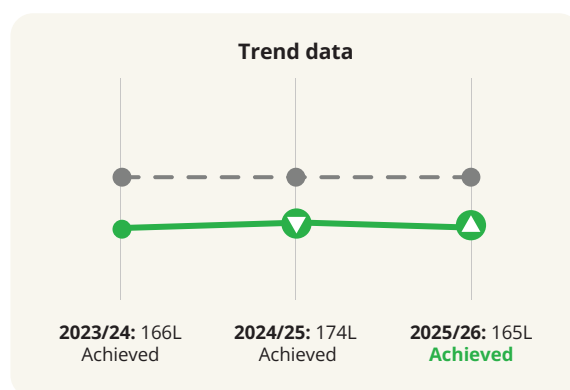
<sup>80</sup> Drinking water pressure or flow and continuity of supply.



### The average consumption of drinking water per day per resident within the Waikato district. \* <sup>81</sup>

**2025/26 Target:** 250L

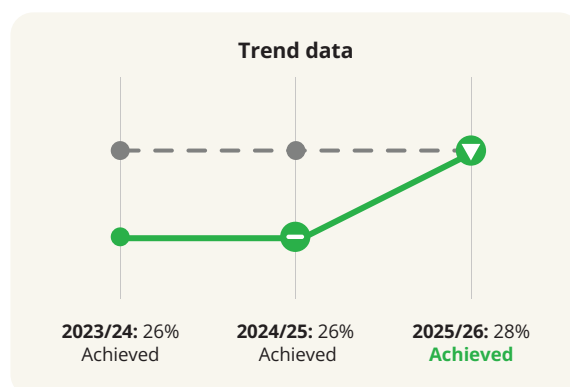
**Commentary:** The average consumption of drinking water per resident in the Waikato district was 165 litres per day in 2025/26, remaining relatively stable compared with recent years. Consumption continues to be well below the target, indicating that residents are using water efficiently. This result is likely influenced by a combination of factors, including increasing water costs, greater awareness of personal water use, and increased public awareness of summer water restrictions through Council communications. It is also worth noting that the target is below the national average per capita water consumption of 281 litres per day, highlighting the district's comparatively low level of water use.



### The percentage of real water loss from Council's networked reticulation system (including a description of the methodology used to calculate this). \*

**2025/26 Target:** 28%

**Commentary:** Council's water supply is sourced from a range of consented sources, including the Waikato River, groundwaters sources and the Maraetai Stream in Port Waikato. These sources are treated to meet drinking water standards before being supplied to households and businesses across the district.



All customers connected to the network have water meters, which support billing, encourage efficient water use and assist with leak detection. Leakage is calculated by comparing the total volume of water produced by treatment plants with the volume of water used for network operations and recorded by customer meters. The difference between these volumes represents water that is unaccounted for within the network, including the losses from leaks, unauthorised use and other factors within the reticulation system.

\* *Mandatory measure*

<sup>81</sup> A current Department of Internal Affairs (DIA) mandatory measure to provide information on whether the water supply system is being managed to ensure demand does not outstrip capacity. Careful management of the demand for water is an important component of integrated water resources management to ensure that demand does not exceed capacity, that water is allocated efficiently, and that productivity is maximised. We continue to use Statistics NZ's 2018 medium projections for population which include consumers living in commercial rest homes, hotels and hospitals, and other similar dwellings. We use multiplier 2.7 occupants per dwelling for the current number of connected dwellings (metered and rates based) and exclude the large-scale commercial users.

## Significant negative effects

| Significant negative effect                                                                                            | Mitigation                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------|
| Discharges of backwash water from treatment plants and chlorinated water from maintenance activities or pipe failures. | Compliance with resource consents, Council's engineering standards and guidelines and maintenance programme.   |
| Effects on river ecology caused by river water extraction during low flows.                                            | Compliance with resource consents.                                                                             |
| Depletion of aquifer resources.                                                                                        | Compliance with resource consents.                                                                             |
| Health and safety risks associated with the operation, maintenance or construction of water supply infrastructure.     | Ensure compliance with legislation and health and safety management plans. Maintain an incidents register.     |
| Insufficient water supplies during times of drought or emergency.                                                      | Ensure water sources security and identify potential new sources and back-up supplies as per WSP.              |
| Drinking water not meeting Drinking Water Standard 2005 (Revised 2018).                                                | Continue to monitor water quality and improve process, if necessary, as per WSP. (May be capital related).     |
| Inadequate pressure, insufficient fire flow capabilities, and failure to complete remedial works.                      | Carry out modelling/pressure testing and implement.                                                            |
| Water abstraction from streams and rivers can have an adverse effect on the mauri of the water body.                   | Continue to better identify the cultural significance of water catchments through resource consent conditions. |
| Insufficient water available during times of drought and emergencies.                                                  | Implement conservation measures and prioritise use for public health requirements.                             |



## Funding impact statement

|                                                                          | 2024/25<br>Long Term Plan<br>\$'000 | 2025/26<br>Long Term Plan<br>\$'000 | 2025/26<br>Actual<br>\$'000 |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|
| <b>Sources of operating funding</b>                                      |                                     |                                     |                             |
| General rates, uniform annual general charge, rates penalties            | 377                                 | -                                   | 342                         |
| Targeted rates                                                           | 15,576                              | 18,289                              | 18,852                      |
| Subsidies and grants for operating purposes                              | -                                   | -                                   | -                           |
| Fees and charges                                                         | 123                                 | 1,197                               | 800                         |
| Internal charges and overheads recovered                                 | 300                                 | 517                                 | 442                         |
| Local authorities fuel tax, fines, infringement fees, and other receipts | -                                   | 222                                 | (1)                         |
| <b>Total operating funding (A)</b>                                       | <b>16,376</b>                       | <b>20,225</b>                       | <b>20,435</b>               |
| <b>Applications of operating funding</b>                                 |                                     |                                     |                             |
| Payments to staff and suppliers                                          | 10,273                              | 10,528                              | 13,232                      |
| Finance costs                                                            | -                                   | -                                   | -                           |
| Internal charges and overheads applied                                   | 3,212                               | 5,408                               | 4,562                       |
| Other operating funding applications                                     | 74                                  | 996                                 | 673                         |
| <b>Total applications of operating funding (B)</b>                       | <b>13,559</b>                       | <b>16,933</b>                       | <b>18,467</b>               |
| <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>2,817</b>                        | <b>3,293</b>                        | <b>1,968</b>                |
| <b>Sources of capital funding</b>                                        |                                     |                                     |                             |
| Subsidies and grants for capital expenditure                             | -                                   | -                                   | -                           |
| Development and financial contributions                                  | 2,955                               | 2,499                               | 3,071                       |
| Increase (decrease) in debt                                              | 3,262                               | 8,374                               | 7,141                       |
| Gross proceeds from the sale of assets                                   | -                                   | -                                   | -                           |
| Lump sum contributions                                                   | -                                   | -                                   | -                           |
| Other dedicated capital funding                                          | 226                                 | 222                                 | -                           |
| <b>Total sources of capital funding (C)</b>                              | <b>6,443</b>                        | <b>11,095</b>                       | <b>10,212</b>               |
| <b>Applications of capital funding</b>                                   |                                     |                                     |                             |
| Capital expenditure                                                      |                                     |                                     |                             |
| - to meet additional demand                                              | 11,116                              | 11,164                              | 3,592                       |
| - to improve the level of service                                        | 3,202                               | 8,195                               | 5,988                       |
| - to replace existing assets                                             | 2,279                               | 9,837                               | 10,801                      |
| Increase (decrease) in reserves                                          | (7,337)                             | (14,809)                            | (8,202)                     |
| Increase (decrease) in investments                                       | -                                   | -                                   | -                           |
| <b>Total applications of capital funding (D)</b>                         | <b>9,260</b>                        | <b>14,387</b>                       | <b>12,179</b>               |
| <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(2,817)</b>                      | <b>(3,293)</b>                      | <b>(1,968)</b>              |
| <b>Funding balance ((A - B) + (C - D))</b>                               | <b>-</b>                            | <b>-</b>                            | <b>-</b>                    |

# Organisational Support

## Tautoko aa-Toopuutanga

Our work in this area includes **Communications, Marketing, and Engagement, Corporate Planning and Strategy, Finance, Legal, Procurement, and Contracts, Information Management, People and Capability, and Projects and Innovation.**

### What we do

This activity is at the core of Council's operations. These internal facing teams work together behind the scenes to enable our customer facing teams to deliver services to our communities. These activities play a key role in moving Council and the district forward, making services more efficient and cost effective for ratepayers, and fostering continuous improvement.

### How these activities improve wellbeing

These activities help to support and contribute to all four of our community outcomes, by working behind the scenes to support our customer-facing teams and ensuring that we are a well-functioning, legally compliant, and efficient organisation.

Level of alignment to Community Outcomes



#### Cultural

We celebrate who we are



#### Economic

We support local prosperity



#### Social

We have well connected communities



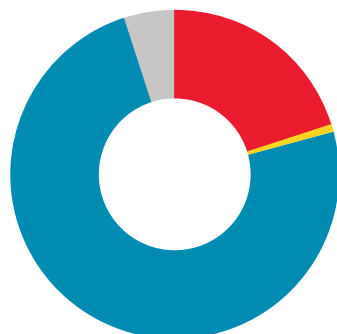
#### Environmental

Our environmental health underpins the health of our people

Key ● Contributes to ● Primary focus

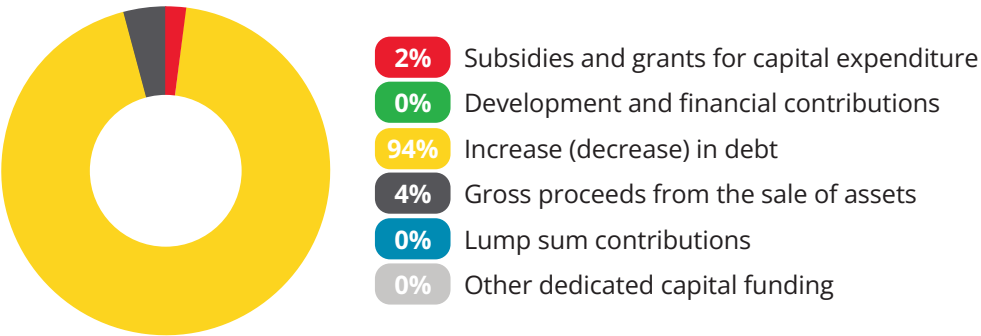
### How we paid for it

Organisational Support - Operational Funding



- 20%** General rates, uniform annual general charge, rates penalties
- 0%** Targeted rates
- 1%** Subsidies and grants for operating purposes
- 0%** Fees and charges
- 74%** Internal charges and overheads recovered
- 5%** Local authorities fuel taxes, infringement fees and other receipts

Organisational Support - Capital Funding

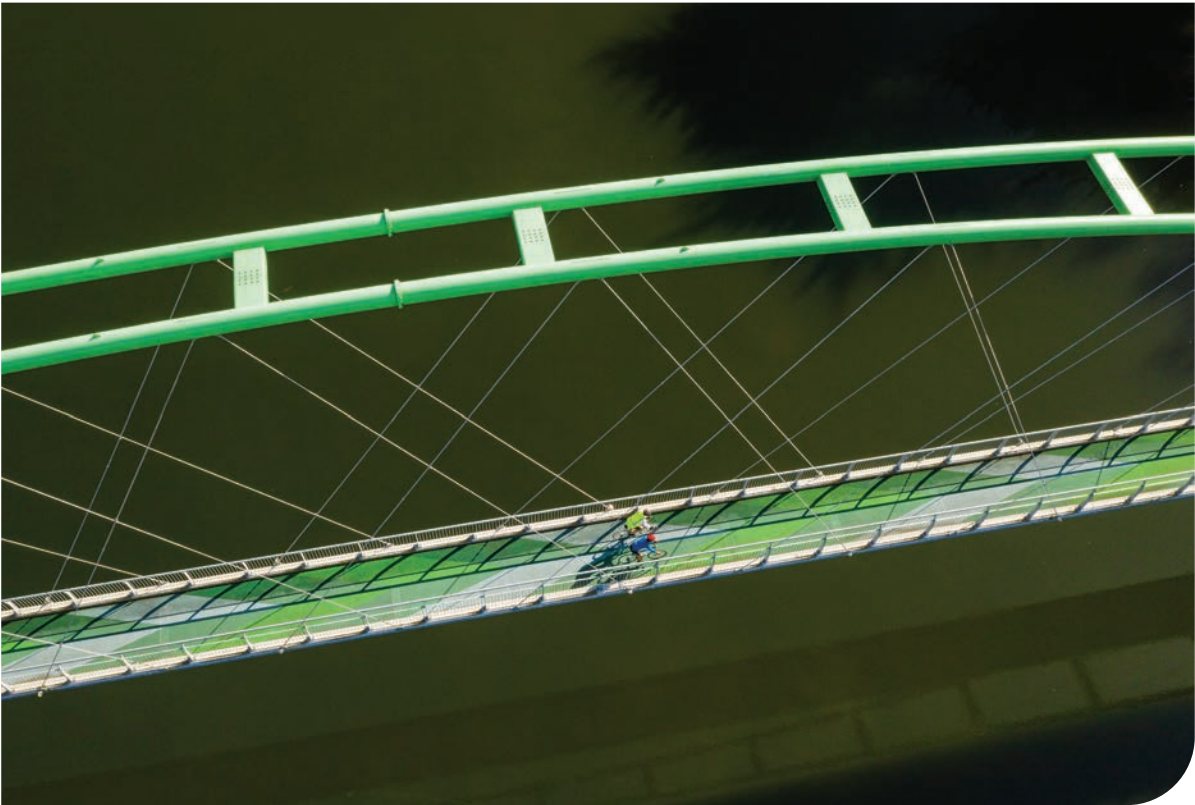


What we delivered

There are no organisational support performance measures as this group of activities is an enabler to our external activities.

Significant negative effects

| Significant negative effect                                                                              | Mitigation |
|----------------------------------------------------------------------------------------------------------|------------|
| There are no significant negative effects identified for the Organisational Support group of activities. |            |



## Funding impact statement

|                                                                          | 2024/25<br>Long Term Plan<br>\$'000 | 2025/26<br>Long Term Plan<br>\$'000 | 2025/26<br>Actual<br>\$'000 |
|--------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-----------------------------|
| <b>Sources of operating funding</b>                                      |                                     |                                     |                             |
| General rates, uniform annual general charge, rates penalties            | 10,316                              | 9,925                               | 12,848                      |
| Targeted rates                                                           | -                                   | -                                   | -                           |
| Subsidies and grants for operating purposes                              | -                                   | -                                   | 937                         |
| Fees and charges                                                         | -                                   | 20                                  | 84                          |
| Internal charges and overheads recovered                                 | 39,760                              | 55,641                              | 46,385                      |
| Interest and dividends from investments                                  | -                                   | 660                                 | -                           |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 802                                 | 757                                 | 2,912                       |
| <b>Total operating funding (A)</b>                                       | <b>50,878</b>                       | <b>67,003</b>                       | <b>63,166</b>               |
| <b>Applications of operating funding</b>                                 |                                     |                                     |                             |
| Payments to staff and suppliers                                          | 24,299                              | 33,009                              | 36,106                      |
| Finance costs                                                            | 8,468                               | 11,469                              | 11,068                      |
| Internal charges and overheads applied                                   | 9,931                               | 17,228                              | 11,520                      |
| Other operating funding applications                                     | 1,823                               | 3,851                               | 6,320                       |
| <b>Total applications of operating funding (B)</b>                       | <b>44,521</b>                       | <b>65,557</b>                       | <b>65,014</b>               |
| <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>6,357</b>                        | <b>1,445</b>                        | <b>(1,848)</b>              |
| <b>Sources of capital funding</b>                                        |                                     |                                     |                             |
| Subsidies and grants for capital expenditure                             | -                                   | -                                   | 150                         |
| Development and financial contributions                                  | -                                   | -                                   | -                           |
| Increase (decrease) in debt                                              | 11,720                              | 41,098                              | 7,731                       |
| Gross proceeds from the sale of assets                                   | 460                                 | -                                   | 302                         |
| Lump sum contributions                                                   | -                                   | -                                   | -                           |
| Other dedicated capital funding                                          | -                                   | -                                   | -                           |
| <b>Total sources of capital funding (C)</b>                              | <b>12,180</b>                       | <b>41,098</b>                       | <b>8,183</b>                |
| <b>Applications of capital funding</b>                                   |                                     |                                     |                             |
| Capital expenditure                                                      |                                     |                                     |                             |
| - to meet additional demand                                              | 6,506                               | 3,445                               | 1,085                       |
| - to improve the level of service                                        | 28                                  | 795                                 | 762                         |
| - to replace existing assets                                             | 2,624                               | 4,811                               | 3,197                       |
| Increase (decrease) in reserves                                          | 8,753                               | 30,823                              | 3,374                       |
| Increase (decrease) in investments                                       | 626                                 | 2,669                               | (2,082)                     |
| <b>Total applications of capital funding (D)</b>                         | <b>18,537</b>                       | <b>42,543</b>                       | <b>6,336</b>                |
| <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(6,357)</b>                      | <b>(1,445)</b>                      | <b>1,848</b>                |
| <b>Funding balance ((A - B) + (C - D))</b>                               | <b>-</b>                            | <b>-</b>                            | <b>-</b>                    |

## Funding impact statement Whole of Council

|                                                                          | 2024/25<br>Annual Plan<br>\$'000 | 2024/25<br>Actual<br>\$'000 | 2025/26<br>Long Term<br>Plan<br>\$'000 | 2025/26<br>Actual<br>\$'000 |
|--------------------------------------------------------------------------|----------------------------------|-----------------------------|----------------------------------------|-----------------------------|
| <b>Sources of operating funding</b>                                      |                                  |                             |                                        |                             |
| General rates, uniform annual general charge, rates penalties            | 97,366                           | 101,991                     | 105,161                                | 107,231                     |
| Targeted rates                                                           | 45,299                           | 48,476                      | 52,781                                 | 55,504                      |
| Subsidies and grants for operating purposes                              | 16,471                           | 12,062                      | 13,635                                 | 15,656                      |
| Fees and charges                                                         | 19,815                           | 15,496                      | 25,105                                 | 19,818                      |
| Interest and dividends from investments                                  | 660                              | 3,344                       | 660                                    | 1,519                       |
| Local authorities fuel tax, fines, infringement fees, and other receipts | 10,535                           | 11,074                      | 10,550                                 | 9,498                       |
| <b>Total operating funding (A)</b>                                       | <b>190,146</b>                   | <b>192,443</b>              | <b>207,891</b>                         | <b>209,226</b>              |
| <b>Applications of operating funding</b>                                 |                                  |                             |                                        |                             |
| Payments to staff and suppliers                                          | 158,198                          | 149,855                     | 159,066                                | 158,560                     |
| Finance costs                                                            | 9,346                            | 12,518                      | 11,469                                 | 11,068                      |
| Other operating funding applications                                     | 6,834                            | 5,333                       | 8,272                                  | 9,423                       |
| <b>Total applications of operating funding (B)</b>                       | <b>174,378</b>                   | <b>167,706</b>              | <b>178,807</b>                         | <b>179,051</b>              |
| <b>Surplus (deficit) of operating funding (A - B)</b>                    | <b>15,768</b>                    | <b>24,737</b>               | <b>29,084</b>                          | <b>30,175</b>               |
| <b>Sources of capital funding</b>                                        |                                  |                             |                                        |                             |
| Subsidies and grants for capital expenditure                             | 23,409                           | 14,985                      | 15,896                                 | 22,025                      |
| Development and financial contributions                                  | 11,614                           | 16,117                      | 7,049                                  | 12,830                      |
| Increase (decrease) in debt                                              | 111,139                          | 28,486                      | 109,427                                | 45,087                      |
| Gross proceeds from the sale of assets                                   | 200                              | 352                         | -                                      | 764                         |
| Lump sum contributions                                                   | -                                | -                           | -                                      | -                           |
| Other dedicated capital funding                                          | 216                              | 4,508                       | 222                                    | 559                         |
| <b>Total sources of capital funding (C)</b>                              | <b>146,578</b>                   | <b>64,448</b>               | <b>132,595</b>                         | <b>81,265</b>               |
| <b>Applications of capital funding</b>                                   |                                  |                             |                                        |                             |
| Capital expenditure                                                      |                                  |                             |                                        |                             |
| - to meet additional demand                                              | 36,041                           | 23,663                      | 38,367                                 | 21,499                      |
| - to improve the level of service                                        | 43,408                           | 33,942                      | 51,915                                 | 45,223                      |
| - to replace existing assets                                             | 65,230                           | 48,838                      | 69,158                                 | 65,624                      |
| Increase (decrease) in reserves                                          | 14,165                           | (16,229)                    | (429)                                  | (18,824)                    |
| Increase (decrease) in investments                                       | 3,502                            | (1,028)                     | 2,669                                  | (2,082)                     |
| <b>Total applications of capital funding (D)</b>                         | <b>162,346</b>                   | <b>89,186</b>               | <b>161,679</b>                         | <b>111,440</b>              |
| <b>Surplus (deficit) of capital funding (C - D)</b>                      | <b>(15,768)</b>                  | <b>(24,737)</b>             | <b>(29,084)</b>                        | <b>(30,175)</b>             |
| <b>Funding balance ((A - B) + (C - D))</b>                               | <b>-</b>                         | <b>-</b>                    | <b>-</b>                               | <b>-</b>                    |

Section four

# Financial Statements

## Taukii Ahumoni



## Statement of comprehensive revenue and expense

Taukii Toopuni Moniwhiwhi me te Moniwhakapau

for the year ended 30 June 2026

### Council and Group

|                                                                                   | Note | 2025/26<br>Actual<br>\$'000 | 2025/26<br>Budget<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
|-----------------------------------------------------------------------------------|------|-----------------------------|-----------------------------|-----------------------------|
| <b>Revenue</b>                                                                    |      |                             |                             |                             |
| Rates                                                                             | 2    | 161,768                     | 156,832                     | 149,668                     |
| Development and financial contributions                                           |      | 12,830                      | 7,049                       | 16,117                      |
| Subsidies and grants                                                              |      | 37,681                      | 29,531                      | 27,047                      |
| Finance revenue                                                                   | 3    | 1,474                       | 660                         | 3,344                       |
| Other revenue                                                                     | 4    | 56,659                      | 36,305                      | 69,475                      |
| <b>Total revenue</b>                                                              |      | <b>270,412</b>              | <b>230,377</b>              | <b>265,651</b>              |
| <b>Expenses</b>                                                                   |      |                             |                             |                             |
| Employee costs                                                                    | 6    | 54,563                      | 56,549                      | 49,150                      |
| Depreciation and amortisation expense                                             | 7    | 59,119                      | 58,477                      | 51,600                      |
| Finance costs                                                                     | 3    | 11,142                      | 11,469                      | 12,688                      |
| Other expenses and losses                                                         | 8    | 118,935                     | 109,680                     | 112,672                     |
| <b>Total operating expenses</b>                                                   |      | <b>243,759</b>              | <b>236,175</b>              | <b>226,110</b>              |
| <b>Surplus(deficit) before tax</b>                                                |      | <b>26,653</b>               | <b>(5,798)</b>              | <b>39,541</b>               |
| Income tax expense                                                                | 9    | -                           | -                           | -                           |
| <b>Surplus(deficit) after tax wholly attributable to Waikato District Council</b> |      | <b>26,653</b>               | <b>(5,798)</b>              | <b>39,541</b>               |
| <b>Other comprehensive revenue and expense</b>                                    |      |                             |                             |                             |
| Gain(loss) on property revaluations                                               | 15   | 569,826                     | 54,046                      | 114,570                     |
| Revaluation reserve – landfill                                                    |      | (117)                       | -                           | (458)                       |
| Gain (loss) on cessation of joint venture                                         |      | -                           | -                           | -                           |
| Financial assets at fair value through other comprehensive revenue                |      | 3,866                       | -                           | 6,156                       |
| <b>Other comprehensive revenue and expense (net of tax)</b>                       |      | <b>573,575</b>              | <b>54,046</b>               | <b>120,268</b>              |
| <b>Total comprehensive revenue and expense for the year</b>                       |      | <b>600,228</b>              | <b>48,248</b>               | <b>159,809</b>              |

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in note 35.

# Statement of financial position

## Taukii Taunga Ahunga

as at 30 June 2026

### Council and Group

|                                                | Note | 2025/26<br>Actual<br>\$'000 | 2025/26<br>Budget<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
|------------------------------------------------|------|-----------------------------|-----------------------------|-----------------------------|
| <b>Assets</b>                                  |      |                             |                             |                             |
| <b>Current assets</b>                          |      |                             |                             |                             |
| Cash and cash equivalents                      | 10   | 19,126                      | 6,530                       | 25,555                      |
| Receivables from exchange transactions         | 11   | 15,550                      | 10,375                      | 19,541                      |
| Recoverables from non-exchange transactions    | 11   | 10,860                      | 10,615                      | 10,797                      |
| Prepayments                                    |      | 2,768                       | 3,970                       | 1,706                       |
| Cattle                                         | 12   | 135                         | 11                          | 27                          |
| Other financial assets                         | 13   | 2,399                       | 1,825                       | 2,023                       |
| Derivative financial instruments               | 22   | -                           | 36                          | -                           |
| Non-current assets held for sale               | 14   | -                           | -                           | 11                          |
| <b>Total current assets</b>                    |      | <b>50,838</b>               | <b>33,362</b>               | <b>59,660</b>               |
| <b>Non-current assets</b>                      |      |                             |                             |                             |
| Investment in CCO's and other similar entities | 13   | 46,680                      | 37,459                      | 42,813                      |
| Investments in other entities                  | 13   | 6,669                       | 8,293                       | 6,541                       |
| Investment in Joint Venture                    | 13   | -                           | -                           | -                           |
| Property, plant and equipment                  | 15   | 3,515,861                   | 3,001,204                   | 2,857,648                   |
| Intangible assets                              | 16   | 6,391                       | 9,484                       | 5,444                       |
| Investment property                            | 17   | 630                         | 635                         | 577                         |
| Derivative financial instruments               | 22   | -                           | 2,973                       | -                           |
| <b>Total non-current assets</b>                |      | <b>3,576,231</b>            | <b>3,060,048</b>            | <b>2,913,023</b>            |
| <b>Total assets</b>                            |      | <b>3,627,069</b>            | <b>3,093,410</b>            | <b>2,972,683</b>            |
| <b>Liabilities</b>                             |      |                             |                             |                             |
| <b>Current liabilities</b>                     |      |                             |                             |                             |
| Payables under exchange transactions           | 18   | 55,899                      | 48,083                      | 42,150                      |
| Taxes and transfers payable                    | 18   | 3,011                       | 3,280                       | 4,689                       |
| Derivative financial instruments               | 22   | 105                         | -                           | 17                          |
| Borrowing                                      | 20   | 96,461                      | 48,344                      | 45,979                      |
| Employee entitlements                          | 19   | 6,589                       | 6,304                       | 9,530                       |
| Provisions                                     | 21   | 164                         | 113                         | 170                         |
| <b>Total current liabilities</b>               |      | <b>162,229</b>              | <b>106,124</b>              | <b>102,535</b>              |
| <b>Non-current liabilities</b>                 |      |                             |                             |                             |
| Derivative financial instruments               | 22   | 1,175                       | -                           | 1,364                       |
| Borrowing                                      | 20   | 190,420                     | 323,530                     | 195,815                     |
| Employee entitlements                          | 19   | 103                         | 39                          | 41                          |
| Provisions                                     | 21   | 2,199                       | 1,987                       | 2,207                       |
| <b>Total non-current liabilities</b>           |      | <b>193,897</b>              | <b>325,556</b>              | <b>199,428</b>              |
| <b>Total liabilities</b>                       |      | <b>356,126</b>              | <b>431,680</b>              | <b>301,963</b>              |
| <b>Net assets</b>                              |      | <b>3,270,943</b>            | <b>2,661,730</b>            | <b>2,670,719</b>            |
| <b>Net assets/ equity</b>                      |      |                             |                             |                             |
| Accumulated comprehensive revenue and expense  |      | 1,451,138                   | 1,465,253                   | 1,390,636                   |
| Other reserves                                 |      | 1,819,806                   | 1,196,477                   | 1,280,083                   |
| <b>Total net assets/equity</b>                 |      | <b>3,270,943</b>            | <b>2,661,730</b>            | <b>2,670,719</b>            |

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in note 35.

