HAURAKI DISTRICT COUNCIL

# PŪRONGO Ā-TAU ANNUAL REPORT 2025/2026



Image: Joanne Yeoman (c)

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# He pito kōrero nā te Koromatua | Message from the Mayor



*E ngā mana, e ngā iwi, e ngā karangatanga maha*
*Greetings to everybody,*
*Tēnā koutou katoa*

*As we reflect on 2025/26, we can be proud of the progress made across the Hauraki District and the work that has continued to prepare our communities for the future.*

This was the second year of our 2024 to 2034 Long Term Plan and, like councils across New Zealand, we have continued to operate in a challenging environment. Rising costs, legislative change, increasing compliance requirements and significant weather events have all placed pressure on Council and our communities.

Despite these challenges, we have remained focused on providing the essential services our communities rely on, while balancing the need to keep rates affordable. Through the Annual Plan, we reduced the planned property rates increase from 13.3% to 8.4%, while continuing to invest in the infrastructure and facilities needed across our district.

A significant part of that investment has been in our water and wastewater infrastructure.

Much of this work happens behind the scenes and is not always visible to our communities, but it is some of the most important work Council undertakes. We have continued investing in our water and wastewater networks, treatment plants and associated infrastructure to ensure they are reliable, resilient and able to meet increasingly demanding regulatory requirements.

We are working towards the completion of the new Paeroa Wastewater Treatment Plant, a significant investment that will provide improved wastewater infrastructure and help support the growth and development of Paeroa and the Hauraki Plains in the long term.

We have also continued delivering on our commitment to the Hauraki Plains, with work progressing on the new Hauraki Plains Library and Community Centre. This is an important community facility and represents Council keeping its promise to provide a modern library and service centre for the Plains.

As we move towards a new model for the delivery of water services, having strong and well maintained infrastructure is even more important. Council has made the decision to continue investing in this infrastructure because it is an essential part of getting our district ready for whatever model is ultimately put in place.

These are not always the easiest investments to explain because they are not necessarily the projects people see every day. They can sometimes be seen as a nice to have, but in reality they are investments that become essential when we consider the long term resilience, growth and future needs of our district. It is about making sure we do not leave the next generation with infrastructure that has been allowed to fall behind.

The year also tested our infrastructure and our resilience through significant weather events. Heavy rainfall and flooding placed considerable pressure on our roads, stormwater and wastewater networks and caused disruption for communities across the district.

Our staff, contractors and communities responded to these events and worked hard to restore services and access. These events reinforced just how important our investment in drainage, flood protection, stormwater, wastewater and transport resilience is.

Weather events such as these are becoming an increasingly important consideration for local government. We need infrastructure that can withstand these events, recover quickly when they occur and continue to support our communities as the district grows and changes.

Our performance results show improvements on the previous year, with more than half of our non financial performance measures achieved and strong results across many of our core services. We maintained full compliance with our water, wastewater and stormwater resource consents, completed 100% of scheduled playground inspections, achieved high levels of tenant satisfaction in our elderly persons housing and met statutory timeframes across many regulatory services.

There are also areas where we know we need to do better. Drinking water compliance, customer response times in some service areas, wastewater and stormwater complaints, and aspects of our transport network remain priorities. These are areas where we will continue to focus our attention and investment.

Financially, the year presented some challenges although net borrowings were $154 million compared with the $185 million assumed in the budget. This is a $28 million increase on the $126 million of net borrowing last year, which reflects the continued investment in key infrastructure, as well as prefunding future debt requirements to support long term affordability.

Like households and businesses across Hauraki, Council has faced significant increases in the cost of doing business. Fuel, electricity, insurance, materials, contracts and other operating costs have all increased. Managing these rising costs while maintaining the level of services our communities expect has made balancing the budget increasingly challenging.

Council has had to make careful decisions about where we spend money, where we can find efficiencies and where investment is needed to protect the services and infrastructure our communities rely on.

At the same time, we have remained within our borrowing and debt affordability limits and continue to maintain a strong balance sheet. This provides a sound foundation as we continue to invest in the district while managing the financial pressures facing our communities.

Looking ahead, local government remains in a period of significant change. Changes to water services, increasing regulatory and compliance requirements, ageing infrastructure, climate resilience and affordability pressures will continue to influence the decisions councils make.

Our focus will remain on ensuring Hauraki has the infrastructure and services it needs, while making responsible financial decisions and continuing to advocate for practical solutions that work for our communities.

We are particularly conscious that every dollar Council spends ultimately comes from our ratepayers. That is why the investment we make must be considered carefully. At the same time, we cannot afford to continually defer essential infrastructure investment and leave growing problems for future generations.

The work we are doing today, particularly around our water, wastewater, stormwater and transport infrastructure, is about preparing Hauraki for the future. It is about making sure our district is resilient, connected and ready to meet the challenges ahead, while continuing to provide the services our communities rely on every day.

Finally, we want to extend a very big thank you to the people of Hauraki. Once again, when our communities have faced significant weather events and disruption, we have seen people rally around their neighbours, help one another and support their communities.

That community spirit is one of the great strengths of the Hauraki District. Whether it is helping someone affected by flooding, checking on neighbours, supporting local businesses or simply lending a hand when it is needed, these actions make a real difference.

We thank our staff, elected members, iwi partners, volunteers, contractors, businesses, community organisations and, most importantly, our communities for the contribution they have made throughout the year.

Together, we are continuing to build a resilient, connected and thriving Hauraki District.

Toby Adam
**Mayor**

# He pito kōrero nā te Tumu Whakarae | Message from the Chief Executive



*Tēnā koutou katoa*

*The 2025/26 year has been one of steady progress, careful decisions and focused delivery. While we have worked through financial pressures and significant change, we have continued to deliver the essential services, infrastructure and community facilities our district relies on. I am proud of what Council has achieved together.*

We know many households and businesses are feeling cost-of-living pressures. We do not take lightly the responsibility that comes with spending rates. Every dollar matters, and our focus remains on investing in what is essential, maintaining what people rely on, and planning thoughtfully for the future.

**Behind the numbers, there are people**

Annual reports include figures, budgets and balance sheets, and those matter. But behind every service, project and decision are the people who make it happen. Our kaimahi keep water flowing, roads safe, libraries open, consents moving, public facilities maintained and community services running. Much of this mahi happens quietly in the background, but it is essential to everyday life in Hauraki.

The commitment, skill and care of our people turn plans into action and challenges into practical solutions. Their work is the foundation of what Council delivers for our communities.

**Delivering carefully in a challenging year**

This year we recorded a deficit, mainly due to timing, asset revaluations and transition costs linked to water reform. Revenue was lower than expected and operating costs were higher, but we remained within our financial limits and continued to invest in the infrastructure our district needs.

We borrowed less debt than budgeted due to the deferral of some projects and others costing less than we had budgeted. We also continue to manage Council assets carefully, with future sales and leases expected to help offset debt over time.

**Building and maintaining what matters**

We delivered the largest capital programme in the organisation's history, investing more than $43 million in infrastructure and facilities across the district. This included major progress on the Paeroa Wastewater Treatment Plant, completion of He Pātaka Kōrero, Hauraki Plains Library and Community Centre, and the Kerepēhi Raw Water Main Renewal as part of wider water supply improvements for the Plains.

We also exceeded our road resealing target, completed important pavement rehabilitation work, resurfaced parts of the Hauraki Rail Trail, opened the Morgan Park link extension, strengthened the Waihī Museum, renewed elderly persons housing and upgraded key community facilities. These projects show our focus on maintaining and improving the places and services people use every day.

**Performing well, with room to grow**

We achieved 57% of our performance measures, an improvement on the year before. We maintained full compliance with wastewater and stormwater resource consents, had no fatalities or serious injury crashes attributable to Council-managed road conditions, exceeded targets for road resealing and pothole repairs, and continued to see strong satisfaction in elderly persons housing.

We also know where we need to do better, including drinking water compliance, service interruptions and response times in some areas. We are committed to learning, improving and being open about our progress.

**Preparing for water reform**

The transition to Waikato Waters Limited is well underway, with drinking water and wastewater services scheduled to transfer in mid-2027. This is significant change, and we are focused on supporting a smooth transition that keeps local connection and accountability front of mind.

**Thank you – ngā mihi nui**

To our Executive Leadership Team and every member of our kaimahi, thank you. Your professionalism, resilience and dedication through a year of change and pressure has been exceptional. Much of your work is not seen, but it matters deeply. You are what makes this Council work, and what helps make Hauraki a place people are proud to call home.

David Speirs
**Chief Executive**

## Hauraki District Council Statement of compliance and responsibility as at 30 June 2026

**Statement of Compliance**

The Council and Management of Hauraki District Council confirm that all statutory requirements in relation to the Annual Report as outlined in the Local Government Act 2002, have been complied with.

**Statement of Responsibility**

The Council and Management of Hauraki District Council accept responsibility for the preparation of the Annual Report and the judgements used in it.

The Council and Management of Hauraki District Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting and non financial reporting.

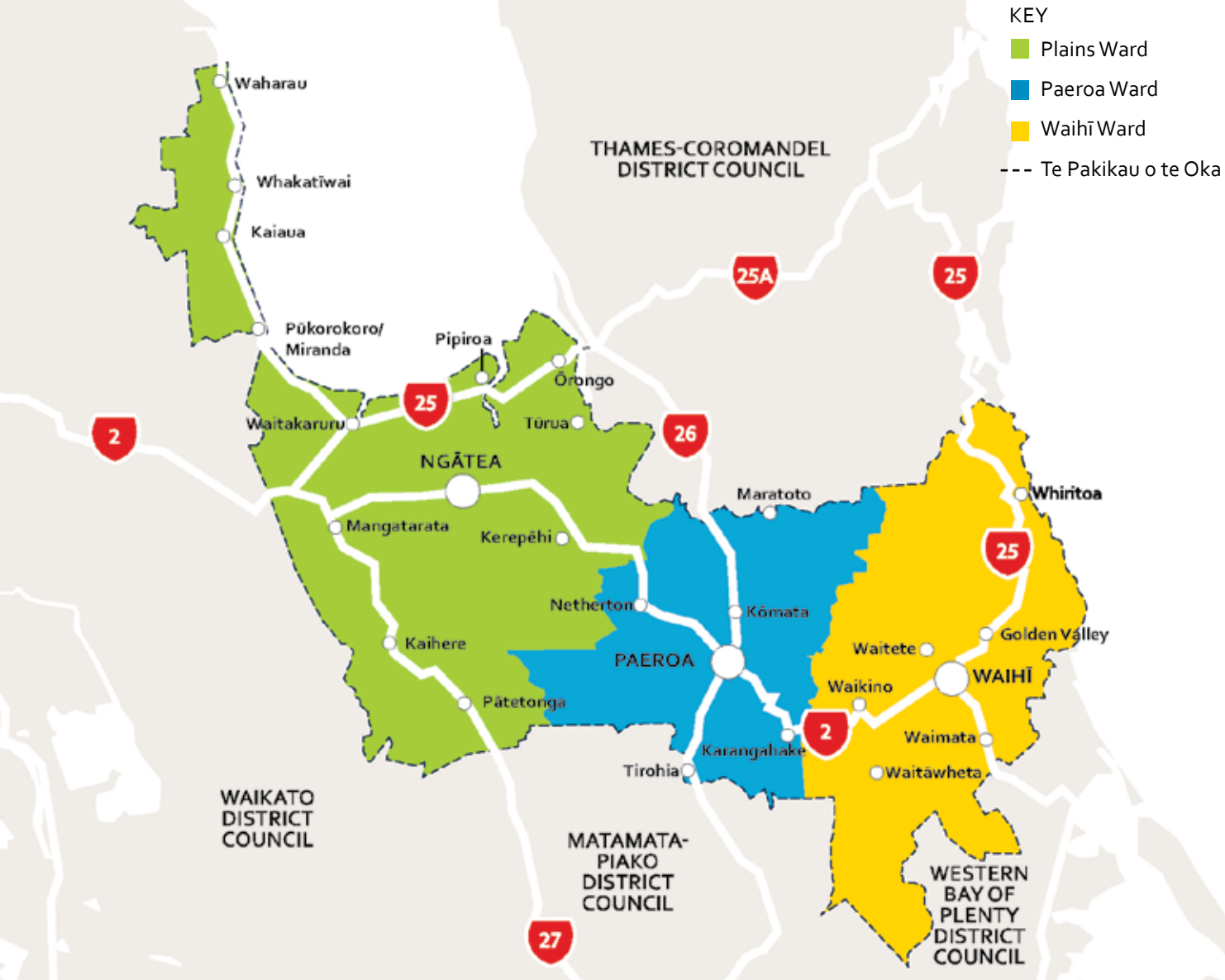
In the opinion of the Council and Management of Hauraki District Council, the Annual Report for the year ended 30 June 2026 fairly reflects the financial position and operations of Hauraki District Council.

# Rohe Whakaritenga | District Profile

The Hauraki District sits at the south of Te Tara o te Ika o Maui – the barb of the fish of Maui and contains a diversity of land, communities and economies. Our location puts us in the 'golden triangle' between Auckland, Tauranga and Hamilton, and provides for a number of potential business opportunities within our district. Due to the flow on effects of the growth pressures facing Auckland, Hamilton and Tauranga, in the past five years we have seen more people moving into our district than previous years, and added demand for new houses. With our active support of economic development initiatives, we are expecting our local economy to continue to perform well and our local population to keep growing.

Our district is divided into four wards: Waihī, Paeroa, Plains and Te Pakikau o te Oka (encompasses the whole district). Each ward has a main town and surrounding rural land and smaller rural settlements[2]. These ward areas are shown on the map below. Our three most populated towns are Paeroa, Ngātea and Waihī.

2 Statistics New Zealand use when grouping data



## WAIHĪ WARD

Waihī the 'town with a heart of gold' features a large open cast gold mine and adjacent walking track right in the middle of town. The historic Cornish Pump House overlooks the main street where the annual Beach Hop warm-up party is held. The beach village of Whiritoa sits on the eastern coast of the Coromandel Peninsula.



Image: Artzentao photography

## PAEROA WARD

Paeroa is 'world famous in New Zealand' as the home of the L&P soft drink and is also renowned as a great place to seek out antiques with many antique and op-shops lining the main street. Annual events such as the Highland Games and Tattoo attract thousands of visitors each year. The Ōhinemuri river flows through the Paeroa ward and joins to the Waihou river north of the town.




Image: Artzentao photography

## PLAINS WARD

The Hauraki Plains also have a unique recent history as the area was drained and cleared of swamp lands through a huge land drainage programme which started in the early 1900's. Ngātea is the centre of hockey in the Thames Valley and is packed with people once a year for the Ngātea garage sale. The Wharekawa Coast is on the western side of Tīkapa Moana and is home to 'famous' tiny arctic tern, which makes the longest migration of any animal in the world.



TOTAL AREA

**1,269**

square kilometres

Our estimated POPULATION

**21,900**

at June 2024

VISITORS to the Karangahake Gorge is over

**130,000**

people a year

# Kupu Whakataki
# **Introduction and overview**

# Your Elected Members 2025/26

The Hauraki District Council elected members include the Mayor and 13 Councillors – three elected from the Paeroa Ward, four from the Plains Ward and four from the Waihī Ward and two from the Te Pakikau o te Ika Māori Ward.



Toby Adams
**District Mayor**
027 808 4217
toby.adams@hauraki-dc.govt.nz



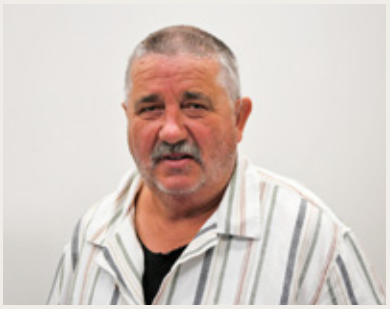
Paul Milner
**Deputy Mayor - Paeroa Ward Councillor**
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paul.milner@hauraki-dc.govt.nz



Jo Tilsley
**Paeroa Ward Councillor**
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Rino Wilkinson
**Paeroa Ward Councillor**
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Stephen Crooymans
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stephen.crooymans@hauraki-dc.govt.nz



Neil Gray
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Ray Broad
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Cynthia Bates
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Sara Howell
**Waihī Ward Councillor**
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Austin Rattray
**Waihī Ward Councillor**
021 060 1742
austin.rattray@hauraki-dc.govt.nz

# Hauraki District Council's Executive Leadership Team



David Speirs
**Chief Executive**

Natasha Ryburn
**Group Manager Communications and Corporate Services**

Duncan Peddie
**Head of Finance and Risk**

Adrian de Laborde
**Group Manager Service Delivery**

Peter Thom
**Group Manager Community Development**

Julie Sweeney
**Head of People Strategy and Partnership**

# Our Mission

**It is the Council's mission to:**

- actively provide leadership to and advocate for, our communities
- provide good quality infrastructure, services and regulatory functions
- foster open-minded and two-way communication with our communities
- ensure the sustainable use and management of resources

... for the benefit of all who live in, work in and visit the Hauraki District.

# Customer Charter

**Your rights as a customer are:**

- to be treated with respect
- to receive a timely and accurate response
- to have access to relevant information.

**Our commitment to you:**

- we will respond to you promptly
- our staff will identify themselves
- we will provide knowledgeable staff at first contact
- we will fairly interpret and apply the laws, by-laws and regulations
- our services standards will be freely available
- we will review feedback from our customers.

**Customer feedback:**

- we welcome feedback about our service
- the Council has formal feedback procedure. Ask for an information brochure, or check out the "Suggestions" section on the website **www.hauraki-dc.govt.nz** to submit your feedback.



# Community Outcomes

Our community outcomes express in more detail about what we'd like to see happen in our District. These outcomes continue to stay at the forefront of the decisions we make. During the development of the 2024-34 Long Term Plan we updated these community outcomes.

### Te Mauri o te Taiao | Healthy environment:

- Ecosystems are protected, restored and respected.
- We minimise waste.
- Our rivers, streams and wetlands are healthy and we use water carefully.
- We reduce our carbon footprint to minimise climate change.

### Tūhono | Connected people:

- We look after each other.
- We are partners with Hauraki Iwi and Hapū.
- We collaborate with out communities and all levels of government.
- Youth are engaged and supported.
- We're proud to live here.

### Te Oranga pai o te Hapori | Vibrant and safe communities:

- Public spaces are fun, inviting and reflect our local culture and heritage.
- Everyone has access to safe, healthy and affordable homes.
- Roads and bridges are safe and well-maintained.
- We have a reliable drinking water supply.
- We plan for and adapt to the effects of climate change.

### Oranga Ōhanga | Strong economy:

- Local business is supported - we can get what we need locally.
- There is opportunity for paid work and employment, and training.
- We are skilled and educated.

# Legislative framework

All local authorities are required to work within many statutory frameworks. The key empowering act for local authorities is the Local Government Act 2002.

### Purpose of local government

Section 10 of the Local Government Act 2002 defines the purpose of local authorities as being:

- to enable democratic local decision-making and action by, and on behalf of, communities
- to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

### Role of local government

Section 11 of the Local Government Act 2002 defines the role of local authorities as being to:

- give effect, in relation to its district or region, to the purpose of local government stated in section 10.
- Perform the duties, and exercise the rights, conferred on it by or under this Act and any other enactment.

These legislative requirements set the broad framework within which every local authority must work.

### Key principles

There is further direction for local authorities in relation to their status and powers, in particular the principles relating to local authorities, contained in sections 12-14 of the Local Government Act 2002. These can be viewed in full on the website **https://legislation.govt.nz/**. All of Council's policy and strategic frameworks are developed to be in compliance with these requirements.

# About this Annual Report and our planning cycle

In our key strategic planning document, the 2024-34 Long Term Plan (LTP), we set out what we aim to achieve each year for the next ten-year period and use measures and targets as a way of monitoring whether we are meeting our goals. The performance measures in the annual report are detailed in the 2024-34 Long term plan. These measures are developed to measure our progress against meeting our community outcomes. Some activities have mandatory performance measures these are intended to provide consistency across councils. The non-mandatory measures included cover all material aspects of performance and are developed based on judgements of public interest, community satisfaction levels, public safety and community wellbeing.

The LTP also details the projects we plan to undertake and when we expect those projects to be completed. We produce an annual report like this one every year, which we use to report back to the community the progress we've made towards achieving those targets. Our annual reports also outline some of the projects that we have completed during the year. Additionally, an annual plan is produced in years two and three of the LTP to update the projects and budgets for those years.

This annual report document presents our key achievements for the 2025/26 year (1 July 2025 to 30 June 2026).



### Selection of measures

The performance measures were selected to provide both quantitative and qualitative feedback towards the key goals identified in the Long-Term Plan (LTP) 2024-34. The measures for the LTP were selected on a basis of reflecting the levels of service the community can expect to receive and how we measure if we are achieving these.

These measures include those mandated pursuant to the Local Government Act 2002.

# What you'll find in this document

- An introduction and overview of this document, including a message from the Mayor and Chief Executive, the wider context, your current elected members, our community outcomes and more.
- Our progress against the goals we set in our Financial Strategy.
- For each of our activities, this annual report outlines:
  - What the activity cost and how it was funded
  - Our progress in 2025/26 against our intended level of service targets (including the results for the mandatory performance measures where applicable)
  - An outline of the projects that were completed in 2025/26.
- Our financial statements for the 2025/26 year
- An overview of the achievements of our Council Controlled Organisations (CCOs) in the 2025/26 year.
- A list of all Council Committees and their members.
- A report from Audit New Zealand regarding this annual report.

# Satisfaction survey

Annually Council independently surveys our customers' satisfaction with our services. For the 2026 survey Key research were contracted to undertake the satisfaction survey. The methodology involved a postal invitation with a URL to complete online and email invitations. A sample of 608 was achieved. The sample was proportionate to each Ward to ensure the survey was representative of the Hauraki District overall. Age and gender weights were applied to the final dataset to ensure specific demographic groups were not under or overrepresented. The margin of error for the 2026 survey was +/-3.97% at the 95% confidence interval. Every third year the survey is broadened to include additional areas of focus to aid the newly elected Council's strategic decision-making.

We also undertake an annual survey to measure applicants' perceptions and satisfaction of residents who have lodged a building or resource consent in the 2025/26 year. A sample of 99 was achieved.



# Te Ahunga Whakamua o tā mātou Rautaki Pūtea **Progress against our Financial Strategy**

Council's financial strategy, as set in the 2024–34 Long-Term Plan (LTP), recognised the significant financial pressures we were facing at that time. Interest rates had risen to their highest levels in more than a decade, inflation was elevated, and the cost of complying with new environmental and drinking water standards was escalating. Alongside these challenges, we knew that household incomes in Hauraki were below the national average and that many ratepayers were already under pressure from the rising cost of living.

Since the strategy was adopted, interest rates have largely stabilised, and inflation has begun to ease back from the peaks of recent years. These shifts are welcome, but the overall cost of delivering Council services and upgrading our infrastructure remains high. Large investment is still required in our wastewater and drinking water networks, and this is reflected in the higher-than-usual rates increases seen in 2024/25.

Our financial strategy provides the framework for how we balance these competing pressures. It sets clear limits ("caps") on rates increases and borrowing levels to ensure affordability and financial prudence and requires Council to explain if those limits are ever exceeded.

# Rates affordability benchmark

Council has separate caps for property rates and for water charges, reflecting the significant capital investment needed in water and wastewater services.

- **Property rates** may increase by no more than the forecast Local Government Cost Index (LGCI) plus 20% in the first four years of the LTP, and LGCI plus 5% in years five to ten.
- **Water charges** are capped at LGCI plus 30% in year one, LGCI plus 10% in years two and three, and LGCI plus 4% in years four to ten.

In 2025/26, total property rates increased by 10% and water charges increased by 8.9%. Both increases remained within the limit set.

When preparing the LTP, Council re-examined what it would realistically cost to deliver the services our communities rely on. We found that operating costs were forecast to increase by more than 71% over the next ten years, with inflation alone expected to more than double costs over a 30-year horizon.

Alongside these operating pressures, 2025/26 also reflected:

- the wastewater upgrade programme signalled in the LTP,
- the system updates required to meet new Taumata Arowai drinking water quality assurance rules, and
- ongoing inflationary pressures in construction and service delivery costs.

These investments are essential to protect public health and the environment and will benefit our communities for decades to come.

# Debt affordability benchmarks

We also set limits on how much debt we can take on, and how much of our revenue can be used to service interest costs. These limits are consistent with those applied by the Local Government Funding Agency and the requirements of holding a credit rating. They are:

- Net external debt not exceeding 280% of total revenue
- Net interest expense no more than 30% of rates revenue
- Net interest expense no more than 20% of total revenue.

At 30 June 2026, Council's net external debt was $154 million, equivalent to 199% of total revenue. Net interest expense was 12% of rates revenue and 9% of total revenue.

All measures were within the caps set in the financial strategy.

# Annual report disclosure statement for year ending 30 June 2026

## Purpose of this statement?

This statement sets out Council's performance against a series of financial benchmarks required by the Local Government (Financial Reporting and Prudence) Regulations 2014.

The benchmarks are designed to help assess whether Council is prudently managing its revenues, expenses, assets, liabilities, and overall financial dealings.

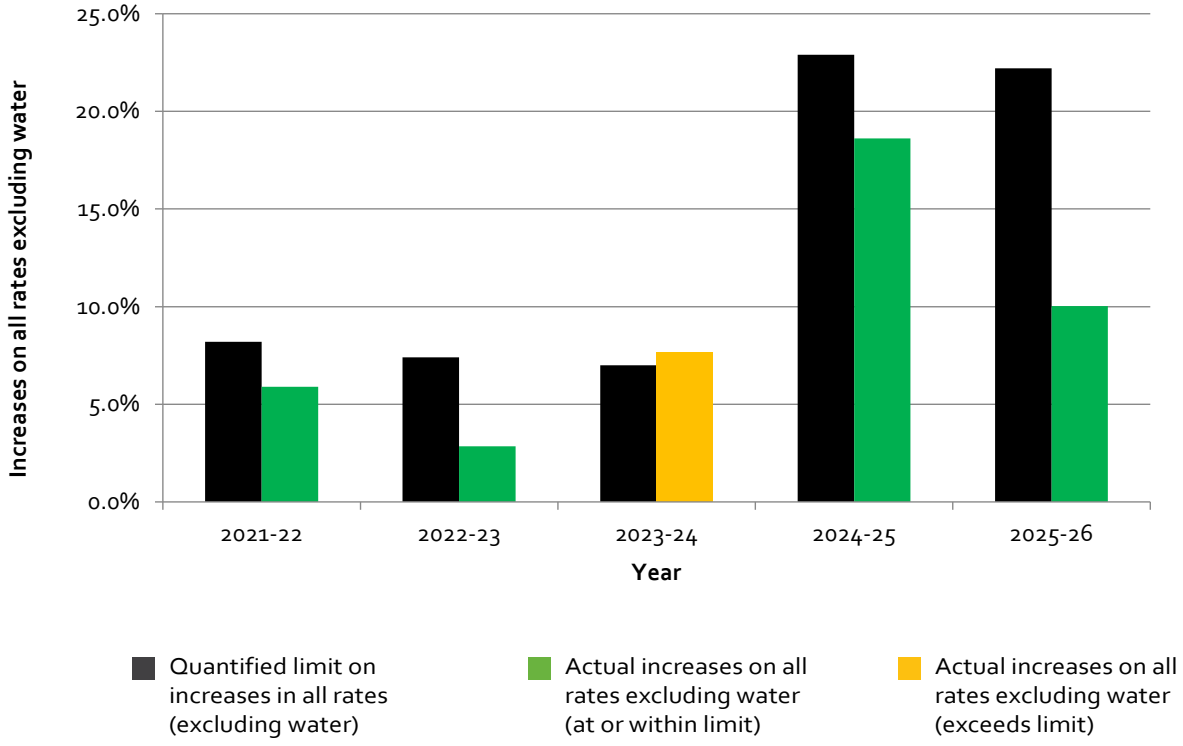
For definitions of the terms used and further detail on the requirements, refer to the Regulations.

## Rates affordability benchmark

The rates affordability benchmark requires Council to compare its planned rates increase (excluding water) against the limit set in its Financial Strategy. The limits are intended to show whether Council is managing rates in a way that is affordable and sustainable for the community.

For 2025/26, the quantified limit was 22.2% (being the Local Government Cost Index plus 20%).