# Statement of changes in net assets / equity

## Taukii Hurihanga Rawa / Tuutanga

for the year ended 30 June 2026

|                                                                                                 | Council and Group           |                             |                             |
|-------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
|                                                                                                 | 2025/26<br>Actual<br>\$'000 | 2025/26<br>Budget<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Balance at the beginning of the year</b>                                                     |                             |                             |                             |
| Accumulated comprehensive revenue and expense*                                                  | 1,388,762                   | 1,433,834                   | 1,328,562                   |
| <b>Other reserves</b>                                                                           |                             |                             |                             |
| Revaluation*                                                                                    | 1,297,153                   | 1,282,398                   | 1,182,404                   |
| Restricted                                                                                      | 210                         | (207)                       | 485                         |
| Council-created                                                                                 | 14,763                      | (424)                       | 16,790                      |
| Special rates and user pays                                                                     | (33,767)                    | (46,815)                    | (31,967)                    |
| Capital replacement fund                                                                        | 44,917                      | 19,088                      | 40,204                      |
| Development contributions                                                                       | (80,599)                    | (107,513)                   | (58,691)                    |
| Fair value through other comprehensive revenue and expense                                      | 39,278                      | 33,122                      | 33,122                      |
| <b>Balance at 1 July as previously reported</b>                                                 | <b>2,670,717</b>            | <b>2,613,483</b>            | <b>2,510,910</b>            |
| <b>Comprehensive revenue and expense for the year</b>                                           |                             |                             |                             |
| <b>Accumulated comprehensive revenue and expense</b>                                            |                             |                             |                             |
| Surplus(deficit) after tax                                                                      | 26,653                      | (5,798)                     | 39,541                      |
| <b>Other reserves</b>                                                                           |                             |                             |                             |
| Revaluation                                                                                     | 569,826                     | 54,046                      | 114,570                     |
| Revaluation – landfill                                                                          | (117)                       | -                           | (458)                       |
| Fair value through other comprehensive revenue and expense                                      | 3,866                       | -                           | 6,156                       |
| <b>Total comprehensive revenue for the year wholly attributable to Waikato District Council</b> | <b>600,228</b>              | <b>48,248</b>               | <b>159,809</b>              |
| <b>Transfers to(from) accumulated comprehensive revenue and expense</b>                         |                             |                             |                             |
| Accumulated comprehensive revenue and expense                                                   | 35,725                      | 37,217                      | 22,533                      |
| <b>Other reserves</b>                                                                           |                             |                             |                             |
| Revaluation                                                                                     | (4,440)                     | -                           | (1,235)                     |
| Restricted                                                                                      | 770                         | 8                           | (275)                       |
| Council-created                                                                                 | (3,137)                     | (2,493)                     | (2,027)                     |
| Special rates and user pays                                                                     | 6,821                       | (7,573)                     | (1,800)                     |
| Capital replacement fund                                                                        | (16,496)                    | 11,401                      | 4,712                       |
| Development contributions                                                                       | (19,243)                    | (38,560)                    | (21,908)                    |
| <b>Total transfers to(from) accumulated comprehensive revenue and expense</b>                   | <b>-</b>                    | <b>-</b>                    | <b>-</b>                    |
| <b>Represented by net assets/equity at the end of the year</b>                                  |                             |                             |                             |
| Accumulated comprehensive revenue and expense                                                   | 1,451,138                   | 1,465,253                   | 1,390,636                   |
| <b>Other reserves</b>                                                                           |                             |                             |                             |
| Revaluation                                                                                     | 1,862,422                   | 1,336,442                   | 1,295,281                   |
| Restricted                                                                                      | 980                         | (199)                       | 210                         |
| Council-created                                                                                 | 11,626                      | (2,917)                     | 14,763                      |
| Special rates and user pays                                                                     | (26,946)                    | (54,388)                    | (33,767)                    |
| Capital replacement fund                                                                        | 28,421                      | 30,489                      | 44,917                      |
| Development contributions                                                                       | (99,842)                    | (146,073)                   | (80,599)                    |
| Fair value through other comprehensive revenue and expense                                      | 43,144                      | 33,123                      | 39,278                      |
| <b>Balance at 30 June wholly attributable to Waikato District Council</b>                       | <b>3,270,943</b>            | <b>2,661,730</b>            | <b>2,670,719</b>            |

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in note 35.

\* Comparative information and opening balances have been restated in accordance with PBE IPSAS 3 to correct prior-period errors identified in the review of roading assets, vested assets, and land classifications. The restatement reallocated \$46.8m between roading and bridge assets, reduced the infrastructure revaluation reserve by \$1.8m with a corresponding adjustment to accumulated funds, and reclassified \$2.5m from land to restricted land. The corrections align recorded balances with supporting valuation records and asset classifications and, other than the vested asset adjustment affecting reserves and accumulated funds, have no impact on total assets, net assets/equity, or the current year surplus/(deficit).

## Statement of cash flows

Taukii Kapewhiti

for the year ended 30 June 2026

### Council and Group

|                                                                             | Note      | 2025/26<br>Actual<br>\$'000 | 2025/26<br>Budget<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
|-----------------------------------------------------------------------------|-----------|-----------------------------|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>                                 |           |                             |                             |                             |
| <b>Receipts</b>                                                             |           |                             |                             |                             |
| Receipts from rates revenue                                                 |           | 162,388                     | 155,416                     | 147,604                     |
| Subsidies received                                                          |           | 37,559                      | 30,566                      | 29,421                      |
| Contributions received                                                      |           | 12,830                      | 7,962                       | 16,117                      |
| Receipts from other revenue                                                 |           | 37,852                      | 35,953                      | 33,633                      |
| Interest received                                                           |           | 1,312                       | 660                         | 3,120                       |
| Dividends received                                                          |           | 70                          | -                           | -                           |
| Goods and service tax (net)                                                 |           | -                           | -                           | 2,076                       |
| <b>Payments</b>                                                             |           |                             |                             |                             |
| Payments to employees                                                       |           | (57,442)                    | (56,020)                    | (45,393)                    |
| Payments to suppliers                                                       |           | (115,619)                   | (110,041)                   | (109,801)                   |
| Interest paid                                                               |           | (11,308)                    | (11,469)                    | (13,083)                    |
| Goods and service tax (net)                                                 |           | (1,929)                     | -                           | -                           |
| <b>Net cash flows from (used in) operating activities</b>                   | <b>24</b> | <b>65,714</b>               | <b>53,027</b>               | <b>63,694</b>               |
| <b>Cash flows from investing activities</b>                                 |           |                             |                             |                             |
| Proceeds from the sale of property, plant and equipment                     |           | 764                         | -                           | 351                         |
| Proceeds from the sale of investments                                       |           | -                           | 750                         | -                           |
| Community loan repayments received                                          |           | 91                          | -                           | -                           |
| Receipts from repayment of advance                                          |           | -                           | -                           | -                           |
| Purchase of intangible assets                                               |           | (1,495)                     | (2,800)                     | (1,768)                     |
| Purchase of property, plant and equipment                                   |           | (116,018)                   | (155,901)                   | (98,527)                    |
| Acquisition of investments                                                  |           | (572)                       | (3,419)                     | 18,837                      |
| <b>Net cash flow from (used in) investing activities</b>                    |           | <b>(117,230)</b>            | <b>(161,370)</b>            | <b>(81,107)</b>             |
| <b>Cash flows from financing activities</b>                                 |           |                             |                             |                             |
| Proceeds from borrowing                                                     |           | 111,087                     | 139,427                     | 50,000                      |
| Repayment of borrowing                                                      |           | (66,000)                    | (30,000)                    | (21,000)                    |
| <b>Net cash flow from financing activities</b>                              |           | <b>45,087</b>               | <b>109,427</b>              | <b>29,000</b>               |
| <b>Net increase(decrease) in cash, cash equivalents and bank overdrafts</b> |           | <b>(6,429)</b>              | <b>1,084</b>                | <b>11,587</b>               |
| Cash, cash equivalents and bank overdrafts at the beginning of the year     |           | 25,555                      | 5,446                       | 13,967                      |
| <b>Cash, cash equivalents and bank overdrafts at the end of the year</b>    |           | <b>19,126</b>               | <b>6,530</b>                | <b>25,555</b>               |

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in note 35.

## Statement of reserve funds

### Taukii Puutea Taapui

for the year ended 30 June 2026

Reserves showing as negative have a debit balance and are mainly for development contributions and structure plan reserves. These reserves are in place to monitor the revenue and costs associated with development and growth. Often Council must incur the cost of works for base infrastructure before development contributions are received.

Essentially the negative balance for a reserve is the amount borrowed internally to fund the work ahead of revenue being received. A negative reserve is used instead of an internal loan because the amount is repaid by revenue received rather than a loan repayment regime. Like a loan, interest is charged and is added to the reserve balance for repayment from contributions received over time.

| Reserve                                    | Purpose                                                                                                                                                                    | Related activities      | Opening balance<br>1 July 2025<br>\$'000 | Transfers<br>into fund<br>\$'000 | Transfers<br>out of fund<br>\$'000 | Closing<br>Balance<br>30 June 2026<br>\$'000 |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------|----------------------------------|------------------------------------|----------------------------------------------|
| <b>Conservation fund</b>                   | To fund expenditure items for conservation purposes.                                                                                                                       | Sustainable environment | 545                                      | 18                               | (11)                               | 552                                          |
| <b>Raglan Harbour reserve</b>              | Council took over assets from the Raglan Harbour Board. Any revenue or expenditure on these properties is kept separate from general funds.                                | Sustainable communities | (1,178)                                  | 808                              | (853)                              | (1,223)                                      |
| <b>Housing for the elderly</b>             | Revenue from housing for the elderly is put aside for use on the properties involved.                                                                                      | Sustainable communities | (795)                                    | 369                              | (478)                              | (904)                                        |
| <b>Plant reserve</b>                       | Reserve used for control of expenditure and sale proceeds for vehicle and other plant running and maintenance costs.                                                       | Organisational support  | (1,014)                                  | 1,526                            | (1,873)                            | (1,361)                                      |
| <b>Lake Hakanoa Caravan Park reserve</b>   | Revenue and expenditure for the Lake Hakanoa Caravan Park at Huntly is kept separate. The camp operation is self-funding.                                                  | Sustainable communities | 302                                      | 322                              | (307)                              | 317                                          |
| <b>Raglan Papahua Holiday Park reserve</b> | Revenue and expenditure for the Holiday Park at Raglan is kept separate. The camp operation is self-funding.                                                               | Sustainable communities | 816                                      | 2,723                            | (2,527)                            | 1,012                                        |
| <b>Wainui Reserve farm</b>                 | Revenue and expenditure for Wainui Reserve farm operations is kept separate. The farm operation is self-funding and surpluses are used towards projects at Wainui Reserve. | Sustainable communities | 713                                      | 152                              | (64)                               | 801                                          |
| <b>Hillary Commission grants</b>           | These funds are committed to a club development programme for the future                                                                                                   | Sustainable communities | 22                                       | -                                | -                                  | 22                                           |
| <b>Creative NZ grant</b>                   | The balance from Creative Communities New Zealand to be re-distributed as grants to suitable candidates.                                                                   | Sustainable communities | 21                                       | 102                              | (129)                              | (6)                                          |
| <b>Disaster recovery fund</b>              | Fund set aside for use in the event of a disaster.                                                                                                                         | Organisational support  | (62)                                     | 1,410                            | (452)                              | 896                                          |

| Reserve                                                   | Purpose                                                                                                                                                                                                                                                                                                        | Related activities      | Opening balance<br>1 July 2025<br>\$'000 | Transfers<br>into fund<br>\$'000 | Transfers<br>out of fund<br>\$'000 | Closing<br>Balance<br>30 June 2026<br>\$'000 |
|-----------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|------------------------------------------|----------------------------------|------------------------------------|----------------------------------------------|
| <b>Hillary Commission loans</b>                           | Remaining funds and interest credits built up from Council's contribution to match Hillary Commission loans used in the past to assist sporting organisations.                                                                                                                                                 | Sustainable communities | (123)                                    | -                                | (5)                                | (128)                                        |
| <b>North Waikato development reserve</b>                  | Remaining funds (with interest credits) from the Department of Corrections for use to assist the local community.                                                                                                                                                                                              | Sustainable communities | 232                                      | 9                                | (1)                                | 240                                          |
| <b>Hamilton East property proceeds</b>                    | Proceeds from the sale of the Hamilton East property held separate for property related purposes.                                                                                                                                                                                                              | Organisational support  | 2,308                                    | -                                | -                                  | 2,308                                        |
| <b>Mayoral Relief Fund</b>                                | Fund set aside for use in the event of a natural disaster.                                                                                                                                                                                                                                                     | Sustainable communities | 183                                      | -                                | (56)                               | 127                                          |
| <b>Hakarimata Restoration Trust</b>                       | A restricted reserve for Hakarimata Hills Reserve Trust to record all trust operations.                                                                                                                                                                                                                        | Sustainable environment | -                                        | -                                | -                                  | -                                            |
| <b>Landfill aftercare contribution</b>                    | Reserve created on amalgamation of part of the Franklin District Council with Waikato District Council to assist with aftercare costs for closed landfills transferred.                                                                                                                                        | Sustainable environment | (59)                                     | 9                                | (61)                               | (111)                                        |
| <b>Structure plan non- growth reserve</b>                 | Reserve to provide funding for the non-growth element of Structure Plan development.                                                                                                                                                                                                                           | Organisational support  | 2,158                                    | 75                               | -                                  | 2,233                                        |
| <b>Waste minimisation reserve</b>                         | To manage waste minimisation grants and qualifying expenditure.                                                                                                                                                                                                                                                | Sustainable environment | 3,086                                    | 2,431                            | (1,613)                            | 3,904                                        |
| <b>Huntly College Jubilee Award</b>                       | A restricted reserve for the interest revenue to be used as educational sponsorship.                                                                                                                                                                                                                           | Sustainable communities | 13                                       | -                                | 1                                  | 14                                           |
| <b>Frances Paki Trust</b>                                 | A restricted reserve in memory of Francis Paki of Huntly. Interest revenue to be used as sponsorship for educational purposes.                                                                                                                                                                                 | Sustainable communities | 2                                        | -                                | -                                  | 2                                            |
| <b>Mungall Scholarship Trust</b>                          | A restricted reserve in memory of Agnes Simpson Mungall. Interest revenue to be used for educational sponsorship.                                                                                                                                                                                              | Sustainable communities | 1                                        | -                                | -                                  | 1                                            |
| <b>TK WW Treatment Consultation Group Mitigation Fund</b> | A restricted reserve that requires Waikato District Council to contribute \$45,000 per annum as per the consent conditions in the contract, to be used for ecological enhancement works in the Lake Waikare Catchment, and to reserve any unspent budget for future years for spent as approved by the TKWTCG. | Organisational support  | (15)                                     | 275                              | 121                                | 381                                          |

| Reserve                                     | Purpose                                                                                                                                                | Related activities                                                                                                      | Opening balance<br>1 July 2025<br>\$'000 | Transfers<br>into fund<br>\$'000 | Transfers<br>out of fund<br>\$'000 | Closing<br>Balance<br>30 June 2026<br>\$'000 |
|---------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------|------------------------------------------|----------------------------------|------------------------------------|----------------------------------------------|
| <b>Huntly social services</b>               | A restricted reserve created by the transfer of funds from the former Huntly Social Services Co-ordinating Committee Inc when it was wound up in 2015. | Sustainable communities                                                                                                 | 208                                      | 728                              | (354)                              | 582                                          |
| <b>Sundry reserves</b>                      | Sundry reserves for township development and other operational purposes.                                                                               | Sustainable communities                                                                                                 | 42,186                                   | 9,646                            | (10,608)                           | 41,224                                       |
| <b>Targeted rate reserves – operational</b> | Reserves to monitor operational costs in relation to special rates and user pays.                                                                      | Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply                                  | (33,767)                                 | 10,468                           | (3,647)                            | (26,946)                                     |
| <b>Replacement funds</b>                    | Reserves where amounts equivalent to funded depreciation are held for use on capital renewals work.                                                    | Roading, Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply, Organisational support | 44,917                                   | -                                | (16,496)                           | 28,421                                       |
| <b>Revaluation reserves *</b>               | These non-cash reserves relate to the revaluation of property, plant and equipment to fair value.                                                      | Roading, Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply                         | 1,297,153                                | 569,709                          | (4,440)                            | 1,862,422                                    |
| <b>Capital rates and contributions</b>      | Reserves for structure plans, development contributions, financial contributions and capital targeted rates.                                           | Roading, Stormwater, Sustainable communities, Sustainable environment, Wastewater, Water supply                         | (75,899)                                 | 17,704                           | (36,778)                           | (94,973)                                     |
| <b>Total reserves</b>                       |                                                                                                                                                        |                                                                                                                         | <b>1,281,955</b>                         | <b>618,484</b>                   | <b>(80,631)</b>                    | <b>1,819,806</b>                             |

\* Comparative information and opening balances have been restated in accordance with PBE IPSAS 3 to correct prior-period errors identified in the review of roading assets, vested assets, and land classifications. The restatement reallocated \$46.8m between roading and bridge assets, reduced the infrastructure revaluation reserve by \$1.8m with a corresponding adjustment to accumulated funds, and reclassified \$2.5m from land to restricted land. The corrections align recorded balances with supporting valuation records and asset classifications and, other than the vested asset adjustment affecting reserves and accumulated funds, have no impact on total assets, net assets/equity, or the current year surplus/(deficit).

# Notes to the financial statements

## Pitopito Koorero moo te Taukii Ahumoni

### **Note 1:** Statement of accounting policies

#### **Reporting Entity**

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

The Waikato District Council Group (the Group) consists of the Council, as the ultimate parent, and its wholly owned subsidiary, Strada Corporation Limited (Strada).

Strada is no longer trading and is registered as non-active with Inland Revenue.

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

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

The Council and Group are designated as public benefit entities (PBEs) for financial reporting purposes.

The financial statements of Council and the Group are for the year ended 30 June 2026. The financial statements were authorised for issue by Council on 7 October 2026.

#### **Basis of preparation**

The financial statements of Council have been prepared on the going concern basis and the accounting policies have been applied consistently throughout the period.

#### **Statement of compliance**

The financial statements of Council have been prepared in accordance with the requirements of the LGA and the Local Government (Financial Reporting and Prudence) Regulations 2014 (LG(FRP) R) which include the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with and comply with Tier 1 PBE accounting standards.

#### **Measurement base**

The financial statements have been prepared on a historical cost basis, modified by the revaluation of certain assets and financial instruments as identified in the accounting policies and accompanying notes.

#### **Functional and Presentation currency**

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

#### **New or amended standards adopted**

There were no new or amended PBE Accounting Standards requiring first-time adoption by the Council or Group for the year ended 30 June 2026.

There have been no other changes in accounting policies during the year.

#### **Standards issued but not yet effective and not early adopted**

The following standards and amendments have been issued but are not yet effective for the year ending 30 June 2026 and have not been early adopted by the Council or Group.

## **PBE IPSAS 41 Financial Instruments**

PBE IPSAS 41 Financial Instruments is effective for public sector public benefit entities for accounting periods beginning on or after 1 January 2026.

PBE IPSAS 41 establishes requirements for the recognition and measurement of financial instruments and, when applied, supersedes most of PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The standard includes requirements for the classification and measurement of financial assets and financial liabilities and introduces an expected credit loss model for the impairment of financial assets.

The Council and Group are assessing the impact of adopting PBE IPSAS 41. The standard may affect the classification and measurement of financial instruments and the calculation of impairment losses on financial assets, including receivables.

The Council and Group will apply PBE IPSAS 41 from 1 July 2026.

## **2024 Omnibus Amendments to PBE Standards**

The 2024 Omnibus Amendments to PBE Standards include amendments to PBE IPSAS 1 Presentation of Financial Reports. These amendments are effective for accounting periods beginning on or after 1 January 2026.

The amendments clarify the requirements for classifying liabilities as current or non-current.

The Council and Group do not expect these amendments to have a material impact on the financial statements and will apply the amendments from 1 July 2026.

## **Other standards**

Other new or amended standards issued but not yet effective are not expected to have a material impact on the Council and Group's financial statements.

## **Summary of significant accounting policies**

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

## **Critical accounting estimates and assumptions**

In preparing these financial statements, the Council and Group have made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are considered reasonable under the circumstances.

The estimates and assumptions that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

### ***Other financial assets***

Note 13 provides information about the estimates and assumptions applied in determining the fair value of the equity investment in Waikato Regional Airport Limited.

### ***Infrastructural assets***

Note 15 provides information about the significant estimates and assumptions applied in determining the fair value of infrastructural assets, including assumptions relating to replacement costs, useful lives and asset condition.

### ***Employee entitlement provisions***

Note 19 provides information about the estimates and assumptions applied in determining the retirement gratuities and long-service leave provisions.

### ***Landfill aftercare provision***

Note 21 provides information about the estimates and assumptions applied in determining the landfill aftercare provision.

## **Goods and services tax**

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 is recognised as part of the related asset or expense.

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

The net GST paid to, or received from the 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 recoverable GST.

## **Budget figures**

The budget figures are those approved by the Council in the 2025–2034 Long Term Plan for the year ended 30 June 2026.

The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Council in preparing these financial statements.

### **Foreign currency transactions**

Foreign currency transactions are translated into NZ dollars using the spot exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

### **Equity**

Equity is the community's interest in the Council and Group and is measured as the difference between total assets and total liabilities.

Equity is disaggregated and classified into the following components:

- accumulated funds; and
- other reserves.

Reserves include revaluation reserves, restricted reserves, Council-created reserves and the fair value through other comprehensive revenue and expense reserve.

### **Revaluation reserves**

Revaluation reserves relate to the revaluation of classes of property, plant and equipment that are measured at fair value.

### **Restricted reserves**

Restricted reserves are a component of equity representing funds subject to specific conditions accepted as binding by the Council. These

restrictions may arise from legislation, trust arrangements or other externally imposed requirements.

Transfers from restricted reserves may be made only for the purposes, or when the conditions specified for those reserves are met.

### **Council-created reserves**

Council-created reserves are reserves established by Council resolution for specified purposes. The Council may alter the purpose of these reserves and transfers to and from these reserves at its discretion.

### **Fair value through other comprehensive revenue**

The fair value through other comprehensive revenue and expense reserve comprises the cumulative net change in the fair value of financial assets classified as fair value through other comprehensive revenue and expense.

Council's and the Group's objectives, policies, and processes for managing capital are explained in note 34.

### **Cost allocation policy**

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

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

Direct costs are charged directly to the relevant significant activity. Indirect costs are allocated to significant activities using appropriate cost drivers, including actual usage, staff numbers and floor area, where applicable.

## Note 2: Rates

### Accounting policy

General rates, targeted rates (excluding those for water-by-meter) and uniform annual general charges are recognised at the start of the financial year to which the rates resolution relates. They are recognised at the amounts due. Council considers the effect of payment by instalment 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 the rates become overdue.

Revenue from water-by-meter rates is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year end, is accrued on an average usage basis.

Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.

|                                    | Council and Group           |                             |
|------------------------------------|-----------------------------|-----------------------------|
|                                    | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| General rates                      | 87,072                      | 82,827                      |
| Uniform annual general charge      | 16,624                      | 15,722                      |
| <b>Total general rates revenue</b> | <b>103,696</b>              | <b>98,549</b>               |
| <b>Targeted rates</b>              |                             |                             |
| Community boards                   | 297                         | 294                         |
| Community centres and facilities   | 1,146                       | 1,077                       |
| Refuse & waste management          | 7,354                       | 6,534                       |
| Stormwater                         | 4,266                       | 3,630                       |
| Wastewater                         | 23,590                      | 20,277                      |
| Metered water supply               | 8,842                       | 8,485                       |
| Other water rates                  | 10,010                      | 8,179                       |
| <b>Total targeted rates</b>        | <b>55,504</b>               | <b>48,476</b>               |
| plus: Penalties revenue            | 3,535                       | 3,442                       |
| <b>Total rates revenue</b>         | <b>162,735</b>              | <b>150,466</b>              |
| less: Rate remissions              | (967)                       | (798)                       |
| <b>Total net rates</b>             | <b>161,768</b>              | <b>149,668</b>              |

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates revenue. That Deed defines annual rates revenue as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other local authorities for services provided by Council for which those other local authorities rate. Annual rates revenue by this definition is as disclosed in the table above.

## Rates remissions

Rates revenue is shown net of rates remissions. Council's rates remission policy allows Council to remit rates on condition of a ratepayer's extreme hardship, land used for community and sporting purposes, land protected for historic or cultural purposes, rating units with a capital valuation (CV) of \$1,500 or less and Maaori freehold land.

|                                                    | Council and Group           |                             |
|----------------------------------------------------|-----------------------------|-----------------------------|
|                                                    | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Land used for community and sporting purposes      | 437                         | 322                         |
| Land protected for historical or cultural purposes | 76                          | 61                          |
| CV's under \$1,500                                 | 164                         | 156                         |
| Rating exclusions                                  | 209                         | 186                         |
| Maaori freehold land                               | 81                          | 74                          |
| <b>Total rates remissions</b>                      | <b>967</b>                  | <b>798</b>                  |

Rates remissions are recognised as a reduction of rates revenue when Council has received an application that satisfies its rates remission policy.

### Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of religious worship, public gardens and reserves. Non-rateable properties may be subject to targeted rates in respect of sewerage, water, refuse and sanitation. Non-rateable land does not constitute a remission under Council's remission policy.

## Rating base information

Council's rating base is as follows:

|                                     | Council and Group           |                             |
|-------------------------------------|-----------------------------|-----------------------------|
|                                     | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Total number of rating units</b> | <b>38,389</b>               | <b>37,739</b>               |
| <b>Total land value</b>             | <b>\$27,942m</b>            | <b>\$27,766m</b>            |
| <b>Total capital value</b>          | <b>\$47,125m</b>            | <b>\$46,661m</b>            |

### Note 3: Finance revenue and costs

#### Accounting policy

Interest revenue is recognised using the effective interest method.

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

|                                | Council and Group           |                             |
|--------------------------------|-----------------------------|-----------------------------|
|                                | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Finance revenue</b>         |                             |                             |
| Interest - bank deposits       | 1,139                       | 2,452                       |
| Interest - financial assets    | 25                          | -                           |
| Interest - community loans     | 47                          | 55                          |
| Interest - other               | 23                          | 1                           |
| Interest - LGFA borrower notes | 239                         | 292                         |
| Interest - swaps differences   | 1                           | 545                         |
| <b>Total finance revenue</b>   | <b>1,474</b>                | <b>3,344</b>                |
| <b>less: Finance costs</b>     |                             |                             |
| Interest - bank borrowing      | -                           | -                           |
| Interest - LGFA borrowing      | 9,911                       | 12,353                      |
| Interest - swaps differences   | 1,155                       | 163                         |
| Provision: discount unwinding  | 75                          | 105                         |
| Interest - financial assets    | -                           | 65                          |
| Other finance costs            | 1                           | 1                           |
| <b>Total finance costs</b>     | <b>11,142</b>               | <b>12,688</b>               |
| <b>Net finance costs</b>       | <b>(9,668)</b>              | <b>(9,344)</b>              |

## Note 4: Other revenue

### Accounting policy

Found and vested physical assets are recognised at fair value at the time Council obtains control of the asset. The fair value is recognised as revenue, and the amount is determined by reference to the costs of purchase and/or construction. Revenue from the sale or provision of goods is recognised when a product is sold to the customer.

Revenue from the rendering of services is recognised by reference to the stage of completion of the transaction at balance date, based on the actual service provided as a percentage of the total services to be provided.

Dividends are recognised as revenue when the right to receive payment has been established.

Revenue from traffic and parking infringements is recognised when the infringement notice is issued.

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

|                                                       | Council and Group           |                             |
|-------------------------------------------------------|-----------------------------|-----------------------------|
|                                                       | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Found assets                                          | 2,960                       | 283                         |
| Vested assets                                         | 20,166                      | 37,349                      |
| Dividends                                             | 70                          | -                           |
| Other revenue                                         | 15,941                      | 17,232                      |
| Regulatory revenue                                    | 9,574                       | 9,561                       |
| Fees and charges – Council                            | 4,567                       | 4,448                       |
| Fair value through surplus (deficit) realised gain    | 2,956                       | 514                         |
| Interest rate swaps revaluation gain                  | 101                         | -                           |
| Gain on cessation of joint venture                    | -                           | -                           |
| Property, plant and equipment gains on disposal       | 271                         | 88                          |
| Investment property revaluation gain                  | 53                          | -                           |
| Fair value through surplus (deficit) unrealised gains | -                           | -                           |
| <b>Total other revenue</b>                            | <b>56,659</b>               | <b>69,475</b>               |

## Note 5: Exchange and non-exchange revenue

### Accounting policy

Revenue is measured at fair value. For exchange revenue this equals the fair value of the consideration received or receivable. For non-exchange revenue it is the amount of the increase in net assets recognised by Council.

Council receives government grants from New Zealand Transport Agency (NZTA) which subsidise part of Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Development and financial contributions are recognised as revenue when Council is capable of providing the service for which the contribution is charged.

|                                                                         | Council and Group           |                             |
|-------------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                         | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Revenue from exchange transactions</b>                               |                             |                             |
| Revenue from metered water supply                                       | 8,842                       | 8,485                       |
| Development and financial contributions                                 | 12,830                      | 16,117                      |
| Other fees and charges – Council                                        | 16,569                      | 14,208                      |
| Finance revenue                                                         | 1,474                       | 3,344                       |
| Dividends received                                                      | 70                          | -                           |
| Other exchange revenue                                                  | 7,100                       | 7,639                       |
| <b>Total revenue from exchange transactions</b>                         | <b>46,885</b>               | <b>49,793</b>               |
| <b>Revenue from non-exchange transactions</b>                           |                             |                             |
| Revenue from rates                                                      | 152,926                     | 141,183                     |
| Vested and found assets                                                 | 23,126                      | 37,632                      |
| Regulatory revenue                                                      | 1,825                       | 2,322                       |
| Infringements and fines                                                 | 149                         | 150                         |
| NZTA government subsidies                                               | 32,453                      | 23,574                      |
| Petrol tax                                                              | 582                         | 577                         |
| Three Waters funding from the Department of Internal Affairs (DIA)*     | 3,330                       | 399                         |
| Other subsidies and grants                                              | 1,897                       | 3,074                       |
| Other fees and charges – Council                                        | 2,228                       | 4,785                       |
| Other non-exchange revenue                                              | 5,010                       | 2,162                       |
| <b>Total revenue from non-exchange transactions</b>                     | <b>223,526</b>              | <b>215,858</b>              |
| Revenue from exchange transactions                                      | 46,885                      | 49,793                      |
| Revenue from non-exchange transactions                                  | 223,526                     | 215,858                     |
| <b>Total revenue per statement of comprehensive revenue and expense</b> | <b>270,412</b>              | <b>265,651</b>              |

\*\$3.3m was received from National Infrastructure Funding and Financing under a project funding agreement between Crown Infrastructure Partners Limited and WDC for the delivery of flood resilience projects in areas impacted by the North Island Weather Events (Lake Hakanoa and Port Waikato Storm Resilience Projects).