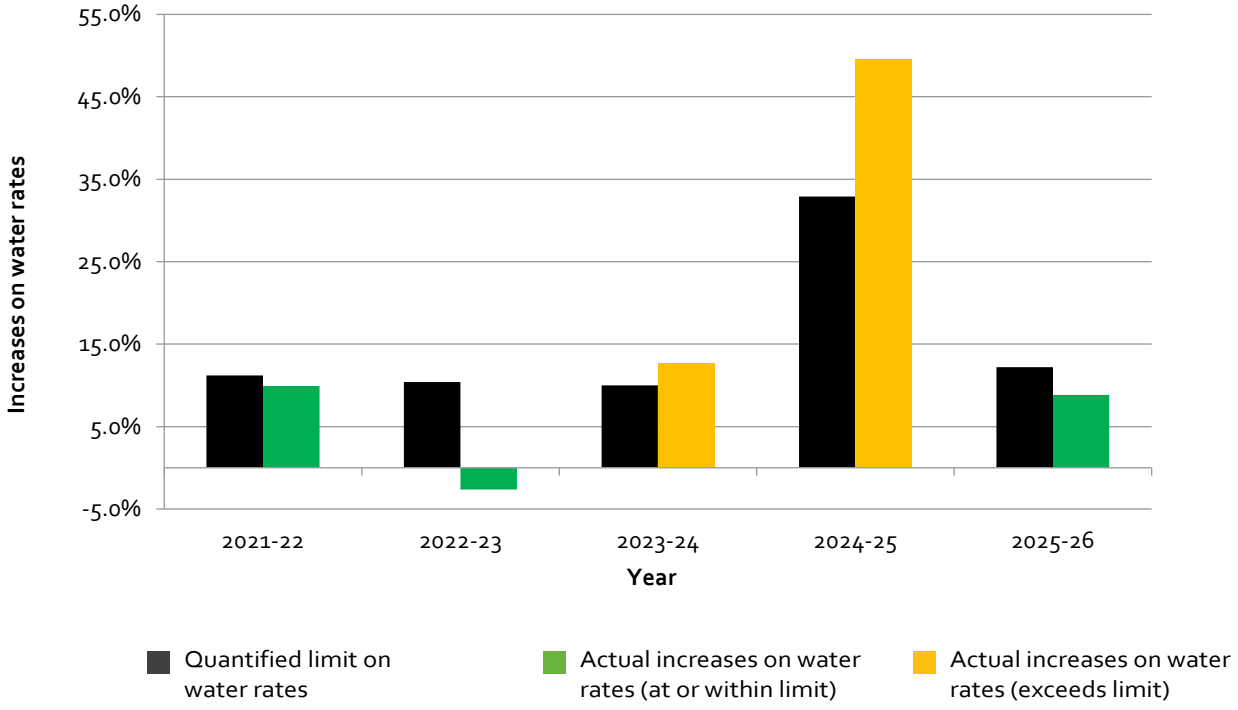
Council's actual rates increase for 2025/26 was 10.0%, which is within the limit.



## Water rates affordability benchmark

The water rates affordability benchmark requires Council to compare its actual water rates increase for the year with the quantified limit set in its Financial Strategy. For 2025/26, the quantified limit was 12.2% (being the Local Government Cost Index plus 30%).

Council's actual water rates increase was 8.9%, meaning the limit was met.



## Debt affordability benchmarks

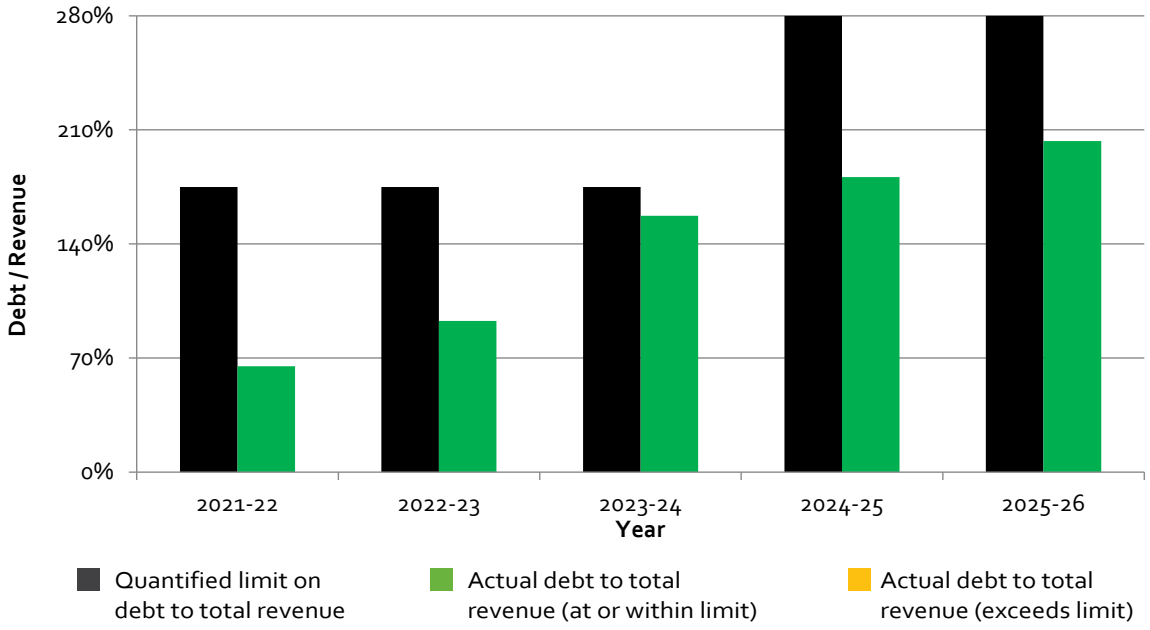
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing. The Council has three quantified limits on borrowing:

- Net external debt not exceeding 280% of total revenue
- Net interest expense no more than 30% of rates revenue
- Net interest expense no more than 20% of total revenue.

### Debt (debt to total revenue) affordability

The following graph compares Council's actual net debt with the borrowing limit set in its Financial Strategy. The quantified limit requires that net debt must not exceed 280% of total revenue.

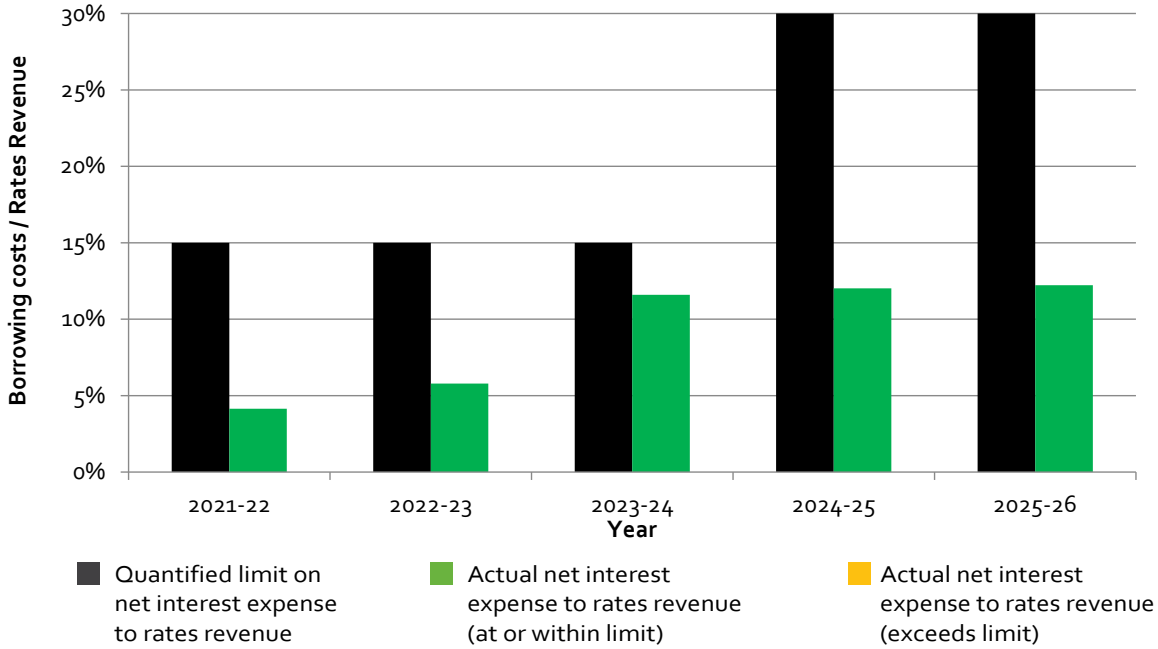
At 30 June 2026, Council's net debt was 199% of total revenue, which is within the limit.




### Debt (net interest expense to rates revenue) affordability

The debt servicing benchmark requires Council to compare its net interest expense for the year with the borrowing limit set in its Financial Strategy. The quantified limit requires that net interest expense is no more than 30% of rates revenue.

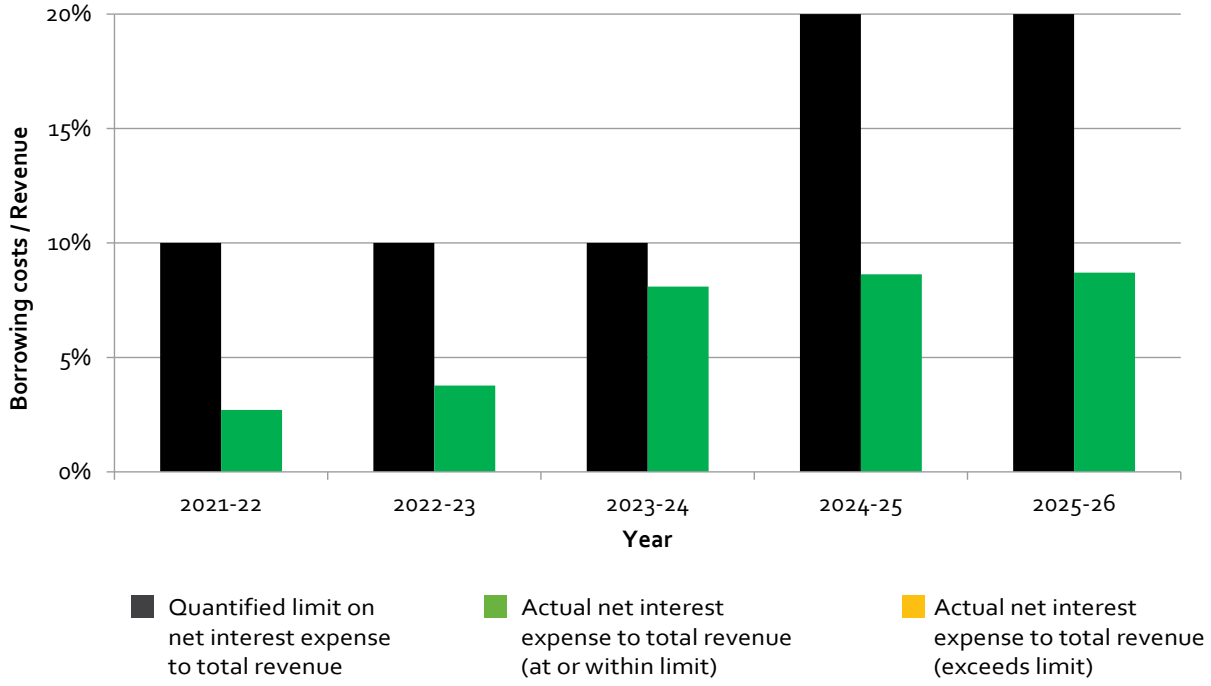
For 2025/26, Council's net interest expense was 12% of rates revenue, which is within the limit.



### Debt (net interest expense to total revenue) affordability

This benchmark requires Council to compare its net interest expense for the year with total revenue, against the limit set in its Financial Strategy. The quantified limit requires that net interest expense is no more than 20% of total revenue.

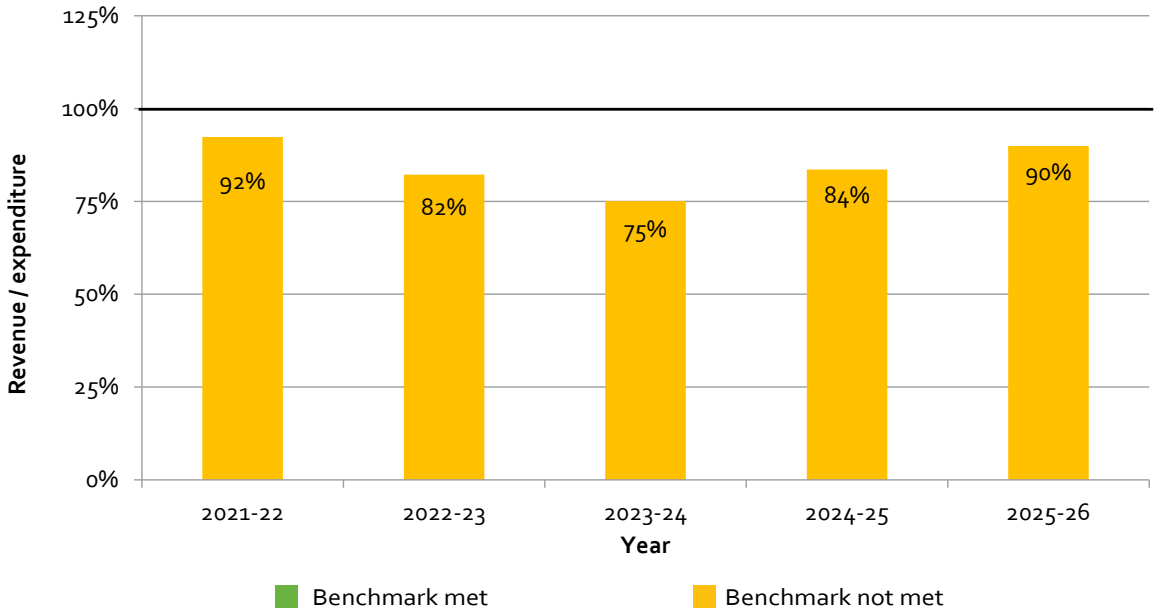
For 2025/26, Council's net interest expense was 9% of total revenue, which is within the limit.




## Balanced budget benchmark

The balanced budget benchmark requires Council to compare its revenue (excluding development and financial contributions, vested asset income, gains on derivative financial instruments, and revaluations of property, plant, or equipment) with its operating expenses (excluding losses on derivatives and revaluations). Council meets the benchmark if its revenue is equal to or greater than operating expenses.

For 2025/26, Council's revenue was 90% of its operating expenses, meaning the benchmark was not met.



The shortfall primarily reflects higher-than-budgeted operating expenditure, particularly in finance costs and other expenses.

- Finance costs increased by $0.5 million compared to the 2025 financial year. This reflects higher borrowing driven by Council's capital programme, particularly the new Paeroa Wastewater Treatment Plant.

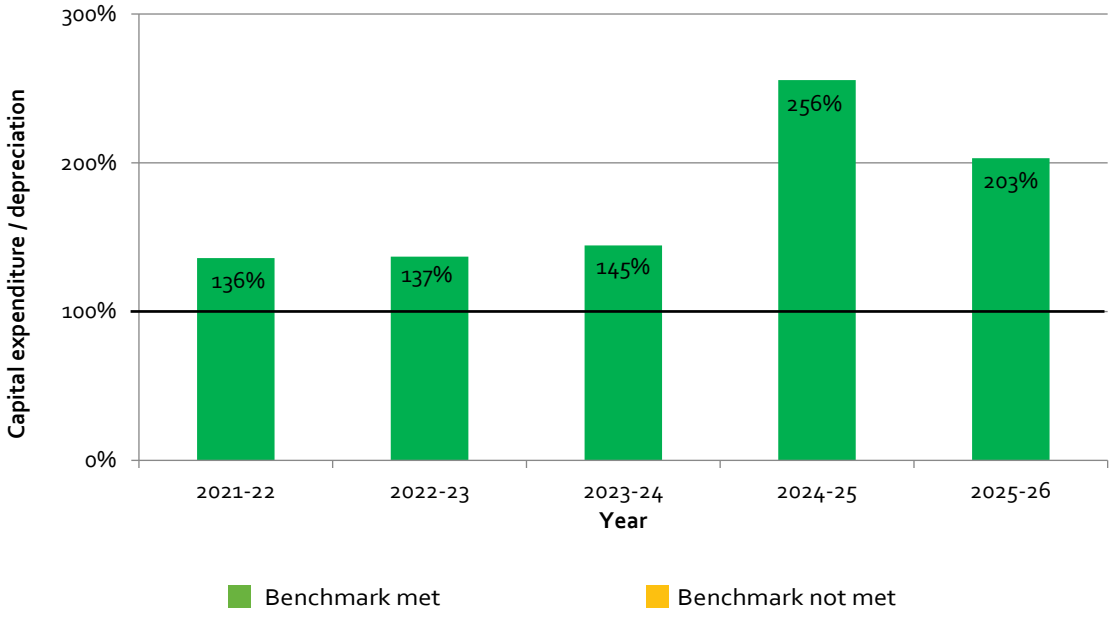
Other expenses were $2.3 million higher than 2025. The main changes were:

- Loss on disposal of assets was $1.0 million higher than last year.
- Water supply cost $1.2 million more particularly for treatment, asset management and rates and insurance
- Wastewater cost $0.7 million more particularly for treatment, major maintenance and rates and insurance
- Land Drainage pumping cost $0.2 million more
- Roading repairs due to weather events cost $0.6 million more
- Policy development was $0.2 million more with work starting on the new Long Term Plan.
- Regulatory services increased by $0.7 million in emergency management, resource consenting and building consenting
- Offsetting these, derivative losses decreased by $2.2 million.

While operating revenues remained relatively stable, these expenditure pressures collectively resulted in an operating deficit for 2025/26 and non-compliance with the balanced budget benchmark.

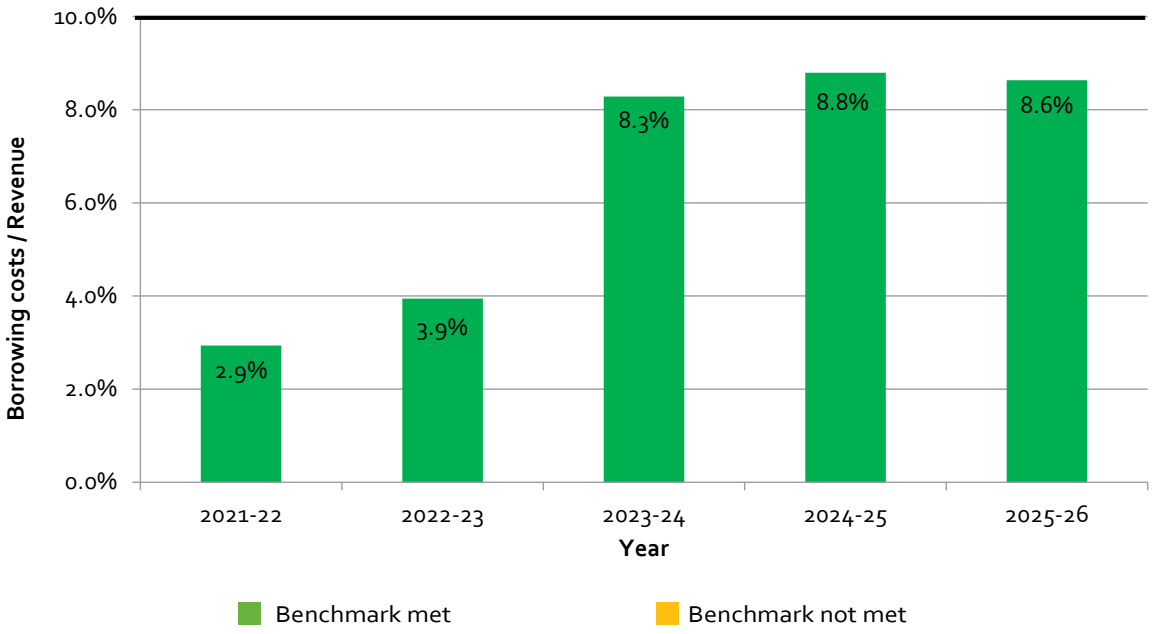
## Essential services benchmark

The essential services benchmark requires Council to compare its capital expenditure on network services with the expected depreciation on those assets. Council meets the benchmark if its capital expenditure is equal to or greater than depreciation, indicating that it is maintaining and renewing its essential infrastructure. For 2025/26, Council's capital expenditure on network services was 203% of expected depreciation, which is well above the benchmark. This outcome was primarily driven by the wastewater treatment plant upgrade in Paeroa, a significant capital project signalled in the Long-Term Plan.



## Debt servicing benchmark

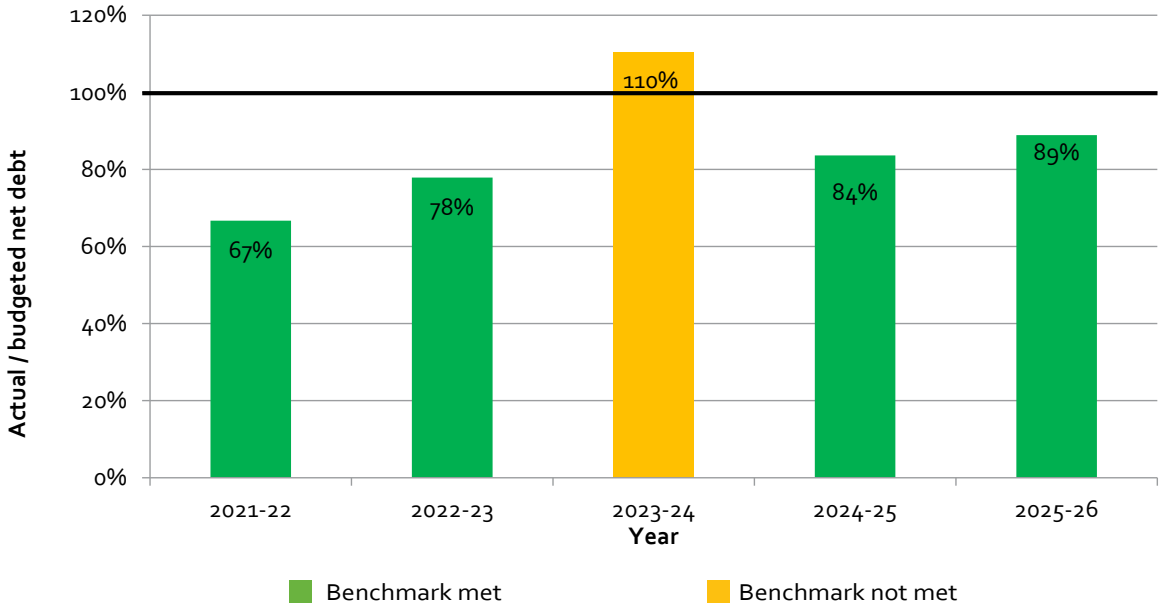
The debt servicing benchmark compares Council's borrowing costs with its revenue (excluding development and financial contributions, vested asset income, derivative gains, and revaluations). Council meets the benchmark if borrowing costs are less than or equal to 10% of revenue. For 2025/26, Council's borrowing costs were 8.6% of revenue, which is within the limit.




## Debt control benchmark

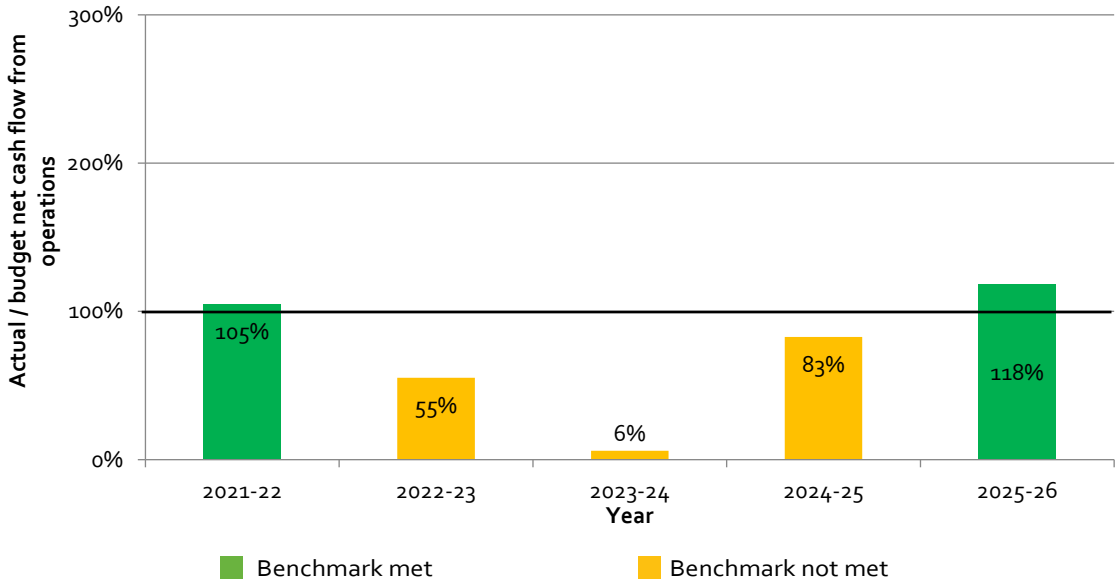
The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

For the year ended 30 June 2026, the Council's actual net debt was 89% of its planned net debt, meaning the benchmark was achieved.



## Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. The 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.




For the year ended 30 June 2026, the Council's actual net cash flow from operations was 118% of its planned net cash flow, meaning the benchmark was achieved.

The main drivers were:

- Finance costs $0.3 million higher than budget, and
- Payments to suppliers and employees $8.0 million lower than budget.

# Tauākī whai mahi ratonga
# **Statement of Service Performance**

# The services we provide

We provide the residents and ratepayers of our communities with a wide range of services. Some services are provided as it is a requirement to do so by law, others our community have chosen to have. For each of our services shown below, we have provided documents intended to explain those services and how we prepared our plans for 2024-34. These documents are provided in the following sections.



**Land transport**
Te kawa o ngā waka whenua



**Water Supply**
Te Waipuna



**Wastewater**
Te wai ururua



**Stormwater**
Wai āwhātanga



**Land Drainage**
Te rerenga whenua me te aukatinga ō ngā waipuke



**Waste Management**
Whakahaere ururua



**Democracy**
Te Manapori



**Policy development**
Whanaketanga kaupapa here



**Iwi liaison**
Kaitakawaenga Iwi



**Community recreation**
Ngā hapori rēhia



**Community facilities**
Ngā wharenui o te hapori



**Community and Economic Initiatives**
Ngā whaioranga hapori



**Environmental Initiatives**
Whakahaere ururua



**Resource management implementation**
Te whakatinanatanga ō ngā māhere taiao



**Building control**
Mana hanga



**Community protection**
Tiaki hāpori



**Animal control**
Mana kararehe



**Support Services**
Ngā ratonga tautoko



## Statement of compliance

The service performance information in this report is compliant with New Zealand generally accepted accounting practice (NZ GAAP).

Our Council Activities section of this document (from pages 28-102 (for the Council Activities and the Funding Impact Statements) and provides a detailed assessment of how well Council's activities performed during 2025/26.

## Summary of our performance

Council has 63 service performance measures included in the 2024-34 Long Term Plan. During 2025/26, overall performance improved, with 57% of measures achieved compared with 48% in the previous year. While many statutory, regulatory and core service delivery targets were met, several measures were not achieved due to funding constraints, increasing service demands, weather-related impacts, technical compliance requirements and operational resourcing challenges.

Strong performance was achieved across a number of activity areas, particularly governance and leadership, wastewater regulatory compliance, stormwater consent compliance, animal control registration, waste collection services and road safety. Several measures were close to target, demonstrating continued improvement despite ongoing pressures across Council services.



57%
Achieved

38%
Not Achieved

5%
Not applicable

### Key achievements

Some of the key achievements during the year included:

- 100% of Council agendas were published within statutory timeframes.
- No fatalities or serious crashes were attributed to Council-controlled road conditions.
- Road pothole response times, resealing programmes and road smoothness standards met their performance targets.
- Wastewater and stormwater activities maintained full consent compliance throughout the year.
- Dog registration rates remained high, with 99% of known dogs registered.
- Kerbside collection services continued to perform well, with very low complaint levels.

### Service targets not achieved

Several performance measures were not achieved during the year. The most significant challenges occurred in transport, water supply, community protection and regulatory services.

In transport, footpath maintenance targets were affected by insufficient funding for remedial works, while a small number of customer requests were not responded to within required timeframes. Weather-related events also impacted road access restoration targets.

Water supply remained a challenging area, with drinking water compliance, unplanned interruptions and customer complaint measures falling below target. These results reflected technical compliance issues and the ongoing challenges of maintaining ageing infrastructure.

Some regulatory and community protection measures were also not achieved, including resource consent processing, food premises verifications, noise complaint response times and dog attack response times. These were primarily influenced by specialist resourcing constraints, workflow pressures and the geographic nature of service delivery.

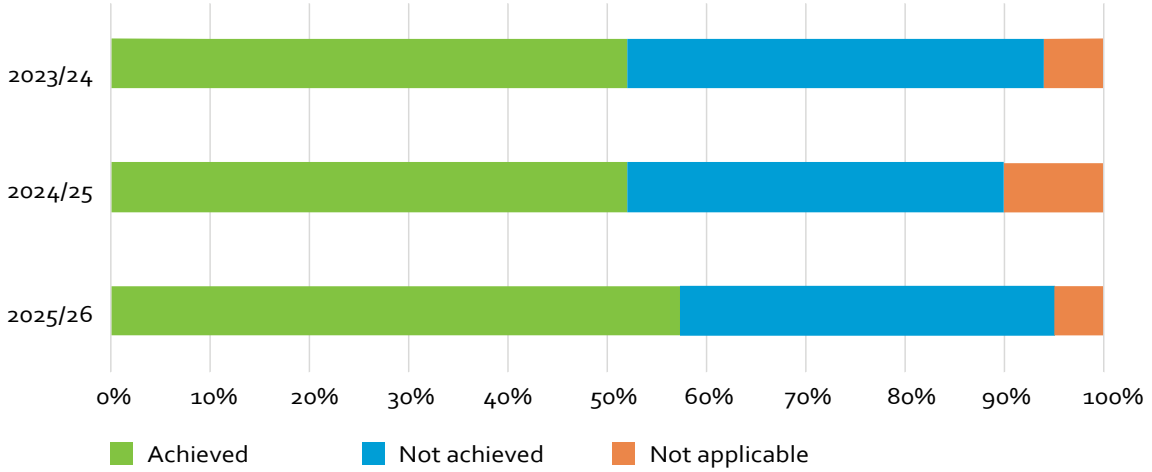
Council is using these results to identify improvement opportunities and inform future service delivery priorities. Key areas of focus for 2026/27 include improving response and workflow management systems, progressing footpath renewals, strengthening consent processing capacity, enhancing customer responsiveness and continuing waste minimisation initiatives. The overall improvement in performance achieved during 2025/26 provides a positive foundation for continued improvement in the years ahead.

### Performance results

For detailed non-financial performance results, refer to the *Meeting our Service Targets* tables that follow.

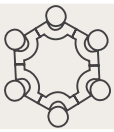
## Overall service performance by year

The following graphs summarise our overall performance by year and by activity. Further explanation is provided in the Groups of Activities sections.




For more detail on each activity that we provide, refer to the 2024-2034 Long Term Plan document available on our website **www.hauraki-dc.govt.nz.**

## Overall service performance by activity group



Kāwanatanga me te rangatiratanga
**Governance and Leadership**



67% Achieved
33% Not Achieved



Te kawa o ngā waka whenua
**Land transport**



60% Achieved
40% Not Achieved



Te Waipuna
**Water Supply**



43% Achieved
57% Not Achieved



Te wai ururua
**Wastewater**



50% Achieved
50% Not Achieved



Wai āwhātanga
**Stormwater**



25% Achieved
25% Not Achieved
50% Not applicable



Te rerenga whenua me te aukatinga ō ngā waipuke
**Land Drainage**



75% Achieved
25% Not applicable



Whakahaere ururua
**Waste Management**



67% Achieved
33% Not Achieved



Ratonga Hapori
**Community Services**



56% Achieved
44% Not Achieved



Ngā whaioranga hapori
**Community and Economic Initiatives**



100% Achieved



Ratonga whakahaere
**Regulatory Services**



56% Achieved
44% Not Achieved



Whakahaere ururua
**Environmental Initiatives**



100% Achieved



Ngā ratonga tautoko
**Support Services**



100% Achieved

## Our activities in this report

For each group of activities within this annual report document you will find:

- a brief overview of the group (where applicable).
- an explanation of the identified effects that the provision of the group of activities has on the community.
- the *effects on the community* section includes how the group of activity effects the social, economic, environmental or cultural wellbeing of the community.
- the community outcomes that the group primarily contributes to.
- an overview of what the group of activities cost and how it was paid for.

For every activity the following further information is provided:

### Activity Name

This section provides an overview of the activity where there is more than one activity within a group. It includes the purpose of the activity, the rationale for our involvement and what is involved in us delivering that activity.

### Meeting our service targets

The levels of service, measures and targets for groups of activities or activities, as detailed in the 2024-2034 Long Term Plan for the 2025/26 year, are detailed in the 'meeting our service targets' table. The table for each group of activities or activity also includes progress indicator icons to show the achievement of each measure. The icons are as follows:

Achieved  Not Achieved  Not applicable

Within this table, the previous year's results are shown to provide a comparison between years. Additionally, the mandatory performance target results are also included for roads and footpaths, water supply, wastewater, stormwater, and flood protection and control works (land drainage) activities.

Note that the results of some measures are based on the annual satisfaction survey. This was undertaken in August 2026, to record customers' satisfaction with our services and facilities in the 2025/26 year.

### What else happened in 2025/26?

This section details the projects that were completed in the 2025/26 year; this includes projects that were scheduled for 2025/26 in the Long Term Plan, or other projects or achievements completed. That had been carried over from previous years.

### What these activities cost and how they were paid for

This section includes the operating statement which shows how much it cost to operate the activity, and the funding impact statement for the group of activities. The funding impact statement also includes the budgeted capital expenditure for the activity and the actual amount spent, split into: what was spent on meeting additional demand, improved levels of service, or replacement of existing assets.

### Our easy reference stamp

A lot more information on our activities can be found in the LTP; this annual report is a summary of our performance against what we said we would do in the LTP. This reference stamp placed throughout this report will let you know where you can find out more in the LTP which is available at each Council service centre, or library, or you can download an electronic copy from **www.hauraki-dc.govt.nz**.



# Ngā Whakahirahira

# **Our Highlights**

# 2025/26 Year In Review

## Building stronger communities together

This year has been about making careful choices in challenging times. The highlights that follow represent thoughtful investment in what matters most — spaces where we connect, facilities that keep us active and safe, and infrastructure our community can count on for decades to come. These are just some of the projects, services and mahi delivered to our community.

Behind each project are people: the kaimahi who deliver, the communities who use them, and the careful decisions that shape our district's future. We're proud of what we've achieved together.

## New spaces bringing us together



### He Pātaka Kōrero opens in Ngātea

Our new Hauraki Plains Library & Community Centre opened its doors in July 2026, creating a vibrant heart for Ngātea and surrounding communities. More than just a library, He Pātaka Kōrero is a place where people connect, learn, access council services, and gather for community events.



### Kerepēhi's dream playground becomes reality

In June 2026, Kerepēhi officially opened its upgraded playground - a project shaped by community ideas. Designed for all ages and abilities, the new space includes a half-basketball court and picnic facilities where families can spend quality time together.

## Keeping our community active and healthy



### Pools open for summer fun

Council continues to invest in critical repairs to keep our community pools operating safely, ensuring local families can continue to enjoy these important community spaces. We are working to ensure that our pools remain places where kids learn to swim and the community stays cool in summer.



### Better facilities for everyone at Paeroa Domain

New women's and umpire changing rooms at Paeroa Domain, along with accessible ground-level seating, mean more people can participate and enjoy community sport. These improvements, delivered with external funding support, reflect our commitment to inclusive facilities.




### Comfortable community halls where we gather

From celebrations to farewells, community meetings to family reunions, our local halls are where Hauraki people come together for the moments that matter. This year, Council invested in making these spaces more comfortable and welcoming — new heating at Paeroa Hall and fresh carpet with improved rear access at Waihī Hall. Small upgrades that make a real difference when the whole community shows up.

## Essential services you can count on



### Paeroa's future, built below the surface

Construction is almost complete on the Council's largest-ever capital project - a new wastewater treatment plant for Paeroa.

Our biggest capital project ever may not be something people use every day in a visible way, but its impact will be felt for decades. The new Paeroa Wastewater Treatment Plant is a major investment in public health, environmental protection and the future growth of our district. While construction continues, this project represents the kind of long-term planning that helps future-proof Hauraki for generations.



### Smoother, safer roads across the district

Council exceeded its road resealing target this year, resurfacing 8.5% of the sealed network — well above the planned 6%. That means smoother, quieter roads that last longer and cost less to maintain over time. Major upgrades on Trig Road North, Waitawheta Road and Ridgeview Place have improved safety and ride quality on some of our busiest routes. This work might not be glamorous, but it protects the road network our communities rely on every day.



### Securing Kerepēhi's water future

Two new raw water storage tanks in Kerepēhi add 4 million litres of capacity, significantly reducing the risk of water shortages. This investment means greater peace of mind for local residents and businesses, especially during dry summers.



### Safer streets around our school

Speed limit reductions around schools across the district help protect our tamariki as they walk, bike, and scooter to school. These changes reflect community feedback about keeping our youngest residents safe.



Current light configuration

### Training lights bring evening sport to life

Planning is underway for new training lights at Morgan Park meaning our sports clubs will be able to train safely after work and school. This investment reflects Council's commitment to facilities where our rangatahi and adults can thrive together.

## Protecting what we love



### Hauraki Rail Trail repairs secured

After storm damage threatened sections of our iconic Hauraki Rail Trail, Council secured $400,000 in recovery funding to repair this vital community and visitor asset. The Trail isn't just about tourism - it's where locals walk, cycle, and connect with our beautiful environment.



### Preserving our heritage for future generations

The earthquake strengthening of Waihī Museum was completed this year, ensuring this taonga is safe and accessible for generations to come. The Museum holds our district's stories, identity and heritage — this investment protects not just a building, but the connection between past and future.

## Caring for our unique environment



### Protecting our waterways, quietly and carefully

Some of the most important work we do happens out of sight. This year, Council invested over $2 million in wastewater and stormwater infrastructure across the district—upgrading treatment plants in Whiritoa and Kerepēhi, replacing aging pipes, renewing water meters, and maintaining pump stations that quietly do their job every day.

This work doesn't make headlines, but it matters profoundly. It protects the rivers, harbours, coastline and waterways that make Hauraki special. It keeps our communities healthy and our environment safe. And it reflects Council's commitment to being careful stewards of the natural environment future generations will inherit.

## Your community in action



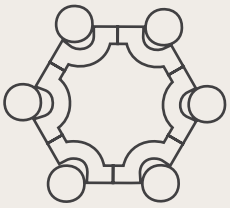
### Creating futures for our rangatahi

Gr8 Job Hauraki brings the aspirations of our rangatahi to life by supporting them into meaningful employment which enhances the social and economic wellbeing of the Hauraki District. Working collaboratively with Hauraki District Council, employers, government agencies, iwi and community organisations to ensure rangatahi are supported into meaningful work close to home.

In 2025/2026 they exceeded their targets by helping 40 young people aged 18–24 on Jobseeker Support into sustainable employment, and a further 11 young people aged 16–24 who were not working or receiving a benefit into employment.

By helping young people overcome barriers and build resilience, we create pathways to meaningful employment, greater independence and long-term success for our entire community.

# Kāwanatanga me te rangatiratanga **Governance and leadership**



- Democracy
- Iwi liaison
- Policy Development

# Tiro whānui | **Overview**

Our governance and leadership group includes our local democratic system which represents the residents of our district, our relationships with Māori, and the development of policies and plans – including those required by law and other voluntary local policies.

Page 148
Our Long Term Plan

## Te Manapori | **Democracy**

Local government in New Zealand receives its mandate from the government through legislation. We provide democracy services to provide representative and accountable governance, provide local leadership, assess issues that affect the district and local communities and responses, and make informed decisions on local services and funding on behalf of our communities.

## Kaitakawaenga Iwi | **Iwi liaison**

We provide iwi liaison services to fulfil the particular responsibilities the Council has to Hauraki Iwi and Māori in general, acknowledge the cultural and spiritual relationships that iwi and Māori have with ancestral lands, taonga and issues that are relevant and important to Māori. And to acknowledge and engage with the Kaitiaki (leadership) role that iwi have.

## Whanaketanga kaupapa here | **Policy development**

This activity includes:

- development of policy relating to our strategic intentions, particularly under the Local Government Act 2002
- development of local bylaws and other regulatory policy
- development of policy and plans relating to resource management under the Resource Management Act 1991.

We provide policy development services to develop appropriate responses to community needs, ensure a consistent approach to decision-making and action across the Council, and sometimes the sub-region or Waikato region as a whole, meet our many statutory requirements, and provide accountability back to residents and ratepayers through reporting mechanisms.

## Effects on the community

Our governance and leadership group of activities work towards achieving a consistent policy approach for the community through leadership, governance and advocacy.

The promotion of the district and advocacy roles that the Mayor and councillors undertake, including at a national and regional level, are often not evident as far as reporting goes, but it is fair to say that it is instrumental to their roles as elected members. This work ensures that the qualities the public agree are important for a person's happiness, quality of life and welfare, are addressed. The advocacy and decision-making undertaken by elected members helps to promote the district, and to provide the infrastructure and services that support its service delivery and economic growth.

## Ngā huanga hapori | **Community outcomes**

The governance and leadership group mainly contributes to the following community outcomes.

Tūhono
**Connected people**

Te Oranga pai o te Hapori
**Vibrant and safe communities**

## Meeting our service targets

### How we measure our performance

| | KEY: Achieved | Not Achieved | Not applicable |
|---|---|---|---|
| **What we said we would do:** | **Result 2025/26** | | |
| **Measure:** Agendas for meetings (other than extraordinary meetings) of the Council and its Committees are publicly available at least two clear working days prior to the meeting date.<br><br>**Target:** 100% | 2025/26<br>Achieved | 100% (45/45) agendas were available. | |
| | 2024/25<br>Achieved | 100% (32/32) agendas available at least two days prior to the meetings for the 2024/25. | |
| **Measure:** All legislatively required policies, bylaws, plans and strategies are adopted within statutory timeframes.<br><br>**Target:** 100% | 2025/26<br>Achieved | There were five legislatively required documents adopted in 2025/26. | |
| | 2024/25<br>Achieved | 100% (5/5) There were five legislatively required documents adopted this year. | |
| **Measure:** Percentage of customers satisfied with the Council's consultation and engagement regarding major policies and strategies.<br><br>**Target:** ≥65% | 2025/26<br>Not Achieved | The 2026 customer satisfaction survey results showed that 42% of customers are satisfied with the Council's consultation and engagement regarding major policies and strategies. | |
| | 2024/25<br>Not Achieved | The 2025 customer satisfaction survey results showed that 42% of customers are satisfied with the Council's consultation and engagement regarding major policies and strategies. | |

## What it cost and how it was paid for?

### Cost of operating Governance and Leadership

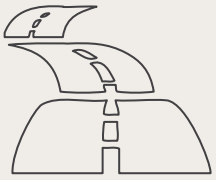
| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Expenditure** | | | |
| Democracy | 2,894 | 2,789 | 2,555 |
| Iwi Liaison | 186 | 155 | 123 |
| Policy development | 1,776 | 1,586 | 1,390 |
| **Total expenditure** | **4,856** | **4,530** | **4,068** |
| **Revenue** | | | |
| Fees, charges and other revenue | 224 | 50 | 4 |
| External subsidies | 0 | 324 | 327 |
| Targeted rates | 0 | 0 | 0 |
| General rates | 4,884 | 5,002 | 4,176 |
| **Total revenue** | **5,108** | **5,376** | **4,507** |
| **Operating surplus / (deficit)** | **353** | **846** | **439** |

Hauraki District Council

# Funding impact statement - Governance and Leadership
## for the year ended 30 June 2026

| | Long-Term Plan 2025 $000 | Long-Term Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|
| **Sources of operating funding** | | | |
| General rates, uniform annual general charges, rate penalties | 4,088 | 4,587 | 5,002 |
| Targeted rates | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 166 | 0 | 324 |
| Fees and charges | 290 | 224 | 50 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Interest and dividends from investments | 0 | 0 | 0 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 0 | 0 | 0 |
| Total operating funding (A) | 4,544 | 4,811 | 5,376 |
| **Applications of operating funding** | | | |
| Payments to staff and suppliers | 1,912 | 1,750 | 1,467 |
| Finance costs | 0 | 0 | 0 |
| Internal charges and overheads applied | 2,766 | 2,906 | 3,062 |
| Other operating funding applications | 0 | 0 | 0 |
| Total applications of operating funding (B) | 4,677 | 4,657 | 4,529 |
| **Surplus / (deficit) of operating funding (A - B)** | **(133)** | **154** | **847** |
| **Sources of capital funding** | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 |
| Increase (decrease) in debt | 0 | 0 | 0 |
| Gross proceeds from sale of assets | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 |
| Total Sources of capital funding (C) | 0 | 0 | 0 |
| **Applications of capital funding** | | | |
| Capital expenditure | 0 | 0 | |
| - to meet additional demand | 0 | 0 | 0 |
| - to improve the level of service | 0 | 0 | 0 |
| - to replace existing assets | 0 | 0 | 0 |
| Increase (decrease) in reserves | (133) | 154 | 847 |
| Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of capital funding (D) | (133) | 154 | 847 |
| **Surplus / (deficit) of capital funding (C - D)** | **133** | **(154)** | **(847)** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** |

# Te kawa o ngā waka whenua **Land transport**



Local roads and footpaths

- Bridges
- Road safety
- Amenities
- Contribution to public transport
- Cycleways

# Tiro whānui | **Overview**

The land transport activity is responsible for the planning, provision, development, operation and maintenance of the district's land transportation network and facilities. It enables economic activity and growth by allowing for the efficient transport of goods and services, and by promoting access into and across the Hauraki network.

The activity includes the maintenance of our sealed and unsealed roads, bridges, streetlights, and road drainage. It includes the clearing of roads after weather events such as slips or flooding, providing and maintaining footpaths, road safety and some public transport coordination. It also includes street cleaning, vegetation control for improved visibility for users and mobility purposes, and noxious weed control on road sides.

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Our Long Term Plan

## Effects on the community

The land transport group focuses primarily on the provision of safe and reliable local roading networks for district communities, ensuring people (and those with limited transport options) are able to move freely around the district in an efficient manner and have appropriate links with national state highways. This in turn contributes to economic viability and social wellbeing for all people.

## Ngā huanga hapori |**Community outcomes**

The land transport group mainly contributes to the following community outcomes.

Te Mauri o te Taiao
**Healthy environment**

Te Oranga pai o te Hapori
**Vibrant and safe communities**

Tūhono
**Connected people**

Oranga Ōhanga
**Strong economy**



## Meeting our service targets

### How we measure our performance

| | KEY: Achieved | Not Achieved | Not applicable | |
|---|---|---|---|---|
| | | **Result 2025/26** | | |
| **What we said we would do: Provide a safe transport network for users and the community** | | | | |
| **Measure:** 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 Achieved | There were no fatalities and eight serious injury crashes. This is three less than the previous year. | | |
| **Target 1:** Reduce fatalities and serious injury crashes from the previous financial year. | 2025/26 Achieved | There were no fatalities or serious injuries crashes attributable to council managed road conditions. | | |
| **Target 2:** Reduce fatalities and serious injury crashes attributable to council managed road conditions, to 0. | 2024/25 Not Achieved | Target 1: There is no reduction from the previous year.<br>There were eleven serious injury crashes and no fatalities in the Hauraki District, compared to 2023/24, there were seven serious injury crashes and one fatality. | | |
| | 2024/25 Achieved | Target 2: There were no fatalities or serious injuries because of Council managed road conditions. | | |
| **What we said we would do: Footpath assets to be fit for purpose** | | | | |
| **Measure:** The percentage of footpaths within the district that fall within the level of service or service standard for the condition of footpaths that is set out in the Council's relevant documents (e.g. the annual plan, asset management plan, annual works programme or long term plan).* | 2025/26 Not Achieved | Target 1:<br>0% (0/313) of trip hazards (>10mm displacement) as identified in the triennial condition survey have been remedied in the year to date. Due to decreases in budgets remedial works have not been able to be undertaken. | | |
| **Target:** 80% of trip hazards (>10mm displacement) on footpaths as identified in the triennial condition survey to be remedied over a three year period.<br>All other trip hazards identified to be isolated for safety within 2 days and remedied within a month. | 2025/26 Not Achieved | Target 2:<br>88% (37/49) of all other trip hazards identified to be isolated for safety within 2 days and 2% (1/49) remedied within a month. | | |
| | 2024/25 Not Achieved | 0% of trip hazards (>10mm displacement) as identified in the triennial condition survey were remedied in the current year. Due to the NZTA decrease in budget allocation. Hazards are first identified and made safe. Then put onto a program to be fixed once budget allows. | | |
| | 2024/25 Not Achieved | 82% (37/45) of all other trip hazards identified were isolated for safety within 2 days, and 36% (16/45) were remedied within a month. | | |

| | KEY: Achieved | Not Achieved | Not applicable |
|---|---|---|---|
| | **Result 2025/26** | | |
| **What we said we would do: Provide a roading network that addresses safety and amenity issues** | | | |
| **Measure:** All reported potholes are repaired on District roads within specified timeframes.<br><br>**Target:** 85% within 5 days for Arterial and Collector roads and within 14 days for Access and Low Volume Roads. | **2025/26**<br>Achieved | 87% (106/122) completed within timeframes. | |
| | 2024/25<br>Not Achieved | 81% (63/78) completed within timeframes. Resourcing contractor improvement. | |
| **Measure:** The average quality of ride on a sealed local road network, measured by smooth travel exposure.*<br><br>**Target:**<br>• 85% for urban low speed roads,<br>• 93% for rural high speed roads | **2025/26**<br>Achieved | 88% smooth travel exposure on urban low speed roads. | |
| | Achieved | 98% smooth travel exposure on rural high-speed roads. | |
| | **2024/25**<br>Not Achieved | 82% smooth travel exposure on our urban low speed roads. | |
| | Achieved | 97% smooth travel exposure on our rural high-speed roads. | |
| **What we said we would do: Preserve the pavement life of sealed roads** | | | |
| **Measure:** The percentage of the sealed local road network that is resurfaced.*<br><br>**Target:** 6% of the local road network resealed per year. | **2025/26**<br>Achieved | 8.5% of the network was resealed in the 2025/26 season. | |
| | 2024/25<br>Achieved | 6.5% of the local road network resealed. | |
| **Measure:** The percentage of customer service requests relating to roads and footpaths to which the territorial authority responds within the time frame specified in the long term plan.*<br><br>**Target:** 100% of maintenance related service requests are responded to within 10 working days. | **2025/26**<br>Not Achieved | 98% (993/1,010) of customer service requests were responded to within 10 working days.<br>These have not been achieved due to process breakdown. | |
| | 2024/25<br>Not Achieved | 97% (732/754) of customer service requests were responded to within 10 working days. The number of customer service requests include all individual requests, including multiple entries associated with a single fault. Delays were primarily due to resourcing constraints and requests being initially directed to the incorrect team. | |

| | KEY: Achieved | Not Achieved | Not applicable |
|---|---|---|---|
| | **Result 2025/26** | | |
| **What we said we would do: Access to be provided to the network of local roads** | | | |
| **Measure:** Time for road access to be restored to communities following a 1 in 10 year climatic event. | **2025/26** Not Achieved | 2 access roads were closed exceeding 72 hours as a result of a 1:10 year event. | |
| **Target:** 100% of Arterial and Collector roads open within 24 hours, all other roads within 72 hours. 2025/26. | 2024/25 Not applicable | No road closures because of a 1:10 year event. | |
| * Mandatory performance measure under section 261B of the Local Government Act 2002. | | | |

## What it cost and how it was paid for?

### Operating statement for Land Transport

| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Expenditure** | | | |
| Amenity | 209 | 140 | 153 |
| Carriageways and Bridges | 5,649 | 6,333 | 5,865 |
| Footpath Maintenance | 46 | 46 | 42 |
| Lighting | 420 | 425 | 439 |
| Network Management | 1,434 | 1,544 | 1,541 |
| Other | 882 | 799 | 778 |
| Depreciation/Assets written off | 5,277 | 10,625 | 6,232 |
| Interest | 692 | 511 | 552 |
| **Total expenditure** | **14,609** | **20,423** | **15,602** |
| **Revenue** | | | |
| Fees, charges and other revenue | 184 | 104 | 182 |
| External subsidies | 8,909 | 10,637 | 9,093 |
| Targeted rates | 6,999 | 7,145 | 7,790 |
| General rates | 0 | 0 | 0 |
| **Total revenue** | **16,091** | **17,886** | **17,065** |
| **Operating surplus / (deficit)** | **1,482** | **(2,537)** | **1,463** |

Hauraki District Council

# Funding impact statement - Land Transport

## for the year ended 30 June 2026

| | Long-Term Plan 2025 $000 | Long-Term Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|
| **Sources of operating funding** | | | |
| General rates, uniform annual general charges, rate penalties | 0 | 0 | 0 |
| Targeted rates | 7,698 | 8,433 | 7,145 |
| Subsidies and grants for operating purposes | 5,498 | 5,534 | 4,824 |
| Fees and charges | 60 | 61 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Interest and dividends from investments | 0 | 0 | 0 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 0 | 0 | 18 |
| Total operating funding (A) | 13,256 | 14,028 | 11,987 |
| **Applications of operating funding** | | | |
| Payments to staff and suppliers | 9,573 | 9,829 | 8,536 |
| Finance costs | 604 | 725 | 511 |
| Internal charges and overheads applied | 734 | 747 | 751 |
| Other operating funding applications | 0 | 0 | 0 |
| Total applications of operating funding (B) | 10,911 | 11,301 | 9,798 |
| **Surplus / (deficit) of operating funding (A - B)** | 2,345 | 2,727 | 2,190 |
| **Sources of capital funding** | | | |
| Subsidies and grants for capital expenditure | 7,086 | 5,504 | 5,813 |
| Development and financial contributions | 119 | 123 | 69 |
| Increase (decrease) in debt | 9,836 | 3,973 | 1,106 |
| Gross proceeds from sale of assets | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 |
| Total Sources of capital funding (C) | 17,041 | 9,600 | 6,988 |
| **Applications of capital funding** | | | |
| Capital expenditure | 0 | 0 | |
| - to meet additional demand | 0 | 0 | 0 |
| - to improve the level of service | 4,528 | 952 | 664 |
| - to replace existing assets | 10,789 | 8,580 | 8,777 |
| Increase (decrease) in reserves | 4,068 | 2,795 | (263) |
| Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of capital funding (D) | 19,386 | 12,328 | 9,177 |
| **Surplus / (deficit) of capital funding (C - D)** | **(2,345)** | **(2,727)** | **(2,190)** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** |

# Te Waipuna
# **Water Supply**



Collecting, treating, storing and distributing water to our communities and rural areas

# Tiro whānui | **Overview**

The water supply activity provides domestic, commercial, industrial and agricultural water to our communities. We currently service our three main urban communities of Paeroa, Waihī and Ngātea, as well as six smaller communities, and the rural areas of Hauraki Plains, Kaimanawa and Ōhinemuri. Nearly 65% of the water treated by the Council is consumed by rural communities for agriculture.

There are four water treatment plants with approximately 592km of pipes supplying 7,579 residential properties and 1,023 non-residential properties (as at 2023).

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Our Long Term Plan

## Effects on the community

The water supply group provides for the sustainable supply of safe, clean water as needed by the community to support a good quality of life and physical and mental wellbeing. The provision of a reliable water supply also supports local businesses to enable them to continue their operation - knowing water is available to them as they require it.

## Ngā huanga hapori | **Community outcomes**

The water supply group mainly contributes to the following community outcomes.

Te Mauri o te Taiao
**Healthy environment**

Te Oranga pai o te Hapori
**Vibrant and safe communities**

Tūhono
**Connected people**



## Meeting our service targets

### How we measure our performance

KEY: ✓ Achieved ✗ Not Achieved ⊘ Not applicable

**Result 2025/26**

**What we said we would do: Provide water that is safe to drink.**

**Measure:** The extent to which the Council's drinking water supply complies with the Drinking Water Standards for New Zealand and the Drinking Water Quality Assurance Rules:

Bacterial Compliance Criteria.

Protozoal Compliance Criteria.

**Target:** 100% compliance for:

a) Bacteria
b) Protozoa

The Department of Internal Affairs (DIA) updated this mandatory performance measure after the Council had published the 2024-34 LTP, which sets our statement of service. The updated measure still covers the bacterial and protozoal compliance of water supplies but now is directly referenced to the relevant rules in the Drinking Water Quality Assurance Rules 2022. Our reporting is, therefore, against those rules using the internal monthly compliance reports. Assessment of compliance is not undertaken by an independent external expert.

**2025/26**

✗ Not Achieved

Not achieved due to technical non-compliance: such as turbidity spikes, airline faults impacting backwash and data loss.

| | Bacterial | Protozoa |
|---|---|---|
| Kerepēhi | ✓ | ✗ |
| Waitakaruru | ✓ | ✓ |
| Paeroa | ✗ | ✗ |
| Waihī | ✓ | ✗ |

2024/25

✗ Not Achieved

| | Bacterial | Protozoa |
|---|---|---|
| Kerepēhi | ✗ | ✗ |
| Waitakaruru | ✗ | ✗ |
| Paeroa | ✗ | ✗ |
| Waihī | ✗ | ✗ |

Water supply experienced short term protozoal and bacterial compliance failures across treatment plants.

Compliance with Drinking Water Quality Assurance Rules (DWQAR)

1. Bacterial compliance
2. D.329 Microbiological Monitoring
3. Protozoal compliance

The result has been calculated in accordance with the methodology and calculations indicated in DIA supporting guidance for drinking water (which includes a link to the DWQAR and the aggregate compliance methodology).