There are no unfulfilled conditions or other contingencies attached to other subsidies and grants recognised.  
(2025: \$nil)

## Note 6: Employee costs

### Accounting policy

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

|                                                  | Council and Group           |                             |
|--------------------------------------------------|-----------------------------|-----------------------------|
|                                                  | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Salaries and wages                               | 55,995                      | 44,149                      |
| Defined contribution plan employer contributions | 1,447                       | 1,243                       |
| Increase (decrease) in employee liabilities      | (2,879)                     | 3,758                       |
| <b>Total employee costs</b>                      | <b>54,563</b>               | <b>49,150</b>               |

Employer contributions to defined contribution plans is made up of contributions to KiwiSaver.

## Note 7: Depreciation and amortisation expense by group of activity

|                                                                  | Council and Group           |                             |
|------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                  | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Water supply                                                     | 6,516                       | 5,317                       |
| Wastewater                                                       | 7,739                       | 6,420                       |
| Stormwater                                                       | 2,024                       | 1,525                       |
| Roading                                                          | 31,751                      | 27,086                      |
| Sustainable environment                                          | 177                         | 165                         |
| Sustainable communities                                          | 8,712                       | 8,791                       |
| Governance                                                       | -                           | -                           |
| Organisational support                                           | 2,200                       | 2,297                       |
| <b>Total directly attributable depreciation and amortisation</b> | <b>59,119</b>               | <b>51,600</b>               |

## Note 8: Other expenses and losses

### Accounting policy

#### 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's approval.

#### Operating leases

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

|                                                                                                                                                                                                                                                                                                         | Council and Group           |                             |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                                                                                                                                                                                                                                                         | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Fees incurred for services provided by our audit firm</b>                                                                                                                                                                                                                                            |                             |                             |
| The Council and group's financial statements and service performance information for the year ending 30 June 2026 (the "financial report") are audited by The Audit Office on behalf of the Auditor-General. During the year, the following fees were incurred for services provided by our audit firm: |                             |                             |
| Audit of the financial report                                                                                                                                                                                                                                                                           | 353                         | 342                         |
| <b>Audit or review related services</b>                                                                                                                                                                                                                                                                 |                             |                             |
| Audit of the 2025-34 Long-term plan                                                                                                                                                                                                                                                                     | 23                          | 155                         |
| Assurance engagement in relation to the Debenture Trust Deed                                                                                                                                                                                                                                            | 11                          | 11                          |
| <b>Other assurance services and other agreed-upon procedures engagements</b>                                                                                                                                                                                                                            |                             |                             |
| Assurance over:                                                                                                                                                                                                                                                                                         |                             |                             |
| Tender processes                                                                                                                                                                                                                                                                                        | 80                          | 70                          |
| Procurement processes                                                                                                                                                                                                                                                                                   | 24                          | 52                          |
| <b>Total payments to The Audit Office</b>                                                                                                                                                                                                                                                               | <b>491</b>                  | <b>628</b>                  |
| Asset write-off                                                                                                                                                                                                                                                                                         | 6,507                       | 2,510                       |
| Bad debt written off                                                                                                                                                                                                                                                                                    | 3,232                       | 230                         |
| Rates penalty write-offs                                                                                                                                                                                                                                                                                | 1,078                       | 958                         |
| Other expenditure                                                                                                                                                                                                                                                                                       | 95,621                      | 89,621                      |
| Other personnel expenses                                                                                                                                                                                                                                                                                | 681                         | 742                         |
| Inventories consumed                                                                                                                                                                                                                                                                                    | -                           | -                           |
| Minimum lease payments under operating leases                                                                                                                                                                                                                                                           | 69                          | 81                          |
| Legal expenses                                                                                                                                                                                                                                                                                          | 304                         | 398                         |
| Other professional fees                                                                                                                                                                                                                                                                                 | 53                          | 33                          |
| Consultant expenses                                                                                                                                                                                                                                                                                     | 9,507                       | 10,764                      |
| Litigation settlement                                                                                                                                                                                                                                                                                   | -                           | -                           |
| Insurance proceeds                                                                                                                                                                                                                                                                                      | -                           | -                           |
| Grants and sponsorship                                                                                                                                                                                                                                                                                  | 1,418                       | 1,782                       |
| Fair value loss on cattle                                                                                                                                                                                                                                                                               | (53)                        | 98                          |
| Investment property revaluation loss                                                                                                                                                                                                                                                                    | -                           | 38                          |
| Loss on revaluation of assets                                                                                                                                                                                                                                                                           | -                           | -                           |
| Property, plant and equipment losses on disposal                                                                                                                                                                                                                                                        | 27                          | 399                         |
| Interest rate swaps revaluation loss                                                                                                                                                                                                                                                                    | -                           | 4,389                       |
| <b>Total other expenses and losses</b>                                                                                                                                                                                                                                                                  | <b>118,935</b>              | <b>112,672</b>              |

## Note 9: Income tax

### Accounting policy

Income tax expense includes both current and deferred tax.

Current tax is the amount of income tax payable based on the taxable surplus for the current year, plus any adjustments to income tax payable in respect of prior years. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Deferred tax is the amount of income tax payable or recoverable in future periods in respect of temporary differences and unused tax losses. Temporary differences are differences between the carrying amount of assets and liabilities in the statement of financial position and the corresponding tax bases used in the computation of taxable profit.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which Group expects to recover or settle the carrying amount of its assets and liabilities.

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that a taxable profit will be available against the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset or liability in a transaction that is not a business combination, and which at the time of the transaction effects neither accounting nor taxable profit.

Current and deferred tax is recognised against the surplus or deficit for the period, except to the extent that it relates to a business combination, or to transactions recognised in other comprehensive revenue or directly in equity.

|                                      | Council and Group           |                             |
|--------------------------------------|-----------------------------|-----------------------------|
|                                      | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Operating surplus before tax expense | 26,653                      | 39,541                      |
| Prima facie tax at 28%               | 7,463                       | 11,071                      |
| Non-assessable income (net)          | (7,463)                     | (11,071)                    |
| Non-deductible expenditure           | -                           | -                           |
| <b>Total income tax expense</b>      | -                           | -                           |
| <b>Made up of:</b>                   |                             |                             |
| Deferred tax                         | -                           | -                           |
| Prior period adjustment              | -                           | -                           |
| Income tax expense                   | -                           | -                           |

| Deferred tax (assets) liabilities      | Plant and<br>Equipment<br>\$'000 | Employee<br>entitlements<br>\$'000 | Other<br>provisions<br>\$'000 | Total<br>tax loss<br>\$'000 | Total<br>\$'000 |
|----------------------------------------|----------------------------------|------------------------------------|-------------------------------|-----------------------------|-----------------|
| Balance at 1 July 2024                 | -                                | -                                  | -                             | -                           | -               |
| Charged to surplus (deficit)           | -                                | -                                  | -                             | -                           | -               |
| Charged to other comprehensive revenue | -                                | -                                  | -                             | -                           | -               |
| <b>Balance at 30 June 2025</b>         | -                                | -                                  | -                             | -                           | -               |
| Balance at 1 July 2025                 | -                                | -                                  | -                             | -                           | -               |
| Charged to surplus (deficit)           | -                                | -                                  | -                             | -                           | -               |
| Charged to other comprehensive revenue | -                                | -                                  | -                             | -                           | -               |
| <b>Balance at 30 June 2026</b>         | -                                | -                                  | -                             | -                           | -               |

## Note 10: Cash and cash equivalents

### Accounting policy

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. The carrying value of cash and cash equivalents approximates their fair value.

|                                                                                   | Council and Group           |                             |
|-----------------------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                                   | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Cash at bank and on hand                                                          | 4,126                       | 7,955                       |
| Short term deposits maturing within three months or less from date of acquisition | 15,000                      | 17,600                      |
| <b>Total cash and cash equivalents per statement of financial position</b>        | <b>19,126</b>               | <b>25,555</b>               |
| Bank overdrafts                                                                   | -                           | -                           |
| <b>Cash and cash equivalents per statement of cash flows</b>                      | <b>19,126</b>               | <b>25,555</b>               |

The total value of cash equivalents that can only be used for a specific purpose is \$978,939 (2025: \$208,717).

## Note 11: Recoverables and receivables

### Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for expected credit losses (ECL).

The Council and group apply the simplified ECL model of recognising lifetime ECL for short-term receivables.

In measuring ECLs, receivables have been grouped into rates receivables, and other receivables, and assessed on a collective basis as they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established based on historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment.

Rates are "written off":

- when remitted in accordance with the Council's rates remission policy; and
- in accordance with the write-off criteria of sections 90A (where rates cannot be reasonably recovered) and 90B (in relation to Maaori freehold land) of the Local Government (Rating) Act 2002.

Other receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

### Previous accounting policy

In the previous year, the allowance for credit losses was based on the incurred credit loss model. An allowance for credit losses was recognised only when there was objective evidence that the amount due would not be fully collected.

## Fair value

Receivables are non-interest bearing and receipt is normally on 30-day terms. Therefore, the carrying value of debtors and other receivables approximates their fair value.

|                                                                      | Council and Group           |                             |
|----------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                      | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Receivables from exchange transactions</b>                        |                             |                             |
| Receivables from related parties                                     | -                           | -                           |
| Water rates receivable                                               | 304                         | 496                         |
| Other receivables from exchange transactions                         | 18,321                      | 19,464                      |
| <b>Gross receivables</b>                                             | <b>18,625</b>               | <b>19,960</b>               |
| Provision for uncollectability                                       | (3,075)                     | (419)                       |
| <b>Net receivables from exchange transactions</b>                    | <b>15,550</b>               | <b>19,541</b>               |
| <b>Recoverables from non-exchange transactions</b>                   |                             |                             |
| Rates receivable                                                     | 10,540                      | 10,218                      |
| Recoverables from user charges, taxes and other non-exchange revenue | 1,202                       | 1,079                       |
| GST refund                                                           | 87                          | -                           |
| <b>Gross recoverables</b>                                            | <b>11,829</b>               | <b>11,297</b>               |
| Provision for uncollectability                                       | (969)                       | (500)                       |
| <b>Net recoverables from non-exchange transactions</b>               | <b>10,860</b>               | <b>10,797</b>               |
| Total gross receivables and recoverables                             | 30,454                      | 31,257                      |
| Total provision for uncollectability                                 | (4,044)                     | (919)                       |
| <b>Total net recoverables and receivables</b>                        | <b>26,410</b>               | <b>30,338</b>               |

## Assessment of expected credit loss

### Rates receivable

Council provides for Expected Credit loss (ECL's) of rates receivable in certain circumstances; when the property is multiple-owned Maaori land or when there is no guarantor available. In all other circumstances, Council does not provide for any ECLs on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow Council to commence legal proceedings to recover any rates that remain unpaid four months after the due date for payment. If payment has not been made within three months of the Court's judgement, then Council is able to apply to the Registrar of the High Court to have the judgement enforced by the sale or lease of the rating unit.

Ratepayers can apply for payment options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value if the effect of discounting is material.

### Other receivables

The ECL rates for other receivables at 30 June 2026 and 1 July 2025 are based on the payment profile of revenue on credit over the prior of one year at the measurement date and the corresponding historical credit losses experienced for that period. The historical loss rates are adjusted for current and forward-looking macroeconomic factors that might affect the expected recoverability of receivables. Given the short period of credit risk exposure, the effects of macroeconomic factors are not considered significant.

There have been no changes since 1 July 2025 in the estimation techniques or significant assumptions in measuring the loss allowance.

The allowance for credit losses based on Council and the group's credit loss matrix is as follows:

|                                                 | Gross<br>\$'000 | Uncollectable<br>\$'000 | Total<br>\$'000 |
|-------------------------------------------------|-----------------|-------------------------|-----------------|
| <b>Council and Group 2026</b>                   |                 |                         |                 |
| Not past due                                    | 9,175           | -                       | 9,175           |
| Past due 1 – 60 days                            | 3,331           | -                       | 3,331           |
| Past due 61 – 120 days                          | 791             | -                       | 791             |
| Past due > 120 days                             | 17,157          | (4,044)                 | 13,113          |
| <b>Total gross recoverables and receivables</b> | <b>30,454</b>   | <b>(4,044)</b>          | <b>26,410</b>   |
| <b>Council and Group 2025</b>                   |                 |                         |                 |
| Not past due                                    | 9,467           | -                       | 9,467           |
| Past due 1 – 60 days                            | 654             | -                       | 654             |
| Past due 61 – 120 days                          | 636             | -                       | 636             |
| Past due > 120 days                             | 20,500          | (919)                   | 19,581          |
| <b>Total gross recoverables and receivables</b> | <b>31,257</b>   | <b>(919)</b>            | <b>30,338</b>   |

### Allowance for expected credit losses (ECL)

The ECL allowance has been calculated based on a review of specific overdue receivables together with a collective assessment.

|                                             | Council and Group           |                             |
|---------------------------------------------|-----------------------------|-----------------------------|
|                                             | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Individual uncollectability                 | 3,075                       | 419                         |
| Collective uncollectability                 | 969                         | 500                         |
| <b>Total provision for uncollectability</b> | <b>4,044</b>                | <b>919</b>                  |

Individually impaired receivables have been determined to be impaired because of the improbability of collection. An analysis of the individually impaired debtors is shown below:

|                                          | <b>Council and Group</b>             |                                      |
|------------------------------------------|--------------------------------------|--------------------------------------|
|                                          | <b>2025/26<br/>Actual<br/>\$'000</b> | <b>2024/25<br/>Actual<br/>\$'000</b> |
| Past due 1 – 60 days                     | -                                    | -                                    |
| Past due 61 – 120 days                   | -                                    | -                                    |
| Past due > 120 days                      | 3,075                                | 419                                  |
| <b>Total individual uncollectability</b> | <b>3,075</b>                         | <b>419</b>                           |

Movements in the allowance for credit losses are as follows:

|                                           | <b>Council and Group</b>             |                                      |
|-------------------------------------------|--------------------------------------|--------------------------------------|
|                                           | <b>2025/26<br/>Actual<br/>\$'000</b> | <b>2024/25<br/>Actual<br/>\$'000</b> |
| Balance at 1 July                         | 919                                  | 699                                  |
| Additional provision made during the year | 1,235                                | 220                                  |
| Provisions reversed during the year       | 2,576                                | 199                                  |
| Debts written off during the period       | (686)                                | (199)                                |
| <b>Balance at 30 June</b>                 | <b>4,044</b>                         | <b>919</b>                           |

In accordance with the write-off criteria of sections 90A and 90B of the Local Government (Rating) Act 2002, no write offs occurred (2025: nil).

## Note 12: Cattle

### Accounting policy

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.

|                                            | <b>Council and Group</b>             |                                      |
|--------------------------------------------|--------------------------------------|--------------------------------------|
|                                            | <b>2025/26<br/>Actual<br/>\$'000</b> | <b>2024/25<br/>Actual<br/>\$'000</b> |
| Balance at 1 July                          | 27                                   | -                                    |
| Increase through purchases                 | 56                                   | 125                                  |
| Gains (losses) from fair value adjustments | 52                                   | (98)                                 |
| Decrease through sales                     | -                                    | -                                    |
| <b>Balance at 30 June</b>                  | <b>135</b>                           | <b>27</b>                            |

Council keeps cattle to graze on one of its reserves as part of reserve maintenance. Although a financial gain is achieved in most years it is not Council's primary purpose. The cattle are normally sold within the next twelve months after balance date. The number of cattle at balance date was 70 (2025: 24).

Council has no cattle with restricted title.

## Note 13: Other financial assets

### Accounting policy

#### Subsidiaries

Council consolidates all entities where Council has the capacity to control their financing and operating policies so as to obtain benefits from the activities of the subsidiary. This power exists where Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Council or where the determination of such policies is unable to materially affect the level of potential ownership benefits that arise from the activities of the subsidiary.

Council will recognise goodwill where there is an excess of the consideration transferred over the net identifiable assets acquired and liabilities assumed. This difference reflects the goodwill to be recognised by Council. If the consideration transferred is lower than the net fair value of Council's interest in the identifiable assets acquired and liabilities assumed, the difference will be recognised immediately in the surplus or deficit.

The investment in subsidiaries is carried at cost in Council's parent entity financial statements.

#### Other financial assets

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value. They are then classified as, and subsequently measured under, the following categories:

- 12B amortised cost.
- 13B fair value through other comprehensive revenue and expense (FVTOCRE); and
- 14B fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the it has been designated at FVTSD, in which case it is recognised in surplus or deficit.

The classification of a financial asset depends on its cash flow characteristics and the Council and group's management model for managing them.

A financial asset is classified and subsequently measured at amortised cost if it gives rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal outstanding and is held within a management model whose objective is to collect the contractual cash flows of the asset.

A financial asset is classified and subsequently measured at FVTOCRE if it gives rise to cash flows that are SPPI and held within a management model whose objective is achieved by both collecting contractual cash flows and selling financial assets.

Financial assets that do not meet the criteria to be measured at amortised cost or FVTOCRE are subsequently measured at FVTSD. However, the Council and group may elect at initial recognition to designate an equity investment not held for trading as subsequently measured at FVTOCRE.

#### Initial recognition of concessionary loans

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return for a similar financial instrument. For loans to community organisations, the difference between the loan amount and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense.

#### Subsequent measurement of financial assets at amortised cost

Financial assets classified at amortised cost are subsequently measured at amortised cost using the effective interest method, less any expected credit losses (ECL). Where applicable, interest accrued is added to the investment balance. Instruments in this category include term deposits, community loans, and held to maturity investments.

### **Subsequent measurement of financial assets at FVTOCRE**

Financial assets in this category that are equity instruments designated as FVTOCRE are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense. There is no assessment for impairment when fair value falls below the cost of the investment. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is transferred to accumulated funds within equity. The Council and group designate into this category all equity investments that are not held for trading as they are strategic investments that are intended to be held for the medium to long-term.

### **Subsequent measurement of financial assets at FVTSD**

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 and such an asset is classified as a current asset. Council's derivatives are categorised as held for trading unless they are designated into a hedge accounting relationship for which hedge accounting is applied. The current/non-current classification of derivatives is explained in the derivatives accounting policy in note 22. After initial recognition, financial assets in this category are measured at their fair values with gains or losses on re-measurement recognised in the surplus or deficit.

### **Expected credit loss allowance (ECL)**

The Council and group recognise an allowance for ECLs for all debt instruments not classified as FVTSD. ECLs are the probability-weighted estimate of credit losses, measured at the present value of cash shortfalls, which is the difference between the cash flows due to Council and group in accordance with the contract and the cash flows it expects to receive. ECLs are discounted at the effective interest rate of the financial asset.

ECLs are recognised in two stages. ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). However, if there has been a significant increase in credit risk since initial recognition, the loss allowance is based on losses possible for the remaining life of the financial asset (Lifetime ECL).

When determining whether the credit risk of a financial asset has increased significantly since initial recognition, the Council and group consider reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Council and group's historical experience and informed credit assessment and including forward-looking information.

The Council and group consider a financial asset to be in default when the financial asset is more than 90 days past due. The Council and group may determine a default occurs prior to this if internal or external information indicates the entity is unlikely to pay its credit obligations in full.

Council measure ECLs on loan commitments at the date the commitment becomes irrevocable. If the ECL measured exceeds the gross carrying amount of the financial asset, the ECL is recognised as a provision.

### **Shares in subsidiaries (at cost)**

The investment in subsidiaries is carried at cost in the Council's parent entity financial statements.

Previous accounting policy (summarised)

In the previous year, other financial assets were classified into the following categories:

- 15B loans and receivables at amortised cost (included term deposits, related party loans, and community loans).
- 16B held-to-maturity investments at amortised cost (included listed bonds); and
- 17B fair value through other comprehensive revenue and expense (included shares and listed bonds).

The main differences for the prior year policies are:

- Impairment was recorded only when there was objective evidence of impairment. For equity investments, a significant or prolonged decline in the fair value of the investment below its cost was considered objective evidence of impairment. For debt investments, significant financial difficulties of the debtor, probability the debtor would enter into bankruptcy, receivership or liquidation, and default in payments were indicators the asset is impaired.
- Impairment losses on shares were recognised in the surplus or deficit.
- For shares, the cumulative gain or loss previously recognised in other comprehensive revenue and expense was transferred from equity to surplus or deficit on disposal of the investment.

|                                                        | Council and Group           |                             |
|--------------------------------------------------------|-----------------------------|-----------------------------|
|                                                        | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Current portion</b>                                 |                             |                             |
| Term deposits                                          | 1,041                       | 1,265                       |
| Equity instruments                                     | -                           | -                           |
| Fixed interest instruments                             | -                           | -                           |
| LGFA borrower notes                                    | 1,285                       | 705                         |
| Community loans                                        | 73                          | 53                          |
| <b>Total current portion</b>                           | <b>2,399</b>                | <b>2,023</b>                |
| <b>Non-current portion</b>                             |                             |                             |
| <b>Investments in CCO's and other similar entities</b> |                             |                             |
| Waikato Local Authority Shared Services Limited (a)    | 219                         | 219                         |
| Strada - shares                                        | 700                         | 700                         |
| Waikato Regional Airport Limited                       | 45,761                      | 41,894                      |
| <b>Total investment in CCO's and similar entities</b>  | <b>46,680</b>               | <b>42,813</b>               |
| <b>Investment in other entities</b>                    |                             |                             |
| Community loans                                        | 880                         | 967                         |
| Fixed interest instruments                             | -                           | -                           |
| LGFA borrower notes                                    | 5,750                       | 5,535                       |
| Civic Financial Services Limited                       | 39                          | 39                          |
| <b>Total investment in other entities</b>              | <b>6,669</b>                | <b>6,541</b>                |
| <b>Investment in Joint Venture</b>                     |                             |                             |
| IAWAI - Flowing Waters Limited *                       | -                           | -                           |
| <b>Total investment in Joint Venture</b>               | <b>-</b>                    | <b>-</b>                    |
| <b>Total non-current portion</b>                       | <b>53,349</b>               | <b>49,354</b>               |
| <b>Total other financial assets</b>                    | <b>55,748</b>               | <b>51,377</b>               |

(a) Council's investment in Waikato Local Authority Shared Services Limited comprises four distinct classes of share. The numbers held and values of each share class are as follows:

|                                      | No. of shares | Value per Share \$ | Total Capital \$ | Uncalled Capital \$ | Paid up Capital \$ |
|--------------------------------------|---------------|--------------------|------------------|---------------------|--------------------|
| Ordinary shares                      | 1             | 1,000              | 1,000            | 1,000               | -                  |
| Shared Valuation Database Service    | 106,674       | 1                  | 106,674          | -                   | 106,674            |
| Waikato Regional Photography Service | 9,376         | 1                  | 9,376            | 9,376               | -                  |
| Waikato Regional Transport Model     | 11,250        | 10                 | 112,500          | -                   | 112,500            |
|                                      |               |                    | <b>229,550</b>   | <b>10,376</b>       | <b>219,174</b>     |

## Fair value

### Term deposits

The carrying amount of term deposits approximates their fair value.

### Community loans

Community loans are measured at amortised cost using the effective interest method.

Their fair value is \$953,685.24 (2025: \$1,022,132). Fair value has been determined using cash flows discounted at the interest rate (current at 1 July 2025) charged by Council on community loans. The rate used is 4.22% (2025: 4.25%).

The face value of total community loans is \$907,098 (2025: \$998,551).

### Unlisted investments and advances

The fair value of Council's shares in Local Authority Shared Services Limited has not been disclosed because the fair value cannot be reliably measured as there is no active market for these instruments; therefore, the shares are held at cost.

Council's investments in Waikato Regional Airport Limited (WRAL) and Civic Financial Services Limited (formerly NZ Local Government Insurance Corporation Limited) are carried at fair value through other comprehensive revenue and expenditure. The fair value for the investment in WRAL has been determined based on the Council's proportion of ownership of WRAL's net assets (15.625%). Net assets are considered to provide an appropriate estimate of WRAL's fair value, this is because WRAL's fair value derives mainly from the underlying fair value of its assets net of liabilities.

|                                  | Share of net assets | Fair Value   |              |
|----------------------------------|---------------------|--------------|--------------|
|                                  |                     | 2025/26      | 2024/25      |
| Waikato Regional Airport Limited | 15.62%              | \$45,760,508 | \$41,894,246 |
| Civic Financial Services Limited | 0.37%               | \$38,971     | \$38,922     |

## Note 14: Non-current assets held for sale

### Accounting policy

Non-current assets no longer required in Council's operations and therefore intended for sale have been measured at the lower of their carrying amount and their fair value, less costs to sell.

Any impairment losses for write-downs of such assets are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised in the surplus or deficit 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.

|                                          | Council and Group           |                             |
|------------------------------------------|-----------------------------|-----------------------------|
|                                          | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Land                                     | -                           | 11                          |
| Buildings                                | -                           | -                           |
| <b>Total non-current assets for sale</b> | <b>-</b>                    | <b>11</b>                   |

Council has not classified any property as Non-Current Assets held for sale as at June 2026.  
(2025: One property was classified as held for sale.)

## Note 15: Property, plant and equipment

### Accounting policy

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 which can only be disposed of after following a rigorous legal and public consultation process.
- Infrastructural 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.

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 is 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 is recognised at its fair value as at the date of acquisition.

### Disposals

Gains and losses on disposal are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are reported net in the 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.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment other than land. The depreciation rates used 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 is reviewed and adjusted if applicable, at each balance date.

## **Revaluation**

Land and buildings (operational and restricted) and parks and reserves (except land under roads and infrastructural assets) are revalued on a regular basis (at least every three years) to ensure that their carrying amounts do not differ materially from fair value. Infrastructural assets are valued annually.

The carrying values of the revalued assets are assessed annually to ensure that 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, in equity, for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the 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.

## ***Value in use for non-cash-generating assets***

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return,

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a series of service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

## ***Value in use for cash-generating assets***

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

## Work in progress

The total amount of Council property, plant and equipment in the course of construction by class of asset is detailed below:

|                               | Council and Group           |                             |
|-------------------------------|-----------------------------|-----------------------------|
|                               | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Buildings - operational       | 8,201                       | 6,602                       |
| Buildings – restricted        | 1,725                       | 867                         |
| Parks and reserves            | 15,406                      | 19,496                      |
| Wastewater                    | 47,370                      | 76,207                      |
| Stormwater                    | 11,133                      | 14,495                      |
| Water                         | 22,505                      | 32,345                      |
| Solid waste                   | 1,424                       | 1,259                       |
| Roading                       | 19,843                      | 6,405                       |
| <b>Total work in progress</b> | <b>127,606</b>              | <b>157,674</b>              |

## Infrastructural assets – further disclosures

|                                            | Closing<br>book value | Additions                 |                                      | Estimated<br>replacement<br>cost |
|--------------------------------------------|-----------------------|---------------------------|--------------------------------------|----------------------------------|
|                                            |                       | Constructed<br>by Council | *Assets<br>transferred<br>to Council |                                  |
| <b>Council 2026</b>                        | <b>\$'000</b>         | <b>\$'000</b>             | <b>\$'000</b>                        | <b>\$'000</b>                    |
| Water treatment plants and facilities      | 52,966                | -                         | 517                                  | 91,032                           |
| Other water assets                         | 413,101               | 29,548                    | 3,514                                | 555,277                          |
| Wastewater treatment plants and facilities | 126,747               | -                         | 2,028                                | 175,096                          |
| Other wastewater assets                    | 360,500               | 75,291                    | 10,669                               | 554,457                          |
| Stormwater and drainage                    | 269,639               | 11,098                    | 5,530                                | 322,604                          |
| Roads, footpaths, bridges and culverts     | 1,668,561             | 25,362                    | 788                                  | 2,389,358                        |
| <b>Total infrastructural assets</b>        | <b>2,891,514</b>      | <b>141,299</b>            | <b>23,046</b>                        | <b>4,087,824</b>                 |
| <b>Council 2025</b>                        |                       |                           |                                      |                                  |
| Water treatment plants and facilities      | 24,009                | -                         | -                                    | 49,176                           |
| Other water assets                         | 235,403               | 12,472                    | 4,497                                | 335,771                          |
| Wastewater treatment plants and facilities | 42,486                | -                         | -                                    | 81,449                           |
| Other wastewater assets                    | 205,640               | 24,731                    | 6,267                                | 340,307                          |
| Stormwater and drainage                    | 154,884               | 571                       | 5,710                                | 193,275                          |
| Roads, footpaths, bridges and culverts     | 1,550,048             | 55,338                    | 20,875                               | 2,251,757                        |
| <b>Total infrastructural assets</b>        | <b>2,212,470</b>      | <b>93,112</b>             | <b>37,349</b>                        | <b>3,251,735</b>                 |

\* This includes found assets of \$2,960,070 for 2026 (2025: \$282,913).

## Service concession assets - included in the table on the following page

Service concession assets are infrastructure assets owned by the Council and operated by Watercare Services Limited (Watercare) for the provision of water, wastewater, and stormwater services in Waikato district. The agreement stipulates the services Watercare must provide, to whom it must provide them and regulates the price.

Watercare is responsible for upgrading and maintaining the entire network in the district. At the end of the contract period, which is due to end on 30 June 2028, the network must be in the same, or better overall condition than that which existed at the time the contract commenced in 2019. The Council retains ownership of the infrastructure assets operated by Watercare.