For the link refer to DIA Supporting guidance for drinking water - June 2025

All met (100%)

Almost met (95-99%)

Partially met (1-94%),

None met (0%).

| 2025/26 | T3 Bacterial rules | Distribution zones D.329 Microbiological Monitoring Rule | T3 Protozoal rules |
|---|---|---|---|
| Kerepēhi/Waitakaruru | Almost met | All met | All met |
| Paeroa | Almost met | All met | Almost met |
| Waihī | Almost met | All met | Almost met |

An external assessment of compliance was undertaken by 3 Waters Consulting Limited (3WC), as the independent external expert. The assessment found that the supplies were all able to meet the performance rating of almost met, with compliance rates for both T3 Bacterial and T3 Protozoal to above 99%. The areas that were noted that predominately prevented much of the compliance, were issues as the failure to undertake the reference sensor checks on the UV's, unusual turbidity events causing filter failures, irregular flows through the UVs, and membranes not operating as required. Therefore, largely technical in nature, rather than directly related to unsafe water.

| 2024/25 | T3 Bacterial rules | Distribution zones D.329 Microbiological Monitoring Rule | T3 Protozoal rules |
|---|---|---|---|
| Kerepēhi/Waitakaruru | Almost met | All met | Almost met |
| Paeroa | Almost met | All met | Almost met |
| Waihī | Almost met | All met | Almost met |

| | KEY: ✓ Achieved ✗ Not Achieved ⊘ Not applicable | |
|---|---|---|
| | **Result 2025/26** | |
| **What we said we would do: Losses from the water supply network to be minimised.** | | |
| **Measure:** The percentage of real water loss from the Council's networked reticulation system[2] measured by real losses through leaks in the network and apparent losses through metering inaccuracies or water theft.*<br><br>**Target:** 30%. | **2025/26**<br>✓<br>Achieved | The percentage of real water lost from Council's networked reticulation system was 28.4%. |
| | 2024/25<br>✓<br>Achieved | The percentages of real water lost from Council's networked reticulation system was 29%. |
| **What we said we would do: Provide a reliable water supply.** | | |
| **Measure:** The number of unplanned interruptions to the water supply system per 1000 properties per year.<br><br>**Target:** <10 | **2025/26**<br>✗<br>Not Achieved | There were 25.75 unplanned interruptions to the water supply system per 1000 connections for the year.<br>Total of 227 (8817 connections). |
| | 2024/25<br>✗<br>Not Achieved | There were 19.07 unplanned interruptions to the water supply system per 1000 properties in the first quarter.<br>Total of 172 (8802 properties connected). |
| **Measure:** The average consumption of drinking water per day per resident within the Hauraki District, measured by litres consumed per person, per day.*<br><br>**Target:** <250 litres per resident per day | **2025/26**<br>✓<br>Achieved | The average consumption of drinking water was 130 litres per person per day in 2025/26. |
| | 2024/25<br>✓<br>Achieved | The average consumption of drinking water was 170 litres per person per day in 2024/25. |

2 Mandatory requirement includes a description of the methodology used to calculate this

| | KEY: ✓ Achieved ✗ Not Achieved ⊘ Not applicable | |
|---|---|---|
| | **Result 2025/26** | |
| **What we said we would do: Customer service requests will be dealt with promptly and appropriately.** | | |
| **Measure:** Where the Council attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured:*<br>Urgent Call-outs:<br>• Attendance (from the time that the Council receives notification to the time that service personnel reach the site).<br>• Resolution (from the time that the Council receives notification to the time that service personnel confirm resolution of the fault or interruption).<br>Non-Urgent Call-outs:<br>• Attendance<br>• Resolution<br><br>**Target:**<br>Urgent call-outs:<br>• Median attendance = 1 hour<br>• Median resolution = 3 hours<br>Non-urgent call-outs:<br>• Median attendance = 3 hours<br>• Median resolution = 72 hours | **2025/26**<br>✗<br>Not Achieved | Urgent:<br>• Median attendance = 0 hours 14 minutes<br>• Median resolution = 3 hours 11 minutes<br>Non-Urgent:<br>• Median attendance = 2 hours 06 minutes<br>• Median resolution = 20 hours 37 minutes<br>Increased resolution times are due the weather events in January and April. Increased rain fall created complex issues that took longer to resolve. |
| | 2024/25<br>✓<br>Achieved | Urgent:<br>• Median attendance = 0 hours 16 minutes<br>• Median resolution = 2 hour 1 minute<br>Non-Urgent:<br>• Median attendance = 2 hours 9 minutes<br>• Median resolution = 21 hours 57 minutes |
| **What we said we would do: Potable water will be supplied to consumers.** | | |
| **Measure:**<br>The total number of complaints received by Council about any of the following:<br>• drinking water clarity;<br>• drinking water taste;<br>• drinking water odour;<br>• drinking water pressure or flow;<br>• continuity of supply;<br>and the Council's response to any of these issues, expressed per 1000 connections to the Council's networked reticulation system.*<br><br>**Target:** ≤ 22 complaints per 1000 connections. | **2025/26**<br>✗<br>Not Achieved | Number of complaints 48.43 per 1000 connections in the year to date.<br>Total of 427. |
| | 2024/25<br>✗<br>Not Achieved | 38.14 complaints per 1000 connections received about drinking water clarity, taste, odour, pressure or flow, and continuity of supply in 2024/25<br>Total of 344 |
| * Mandatory performance measure under section 261B of the Local Government Act 2002. | | |

| | KEY: ✓ Achieved ✗ Not Achieved ⊘ Not applicable | |
|---|---|---|
| | **Result 2025/26** | |
| **What we said we would do: Water supplies to be operated in compliance with regulatory requirements** | | |
| **Measure:** Achieve a high level of compliance at all water treatment plants, as measured by the number of:<br>• abatement notices; and<br>• infringement notices; and<br>• enforcement orders;<br>• and prosecutions<br>received by Council in relation those resource consents.<br><br>**Target:** 0 | **2025/26**<br>✓<br>Achieved | There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2025/26 in relation to resource consents. |
| | 2024/25<br>✓<br>Achieved | There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2024/25 in relation to resource consents. |
| * Mandatory performance measure under section 261B of the Local Government Act 2002. | | |

## What it cost and how it was paid for?

### Operating statement for Water Supply

| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Expenditure** | | | |
| Treatment | 3,379 | 3,487 | 2,844 |
| Reticulation | 1,284 | 1,495 | 1,826 |
| Intakes and Headworks | 970 | 921 | 886 |
| Fixed costs | 334 | 550 | 394 |
| Overheads | 1,754 | 1,754 | 1,644 |
| Pumpstations | 84 | 119 | 75 |
| Major Maintenance | 1,045 | 128 | 35 |
| Other | 545 | 1,502 | 881 |
| Depreciation/Assets written off | 3,963 | 5,163 | 4,418 |
| Interest | 2,453 | 2,065 | 2,039 |
| **Total expenditure** | **15,812** | **17,184** | **15,042** |
| **Revenue** | | | |
| Fees, charges and other revenue | 254 | 121 | 316 |
| External subsidies | 0 | (3) | 446 |
| Targeted rates | 13,533 | 15,598 | 14,045 |
| General rates | 0 | 0 | 0 |
| **Total revenue** | **13,787** | **15,716** | **14,807** |
| **Operating surplus / (deficit)** | **(2,025)** | **(1,468)** | **(235)** |

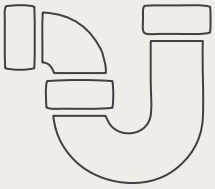
Hauraki District Council

# Funding impact statement - Water Supply

## for the year ended 30 June 2026

| | Long-Term Plan 2025 $000 | Long-Term Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|
| **Sources of operating funding** | | | |
| General rates, uniform annual general charges, rate penalties | 0 | 0 | 0 |
| Targeted rates | 11,737 | 12,911 | 15,598 |
| Subsidies and grants for operating purposes | 0 | 0 | (3) |
| Fees and charges | 0 | 0 | 28 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Interest and dividends from investments | 0 | 0 | 0 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 0 | 0 | 3 |
| Total operating funding (A) | 11,737 | 12,911 | 15,626 |
| **Applications of operating funding** | | | |
| Payments to staff and suppliers | 6,194 | 5,754 | 7,924 |
| Finance costs | 2,398 | 2,587 | 2,066 |
| Internal charges and overheads applied | 1,823 | 1,854 | 2,030 |
| Other operating funding applications | 0 | 0 | 0 |
| Total applications of operating funding (B) | 10,415 | 10,194 | 12,020 |
| **Surplus / (deficit) of operating funding (A - B)** | **1,322** | **2,717** | **3,606** |
| **Sources of capital funding** | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 184 | 196 | 90 |
| Increase (decrease) in debt | 5,003 | (1,944) | 1,331 |
| Gross proceeds from sale of assets | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 |
| Total Sources of capital funding (C) | 5,187 | (1,749) | 1,421 |
| **Applications of capital funding** | | | |
| Capital expenditure | | | |
| - to meet additional demand | 0 | 0 | 0 |
| - to improve the level of service | 2,551 | 322 | 715 |
| - to replace existing assets | 6,230 | 1,539 | 3,459 |
| Increase (decrease) in reserves | (2,271) | (893) | 853 |
| Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of capital funding (D) | 6,510 | 968 | 5,027 |
| **Surplus / (deficit) of capital funding (C - D)** | **(1,322)** | **(2,717)** | **(3,606)** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** |

# Te wai ururua
# **Wastewater**



Collecting, treating,
and disposal

# Tiro whānui | **Overview**

Our wastewater activity involves the collection, treatment and disposal of wastewater for seven urban townships in the district. At our treatment plants the wastewater is treated to clean it up before releasing it – mostly to waterways. We also make sure that trade wastes are appropriately collected and treated.

We provide this service to protect public health, to mitigate the risks of pollution and disease associated with wastewater and to protect the receiving environments from the effects of wastewater products and by-products. We operate seven wastewater schemes in the District, which services approximately 5,720 properties.

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Our Long Term Plan

## Effects on the community

The wastewater group ensures the collection, treatment and disposal of wastewater is done in a way that ensure a safe standard of living for our district residents. Our communities are kept healthy and free from disease and our environment is protected (especially our waterways) from pollution.

## Ngā huanga hapori | **Community outcomes**

The wastewater group mainly contributes to the following community outcomes.

Te Mauri o te Taiao
**Healthy environment**

Te Oranga pai o te Hapori
**Vibrant and safe communities**

Tūhono
**Connected people**



## Meeting our service targets

### How we measure our performance

| | KEY: Achieved | Not Achieved | Not applicable | |
|---|---|---|---|---|
| | | **Result 2025/26** | | |
| **What we said we would do: The risk of environmental and public health impacts to be mitigated.** | | | | |
| **Measure:** The number of dry weather wastewater overflows from the Council's wastewater system, expressed per 1000 wastewater connections to that wastewater system. *<br><br>**Target:** <2 per 1000 connections. | **2025/26**<br>Achieved | | Number of dry weather sewerage overflows 0.67 per 1000 wastewater connections in 2025/2026.<br>Total of 5. | |
| | 2024/25<br>Achieved | | There were 1.24 dry weather overflows per 1000 wastewater connections in 2024/25.<br>Total of 9. | |
| **What we said we would do: The community and the environment will be provided with protection.** | | | | |
| **Measure:** Compliance with the Council's resource consents for discharge from its wastewater system, as measured by the number of:<br>• abatement notices; and<br>• infringement notices; and<br>• enforcement orders; and<br>• prosecutions<br>received by Council in relation to those resource consents.*<br><br>**Target:** 0 | **2025/26**<br>Achieved | | There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2025/26 in relation to resource consents. | |
| | 2024/25<br>Achieved | | There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2024/25 in relation to resource consents. | |
| **What we said we would do: Customer service requests to be dealt with promptly and appropriately.** | | | | |
| Measure: Where the Council attends to wastewater overflows[3] resulting from a blockage or other fault in the Council's wastewater system, the following median response times measured: *<br>• Attendance time[4]<br>• Resolution time[5]<br><br>**Target:**<br>Median Attendance time = 1 hour<br>Median Resolution time = 12 hours. | **2025/26**<br>Not Achieved | | Median Attendance time = 2 hours and 3 minutes<br>Median Resolution time = 6 hours and 25 minutes<br>Increased attendance times are due to the weather events in January and April. Responding to complex issues related to increased rainfall required all available resources to be allocated to responding. | |
| | 2024/25<br>Achieved | | Median Attendance time = 0 hours 53 minutes.<br>Median Resolution time = 3 hours 54 minutes. | |

3 An overflow means sewage that escapes our wastewater system and enters the environment. It includes blockages and chokes.
4 Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site.
5 Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.

| | KEY: Achieved | Not Achieved | Not applicable | |
|---|---|---|---|---|
| | | **Result 2025/26** | | |
| **What we said we would do: A safe and reliable wastewater service.** | | | | |
| **Measure:** The total number of complaints received by Council about any of the following:<br>• wastewater odour;<br>• wastewater system faults;<br>• wastewater system blockages; and<br>• the Council's response to any of these issues,<br>expressed per 1000 connections to Council's wastewater system.*<br><br>**Target:** ≤12 per 1000 connections | **2025/26**<br>Not Achieved | | | Number of complaints 22.23 per 1000 wastewater connections (165 complaints in total). Several complaints were received during the two weather events relating to blockages and overflow. |
| | 2024/25<br>Not Achieved | | | Total of 13.26 per 1000 connections (96 complaints) in 2024/25. |
| * Mandatory performance measure under section 261B of the Local Government Act 2002. | | | | |

## What it cost and how it was paid for?

### Operating statement for Wastewater

| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Expenditure** | | | |
| Treatment | 2,088 | 1,492 | 1,176 |
| Reticulation | 185 | 222 | 254 |
| Intakes and Headworks | 0 | 0 | 0 |
| Fixed costs | 246 | 528 | 320 |
| Overheads | 813 | 813 | 765 |
| Pumpstations | 510 | 485 | 470 |
| Major Maintenance | 22 | 135 | 33 |
| Other | 308 | 387 | 288 |
| Depreciation/Assets written off | 3,392 | 2,688 | 2,619 |
| Interest | 2,070 | 1,739 | 973 |
| **Total expenditure** | **9,634** | **8,489** | **6,898** |
| **Revenue** | | | |
| Fees, charges and other revenue | 411 | 568 | 650 |
| External subsidies | 0 | 0 | 0 |
| Targeted rates | 5,045 | 5,235 | 5,046 |
| General rates | 0 | 0 | 0 |
| **Total revenue** | **5,456** | **5,803** | **5,696** |
| **Operating surplus / (deficit)** | **(4,178)** | **(2,686)** | **(1,202)** |

Hauraki District Council

# Funding impact statement - Wastewater

## for the year ended 30 June 2026

| | Long-Term Plan 2025 $000 | Long-Term Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|
| **Sources of operating funding** | | | |
| General rates, uniform annual general charges, rate penalties | 0 | 0 | 0 |
| Targeted rates | 4,586 | 6,421 | 5,236 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 |
| Fees and charges | 153 | 157 | 175 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Interest and dividends from investments | 0 | 0 | 0 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 0 | 0 | 0 |
| Total operating funding (A) | 4,739 | 6,578 | 5,411 |
| **Applications of operating funding** | | | |
| Payments to staff and suppliers | 2,389 | 3,816 | 3,114 |
| Finance costs | 1,137 | 2,413 | 1,739 |
| Internal charges and overheads applied | 878 | 894 | 948 |
| Other operating funding applications | 0 | 0 | 0 |
| Total applications of operating funding (B) | 4,403 | 7,123 | 5,801 |
| **Surplus / (deficit) of operating funding (A - B)** | **336** | **(546)** | **(391)** |
| **Sources of capital funding** | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 148 | 138 | 209 |
| Increase (decrease) in debt | 23,586 | 21,971 | 18,891 |
| Gross proceeds from sale of assets | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 |
| Total Sources of capital funding (C ) | 23,733 | 22,109 | 19,100 |
| **Applications of capital funding** | | | |
| Capital expenditure | 0 | 0 | |
| - to meet additional demand | 0 | 0 | 0 |
| - to improve the level of service | 26,280 | 25,845 | 19,599 |
| - to replace existing assets | 734 | 501 | 864 |
| Increase (decrease) in reserves | (2,944) | (4,782) | (1,754) |
| Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of capital funding (D) | 24,069 | 21,564 | 18,709 |
| **Surplus / (deficit) of capital funding (C - D)** | **(336)** | **546** | **391** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** |

# Wai āwhātanga
# **Stormwater**



Collecting or channelling excess rainwater that runs off urban properties and roads.

# Tiro whānui | **Overview**

The stormwater activity involves collecting and disposing of excess rainfall runoff from urban areas using various drainage systems. These services are provided in Paeroa, Waihī, Ngātea, Tūrua, Kerepēhi, Whiritoa, Mackaytown, Karangahake, Waikino and Kaiaua. Stormwater assets include open drains, piped network, manholes and pump stations which operate in combination to remove surface water runoff. All stormwater systems eventually discharge into the Waihou or Piako Rivers, with the exception of the Kaiaua and Whiritoa systems which discharge directly to sea.

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## Effects on the community

The stormwater group helps ensure the safety of people's lives and property in times of rainfall, by ensuring runoff is efficiently and effectively dealt with, to assist in achieving social and commercial certainty and avoiding the risk of flooding.

## Ngā huanga hapori | **Community outcomes**

The stormwater group mainly contributes to the following community outcomes.

Te Mauri o te Taiao
**Healthy environment**

Te Oranga pai o te Hapori
**Vibrant and safe communities**

Tūhono
**Connected people**



## Meeting our service targets

### How we measure our performance

| | KEY: ✓ Achieved ✗ Not Achieved ⊘ Not applicable | |
|---|---|---|
| | **Result 2025/26** | |
| **What we said we would do: Provide stormwater systems to protect houses from flooding in urban areas.** | | |
| **Measure:** The number of flooding events that occur in the Hauraki District. For each flooding event, the number of habitable floors affected (expressed per 1000 properties connected to the Council's stormwater system).*<br>A flooding event means an overflow of stormwater from the Council's stormwater system that enters a habitable floor.<br>The reported measure excludes any flooding events affecting habitable floor areas that were not reported to, or otherwise brought to the attention of, the Council.<br>**Target:** Number of habitable floors affected <2 per 1000 connections. | **2025/26**<br>⊘<br>Not applicable | There were no flooding events affecting habitable floor space in 2025/26. |
| | 2024/25<br>⊘<br>Not applicable | There were no flooding events affecting habitable floor space in 2024/25. |
| **What we said we would do: Provide a stormwater network that is reliable.** | | |
| **Measure:** The number of complaints received by Council about the performance of the stormwater system. Expressed per 1000 properties connected Council's stormwater system.*<br>**Target:** <8/1,000 connections. | **2025/26**<br>✗<br>Not Achieved | Number of complaints 15.8 per 1000 connections. An increase in complaints was received during the two weather events.<br>(114 total). |
| | 2024/25<br>✓<br>Achieved | The number of complaints received about the performance of the stormwater system in 2024/25 was 6.84 per 1000 properties connected to the stormwater system.<br>Total of 49. |
| **What we said we would do: Provide the community and the environment with protection.** | | |
| **Measure:** Compliance with the Council's resource consents for discharge from its stormwater system.<br>Measured by the number of:<br>• abatement notices<br>• infringement notices<br>• enforcement orders<br>• prosecutions<br>received by Council in relation those resource consents.*<br>**Target:** 0 | **2025/26**<br>✓<br>Achieved | There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2025/26 in relation to stormwater discharge resource consents. |
| | 2024/25<br>✓<br>Achieved | There were no abatement notices, infringement notices, or enforcement orders and prosecutions received in 2024/25 in relation to stormwater discharge resource consents. |

| What we said we would do: What we said we would do: customer service requests will be dealt with promptly and appropriately. | | |
|---|---|---|
| Measure: The median response time to attend a flooding event (A flooding event means an overflow of stormwater from the Council's stormwater system that enters a habitable floor.), measured from the time that the Council receives notification to the time that service personnel reach the site.*<br>Target: Median attendance time <2 hours. | **2025/26**<br>Not applicable | There were no flooding events. |
| | 2024/25<br>Not applicable | There were no flooding events to attend to. |
| * Mandatory performance measure under section 261B of the Local Government Act 2002. | | |

## What it cost and how it was paid for?

### Operating statement for Stormwater

| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Expenditure** | | | |
| Vegetation control | 32 | 18 | 14 |
| Reticulation | 61 | 115 | 89 |
| Maintenance/fencing/culverts | 10 | 2 | 2 |
| Mechanical cleaning | 22 | 36 | 18 |
| Floodgates | 2 | 0 | 2 |
| Pumps | 11 | 11 | 5 |
| Overheads | 311 | 311 | 300 |
| Other | 313 | 437 | 265 |
| Depreciation/Assets written off | 1,040 | 1,109 | 1,223 |
| Interest | (105) | (101) | (82) |
| **Total expenditure** | **1,698** | **1,938** | **1,836** |
| **Revenue** | | | |
| Fees, charges and other revenue | 144 | 47 | 188 |
| External subsidies | 0 | 0 | 0 |
| Targeted rates | 1,477 | 1,471 | 1,274 |
| General rates | 261 | 267 | 227 |
| **Total revenue** | **1,881** | **1,785** | **1,689** |
| **Operating surplus / (deficit)** | **183** | **(153)** | **(147)** |

Hauraki District Council

# Funding impact statement - Stormwater

## for the year ended 30 June 2026

| | Long-Term Plan 2025 $000 | Long-Term Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|
| **Sources of operating funding** | | | |
| General rates, uniform annual general charges, rate penalties | 222 | 261 | 267 |
| Targeted rates | 1,256 | 1,477 | 1,471 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 |
| Fees and charges | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Interest and dividends from investments | 0 | 0 | 0 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 0 | 0 | 0 |
| Total operating funding (A) | 1,478 | 1,737 | 1,738 |
| **Applications of operating funding** | | | |
| Payments to staff and suppliers | 382 | 452 | 618 |
| Finance costs | (74) | (97) | (101) |
| Internal charges and overheads applied | 300 | 306 | 311 |
| Other operating funding applications | 0 | 0 | 0 |
| Total applications of operating funding (B) | 608 | 662 | 828 |
| **Surplus / (deficit) of operating funding (A - B)** | **870** | **1076** | **910** |
| **Sources of capital funding** | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 31 | 28 | 25 |
| Increase (decrease) in debt | (690) | (534) | (465) |
| Gross proceeds from sale of assets | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 |
| Total Sources of capital funding (C) | (659) | (505) | (440) |
| **Applications of capital funding** | | | |
| Capital expenditure | | | |
| - to meet additional demand | 0 | 0 | 0 |
| - to improve the level of service | 168 | 332 | 22 |
| - to replace existing assets | 61 | 58 | 347 |
| Increase (decrease) in reserves | (18) | 180 | 101 |
| Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of capital funding (D) | 211 | 570 | 470 |
| **Surplus / (deficit) of capital funding (C - D)** | **(870)** | **(1,076)** | **(910)** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** |

# Te rerenga whenua me te aukatinga ō ngā waipuke **Land Drainage**



Collecting water runoff from rural areas and redirecting it.

# Tiro whānui | **Overview**

Our land drainage activity involves collecting runoff from the rural catchment areas of the district and leading it to the primary flood protection assets which discharge it directly to river or sea outlets. Additional drainage assets include stopbanks, floodgates and pumps.

Land drainage services are provided in four drainage districts – Western Plains, Eastern Plains, Paeroa Rural and Taramaire districts. Flood protection is provided by the Waikato Regional Council's river schemes except in the northwest part of the District (Waitakaruru to Pūkorokoro / Miranda) where it is provided by the Hauraki District Council.

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Flood protection assets include stopbanks, floodgates and pump stations that provide direct protection from river and tidal flooding.

## Effects on the community

The provision of services within the land drainage group is positive and essential for those communities where the preservation and protection of the land's farming capacity is required. Both assets and stock require protection against high water tables, extreme weather events, high tides and river floods which is essential for land productivity and protecting the livelihood of those in affected areas.

## Ngā huanga hapori | **Community outcomes**

The land drainage group mainly contributes to the following community outcomes.

Te Oranga pai o te Hapori
**Vibrant and safe communities**



## Meeting our service targets

### How we measure our performance

| | KEY: ✓ Achieved ✗ Not Achieved ⊘ Not applicable | |
|---|---|---|
| | **Result 2025/26** | |
| **What we said we would do: Quality land drainage and flood protection to be provided to all Drainage Districts.** | | |
| **Measure:** The major flood protection and control works that are maintained, repaired and renewed to the key standards defined in the Council's relevant planning documents (such as this plan, annual works program or long-term plan).<br><br>**Target:** 100%. | **2025/26**<br>✓<br>Achieved | 100% of floodgates and pump stations were maintained, repaired and/or renewed to their full-service potential in 2025/26. |
| | 2024/25<br>✓<br>Achieved | 100% of floodgates and pump stations were maintained, repaired and/or renewed to their full-service potential in 2024/25. |
| **Measure:** Number of rural properties still ponding after 3 days from a 10% AEP[6] event or less (impacting the pasture).<br><br>**Target:** 0 rural properties ponding for more than three days following a 10% AEP event or less. | **2025/26**<br>✓<br>Achieved | 0 rural properties ponding for more than three days following a 10% AEP event or less. |
| | 2024/25<br>⊘<br>Not applicable | There were no 10% AEP events or less impacting rural properties for 2024/25. |
| **What we said we would do: Reliable land drainage and flood protection networks.** | | |
| **Measure:** The number of failures of stopbanks and floodgates in a 2% AEP tidal surge event.<br><br>**Target:** 0 failures in a 2% AEP tidal surge event. | **2025/26**<br>⊘<br>Not applicable | There were no 2% AEP tidal surge events in 2025/26. |
| | 2024/25<br>⊘<br>Not applicable | There were no 2% AEP tidal surge events in 2024/25. |
| **What we said we would do: Efficient response to drainage problems and emergencies.** | | |
| **Measure:** Where the Council responds to a service request regarding the Council's land drainage and flood protection systems, the following median response times measured for:<br>• Urgent[7] service requests and<br>• Non-urgent[8] service requests<br>**Target:**<br>Median response times:<br>• Urgent: 2 hour<br>• Non-urgent: 2 working days | **2025/26**<br>✓<br>Achieved | There were no urgent requests and non-urgent response was 2 hours 38 minutes. |
| | 2024/25<br>✓<br>Achieved | There were no urgent requests and non-urgent response was 19 hours 22 minutes. |
| * Mandatory performance measure under section 261B of the Local Government Act 2002. | | |

6 Annual Exceedance Probability – the probability of a storm exceeding a certain intensity in any one year
7 Urgent requests are requests when emergency actions are required to protect people from injury and/or adverse health and safety consequences and assets from serious damage.
8 Non urgent requests are all other service requests apart from urgent ones, where the response required are not that immediate e.g. normal maintenance or corrective action required.

## What these activities cost and how they were paid for?

### Operating statement for Land Drainage

| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Expenditure** | | | |
| Vegetation control | 186 | 178 | 205 |
| Maintenance/fencing/culverts | 17 | 2 | 4 |
| Mechanical cleaning | 278 | 187 | 145 |
| Floodgates | 36 | 25 | 48 |
| Pumps | 287 | 551 | 317 |
| Overheads | 331 | 331 | 321 |
| Other | 95 | 101 | 117 |
| Depreciation/Assets written off | 199 | 142 | 135 |
| Interest | (95) | (114) | (117) |
| **Total expenditure** | **1,334** | **1,403** | **1,175** |
| **Revenue** | | | |
| Fees, charges and other revenue | 0 | 0 | 0 |
| External subsidies | 0 | 0 | 0 |
| Targeted rates | 1,309 | 1,304 | 1,331 |
| General rates | 231 | 237 | 232 |
| **Total revenue** | **1,540** | **1,541** | **1,563** |
| **Operating surplus / (deficit)** | **206** | **138** | **388** |

Hauraki District Council

# Funding impact statement - Land Drainage

## for the year ended 30 June 2026

| | Long-Term Plan 2025 $000 | Long-Term Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|
| **Sources of operating funding** | | | |
| General rates, uniform annual general charges, rate penalties | 228 | 231 | 237 |
| Targeted rates | 1,289 | 1,309 | 1,304 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 |
| Fees and charges | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Interest and dividends from investments | 0 | 0 | 0 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 0 | 0 | 0 |
| Total operating funding (A) | 1,517 | 1,540 | 1,541 |
| **Applications of operating funding** | | | |
| Payments to staff and suppliers | 876 | 899 | 1,044 |
| Finance costs | (86) | (60) | (114) |
| Internal charges and overheads applied | 321 | 328 | 331 |
| Other operating funding applications | 0 | 0 | 0 |
| Total applications of operating funding (B) | 1,112 | 1,167 | 1,261 |
| **Surplus / (deficit) of operating funding (A - B)** | **405** | **373** | **280** |
| **Sources of capital funding** | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 |
| Increase (decrease) in debt | 567 | 108 | 128 |
| Gross proceeds from sale of assets | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 |
| Total Sources of capital funding (C) | 567 | 108 | 128 |
| **Applications of capital funding** | | | |
| Capital expenditure | 0 | 0 | |
| - to meet additional demand | 0 | 0 | 0 |
| - to improve the level of service | 0 | 0 | 162 |
| - to replace existing assets | 739 | 280 | 132 |
| Increase (decrease) in reserves | 233 | 201 | 114 |
| Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of capital funding (D) | 972 | 482 | 408 |
| **Surplus / (deficit) of capital funding (C - D)** | **(405)** | **(373)** | **(280)** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** |

# Whakahaere ururua
# **Waste Management**



- Kerbside collections of refuse and recyclables
- Waste minimisation promotion and education
- Landfill aftercare
- Litter bin, loose litter and illegal dumping collections
- Refuse transfer stations at Paeroa and Waihī

# Tiro whānui | **Overview**

Our waste management services include:

- kerbside collection of refuse and recyclables
- waste minimisation promotion and education including promoting activities such as worm farming
- landfill aftercare
- litter bin, loose litter and illegal dumping collections
- refuse transfer stations at Paeroa and Waihī.

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## Effects on the community

The aim of the waste management group is to ensure the sanitary and safe collection and disposal of recycling and solid waste, to help protect the social and environmental wellbeing of our communities, and to implement recycling initiatives to ensure environmental sustainability. The provision of services within the waste management activity assists in enabling communities to function in a healthy, comfortable and safe environment, with appropriate mechanisms for solid waste disposal in an environmentally appropriate manner.

## Ngā huanga hapori | **Community outcomes**

The waste management group mainly contributes to the following community outcomes.