On 1 July 2026, the assets, liabilities, and operations of water supply and wastewater services previously provided by Waikato District Council were transferred to IAWAI Flowing Waters Limited (IAWAI). IAWAI also provides stormwater services to Council. The Watercare service concession contract was novated as part of the transfer to IAWAI and IAWAI assumed Council's obligations under that contract from 1 July 2026.

|                                     | Council and Group |                |                         |                  |
|-------------------------------------|-------------------|----------------|-------------------------|------------------|
|                                     | Water supply      | Wastewater     | Stormwater and drainage | Total            |
|                                     | \$'000            | \$'000         | \$'000                  | \$'000           |
| <b>Balance at 1 July 2025</b>       |                   |                |                         |                  |
| Cost                                | 259,412           | 248,126        | 154,884                 | 662,422          |
| Accumulated depreciation            | -                 | -              | -                       | -                |
| <b>Opening carrying amount</b>      | <b>259,412</b>    | <b>248,126</b> | <b>154,884</b>          | <b>662,422</b>   |
| <b>Year ended 30 June 2026</b>      |                   |                |                         |                  |
| Additions                           | 33,579            | 87,988         | 16,628                  | 138,195          |
| Reclassification                    | -                 | -              | -                       | -                |
| Revaluation surplus(deficit)        | 181,808           | 163,394        | 100,488                 | 445,690          |
| Disposal – cost                     | (2,573)           | (5,006)        | (346)                   | (7,925)          |
| Disposal – accumulated depreciation | 354               | 443            | 7                       | 804              |
| Depreciation                        | (6,513)           | (7,698)        | (2,022)                 | (16,233)         |
| <b>Closing carrying amount</b>      | <b>466,067</b>    | <b>487,247</b> | <b>269,639</b>          | <b>1,222,953</b> |
| <b>Balance at 1 July 2026</b>       |                   |                |                         |                  |
| Cost                                | 466,067           | 487,247        | 269,639                 | 1,222,953        |
| Accumulated depreciation            | -                 | -              | -                       | -                |
| <b>Closing carrying amount</b>      | <b>466,067</b>    | <b>487,247</b> | <b>269,639</b>          | <b>1,222,953</b> |

| Council and Group 2025/26           | Cost / valuation<br>1 Jul 2025 | Accumulated depreciation and impairment charges 1 Jul 2025 | Carrying amount<br>1 Jul 2025 | Current year additions | Current year Disposals and transfers from WIP | Current year reclassification cost |
|-------------------------------------|--------------------------------|------------------------------------------------------------|-------------------------------|------------------------|-----------------------------------------------|------------------------------------|
|                                     | \$'000                         | \$'000                                                     | \$'000                        | \$'000                 | \$'000                                        | \$'000                             |
| <b>Operational assets</b>           |                                |                                                            |                               |                        |                                               |                                    |
| Land *                              | 46,858                         | -                                                          | 46,858                        | 65                     | (171)                                         | -                                  |
| Buildings                           | 37,985                         | -                                                          | 37,985                        | 1,159                  | -                                             | -                                  |
| Library books                       | 8,558                          | (6,849)                                                    | 1,709                         | 531                    | -                                             | -                                  |
| Vehicles / moveable plant           | 7,514                          | (4,068)                                                    | 3,446                         | 523                    | (486)                                         | -                                  |
| Office equipment                    | 1,496                          | (1,362)                                                    | 134                           | 53                     | -                                             | -                                  |
| Computer equipment                  | 3,748                          | (3,145)                                                    | 603                           | 399                    | -                                             | -                                  |
| Furniture                           | 1,941                          | (1,656)                                                    | 285                           | 49                     | -                                             | -                                  |
| <b>Total operational assets</b>     | <b>108,100</b>                 | <b>(17,080)</b>                                            | <b>91,020</b>                 | <b>2,779</b>           | <b>(657)</b>                                  | <b>-</b>                           |
| <b>Infrastructural assets</b>       |                                |                                                            |                               |                        |                                               |                                    |
| Wastewater                          | 248,126                        | -                                                          | 248,126                       | 87,988                 | (5,006)                                       | -                                  |
| Stormwater                          | 146,956                        | -                                                          | 146,956                       | 16,628                 | (346)                                         | -                                  |
| Water                               | 259,412                        | -                                                          | 259,412                       | 33,579                 | (2,573)                                       | -                                  |
| Drainage                            | 7,928                          | -                                                          | 7,928                         | -                      | -                                             | -                                  |
| Solid waste                         | 3,228                          | -                                                          | 3,228                         | 695                    | (314)                                         | -                                  |
| Roading *                           | 1,254,014                      | -                                                          | 1,254,014                     | 23,007                 | (195)                                         | -                                  |
| Bridges / culverts / pipes *        | 296,034                        | -                                                          | 296,034                       | 3,143                  | -                                             | -                                  |
| Land under roads                    | 112,615                        | -                                                          | 112,615                       | 1,034                  | -                                             | -                                  |
| Work in progress                    | 157,674                        | -                                                          | 157,674                       | 130,850                | (160,918)                                     | -                                  |
| <b>Total infrastructural assets</b> | <b>2,485,987</b>               | <b>-</b>                                                   | <b>2,485,987</b>              | <b>296,924</b>         | <b>(169,352)</b>                              | <b>-</b>                           |
| <b>Restricted assets</b>            |                                |                                                            |                               |                        |                                               |                                    |
| Land *                              | 154,902                        | -                                                          | 154,902                       | 4,452                  | (139)                                         | 11                                 |
| Buildings                           | 39,006                         | -                                                          | 39,006                        | 1,429                  | -                                             | -                                  |
| Parks and reserves                  | 86,733                         | -                                                          | 86,733                        | 9,310                  | (227)                                         | -                                  |
| <b>Total restricted assets</b>      | <b>280,641</b>                 | <b>-</b>                                                   | <b>280,641</b>                | <b>15,191</b>          | <b>(366)</b>                                  | <b>11</b>                          |
| <b>Total Council and Group</b>      | <b>2,874,728</b>               | <b>(17,080)</b>                                            | <b>2,857,648</b>              | <b>314,894</b>         | <b>(170,375)</b>                              | <b>11</b>                          |

| Current year reclassification accumulated depreciation | Current year depreciation | Accumulated depreciation disposed | Revaluation surplus (deficit) | Cost / valuation 30 Jun 2026 | Accumulated depreciation and impairment charges 30 Jun 2026 | Carrying amount 30 Jun 2026 |
|--------------------------------------------------------|---------------------------|-----------------------------------|-------------------------------|------------------------------|-------------------------------------------------------------|-----------------------------|
| \$'000                                                 | \$'000                    | \$'000                            | \$'000                        | \$'000                       | \$'000                                                      | \$'000                      |
| -                                                      | -                         | -                                 | -                             | 46,752                       | -                                                           | 46,752                      |
| -                                                      | (1,713)                   | -                                 | -                             | 39,144                       | (1,713)                                                     | 37,431                      |
| -                                                      | (467)                     | -                                 | -                             | 9,089                        | (7,316)                                                     | 1,773                       |
| -                                                      | (761)                     | 275                               | -                             | 7,551                        | (4,554)                                                     | 2,997                       |
| -                                                      | (34)                      | -                                 | -                             | 1,549                        | (1,396)                                                     | 153                         |
| -                                                      | (340)                     | -                                 | -                             | 4,147                        | (3,485)                                                     | 662                         |
| -                                                      | (76)                      | -                                 | -                             | 1,990                        | (1,732)                                                     | 258                         |
| -                                                      | <b>(3,391)</b>            | <b>275</b>                        | -                             | <b>110,222</b>               | <b>(20,196)</b>                                             | <b>90,026</b>               |
| -                                                      | (7,698)                   | 443                               | 163,394                       | 487,247                      | -                                                           | 487,247                     |
| -                                                      | (1,929)                   | 7                                 | 94,455                        | 255,771                      | -                                                           | 255,771                     |
| -                                                      | (6,513)                   | 354                               | 181,808                       | 466,067                      | -                                                           | 466,067                     |
| -                                                      | (93)                      | -                                 | 6,033                         | 13,868                       | -                                                           | 13,868                      |
| -                                                      | (155)                     | 28                                | (254)                         | 3,228                        | -                                                           | 3,228                       |
| -                                                      | (23,478)                  | 1,291                             | 120,650                       | 1,375,289                    | -                                                           | 1,375,289                   |
| -                                                      | (8,273)                   | -                                 | 2,368                         | 293,272                      | -                                                           | 293,272                     |
| -                                                      | -                         | -                                 | -                             | 113,649                      | -                                                           | 113,649                     |
| -                                                      | -                         | -                                 | -                             | 127,606                      | -                                                           | 127,606                     |
| -                                                      | <b>(48,139)</b>           | <b>2,123</b>                      | <b>568,454</b>                | <b>3,135,997</b>             | -                                                           | <b>3,135,997</b>            |
| -                                                      | -                         | -                                 | -                             | 159,226                      | -                                                           | 159,226                     |
| -                                                      | (1,729)                   | -                                 | -                             | 40,435                       | (1,729)                                                     | 38,706                      |
| -                                                      | (5,313)                   | 31                                | 1,372                         | 91,906                       | -                                                           | 91,906                      |
| -                                                      | <b>(7,042)</b>            | <b>31</b>                         | <b>1,372</b>                  | <b>291,567</b>               | <b>(1,729)</b>                                              | <b>289,838</b>              |
| -                                                      | <b>(58,572)</b>           | <b>2,429</b>                      | <b>569,826</b>                | <b>3,537,786</b>             | <b>(21,925)</b>                                             | <b>3,515,861</b>            |

\* Comparative information and opening balances have been restated in accordance with PBE IPSAS 3 to correct prior-period errors identified in the review of roading assets, vested assets, and land classifications. The restatement reallocated \$46.8m between roading and bridge assets, reduced the infrastructure revaluation reserve by \$1.8m with a corresponding adjustment to accumulated funds, and reclassified \$2.5m from land to restricted land. The corrections align recorded balances with supporting valuation records and asset classifications and, other than the vested asset adjustment affecting reserves and accumulated funds, have no impact on total assets, net assets/equity, or the current-year surplus/(deficit).

| Council and Group 2024/25           | Cost / valuation<br>1 Jul 2024 | Accumulated depreciation and impairment charges 1 Jul 2024 | Carrying amount<br>1 Jul 2024 | Current year additions | Current year Disposals and transfers from WIP | Current year reclassification cost |
|-------------------------------------|--------------------------------|------------------------------------------------------------|-------------------------------|------------------------|-----------------------------------------------|------------------------------------|
|                                     | \$'000                         | \$'000                                                     | \$'000                        | \$'000                 | \$'000                                        | \$'000                             |
| <b>Operational assets</b>           |                                |                                                            |                               |                        |                                               |                                    |
| Land                                | 50,760                         | -                                                          | 50,760                        | 25                     | -                                             | -                                  |
| Buildings                           | 37,619                         | -                                                          | 37,619                        | 1,894                  | -                                             | -                                  |
| Library books                       | 8,101                          | (6,408)                                                    | 1,693                         | 457                    | -                                             | -                                  |
| Vehicles / moveable plant           | 6,583                          | (3,621)                                                    | 2,962                         | 1,446                  | (515)                                         | -                                  |
| Office equipment                    | 1,418                          | (1,331)                                                    | 87                            | 78                     | -                                             | -                                  |
| Computer equipment                  | 3,748                          | (2,670)                                                    | 1,078                         | -                      | -                                             | -                                  |
| Furniture                           | 1,917                          | (1,586)                                                    | 331                           | 24                     | -                                             | -                                  |
| <b>Total operational assets</b>     | <b>110,146</b>                 | <b>(15,616)</b>                                            | <b>94,530</b>                 | <b>3,924</b>           | <b>(515)</b>                                  | <b>-</b>                           |
| <b>Infrastructural assets</b>       |                                |                                                            |                               |                        |                                               |                                    |
| Wastewater                          | 184,995                        | -                                                          | 184,995                       | 30,998                 | (975)                                         | -                                  |
| Stormwater                          | 112,015                        | -                                                          | 112,015                       | 6,281                  | (2)                                           | -                                  |
| Water                               | 200,407                        | -                                                          | 200,407                       | 16,969                 | (904)                                         | -                                  |
| Drainage                            | 5,045                          | -                                                          | 5,045                         | -                      | -                                             | -                                  |
| Solid waste                         | 3,272                          | -                                                          | 3,272                         | 164                    | (24)                                          | -                                  |
| Roading                             | 1,186,191                      | -                                                          | 1,186,191                     | 70,355                 | (302)                                         | -                                  |
| Bridges / culverts / pipes          | 314,740                        | -                                                          | 314,740                       | 5,858                  | -                                             | -                                  |
| Land under roads                    | 111,321                        | -                                                          | 111,321                       | 1,294                  | -                                             | -                                  |
| Work in progress                    | 167,336                        | -                                                          | 167,336                       | 104,673                | (114,335)                                     | -                                  |
| <b>Total infrastructural assets</b> | <b>2,285,322</b>               | <b>-</b>                                                   | <b>2,285,322</b>              | <b>236,592</b>         | <b>(116,542)</b>                              | <b>-</b>                           |
| <b>Restricted assets</b>            |                                |                                                            |                               |                        |                                               |                                    |
| Land *                              | 157,593                        | -                                                          | 157,593                       | 872                    | (438)                                         | 427                                |
| Buildings                           | 36,898                         | -                                                          | 36,898                        | 48                     | -                                             | -                                  |
| Parks and reserves                  | 80,212                         | -                                                          | 80,212                        | 15,204                 | (465)                                         | -                                  |
| <b>Total restricted assets</b>      | <b>274,703</b>                 | <b>-</b>                                                   | <b>274,703</b>                | <b>16,124</b>          | <b>(903)</b>                                  | <b>427</b>                         |
| <b>Total Council and Group</b>      | <b>2,670,171</b>               | <b>(15,616)</b>                                            | <b>2,654,555</b>              | <b>256,640</b>         | <b>(117,960)</b>                              | <b>427</b>                         |

| Current year reclassification accumulated depreciation | Current year depreciation | Accumulated depreciation disposed | Revaluation surplus (deficit) | Cost / valuation 30 Jun 2025 | Accumulated depreciation and impairment charges 30 Jun 2025 | Carrying amount 30 Jun 2025 |
|--------------------------------------------------------|---------------------------|-----------------------------------|-------------------------------|------------------------------|-------------------------------------------------------------|-----------------------------|
| \$'000                                                 | \$'000                    | \$'000                            | \$'000                        | \$'000                       | \$'000                                                      | \$'000                      |
| -                                                      | -                         | -                                 | (1,376)                       | 49,409                       | -                                                           | 49,409                      |
| -                                                      | (1,814)                   | -                                 | 286                           | 37,985                       | -                                                           | 37,985                      |
| -                                                      | (441)                     | -                                 | -                             | 8,558                        | (6,849)                                                     | 1,709                       |
| -                                                      | (737)                     | 290                               | -                             | 7,514                        | (4,068)                                                     | 3,446                       |
| -                                                      | (31)                      | -                                 | -                             | 1,496                        | (1,362)                                                     | 134                         |
| -                                                      | (475)                     | -                                 | -                             | 3,748                        | (3,145)                                                     | 603                         |
| -                                                      | (70)                      | -                                 | -                             | 1,941                        | (1,656)                                                     | 285                         |
| -                                                      | <b>(3,568)</b>            | <b>290</b>                        | <b>(1,090)</b>                | <b>110,651</b>               | <b>(17,080)</b>                                             | <b>93,571</b>               |
| -                                                      | (6,379)                   | 66                                | 39,421                        | 248,126                      | -                                                           | 248,126                     |
| -                                                      | (1,465)                   | -                                 | 30,127                        | 146,956                      | -                                                           | 146,956                     |
| -                                                      | (5,314)                   | 29                                | 48,225                        | 259,412                      | -                                                           | 259,412                     |
| -                                                      | (57)                      | -                                 | 2,940                         | 7,928                        | -                                                           | 7,928                       |
| -                                                      | (143)                     | 1                                 | (42)                          | 3,228                        | -                                                           | 3,228                       |
| -                                                      | (19,802)                  | 25                                | (29,334)                      | 1,207,133                    | -                                                           | 1,207,133                   |
| -                                                      | (7,243)                   | -                                 | 29,561                        | 342,916                      | -                                                           | 342,916                     |
| -                                                      | -                         | -                                 | -                             | 112,615                      | -                                                           | 112,615                     |
| -                                                      | -                         | -                                 | -                             | 157,674                      | -                                                           | 157,674                     |
| -                                                      | <b>(40,403)</b>           | <b>121</b>                        | <b>120,898</b>                | <b>2,485,988</b>             | -                                                           | <b>2,485,988</b>            |
| -                                                      | -                         | -                                 | (6,103)                       | 152,351                      | -                                                           | 152,351                     |
| -                                                      | (1,745)                   | -                                 | 3,806                         | 39,006                       | -                                                           | 39,006                      |
| -                                                      | (5,321)                   | 42                                | (2,939)                       | 86,733                       | -                                                           | 86,733                      |
| -                                                      | <b>(7,066)</b>            | <b>42</b>                         | <b>(5,236)</b>                | <b>278,090</b>               | -                                                           | <b>278,090</b>              |
| -                                                      | <b>(51,037)</b>           | <b>453</b>                        | <b>114,572</b>                | <b>2,874,729</b>             | <b>(17,080)</b>                                             | <b>2,857,648</b>            |

## Valuation

### **Operational and restricted land and buildings**

Land, buildings, and properties valued by their components have been valued at fair value either as determined by an independent valuer using market-based evidence or by using a replacement cost approach. The most recent valuation was performed by Quotable Value Limited (QV) and dated 30 June 2025.

The fair value of Council's land and buildings has been determined based on the highest and best use in accordance with PBE IPSAS 17 Property, Plant and Equipment

### **Land**

A number of estimates and assumptions must be made when valuing land and buildings. In this instance they include:

- Land valuations have been based on extensive local knowledge, the district rating records, the QV Mapping system and records held by QV and its predecessor Valuation New Zealand.
- Land has been valued as if vacant and incorporates the influences of size, contour, quality, location, zoning, designation, and current and potential usage.
- All land is valued on an open market "willing buyer willing seller" scenario. This is effectively the price an informed purchaser would have to spend to acquire a similar property.
- Where there is a designation held against the land, adjustments have been made to reflect that designation.

### **Buildings**

All buildings have been valued on either a fair market or depreciated replacement cost basis (DRC). Where the fair value of an asset can be determined by reference to the price in an active market for the same or similar asset, the fair value of the asset is determined using this information. Where the fair value of the asset is not able to be determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of fair value.

QV have considered the highest and best use of the property when formulating which approach to undertake the building valuations with. Where

market-based evidence exists, structures have been valued on a market basis in relation to a market-based per square metre.

A number of estimates and assumptions must be made when valuing land and buildings. They may differ depending on the degree of specialisation inherent in the purpose or use of each particular building.

For specialised assets which are valued on a depreciated replacement cost basis:

- Replacement cost rates are derived from construction contracts of like assets, reference to publications such as QV Cost Builder (previously the Rawlinson's Construction Handbook), recent costings obtained from construction details and Property Institute of New Zealand's cost information.
- A componentisation approach is taken in most cases. The exceptions are where the cost of a component or the lives do not differ materially to the entire value of the structure to warrant being componentised. In all these cases, the building is reported as a structure only and will generally be under \$50,000 in value. The components are summarised for financial reporting purposes as structure, roof, internal fit-out, services, plant and external works/other improvements.
- The remaining useful life of properties is estimated by determining the effective age of the components within each property and comparing with the economic life of the improvements. A minimum residual life of five years has been adopted for properties nearing the end of their theoretical lives.
- Straight line depreciation has been applied to all DRC valued assets to determine their DRC.
- Optimisation has been considered in the process of determining DRC. Optimisation defines the most efficient set of assets that deliver the required services.

Residential dwellings and commercial properties have been valued in relation to market-based evidence.

- Market rents and capitalisation rates were applied to reflect market value while considering the highest and best use alternatives.
- Optimisation is not considered under a market-derived assessment.

Comparisons of the carrying value of buildings valued using depreciated replacement cost and buildings valued using market-based evidence is as follows:

|                                                      | Council and Group           |                             |
|------------------------------------------------------|-----------------------------|-----------------------------|
|                                                      | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Operational buildings</b>                         |                             |                             |
| Depreciated replacement cost                         | 35,943                      | 36,444                      |
| Market-based evidence                                | 1,483                       | 1,535                       |
| <b>Total carrying value of operational buildings</b> | <b>37,426</b>               | <b>37,979</b>               |
| <b>Restricted buildings</b>                          |                             |                             |
| Depreciated replacement cost                         | 36,085                      | 36,317                      |
| Market-based evidence                                | 2,626                       | 2,694                       |
| <b>Total carrying value of restricted buildings</b>  | <b>38,711</b>               | <b>39,011</b>               |

### Classification of property

Council owns a number of properties held to provide housing for the elderly. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for service delivery objectives as part of Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

### Parks and reserves

Parks and reserves assets include assets associated with cemeteries, public toilets (including toilet buildings), reserves, playgrounds, sports grounds, car parks, footpaths, fencing, retaining walls, lighting, furniture, signage, and reserves-like assets associated with swimming pools.

Parks and reserves assets have been valued at fair value using the optimised depreciated replacement cost (ODRC) methodology. The most recent valuation assessment was undertaken by WSP New Zealand Limited as at 30 June 2026.

The valuation has been prepared in accordance with generally accepted accounting practice, including PBE IPSAS 17 Property, Plant and Equipment, International Valuation Standards 2025 (IVS 2025), Property Institute of New Zealand professional practice standards, the International Infrastructure Management Manual and Āpōpō Guide, and the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines (2025).

There are a number of estimates and assumptions exercised when valuing parks and reserves assets using the optimised depreciated replacement cost methodology. These include:

- Replacement costs are based on unit rates derived from previous valuation analysis, adjusted using relevant Statistics New Zealand price indices and tested against recent contract information, comparable council data and other cost information. Unit rates include allowances for preliminary and general costs.
- On-cost factors are applied to allow for all expenses incidental to asset acquisition and all costs directly attributable to bringing assets into working condition and location, including professional fees and council project management costs. On-cost factors remained unchanged from the 2025 valuation.
- Estimates of useful lives and remaining useful lives are based on the International Infrastructure Management Manual, the Āpōpō Guide and the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines. There was no evidence of a change in asset lives during the 2026 assessment and assets were generally aged by 12 months from the previous valuation. Assets nearing the end of their useful life continue to be assigned a minimum remaining useful life and assets with unknown ages are assumed to be midway through their life.
- Residual values are based on local knowledge of asset performance and maintenance practices. There was no evidence that residual value assumptions had changed since the previous valuation.
- Straight-line depreciation is applied over the estimated useful lives of the assets.

### **Infrastructural asset classes: water, wastewater, stormwater, and drainage**

Three waters assets, including water supply, wastewater and stormwater reticulation assets, treatment assets, reservoirs, buildings and site improvements, are valued at fair value using the optimised depreciated replacement cost method. The most recent valuation was undertaken by Beca Limited as at 30 June 2026.

The valuation has been prepared in accordance with generally accepted accounting practice, including PBE IPSAS 17 Property, Plant and Equipment, with reference to PBE IPSAS 21, International Valuation Standards 2025, the Āpōpō Infrastructure Asset Valuation and Depreciation Guidelines (2025), and the Property Institute of New Zealand Guidance Paper NZVGP502 Valuations of Real Property, Plant & Equipment for use in New Zealand Financial Reports.

There are a number of estimates and assumptions exercised when valuing three waters assets using the optimised depreciated replacement cost method. These include the following.

- Where appropriate, replacement costs reflect optimisation due to over-design, technological obsolescence or surplus capacity. Optimisation is the process by which the least-cost replacement option is determined for the remaining service potential of an asset. The valuation applies the modern equivalent asset approach, which reflects current technology and construction standards while maintaining the required level of service.
- Estimates of replacement cost are based on recent construction contracts, actual project costs, supplier information, historical valuation data and market evidence. Where recent cost information is limited or unavailable, replacement costs are determined using information from comparable councils and adjusted using relevant Statistics New Zealand Capital Goods Price Indices and other market-based cost information to reflect current replacement costs at the valuation date.
- Estimates of the remaining useful lives over which assets are depreciated. If useful lives do not reflect the actual consumption of the service potential of the assets, the Council could over or underestimate the annual depreciation expense recognised in the statement of comprehensive revenue and expense. To minimise this risk, useful lives have been determined with reference to the Āpōpō Infrastructure Asset Valuation and Depreciation Guidelines and adjusted for local asset conditions, maintenance history, utilisation, refurbishment and asset condition. Asset inspections, condition assessments and asset management planning activities provide further assurance over useful life estimates.
- Remaining useful life is initially assessed as standard asset life less age and is adjusted, where appropriate, for asset condition, renewals, upgrades, refurbishment and obsolescence. A minimum remaining useful life of three years has been applied.
- Land is excluded from the valuation. Reticulation, treatment, reservoir, building and site improvement assets are valued separately using valuation methodologies appropriate to each asset group.
- Residual values are assumed to be zero.
- Straight-line depreciation is applied over the estimated useful lives of the assets.

### **Infrastructural asset classes: roading**

Road assets, including bridges and culverts, are valued at fair value using the optimised depreciated replacement cost methodology. The most recent valuation was undertaken by WSP New Zealand Limited as at 30 June 2026.

The valuation has been prepared in accordance with PBE IPSAS 17 Property, Plant and Equipment, International Valuation Standards 2025 and the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines.

There are a number of estimates and assumptions exercised when valuing roading assets using the optimised depreciated replacement cost methodology. These include:

- Replacement cost is the cost of replacing the existing infrastructure using present-day technology while maintaining the originally intended level of service.
- Replacement costs are based on current contract rates, benchmark information from comparable councils and NZ Transport Agency cost indices. Costs represent brownfield construction costs reflecting the additional constraints associated with maintaining service levels while undertaking construction, maintenance and renewal activities.
- Overhead factors of 20% (2025: 14%) have been applied to most asset classes to allow for costs incidental to acquisition and bringing assets into service. Bridges and bridge culverts have a 0% overhead factor as these costs are assumed to be included within unit rates.
- An optimisation approach has been applied where appropriate. Optimisation means provision of the required level of service at minimum overall cost.
- Assets have been valued using unit rates applied to quantities expressed as length, area or number of assets.
- Estimates of useful lives are based on the International Infrastructure Management

Manual and relevant infrastructure valuation and depreciation guidelines and are adjusted where local knowledge and experience indicate this is appropriate. Asset inspections, condition assessments and asset management planning activities provide further assurance over useful life estimates.

- A zero residual value is assumed for all assets.
- Straight-line depreciation has been applied.

### **Infrastructural asset class: Solid Waste**

Solid waste assets are valued at fair value using the optimised depreciated replacement cost (ODRC) method. The most recent valuation assessment was undertaken by WSP New Zealand Limited as at 30 June 2026.

The valuation has been prepared in accordance with generally accepted accounting practice, including PBE IPSAS 17 Property, Plant and Equipment, International Valuation Standards 2025, Property Institute of New Zealand Professional Practice Standards, the International Infrastructure Management Manual and Āpōpō Guide, and the New Zealand Infrastructure Asset Valuation and Depreciation Guidelines (2025).

There are a number of estimates and assumptions exercised when valuing solid waste assets using the optimised depreciated replacement cost method. These include the following:

- Where appropriate, replacement costs reflect optimisation due to over-design, technological obsolescence, redundant assets or surplus capacity. Optimisation assumes that replacement assets will provide the required level of service at the minimum overall cost.
- Estimates of replacement cost are based on unit rates derived from historical valuation information, recent available cost evidence, comparable asset information and relevant construction cost indices. Unit rates include allowances for preliminary and general costs, including site establishment and disestablishment costs and contractor onsite and offsite overheads. Where cost information is not considered current, it is indexed to reflect current replacement costs at the valuation date.
- Estimates of the remaining useful lives over which assets are depreciated. If useful lives do not reflect the actual consumption of the service potential of the assets, the Council could over or underestimate the annual depreciation expense recognised in the statement of comprehensive revenue and expense. To minimise this risk, useful lives have been determined with reference to the New Zealand Infrastructure Asset Valuation and

Depreciation Guidelines published by Āpōpō and industry practice and are reviewed as part of each valuation assessment. Asset inspections, condition assessments and asset management planning activities provide further assurance over useful life estimates.

- Estimates of residual values are based on local knowledge of asset performance and maintenance practices and are reviewed as part of each valuation assessment.
- On-cost factors are included to reflect all expenses incidental to asset acquisition and costs directly attributable to bringing assets into working condition and location, including professional fees and project management costs.
- Straight-line depreciation is applied over the estimated useful lives of the assets.

### **Land under roads**

Land under roads was valued by both the former Franklin District Council (FDC) and Waikato District Council (WDC) before the transition by each to NZ Equivalent International Financial Reporting Standard (NZIFRS). On transition to NZIFRS both Councils elected to use the revaluation amounts for land under roads as the deemed cost. Following the merger of part of the former FDC and WDC, land under roads is stated at deemed cost and is not revalued.

### **Raglan Airfield**

In February 1936, the area now known as Raglan Airfield was selected as a suitable location for an emergency airfield by an Airforce Officer and obtained for this purpose. The 36-hectare airfield block was made up of land from the Te Kopua and Papahua blocks which were Māori freehold land. In 1969, the land was declared 'Crown Land' and formally vested in the Raglan County Council. In early 2019, the CAA issued a notice to aviators which prompted many airfield operators to review the safety of their sites. During the implementation of these safety improvements, significant interest was generated in the community which resulted in an onsite occupation of the land. As a result of this and extensive discussions to decide on the future of the land, Council will be engaging with Te Arawhiti and other relevant agencies to facilitate the return of the land to its rightful owners.

Currently, the land (10.3ha) is owned by the Waikato District Council and held by the Council in trust as a Reserve under the Reserves Act 1977. The land is classified as a Local Purpose (aerodrome) Reserve. Section 27 of the Act states that the vesting in the reserve may, with the consent of the administering body (Council) be cancelled by the minister. This

action would relinquish Council of administration responsibilities and would facilitate the return of the land to the rightful owners. The process to be followed to return the land is likely to be complicated, involve multiple agencies and parties, and will not always be in Council's direct control.

#### **Other comments**

There are no items of property, plant and equipment that are not in current use. There have been no restrictions in titles relating to property, plant and equipment or items pledged as security for liabilities.

No impairment losses have been recognised for property, plant and equipment in the current period (2025: \$nil).

There are no items of property, plant and equipment held under finance leases in the current period (2025: nil).