Te Oranga pai o te Hapori
**Vibrant and safe communities**

Te Mauri o te Taiao
**Healthy environment**



## Meeting our service targets

### How we measure our performance

| | KEY: Achieved / Not Achieved / Not applicable | |
|---|---|---|
| | **Result 2025/26** | |
| **What we said we would do: Minimise the adverse effects of waste on the environment.** | | |
| **Measure:** The quantity of organic waste going to landfill is decreasing.<br>**Target:** Maintain 72% reduction. | **2025/26**<br>Not Achieved | For 2025/26, the year-to-date result is 250.1 tonnes, which is 70.9 tonnes below the target. This represents a 22.1% reduction. While this is a positive result and demonstrates a continued reduction in organic waste being sent to landfill, further reductions will be required to achieve the overall 72% reduction target over the three-year period.<br>There have been some significant changes to the benchline figures. Previously, the target reduction was set at 1,402MT, which was based on the SWAP audit of 2021 where the company calculated diversion potential using total volumes from transfer stations. For the new audit in 2025, it has been requested that only kerbside bin volumes are used to determine the diversion potential. With this updated approach and the most recent information, our target has shifted down to 321MT per annum. For the financial year 2025/26, we have achieved 250.1MT, which places us 70.9MT below the new diversion target. |
| | 2024/25<br>Not Achieved | The 2025 SWAP audit estimated a 42.2% increase in organic waste found in kerbside waste bins, rising from 1,402 MT to 1,921 MT. However, kerbside organic collections have also increased over the same period. This indicates that, while more organics are appearing in general waste bins, a larger quantity is also being captured through dedicated collection services, potentially reducing the volume of organics sent to landfill. |
| **Measure:** The total quantity of waste sent to landfill per person per annum is reducing.<br>**Target:** a further 15% reduction. | **2025/26**<br>Achieved | The year-to-date result of 3,042.42 MT is 653.70 MT below the target, representing an overall reduction of 30% from the previous year indicating that waste volumes have reduced. |
| | 2024/25<br>Achieved | The volume of household waste collected from the kerbside and transfer stations going to landfill was 10% less than 2023/24<br>(4,348.38MT in 2024/25) |

| What we said we would do: Provide a reliable solid waste collection | | |
|---|---|---|
| **Measure:** Number of justified[9] complaints that collection is not completed on the scheduled day. | **2025/26** ✓ Achieved | 0.39 complaints per 1000 customers received. |
| **Target:** ≤3 justified complaints (that collection was not completed) per 1000 customers per annum. | 2024/25 ✓ Achieved | 0.2 complaints received for the 24/25 financial year. |

## What these activities cost and how it was paid for?

### Operating statement for Waste Management

| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Expenditure** | | | |
| Refuse collection | 2,031 | 1,943 | 1,948 |
| Closed tip sites | 214 | 65 | 487 |
| Transfer stations | 2,213 | 2,233 | 1,975 |
| Other | 229 | 566 | 395 |
| **Total expenditure** | **4,687** | **4,807** | **4,805** |
| Revenue | | | |
| Fees, charges and other revenue | 1,661 | 1,548 | 1,651 |
| External subsidies | 420 | 449 | 480 |
| Targeted rates | 1,107 | 1,290 | 1,252 |
| General rates | 1,430 | 1,464 | 1,344 |
| **Total revenue** | **4,618** | **4,751** | **4,727** |
| **Operating surplus / (deficit)** | **(69)** | **(56)** | **(78)** |

9 Where there is a reasonable case for the complaint.

Hauraki District Council

# Funding impact statement - Waste Management

## for the year ended 30 June 2026

| | Long-Term Plan 2025 $000 | Long-Term Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|
| **Sources of operating funding** | | | |
| General rates, uniform annual general charges, rate penalties | 1,315 | 1,557 | 1,464 |
| Targeted rates | 1,075 | 1,086 | 1,290 |
| Subsidies and grants for operating purposes | 100 | 102 | 450 |
| Fees and charges | 1,675 | 1,692 | 1,543 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Interest and dividends from investments | 0 | 0 | 0 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 0 | 0 | 0 |
| Total operating funding (A) | 4,165 | 4,437 | 4,747 |
| **Applications of operating funding** | | | |
| Payments to staff and suppliers | 3,561 | 3,749 | 3,960 |
| Finance costs | (6) | (7) | 127 |
| Internal charges and overheads applied | 548 | 559 | 496 |
| Other operating funding applications | 0 | 0 | 0 |
| Total applications of operating funding (B) | 4,102 | 4,301 | 4,583 |
| **Surplus / (deficit) of operating funding (A - B)** | **62** | **136** | **164** |
| **Sources of capital funding** | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 5 |
| Increase (decrease) in debt | 764 | (230) | (44) |
| Gross proceeds from sale of assets | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 |
| Total Sources of capital funding (C) | 764 | (230) | (39) |
| **Applications of capital funding** | | | |
| Capital expenditure | 0 | 0 | |
| - to meet additional demand | 0 | 0 | 0 |
| - to improve the level of service | 773 | 0 | 600 |
| - to replace existing assets | 200 | 0 | 6 |
| Increase (decrease) in reserves | (147) | (95) | (481) |
| Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of capital funding (D) | 826 | (95) | 125 |
| **Surplus / (deficit) of capital funding (C - D)** | **(62)** | **(136)** | **(164)** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** |

# Ratonga Hapori
# **Community Services**



- Ngā hapori rēhia
  Community recreation
- Ngā wharenui o te hapori
  Community facilities

# Tiro whānui | **Overview**

Our community services group involves the provision of recreation services and facilities intended to meet our district's recreational, sporting and educational expectations. We do this to help make our community a healthy, vibrant place to live and visit, and to ensure our public spaces reflect our local culture and heritage.

We provide a number of services such as libraries, parks, reserves, and facilities like public conveniences, cemeteries, elderly persons housing, halls and the Waihī events centre.

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## Effects on the community

The provision of services within the community services group of activities primarily focuses on improving the social and cultural wellbeing of the community. Recreational facilities, such as parks and reserves, have a positive impact in the community and relate to aspects of life that are important for a person's happiness, quality of life and welfare. Libraries also service the educational and cultural needs of the community, at a low cost to the user, making historical, cultural, educational and electronic resources accessible for all. Other facilities such as pensioner housing give people in the community the opportunity to have access to basic housing needs in an affordable way, creating a positive impact in the lives of those who utilise these facilities.

## Ngā huanga hapori | **Community outcomes**

The community services group mainly contributes to the following community outcomes.

Te Oranga pai o te Hapori
**Vibrant and safe communities**

Tūhono
**Connected people**



## What it cost and how it was paid for?

### Operating statement for Community Services

| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Expenditure** | | | |
| **Recreation** | | | |
| Libraries | 1,559 | 1,526 | 1,438 |
| Sportsfields | 1,129 | 1,029 | 1,134 |
| Recreation reserves | 2,669 | 2,297 | 2,488 |
| Cycleway | 1,125 | 2,157 | 1,796 |
| Events centre | 276 | 290 | 245 |
| Swimming pools | 1,036 | 1,205 | 1,144 |
| Sports-coordinator | 98 | 97 | 94 |
| **Facilities** | | | |
| Cemeteries | 679 | 719 | 619 |
| Community halls | 548 | 594 | 521 |
| Pensioner housing | 901 | 980 | 988 |
| Public conveniences | 775 | 942 | 821 |
| Rural halls | 22 | 48 | 175 |
| Interest | 548 | 338 | 374 |
| **Total expenditure** | **11,366** | **12,222** | **11,837** |
| **Revenue** | | | |
| Fees, charges and other revenue | 1,188 | 1,030 | 951 |
| External subsidies | 319 | 1,116 | 1,368 |
| Targeted rates | 4,170 | 4,275 | 3,762 |
| General rates | 6,097 | 6,285 | 5,282 |
| **Total revenue** | **11,774** | **12,706** | **11,363** |
| **Operating surplus / (deficit)** | **408** | **484** | **(474)** |

Hauraki District Council

# Funding impact statement - Community Services
## for the year ended 30 June 2026

| | Long-Term Plan 2025 $000 | Long-Term Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|
| **Sources of operating funding** | | | |
| General rates, uniform annual general charges, rate penalties | 5,222 | 5,742 | 6,284 |
| Targeted rates | 3,702 | 4,075 | 4,275 |
| Subsidies and grants for operating purposes | 5 | 5 | 826 |
| Fees and charges | 812 | 828 | 913 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Interest and dividends from investments | 0 | 0 | 0 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 0 | 0 | 66 |
| Total operating funding (A) | 9,741 | 10,650 | 12,364 |
| **Applications of operating funding** | | | |
| Payments to staff and suppliers | 5,808 | 5,916 | 6,735 |
| Finance costs | 415 | 582 | 338 |
| Internal charges and overheads applied | 1,973 | 2,029 | 2,185 |
| Other operating funding applications | 0 | 0 | 0 |
| Total applications of operating funding (B) | 8,196 | 8,526 | 9,258 |
| **Surplus / (deficit) of operating funding (A - B)** | **1,545** | **2,124** | **3,107** |
| **Sources of capital funding** | | | |
| Subsidies and grants for capital expenditure | 1,350 | 174 | 290 |
| Development and financial contributions | 148 | 153 | 51 |
| Increase (decrease) in debt | 4,110 | 500 | (362) |
| Gross proceeds from sale of assets | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 |
| Total Sources of capital funding (C) | 5,608 | 827 | (21) |
| **Applications of capital funding** | | | |
| Capital expenditure | | | |
| - to meet additional demand | 0 | 0 | 0 |
| - to improve the level of service | 3,218 | 324 | 1,371 |
| - to replace existing assets | 2,704 | 2,110 | 1,452 |
| Increase (decrease) in reserves | 1,232 | 517 | 263 |
| Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of capital funding (D) | 7,153 | 2,950 | 3,086 |
| **Surplus / (deficit) of capital funding (C - D)** | **(1,545)** | **(2,124)** | **(3,107)** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** |

# Ngā hapori rēhia
# Community Recreation

## Tiro whānui | **Overview**

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Our Long Term Plan

Our community recreation services include libraries, halls, pools, sports and recreation reserves, playgrounds, walkways and the Waihī events centre.

### Libraries

We provide public libraries in Ngātea, Paeroa and Waihī, which lend a variety of resources, deliver education programmes and provide free internet access. We also provide support to three community operated libraries at Kaiaua, Tūrua and Whiritoa.

### Swimming pools

We operate three community pools in Ngātea, Paeroa and Waihī. These are open during the summer months with lifeguards at each pool.

### Sports and recreation reserves

We provide six sportsgrounds across the district, that cater for organised sport, including rugby, touch, hockey, netball, soccer, tennis, athletics, lawn bowls, cricket, croquet, skateboarding and petanque.

We provide recreation reserves to create opportunities for impromptu active and passive recreation and to support social interactions and connections within our community. Our recreation reserves include playgrounds, furniture, walkways and other amenities.

We also have two jetties on the Waihou River available for community use.

### Waihī event centre

The Waihī event centre provides for a range of indoor sports such as inline hockey, basketball, badminton, netball and martial arts. Other community use of the centre is encouraged. The centre is managed by Sport N Action.

### Sports co-ordination

To support sports and participation council provides funding to Sport Waikato that provides a sports coordinator who facilitates sports in the district.



## Meeting our service targets

### How we measure our performance

| | KEY: ✓ Achieved ✗ Not Achieved ⊘ Not applicable | |
|---|---|---|
| | **Result 2025/26** | |
| **Libraries** | | |
| **What we said we would do: Modern and relevant library spaces to support community needs.** | | |
| **Measure:** Percentage of library users satisfied with library services.<br><br>**Target:** ≥90% of customers satisfied. | **2025/26**<br>✗<br>Not Achieved | The 2026 customer satisfaction survey results showed that 87% of customers were satisfied with library services. |
| | 2024/25<br>✗<br>Not Achieved | The 2025 customer satisfaction survey results showed that 88% of customers were satisfied with library services. |
| **Measure:** The number of visitors (including members) to the libraries is stable or increasing.<br><br>**Target:** Number of visitors increases 2% annually.<br>The total gate count for 2023/24 is 92,335. | **2025/26**<br>✗<br>Not Achieved | Not achieved: 87,565 people have been through the electronic gates for the full financial year.<br>Some of the not achievement can be contributed to the relocation of the Ngātea Library and in particular the closure for four working days due to power affected by weather. |
| | 2024/25<br>✗<br>Not Achieved | In 2024/25, a total of 88,749 went through the electronic gates. To achieve a 2% increase over the previous figure of 92,335, the target was set at 94,181.7. The actual result reached 94% of this target. |
| **Swimming Pools** | | |
| **What we said we would do: Council operated swimming pool facilities to be safe for users and staff.** | | |
| **Measure:** Daily safety and maintenance audits are carried out at each Council pool during the public swimming season.<br><br>**Target:** 100% of safety and maintenance audits completed during swimming season.<br><br>All identified safety and maintenance issues are actioned.<br>100% safety and maintenance issues addressed, investigated and actioned within:<br>• High risk addressed within 24 hours.<br>• Medium risk addressed within one week.<br>• Low risk addressed as soon as is practical. | **2025/26**<br>✓<br>Achieved | 100% (387/387) of safety and maintenance audits were completed in 2025/26. |
| | 2024/25<br>✓<br>Achieved | 100% (385/385) of safety and maintenance audits were completed during 2024/25:<br>• 1/1 high risk occurrences – addressed within 24 hours.<br>• 9/9 medium risk occurrences – addressed within one week.<br>• 18/18 low risk occurrences - addressed as soon as is practical. |
| **Measure:** Percentage of pool users satisfied with the operation of Council swimming pools.<br><br>**Target:** ≥85% of customers satisfied. | 2025/26<br>✗<br>Not Achieved | The 2026 customer satisfaction survey results showed that 78% of customers were satisfied with the operation of Council swimming pools. |
| | 2024/25<br>✗<br>Not Achieved | The 2025 annual satisfaction survey showed 83% of users were satisfied with the operation of Council swimming pools. |

| | KEY: ✓ Achieved ✗ Not Achieved ⊘ Not applicable | |
|---|---|---|
| | **Result 2025/26** | |
| **Sports fields and recreation reserves** | | |
| **You can expect: Sports fields and recreational reserves that meet the requirements of users.** | | |
| **Measure:** Percentage of reserve users satisfied with reserves services.<br><br>**Target:** ≥90% of customers satisfied. | **2025/26**<br>✗<br>Not Achieved | The 2026 annual satisfaction survey showed 88% of users were satisfied with the services provided at district's sports fields, parks and reserves. |
| | 2024/25<br>✗<br>Not Achieved | The 2025 annual satisfaction survey showed 88% of users were satisfied with the services provided at district's sports fields, parks and reserves. |
| **You can expect: Safe playground facilities.** | | |
| Measure: Playground facilities are regularly inspected to ensure they are safe, and compliant with national playground safety standards.<br><br>Target: 100% | **2025/26**<br>✓<br>Achieved | 100% of inspections were completed. |
| | 2024/25<br>✓<br>Achieved | 100% (265/265) of safety and maintenance audits were completed during 2024/25. |

# Ngā wharenui o te hapori
# **Community Facilities**

## Tiro whānui | **Overview**

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Our Long Term Plan

Our community facilities activity provides a range of facilities to meet public health needs (public toilets, cemeteries), social and cultural needs (public halls, housing for the elderly) and amenity needs (non-recreation reserves).

### Halls

Our halls sub-activity consists of three memorial halls (Paeroa, Ngātea and Waihī) which are owned and operated by the Council, and Council contributes targeted rates to 12 community halls that are owned and managed by hall committees or incorporated societies: Hikutaia, Kaiaua, Kaihere, Karangahake, Kerepēhi, Mangatangi Community Centre, Netherton, Pā-te-tonga, Tūrua, Waikino, Waitakaruru and Whiritoa.

### Public toilets

We own and manage 22 public conveniences.

### Cemeteries and ashes memorial wall

We own and manage three cemetery sites (Waihī, Paeroa, and Miranda) and one ashes memorial wall site in Ngātea.

### Housing units

We also own and administer 57 elderly persons housing units within nine individual complexes in Waihī, Paeroa and Ngātea.








## Meeting our service targets

### How we measure our performance

| | KEY: Achieved | Not Achieved | Not applicable | |
|---|---|---|---|---|
| | | **Result 2025/26** | | |
| **Halls** | | | | |
| **What we said we would do: Council-managed halls to be clean and well maintained to meet the needs of the community.** | | | | |
| **Measure:** Number of justified complaints from hall users regarding the cleanliness and maintenance standard of the halls.<br><br>**Target:** ≤3 complaints per 100 bookings per year. | **2025/26**<br>Achieved | | | 2.68 justified complaints per 100 bookings.<br>784 bookings, 21 justified complaints. |
| | 2024/25<br>Achieved | | | 1.88 complaints per 100 bookings in 2024/25.<br>796 bookings in total. |
| **Elderly Persons Housing** | | | | |
| **What we said we would do: Pensioner units to be maintained to a comfortable and safe standard.** | | | | |
| **Measure:** Percentage of tenants satisfied with the comfort and safety of the unit.<br><br>**Target:** 85% | **2025/26**<br>Achieved | | | 95% of tenants were satisfied with the comfort and safety of the units. |
| | 2024/25<br>Achieved | | | 95% of tenants were satisfied with the comfort and safety of the units. |
| **Cemeteries** | | | | |
| **You can expect: Efficiently serviced and well maintained cemeteries.** | | | | |
| **Measure:** Number of justified complaints regarding grounds maintenance at all Council cemeteries.<br><br>**Target:** ≤10 | **2025/26**<br>Achieved | | | Three justified complaints have been received. |
| | 2024/25<br>Achieved | | | One justified complaint was received. |

# Ngā whaioranga hapori
# **Community and Economic Initiatives**



- Economic project assistance
- Social project assistance
- Promotions Whakatairanga
- Donations and grants

# Tiro whānui | **Overview**

Our community and economic initiatives group is focused on supporting people from the Hauraki District to thrive economically and socially. The ways we are planning to do this is outlined in the Manaaki Toiora strategy, particularly in the healthy people, business attraction and supporting local, and growing skills and the local workforce, priority areas.

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Our Long Term Plan

The community and economic initiatives activity consists of:

- Economic project assistance;
- Social project assistance;
- Promotions (Whakatairanga); and
- Donations and grants.

Our activity also includes managing agreements with a number of different organisations that we fund, including our visitor information service providers, town promotion agencies, our Regional Tourism Organisation, Citizens Advice Bureau, Coromandel Heritage Trust, Life Education Trust, Age Concern Hauraki-Coromandel, Hauraki Plains Community Hub and Creative Waikato.

## Effects on the community

The Community and Economic Initiatives group is primarily focused on encouraging economic and social growth for our District communities. This group celebrates and promotes the Hauraki District as a great environment to live, work and experience life, with opportunities for all. Besides strongly supporting economic development initiatives, the community development group provides an avenue for Council to support community initiatives focused on social well-being.

## Ngā huanga hapori | **Community outcomes**

The community services group mainly contributes to the following community outcomes.

Te Oranga pai o te Hapori
**Vibrant and safe communities**

Tūhono
**Connected people**

Oranga Ōhanga
**Strong economy**



## Meeting our service targets

### How we measure our performance

| | KEY: Achieved | Not Achieved | Not applicable |
|---|---|---|---|
| | **Result 2025/26** | | |
| **What we said we would do: strong support of our business community.** | | | |
| **Measure:** Support existing businesses through the growth of business promotional initiatives.<br>**Target:** 8 promotional communications are distributed annually. | **2025/26**<br>Achieved | 13 business promotional communications were delivered during the year, supporting existing businesses through increased promotion, engagement, and visibility. A range of business promotional initiatives were also undertaken, including the Business Awards, Business Association After five events, and business workshops, providing opportunities for businesses to showcase their services, build networks, and strengthen their growth and development. |
| | 2024/25<br>Achieved | There were thirteen events (industry networking, two Chat GPT workshops, leadership course, Business Awards, three BA5 attendances, four further events, three AI workshops, a business breakfast with Craigs Investment Partners and Business Connect) along with four specific promotional activities for Soda INC sessions. |

## What these activities cost and how they were paid for

### Operating statement for Community and Economic Initiatives

| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Expenditure** | | | |
| Economic project assistance | 535 | 479 | 444 |
| Social initiatives | 629 | 606 | 569 |
| Promotions | 374 | 371 | 321 |
| Grants and donations | 169 | 165 | 349 |
| Extended relationships \| Whakawhanaunga | 0 | 0 | 26 |
| **Total expenditure** | **1,706** | **1,621** | **1,709** |
| **Revenue** | | | |
| Fees, charges and other revenue | 56 | 0 | 83 |
| External subsidies | 288 | 0 | 356 |
| Targeted rates | 74 | 76 | 161 |
| General rates | 1,460 | 1,497 | 1,208 |
| **Total revenue** | **1,878** | **1,573** | **1,808** |
| **Operating surplus / (deficit)** | **172** | **(48)** | **99** |

Hauraki District Council

# Funding impact statement - Community and Economic Initiatives
## for the year ended 30 June 2026

| | Long-Term Plan 2025 $000 | Long-Term Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|
| **Sources of operating funding** | | | |
| General rates, uniform annual general charges, rate penalties | 1,186 | 1,320 | 1,497 |
| Targeted rates | 158 | 159 | 76 |
| Subsidies and grants for operating purposes | 287 | 288 | 0 |
| Fees and charges | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Interest and dividends from investments | 56 | 56 | 0 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 0 | 0 | 0 |
| Total operating funding (A) | 1,687 | 1,822 | 1,573 |
| **Applications of operating funding** | | | |
| Payments to staff and suppliers | 894 | 923 | 784 |
| Finance costs | 0 | 0 | 0 |
| Internal charges and overheads applied | 760 | 776 | 837 |
| Other operating funding applications | 0 | 0 | 0 |
| Total applications of operating funding (B) | 1,654 | 1,699 | 1,621 |
| **Surplus / (deficit) of operating funding (A - B)** | **33** | **123** | **(48)** |
| **Sources of capital funding** | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 |
| Increase (decrease) in debt | 0 | 0 | 0 |
| Gross proceeds from sale of assets | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 |
| Total Sources of capital funding (C) | 0 | 0 | 0 |
| **Applications of capital funding** | | | |
| Capital expenditure | | | |
| - to meet additional demand | 0 | 0 | 0 |
| - to improve the level of service | 0 | 0 | 0 |
| - to replace existing assets | 0 | 0 | 0 |
| Increase (decrease) in reserves | 33 | 123 | (48) |
| Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of capital funding (D) | 33 | 123 | (48) |
| **Surplus / (deficit) of capital funding (C - D)** | **(33)** | **(123)** | **48** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** |

# Ratonga whakahaere
# **Regulatory Services**



- Resource management implementation
- Building control
- Community protection
- Animal control

# Tiro whānui | **Overview**

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Our Long
Term Plan

Within regulatory services, we are involved in a number of services from preparing regulations to promoting compliance. We aim to ensure regulatory functions protect the community from a variety of risks and enhance and protect the natural and built environments. Our processes promote safely constructed buildings.

Our regulatory services are provided to:

- Ensure our communities are prepared to respond to and recover from emergency events;
- Meet our responsibilities under various legislation such as: The Building Act, Resource Management Act, Dog Control Act and Local Government Act;
- Promote the sustainable management of our natural and physical resources; and
- Promote public safety and minimise nuisances.

### Resource management implementation | Te whakatinanatanga ō ngā māhere taiao

This includes regulating land use and development activities through implementation of resource management legislation and the district plan (i.e. resource consents). This ensures we promote the sustainable management of our environment by helping prevent, mitigate or remediate any adverse effects arising from land use and development.

### Building control | Mana hanga

This includes administering and implementing the provisions of the Building Act 2004. We are accredited as the building consent authority and ensure all buildings are constructed and maintained to the appropriate standards. As well as regulating building work (building consents), we undertake building warrants of fitness monitoring, swimming pool fencing inspections, preparation of project information memorandums, and implementing earthquake prone, dangerous and insanitary building regulations.

### Community protection | Tiaki hapori

We provide services to ensure food and alcohol premises are suitably licenced and are maintaining appropriate processes to ensure compliance with the Food Act and the Sale and Supply of Alcohol Act 2012.

We also provide registration and inspection of hairdressers, and campgrounds. Community protection also includes noise and nuisance complaints to protect people from excessive and unreasonable noise.

Emergency management is also part of our community protection activity. It involves planning to reduce risks that could result in an emergency, responding and recovering from emergencies that do occur.

We provide emergency management services to:

- ensure our community are aware of natural risks and are prepared for these
- keep essential services known as lifelines operating in and after an emergency
- keep people safe during and after an emergency event
- put arrangements in place to recover after an emergency event.

### Animal control | Mana kararehe

We deliver animal control services, which includes; dog registration, education, dog control and control of other animal nuisances, like wandering stock. We manage dog and other animal nuisance in order to maintain public safety. We also house dogs, when required, in our pound facility and re-home them where possible.

## Effects on the community

The regulatory services group of activities assists the Council in the improvement of local communities through the regulation of building work, the control of social issues via bylaws, and the protection of lifestyles and the environment enjoyed by residents, making a safer District for all. Many mechanisms of the regulatory services group are mandatory or legislatively required, but the underlying theme is the protection and safety of our communities and an increase in social wellbeing.

## Ngā huanga hapori | **Community outcomes**

The regulatory services group mainly contributes to the following community outcomes.

Te Oranga pai o te Hapori
**Vibrant and safe communities**

Te Mauri o te Taiao
**Healthy environment**

## Meeting our service targets

### How we measure our performance

| | KEY: ✓ Achieved ✗ Not Achieved ⊘ Not applicable | |
|---|---|---|
| | **Result 2025/26** | |
| **Regulatory management implementation** | | |
| **What we said we would do: Resource consents to be decided and issued within Resource Management Act 1991 timeframes.** | | |
| **Measure:** Notified resource consent decisions issued within statutory timeframes.<br><br>**Target:** 100% of decisions issued within statutory timeframes. | **2025/26**<br>✓<br>Achieved | 100% (3/3) notified consents issued within statutory timeframes. |
| | 2024/25<br>⊘<br>Not applicable | No notified consent decisions issued. |
| **Measure:** Non-notified resource consent decisions are issued within statutory timeframes.<br><br>**Target:** 100% | **2025/26**<br>✗<br>Not Achieved | 83% (78/94) issued within legislative timeframes. This measure is not achieved due to several factors such as application complexity and contractor availability. |
| | 2024/25<br>✗<br>Not Achieved | 91% (82/90). Several resource consents were delayed due to resourcing constraints. A new Resource Consent Team Leader has been appointed and is now working closely with consultants to improve service levels. |
| **Measure:** Permitted boundary activity certificates are issued within statutory timeframes.<br><br>**Target:** 100% | **2025/26**<br>✓<br>Achieved | 100% (17/17) Permitted boundary certificates issued. |
| | 2024/25<br>✗<br>Not Achieved | 100% (11/11) of permitted boundary activity certificates issued within statutory timeframe. |
| **What we said we would do: A monitoring service which ensures compliance with consent conditions.** | | |
| **Measure:** Land use consents issued during the previous financial year are monitored within 12 months of being granted.<br><br>**Target:** 90% | **2025/26**<br>✓<br>Achieved | 100% (32/32) Consents granted in the previous financial year are monitored within the next 12 months. |
| | 2024/25<br>✓<br>Achieved | 100% (85/85) of land use consents monitored were monitored within 12 months of being granted in 2024/25. |
| **What we said we would do: Land Information Memoranda (LIM) to be issued within agreed timeframes.** | | |
| **Measure:** Non-urgent LIMs issued within 10 working days (statutory).<br><br>**Target:** 100%. | **2025/26**<br>✓<br>Achieved | 100% (343/343) non urgent LIMS were issued within 10 working days. |
| | 2024/25<br>✓<br>Achieved | 100% (440/440) of non-urgent LIMs issued within 10 working days (statutory). |
| **Measure:** Urgent LIMS are issued within 3 working days.<br><br>**Target:** 100% | **2025/26**<br>✓<br>Achieved | 100% (80/80) of urgent LIMS were issued within three working days. |
| | 2024/25<br>✗<br>Not Achieved | 99% (128/129) of urgent LIMs delivered within 3 working days. |

| | KEY: Achieved | Not Achieved | Not applicable | |
|---|---|---|---|---|
| | | **Result 2025/26** | | |
| **Regulatory management implementation** | | | | |
| **What we said we would do: Public satisfaction with the Council's administering of the resource consent services.** | | | | |
| **Measure:** Percentage of customers satisfied with the service they receive during the resource consent process.<br><br>**Target:** ≥75% | **2025/26**<br>Not Achieved | | | The 2026 satisfaction survey results showed that 44% of residents are satisfied with the Council's resource consent services. |
| | 2024/25<br>Not Achieved | | | The 2025 satisfaction survey results showed that 60% of residents are satisfied with the Council's resource consent services. |
| **Building control** | | | | |
| **What we said we would do: Building consent applications to be processed within the statutory timeframes of the Building Act 2004.** | | | | |
| **Measure:** Building consent applications are processed within 20 working day.<br><br>**Target:** 100% | **2025/26**<br>Not Achieved | | | 98% (357/366) Building consent applications processed within 20 working days. The delays were mainly due to the complexity of some consent applications, resourcing being diverted during the IANZ audit, and limited availability of qualified staff to review consents while some Building Control Officers were undertaking training to gain higher-level qualifications. As a result, some consents required additional review and were delayed due to limited reviewing capacity. |
| | 2024/25<br>Not Achieved | | | 99% (232/235) of building consent applications were processed within 20 working days in 2024/25. A number of building consents were overdue due to resourcing. The team are actively working on managing workload and process improvements to address this. 3/235 consents were overdue by less than 9 days. |
| **You can expect: That known privately owned swimming pools comply with the Building Act 2004 .** | | | | |
| **Measure:** All registered private swimming pools fencing will be inspected during the year of their three yearly anniversary.<br><br>**Target:** 100% | **2025/26**<br>Achieved | | | 100% inspections completed. |
| | 2024/25<br>Achieved | | | 100% of pools were inspected in 2024/25. |
| **What we said we would do: Satisfactory service to our building consent customers.** | | | | |
| **Measure:** Percentage of customers satisfied with the service they receive during the building consent process.<br><br>**Target:** ≥80% | **2025/26**<br>Not Achieved | | | The 2026 satisfaction survey results showed that 62% of residents are satisfied with the service they received during the building consent process. |
| | 2024/25<br>Not Achieved | | | The 2025 satisfaction survey results showed that 58% of residents are satisfied with the service they received during the building consent process. |

| | KEY: Achieved | Not Achieved | Not applicable | |
|---|---|---|---|---|
| | | **Result 2025/26** | | |
| **Community protection** | | | | |
| **What we said we would do: That the Council will carry out its role in public food safety by enforcing the Food Act 2014.** | | | | |
| **Measure:** All known food premises are monitored for compliance with relevant legislation.<br><br>**Target:** 100%. | **2025/26**<br>Not Achieved | | | 84% (70/83) of verifications have been undertaken for the year. Non-achievement was mainly due to timing and availability issues, including verifications being deferred over the busy holiday period, business operators rescheduling appointments, premises not being ready or completed, and businesses changing ownership, moving premises, being sold, or going into voluntary suspension. |
| | 2024/25<br>Not Achieved | | | 96% (88/92) of food premises due to be monitored were completed. |
| **What we said we would do: That the Council will carry out its role in public safety by implementing the Sale and Supply of Alcohol Act 2012.** | | | | |
| **Measure:** New and renewed On/Off and Club Liquor Licences are issued within three months of receiving the application, providing there are no objections and the application is complete.<br><br>**Target:** 100% | **2025/26**<br>Achieved | | | 100% (12/12) On, Off and Club Licences were issued within the required timeframe. |
| | 2024/25<br>Achieved | | | 100% (16/16) of on/off/club Licences applications were issued within three months. |
| **What we said we would do: Excessive noise complaints will be responded to by the Council.** | | | | |
| **Measure:** All complaints regarding excessive noise are investigated within two hours of the complaint being received.<br><br>**Target:** 100%. | **2025/26**<br>Not Achieved | | | Not achieved: 94% (176/187) of noise complaints were investigated within two hours. Several complaints are not investigated within two hours due to distance and calls not being put through correctly. |
| | 2024/25<br>Not Achieved | | | 93% (150/161) of noise complaints were responded to within two hours in 2024/25.<br>Several factors have affected response times, including requests made too early to attend, safety concerns associated with some incidents, and delays in calls being passed on to the attending officer. The teams are working collaboratively to review processes and ensure appropriate training is in place. |

| | KEY: ✓ Achieved ✗ Not Achieved ⊘ Not applicable | |
|---|---|---|
| | **Result 2025/26** | |
| **Animal control** | | |
| **What we said we would do: That the Council will ensure compliance with the Dog Control Act 1996 and bylaw, and the Impounding Act 1955, to provide for public safety.** | | |
| **Measure:** Known dogs in the District are registered annually.<br><br>**Target:** ≥97% | **2025/26**<br>✓<br>Achieved | 99% (4171/4202) of known dogs registered. |
| | 2024/25<br>✓<br>Achieved | 98% (4280/4334) of known dogs are registered. |
| **Measure:** Complaints about wandering stock on public roads are responded to within two hours.<br><br>**Target:** 100% | **2025/26**<br>✓<br>Achieved | 100% (23/23) of complaints about wandering stock on public roads were responded to within two hours in 2025/26. |
| | 2024/25<br>✓<br>Achieved | 100% (31/31) of complaints about wandering stock on public roads were responded to within two hours in 2024/25. |
| **Measure:** Dog attack complaints are responded to within two hours.<br><br>**Target:** 100% | **2025/26**<br>✗<br>Not Achieved | 92% (59/64) of dog attack complaints were responded to within two hours.<br>This measure was not achieved due to a range of factors that varied across the individual calls. The reasons for non-achievement were not consistent across all calls and included some requests being received by email after hours, travel time resulting in one response being around 30 minutes longer than the target, and one instance of officer error. |
| | 2024/25<br>✓<br>Achieved | 100% (72/72) of dog attack complaints were responded to within two hours in 2024/25. |

## What these activities cost and how they were paid for

### Operating statement for Regulatory Services

| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Expenditure** | | | |
| RMA implementation | 1,941 | 2,049 | 1,682 |
| Building services | 2,172 | 2,281 | 1,938 |
| Emergency management | 441 | 558 | 478 |
| Health | 626 | 618 | 595 |
| Liquor licensing | 189 | 185 | 186 |
| CCTV and abandoned mines | 99 | 107 | 111 |
| Dog registration | 389 | 368 | 360 |
| Animal control | 403 | 397 | 381 |
| **Total expenditure** | **6,261** | **6,563** | **5,731** |
| **Revenue** | | | |
| Fees, charges and other revenue | 2,310 | 2,375 | 2,041 |
| External subsidies | 0 | 0 | 0 |
| Targeted rates | 0 | 0 | 0 |
| General rates | 4,492 | 4,614 | 3,816 |
| **Total revenue** | **6,802** | **6,989** | **5,857** |
| **Operating surplus / (deficit)** | **541** | **426** | **126** |

Hauraki District Council

# Funding impact statement - Regulatory Services

## for the year ended 30 June 2026

| | Long-Term Plan 2025 $000 | Long-Term Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|
| **Sources of operating funding** | | | |
| General rates, uniform annual general charges, rate penalties | 3,753 | 4,136 | 4,614 |
| Targeted rates | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 |
| Fees and charges | 2,285 | 2,335 | 2,375 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Interest and dividends from investments | 0 | 0 | 0 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 0 | 0 | 1 |
| Total operating funding (A) | 6,038 | 6,471 | 6,990 |
| **Applications of operating funding** | | | |
| Payments to staff and suppliers | 1,207 | 1,230 | 1,514 |
| Finance costs | 0 | 0 | 0 |
| Internal charges and overheads applied | 4,666 | 4,770 | 5,032 |
| Other operating funding applications | 0 | 0 | 0 |
| Total applications of operating funding (B) | 5,873 | 6,000 | 6,546 |
| **Surplus / (deficit) of operating funding (A - B)** | **164** | **471** | **444** |
| **Sources of capital funding** | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 |
| Increase (decrease) in debt | 0 | 0 | 0 |
| Gross proceeds from sale of assets | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 |
| Total Sources of capital funding (C) | 0 | 0 | 0 |
| **Applications of capital funding** | | | |
| Capital expenditure | 0 | | |
| - to meet additional demand | 0 | 0 | 0 |
| - to improve the level of service | 0 | 0 | 0 |
| - to replace existing assets | 0 | 0 | 0 |
| Increase (decrease) in reserves | 164 | 471 | 444 |
| Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of capital funding (D) | 164 | 471 | 444 |
| **Surplus / (deficit) of capital funding (C - D)** | **(164)** | **(471)** | **(444)** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** |

# Whakahaere ururua **Environmental Initiatives**



- Zero carbon promise implementation
- Biodiversity strategy implementation
- Coast care programme
- Conservation and heritage fund
- Climate change adaptation plan implementation

## Tiro whānui | **Overview**

This activity includes:

- Zero carbon promise implementation;
- Biodiversity strategy implementation;
- Coast care programme;
- Conservation and heritage fund; and
- Climate change adaptation plan implementation.

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Our Long
Term Plan

### Effects on the community

The Environmental Initiatives activity assists the Council in the improvement of local communities by acknowledging it's role in environmental wellbeing and identifying environmental initiatives to improve this wellbeing.

## Ngā huanga hapori | **Community outcomes**

The environmental initiatives activity mainly contributes to the following community outcomes.

Te Oranga pai o te Hapori
**Vibrant and safe communities**

Tūhono
**Connected people**

Te Mauri o te Taiao
**Healthy environment**



## Meeting our service targets

### How we measure our performance

| | KEY: Achieved | Not Achieved | Not applicable |
|---|---|---|---|
| | **Result 2025/26** | | |
| **You can expect: The Council to improve biodiversity in riparian areas owned or controlled by Council.** | | | |
| **Measure:** Riparian planting on council owned or controlled land is undertaken.<br><br>**Target:** 250m$^2$ per year. | **2025/26**<br>Achieved | 500m$^2$ of planting has been achieved in 2025/26. | |
| | 2024/25<br>Not Achieved | We are working on building relationships with a local indigenous plant nursery to source quality plants. Planting is intended to be undertaken in 2025/26. | |

## What these activities cost and how they were paid for

### Operating statement for Environmental Initiatives

| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Expenditure** | | | |
| Biodiversity | 61 | 8 | 25 |
| Coast care | 36 | 35 | 0 |
| Conservation and heritage | 17 | 27 | 13 |
| Climate change adaptation | 20 | 28 | 0 |
| Zero carbon | 37 | 9 | 0 |
| **Total expenditure** | **172** | **107** | **38** |
| **Revenue** | | | |
| Fees, charges and other revenue | 0 | 0 | 0 |
| External subsidies | 0 | 0 | 0 |
| Targeted rates | 0 | 0 | 0 |
| General rates | 179 | 184 | 165 |
| **Total revenue** | **179** | **184** | **165** |
| **Operating surplus / (deficit)** | **8** | **77** | **127** |

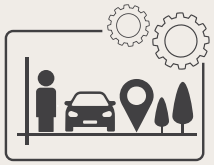
Hauraki District Council

# Funding impact statement - Environmental Initiatives

## for the year ended 30 June 2026

| | Long-Term Plan 2025 $000 | Long-Term Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|
| **Sources of operating funding** | | | |
| General rates, uniform annual general charges, rate penalties | 162 | 176 | 183 |
| Targeted rates | 0 | 0 | 0 |
| Subsidies and grants for operating purposes | 0 | 0 | 0 |
| Fees and charges | 0 | 0 | 0 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Interest and dividends from investments | 0 | 0 | 0 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 0 | 0 | 0 |
| Total operating funding (A) | 162 | 176 | 183 |
| **Applications of operating funding** | | | |
| Payments to staff and suppliers | 168 | 172 | 106 |
| Finance costs | 0 | 0 | 0 |
| Internal charges and overheads applied | 0 | 0 | 0 |
| Other operating funding applications | 0 | 0 | 0 |
| Total applications of operating funding (B) | 168 | 172 | 106 |
| **Surplus / (deficit) of operating funding (A - B)** | **(6)** | **4** | **77** |
| **Sources of capital funding** | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 0 |
| Development and financial contributions | 0 | 0 | 0 |
| Increase (decrease) in debt | 0 | 0 | 0 |
| Gross proceeds from sale of assets | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 |
| Total Sources of capital funding (C) | 0 | 0 | 0 |
| **Applications of capital funding** | | | |
| Capital expenditure | 0 | 0 | |
| - to meet additional demand | 0 | 0 | 0 |
| - to improve the level of service | 0 | 0 | 0 |
| - to replace existing assets | 0 | 0 | 0 |
| Increase (decrease) in reserves | (6) | 4 | 77 |
| Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of capital funding (D) | (6) | 4 | 77 |
| **Surplus / (deficit) of capital funding (C - D)** | **6** | **(4)** | **(77)** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** |

# Ngā ratonga tautoko
# **Support Services**



- Forestry
- Property
- Subdivision
- Fleet Management
- Project Management
- Overheads

# Tiro whānui | **Overview**

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Our Long Term Plan

Our support services group includes the sub-activities of property, forestry, subdivision, fleet management, overheads and project operations (previously encompassing all council business units).

### Forestry

This sub-activity is part of our broader property function. Hauraki District Council owns three main forestry blocks, these are located at the Council quarry, Gobles Road, and Mangawara, totalling 109 hectares. The Council is involved with Forestry in an effort to maintain or improve the wellbeing of the district. We have forestry to provide investment returns for Council and to offset Council's greenhouse gas emissions.

### Property

Our property function includes managing a range of corporate buildings such as council libraries, area offices, depots, dog pounds and property that supports a range of our activities. Wastewater, water supply and land drainage buildings are not included in the property function (these are covered in those activities), with the exception of the land. These are required for the operation of the Council's business.

### Subdivision

This sub-activity involves the purchase and development of land and the provision of infrastructure to ensure that our communities have the opportunity to purchase lots for homes and other activities.

### Fleet management

This activity manages the Council's fleet of vehicles and construction and maintenance plant and equipment. The activity oversees the procurement and subsequent maintenance of the fleet and enables us to effectively carry out council activities and business to community.

### Project management

Projects and operations comprises of three operational teams providing project management, engineering services, and operational service and maintenance (Works) to both internal and external customers. The project management function supports all areas of council and the community by providing quality operational support of local infrastructure, managing and performing tasks, and maintaining facilities.

### Overheads

Council operates a number of support areas, otherwise known as overheads, which assist all of its activities to deliver on their objectives where it is not cost efficient or practicable for each activity to have its own dedicated team. Examples include finance, HR, IT and the like. These overheads are fully re-charged out across the activities of council (using a cascade / waterfall method) across the rest of the organisation.

## Effects on the community

The Support Services activity assists the Council in the improvement of local communities by supporting the deliverables of Council and the activities contribute to the overall community wellbeing of the district.

## Ngā huanga hapori | **Community outcomes**

The support services group mainly contributes to the following community outcomes.

Te Oranga pai o te Hapori
**Vibrant and safe communities**

Te Mauri o te Taiao
**Healthy environment**

## Meeting our service targets

### How we measure our performance

| | KEY: ✓ Achieved | ✗ Not Achieved | ⊘ Not applicable |
|---|---|---|---|
| | **Result 2025/26** | | |
| **What we said we would do: the online services council provides are reliable.** | | | |
| **Measure:** Council's website is available at all times.<br><br>**Target:** ≥99% | **2025/26**<br>✓<br>Achieved | Council's website was available for internal and external customers 100% of the time in 2025/26. | |
| | 2024/25<br>✓<br>Achieved | Council's website was available for internal and external customers 100% of the time in 2024/25. | |

## What these activities cost and how they were paid for

### Operating statement for Support Services

| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Expenditure** | | | |
| Business Units | 604 | 1,254 | 886 |
| Overheads | 207 | 491 | 914 |
| Other P&L | 1,551 | 1,889 | 3,548 |
| Property | 1,638 | 1,641 | 2,295 |
| Plant | 239 | 322 | 340 |
| Forestry | 81 | 37 | 30 |
| **Total expenditure** | **4,319** | **5,634** | **8,013** |
| **Revenue** | | | |
| Fees, charges and other revenue | 12,552 | 4,526 | 2,632 |
| External subsidies | 76 | 6 | 36 |
| Targeted rates | (359) | (885) | (2,133) |
| General rates | (448) | (784) | (18) |
| **Total revenue** | **11,822** | **2,863** | **517** |
| **Operating surplus / (deficit)** | **7,502** | **(2,771)** | **(7,496)** |

Hauraki District Council

# Funding impact statement - Support Services
## for the year ended 30 June 2026

| | Long-Term Plan 2025 $000 | Long-Term Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|
| **Sources of operating funding** | | | |
| General rates, uniform annual general charges, rate penalties | (438) | (448) | (784) |
| Targeted rates | (351) | (359) | (885) |
| Subsidies and grants for operating purposes | 182 | 76 | 62 |
| Fees and charges | 274 | 280 | 230 |
| Internal charges and overheads recovered | 0 | 0 | 0 |
| Interest and dividends from investments | (56) | (56) | 738 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 270 | 12,328 | 3,000 |
| Total operating funding (A) | (119) | 11,822 | 2,361 |
| **Applications of operating funding** | | | |
| Payments to staff and suppliers | 14,213 | 16,199 | 16,276 |
| Finance costs | 277 | 353 | 2,024 |
| Internal charges and overheads applied | (14,769) | (15,168) | (15,983) |
| Other operating funding applications | 0 | 0 | 0 |
| Total applications of operating funding (B) | (280) | 1,383 | 2,317 |
| **Surplus / (deficit) of operating funding (A - B)** | **161** | **10,439** | **44** |
| **Sources of capital funding** | | | |
| Subsidies and grants for capital expenditure | 0 | 0 | 5 |
| Development and financial contributions | 0 | 0 | 0 |
| Increase (decrease) in debt | 4,825 | (2,844) | 10,415 |
| Gross proceeds from sale of assets | 0 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 |
| Total Sources of capital funding (C) | 4,825 | (2,844) | 10,420 |
| **Applications of capital funding** | | | 0 |
| Capital expenditure | 0 | 0 | 0 |
| - to meet additional demand | 0 | 0 | 0 |
| - to improve the level of service | 5,619 | 3,264 | 4,692 |
| - to replace existing assets | 2,905 | 1,122 | 1,196 |
| Increase (decrease) in reserves | (3,537) | 3,208 | 4,576 |
| Increase (decrease) of investments | 0 | 0 | 0 |
| Total applications of capital funding (D) | 4,986 | 7,594 | 10,464 |
| **Surplus / (deficit) of capital funding (C - D)** | **(161)** | **(10,439)** | **(44)** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** |

# Ngā Tauāki Pūtea
# **Financial Statements**

- Statement of Comprehensive Revenue and Expense for the year ended 30 June 2026
- Statement of Financial Position as of 30 June 2026
- Statement of Changes in Equity for the year ended 30 June 2026
- Statement of Cash flows for the year ended 30 June 2026
- Whole of Council Funding Impact Statement for the year ended 30 June 2026
- Notes to the Financial Statements for the year ended 30 June 2026

Hauraki District Council

# Statement of comprehensive revenue and expense
## for the year ended 30 June 2026

| | Notes | 2026 Budget $000 | 2026 Actual $000 | 2025 Actual $000 |
|---|---|---|---|---|
| **Revenue** | | | | |
| Rates revenue | 3 | 51,940 | 54,275 | 48,959 |
| Fees and charges | 3 | 5,438 | 5,314 | 4,575 |
| Development and financial contributions | | 638 | 449 | 827 |
| Subsidies and grants | 3 | 10,012 | 12,590 | 12,107 |
| Interest revenue | 3 | 50 | 731 | 1,388 |
| Other revenue | 3 | 12,859 | 3,814 | 1,908 |
| **Total revenue** | | **80,937** | **77,173** | **69,764** |
| **Expenses** | | | | |
| Personnel costs | 4 | 25,010 | 23,718 | 22,111 |
| Depreciation and amortisation expense | 15 | 18,418 | 21,295 | 17,727 |
| Finance costs | 5 | 6,313 | 6,591 | 6,024 |
| Other expenses | 6 | 26,713 | 33,312 | 30,888 |
| **Total expenses** | | **76,454** | **84,916** | **76,750** |
| **Surplus / (deficit) before tax** | | **4,483** | **(7,743)** | **(6,985)** |
| Income tax expense | | 0 | 0 | 0 |
| **Surplus/(deficit) after tax** | | **4,483** | **(7,743)** | **(6,985)** |
| **Other comprehensive revenue and expense** | | | | |
| *Items that will not be reclassified to surplus/(deficit)* | | | | |
| Gain on property, plant and equipment revaluations | 13 | 0 | 436 | 221,772 |
| Impairment of revalued assets | 13 | 0 | (10) | 0 |
| Gain / (loss) on financial assets revaluations | | 0 | 132 | 17 |
| **Total other comprehensive revenue and expense** | | **0** | **558** | **221,789** |
| **Total comprehensive revenue and expense** | | **4,483** | **(7,185)** | **214,805** |

Hauraki District Council

# Statement of financial position

## for the year ended 30 June 2026

| | Notes | 2026 Budget $000 | 2026 Actual $000 | 2025 Actual $000 |
|---|---|---|---|---|
| **Current assets** | | | | |
| Cash and cash equivalents | 7 | 12,011 | 18,518 | 13,700 |
| Receivables | 8 | 12,097 | 15,853 | 14,234 |
| Assets held for sale | 10 | 0 | 172 | 242 |
| Derivative financial instruments | 11 | 578 | 12 | 19 |
| Other financial assets | 12 | 11,218 | 13,921 | 16,309 |
| Inventory | 9 | 847 | 2,862 | 3,012 |
| ***Total current assets*** | | **36,751** | **51,338** | **47,516** |
| **Non-current assets** | | | | |
| *Other financial assets:* | | | | |
| Community loans | 12 | 75 | 36 | 55 |
| Borrower notes | 12 | 6,350 | 4,473 | 3,587 |
| Investments in other entities | 12 | 59 | 60 | 60 |
| Investments in CCOs and similar entities | 12 | 469 | 617 | 485 |
| *Total other financial assets* | | 6,953 | 5,187 | 4,188 |
| Inventory | 9 | 1,395 | 1,494 | 1,457 |
| Derivative financial instruments | 11 | 412 | 41 | 42 |
| Intangible assets | 14 | 1,994 | 2,653 | 2,358 |
| Forestry assets | 16 | 521 | 143 | 1,600 |
| Property, plant and equipment | 13 | 953,387 | 1,095,440 | 1,076,109 |
| ***Total non-current assets*** | | **964,662** | **1,104,958** | **1,085,754** |
| **Total assets** | | **1,001,414** | **1,156,296** | **1,133,270** |
| **Current liabilities** | | | | |
| Payables and deferred revenue | 17 | 6,678 | 11,337 | 13,413 |
| Derivative financial instruments | 11 | 0 | 645 | 507 |
| Employee entitlements | 19 | 3,001 | 2,603 | 2,454 |
| Provisions | 20 | 65 | 177 | 164 |
| Borrowings | 18 | 26,000 | 67,623 | 35,016 |
| ***Total current liabilities*** | | **35,744** | **82,385** | **51,555** |
| **Non-current liabilities** | | | | |
| Derivative financial instruments | 11 | 11 | 459 | 763 |
| Employee entitlements | 19 | 285 | 220 | 268 |
| Provisions | 20 | 1,181 | 943 | 973 |
| Borrowings | 18 | 171,000 | 104,775 | 105,012 |
| ***Total non-current liabilities*** | | **172,477** | **106,397** | **107,016** |
| **Total liabilities** | | **208,221** | **188,782** | **158,571** |
| **Net assets (assets minus liabilities)** | | **793,192** | **967,514** | **974,699** |

Hauraki District Council

# Statement of financial position
## for the year ended 30 June 2026

| | Notes | 2026 Budget $000 | 2026 Actual $000 | 2025 Actual $000 |
|---|---|---|---|---|
| **Equity** | | | | |
| Accumulated funds | | 399,759 | 384,786 | 390,669 |
| Reserves | 22 | 393,434 | 582,728 | 584,030 |
| **Total equity** | | **793,192** | **967,514** | **974,699** |

Hauraki District Council

# Statement of Changes in Equity
## for the year ended 30 June 2026

| | Notes | 2026 Budget $000 | 2026 Actual $000 | 2025 Actual $000 |
|---|---|---|---|---|
| **Balance at 1 July** | | **788,710** | **974,699** | **759,895** |
| Total comprehensive revenue and expense for the year | | 4,483 | (7,185) | 214,805 |
| **Balance at 30 June** | | **793,192** | **967,514** | **974,699** |
| **Total equity consists of:** | | | | |
| ***Accumulated funds*** | | | | |
| **As at 1 July** | | **395,419** | **390,669** | **396,319** |
| Transfers from asset revaluation reserves | | 0 | 1,844 | 1,192 |
| Transfers from other reserves | | 0 | (136) | (288) |
| Transfers to other reserves | | (143) | 152 | 432 |
| Surplus/(deficit) for the year | | 4,483 | (7,743) | (6,985) |
| **As at 30 June** | | **399,759** | **384,786** | **390,669** |
| ***Other Reserves*** | | | | |
| **As at 1 July** | | **2,385** | **2,241** | **2,385** |
| Transfers to Accumulated Funds | | (56) | (152) | (432) |
| Transfers from Accumulated Funds | | 199 | 136 | 288 |
| **As at 30 June** | 22 | **2,528** | **2,225** | **2,241** |
| ***Asset Revaluation Reserves*** | | | | |
| **As at 1 July** | | **390,542** | **581,407** | **360,827** |
| Transfers to accumulated funds | | 0 | (1,844) | (1,192) |
| Impairment of revalued assets | | 0 | (10) | 0 |
| Revaluation gains/(losses) | | 0 | 436 | 221,772 |
| **As at 30 June** | 22 | **390,542** | **579,988** | **581,407** |
| **Fair value through other comprehensive income and expense reserve** | | | | |
| **As at 1 July** | | **364** | **382** | **364** |
| Net change in fair value | | 0 | 132 | 17 |
| **As at 30 June** | | **364** | **514** | **382** |
| **Total equity as at 30 June** | | **793,192** | **967,514** | **974,699** |

Hauraki District Council

# Statement of cash flows
## for the year ended 30 June 2026

| | Notes | 2026 Budget $000 | 2026 Actual $000 | 2025 Actual $000 |
|---|---|---|---|---|
| **Cash flows from operating activities** | | | | |
| Receipts from rates revenue | | 51,810 | 51,200 | 46,761 |
| Receipts from other revenue | | 29,183 | 22,509 | 18,933 |
| Interest received | | 50 | 1,149 | 799 |
| Dividends received | | 0 | 7 | 7 |
| GST (net) | | 0 | 328 | (35) |
| Payments to suppliers and employees | | (62,867) | (54,959) | (48,076) |
| Interest paid | | (6,313) | (6,221) | (6,083) |
| ***Net cash flow from operating activities*** | | **11,862** | **14,013** | **12,306** |
| **Cash flows from investing activities** | | | | |
| Advance payments received | | 0 | 18 | 20 |
| Receipts from sale of property, plant and equipment | | 1,043 | 495 | 133 |
| Advance payments made | | 0 | 1,839 | (6,752) |
| Purchase of property, plant and equipment | | (58,218) | (43,572) | (41,825) |
| Purchase of intangible assets | | 0 | (345) | (366) |
| ***Net cash flow from investing activities*** | | **(57,176)** | **(41,565)** | **(48,790)** |
| **Cash flows from financing activities** | | | | |
| Receipts from finance leases | | 0 | 0 | 0 |
| Proceeds from borrowings | | 65,972 | 67,387 | 59,000 |
| Repayment of finance lease liabilities | | 0 | (16) | (16) |
| Repayment of borrowings | | (19,016) | (35,000) | (19,000) |
| ***Net cash flow from financing activities*** | | **46,956** | **32,371** | **39,984** |
| **Net increase / (decrease) in cash and cash equivalents** | | **1,642** | **4,818** | **3,500** |
| Cash and cash equivalents at the start of the year | | 10,369 | 13,700 | 10,200 |
| **Cash and cash equivalents at the end of the year** | | **12,011** | **18,518** | **13,700** |

Hauraki District Council

# Statement of cash flows
## for the year ended 30 June 2026

### Reconciliation of surplus/ (deficit) after tax to net cash flow from operating activities

| | 2026 Actual $000 | 2025 Actual $000 |
|---|---|---|
| **Surplus/(deficit) after tax** | **(7,743)** | **(6,985)** |
| **Add/(less) non-cash items** | | |
| Vested assets | (223) | (433) |
| Amortisation | 50 | 50 |
| Depreciation | 21,245 | 17,677 |
| Impairment | 305 | |
| (Gains) / losses in fair value of forestry assets | 1,457 | (36) |
| (Gains) / losses in fair value of borrower notes | (338) | 0 |
| Net (gains) / losses on interest rate swaps | (158) | 2,189 |
| Net movement (gain) / loss on doubtful debts | 8 | (3) |
| Transfers to inventory | 0 | 526 |
| **Total non-cash items** | **22,346** | **19,970** |
| **Add/(less) movements in working capital items** | | |
| Increase / (decrease) in payables | (2,076) | 661 |
| Increase / (decrease) in provisions | (17) | (109) |
| Increase / (decrease) in employee entitlements | 100 | 136 |
| (Increase) / decrease in inventory | 114 | (1,483) |
| (Increase) / decrease in receivables | (1,626) | (2,336) |
| **Net movement in working capital items** | **(3,505)** | **(3,131)** |
| **Add/(less) items classified as investing activities** | | |
| (Gains) / losses on sale of property, plant and equipment | 2,915 | 2,452 |
| **Total items classified as investing activities** | **2,915** | **2,452** |
| **Net cash inflow / (outflow) from operating activities** | **14,013** | **12,306** |

### Reconciliation of liabilities arising from financing activities

| | 2026 Actual $000 | 2025 Actual $000 |
|---|---|---|
| **Borrowings – cash movements** | | |
| Proceeds from borrowings | 67,387 | 59,000 |
| Repayment of borrowings | (35,000) | (19,000) |
| Proceeds from finance lease - principal | 0 | 0 |
| Repayment of finance lease – principal | (16) | (16) |
| **Borrowings – total cash movement** | **32,371** | **39,984** |

Hauraki District Council

# Funding Impact Statement

## for the year ended 30 June 2026

| | Annual Plan 2025 $000 | Actual 2025 $000 | Annual Plan 2026 $000 | Actual 2026 $000 |
|---|---|---|---|---|
| **Sources of operating funding** | | | | |
| General rates, uniform annual general charges, rate penalties | 15,736 | 16,267 | 18,585 | 18,581 |
| Targeted rates | 31,150 | 32,693 | 33,355 | 35,693 |
| Subsidies and grants for operating purposes | 6,239 | 6,902 | 5,356 | 6,483 |
| Fees and charges | 5,549 | 4,576 | 5,729 | 5,314 |
| Interest and dividends from investments | 0 | 1,395 | 0 | 738 |
| Local Authorities fuel tax, fines, infringement fees, and other receipts | 270 | 1,431 | 12,328 | 3,088 |
| Total operating funding (A) | 58,944 | 63,264 | 75,353 | 69,897 |
| **Applications of operating funding** | | | | |
| Payments to staff and suppliers | 47,176 | 48,361 | 51,722 | 52,077 |
| Finance costs | 4,664 | 6,023 | 6,313 | 6,590 |
| Total applications of operating funding (B) | 51,841 | 54,384 | 58,036 | 58,667 |
| **Surplus / (deficit) of operating funding (A - B)** | **7,103** | **8,880** | **17,317** | **11,230** |
| **Sources of capital funding** | | | | |
| Subsidies and grants for capital expenditure | 8,436 | 5,205 | 4,656 | 6,108 |
| Development and financial contributions | 630 | 827 | 638 | 449 |
| Increase (decrease) in debt | 48,000 | 39,983 | 46,956 | 31,000 |
| Gross proceeds from sale of assets | 0 | 135 | 0 | 0 |
| Lump sum contributions | 0 | 0 | 0 | 0 |
| Other dedicated capital funding | 0 | 0 | 0 | 0 |
| Total Sources of capital funding (C) | 57,066 | 46,150 | 52,250 | 37,557 |
| **Applications of capital funding** | | | | |
| Capital expenditure | | | | |
| - to meet additional demand | 0 | 0 | 0 | 0 |
| - to improve the level of service | 43,135 | 28,768 | 44,549 | 27,825 |
| - to replace existing assets | 24,362 | 14,392 | 13,669 | 16,234 |
| Increase (decrease) in reserves | (3,328) | 11,870 | 11,349 | 4,728 |
| Increase (decrease) of investments | 0 | 0 | 0 | 0 |
| Total applications of capital funding (D) | 64,169 | 55,030 | 69,567 | 48,787 |
| **Surplus / (deficit) of capital funding (C - D)** | **(7,103)** | **(8,880)** | **(17,317)** | **(11,230)** |
| **Funding balance ((A - B) + (C - D))** | **0** | **0** | **0** | **0** |

# Notes to the financial statements for the year ended 30 June 2026

## Note 1 - Statement of accounting policies

### Reporting entity

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

The Council provides local infrastructure, local public services, and performs regulatory functions to the community. The Council does not operate to make a financial return.