Gains on disposal of property, plant and equipment of \$271,474 (2025: \$88,359) has been recognised in the Statement of comprehensive revenue and expense in the line item Other revenue. Losses on disposal amounting to \$27,069 (2025: \$399,454) have also been recognised in comprehensive revenue and expense in the line item Other expenses and losses.



## Note 16: Intangible assets

### Accounting policy

#### 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 14% and 33%.

#### Consents

Consent costs for capital works are recognised at cost and amortised on a straight-line basis over the finite life of the consents (between 10 and 35 years). The amortisation charge for each period is recognised in the 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.

#### Value in use for non-cash-generating assets

Non-cash-generating assets are those assets that are not held with the primary objective of generating a commercial return,

For non-cash-generating assets, value in use is determined using an approach based on either a depreciated replacement cost approach, restoration cost approach, or a series of service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

#### Value in use for cash-generating assets

Cash-generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

|                                         | Council and Group           |                    |                 |
|-----------------------------------------|-----------------------------|--------------------|-----------------|
|                                         | Computer software<br>\$'000 | Consents<br>\$'000 | Total<br>\$'000 |
| <b>Balance at 1 July 2025</b>           |                             |                    |                 |
| Cost                                    | 6,661                       | 5,826              | 12,487          |
| Accumulated amortisation and impairment | (5,548)                     | (4,910)            | (10,459)        |
| Work in progress                        | 3,415                       | -                  | 3,415           |
| <b>Opening carrying amount</b>          | <b>4,528</b>                | <b>916</b>         | <b>5,444</b>    |
| <b>Year ended 30 June 2026</b>          |                             |                    |                 |
| Additions                               | 1,054                       | -                  | 1,054           |
| WIP additions                           | 1,495                       | -                  | 1,495           |
| Disposals and transfer from WIP         | (1,054)                     | -                  | (1,054)         |
| Disposal – accumulated amortisation     | -                           | -                  | -               |
| Impairment losses                       | -                           | -                  | -               |
| Amortisation charge                     | (476)                       | (72)               | (548)           |
| <b>Closing carrying amount</b>          | <b>5,547</b>                | <b>844</b>         | <b>6,391</b>    |
| <b>Balance at 30 June 2026</b>          |                             |                    |                 |
| Cost                                    | 7,715                       | 5,826              | 13,541          |
| Accumulated amortisation and impairment | (6,024)                     | (4,982)            | (11,006)        |
| Work in progress                        | 3,856                       | -                  | 3,856           |
| <b>Closing carrying amount</b>          | <b>5,547</b>                | <b>844</b>         | <b>6,391</b>    |
| <b>Balance at 1 July 2024</b>           |                             |                    |                 |
| Cost                                    | 6,384                       | 5,826              | 12,210          |
| Accumulated amortisation and impairment | (5,058)                     | (4,838)            | (9,896)         |
| Work in progress                        | 1,922                       | -                  | 1,922           |
| <b>Opening carrying amount</b>          | <b>3,248</b>                | <b>988</b>         | <b>4,236</b>    |
| <b>Year ended 30 June 2025</b>          |                             |                    |                 |
| Additions                               | 277                         | -                  | 277             |
| WIP additions                           | 1,770                       | -                  | 1,770           |
| Disposals and transfer from WIP         | (277)                       | -                  | (277)           |
| Disposal – accumulated amortisation     | -                           | -                  | -               |
| Impairment losses                       | -                           | -                  | -               |
| Amortisation charge                     | (490)                       | (72)               | (562)           |
| <b>Closing carrying amount</b>          | <b>4,528</b>                | <b>916</b>         | <b>5,444</b>    |
| <b>Balance at 30 June 2025</b>          |                             |                    |                 |
| Cost                                    | 6,661                       | 5,826              | 12,487          |
| Accumulated amortisation and impairment | (5,548)                     | (4,910)            | (10,458)        |
| Work in progress                        | 3,415                       | -                  | 3,415           |
| <b>Closing carrying amount</b>          | <b>4,528</b>                | <b>916</b>         | <b>5,444</b>    |

The carrying amount of the assets has been assessed as less than their replacement cost.

There are no restrictions over the title of the Council's intangible assets, nor are any intangible assets pledged as security for liabilities.

There are no intangible assets which have been internally generated.

## Note 17: Investment property

### Accounting policy

Properties leased to third parties under non-cancellable 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 initially measured at cost, including transaction costs. After initial recognition, all investment properties are measured at fair value effective at 30 June each year. Gains or losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

|                                          | Council and Group           |                             |
|------------------------------------------|-----------------------------|-----------------------------|
|                                          | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Balance at 1 July                        | 577                         | 615                         |
| Fair value gains (losses) on valuation   | 53                          | (38)                        |
| Disposals                                | -                           | -                           |
| <b>Balance at 30 June (at valuation)</b> | <b>630</b>                  | <b>577</b>                  |

### Valuation

At 30 June 2026 the valuation was performed by Quotable Value Limited. Quotable Value is an experienced valuer with extensive market knowledge in the types and locations of investment properties owned by Council.

The fair value of Council's investment properties has been determined based on the highest and best use in accordance with PBE IPSAS 16 Investment Property.

A number of estimates and assumptions must be made when valuing investment property. In this instance they include:

- All land is valued on a fair market basis determined from market-based evidence and conditions that prevailed at 30 June 2026.
- Land has been valued as if vacant and incorporates the influences of size, contour, quality, location, zoning, designation and current and potential usage.
- Where there is a designation held against the land, adjustments have been made to reflect that designation.
- All buildings have been valued on either a fair market or depreciated replacement cost basis. Where the fair value of an asset can be determined by reference to the price in an active market for the same or similar asset, the fair value of the asset is determined using this information. Where the fair value of the asset is not able to be determined using market-based evidence, depreciated replacement cost is considered to be the most appropriate basis for determination of fair value.

### Revenue and expenses relating to investment property

|                                                      | Council and Group           |                             |
|------------------------------------------------------|-----------------------------|-----------------------------|
|                                                      | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Rental revenue                                       | 37                          | 44                          |
| Expenses from investment property generating revenue | (20)                        | -                           |

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

## Note 18: Payables, taxes and transfers

### Accounting policy

Short-term payables are recorded at their face value.

|                                                                    | Council and Group           |                             |
|--------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                    | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Payables under exchange transactions</b>                        |                             |                             |
| Trade payables                                                     | 1,609                       | 4,093                       |
| Water rates in advance                                             | 1,547                       | 1,563                       |
| Accrued expenses                                                   | 47,885                      | 33,004                      |
| Amounts due to related parties                                     | 1,085                       | 1,085                       |
| Revenue in advance                                                 | 3,773                       | 2,405                       |
| <b>Total payables under exchange transactions</b>                  | <b>55,899</b>               | <b>42,150</b>               |
| <b>Taxes and transfers payable under non-exchange transactions</b> |                             |                             |
| Rates in advance                                                   | 2,760                       | 2,498                       |
| Deposits and bonds                                                 | 221                         | 270                         |
| GST and FBT payable                                                | -                           | 1,840                       |
| Other non-exchange payables                                        | 30                          | 81                          |
| <b>Total taxes and transfers payable</b>                           | <b>3,011</b>                | <b>4,689</b>                |
| <b>Total payables, taxes and transfers</b>                         | <b>58,910</b>               | <b>46,839</b>               |

Payables are non-interest bearing and are normally settled within 30 days, therefore the carrying value of payables approximates their fair value.

## Note 19: Employee entitlements

### Accounting policy

#### 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 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.
- The present value of the estimated future cash flows; and
- 18BA inflation factor based on the expected long term increase in remuneration for employees.

|                                    | Council and Group           |                             |
|------------------------------------|-----------------------------|-----------------------------|
|                                    | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Current portion</b>             |                             |                             |
| Annual leave                       | 2,909                       | 3,090                       |
| Long service leave                 | 12                          | 78                          |
| Sick leave provision               | 234                         | 231                         |
| Accrued payroll                    | 953                         | 3,325                       |
| Other employee liabilities         | 2,481                       | 2,806                       |
| <b>Total current portion</b>       | <b>6,589</b>                | <b>9,530</b>                |
| <b>Non-current portion</b>         |                             |                             |
| Long service leave                 | 75                          | -                           |
| Retirement gratuities              | 28                          | 41                          |
| Sick leave                         | -                           | -                           |
| <b>Total non-current portion</b>   | <b>103</b>                  | <b>41</b>                   |
| <b>Total employee entitlements</b> | <b>6,692</b>                | <b>9,571</b>                |

#### Estimating retirement and long service leave obligations

The present value of the Council's non-current retirement gratuity and long-service leave obligations depends on a number of assumptions determined on an actuarial basis. Key assumptions used in calculating the obligations include discount rates and future salary increases. Changes in these assumptions will affect the carrying amount of the obligations.

Expected future payments are discounted using forward discount rates derived from the yield curve of New Zealand Government bonds. The discount rates used have maturities that match, as closely as possible, the estimated future cash outflows. The salary inflation factor has been determined after considering historical salary inflation patterns and after obtaining advice from an independent actuary. A weighted average discount rate of 4.36% (2025: 4.53%) and an average inflation factor of 1.62% (2025: 1.9%) were used.

## Note 20: Borrowing

### Accounting policy

All borrowing is initially recognised at cost, being the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are measured at amortised cost using the effective interest method.

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

|                                        | Council and Group           |                             |
|----------------------------------------|-----------------------------|-----------------------------|
|                                        | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Current portion</b>                 |                             |                             |
| Housing Infrastructure Fund (HIF) Loan | 1,461                       | 979                         |
| LGFA borrowing                         | 95,000                      | 45,000                      |
| <b>Total current portion</b>           | <b>96,461</b>               | <b>45,979</b>               |
| <b>Non-current portion</b>             |                             |                             |
| Housing Infrastructure Fund (HIF) Loan | 15,420                      | 5,815                       |
| LGFA borrowing                         | 175,000                     | 190,000                     |
| <b>Total non-current portion</b>       | <b>190,420</b>              | <b>195,815</b>              |
| <b>Total borrowing (all secured)</b>   | <b>286,881</b>              | <b>241,794</b>              |

Council secured debt of \$286,881,288 (2025: \$241,794,045), \$16,881,288 of this is interest free debt secured from the Housing Infrastructure Fund (HIF). The balance of \$270,000,000 is either issued at a fixed rate of interest or has been swapped for fixed interest instruments. Council has 25 swap contracts in place (2025: 27). 2 swaps matured during the year (2025: 1); two outright new contracts (2025: 2) were undertaken. Council has nil (2025: 2) swaps with start dates after 30 June 2026.

Council's committed cash advance facility of \$15,000,000 (2025: \$15,000,000) expires on 22 May 2028.

A fully fluctuating overdraft facility of \$500,000 is also available to Council on demand for Council's working capital requirements. There is a facility fee of 0.04% per month.

At 30 June 2026 total borrowings from Local Government Funding Agency Limited (LGFA) were \$270,000,000 (2025: \$235,000,000). The average rate of interest was 3.57% (2025: 4.16%). The carrying amounts and the fair values of non-current LGFA borrowings are as follows:

|                                    | Carrying amount   |                   | Fair Value        |                   |
|------------------------------------|-------------------|-------------------|-------------------|-------------------|
|                                    | 2025/26<br>\$'000 | 2024/25<br>\$'000 | 2025/26<br>\$'000 | 2024/25<br>\$'000 |
| <b>Council and Group</b>           |                   |                   |                   |                   |
| Secured loans - Interest bearing   | 175,000           | 190,000           | 174,508           | 189,056           |
| Secured loans - Interest free      | 15,420            | 5,815             | 15,420            | 5,815             |
| <b>Total non-current borrowing</b> | <b>190,420</b>    | <b>195,815</b>    | <b>189,928</b>    | <b>194,871</b>    |

### Secured loans – Interest bearing:

The fair values are based on cash flows discounted using a weighted average rate based on the borrowing rates which range:

|      | Council and Group |         |
|------|-------------------|---------|
|      | 2025/26           | 2024/25 |
| From | 2.77%             | 2.98%   |
| To   | 5.47%             | 5.47%   |

### Secured loans – Interest free:

The fair values are based on cash flows discounted using a market rate of 2.70% (2025: 2.10%)

### Internal loans

Council has a policy to utilise investment funds for internal debt purposes so that external borrowing is minimised, and Council keeps its borrowing costs to a minimum.

| Council                             | Balance at 1 July<br>\$'000 | Borrowing<br>\$'000 | Repayments<br>\$'000 | Reclassification<br>\$'000 | Balance at 30 June<br>\$'000 | Interest paid<br>\$'000 |
|-------------------------------------|-----------------------------|---------------------|----------------------|----------------------------|------------------------------|-------------------------|
| <b>2026</b>                         |                             |                     |                      |                            |                              |                         |
| Water supply                        | 31,155                      | 7,141               | (1,143)              | -                          | 37,153                       | 1,196                   |
| Wastewater                          | 61,585                      | 11,993              | (1,938)              | -                          | 71,640                       | 2,370                   |
| Stormwater                          | 6,721                       | 3,899               | (305)                | -                          | 10,315                       | 257                     |
| Roading                             | 25,905                      | 3,306               | (1,604)              | -                          | 27,607                       | 983                     |
| Sustainable environment             | 3,866                       | 811                 | (149)                | -                          | 4,528                        | 148                     |
| Sustainable communities             | 38,690                      | 10,205              | (1,789)              | -                          | 47,106                       | 1,479                   |
| Governance                          | -                           | -                   | -                    | -                          | -                            | -                       |
| Organisational support              | 11,243                      | 1,647               | (331)                | -                          | 12,559                       | 433                     |
| <b>Total internal loans (gross)</b> | <b>179,165</b>              | <b>39,002</b>       | <b>(7,259)</b>       | <b>-</b>                   | <b>210,908</b>               | <b>6,866</b>            |
| <b>2025</b>                         |                             |                     |                      |                            |                              |                         |
| Water supply                        | 27,179                      | 4,898               | (922)                | -                          | 31,155                       | 1,333                   |
| Wastewater                          | 49,340                      | 13,640              | (1,395)              | -                          | 61,585                       | 2,402                   |
| Stormwater                          | 5,634                       | 1,331               | (244)                | -                          | 6,721                        | 268                     |
| Roading                             | 25,522                      | 2,099               | (1,716)              | -                          | 25,905                       | 1,202                   |
| Sustainable environment             | 3,579                       | 410                 | (123)                | -                          | 3,866                        | 171                     |
| Sustainable communities             | 35,738                      | 4,498               | (1,546)              | -                          | 38,690                       | 1,701                   |
| Governance                          | -                           | -                   | -                    | -                          | -                            | -                       |
| Organisational support              | 8,242                       | 3,217               | (216)                | -                          | 11,243                       | 321                     |
| <b>Total internal loans (gross)</b> | <b>155,234</b>              | <b>30,093</b>       | <b>(6,162)</b>       | <b>-</b>                   | <b>179,165</b>               | <b>7,398</b>            |

## Note 21: Provisions

### Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when there is a present legal or constructive obligation as a result of a past event, it is 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 at the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time (discount unwinding) is recognised as an interest expense and is included in finance costs.

|                                  | Council and Group           |                             |
|----------------------------------|-----------------------------|-----------------------------|
|                                  | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Current portion</b>           |                             |                             |
| Landfill aftercare               | 164                         | 170                         |
| <b>Total current portion</b>     | <b>164</b>                  | <b>170</b>                  |
| <b>Non-current portion</b>       |                             |                             |
| Landfill aftercare               | 2,199                       | 2,207                       |
| <b>Total non-current portion</b> | <b>2,199</b>                | <b>2,207</b>                |
| <b>Total provisions</b>          | <b>2,363</b>                | <b>2,377</b>                |

Movements for each class of provision are as follows:

|                                          | Landfill<br>aftercare<br>\$'000 | Total<br>\$'000 |
|------------------------------------------|---------------------------------|-----------------|
| <b>2026</b>                              |                                 |                 |
| Balance at 1 July 2025                   | 2,377                           | 2,377           |
| Change in provision made during the year | 117                             | 117             |
| Amounts used                             | (206)                           | (206)           |
| Unused amounts reversed                  | -                               | -               |
| Discount unwind                          | 75                              | 75              |
| <b>Balance at 30 June 2026</b>           | <b>2,363</b>                    | <b>2,363</b>    |
| <b>2025</b>                              |                                 |                 |
| Balance at 1 July 2024                   | 1,976                           | 1,976           |
| Change in provision made during the year | 458                             | 458             |
| Amounts used                             | (162)                           | (162)           |
| Unused amounts reversed                  | -                               | -               |
| Discount unwind                          | 105                             | 105             |
| <b>Balance at 30 June 2025</b>           | <b>2,377</b>                    | <b>2,377</b>    |

### Weathertightness claims

No claims remain with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2026 (2025: none).

At 30 June 2026, no further claim had been received directly by Council (2025: none).

## Landfill aftercare costs

Council has five landfill sites within the District. They are at Te Kauwhata, Ngaaruawaahia, Huntly, Raglan and Tuakau. Council has responsibility under the resource consents to provide ongoing maintenance and monitoring of the landfills after the sites are closed.

The cash outflows for landfill post-closure are expected to occur over 30 years. The long-term nature of the liability means that there are inherent uncertainties in estimating the costs which will be incurred. The provision has been made taking into account existing technology and known changes to legal requirements. The gross provision before discounting is \$4,435,646 (2025: \$4,589,710). A discount rate of 2.97% (2025: 3.14%) and an inflation factor of 2.5% (2025: 2.5%) have been used.

## Note 22: Derivative financial instruments

### Accounting policy

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 on derivatives are recognised in the surplus or deficit. The portion of the fair value of non-hedge accounted interest rate derivatives 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.

|                                                           | Council and Group           |                             |
|-----------------------------------------------------------|-----------------------------|-----------------------------|
|                                                           | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Current assets</b>                                     |                             |                             |
| Interest rate swaps                                       | -                           | -                           |
| <b>Non-current assets</b>                                 |                             |                             |
| Interest rate swaps                                       | -                           | -                           |
| <b>Total derivative financial instruments assets</b>      | -                           | -                           |
| <b>Current liability portion</b>                          |                             |                             |
| Interest rate swaps                                       | 105                         | 17                          |
| <b>Non-current liability portion</b>                      |                             |                             |
| Interest rate swaps                                       | 1,175                       | 1,364                       |
| <b>Total derivative financial instruments liabilities</b> | <b>1,280</b>                | <b>1,381</b>                |

The fair values of interest rate swaps are measured against the prevailing market conditions at balance date. Council's interest rate swaps have been independently valued using Hedgebook software designed to capture, value and report interest rate swaps. Hedgebook uses daily rate feeds of floating rate references such as BKBM and NNSW from industry benchmark sources.

The notional principal amounts of outstanding interest rate swap contracts are:

|                        | <b>2025/26<br/>Actual<br/>\$'000</b> | <b>No.</b> | <b>2024/25<br/>Actual<br/>\$'000</b> | <b>No.</b> |
|------------------------|--------------------------------------|------------|--------------------------------------|------------|
| Active swaps           | 128,500                              | 25         | 110,500                              | 25         |
| Forward starting swaps | -                                    | -          | 30,000                               | 2          |
|                        | <b>128,500</b>                       | <b>25</b>  | <b>140,500</b>                       | <b>27</b>  |

## **Note 23:** Revaluation reserve – property, plant and equipment

|                           | <b>Council and Group</b>             |                                      |
|---------------------------|--------------------------------------|--------------------------------------|
|                           | <b>2025/26<br/>Actual<br/>\$'000</b> | <b>2024/25<br/>Actual<br/>\$'000</b> |
| Land                      | 123,509                              | 123,626                              |
| Buildings                 | 64,141                               | 64,141                               |
| Parks and reserves        | 34,068                               | 32,782                               |
| Wastewater                | 287,792                              | 126,960                              |
| Water                     | 331,523                              | 151,215                              |
| Bridges                   | 233,628                              | 285,747                              |
| Roading                   | 612,882                              | 435,950                              |
| Urban stormwater          | 160,972                              | 66,597                               |
| Rural drainage            | 11,897                               | 5,864                                |
| Solid waste               | 2,010                                | 2,400                                |
| <b>Balance at 30 June</b> | <b>1,862,422</b>                     | <b>1,295,281</b>                     |

**Note 24:** Reconciliation of net surplus (deficit) after tax with net cash flows from operating activities

|                                                                                 | <b>Council and Group</b>             |                                      |
|---------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                 | <b>2025/26<br/>Actual<br/>\$'000</b> | <b>2024/25<br/>Actual<br/>\$'000</b> |
| Net surplus (deficit) after tax                                                 | 26,653                               | 39,541                               |
| <b>Plus (minus) non-cash items</b>                                              |                                      |                                      |
| Depreciation, amortisation and asset write-off                                  | 65,626                               | 54,110                               |
| Interest expense on financial assets not at fair value through surplus(deficit) | -                                    | -                                    |
| Vested and found assets                                                         | (23,126)                             | (37,631)                             |
| (Gains) losses on fair value of investment property                             | (53)                                 | 38                                   |
| (Gains) losses on derivative financial instruments                              | (101)                                | 4,389                                |
| (Gains) losses on cattle                                                        | (52)                                 | 98                                   |
| Interest revenue on financial assets not at fair value through surplus(deficit) | (25)                                 | (514)                                |
| Capitalised internal charges                                                    | (2,535)                              | -                                    |
| <b>Plus (minus) items classified as investing or financing activities</b>       |                                      |                                      |
| (Gains) losses on disposal of property, plant and equipment                     | (244)                                | 311                                  |
| (Gains) losses on investments                                                   | -                                    | -                                    |
| Disposal of non-current assets for sale                                         | -                                    | -                                    |
| Decrease (increase) in creditors for capital expenditure                        | (12,298)                             | (6,757)                              |
| <b>Plus (minus) movements in working capital items</b>                          |                                      |                                      |
| Receivables and recoverables                                                    | 2,086                                | 2,422                                |
| Prepayments                                                                     | (1,063)                              | 1,425                                |
| Cattle                                                                          | (56)                                 | 27                                   |
| Payables, taxes and transfers                                                   | 13,914                               | 2,077                                |
| Changes in provision                                                            | (132)                                | 401                                  |
| Employee entitlements                                                           | (2,879)                              | 3,757                                |
| <b>Net cash inflow (outflow) from operating activities</b>                      | <b>65,714</b>                        | <b>63,694</b>                        |

**Note 25:** Reconciliation of total comprehensive revenue with net operating funding (per funding impact statement)

|                                                                                      | <b>Council and Group</b>             |                                      |
|--------------------------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                                      | <b>2025/26<br/>Actual<br/>\$'000</b> | <b>2024/25<br/>Actual<br/>\$'000</b> |
| Total comprehensive revenue wholly attributable to Waikato District Council          | 600,228                              | 159,809                              |
| Surplus (deficit) of operating funding per Whole of Council funding impact statement | 30,175                               | 24,737                               |
| <b>Difference</b>                                                                    | <b>570,053</b>                       | <b>135,072</b>                       |
| <b>The difference comprises:</b>                                                     |                                      |                                      |
| Capital revenue                                                                      | 35,414                               | 35,610                               |
| Revaluation of assets                                                                | 569,826                              | 114,570                              |
| Revaluation reserve - landfill                                                       | (117)                                | (458)                                |
| Financial assets at fair value                                                       | 6,923                                | 6,670                                |
| Depreciation and amortisation                                                        | (59,119)                             | (51,600)                             |
| Profit (loss) on sale                                                                | 244                                  | (311)                                |
| Write off of assets                                                                  | (6,507)                              | (2,510)                              |
| Vested and found assets                                                              | 23,126                               | 37,632                               |
| Change in provisions                                                                 | 132                                  | 57                                   |
| Interest revenue from financial assets                                               | 25                                   | -                                    |
| Interest expense from financial assets                                               | -                                    | (65)                                 |
| Unrealised gains                                                                     | 53                                   | -                                    |
| Unrealised losses                                                                    | 53                                   | (4,525)                              |
| Fair value through surplus(deficit) realised gain                                    | -                                    | -                                    |
| <b>Total difference</b>                                                              | <b>570,053</b>                       | <b>135,072</b>                       |

## Note 26: Reconciliation of Liabilities arising from Financial Activities

|                                               | Council and Group |
|-----------------------------------------------|-------------------|
|                                               | Actual<br>\$'000  |
| <b>2025 Opening balance</b>                   |                   |
| Current borrowings                            | 45,979            |
| Non-current borrowings                        | 195,815           |
| <b>Total opening balances</b>                 | <b>241,794</b>    |
| <b>2026 Cash flow movements - current</b>     |                   |
| Repayment of borrowings - current             | (66,000)          |
| New borrowings                                | 95,000            |
| <b>2026 Cash flow movements - non-current</b> |                   |
| New borrowings                                | 16,087            |
| <b>Total Cash movements</b>                   | <b>45,087</b>     |
| <b>Non-cash flow movements</b>                |                   |
| <b>2026 Total movements</b>                   | <b>45,087</b>     |
| <b>2026 Closing balance</b>                   |                   |
| Current borrowings                            | 96,461            |
| Non-current borrowings                        | 190,420           |
| <b>2026 Total closing balance</b>             | <b>286,881</b>    |
| <b>2024 Opening balance</b>                   |                   |
| Current borrowings                            | 20,977            |
| Non-current borrowings                        | 192,331           |
| <b>Total opening balances</b>                 | <b>213,308</b>    |
| <b>2025 Cash flow movements - current</b>     |                   |
| Repayment of borrowings - current             | (21,000)          |
| New borrowings                                | 45,000            |
| <b>2025 Cash flow movements - non-current</b> |                   |
| New borrowings                                | 4,486             |
| <b>Total Cash movements</b>                   | <b>28,486</b>     |
| <b>2025 Non-cash flow movements</b>           |                   |
| <b>2025 Total movements</b>                   | <b>28,486</b>     |
| <b>2025 Closing balance</b>                   |                   |
| Current borrowings                            | 45,979            |
| Non-current borrowings                        | 195,815           |
| <b>2025 Total closing balance</b>             | <b>241,794</b>    |

## Note 27: Capital commitments and operating leases

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

|                                                    | Council and Group           |                             |
|----------------------------------------------------|-----------------------------|-----------------------------|
|                                                    | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Capital commitments are for expenditure on:</b> |                             |                             |
| Water*                                             | -                           | 43,232                      |
| Wastewater*                                        | -                           | 95,339                      |
| Stormwater                                         | 40,530                      | 25,758                      |
| Parks and reserves                                 | 2,064                       | 924                         |
| Buildings - operational                            | 1,028                       | 2,863                       |
| Roading                                            | 79,126                      | 108,622                     |
| Bridges                                            | 17,197                      | 11,212                      |
| Library books                                      | 813                         | 801                         |
| Intangible assets                                  | -                           | 219                         |
| <b>Total capital commitments</b>                   | <b>140,758</b>              | <b>288,971</b>              |

\* Effective 1 July 2026, responsibility for the delivery of water supply and wastewater services transferred from Council to IAWAI Flowing Waters Limited (IAWAI). As a result of the transition, Council has no capital commitments relating to water supply or wastewater infrastructure at 30 June 2026. These commitments transferred to or will be incurred by IAWAI from 1 July 2026.

### Operating leases as lessee

Council and the Group lease property, plant and equipment in the normal course of business. The lease has a non-cancellable term of six months (2025: one year and six months).

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows

|                                                       | Council and Group           |                             |
|-------------------------------------------------------|-----------------------------|-----------------------------|
|                                                       | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Not later than one year                               | 17                          | 37                          |
| Later than one year and not later than five years     | -                           | 19                          |
| Later than five years                                 | -                           | -                           |
| <b>Total minimum operating lease payments payable</b> | <b>17</b>                   | <b>56</b>                   |

### Council

Council has a contract with Canon NZ for the lease of photocopiers. There are no minimum amounts payable; charges are based on actual volumes of printing. The agreement was renewed with a term of five years from January 2022.

No contingent rent relating to copiers was recognised during the period. (2025: \$nil)

Council's Tuakau office is leased from Young Investors Limited. The current agreement has been extended for a further two years effective from October 2025 with an option to extend for a further two years.

Other leases may be renewed at Council's option, with rents set by reference to current market rates for items of equivalent age and condition. Council and the Group do not have the option to purchase any assets at the end of the lease term.

## Strada

Strada has no leased property.

## Operating leases as lessor

Council leases community and investment properties and grazing rights under operating leases. The leases have non-cancellable terms ranging from less than one year up to 43 years.

The future aggregate minimum lease payments to be collected under non cancellable operating leases are as follows:

Council has recognised no contingent rents during the period (2025: \$nil).

|                                                          | Council and Group           |                             |
|----------------------------------------------------------|-----------------------------|-----------------------------|
|                                                          | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Not later than one year                                  | 904                         | 508                         |
| Later than one year and not later than five years        | 3,086                       | 1,661                       |
| Later than five years                                    | 1,869                       | 644                         |
| <b>Total minimum operating lease payments receivable</b> | <b>5,859</b>                | <b>2,812</b>                |

## Note 28: Contingencies

### Contingent liabilities

Quantifiable contingent liabilities are as follows:

|                                                 | Council and Group           |                             |
|-------------------------------------------------|-----------------------------|-----------------------------|
|                                                 | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Uncalled share capital (LASS – ordinary shares) | 1                           | 1                           |
| Uncalled share capital (LASS - WRPS shares)     | 9                           | 9                           |

### Outstanding insurance claims

There are no outstanding claims (2025: none) in progress.

### Capital contributions

As disclosed in note 13, Council holds four classes of share in Waikato Local Authority Shared Services Limited (WLASS). There is uncalled capital on two classes of share.

### Unquantified claims

#### Lord Cowell Holdings Limited

There is currently a claim against Council in the High Court filed by Lord Cowell Holdings Limited.

The claim relates to alleged defects in the construction of a large replica manor house and other associated outbuildings. The claim is essentially a leaky building claim involving defects as a result of water ingress, however there are other aspects

of the claim that relate to structural defects. The claim is as yet unquantified, however is likely to be approximately \$4.2m. Council has filed third party claims against seven other entities and individuals involved in the construction of the buildings.

All the joined parties have either issued records of work and/or producer statements that clearly outline what work they have carried out. If the defects pleaded by the plaintiff exist, and subject to expert views in due course, the advice is that these parties need to share responsibility with the Council.

There is a three-week fixture at the Hamilton High Court scheduled to commence on 10 May 2027, if the claim is not settled. The additional alleged structural defects were uncovered during the carrying out of the remedial building consent.

The insurance position is still being clarified given the nature of defects alleged and Council's insurance.

### ***Kodiak Consulting/Jon Hall***

This matter involved fraudulent Producer Statements provided by Jon Hall/Kodiak Consulting Limited to Council (design and construction). Council was one of many Councils throughout New Zealand affected by this situation.

Council notified this matter to the insurer on a precautionary basis in the event that any affected property owners try to make a claim against Council in relation to this matter. To date, no claims have been made against Council relating to this situation.

Mr. Hall pleaded guilty to a number of charges relating to this matter and was sentenced on 10 May 2024 to four years and six months prison.

### ***Old Taupiri Limited***

The developers of the subdivisions at 61 Old Taupiri Road and 99 Ngāruawāhia Road ("the developers") challenged Waikato District Council's requirement to pay additional development contributions, contending that they had already made development contribution payments during the subdivision stage and that the subsequent charges amounted to double charging. The contributions previously paid related to infrastructure assets including roading, reserves, and water supply; however, they did not include contributions toward wastewater infrastructure. Subsequently, when building consents were sought, Waikato District Council had implemented wastewater development contributions for the Ngāruawāhia catchment and required payment of those contributions as a condition of the development process. This matter was heard in the Hamilton High Court as a declaratory proceeding. Waikato District Council succeeded in all aspects of the High Court matter.

The developers have appealed the High Court decision to the Court Appeal. This is to be the subject of a half day hearing on 22 September 2026. The prospects of a successful defence of the appeal are good. The impact of a successful appeal is not currently able to be quantified.

### ***Civic Financial Services Limited***

Waikato District Council has a small shareholding in Civic Financial Services Limited. Civic Financial Services Limited operated RiskPool and Civic Liability Programme (RiskPool) and other shared arrangements for local authorities.

RiskPool provided insurance to members, covering public liability and professional indemnity risks from 1997 to 30 June 2017. RiskPool has ongoing liability for some claims related to that period.

Waikato District Council therefore has a potential contingent liability to share in any shortfall through additional calls on capital. The last call on capital was made in August 2025.

### ***Other claims***

At balance date no other claims (2025: none) expose Council or the Group to contingent liabilities. Council's maximum financial exposure is \$nil (2025: \$nil).

### ***NZ Local Government Funding Agency Limited (LGFA)***

Waikato District Council is a guarantor of the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. The LGFA has a current local currency rating from Fitch ratings Standard and Poor's of AA+ and a foreign currency rating of AA+.

Council is one of 74 local authority guarantors, 30 of which are also shareholders of LGFA. The LGFA has an aggregate amount of uncalled shareholder capital (\$20m) which is available in the event that an imminent default is identified. At 30 June 2026, the LGFA had borrowings totalling \$ 28.4 billion (2025: \$26.3 billion), for which Council is a guarantor along with other shareholders and guarantors.

Financial reporting standards require Council to recognise the guarantee liability at fair value. However, Council is unable to determine a sufficiently reliable fair value of the guarantee and therefore has not recognised a liability. Council considers the risk of LGFA defaulting on payments of interest or capital to be very low on the basis that:

- We are not aware of any local authority debt default in New Zealand; and
- Local government legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

### ***Contingent assets***

Council is a 35% capital beneficiary of the WEL Energy Trust. The life of the Trust ends in 2073 unless terminated earlier if its purpose is completed. Given the uncertainty surrounding the life of the Trust, Council is unable to accurately establish an appropriate value for the 35% share.

## Note 29: Related party transactions

Waikato District Council has a 100% shareholding in Strada Corporation Limited.

All related party transactions and related payments are on normal commercial terms. There was no impairment of any of these transactions (2025: nil).

The following transactions were carried out between related parties:

|                                                                     | <b>Council and Group</b>             |                                      |
|---------------------------------------------------------------------|--------------------------------------|--------------------------------------|
|                                                                     | <b>2025/26<br/>Actual<br/>\$'000</b> | <b>2024/25<br/>Actual<br/>\$'000</b> |
| <b>Between Council and Strada Corporation Limited (Strada)</b>      |                                      |                                      |
| Council's accounts payable to Strada                                | 1,085                                | 1,085                                |
| <b>Between Council and Local Authority Shared Services (LASS)</b>   |                                      |                                      |
| Services provided to LASS                                           | -                                    | -                                    |
| Charges from LASS                                                   | 1,613                                | 602                                  |
| Council's accounts payable to LASS                                  | 453                                  | 312                                  |
| Council's accounts receivable from LASS                             | 104                                  | 16                                   |
| <b>Between Council and Waikato Regional Airport Limited (WRAL)</b>  |                                      |                                      |
| Dividend paid by WRAL                                               | 70                                   | -                                    |
| Regional Tourism funding payment to WRAL                            | -                                    | -                                    |
| <b>Between Council and Civic Financial Services Limited (Civic)</b> |                                      |                                      |
| Dividend paid by Civic                                              | -                                    | -                                    |
| <b>Between Strada and Waikato Quarries Limited (WQL)</b>            |                                      |                                      |
| Share of WQL cash received                                          | -                                    | -                                    |
| Deferred settlement received from WQL                               | -                                    | -                                    |

## Key management personnel compensation

The Council's key management personnel comprise the Mayor, Councillors, the Chief Executive, General Managers and other members of the Executive Leadership Team.

The Council and Group enter into transactions with key management personnel and their close family members in the ordinary course of business. These transactions include rates, water charges and the purchase or sale of goods and services.

No disclosure has been made for transactions that occur within a normal supplier or customer relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Council or Group would have adopted in dealing with the party at arm's length in the same circumstances.

|                                                    | Council and Group           |                             |
|----------------------------------------------------|-----------------------------|-----------------------------|
|                                                    | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Remuneration</b>                                |                             |                             |
| Councillors                                        | 1,095                       | 1,027                       |
| Senior management team (including CE) *            | 2,882                       | 2,981                       |
| <b>Total key management personnel remuneration</b> | <b>3,977</b>                | <b>4,008</b>                |

|                                             | Council and Group           |                             |
|---------------------------------------------|-----------------------------|-----------------------------|
|                                             | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Full-time equivalent members</b>         |                             |                             |
| Councillors                                 | 14                          | 14                          |
| Senior management team (including CE)       | 9                           | 11                          |
| <b>Total full-time equivalent personnel</b> | <b>23</b>                   | <b>25</b>                   |

\* The prior year comparative information for Key Management Personnel has been restated to include one employee who met the definition of Key Management Personnel but was omitted from the prior year disclosure. Accordingly, the comparative remuneration and personnel numbers disclosed in this note have been updated. The omission was not material to the Council's previously reported financial statements and relates solely to comparative disclosure information.

Because of the difficulties inherent in estimating the number for full-time equivalent Councillors, the figure used is the number of Councillors. There are close family members of key management personnel employed by Council and the Group. The terms and conditions of these arrangements are no more favourable than they would have been if there were no relationships to key management personnel.

## Related party transactions requiring disclosure

In the current year, there were no other related party transactions requiring disclosure.

## Note 30: Remuneration

### Remuneration of elected members

| Council                                            | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
|----------------------------------------------------|-----------------------------|-----------------------------|
| <b>Councillors</b>                                 |                             |                             |
| <b>Cash benefits</b>                               |                             |                             |
| A Bech, Mayor                                      | 124                         | -                           |
| E Patterson                                        | 97                          | 84                          |
| E Thomson                                          | 85                          | 84                          |
| M Raumati                                          | 76                          | 56                          |
| C Beavis                                           | 76                          | 56                          |
| M Keir                                             | 76                          | 56                          |
| C Eyre                                             | 73                          | 98                          |
| M Turner                                           | 71                          | 65                          |
| D Whyte                                            | 64                          | 56                          |
| V Reeve                                            | 60                          | 56                          |
| P Thomson                                          | 60                          | 56                          |
| E Dixon-Harris                                     | 51                          | -                           |
| J Church, previous Mayor                           | 49                          | 160                         |
| G Coombes                                          | 47                          | -                           |
| F Rodrigues                                        | 43                          | -                           |
| J Gibb                                             | 26                          | 84                          |
| K Ngataki                                          | 17                          | 56                          |
| T Matatahi-Poutapu                                 | -                           | 60                          |
| <b>Total cash benefits paid to Councillors</b>     | <b>1,095</b>                | <b>1,027</b>                |
| <b>Non-cash benefits</b>                           |                             |                             |
| A Bech, Mayoral car                                | 20                          | -                           |
| J Church, Mayoral car                              | 6                           | 32                          |
| <b>Total non-cash benefits paid to Councillors</b> | <b>26</b>                   | <b>32</b>                   |
| <b>Total remuneration of Councillors</b>           | <b>1,121</b>                | <b>1,059</b>                |

**Council**
**2025/26  
Actual  
\$'000**
**2024/25  
Actual  
\$'000**
**Community board and committee members**
**Cash benefits**

|                                                                            |              |              |
|----------------------------------------------------------------------------|--------------|--------------|
| E Wawatai                                                                  | 12           | 7            |
| S Matenga                                                                  | 2            | 11           |
| K Bredenbeck                                                               | 2            | 6            |
| G McCutchan                                                                | -            | 1            |
| F McNally                                                                  | 2            | 6            |
| J Sandhu                                                                   | 2            | 6            |
| T Jones                                                                    | 6            | 3            |
| P Amos                                                                     | 5            | -            |
| S McGaughran                                                               | 5            | -            |
| E Tengu                                                                    | 5            | -            |
| A Floyed                                                                   | 5            | -            |
| K Morgan                                                                   | 12           | 12           |
| J Ayers                                                                    | 2            | 6            |
| D Firth                                                                    | 6            | 6            |
| K Hooker                                                                   | 2            | 6            |
| V Rice                                                                     | 6            | 6            |
| G Wiechern                                                                 | -            | 5            |
| S Hutt                                                                     | 5            | -            |
| D Morgan                                                                   | 5            | -            |
| A Sunnex                                                                   | 5            | -            |
| R Wallis                                                                   | 10           | 5            |
| D Amooore                                                                  | 7            | 11           |
| S Bains                                                                    | 6            | 5            |
| K Binnersley                                                               | 2            | 5            |
| A Oosten                                                                   | 2            | 5            |
| C Rayner                                                                   | 6            | 5            |
| E Deller                                                                   | 4            | -            |
| N Laboyrie                                                                 | 4            | -            |
| J Morley                                                                   | 1            | 5            |
| D Lovell                                                                   | 1            | 2            |
| H Lovell                                                                   | 1            | 2            |
| S Ormsby-Cocup                                                             | 3            | 2            |
| R Spragg                                                                   | 3            | -            |
| R Lovell                                                                   | 2            | -            |
| C MacDonald                                                                | 2            | -            |
| G Tema-Liapaneka                                                           | 8            | 12           |
| D Henderson                                                                | 2            | 6            |
| S Henderson                                                                | 2            | 6            |
| F Semau                                                                    | 2            | 6            |
| C Morgan                                                                   | 2            | 6            |
| R Gee                                                                      | 6            | 6            |
| C Betty                                                                    | 8            | -            |
| P Coleman                                                                  | 4            | -            |
| D Kumar                                                                    | 4            | -            |
| M Rawhiti-Whenua                                                           | 4            | -            |
| B Cameron                                                                  | 3            | 10           |
| F Coker-Grey                                                               | 5            | 5            |
| R Costar                                                                   | 2            | 5            |
| L Fry                                                                      | 9            | 5            |
| P Murray                                                                   | 4            | -            |
| J Day-Townsend                                                             | 4            | -            |
| <b>Total cash benefits paid to community board and committee members</b>   | <b>212</b>   | <b>195</b>   |
| <b>Total remuneration of Councillors and other elected representatives</b> | <b>1,333</b> | <b>1,254</b> |

## Remuneration of Chief Executive

The Chief Executive of Waikato District Council is appointed under section 42 of the Local Government Act 2002. Outgoing Chief Executive Gavin Ion served from 01 July 2024 to 02 February 2025, and Incoming Chief Executive Craig Hobbs commenced on 03 February 2025. The remuneration paid to each chief executive is disclosed separately in the tables below.

Remuneration includes salary, employer contributions to superannuation, and value of non-financial benefits. No severance payments were made to other chief executives during the year.

|                                                              | Council                     |                             |
|--------------------------------------------------------------|-----------------------------|-----------------------------|
| Remuneration of Chief Executive - former                     | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Salary and other short-term employee benefits                | -                           | 309                         |
| Vehicle                                                      | -                           | 10                          |
| Defined contribution plan employer contributions (KiwiSaver) | -                           | 9                           |
| Expenses and other allowances                                | -                           | 10                          |
| Other fringe benefits (value of benefit plus FBT)            | -                           | 6                           |
| <b>Total Chief Executive's remuneration</b>                  | <b>-</b>                    | <b>344</b>                  |

|                                                              | Council                     |                             |
|--------------------------------------------------------------|-----------------------------|-----------------------------|
| Remuneration of Chief Executive - present                    | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Salary and other short-term employee benefits                | 402                         | 148                         |
| Vehicle                                                      | 12                          | 7                           |
| Defined contribution plan employer contributions (KiwiSaver) | 13                          | 5                           |
| Expenses and other allowances                                | 5                           | 1                           |
| Other fringe benefits (value of benefit plus FBT)            | 9                           | 4                           |
| <b>Total Chief Executive's remuneration</b>                  | <b>441</b>                  | <b>165</b>                  |

## Employee numbers

|                                                     | Council                     |                             |
|-----------------------------------------------------|-----------------------------|-----------------------------|
| Number of employees (at 30 June)                    | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Full-time employees                                 | 377                         | 397                         |
| Part-time employees (including casual employees)    | 79                          | 101                         |
| <b>Total employees</b>                              | <b>456</b>                  | <b>498</b>                  |
| <i>A full-time employee works 40 hours per week</i> |                             |                             |
| <b>Full-time equivalent employees</b>               |                             |                             |
| Full-time employees                                 | 377.05                      | 386.05                      |
| Part-time employees (in full-time equivalents)      | 36.37                       | 54.51                       |
| <b>Total full-time equivalent employees</b>         | <b>413.42</b>               | <b>440.56</b>               |

### Average full-time equivalent employees additional disclosure:

The average full-time equivalent (FTE) employees for the year ended 30 June 2026 was 456.37 (2025: 442.91). Average FTEs have been disclosed for the full financial year, rather than employee numbers at balance date, as they provide a more representative measure of staffing levels throughout the reporting period. Balance date employee numbers may be affected by vacancies and other temporary fluctuations and may not reflect the workforce resources employed during the year.

**Total annual employee remuneration by band**

|                        | Council                     |
|------------------------|-----------------------------|
|                        | 2025/26<br>Actual<br>\$'000 |
| \$0 - \$59,999         | 60                          |
| \$60,000 - \$79,999    | 95                          |
| \$80,000 - \$99,999    | 87                          |
| \$100,000 - \$119,999  | 89                          |
| \$120,000 - \$139,999  | 54                          |
| \$140,000 - \$159,999  | 35                          |
| \$160,000 - \$179,999  | 13                          |
| \$180,000 - \$199,999  | 6                           |
| \$200,000 - \$219,999  | 7                           |
| \$220,000 - \$279,999  | 7                           |
| \$280,000 - \$439,999  | 3                           |
| <b>Total employees</b> | <b>456</b>                  |

**Total annual employee remuneration by band prior year**

|                        | Council                     |
|------------------------|-----------------------------|
|                        | 2024/25<br>Actual<br>\$'000 |
| \$0 - \$59,999         | 122                         |
| \$60,000 - \$79,999    | 99                          |
| \$80,000 - \$99,999    | 87                          |
| \$100,000 - \$119,999  | 93                          |
| \$120,000 - \$139,999  | 40                          |
| \$140,000 - \$159,999  | 32                          |
| \$160,000 - \$179,999  | 7                           |
| \$180,000 - \$199,999  | 7                           |
| \$200,000 - \$219,999  | -                           |
| \$220,000 - \$259,999  | 8                           |
| \$260,000 - \$439,999  | 3                           |
| <b>Total employees</b> | <b>498</b>                  |

Total remuneration includes non-financial benefits provided to employees.

**Note 31: Severance payments**

For the year ended 30 June 2026, the Council made 11 severance payments to employees totaling \$326,659 (2025: 6 payments totaling \$146,459). The value of each of the severance payments was \$80,274, \$52,500, \$37,987, \$26,000, \$25,135, \$25,000, \$24,749, \$20,000, \$19,214, \$9,000 and \$6,800.

Strada had no employees during the year (2025: none).

## Note 32: Events after balance date

### a) IAWAI – Flowing Waters Limited (Local Water Done Well)

As part of the Government's Local Water Done Well reform programme, IAWAI – Flowing Waters Limited (IAWAI) was established by Waikato District Council and Hamilton City Council as a jointly owned council-controlled organisation to deliver water supply and wastewater services. Stormwater services remain the responsibility of Waikato District Council.

Under a Transfer Agreement dated 9 April 2026, Council transferred water supply and wastewater assets, liabilities, reserves, debt and associated operations to IAWAI with effect from 1 July 2026. As the transfer occurred after balance date, it has been accounted for as a non-adjusting event after the reporting date in accordance with PBE IPSAS 14.

The estimated carrying values of the assets and liabilities transferred to IAWAI are summarised below:

| Description                   | Transfer Value \$'000 |
|-------------------------------|-----------------------|
| Total assets transferred      | \$1,102,622           |
| Total liabilities transferred | \$908                 |
| Net assets transferred        | \$1,101,713           |

In exchange for the transfer of net assets, Council received:

| Description                  | Transfer Value \$'000 |
|------------------------------|-----------------------|
| Investment in IAWAI          | \$896,579             |
| Loan receivable from IAWAI   | \$205,134             |
| Total consideration received | \$1,101,713           |

Following the transfer, Council holds 50% of the voting rights in IAWAI and approximately 36% of its issued share capital. Council's ongoing interest in IAWAI comprises its shareholding and loan receivable.

The financial performance of the water supply and wastewater activities that transferred to IAWAI for the year ended 30 June 2026 was:

| Description                           | Transfer Value \$'000 |
|---------------------------------------|-----------------------|
| Revenue                               | \$73,064              |
| Expenditure                           | \$58,759              |
| Surplus/(deficit)                     | \$14,306              |
| Net operating cash inflows/(outflows) | \$9,829               |

The net operating cash inflows/(outflows) presented above are based on the operating funding surplus/ (deficit) disclosed in the Funding Impact Statement. Total revenue includes capital grant funding attributable to water supply and wastewater activities. Additional information on these activities is provided in the Funding Impact Statement and Group of Activities disclosures.

At 30 June 2026, water supply and wastewater assets and liabilities continued to be recognised and measured in accordance with the applicable PBE Accounting Standards. These assets and liabilities were not classified as held for sale because the transfer to IAWAI does not represent a sale transaction as contemplated by PBE IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Accordingly, the water supply and wastewater activities have not been presented as discontinued operations in these financial statements.

Council has assessed the transfer arrangement and has not identified any material contingent liabilities or contingent assets expected to be transferred to, or created as a result of, the Local Water Done Well reform.

## **b) Organisational Transformation**

On 31 July 2026, Council management began consultation an internal staff restructure.

This reorganisation is part of a wider Council transformation programme to deliver an efficient and agile organisation that is prepared for future delivery and any future sector reform.

Feedback on the consultation closed on 17 August 2026. Consideration of the feedback and final decisions are yet to be made.

## **c) Local Government Reform (Head Start Proposal)**

In May 2026, Government announced an opportunity for local authorities to consider and make “Head Start” proposals around future sector amalgamations. Proposals would be considered by Department of Internal Affairs (DIA) against criteria and DIA will present recommendations to Cabinet.

Local authorities whose Head Start proposals were accepted would work to establish the proposed new unitary authority before the 2028 local government elections.

Local authorities who did not make a proposal, or did not make a complying proposal, would default to a backstop option that could see Government direct their reform.

On 7 August 2026, Waikato, Waipa and South Waikato District Councils submitted a proposal titled “A Strong Western Waikato Unitary Authority”. This proposal recommends the amalgamation of Council’s along the Waikato River (or awa) including Taupō District, South Waikato District, Waipa District, Hamilton City and Waikato District Councils.

A proposal was also submitted for the Eastern Waikato that is consistent with the Western Waikato proposal.

On 24 September 2026, the Government advised participating councils that decisions on individual Head Start proposals would not be made at this time. Further consideration of local government reorganisation proposals is expected to occur following the 2026 general election.

## **d) Chief Executive Resignation**

Subsequent to balance date, Craig Hobbs, Chief Executive of Waikato District Council, resigned from his position. The resignation was publicly announced on 6 October 2026. Council has commenced the process to manage leadership transition arrangements and to recruit a replacement Chief Executive. As at the date these financial statements were authorised for issue, the resignation has not resulted in any adjustment to the amounts recognised in these financial statements and has been treated as a non-adjusting event after the reporting date in accordance with PBE IPSAS 14.

## **e) LGFA Deed of Guarantee**

Subsequent to balance date, Council entered into a Deed of Guarantee in favour of the New Zealand Local Government Funding Agency (LGFA) in relation to borrowings of its council-controlled organisation (CCO).

Financial reporting standards require Council to recognise a guarantee liability at fair value. However, Council is unable to determine a sufficiently reliable fair value for the guarantee and, accordingly, no liability has been recognised.

Council considers the risk of LGFA defaulting on payments of principal or interest to be very low because:

Council is not aware of any local authority debt defaults in New Zealand; and

Local government legislation provides local authorities with the ability to levy rates to raise sufficient funds to meet debt obligations if required.

Accordingly, no adjustment has been made to the financial statements as a result of this event.

## Note 33: Financial instruments

### A: Financial instrument categories

The following tables are comparisons of carrying amounts of Council's financial assets and liabilities in each of the financial instrument categories:

|                                                                 | Council and Group           |                             |
|-----------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                 | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Financial assets</b>                                         |                             |                             |
| <b>Amortised cost</b>                                           |                             |                             |
| Cash and cash equivalents                                       | 19,126                      | 25,555                      |
| Recoverables and receivables                                    | 26,410                      | 30,338                      |
| Community loans                                                 | 953                         | 1,020                       |
| Term deposit                                                    | 1,041                       | 1,265                       |
| LGFA borrower notes                                             | 7,035                       | 6,240                       |
| <b>Total amortised cost</b>                                     | <b>54,565</b>               | <b>64,418</b>               |
| <b>Fair value through surplus (deficit) (FVTSD)</b>             |                             |                             |
| Fixed interest investments                                      | -                           | -                           |
| Equity investments                                              | -                           | -                           |
| Derivative financial instruments assets                         | -                           | -                           |
| <b>Total FVTSD</b>                                              | <b>-</b>                    | <b>-</b>                    |
| <b>Fair value through other comprehensive revenue (FVTOCRE)</b> |                             |                             |
| Unlisted shares in Civic Financial Services Limited             | 39                          | 39                          |
| Waikato Regional Airport Limited                                | 45,761                      | 41,894                      |
| <b>Total FVTOCRE</b>                                            | <b>45,800</b>               | <b>41,933</b>               |
| <b>Financial assets at cost</b>                                 |                             |                             |
| Local Authority Shared Services Limited                         | 219                         | 219                         |
| Shares in Strada Corporation Limited (subsidiary)               | 700                         | 700                         |
| IAWAI - Flowing Waters Limited                                  | -                           | -                           |
| <b>Total financial assets at cost</b>                           | <b>919</b>                  | <b>919</b>                  |
| <b>Financial liabilities</b>                                    |                             |                             |
| <b>FVTSD</b>                                                    |                             |                             |
| Derivative financial instruments liabilities                    | 1,280                       | 1,381                       |
| <b>Financial liabilities at amortised cost</b>                  |                             |                             |
| Payables, taxes and transfers                                   | 50,830                      | 38,533                      |
| Borrowing -secured loans                                        | 286,881                     | 241,794                     |
| <b>Total financial liabilities at amortised cost</b>            | <b>337,711</b>              | <b>280,327</b>              |

## B: Fair Value Hierarchy Disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1): financial instruments with quoted prices for identical instruments in active markets.
- Valuation technique using observable inputs (level 2): financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.
- Valuation technique with significant non observable inputs (level 3): financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the statement of financial position:

|                                                                  | Council and Group           |                             |
|------------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                                  | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Valued at quoted market price (level 1)</b>                   |                             |                             |
| Fixed interest investments                                       | -                           | -                           |
| Equity investments                                               | -                           | -                           |
| <b>Total financial instruments valued at quoted market price</b> | <b>-</b>                    | <b>-</b>                    |
| <b>Valued using observable inputs (level 2)</b>                  |                             |                             |
| Financial liabilities – derivatives                              | 1,280                       | 1,381                       |
| Financial assets - derivatives                                   | -                           | -                           |
| <b>Valued using significant non-observable inputs (level 3)</b>  |                             |                             |
| Unlisted shares                                                  | 45,800                      | 41,933                      |

### Instruments valued using significant non-observable inputs (level 3)

The table below provides reconciliation between the opening and closing balances for level 3 financial instruments:

|                                                            | Council and Group           |                             |
|------------------------------------------------------------|-----------------------------|-----------------------------|
|                                                            | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Balance at 1 July                                          | 41,933                      | 35,777                      |
| Gains and losses recognised in other comprehensive revenue | 3,866                       | 6,156                       |
| Other movements                                            | -                           | -                           |
| <b>Balance at 30 June</b>                                  | <b>45,799</b>               | <b>41,933</b>               |

There were no transfers between the different levels of the fair value hierarchy.

## C: Financial Instruments Risks

Council has a series of policies to manage the risks associated with financial instruments. Council is risk averse and seeks to minimise exposure from its treasury activities. Council has established and approved a Treasury Risk Management Policy which includes a Liability Management Policy and an Investment Policy. These policies do not allow any transactions that are speculative in nature to be entered into.

### Market risk

#### **Price risk**

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of change in market prices. Council has no exposure to price risk because it does not hold any listed securities.

#### **Currency risk**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Council is not exposed to currency risk, as it has minimum foreign currency transactions.

#### **Fair value interest rate risk**

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market in interest rates.

Borrowings and investments issued at fixed rates of interest expose Council to interest rate risk. Council's Treasury Risk Management Policy sets a range of control limits for the fixed rate proportion of borrowings with different maturities. The range is from a maximum of 90% for debt maturing in the current period through to 50% for debt maturing in ten years.

#### **Cash flow interest rate risk**

Cash flow interest rate risk is the risk that the cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Council to cash flow interest rate risk.

Generally, Council raises long term borrowing at floating rates and swaps them into fixed rates using interest rate swaps to manage the cash flow interest rate risk. Council enters into interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if Council borrowed at fixed rates directly. Under the interest rate swaps, Council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

### Credit risk

Credit risk is the risk that a third party will default on its obligation to Council and the Group, causing it to incur a loss.

Council's Treasury Risk Management Policy clearly specifies approved institutions, minimum credit ratings and investment limits.

Council is exposed to credit risk as a guarantor of all of LGFA's borrowings. Information about this exposure is explained in note 28.

Council and the Group have no other collateral or credit enhancements for financial instruments that give rise to credit risk.

### Maximum exposure to credit risk

Council's maximum credit risk exposure for each class of financial instrument is as follows:

|                                         | Council and Group           |                             |
|-----------------------------------------|-----------------------------|-----------------------------|
|                                         | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| Cash and cash equivalents               | 19,126                      | 25,555                      |
| Recoverables and receivables            | 26,410                      | 30,338                      |
| Term deposits                           | 1,041                       | 1,265                       |
| Community loans                         | 953                         | 1,020                       |
| Fixed interest investments              | -                           | -                           |
| LGFA borrower notes                     | 7,035                       | 6,240                       |
| Derivative financial instruments assets | -                           | -                           |
| <b>Total credit risk</b>                | <b>54,565</b>               | <b>64,418</b>               |

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

|                                                | Council and Group           |                             |
|------------------------------------------------|-----------------------------|-----------------------------|
|                                                | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Counterparties with credit ratings</b>      |                             |                             |
| <b>Cash and cash equivalents</b>               |                             |                             |
| AA-                                            | 19,126                      | 25,555                      |
| <b>Term deposits</b>                           |                             |                             |
| AA-                                            | 1,041                       | 1,265                       |
| <b>Derivative financial instruments assets</b> |                             |                             |
| AA-                                            | -                           | -                           |
| <b>Borrower notes</b>                          |                             |                             |
| AA+                                            | 7,035                       | 6,240                       |
| <b>Counterparties without credit ratings</b>   |                             |                             |
| Community loans with no defaults in the past   | 953                         | 1,020                       |
| Unrated equity investments                     | 46,719                      | 42,852                      |
| Unrated fixed interest investments             | -                           | -                           |

Debtors and other receivables mainly arise from Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

## Liquidity risk

### Management of liquidity risk

Liquidity risk is the risk that Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available.

Council manages its liquidity risks including borrowings in accordance with its Treasury Risk Management Policy, which includes a Liability Management Policy. These policies have been adopted as part of Council's Long-Term Plan.

Council has a \$500,000 overdraft facility (2025: \$500,000) and a committed cash advance facility of \$15,000,000 (2025: \$15,000,000), of which \$15,000,000 (2025: \$15,000,000) is available to be drawn. Council's committed cash advance facility expires on 22 May 2028.