The reporting date of Council is 30 June.

The Council has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice.

The financial statements of the Council are for the year ended 30 June 2026 and were authorised for issue by Council on 13 October 2026.

### Basis of preparation

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the year.

### Statement of compliance

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

The financial statements and service performance information have been prepared in accordance with and comply with PBE standards.

### Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars ($'000) other than the remuneration and the severance payment disclosures in note 4, and the total capital and land values of rating units in note 3. These disclosures are rounded to the nearest dollar.

### Other changes in accounting policies

There have been no changes in accounting policies.

### Standards issued, not yet effective and not early adopted

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Council are:

***PBE IFRS 17 Insurance Contracts***

The amending standard Insurance Contracts in the Public Sector adds public sector modifications to *PBE IFRS 17 Insurance Contracts* to include public sector entities and to ensure that this Standard is suitable for this sector. Application of these amendments is required for accounting periods beginning on or after 1 January 2026 with early adoption permitted for Council from 1 July 2025 onwards. Council has not yet assessed the effects of the new standard and does not intend to adopt the standard early.

### 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.

## Goods and services tax

The financial statements have been prepared on a GST exclusive basis with the exception of accounts receivable and accounts payable, which are presented on a GST-inclusive basis.

Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the Inland Revenue 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 financial activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

## Budget figures

The budget figures are those approved by the Council in its 2025/26 Annual Plan. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by Council in preparing these financial statements.

## Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the 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 believed to be reasonable under the circumstances.

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

- Estimating the fair value of land, buildings, and infrastructural assets – see Note 13.
- Estimating the useful lives of property, plan and equipment - see Note 13.
- Estimating the fair value of forestry assets – see Note 16.
- Estimating the retirement and long service leave obligations – see Note 19.
- Estimating the landfill aftercare provision – see Note 20.

## Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- Donated or vested land and buildings with use or return conditions – see Note 3.
- Classification of property – see Note 13.

## Note 2 - Summary of revenue and expenditure for groups of activities

### Accounting policy

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

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

Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers, and floor area. There have been no changes to the cost allocation methodology during the year.

### Breakdown of summary revenue and expenditure for group of activities

Each significant activity is stated gross of internal costs and revenues and includes targeted rates attributable to activities (see Note 3). To fairly reflect the total external operations for the Council in the statement of comprehensive revenue and expense, these transactions are eliminated as shown below.

| | Annual Plan 2026 $000 | Actual 2026 $000 | Actual 2025 $000 |
|---|---|---|---|
| **Revenue** | | | |
| Leadership | 5,108 | 5,376 | 4,507 |
| Roading | 16,092 | 17,886 | 17,065 |
| Water | 13,787 | 15,716 | 14,807 |
| Wastewater | 5,456 | 5,803 | 5,696 |
| Stormwater | 1,882 | 1,785 | 1,689 |
| Land drainage | 1,540 | 1,541 | 1,563 |
| Waste management | 4,618 | 4,751 | 4,727 |
| Community services | 11,774 | 12,706 | 11,362 |
| Environmental Initiatives | 179 | 184 | 165 |
| Maanaki Toiora | 1,878 | 1,573 | 1,808 |
| Regulatory | 6,802 | 6,989 | 5,857 |
| Support services | 11,822 | 2,863 | 518 |
| **Activity revenue** | **80,936** | **77,173** | **69,764** |
| **Total revenue** | **80,936** | **77,173** | **69,764** |
| **Expenditure** | | | |
| Leadership | 4,856 | 4,530 | 4,068 |
| Roading | 14,609 | 20,423 | 15,602 |
| Water | 15,811 | 17,184 | 15,042 |
| Wastewater | 9,634 | 8,489 | 6,898 |
| Stormwater | 1,698 | 1,938 | 1,836 |
| Land drainage | 1,334 | 1,403 | 1,175 |
| Waste management | 4,687 | 4,807 | 4,805 |
| Community services | 11,366 | 12,222 | 11,837 |
| Environmental Initiatives | 172 | 107 | 37 |
| Maanaki Toiora | 1,708 | 1,621 | 1,709 |
| Regulatory | 6,261 | 6,563 | 5,731 |
| Support services | 4,321 | 5,634 | 8,009 |
| **Activity expenditure** | **76,456** | **84,917** | **76,750** |
| **Total expenditure** | **76,456** | **84,917** | **76,750** |

## Note 3 - Revenue

### Accounting policy

Revenue is measured at fair value.

The specific accounting policies for significant revenue items are explained below:

***Rates revenue***

The following policies for rates have been applied:

- General rates, targeted rates (excluding 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. The Council considers that the effect of payment of rates by instalments is not sufficient to require discounting of rates receivables and subsequent recognition of interest revenue.
- Rates arising from late payment penalties are recognised as revenue when rates become overdue.
- Revenue from water-by-meter rates is recognised on an accrual basis based on usage. 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 the Council has received an application that satisfies its rates remission policy.

***Development and financial contributions***

Development and financial contributions are recognised as revenue when the Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as revenue in advance until the Council provides, or is able to provide, the service.

***Waka Kotahi New Zealand Transport Agency - Roading subsidies***

The Council receives funding assistance from the Waka Kotahi New Zealand Transport Agency, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

***Other grants received***

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

***Building and resource consent revenue***

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

***Entrance fees***

Entrance fees are fees charged to users of the Council's local pools. Revenue from entrance fees is recognised upon entry to the pool.

***Provision of commercially based services***

Revenue derived through the provision of services to third parties in a commercial manner is recognised in proportion to the stage of completion at balance date. Generally, this is determined by the proportion of costs incurred to date bearing to the estimated total costs of providing the service.

***Infringement fees***

Infringement fees mostly relate to noise and dog infringements. Revenue is recognised when the infringement notice is paid.

***Sales of goods***

Revenue from the sale of goods is recognised when a product is sold to the customer.

***Landfill fees***

Fees for disposing of waste at the Council's landfill are recognised as waste is disposed by users.

### *Vested or donated physical assets*

For assets received for no or nominal consideration, the asset is recognised at its fair value when the Council obtains control of the asset. The fair value of the asset is recognised as revenue, unless there is a use or return condition attached to the asset.

The fair value of vested or donated assets is usually determined by reference to the cost of constructing the asset. For assets received from property developments, the fair value is based on construction price information provided by the property developer.

For long-lived assets that must be used for a specific use (for example, land must be used as a recreation reserve), the Council immediately recognises the fair value of the asset as revenue. A liability is recognised only if the Council expects that it will need to return or pass the asset to another party.

### *Donated and bequeathed financial assets*

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met (for example, as the funds are spent for the nominated purpose).

### *Interest and dividends*

Interest revenue is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established. When dividends are declared from pre-acquisition surpluses, the dividend is deducted from the cost of the investment.

## Critical judgements in applying accounting policies

### *Accounting for donated or vested land and buildings with use or return conditions*

The Council has received land and buildings from non-exchange transactions that contain use or return conditions. If revenue is not recognised immediately for such assets when received, there is the possibility that a liability would be recognised in perpetuity, and no revenue would ever be recognised for the asset received. The Council considers that an acceptable and more appropriate accounting treatment under PBE IPSAS 23 is to recognise revenue immediately for such transfers and a liability is not recognised until such time as it is expected that the condition will be breached.

## Breakdown of rates and further information

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total rates ($000's) | $51,940 | 54,275 | 48,959 |

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| General rates | 10,738 | 8,625 |
| Uniform annual general charge | 8,849 | 7,359 |
| Targeted rates attributable to activities: | | |
| - Targeted rates for metered water supply | 15,147 | 13,915 |
| - Other targeted rates | 20,274 | 20,244 |
| **Rates income** | **55,008** | **50,143** |
| Rates penalties | 635 | 697 |
| Rates remissions | (1,368) | (1,881) |
| **Total rates** | **54,275** | **48,959** |

The following rating base information is disclosed on the rating base information at the end of the **preceding** financial year:

| As of 30 June | 2026 |
|---|---|
| Number of rating units | 12,002 |
| Total capital values of rating units | 10,539,383,170 |
| Total land value of rating units | 6,145,202,520 |

The Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. That Deed defines annual rates income 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 the Council from other local authorities for services provided by that Council for which those other local authorities rate.

The annual rates income of the Council for the year ended 30 June 2026 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is shown below:

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| Rates | 55,008 | 50,143 |
| **Total gross annual rates income** | **55,008** | **50,143** |

### Comparison to budget

Rates income for the 2025/26 financial year was above budget by $2.3 million, mainly due to higher water rates revenue and increases in the total capital value of the district after the Annual Plan was prepared.

### Comparison to prior year

Total rates revenue increased by $5.3 million compared with 2024/25. The increase reflects the general and targeted rate increases adopted in the 2025–26 Annual Plan to manage inflationary pressure, higher insurance and interest costs, and new water regulatory requirements.

## Breakdown of subsidies and grants

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total subsidies and grants ($000's) | 10,012 | 12,590 | 12,107 |

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| New Zealand Transport Agency roading subsidies | 10,637 | 9,093 |
| Three waters funding | 0 | 446 |
| Other grants and subsidies | 1,953 | 2,568 |
| Total subsidies and grants | 12,590 | 12,107 |

### Comparison to budget

Subsidies and grants were $2.2 million higher than budgeted. The main reason was an increase in funding from Waka Kotahi NZ Transport Agency for capital roading projects ($1.5 million).

Council also received $0.8 million of external funding for work required on the Hauraki Rail Trail.

### Comparison to prior year

Subsidies and grants were $0.5 million higher than the previous year. The increase was mainly due to higher NZTA roading subsidies from additional capital works delivered, offset by lower Three Waters transition funding and lower community project grants.

## Breakdown of fees and charges

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total fees and charges ($000's) | 5,438 | 5,314 | 4,575 |

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| Building and resource consent charges | 1,698 | 1,317 |
| Land information memoranda sales | 165 | 159 |
| Other fees and charges | 3,451 | 3,099 |
| **Total fees and charges** | **5,314** | **4,575** |

### Comparison to budget

Fees and charges were $5.3 million, which was $0.1 million below budget.

- $0.2 million was budgeted for external income towards the redevelopment of the Waihī Pool. This was not received as the work was not completed before the end of the year.
- Resource consent income was $0.2 million lower than budget due to a constrained development environment.
- Partially offsetting these was a $0.3 million increase in building consent income reflecting stronger customer demand.

### Comparison to prior year

Fees and charges were $0.7 million higher than the previous year.

- Building and resource consent income overall was $0.4 million higher than last year.
- Solid waste income was $0.3 million higher than last year. Most of this was increased transfer station income.

## Breakdown of interest revenue

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total interest revenue ($000's) | 50 | 731 | 1,388 |

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Interest revenue** | | |
| Term deposits | 616 | 867 |
| Borrower notes interest revenue | 68 | 156 |
| Discount unwind on provisions | 0 | 363 |
| Other | 47 | 2 |
| **Total interest revenue** | **731** | **1,388** |

### Comparison to budget

Finance income was $0.7 million higher than budget. Much of this variance relates to interest earned on term deposits ($0.6 million), which were not budgeted. These deposits arose from the prefunding of future debt repayments and were placed on term to reduce the net interest cost to Council.

Council also earned $0.1 million in income from LGFA borrower notes. While this income is directly linked to Council's level of LGFA borrowings, it is not separately budgeted for, as borrower notes are a mandatory component of the LGFA funding structure.

### Comparison to prior year

The decrease in finance income of $0.7 million compared to 2025 is driven by a decrease in interest income on term deposits of $0.3 million due to lower prefunding activity. The $0.4 million discount unwind credit in 2025 also contributed to the increase, whereas no such income was recognised in 2026.

## Breakdown of other revenue

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total other revenue ($000's) | 12,859 | 3,814 | 1,908 |

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| Petrol tax | 171 | 167 |
| Court fees and fines | 1 | 19 |
| Vested land and infrastructure from property development | 223 | 433 |
| Forestry asset revaluation gains | 0 | 36 |
| Gain on changes in fair value of derivative financial instruments | 158 | 0 |
| Gain on changes in fair value of borrower notes | 338 | 0 |
| Dividend revenue | 7 | 7 |
| Other | 2,916 | 1,246 |
| **Total other revenue** | **3,814** | **1,908** |

### Comparison to budget

Other revenue was $3.8 million, which was $8.8 million below budget. The main driver was an $11.2 million reduction in the forecast sales of sections at Ngātea.

Offsetting this was unbudgeted forestry sales of $1.2 million as well as revaluation gains from forestry of $0.2 million, and revaluation gains on interest rate swaps of $0.2 million, $0.3 million gain of fair value of borrower notes, and $0.2 million of income related to work on the Hauraki Rail Trail.

### Comparison to prior year

Other revenue was $1.9 million higher than the previous year.

The main increases were $0.9 million more from forestry harvesting, and $0.8 million more from section sales.

## Other disclosures

***Revenue from exchange and non-exchange revenue***

The Council receives their revenue from exchange or non-exchange transactions. Exchange transaction revenue arises when the Council provides goods and services to a third party and receives approximately equal value in return that is directly related to those goods and services.

Non-exchange transaction revenue arises when the Council receives value from another party without having to provide goods or services of equal value directly. Non-exchange revenue comprises rates and transfer revenue.

Transfer revenue includes grants, subsidies and fees, and user charges derived from activities that are partially funded by rates. Revenue is measured at fair value, which is usually the cash value of a transaction.

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Revenue from non-exchange transactions** | | |
| Rates | 39,128 | 35,044 |
| **Total revenue from rates** | **39,128** | **35,044** |
| Revenue from transfers: | | |
| Subsidies and grants | 12,590 | 12,107 |
| Building and resource consent charges | 1,698 | 1,317 |
| Land information memoranda sales | 165 | 159 |
| Other fees and charges | 912 | 1,514 |
| Petrol tax | 170 | 167 |
| Vested assets | 223 | 433 |
| Financial contributions | 449 | 827 |
| Court fees and fines | 1 | 19 |
| **Total revenue from transfers** | **16,208** | **16,543** |
| **Total revenue from non-exchange transactions** | **55,336** | **51,586** |
| **Revenue from exchange transactions:** | | |
| Water by meter (targeted rate) | 15,147 | 13,915 |
| Finance revenue | 731 | 1,388 |
| Dividends received | 7 | 7 |
| Other exchange revenue | 5,456 | 2,831 |
| **Total revenue from exchange transactions** | **21,341** | **18,142** |
| **Total revenue (excluding other gains)** | **76,677** | **69,728** |
| Gain on disposal of property, plant and equipment | 0 | 0 |
| Gain on disposal of land inventory | 0 | 0 |
| Gain on changes in fair value of derivative financial instruments | 158 | 0 |
| Gain on changes in fair value of borrower notes | 338 | 0 |
| Gain on revaluation of forestry | 0 | 36 |
| **Total revenue** | **77,173** | **69,764** |

## Operating leases as a lessor

Council leases property under operating leases. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Operating leases as lessor** | | |
| Not later than one year | 156 | 172 |
| Later than one year and not later than five years | 571 | 507 |
| Later than five years | 699 | 793 |
| **Total non-cancellable operating leases** | **1,426** | **1,472** |

No contingent rents have been recognised during the year.

## Note 4 - Personnel costs

### Accounting policy

***Superannuation schemes***

**Defined contribution schemes**

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

**Defined benefit schemes**

The Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting, as it is not possible to determine from the terms of the scheme the extent to which the scheme's surplus or deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme. Further information on this scheme is disclosed in Note 19.

### Breakdown of personnel costs and further information

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total personnel costs ($000's) | 25,010 | 23,718 | 22,111 |

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Salaries and wages** | 22,984 | 21,416 |
| Employer contributions to defined contribution plans | 634 | 560 |
| Increase/(decrease) in employee entitlements | 100 | 135 |
| **Total personnel costs** | **23,718** | **22,111** |

At balance date, the Council employed 187 (2025: 184) full-time employees, with the balance of staff representing 34 (2025: 32) full-time equivalent employees. A full-time employee is determined on the basis of a 37.5 hour working week.

### Comparison to budget

Personnel costs were $1.7 million lower than budget. With the proposed transition of Waters activities to Waikato Waters Ltd, some staff have left early, and vacancies have not been filled where possible in preparation for the transition.

### Comparison to prior year

Personnel costs increased by $1.1 million (4.8%) compared to 2025. The increase reflects general payroll inflation, and additional Health and Safety staff appointed.

***Chief Executive Remuneration***

The total remuneration paid or payable (including salary, any paid leave entitlements, and non-financial benefits) was:

Chief Executive $338,062 (2025: $479,891)
*Note: Outgoing Chief Executive and incoming Chief Executive remuneration is included in 2025.*

***Severance payments***

For the year ended 30 June 2026, there were three severance payments made to employees - $16,000, $28,000 and $10,000 (2025: No severance payments were made.)

### *Council employee remuneration by band*

Total remuneration includes any non-financial benefits provided to employees.

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Total annual remuneration by band for employees** | | |
| < $60,000 | 33 | 40 |
| $60,000-$79,999 | 67 | 70 |
| $80,000-$99,999 | 59 | 56 |
| $100,000-$119,999 | 39 | 32 |
| $120,000-$139,999 | 25 | 24 |
| $140,000-$159,999 | 7 | 7 |
| $160,000-$339,999 | 8 | 7 |
| **Total employees** | **238** | **236** |

### *Elected representatives' remuneration*

Elected representatives received the following remuneration:

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Elected representatives received the following remuneration:** | | |
| Mr Toby Adams (Mayor) | 147 | 130 |
| Mr Paul Milner (Deputy Mayor) | 60 | 62 |
| Ms Sarah Holmes | 10 | 33 |
| Mr Bhavesh Ranchhod | 10 | 33 |
| Mrs Anne Marie Spicer | 56 | 57 |
| Mr Austin Rattray | 34 | 37 |
| Mr Phillip Buckthought | 10 | 34 |
| Mrs Carole Daley | 10 | 32 |
| Mr Rino Wilkinson | 34 | 32 |
| Mrs Jo Tilsley | 34 | 32 |
| Mr Ray Broad | 34 | 33 |
| Mr Stephen Crooymans | 34 | 38 |
| Mr Neil Gray | 42 | 33 |
| Mr Josh Martyn | 10 | 33 |
| Ms Sara-Ann Howell | 24 | 0 |
| Cynthia Anne Bates | 23 | 0 |
| Rereahu Matariki Collier | 24 | 0 |
| Desmond Ernest Tyler | 23 | 0 |
| Amanda Ryan | 23 | 0 |
| **Total elected representatives' remuneration** | **642** | **619** |

The figures above include an annual, or part thereof, communication allowance of $1,757 paid to each Councillor (2025: $1817). The Mayor received a communication allowance of $1,054 (2025: $1,090).

## Note 5 - Finance costs

### Accounting policy

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

### Breakdown of finance costs

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total finance costs ($000's) | 6,313 | 6,591 | 6,024 |

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Interest expense** | | |
| Interest on borrowings | 6,506 | 6,024 |
| Discount unwind on provisions | 85 | 0 |
| **Net finance costs** | **6,591** | **6,024** |

### Comparison to budget

Council's average cost of funds came in above budget at 4.18%, compared to the 3.64% forecast. Overall debt was lower over the year. These two factors combined resulted in an overspend of $0.2 million.

### Comparison to prior year

Finance costs increased by $0.5 million compared to the 2025 financial year. This reflects higher borrowing driven by Council's capital programme, particularly the new Paeroa Wastewater Treatment Plant

## Note 6 - Other expenses

### Accounting policy

***Grant expenditure***

The Council's grants awarded have no substantive conditions attached.

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

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

***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. Lease incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

### Breakdown of other expenses and further information

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| Audit fees paid to Audit NZ (on behalf of the Auditor General): | | |
| - Financial Statements: Audit of annual report (including summary annual report) | 254 | 243 |
| - Financial Statements: Audit of annual report – overrun | 16 | 0 |
| - Audit or review-related services: Audit of the Debenture Trust Deed | 8 | 8 |
| - Audit or review-related services: Audit of the Debenture Trust Deed – overrun | 0 | 1 |
| - Audit or review-related services: Audit of the Long-Term Plan | 0 | 0 |
| - Audit or review-related services: Audit of the Long-Term Plan – overrun | 0 | 20 |
| - Other assurance services: Procurement assurance advice | 0 | 0 |
| Total audit fees | 278 | 272 |
| General grants and donations | 652 | 899 |
| Operating lease expense | 19 | 46 |
| Expected credit loss allowance for receivables | 8 | (3) |
| Loss on disposal of property, plant and equipment | 2,915 | 2,452 |
| Derivative financial instruments revaluation losses | 0 | 2,189 |
| Forestry asset revaluation losses | 1,457 | 0 |
| Other operating expenses | 27,983 | 25,034 |
| **Total other expenses** | **33,312** | **30,888** |

In the year ended 30 June 2026, Council incurred audit fees payable to Audit New Zealand on behalf of the Auditor-General for the statutory audit of its financial statements, including the summary annual report.

Additional audit-related services included the audit of the Debenture Trust Deed.

No taxation services or other non-assurance services were provided in either 2026 or 2025.

Total fees incurred for services provided by Audit New Zealand were $0.27 million (2025: $0.27 million).

Other expenses were $33.2 million, which was $6.5 million above budget. The main contributors to this variance were:

- Loss on disposal of assets - ($3.2 million) above budget. This figure is inherently difficult to forecast, as it is determined by the asset's cost less accumulated depreciation and any proceeds received. In many cases Council does not receive proceeds when assets are retired, for example due to unforeseen breakages or weather events. Losses can also appear larger where the accounting value of an asset had increased before it was disposed of. For these reasons, only a nominal amount is included in the budget.
- Reduction in fair value of Forestry- ($1.5 million). This reflects the harvesting of Council's main forest block as well as other movements in forest values.
- Additional Grants made, mostly in relation to the Hauraki Rail Trail - ($0.3 million)
- Waters Transition costs that were not budgeted - ($0.3 million)
- Water reticulation and treatment reactive repairs were higher than budget– ($0.3 million)
- External contractors and planning consultants to cover vacancies and undertake projects – ($0.8 million).

### Comparison to prior year

Other expenses were $2.3 million higher than 2025. The main changes were:

- Loss on disposal of assets was $1.0 million higher than last year.
- Water supply cost $1.2 million more particularly for treatment, asset management and rates and insurance.
- Wastewater cost $0.7 million more particularly for treatment, major maintenance and rates and insurance.
- Land Drainage pumping cost $0.2 million more.
- Roading repairs due to weather events cost $0.6 million more.
- Policy development was $0.2 million more with work starting on the new Long Term Plan.
- Regulatory services increased by $0.7 million in emergency management, resource consenting and building consenting.
- Offsetting these, derivative losses decreased by $2.2 million.

## Operating leases as lessee

The Council leases property, plant and equipment in the normal course of its business. The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is $nil (2025: $nil). Leases can be renewed at the Council's option, with rents set by reference to current market rates for items of equivalent age and condition. There are no restrictions placed on the Council by any of the leasing arrangements.

No contingent rents have been recognised in the Statement of Comprehensive Revenue and Expense during the period (2025: nil).

The future aggregate minimum lease payments payable under non-cancellable operating leases are as follows:

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| Not later than one year | 91 | 116 |
| Later than one year and not later than five years | 163 | 225 |
| Later than five years | 0 | 27 |
| **Total non-cancellable operating leases** | **254** | **368** |

## Note 7 - Cash and cash equivalents

### Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

### Breakdown of cash and cash equivalents and further information

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total cash and cash equivalents ($000's) | 12,011 | 18,518 | 13,700 |

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| Cash at bank and on hand | 18,518 | 13,700 |
| Short term deposits | 0 | 0 |
| **Total cash and cash equivalents** | **18,518** | **13,700** |

The carrying value of cash at bank with maturities less than three months approximates their fair value. Cash and cash equivalents include that stated above for the purposes of the statement of cash flows.

Although cash and cash equivalents as of 30 June 2026 are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated allowance is trivial.

### Comparison to budget

Cash and cash equivalents were $6.5 million higher than budgeted as of 30 June 2026. This variance primarily reflects Council prefunding upcoming loan maturities.

### Comparison to prior year

Cash and cash equivalents increased by $4.8 million compared to the prior year. This primarily reflects the pre-borrowing of loan maturities described above.

## Note 8 - Receivables

### Accounting policy

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

Council applies 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 Māori 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.

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total receivables ($000's) | 12,546 | 15,853 | 14,234 |

### Breakdown of receivables and further information

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Receivables from non-exchange transactions** | | |
| Rates receivables | 4,583 | 3,009 |
| Other receivables from non-exchange transactions | 3,615 | 4,727 |
| **Total receivables from non-exchange transactions** | **8,198** | **7,736** |
| **Receivables from exchange transactions** | | |
| Water receivables | 7,640 | 6,465 |
| Other receivables from exchange transactions | 26 | 36 |
| **Total receivables from exchange transactions** | **7,666** | **6,500** |
| Less: allowance for credit losses | (10) | (2) |
| **Total receivables** | **15,853** | **14,234** |

### Comparison to budget

Total receivables were $15.9 million, which was $3.3 million higher than budget. The main variance relates to water receivables, which were higher than expected at year-end. At 30 June 2026, an accrual of approximately $3.3 million was recognised to reflect estimated water consumed but not yet billed. This estimate was calculated using the average daily consumption from the most recent actual or estimated meter readings.

### Comparison to prior year

Receivables increased by $0.6 million compared with the prior year. Rates receivables increased by $1.6 million (including wastewater rates which were billed separately from other rates for the first time in 2025/26).

## Rates receivables

The Council does not provide for ECLs on rates receivable. Council has various powers under the Local Government (Rating) Act 2002 (LG(R) A 2002) to recover any outstanding debts.

These powers allow the 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 judgment, then the Council can apply to the Registrar of the High Court to have the judgment enforced by sale or lease of the rating unit.

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

The Chief Executive approved the write-off of rates receivable during the year under the LG(R) A 2002 as follows:

- Section 90A: $12,106 (2025: Nil)
- Section 90B: $43,423 (2025: Nil)

## Other receivables

The ECL rates for other receivables at 30 June 2026 are based on the payment profile of revenue on credit over the prior two years 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 2022 in the estimation techniques or significant assumptions in measuring the loss allowance.