Council utilises funding through the Local Government Funding Agency Limited (LGFA). As at 30 June 2026 Council had borrowed \$270,000,000 (2025: \$235,000,000) and held borrower notes with a face value of \$7,035,000 (2025: \$6,240,000).

Council is also exposed to liquidity risk as a guarantor of all of LGFA's borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is contained in note 28.

### Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses Council and the Group's financial liabilities into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are the contractual undiscounted cash flows and include interest payments.

|                                     | Council and Group           |                             |
|-------------------------------------|-----------------------------|-----------------------------|
|                                     | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Carrying amount</b>              |                             |                             |
| Payables, taxes and transfers       | 50,830                      | 38,533                      |
| Secured loans                       | 286,881                     | 241,794                     |
| <b>Total carrying amount</b>        | <b>337,711</b>              | <b>280,327</b>              |
| <b>Contractual cash flows</b>       |                             |                             |
| Payables, taxes and transfers       | 50,830                      | 38,533                      |
| Secured loans                       | 293,793                     | 265,105                     |
| <b>Total contractual cash flows</b> | <b>344,623</b>              | <b>303,638</b>              |

The following table summarises the pattern of contractual cash flows:

|                               | Less than 1 yr<br>\$'000 | 1-2 yrs<br>\$'000 | 2-5 yrs<br>\$'000 | More than 5 yrs<br>\$'000 |
|-------------------------------|--------------------------|-------------------|-------------------|---------------------------|
| <b>Council 2026</b>           |                          |                   |                   |                           |
| Payables, taxes and transfers | 50,830                   | -                 | -                 | -                         |
| Secured loans                 | 103,673                  | 51,395            | -                 | 138,725                   |
| <b>Total</b>                  | <b>154,503</b>           | <b>51,395</b>     | <b>-</b>          | <b>138,725</b>            |
| <b>Council 2025</b>           |                          |                   |                   |                           |
| Payables, taxes and transfers | 38,533                   | -                 | -                 | -                         |
| Secured loans                 | 54,400                   | 52,710            | 132,159           | 25,836                    |
| <b>Total</b>                  | <b>92,933</b>            | <b>52,710</b>     | <b>132,159</b>    | <b>25,836</b>             |

## Contractual maturity analysis of derivative financial instruments

The table below analyses Council and the Group's derivative financial instruments into those that will be settled on a net basis and those that will be settled on a gross basis in relevant maturity groupings based on the remaining period at balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows.

|                                           | Council and Group           |                             |
|-------------------------------------------|-----------------------------|-----------------------------|
|                                           | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Net settled derivative assets</b>      |                             |                             |
| Carrying amount                           | -                           | -                           |
| Contractual cash flows                    | -                           | -                           |
| <b>Net settled derivative liabilities</b> |                             |                             |
| Carrying amount                           | 1,280                       | 1,381                       |
| Contractual cash flows                    | 4,530                       | 8,558                       |

|         | Less than 1 yr<br>\$'000 | 1-2 yrs<br>\$'000 | 2-5 yrs<br>\$'000 | More than 5 yrs<br>\$'000 |
|---------|--------------------------|-------------------|-------------------|---------------------------|
| 2025/26 | 1,372                    | 1,068             | 1,803             | 287                       |
| 2024/25 | 722                      | 1,591             | 4,143             | 2,102                     |

## Contractual maturity analysis of financial assets

The table below analyses Council and the Group's financial assets into relevant maturity groupings based on the remaining period at balance date to the contractual maturity date.

The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

|                                     | Council and Group           |                             |
|-------------------------------------|-----------------------------|-----------------------------|
|                                     | 2025/26<br>Actual<br>\$'000 | 2024/25<br>Actual<br>\$'000 |
| <b>Carrying amount</b>              |                             |                             |
| Cash and cash equivalents           | 19,126                      | 25,555                      |
| Recoverables and receivables        | 26,410                      | 30,338                      |
| Other financial assets              |                             |                             |
| - term deposit                      | 1,041                       | 1,265                       |
| - community loans                   | 953                         | 1,020                       |
| - LGFA borrower notes               | 7,035                       | 6,240                       |
| - Fixed interest investments        | -                           | -                           |
| <b>Total carrying amount</b>        | <b>54,565</b>               | <b>64,418</b>               |
| <b>Contractual cash flows</b>       |                             |                             |
| Cash and cash equivalents           | 19,126                      | 25,555                      |
| Recoverables and receivables        | 26,410                      | 30,338                      |
| Other financial assets              |                             |                             |
| - term deposit                      | -                           | -                           |
| - community loans                   | 1,278                       | 1,518                       |
| - LGFA borrower notes               | 7,746                       | 7,054                       |
| <b>Total contractual cash flows</b> | <b>54,560</b>               | <b>64,465</b>               |

The following table summarises the pattern of contractual cash flows:

|                              | Less than 1 yr<br>\$'000 | 1-2 yrs<br>\$'000 | 2-5 yrs<br>\$'000 | More than 5 yrs<br>\$'000 |
|------------------------------|--------------------------|-------------------|-------------------|---------------------------|
| <b>Council 2026</b>          |                          |                   |                   |                           |
| Cash and cash equivalents    | 19,126                   | -                 | -                 | -                         |
| Recoverables and receivables | 26,410                   | -                 | -                 | -                         |
| Other financial assets       |                          |                   |                   |                           |
| - term deposit               | -                        | -                 | -                 | -                         |
| - community loans            | 119                      | 239               | 300               | 620                       |
| - LGFA borrower notes        | 1,507                    | 1,315             | 4,921             | 0                         |
| <b>Total</b>                 | <b>47,162</b>            | <b>1,554</b>      | <b>5,221</b>      | <b>620</b>                |
| <b>Council 2025</b>          |                          |                   |                   |                           |
| Cash and cash equivalents    | 25,555                   | -                 | -                 | -                         |
| Recoverables and receivables | 30,338                   | -                 | -                 | -                         |
| Other financial assets       |                          |                   |                   |                           |
| - term deposit               | -                        | -                 | -                 | -                         |
| - community loans            | 104                      | 208               | 313               | 893                       |
| - LGFA borrower notes        | 942                      | 1,491             | 3,593             | 1,028                     |
| <b>Total</b>                 | <b>56,939</b>            | <b>1,699</b>      | <b>3,906</b>      | <b>1,921</b>              |

### Sensitivity analysis

The tables below illustrate the potential effect on the surplus or deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on Council and the Group's financial instrument exposures at the balance date.

|                              | 2025/26                |                           | 2024/25                |                           |
|------------------------------|------------------------|---------------------------|------------------------|---------------------------|
| <b>Interest rate risk</b>    | <b>Act<br/>-100bps</b> | <b>Actual<br/>+100bps</b> | <b>Act<br/>-100bps</b> | <b>Actual<br/>+100bps</b> |
|                              | <b>\$'000</b>          | <b>\$'000</b>             | <b>\$'000</b>          | <b>\$'000</b>             |
|                              |                        |                           |                        |                           |
| <b>Council</b>               |                        |                           |                        |                           |
| <b>Financial assets</b>      |                        |                           |                        |                           |
| Cash and cash equivalents    | (191)                  | 191                       | (265)                  | 265                       |
| Term deposits                | -                      | -                         | -                      | -                         |
| <b>Financial liabilities</b> |                        |                           |                        |                           |
| Derivatives                  | (4,629)                | 1,896                     | (5,748)                | 2,746                     |

|                              | 2025/26                |                           | 2024/25                |                           |
|------------------------------|------------------------|---------------------------|------------------------|---------------------------|
| <b>Foreign exchange risk</b> | <b>Act<br/>-100bps</b> | <b>Actual<br/>+100bps</b> | <b>Act<br/>-100bps</b> | <b>Actual<br/>+100bps</b> |
|                              | <b>\$'000</b>          | <b>\$'000</b>             | <b>\$'000</b>          | <b>\$'000</b>             |
|                              |                        |                           |                        |                           |
| <b>Group</b>                 |                        |                           |                        |                           |
| <b>Financial assets</b>      |                        |                           |                        |                           |
| Cash and cash equivalents    | -                      | -                         | -                      | -                         |

|                         | 2025/26        |                   | 2024/25        |                   |
|-------------------------|----------------|-------------------|----------------|-------------------|
| Equity price risk       | Act<br>-100bps | Actual<br>+100bps | Act<br>-100bps | Actual<br>+100bps |
|                         | \$'000         | \$'000            | \$'000         | \$'000            |
| <b>Group</b>            |                |                   |                |                   |
| <b>Financial assets</b> |                |                   |                |                   |
| Equity investments      | -              | -                 | -              | -                 |

### Explanations of sensitivity analysis

The interest rate, foreign exchange and equity price sensitivities are based on reasonably possible movements in interest rates, exchange rates and equity market valuations; with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 100bps is equivalent to a decrease in interest rates of 1%.

The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on parallel shift in interest rates of -100bps/+100bps (2025: -100bps/+100bps).

## Note 34: Capital management

Council's capital is its equity (or ratepayers' funds) which include accumulated funds and other reserves. Equity is represented by net assets.

The Local Government Act 2002 (the Act) requires Council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner which promotes the current and future interests of the community. Ratepayers' funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity which is a principle promoted in the Act and applied by Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations. Additionally, Council has in place asset management plans for major classes of asset detailing renewal and maintenance programmes to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires Council to make adequate and effective provision in its Long-Term Plan (LTP) and in its Annual Plan (where applicable) to meet the expenditure needs identified in those plans. The Act also sets out the factors that Council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financing policies in Council's LTP.

Council has the following Council-created reserves:

- reserves for different areas of benefit;
- self-insurance reserves; and
- trust and bequest reserves.

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from payers of general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserve.

Self-insurance reserves are built up annually from general rates and are made available for specific unforeseen events. The release of these funds generally can be approved only by Council.

Trust and bequest reserves are set up where Council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

## **Note 35: Explanation of major variances against budget**

The major variance explanations are set out below and explain the significant differences between actual results for 2025/26 and the Year 1 Long Term Plan budget for 2025/26. Please note that the abbreviations used in this note are \$Xm, millions of dollars; \$Xk, thousands of dollars.

### **Statement of comprehensive revenue and expense**

Council recorded an operating surplus of \$26.7m, compared with a budgeted deficit of \$5.8m. This favourable variance was primarily due to revenue being \$40.0m above budget, partly offset by operating expenditure being \$7.6m above budget.

Revenue was higher than budget mainly due to the recognition of \$23.1m of vested and found assets, rates revenue being \$4.9m above budget, development contributions being \$5.7m above budget, additional grant funding of \$5.1m and a fair value gain of \$2.9m on Council's Housing Infrastructure Fund loan portfolio. These favourable variances were partly offset by NZTA subsidies being \$3.1m below budget and solid waste user-pays revenue being \$2.6m below budget.

Operating expenditure was above budget primarily due to asset write-offs of \$6.5m, a doubtful debt provision of \$3.3m and repairs and maintenance expenditure being \$3.2m above budget. These variances were partly offset by employee costs being \$2.0m below budget and consultancy expenditure being \$534k below budget.

Total other comprehensive revenue and expense was \$600.2m, \$552.0m above budget, principally due to infrastructure asset revaluation gains. Revaluation gains totalled \$569.8m, compared with budgeted revaluation movements of \$54m.

### **Statement of financial position**

The statement of financial position shows total assets were \$533.7m above budget at year end.

The largest variance was in property, plant and equipment, which was \$514.7m above budget, primarily due to infrastructure asset revaluation gains recognised during the year. Investments in council-controlled and associated entities were \$9.2m above budget, largely due to a higher-than-anticipated valuation of Waikato Regional Airport Limited. Receivables and recoverables were \$5.4m above budget, although \$3.9m lower than the prior year, and cash and cash equivalents were \$12.6m above budget, reflecting higher year-end cash balances than planned.

Total liabilities were \$75.6m lower than forecast, primarily due to lower borrowing requirements resulting from reduced capital programme delivery.

### **Statement of cash flows**

Net cash flows from operating activities were above budget, primarily due to higher-than-anticipated receipts from rates revenue, development contributions, and subsidies and grants. Net cash flows from financing activities were lower than budget due to reduced borrowing requirements and higher debt repayments, reflecting lower-than-anticipated capital programme delivery. As a result, cash balances at the end of the year were \$12.6m above budget.

### **Funding impact statements**

The whole-of-Council funding impact statement reports cash transactions and amounts expected to convert to cash, such as revenue and expenditure included in receivables or payables. It excludes non-cash transactions, including asset revaluations, asset write-offs and vested assets, and separately analyses operating and capital funding.

The operating funding surplus for the year was \$30.2m, compared with a budgeted surplus of \$29.1m. Total operating funding was \$1.1m above budget, largely due to growth in targeted rates revenue and rates penalty income. Operating expenditure was \$244k above budget, primarily due to increased payments to suppliers associated with higher activity levels during the year.

Capital funding sources were \$51.3m below budget, primarily due to lower borrowing requirements resulting from reduced capital expenditure delivery during the year.

## Note 36: Insurance of assets

The total value of all assets of Council that are covered by insurance contracts as at 30 June 2026 is \$1,468,691,312 (2025: \$1,244,216,216) and the maximum amount to which they are insured is \$454,889,998 (2025: \$454,523,709).

| Insurance Class | Total Declared Value   | Policy Limit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|-----------------|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Infrastructure  | \$992,737,148          | <p><b>Limit of Liability</b><br/>The liability of Insurer(s) is limited to 40% of NZD \$300,000,000 combined limit for any one loss or series of losses arising out of one event, subject to the applicable sublimit(s).</p> <p><b>Sub-Limits of Liability</b><br/>The following sub-limits are expressed in 100% terms. The liability of the Insurer(s) shall be further limited to 40% of the following sub-limits in relation to any one loss or series of losses arising out of one event:<br/>\$100,000,000</p> |
| Material Damage | \$471,064,166          | <p>\$150,000,000 combined limit any one loss or series of losses arising out of any one event in excess of policy deductible</p> <p>\$25,000,000 fire limit</p>                                                                                                                                                                                                                                                                                                                                                      |
| Motor Vehicle   | \$4,614,458            | \$4,614,458                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Other           | \$275,540              | \$275,540                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Total</b>    | <b>\$1,468,691,312</b> | <b>\$454,889,998</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |

In addition to the insurance contracts noted above, the council maintains a disaster recovery reserve to meet the costs of damage that may not be recoverable through insurance. At 30 June 2026 the balance of this reserve was \$503,864 (2025: \$61,972).

# Annual Report Disclosure Statement

## Taukii Puakanga Puurongo aa-Tau 2025/26

for the year ended 30 June 2026

### What is the purpose of this statement?

The purpose of this statement is to disclose Council's 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 report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definition of the terms used in this statement.

Council's 2025-2034 long-term plan set revised limits for its rates and debt affordability benchmarks. For the previous years the 2021-2031 long-term plan figures were used.

### Rates affordability benchmarks

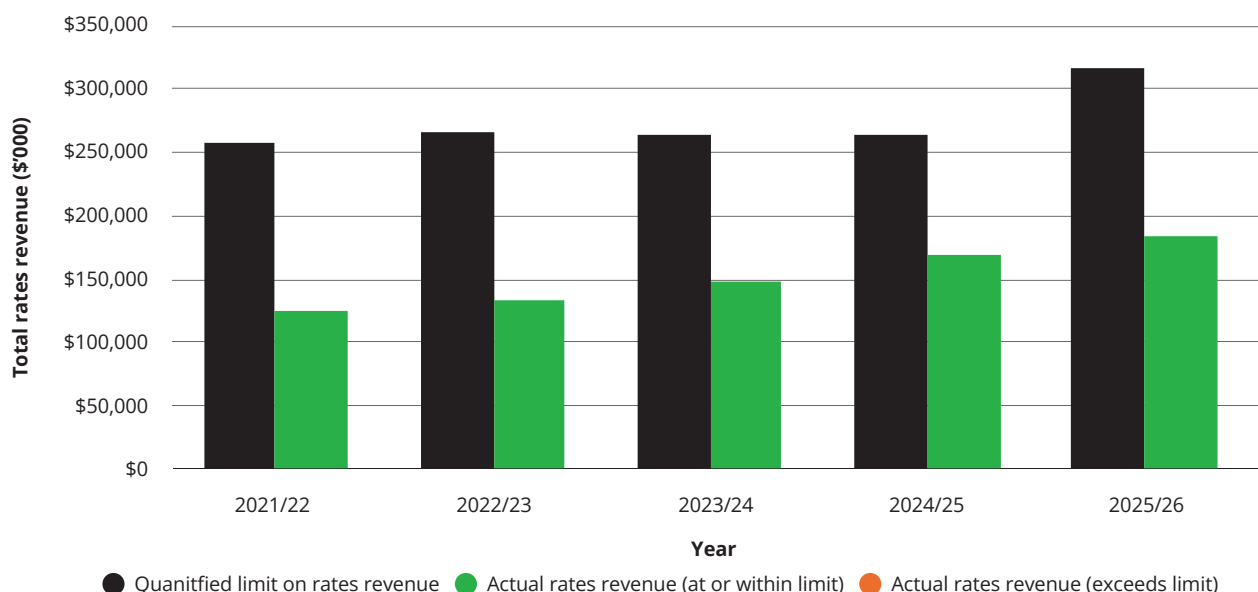
Council meets the rates affordability benchmarks if:

- its actual rates revenue equals or is less than each quantified limit on rates; and,
- its actual rates increases equal or are less than each quantified limit on rates increases.

### Rates (income) affordability

This graph compares Council's actual rates income with a quantified limit on rates contained in the financial strategy included in Council's 2025-34 long-term plan (pg. 126).

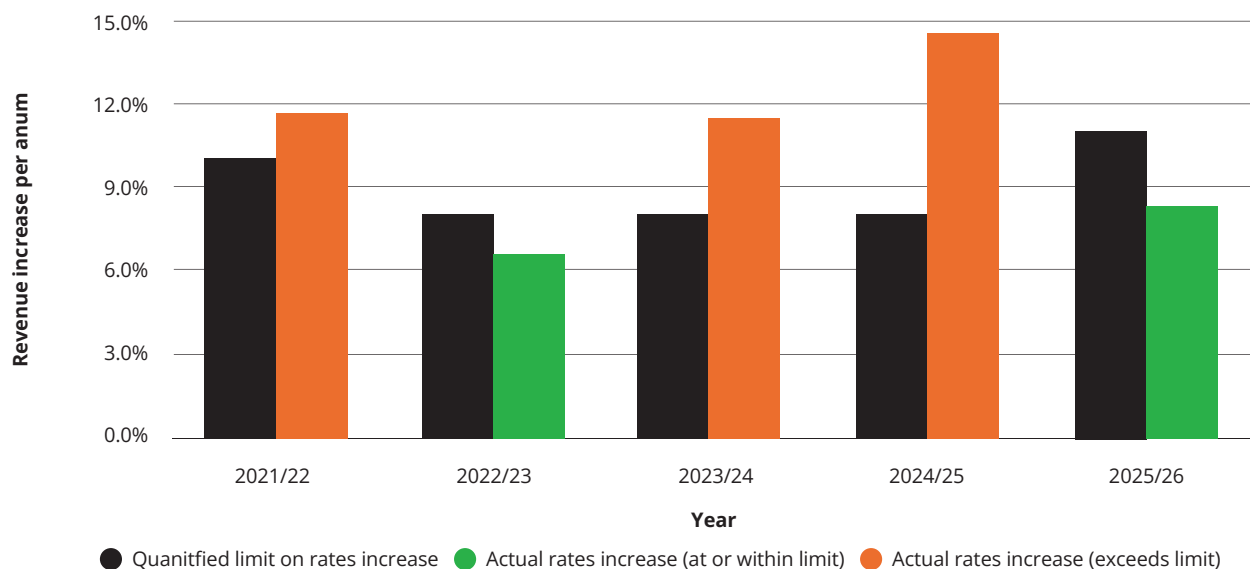
The quantified limit for the current year is that total rates revenue will not exceed \$317,468 (2025: \$264,043)



### Rates (increases) affordability

This graph compares Council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in Council's 2025-34 long-term plan (pg. 127).

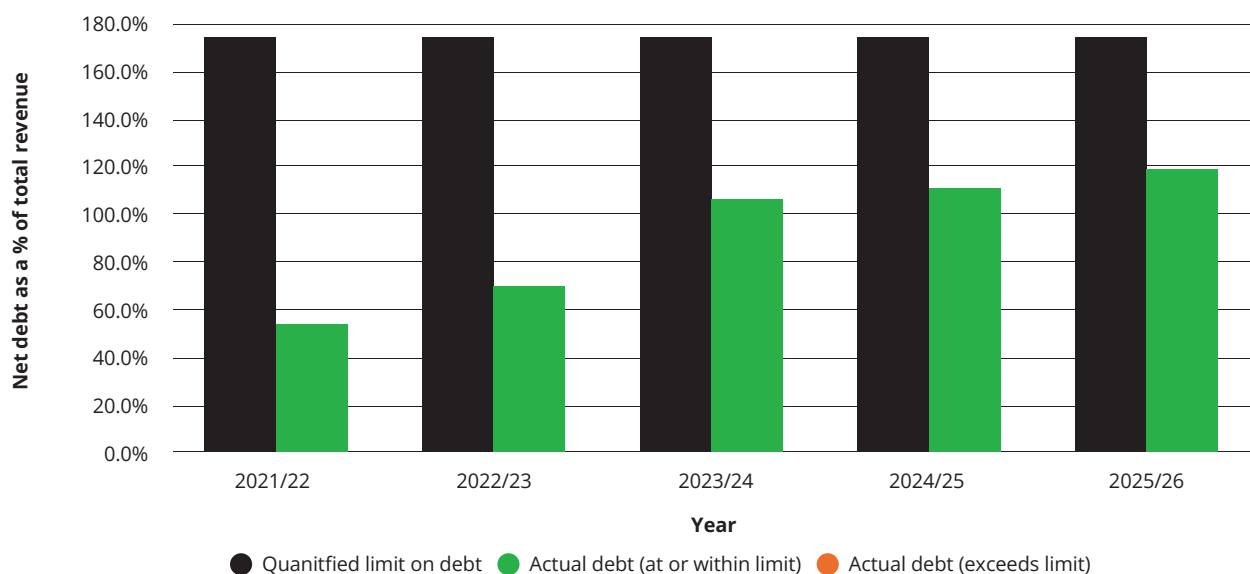
The quantified limit on rates increases is that the average annual rate increase for existing ratepayers\* are not to exceed 10 percent in the first year, reducing to 8 percent for the period 2023 to 2025, and increasing to 11 percent in 2026.



### Debt affordability benchmarks

Council meets its debt affordability benchmark if its actual borrowing is within the quantified limit on borrowing. This graph compares Council's actual borrowing with the quantified limit on borrowing stated in the financial strategy included in Council's 2025-34 long-term plan (pg. 127).

The quantified limit on net debt<sup>1</sup> is that it does not exceed 175 percent of revenue<sup>2</sup>.



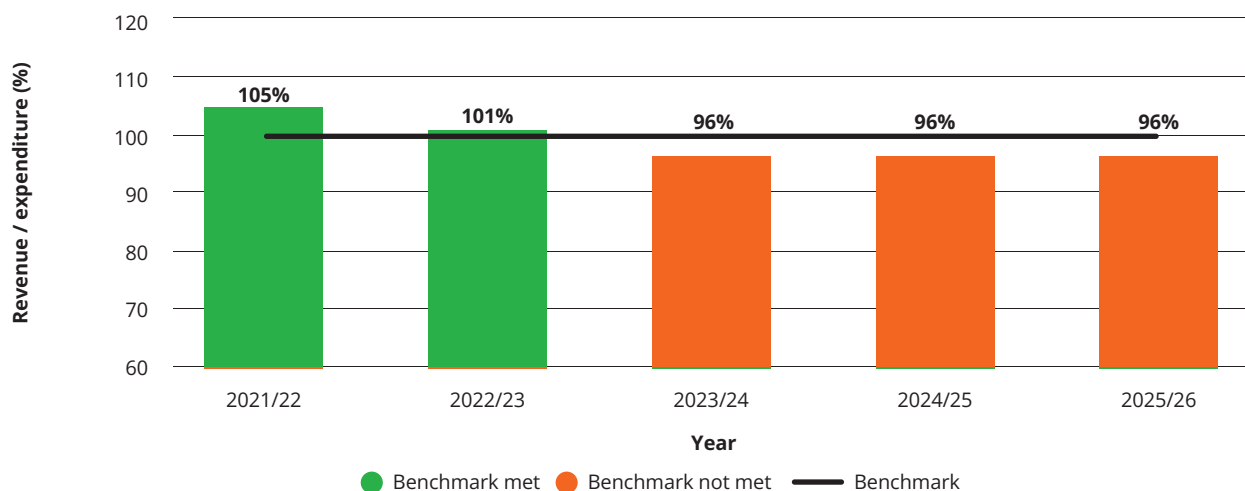
<sup>1</sup> Net debt equals total external debt, net of borrower notes.

<sup>2</sup> Revenue is net of developer contributions and vested asset

### Balanced budget benchmark

This graph displays Council's revenue (excluding development contributions; financial contributions; vested assets; gains on derivative financial instruments and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

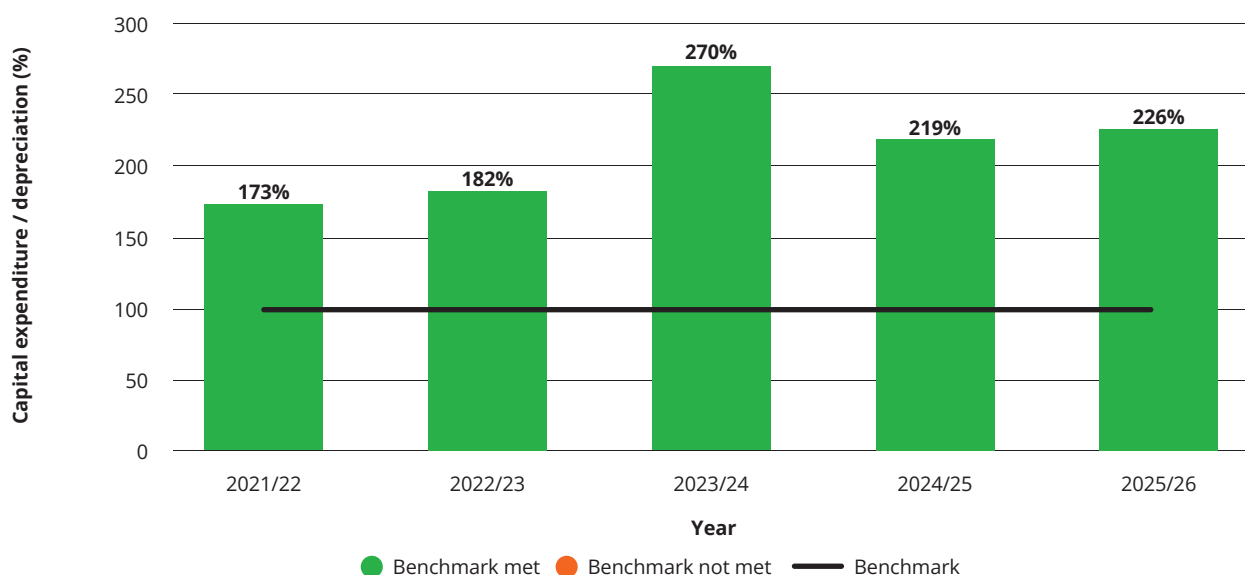
Council meets this benchmark if its revenue equals or is greater than its operating expenses.



### Essential services benchmark

This graph displays Council's capital expenditure on network services as a proportion of depreciation on network services.

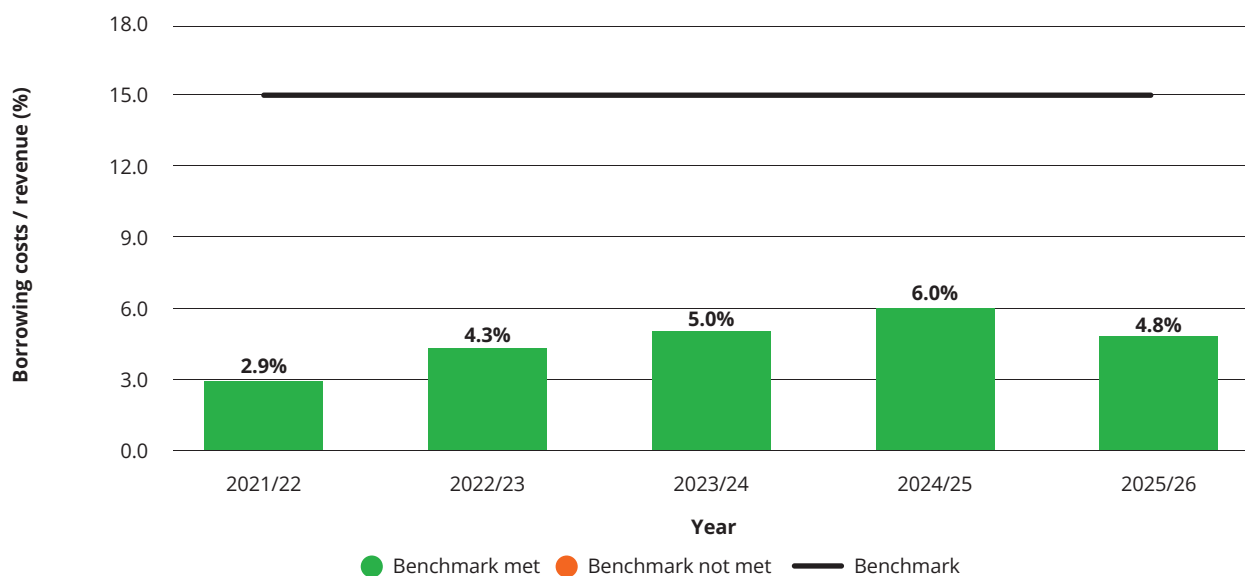
Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



## Debt servicing benchmark

This graph displays Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluations of property plant or equipment).

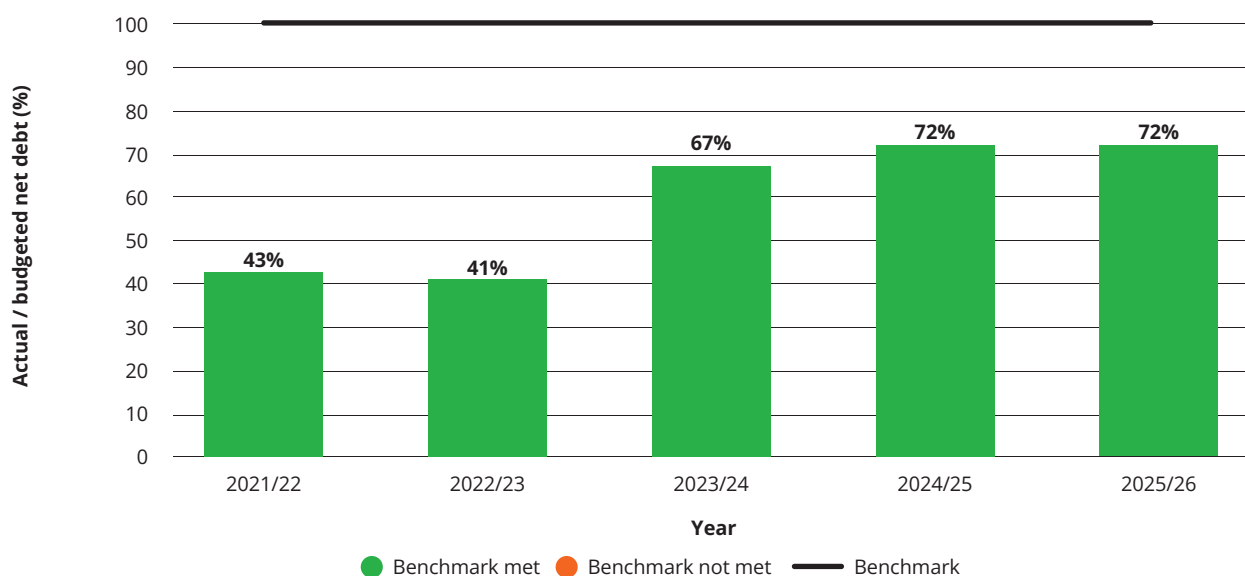
Because Statistics New Zealand projects that Council's population will grow faster than the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 15% of its planned revenue.



## Debt control benchmark

This graph displays Council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables).

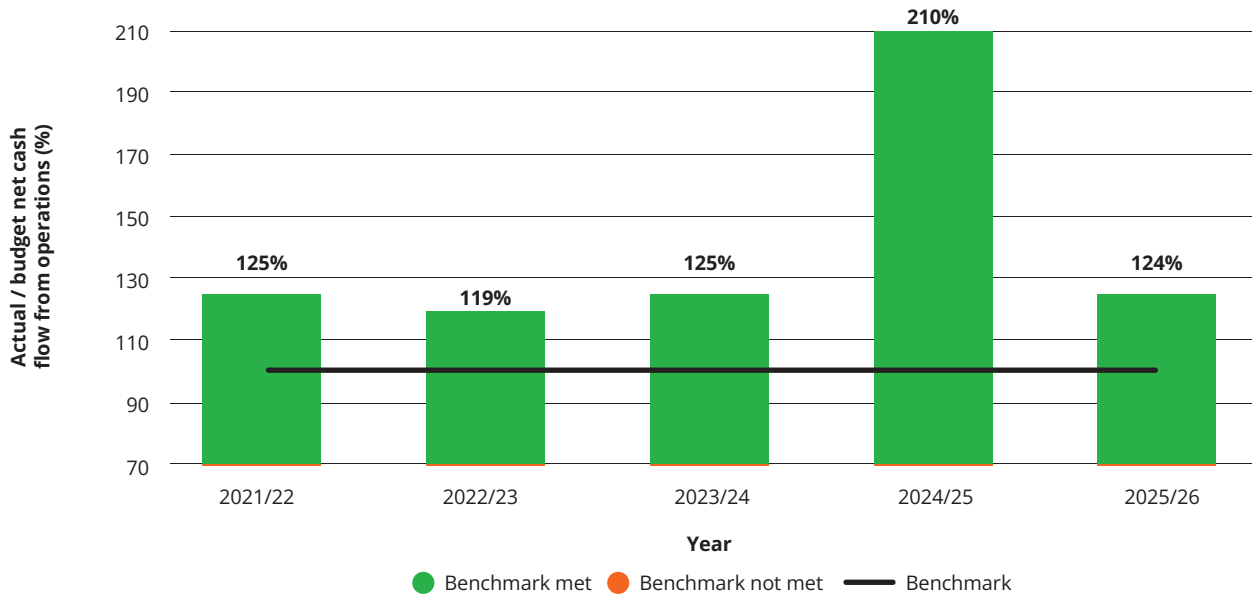
Council meets the debt control benchmark if its actual net debt equals or is less than planned net debt.



## Operations control benchmark

This graph displays Council's actual net cash flow from operations as a proportion of its planned net cash flow from operations.

Council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations set in the 2025-36 Long Term Plan.



# Statement of Compliance and Responsibility

## Taukii Tuutohu Ture me te Haepapa

### Statement of compliance

The Council and management of the Waikato District Council confirm that all the statutory requirements in relation to the Annual Report have been complied with.

### Statement of responsibility

The Council and management of the Waikato District Council accept responsibility for:

- a) the preparation of the Annual Financial Statements and the judgements used in them, and
- b) establishing and maintaining internal control systems to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of the Waikato District Council, the Annual Financial Statements and Statements of Service Provision for the year ended 30 June 2026 fairly reflect the financial position and operations of the Council.



**His Worship  
Aksel Bech**



**Craig Hobbs  
Chief Executive**

# Audit Opinion

## Huatau Taatari Kaute



### Independent Auditor's Report

To the readers of the annual report of Waikato District Council for the year ended 30 June 2026

The Auditor-General is the auditor of Waikato District Council (Council) and its subsidiary (the Group). The Auditor-General has appointed me, Carl Wessels, using the staff and resources of The Audit Office, to carry out the audit on his behalf.

We have audited the information in the annual report of the Council and Group that we are required to audit in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of Schedule 10 of the Act (Schedule 10) that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

### Opinion on the audited information

In our opinion:

- the financial statements on pages 89 to 162 present fairly, in all material respects, the Council's and Group's financial position as at 30 June 2026, and the results of the operations and cash flows for the year ended on that date, in accordance with the applicable financial reporting framework;
- the statement of service provision for the year ended 30 June 2026 on pages 16 to 87:
  - is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and the applicable financial reporting framework; and
  - presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, whether any intended changes to levels of service were achieved, and the reasons for any significant variation between the levels of service achieved and the intended levels of service.

- the funding impact statement for the year ended 30 June 2026 on pages 87 has been prepared, in all material respects, in accordance with clause 30 of Schedule 10;
- the funding impact statements for each group of activities for the year ended 30 June 2026 on pages 31, 41, 50, 58, 63, 69, 83 and 86 have been prepared, in all material respects, in accordance with clause 26 of Schedule 10; and
- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026 on pages 31, 41, 50, 58, 63, 69, 83 and 86 have been prepared, in all material respects, in accordance with clause 24 of Schedule 10.

### Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of Schedule 10 for the year ended 30 June 2026; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2026 are complete and accurate.

### Basis for our opinion on the audited information and the disclosure requirements

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audited information and the disclosure requirements* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

## **Emphasis of Matter**

Without modifying our opinion, we draw attention to the following disclosures:

### **Future changes in water service delivery**

Disclosures in note 32(a) on page 151 which outline how the future changes in delivery of water services will affect the Council.

### **Simplifying Local Government reform**

The government has announced it wants to simplify local government, including reducing the number of local authorities by amalgamations within regions. As described in note 32(c) (page 152), the Government announced that the decisions on the head start proposals will be deferred until after the general election in November.

Waikato District Council, Waipā District Council, and South Waikato District Council endorsed a Head Start proposal under the Government's Simplifying Local Government reform programme. Final decisions are expected in 2027 and, if approved by Cabinet, the governance structure of any new entity is expected to take effect following the October 2028 local elections. The eventual outcome for the Council is dependent on future cabinet decisions and enactment of enabling legislation. Because of the significant uncertainty about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis. Our opinion is not modified in respect of this matter.

## **Responsibilities of the Council for the audited information and the disclosure requirements**

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act. The Council's responsibilities include the preparation and fair presentation of the financial statements and service performance information in accordance with the applicable financial reporting framework.

This includes:

- the selection of elements of service performance, performance measures and descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and

- the preparation of a statement of service provision, in accordance with the Council's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements, the Council is responsible for assessing the Council's and the Group's ability to continue as a going concern. The Council is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to amalgamate or cease all of the functions of the Council and the Group or there is no realistic alternative but to do so.

The Council's responsibilities arise under the Act and the Regulations.

## **Responsibilities of the auditor**

### **Responsibilities for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's annual plan or long-term plan, as applicable.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain

audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate whether the selection of elements of service performance, performance measures and descriptions, and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Council's service performance.
- We evaluate whether the service performance information is prepared in accordance with the Council's measurement bases or evaluation methods, and presents fairly, in all material respects, in accordance with the applicable financial reporting framework, the actual service performance achieved compared with the intended levels of service.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Council and the Group to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Council and the Group to cease operating as going concerns.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.

- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group's audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## **Responsibilities for the disclosure requirements**

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of Schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Act and the Public Audit Act 2001.

## **Other information**

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independence**

We are independent of the Council and the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out a limited assurance engagement relating to the Council's debenture trust deed and assurance engagements relating to the procurement of significant contracts, which are compatible with the independence requirements. Other than these engagements, we have no relationship with, or interests in, the Council or the Group.



**Carl Wessels**  
**The Audit Office**  
**On behalf of the Auditor-General**  
Auckland, New Zealand  
7 October 2026

# Council-controlled organisations

## Ngaa Toopuutanga a te Kaunihera

**Council operates four Council-Controlled Organisations (CCO's). These organisations independently manage facilities and deliver services, with the exception of Strada Corporation Limited which wound up activities during the 2016/17 financial year. The following information explains what the organisations do and how their performance is measured.**

### **Strada Corporation Limited**

Strada Corporation Limited (formerly Tanlaw Corporation prior to 1 July 2009) was established in 1992 as a wholly owned Council-Controlled Organisation (CCO). Council wished to separate the planning and development of its work programme from the physical works. Strada was established to achieve this and to operate as a profitable business for Council's benefit, and ultimately Waikato District ratepayers' benefit.

The company generally traded profitably and provided significant dividends that supplemented the council's income. However, in recent years in a more competitive market Strada had difficulty securing maintenance contract work and when the opportunity arose during 2015/16 to sell Strada's joint venture the decision was made to wind up operations.

The operational assets were sold during 2016/17 and liabilities extinguished.

Strada is no longer trading and has been registered as non-active with the Inland Revenue.

### **Waikato Regional Airport Limited**

In December 1989, Council along with four other local authorities purchased the Crown's 50% shareholding in the Waikato Regional Airport Limited. The purchase increased Council's shareholding to 15.625%. At the time Council considered the airport to be a significant infrastructural asset for the region and important to economic growth and development.

Council's shareholding is considered a strategic asset. The airport also operates a tourism subsidiary which aims to promote the region to tourists. Council contributes separately to this entity.

### **Strategic Intent**

The Group focus has transitioned from diversification to a growth-oriented strategy, focused on expanding the scale and impact of its aeronautical and property activities. Delivery of the Titanium Park Precinct North development is a critical enabler of this ambition, strengthening the platform required to fund air services growth, improve customer experience, and future proof core aviation infrastructure. In doing so, the Group continues to balance near term financial performance and dividend expectations with prudent investment that supports long term value creation, resilience, regional economic prosperity and enduring value for shareholders and the Waikato region.

### **The Group has updated its core purposes under its current ten-year strategic plan:**

- To become New Zealand's premier regional airport and the gateway to the Central North Island—driving growth in scheduled domestic and international airline services. This is supported by general aviation, and freight, whilst delivering exceptional customer experience, safely, and sustainably to realise the airport's full potential for connectivity and as an economic enabler for the region.
- Through sustainable, innovation-led property development, drive resilience through cash flows to support and strengthen the aeronautical core, and deliver long-term value that fosters regional prosperity, and enable a thriving community and enduring economic growth across the Waikato.

## Key Objectives of the WRAL Group

- Driving growth in aviation
- Delivering exceptional customer experience, safely
- Sustainably realise the airport's full potential
- Support and strengthen the aeronautical core through property development that drives resilience
- Development and marketing of the Hamilton and Waikato region as a destination for domestic and international visitors

- People - Investing in an organisation-wide strategy taking a holistic view of employee wellbeing.
- Te Ao Māori and Te Tiriti o Waitangi - Creating a cultural legacy that authentically embraces and values Māori tikanga and te reo.

The group achieved all but one of the financial targets included in their Statement of Intent. The performance against the Statement of Intent is summarised in the table below:

### Financial Performance Targets

|                                                                                                               | Actual<br>2025/26<br>\$'000 | Target<br>2025/26<br>\$'000 | Target<br>met |
|---------------------------------------------------------------------------------------------------------------|-----------------------------|-----------------------------|---------------|
| <b>Earnings Performance targets</b>                                                                           |                             |                             |               |
| Net profit before tax <i>no less than</i>                                                                     | 13,512                      | 3,000                       | ✓             |
| Earnings before tax, interest, depreciation and amortisation (EBITDA) excluding land sales <i>of at least</i> | 7,861                       | 6,000                       | ✓             |
| Earnings before tax, interest, depreciation and amortisation (EBITDA) including land sales <i>of at least</i> | 7,861                       | 6,000                       | ✓             |
| Percentage of non-airline revenue to total operating revenue <i>of at least</i>                               | 48%                         | 50%                         | ✓             |
| Land sales <i>of at least</i>                                                                                 | n/a                         | n/a                         | n/a           |
| Interest coverage ratio <i>of at least</i>                                                                    | 3.0                         | 2.0                         | ✓             |
| Free cash flow                                                                                                | n/a                         | n/a                         | n/a           |
| <b>Cash flow and funding performance targets</b>                                                              |                             |                             |               |
| Net operating cashflow excluding land sales <i>of at least</i>                                                | 3,282                       | 4,500                       | ✗             |
| Net debt <i>a maximum of</i>                                                                                  | 62,600                      | 70,000                      | ✓             |
| <b>Shareholder value performance targets</b>                                                                  |                             |                             |               |
| Shareholder funds to total assets <i>of at least</i>                                                          | n/a                         | n/a                         | n/a           |
| Shareholder value                                                                                             | 292,961                     | 254,000                     | ✓             |

The group achieved all of the non-financial targets included in their Statement of Intent

| Non-financial Performance Targets                                                                                                                                                                                                                                                    | Comment                                                                                                                                                                                                                                                                                                                                                                                                       | Target met |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Health, Safety &amp; Wellbeing</b>                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                               |            |
| Zero WorkSafe notifiable accidents/injuries.                                                                                                                                                                                                                                         | There were no notifiable incidents as defined in the Health & Safety at Work Act 2015 involving Group employees.                                                                                                                                                                                                                                                                                              | ✓          |
| <b>Aeronautical compliance</b>                                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                               |            |
| Operate a workplace that fosters employee wellbeing and improving organisational culture, as measured by the Employee Engagement Survey.                                                                                                                                             | The annual staff engagement survey showed positive results in both years.                                                                                                                                                                                                                                                                                                                                     | ✓          |
| To achieve airport certification standards required by the Civil Aviation Authority (CAA) as evidenced by CAA audit reports.                                                                                                                                                         | The airport continues to meet all relevant CAA certification standards including the increased requirements associated with resumption of international air services during 2025.                                                                                                                                                                                                                             | ✓          |
| Ensure airport is operationally available for all scheduled passenger services (except for uncontrollable events).                                                                                                                                                                   | There have been no incidences of scheduled flights being operationally impacted by controllable events.                                                                                                                                                                                                                                                                                                       | ✓          |
| <b>Maintain a viable aeronautical business</b>                                                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                                                                                                                                                               |            |
| Assist airlines to identify opportunities to increase flight schedules and passenger numbers.                                                                                                                                                                                        | The airport secured new scheduled routes during both years including Jetstar services to Sydney and Gold Coast in 2025, and the introduction of Domestic jet services in 2026.                                                                                                                                                                                                                                | ✓          |
| Identify and activate new development opportunities within the general aviation sector.                                                                                                                                                                                              | The airport continued to pursue opportunities to tenant the former flight school training centre including development of an aero-medical hub during 2025.                                                                                                                                                                                                                                                    | n/a        |
| Position and protect the airport as an efficient, cost effective international port for private and commercial airline activities.                                                                                                                                                   | The airport continues to position itself to be an international airport by holding relevant Security, Customs and Biosecurity approvals to receive international flights. The airport maintains itself an efficient and cost-effective port through optimising and enabling infrastructure for multi-use scenarios, such as a single airport terminal that is used for domestic and international operations. | ✓          |
| Remain collaborative with local authorities and central government agencies for joint infrastructure and transport initiatives.                                                                                                                                                      | The airport has worked central government to position the airport as an upper North Island diversion/alternate airport by obtaining crown support for protection of the Runway extension designation and securing government grants for future aeronautical development.                                                                                                                                      | ✓          |
| As the base airport, facilitate the first operational trials of Air New Zealand's Next Generation Technical Demonstrator aircraft.                                                                                                                                                   | The next generation electric 'Alia Beta' aircraft conducted technical demonstration flights from Hamilton Airport from October to December 2025.                                                                                                                                                                                                                                                              | ✓          |
| Finalise a business case to support the Airport's final position in respect of the lapse period of the current runway designation, taking into account recent developments in international air services, national resilience and Emerging regional growth opportunities since 2022. | The airport completed its business case and secured loan funding from central government's Regional Infrastructure Fund for expansion of Airport Infrastructure to be undertaken in future periods.                                                                                                                                                                                                           | ✓          |

| Non-financial Performance Targets                                                                                                                                   | Comment                                                                                                                                                                                                                                                          | Target met |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <b>Property</b>                                                                                                                                                     |                                                                                                                                                                                                                                                                  |            |
| Complete enabling infrastructure and site development for the first stage of Precinct North.                                                                        | The first two stages of Precinct North (17ha) of land and infrastructure development were completed in June 2026.                                                                                                                                                | ✓          |
| Complete construction of the first design: build property for Precinct North.                                                                                       | Construction of this property was completed in April 2026 and the tenant began occupancy in May 2026.                                                                                                                                                            | ✓          |
| Commence the first stage of development of the Precinct North ecological compensation site in accordance with the Precinct's ecological management plan.            | Development of the 11ha site was completed during the period including the planting of 50,000 native trees and plants.                                                                                                                                           | ✓          |
| Complete detailed design for Stage One of the Northern Precinct Development.                                                                                        | Design of Precinct North Stage One was consented by local authorities and construction had commenced by 2025-year end.                                                                                                                                           | n/a        |
| Complete ecological management plan and commence development of ecological habitat compensation site.                                                               | Approval of the ecological management plan was granted by local authorities and development of the ecological compensation site had commenced by 2025-year end.                                                                                                  | n/a        |
| <b>Climate change response</b>                                                                                                                                      |                                                                                                                                                                                                                                                                  |            |
| Achieve accreditation to the Airport Council International's Airport Carbon Accreditation programme.                                                                | The Airport maintained Level 4 accreditation in 2026 (target: maintain level 4). Level 4 was maintained during 2025 but the goal of advancing an application for Level 4+ was not met due to international air service resumption workstreams being prioritised. | ✓          |
| Reduce Group electricity purchases by at least 20% on prior year levels (measured in kWh used) upon commissioning of the first stage of the solar farm development. | The Airport achieved a 23% reduction on 2024 levels during 2025. No further reduction metric was set in 2026.                                                                                                                                                    | n/a        |
| Maintain the JetPark Hotel's Qualmark Silver Enviro rating.                                                                                                         | The Hotel achieved the highest possible Gold rating during the year.                                                                                                                                                                                             | ✓          |
| Complete a feasibility study for additional onsite generation and storage capabilities of renewable energy sources.                                                 | A business case was completed and a contract to install 0.7MW of additional generation on an investment property was entered in to with construction to be completed in 2027.                                                                                    | ✓          |

## Waikato Local Authority Shared Services Limited

Local authorities of the Waikato region established Waikato Local Authority Shared Services

(WLASS) Limited during 2005/2006. The company trades under the name “Co-Lab”. It is currently owned and controlled by 12 local authorities of the region, being Waikato Regional Council, Hamilton City Council, Hauraki District Council, Matamata Piako District Council, Otorohanga District Council, Rotorua Lakes Council, South Waikato District Council, Thames-Coromandel District Council, Waikato District Council, Waipa District Council, Waitomo District Council and Western Bay of Plenty District Council.

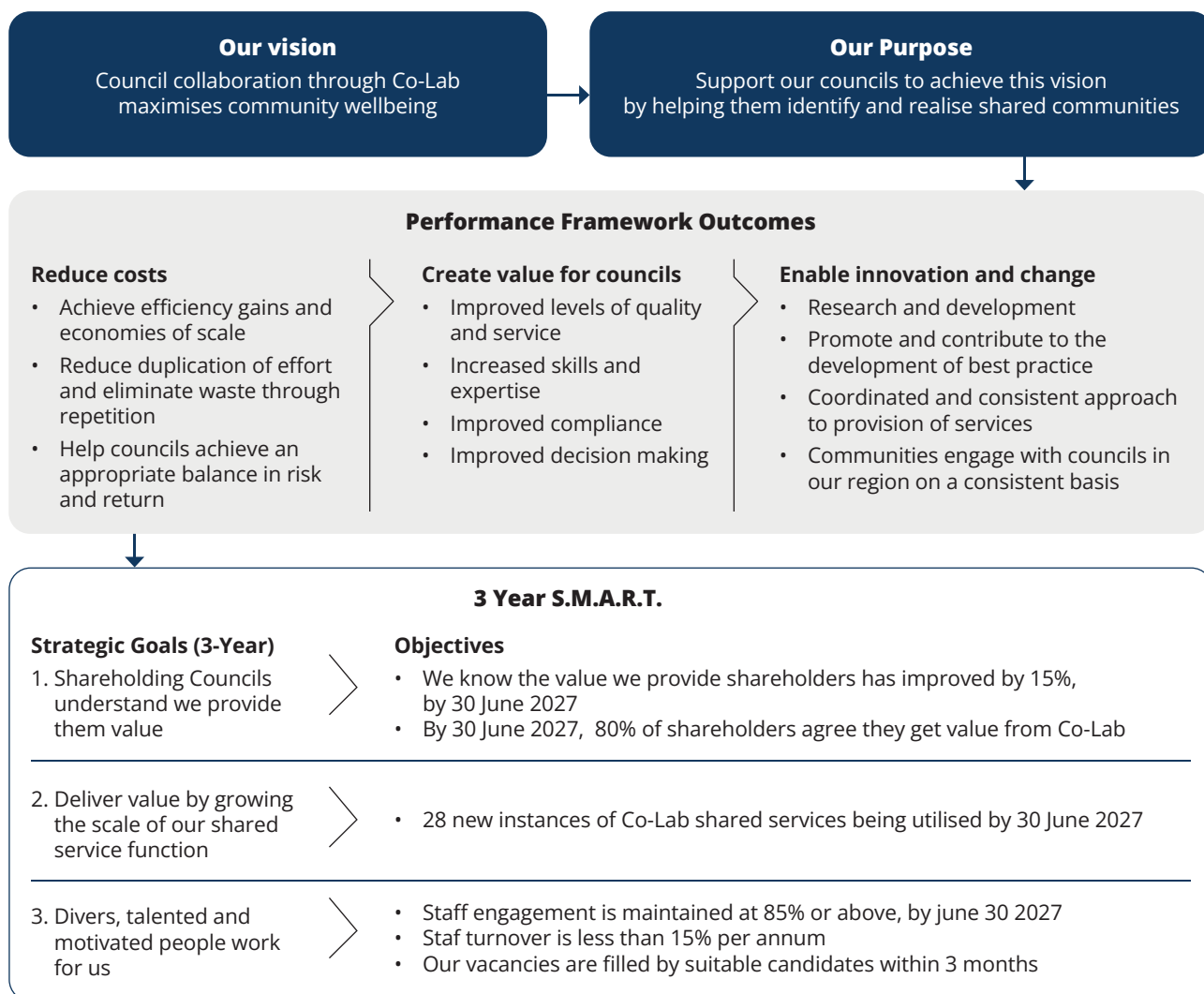
The Co-Lab Board comprises five council representative directors and an independent Chair. There is also a standing Audit & Risk Committee.

These local authorities have worked closely together over the years on mutually beneficial joint projects. The company generates savings for them through economies of scale and additional purchasing power. It also creates value in other ways, for example, reducing duplication of effort.

Co-Lab’s vision, purpose and the outcomes it seeks are encapsulated in its performance framework (see below).

### Co-lab has three main functions:

1. Acting as an ideas laboratory, working with councils to investigate and develop opportunities to work together
2. Delivers shared services to councils; and
3. Entering joint procurement arrangements for the benefit of councils.



## Performance Reporting

The performance measures noted in the table below were included in the company's 2025 Statement of Intent. Co-lab has assessed whether each target has been achieved, and how these contribute to their outcomes as an organisation.

| Strategic goal                                                    | 3-year Objective                                                                                                                                                                                                                           | 3-year Tracking | Annual Target                                                                                                                                    | FY25-26                                                                                                                                                                                          | FY24-25                                                                                                                                                                                                                                                   |
|-------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Shareholding councils understand we provide them value.           | We know the value we provide shareholders has improved by 15%, by 30 June 2027*<br><i>(baseline y/e 30 June 24).</i><br><i>*Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).</i> | On track        | Year-on-year increase in the value we provide to councils.                                                                                       | \$14.7m in value we provide to councils as measured by our benefit analysis.                                                                                                                     | \$11.4m in value we provide to councils as measured by our benefit analysis.                                                                                                                                                                              |
|                                                                   | By 30 June 2027, 80% of shareholders agree they get value from Co-Lab.                                                                                                                                                                     | On track        | 80%+ of council survey respondents believe those Co-Lab services they received met or exceed their expectations (evidenced by an annual survey). | 85% of council survey respondents believe those Co-Lab services they received met or exceeded their expectations. The survey response rate was 32% (307 were invited and 99 responses received). | 88% of council survey respondents believe those Co-Lab services they received met or exceeded their expectations (evidenced by an annual survey) in FY25. The survey response rate was 41% (350 were invited to participate with 142 responses received). |
| Deliver value by growing the scale of our shared service function | 24 new instances of Co-Lab shared services being utilised, by June 2027.<br><i>(baseline y/e 30 June 24)</i><br>As outlined in our 2026 Statement of Intent, we will increase this to 28 for FY2027                                        | On track        | Year-on-year increase in the utilisation of services we provide to councils.                                                                     | Entities onboarded:<br>• 2 Co-Lab Water Services<br>• 1 RIMU Service<br>• 6 Co-Lab Building Services<br>• 3 Professional Services Panel.                                                         | New onboardings:<br>• 5 RATA Spaces and Places councils<br>• 1 Smart Water<br>• 1 ECM<br>• 1 Sampling & Analysis<br>• 1 Co-Lab Building Services<br>• 1 Professional Services Panel.                                                                      |
|                                                                   |                                                                                                                                                                                                                                            |                 | Year on Year increase in the number of services available to councils.                                                                           | Introduced RIMU.                                                                                                                                                                                 | • Introduced RATA Spaces & Places<br>• Launched Co-Lab Building Services.                                                                                                                                                                                 |
|                                                                   | All shareholders take up at least one additional shared service.                                                                                                                                                                           | On track        | Year-on-year increase in the utilisation of services we provide to councils.                                                                     | 8 existing services taken up.                                                                                                                                                                    | 4 existing services taken up.                                                                                                                                                                                                                             |
| Diverse, talented and motivated people work for us.               | Maintain staff engagement above 85%.                                                                                                                                                                                                       | On track        | Maintain staff engagement above 85%.                                                                                                             | The overall engagement score was 90%. The survey response rate was 40% (61 were invited to participate with 25 responses received).                                                              | The engagement score was 86%. The survey response rate was 45% (49 were invited to participate with 22 responses received).                                                                                                                               |
|                                                                   | Staff turnover is less than 15%.                                                                                                                                                                                                           | On track        | Staff turnover is less than 15%.                                                                                                                 | 16.7% staff turnover.                                                                                                                                                                            | 10.5% staff turnover.                                                                                                                                                                                                                                     |
|                                                                   | Our vacancies are filled by suitable candidates within 3 months.<br><i>(All baselined y/e 30 June 24)</i>                                                                                                                                  | On track        | Vacancies are filled by suitable candidates within 3 months.                                                                                     | Target met for most vacancies. Three exceptions arose due to unsuccessful recruitment rounds or recruitment being placed on hold.                                                                | The one advertised position was vacant for two months.                                                                                                                                                                                                    |

## Council's Financial returns

| Returns on Investment                        | Expected return | 2025/26 Results | Our performance |
|----------------------------------------------|-----------------|-----------------|-----------------|
| Financial                                    | 6%              | 5.46%           | ✗               |
| Property                                     | 3%              | 4.96%           | ✓               |
| <b>Equity as follows:</b>                    |                 |                 |                 |
| Waikato Regional Airport Ltd                 | 0%              | 0%              | ✓               |
| Civic Financial Services Ltd                 | 0%              | 0%              | ✓               |
| Local Authority Shared Services Ltd (Co Lab) | 0%              | 0%              | ✓               |



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