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

| | Other receivables' days past due | | | | | |
|---|---|---|---|---|---|---|
| | **Current** | **1-30 days** | **31-60 days** | **61-90 days** | **> 90 days** | **Total** |
| **Council - 30 June 2026** | | | | | | |
| Expected credit loss rate | 0.00% | 0.00% | 0.00% | 0.00% | 5.33% | |
| Gross receivable amount ($000) | 3,336 | 69 | 3 | 76 | 191 | 3,676 |
| Lifetime ECL ($000) | 0 | 0 | 0 | 0 | 10 | 10 |

| | Other receivables' days past due | | | | | |
|---|---|---|---|---|---|---|
| | **Current** | **1-30 days** | **31-60 days** | **61-90 days** | **> 90 days** | **Total** |
| **Council - 1 July 2025** | | | | | | |
| Expected credit loss rate | 0.00% | 0.00% | 0.00% | 0.00% | 1.97% | |
| Gross receivable amount ($000) | 4,244 | 35 | 17 | 21 | 101 | 4,418 |
| Lifetime ECL ($000) | 0 | 0 | 0 | 0 | 2 | 2 |

Movements in allowance for credit losses is as follows:

| | **2026 Actual $000's** | **2025 Actual $000's** |
|---|---|---|
| **Opening balance for credit losses at 1 July** | **2** | **5** |
| Additional provisions made during the year | 8 | 0 |
| Provisions reversed during the year | 0 | 0 |
| Other receivables written off during the year | 0 | (3) |
| **Total receivables** | **10** | **2** |

## Note 9 - Inventory

### Accounting policy

Inventories are held for distribution or for use in the provision of goods and services. The measurement of inventories depends on whether the inventories are held for commercial or non-commercial (distribution at no charge or for a nominal charge) distribution or use. Inventories are measured as follows:

- Commercial: measured at the lower of cost and net realisable value.
- Non-commercial: measured at cost, adjusted for any loss of service potential.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes the inventories that were purchased first are distributed or used first. Inventories acquired through non-exchange transactions are measured at fair value at the date of acquisition.

Any write-down from cost to net realisable value or for the loss of service potential is recognised in the surplus or deficit in the year of the write-down.

When land held for development and future resale is transferred from investment property/property, plant, and equipment to inventory, the fair value of the land at the date of the transfer is its deemed cost. Costs directly attributable to the developed land are capitalised to inventory, except for infrastructural asset costs which are capitalised to property, plant, and equipment.

Inventory is classified as current if Council intends to sell it within the next 12-months and non-current if it doesn't expect it to be sold within the next financial period (i.e. post 30 June 2026).

### Breakdown of inventory and further information

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total inventory ($000's) | 2,242 | 4,355 | 4,469 |

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Commercial inventory:** | | |
| Land being developed for sale | 2,781 | 2,894 |
| Non-commercial inventory: | | |
| Quarry metal stockpile | 0 | 0 |
| Other | 81 | 118 |
| **Current inventory** | **2,862** | **3,012** |
| **Commercial inventory:** | | |
| Land being developed for sale | 1,494 | 1,457 |
| **Non-current inventory** | **1,494** | **1,457** |
| **Total inventory** | **4,356** | **4,469** |

The write-down of inventory during the year was nil (2025: nil). There have been no reversals of write-downs (2025: nil). No inventory is pledged as security for liabilities (2025: nil).

### Comparison to budget

Council's inventory balance was $4.4 million at 30 June 2026, compared with a budget of $2.2 million. The budget assumed all sections in Ngātea North would have been sold by year-end, with only Ngātea South remaining in development. This did not occur, the sections were listed for sale during the 2026 financial year, however only four out of the 52 lots were sold at balance date.

### Comparison to prior year

Inventory decreased from $4.5 million in 2025 to $4.4 million in 2026. The decrease reflects the reduction in the land being developed for sale due to 4 of the 52 lots being sold during the year, partially offset by additional costs relating to the subdivision occurring.

## Note 10 - Assets held for sale

### Accounting policy

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

Any impairment losses for write-downs are recognised in the surplus or deficit. Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

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

### Breakdown of assets held for sale and further information

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total assets held for sale ($000's) | 0 | 172 | 242 |

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| Land | 172 | 242 |
| **Total assets held for sale** | **172** | **242** |

Council classified a property located at 38 Kohunui Street, Ngātea as held for sale as of 30 June 2026. The land has a book value of $172,000.

### Comparison to budget

Council does not budget for non-current assets held for sale. The recognition of this property therefore represents a variance to budget for the 2026 financial year.

### Comparison to prior year

The land held for sale in the previous year with a book value of $242k was sold during the current financial year. The land that is held for sale in the current year reduced by $70k due to sales.

## Note 11 - Derivatives

### Accounting policy

Derivative financial instruments are used to manage exposure to interest rate risks arising from the Council's financing activities. In accordance with its Investment and Liability Management Policy, the Council does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are initially measured at fair value on the contract date and are re-measured to their fair value at each balance date. The fair value of interest rate swap contracts is determined by reference to market values for similar instruments. Any gains or losses arising from changes in fair value are recognised in the surplus or deficit.

Derivatives embedded in other financial instruments or other non-financial host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contract and the host contract is not carried at fair value with unrealised gains or losses reported in the surplus or deficit.

The portion of the fair value of an interest rate derivative that is expected to be realised within 12 months of balance date is classified as current, with the remaining portion classified as non-current. Council's interest rate swap portfolio was valued as of 30 June 2026 by Council staff using software provided by Hedgebook Ltd.

The Council has elected not to apply hedge accounting to its derivative financial instruments.

Council did not hold any forward exchange contracts at balance date.

### Breakdown of derivative financial instruments and further information

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total derivate financial instrument assets ($000's) | 990 | 53 | 61 |

| Assets | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Current asset portion** | | |
| Interest rate swaps | 12 | 19 |
| **Total current asset portion** | **12** | **19** |
| **Non-current asset portion** | | |
| Interest rate swaps | 41 | 42 |
| **Total non-current asset portion** | **41** | **42** |
| **Total derivative financial instrument assets** | **53** | **61** |

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total derivate financial instrument liabilities ($000's) | 11 | 1,104 | 1,271 |

| Liabilities | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Current liability portion** | | |
| Interest rate swaps | 645 | 507 |
| **Total current liability portion** | **645** | **507** |
| **Non-current liability portion** | | |
| Interest rate swaps | 459 | 763 |
| **Total non-current liabilities portion** | **459** | **763** |
| **Total derivative financial instrument liabilities** | **1,104** | **1,271** |

### Timing of nominal principal amounts and average fixed rates of interest rate swaps

| | < 1 year | 1-2 years | 3-5 years | > 5 years | Total |
|---|---|---|---|---|---|
| **Council 2026** | | | | | |
| **Interest rate swaps – not hedge accounted** | | | | | |
| Nominal amount (in $000) | 13,000 | 34,000 | 43,000 | 0 | **90,000** |
| Average fixed rate | 3.80% | 3.97% | 3.97% | 0.00% | **3.71%** |
| **Council 2025** | | | | | |
| **Interest rate swaps – not hedge accounted** | | | | | |
| Nominal amount (in $000) | 17,000 | 18,000 | 47,000 | 25,000 | **107,000** |
| Average fixed rate | 3.65% | 3.41% | 3.85% | 3.96% | **3.70%** |

### Fair value

The fair values of interest rate swaps have been determined by calculating the expected future cash flows under the terms of the swaps and discounting these values to present value. The inputs into the valuation model are from independently sourced market parameters. Most market parameters are implied from instrument prices.

### Comparison to budget

Net actuals were $1.0 million adverse to budget. Due to the inherent difficulties in predicting the valuation of derivative financial instruments, Council does not budget for year-end revaluation movements. As a result, the 2026 budget did not include any assumptions about changes in interest rates or market conditions.

This variance is a non-cash accounting adjustment and has no impact on rates or Council's day-to-day operations.

### Comparison to prior year

The valuation of Council's derivatives improved by $0.2 million compared to 2025. This change is primarily driven a reduction in the notional exposure reduced from $107 million to $90 million over the year as well as a reduction in the average term. Council is reducing its derivative portfolio in preparation for the transfer of a significant portion of its debt to Waikato Waters Limited.

## Note 12 – Financial assets

### Accounting policy

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:

- Amortised cost.
- Fair value through other comprehensive revenue and expense (FVTOCRE); and
- Fair value through surplus and deficit (FVTSD).

Transaction costs are included in the value of the financial asset at initial recognition unless the asset 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'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 of 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.

### 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 and community loans.

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

### Subsequent measurement of financial assets at FVTOCRE

Financial assets in this category that are debt instruments are subsequently measured at fair value with fair value gains and losses recognised in other comprehensive revenue and expense, except ECL and foreign exchange gains and losses are recognised in surplus or deficit. When sold, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified to surplus and deficit. The Council has no instruments in this category.

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.

Council designates 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.

### Expected Credit Loss allowance (ECL)

The Council recognises 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 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, Council considers 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's historical experience an informed credit assessment and including forward-looking information.

Council considers a financial asset (excluding receivables, refer to Note 8) 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

## Breakdown of other financial assets and further information

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total financial assets (current and non-current) ($000's) | 18,171 | 19,108 | 20,497 |

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Current portion** | | |
| Term deposits | 10,000 | 15,000 |
| Borrower notes | 702 | 1,289 |
| **Other investments** | | |
| Waikato Waters Ltd loan | 3,200 | 0 |
| Community loans | 19 | 20 |
| **Total current portion** | **13,921** | **16,309** |
| **Non-current portion** | | |
| Borrower notes | 4,473 | 3,587 |
| Community loans | 37 | 55 |
| **Investment in CCOs and similar entities:** | | |
| Local Government Funding Agency | 586 | 453 |
| Co-Lab | 31 | 33 |
| **Total investment in CCOs and similar entities:** | **617** | **485** |
| Other investments | | |
| Civic Financial Services Ltd | 60 | 60 |
| **Total non-current portion** | **5,188** | **4,188** |
| **Total other financial assets** | **19,108** | **20,497** |

## Fair value

### *Community loans*

The face value of community loans is $56,000 (2025: $75,000). The carrying amount of these loans approximates their fair value.

The Council's community loan scheme is designed to help not-for-profit organisations in the Hauraki District community to develop or improve new or existing facilities and other major projects.

Only organisations with the ability to repay are granted loans. Loans are for a maximum of 10 years and interest is 0% per annum.

### *Unlisted shares*

Unlisted shares are recognised at fair value.

The fair value of unlisted shares in Civic Financial Services Ltd and Co-Lab has been determined at fair value through other comprehensive revenue and expense. Fair value has been determined by net asset backing.

Due to the immaterial size and nature of the Council's investment in the LGFA, the Council has estimated the fair value of this investment based on the LGFA's net asset backing as of 30 June.

### *Borrower Notes*

During the year, the Council reassessed the classification of its LGFA borrower notes. Council concluded that, due to the conversion features embedded within the instrument, the borrower notes do not satisfy the SPPI requirements of PBE IPSAS 41 and should therefore be measured at fair value through surplus or deficit rather than the previous accounting at amortised cost. The Council has corrected this accounting treatment in the current year but have not restated the comparatives as the impact is not considered material.

Borrower notes are subordinated convertible debt instruments which each council that borrows from LGFA must subscribe for as a percentage of borrowings. The borrower notes are redeemable when the council debt to the LGFA is repaid.

### *Credit risk, including ECLs*

Council considers there has not been a significant increase in credit risk for any of the financial assets listed and no loss allowance for expected credit losses have been recognised for the 12-month period ending 30 June 2026.

## Comparison to budget

The actual balance of $19.1 million, which is $0.9 million higher than the budgeted amount of $18.2 million, which was based on the 2023/24 Annual Report actuals. The main reason for the increase was due to valuing borrower notes at fair value, instead of amortised cost which was done in the prior years.

## Comparison to prior year

Compared to the prior year, the balance has reduced by $1.4 million. Term deposits held as part of Council's debt pre-funding strategy reduced by $5.0 million. A $3.2 million short term loan was granted to Waikato Waters Ltd to cover establishment costs.

## Note 13 - Property, plant and equipment

### Accounting policy

Property, plant, and equipment consist of:

- ***Operational assets*** – These include land, buildings, landfill post-closure, library books, plant and equipment, and motor vehicles.
- ***Restricted assets*** – Restricted assets are mainly parks and reserves owned by the Council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.
- ***Infrastructure assets*** – Infrastructure assets are the fixed utility systems owned by the Council and group. Each asset class includes all items that are required for the network to function. For example, sewer reticulation includes reticulation piping and sewer pump stations.

Land (operational and restricted) 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.

### Revaluation

Land and buildings (operational and restricted), and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every three years.

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

Revaluation movements 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 would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expense but is recognised 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 and then recognised in other comprehensive revenue and expense.

During the year ended 30 June 2026, the Council recognised valuation adjustments for the following asset classes: Water, Wastewater, Stormwater and Drainage assets.

### Fair Value Assessment

In years where a class of property, plant and equipment measured at fair value is not subject to a full revaluation, the Council assesses whether the carrying amount of that asset class materially differs from its fair value at reporting date.

During the year ended 30 June 2026, the Council completed fair value assessments for the following asset classes:

- Operational, infrastructural and restricted land;
- Operational buildings and structures; and
- Roading network assets.

No full revaluations of these asset classes were undertaken during the year. Instead, the Council performed a fair value assessment using an indexation approach. The assessment applied relevant Capital Goods Price Indices published by Statistics New Zealand and the House Price Index published by Quotable Value Limited to estimate movements in fair value since the most recent full valuation.

Based on this assessment, the Council concluded that the estimated fair values of these asset classes did not differ materially from their carrying amounts as at 30 June 2026. Accordingly, no revaluation adjustment was recognised.

### Additions

The cost of an item of property, plant, and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and 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 its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Council and group and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant, and equipment are recognised in the surplus or deficit as they are incurred.

### Disposals

Gains and losses on disposals are determined by comparing the disposal proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in 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, at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

| | | | |
|---|---|---|---|
| Roading | Pavement surface | 10-60 | 1.7%-10% |
| | Pavement structure | 20-100 | 1%-5% |
| | Footpaths | 15-75 years | 1.3%-6.7% |
| | Surface water channels | 10-75 years | 1.3%-10% |
| | Drainage | 75 years | 1.3% |
| | Bridges | 30-100 years | 1%-3.3% |
| | Streetlight poles | 25 years | 4% |
| | Streetlights | 25 years | 4% |
| | Streetlight bracket | 25 years | 4% |
| | Retaining walls | 85 years | 1.2% |
| | Railings | 50 years | 2% |
| | Signs | 12.5-20 years | 5%-8% |
| Buildings | Structure | 45-100 years | 1%-2.2% |
| | Roof | 45 years | 2.2% |
| | Services (Electrical/ Plumbing) | 25-50 years | 2%-4% |
| | Internal Fit out | 15-40 years | 2.5%-6.7% |
| | Plant | 15-25 years | 4%-6.7% |
| | Other Improvements | 5-22 years | 4.5%-20% |
| All other assets | Water reticulation | 25-125 years | 0.8%-4% |
| | Water treatment | 4-126 years | 0.8%-25% |
| | Wastewater reticulation | 25-130 years | 0.8%-4% |
| | Wastewater treatment | 3-200 years | 0.5%-33.3% |
| | Stormwater reticulation | 20-130 years | 0.8%-5% |
| | Drainage and flood protection | 15-999 years | 0.1%-6.7% |
| | Library Books | 8 years | 12.5% |
| | Vehicles | 3-21 years | 4.8%-33.3% |
| | Equipment | 2-99 years | 1%-50% |
| | Technology | 2-10 years | 10%-50% |
| | Furniture and fittings | 5-25 years | 4%-20% |

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

## Impairment of property, plant, and equipment

Property, plant, and equipment that have 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 total impairment 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 previously 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, a restoration cost approach, or a 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.

## Critical accounting estimates and assumptions

### *Estimating the fair value of land, buildings, and infrastructure*

**Land (operational, restricted, and infrastructural)**

All land was valued at 1 July 2023.

The most recent valuation of land was performed by Quotable Value NZ Ltd, who are qualified, independent valuers. All values were confirmed as being suitable for financial reporting.

Land is valued at fair value using market-based evidence based on its highest and best use with reference to comparable land values.

Adjustments have been made to the 'unencumbered' land value where there is a designation against the land, or the use of the land is restricted because of reserve or endowment status. These adjustments are intended to reflect the negative effect on the value of the land where an owner is unable to use the land more intensely.

Restrictions on the Council's ability to sell land would normally not impair the value of the land because the Council has operational use of the land for the foreseeable future and will substantially receive the full benefits of outright ownership.

**Buildings (operational and restricted)**

All buildings were valued at 1 July 2023 plus additions/development at cost, less disposals. Building valuations were completed by independent valuers and confirmed as being suitable for financial reporting.

Specialised buildings were valued by Quotable Value NZ Ltd at fair value using depreciated replacement cost because no reliable market data is available for such buildings.

Depreciated replacement cost is determined using several significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line deprecation has been applied in determining the depreciated replacement cost value of the asset.

Non-specialised buildings (for example, residential buildings) were valued by Quotable Value NZ, using market data at fair value using market-based evidence. Market rents and capitalisation rates were applied to reflect market value.

The valuation of earthquake prone buildings does not include any adjustment for estimated building strengthening and costs or any associated lost rental during the time to undertake the strengthening work.

**Infrastructural assets**

Roading assets were valued by an independent valuer, WSP Limited as at 30 June 2025.

The most recent valuation of the Water, Wastewater, Stormwater and Drainage Assets were performed by Waugh Valuers Ltd as at 30 June 2026, using a mix of actual contract costs and indexation of unit cost.

The indexed valuation is assessed as appropriate for financial reporting purposes between scheduled revaluations but does not contain the depth and analysis or robustness of a full comprehensive valuation. The last full revaluation was undertaken as at 1 July 2024 by Stantec New Zealand Ltd.

Infrastructural assets are also carried at fair value, which is deemed to be depreciated replacement costs because the assets are of a specialised nature. The depreciated replacement costs are determined on the basis of valuations prepared ever three years. The revaluation process involves assessing the current optimised replacement cost of a brownfield's basis, using highest and best use basis and remaining useful lives.

Depreciated replacement cost is determined using several significant assumptions. Significant assumptions include:

- The replacement asset is based on the replacement with modern equivalent assets with adjustments where appropriate for obsolescence due to over-design or surplus capacity.
- The replacement cost is derived from recent construction contracts of similar assets and Property Institute of New Zealand cost information.
- The remaining useful life of assets is estimated.
- Straight-line depreciation has been applied in determining the depreciated replacement cost value of the asset.

**Change in Accounting Estimate – Useful Lives of Pavement Assets[AB67.1]**

During the year, the Council revised the estimated useful lives of certain pavement assets constructed on gley and organic soil types from 20 years to 40 years.

The revision reflects updated information regarding asset performance, observed condition, and expected renewal timing, which provides a more reliable basis for estimating the remaining service potential of these assets. Useful lives of infrastructure assets are reviewed regularly in accordance with PBE IPSAS 17 – Property, Plant and Equipment, and revised where expectations differ from previous estimates.

The change has been treated as a change in accounting estimate in accordance with PBE IPSAS 3 – Accounting Policies, Changes in Accounting Estimates and Errors and has been applied prospectively from 1 July 2025. Accordingly, prior-period financial information has not been restated.

The effect of this change was a reduction in depreciation expense for the year by approximately $1.7M. The change will also result in lower depreciation expense in future periods.

***Critical judgements in applying accounting policies***

**Classification of property**

The Council owns several properties held to provide housing to pensioners. 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 the Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

| 2026 | Cost / Revaluation | Acc. Depn. | Carrying Amount | Transfers | Current Year Additions | Current Year Disposals | Current Year Impairment | Current Year Depn. | Acc Depn. Rev'd on Disposal | Reval. Surplus | Cost / Revaluation | Acc. Depn. | Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 01-Jul-25 | 01-Jul-25 | 01-Jul-25 | | | | | | | | 30-Jun-26 | 30-Jun-26 | 30-Jun-26 |
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **Operational assets** | | | | | | | | | | | | | |
| Land | 24,176 | 0 | 24,176 | (172) | 0 | 0 | 0 | 0 | 0 | 0 | 24,004 | 0 | 24,004 |
| Buildings and structures | 29,475 | (3,584) | 25,891 | 421 | 1,663 | (111) | 0 | (1,693) | 48 | 0 | 31,449 | (5,229) | 26,219 |
| Library books | 821 | (458) | 363 | 0 | 134 | (148) | 0 | (84) | 130 | 0 | 806 | (412) | 395 |
| Vehicles | 4,742 | (2,758) | 1,985 | 0 | 739 | (600) | 0 | (613) | 440 | 0 | 4,881 | (2,930) | 1,951 |
| Equipment | 29,117 | (10,882) | 18,235 | 611 | 1,867 | (266) | (305) | (1,579) | 196 | 0 | 31,024 | (12,265) | 18,759 |
| Technology | 2,371 | (1,930) | 441 | 0 | 158 | 0 | 0 | (207) | 0 | 0 | 2,529 | (2,137) | 392 |
| Furniture and fittings | 557 | (388) | 169 | 0 | 4 | 0 | 0 | (13) | 0 | 0 | 561 | (402) | 160 |
| Technology - Finance leases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Work in progress | 2,208 | 0 | 2,208 | (1,033) | 4,557 | (250) | 0 | 0 | 0 | 0 | 5,482 | 0 | 5,482 |
| **Total operational assets** | **93,467** | **(20,000)** | **73,468** | **(173)** | **9,122** | **(1,375)** | **(305)** | **(4,189)** | **814** | **0** | **100,736** | **(23,374)** | **77,361** |
| **Infrastructural assets** | | | | | | | | | | | | | |
| Land | 5,289 | 0 | 5,289 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,289 | 0 | 5,289 |
| Wastewater system | 114,366 | (2,568) | 111,798 | 31 | 916 | (25) | 0 | (2,638) | 12 | 2,272 | 112,391 | (25) | 112,366 |
| Water system | 140,103 | (4,059) | 136,044 | 7,561 | 3,774 | (1,274) | 0 | (3,888) | 129 | (7,609) | 134,813 | (76) | 134,737 |
| Drainage network | 80,932 | (1,158) | 79,775 | 224 | 369 | (67) | 0 | (1,172) | 1 | 5,772 | 84,905 | (3) | 84,902 |
| Roading network | 514,968 | (165) | 514,803 | 1,049 | 8,781 | (1,243) | (10) | (9,358) | 97 | 0 | 523,546 | (9,427) | 514,119 |
| Land under roads | 90,167 | 0 | 90,167 | 0 | 66 | 0 | 0 | 0 | 0 | 0 | 90,233 | 0 | 90,233 |
| Work in progress | 33,162 | 0 | 33,162 | (8,865) | 20,767 | (234) | 0 | 0 | 0 | 0 | 44,830 | 0 | 44,830 |
| **Total Infrastructural assets** | **978,987** | **(7,950)** | **971,038** | **0** | **34,673** | **(2,843)** | **(10)** | **(17,056)** | **239** | **435** | **996,007** | **(9,531)** | **986,476** |
| **Council restricted assets** | | | | | | | | | | | | | |
| Land | 31,603 | 0 | 31,603 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31,603 | 0 | 31,603 |
| **Total restricted assets** | **31,603** | **0** | **31,603** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **31,603** | **0** | **31,603** |
| **Total PPE** | **1,104,057** | **(27,950)** | **1,076,109** | **(173)** | **43,795** | **(4,218)** | **(315)** | **(21,245)** | **1,053** | **435** | **1,128,346** | **(32,905)** | **1,095,440** |

| 2025 | Cost / Revaluation | Acc. Depn. | Carrying Amount | Transfers | Current Year Additions | Current Year Disposals | Current Year Impairment | Current Year Depn. | Acc Depn. Rev'd on Disposal | Reval. Surplus | Cost / Revaluation | Acc. Depn. | Carrying Amount |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 01-Jul-24 | 01-Jul-24 | 01-Jul-24 | | | | | | | | 30-Jun-25 | 30-Jun-25 | 30-Jun-25 |
| | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 | $000 |
| **Operational assets** | | | | | | | | | | | | | |
| Land | 24,418 | 0 | 24,418 | (242) | 0 | 0 | 0 | 0 | 0 | 0 | 24,176 | 0 | 24,176 |
| Buildings and structures | 29,423 | (1,862) | 27,561 | 649 | 304 | (901) | 0 | (1,868) | 145 | 0 | 29,475 | (3,584) | 25,891 |
| Library books | 1,001 | (666) | 335 | 0 | 136 | (315) | 0 | (89) | 298 | 0 | 821 | (458) | 363 |
| Vehicles | 4,759 | (2,536) | 2,223 | 0 | 499 | (515) | 0 | (555) | 334 | 0 | 4,742 | (2,758) | 1,985 |
| Equipment | 24,932 | (9,746) | 15,186 | 1,073 | 3,785 | (719) | 0 | (1,378) | 287 | 0 | 29,117 | (10,882) | 18,235 |
| Technology | 2,318 | (1,894) | 425 | 0 | 214 | (162) | 0 | (198) | 162 | 0 | 2,371 | (1,930) | 441 |
| Furniture and fittings | 557 | (374) | 183 | 0 | 0 | 0 | 0 | (14) | 0 | 0 | 557 | (388) | 169 |
| Technology - Finance leases | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Work in progress | 1,830 | 0 | 1,830 | (876) | 1,468 | (214) | 0 | 0 | 0 | 0 | 2,208 | 0 | 2,208 |
| **Total operational assets** | **89,239** | **(17,078)** | **72,161** | **604** | **6,406** | **(2,826)** | **0** | **(4,102)** | **1,226** | **0** | **93,467** | **(20,000)** | **73,468** |
| **Infrastructural assets** | | | | | | | | | | | | | |
| Land | 5,289 | 0 | 5,289 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5,289 | 0 | 5,289 |
| Wastewater system | 112,367 | (4,729) | 107,638 | 884 | 945 | (13) | 0 | (2,568) | 0 | 4,913 | 114,366 | (2,568) | 111,798 |
| Water system | 121,271 | (6,559) | 114,712 | 2,504 | 4,337 | (294) | 0 | (4,073) | 14 | 18,845 | 140,103 | (4,059) | 136,044 |
| Drainage network | 78,355 | (2,142) | 76,214 | 787 | 462 | (136) | 0 | (1,161) | 3 | 3,606 | 80,932 | (1,158) | 79,775 |
| Roading network | 322,858 | (5,774) | 317,084 | 2,888 | 6,562 | (552) | 0 | (5,774) | 187 | 194,408 | 514,968 | (165) | 514,803 |
| Land under roads | 90,145 | 0 | 90,145 | 0 | 22 | 0 | 0 | 0 | 0 | 0 | 90,167 | 0 | 90,167 |
| Work in progress | 18,308 | 0 | 18,308 | (8,483) | 23,532 | (194) | 0 | 0 | 0 | 0 | 33,162 | 0 | 33,162 |
| **Total Infrastructural assets** | **748,593** | **(19,204)** | **729,390** | **(1,420)** | **35,860** | **(1,189)** | **0** | **(13,576)** | **204** | **221,772** | **978,987** | **(7,950)** | **971,038** |
| **Council restricted assets** | | | | | | | | | | | | | |
| Land | 31,603 | 0 | 31,603 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 31,603 | 0 | 31,603 |
| **Total restricted assets** | **31,603** | **0** | **31,603** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **31,603** | **0** | **31,603** |
| **Total PPE** | **869,435** | **(36,282)** | **833,154** | **(816)** | **42,266** | **(4,015)** | **0** | **(17,678)** | **1,430** | **221,772** | **1,104,057** | **(27,950)** | **1,076,109** |

## Breakdown of overall PPE

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total PPE ($000's) | 953,387 | 1,095,440 | 1,076,109 |

### Comparison to budget

The budget for property, plant and equipment (PPE) was based on an opening balance of $913 million, which was $163 million lower than the actual opening balance. The opening balance was significantly higher than what was estimated in the 2025/26 Annual Plan due to revaluations causing large increases in asset values and this information was not available at the time of the 2025/26 Annual Plan being finalised and therefore relied on estimated closing balances.

This movement was partially offset by depreciation being $3.2 million higher than budget, which was also due to the revaluation in the prior year creating a larger depreciation expense due to the increase in asset values. Additions were also $14.7 million less than budgeted. This variance reflects that Council delivered 75% of the capital works programme budgeted for 2025/26. In addition, $3.2 million of asset disposals occurred that were not budgeted, as the budget assumed all disposals would have a nil net book value.

### Comparison to prior year

The PPE balance increased by $19.3 million compared with 2025. The main driver was a $43.8 million increase due to asset additions in the current year, of which a significant portion related to the Paeroa Upgrading WWTP (18.2 million). Other movements related to the annual depreciation of $21.2 million, disposals with a net book value of $3.2 million and a revaluation surplus of $0.4 million.

## Significant acquisitions

Significant projects (>$1 million) undertaken during the year include Paeroa Upgrading WWTP ($18.2 million) and the Ngātea Service Centre Upgrade ($3.7 million) all of which are still in progress at the report date. Significant projects that were completed during the year include the Kerepēhi Raw Water Main Renewal ($1.6 million), Pavement Rehab of Trig Road North ($1.9 million), Pavement Rehab of Waitawheta Road ($1.0 million) and reseals were completed around the district with a cost of $3.0 million.

## Core infrastructure asset disclosures

Included within the Council infrastructure assets above are the following core Council assets:

| | Most recent replacement cost estimate for revalued assets | Closing book value | Additions: Constructed by Council | Additions: Transferred to Council |
|---|---|---|---|---|
| | $000 | $000 | $000 | $000 |
| **2026** | | | | |
| Wastewater - Treatment | 26,096 | 12,438 | 705 | 0 |
| Wastewater - Other | 162,353 | 99,928 | 58 | 184 |
| Water - Treatment | 43,255 | 27,222 | 2,781 | 0 |
| Water - Other | 190,699 | 131,997 | 8,553 | 0 |
| Drainage and flood protection | 24,750 | 19,234 | 42 | 0 |
| Stormwater | 102,168 | 65,668 | 530 | 22 |
| Roading Network | 733,965 | 514,119 | 9,830 | 0 |
| **2025** | | | | |
| Wastewater - Treatment | 26,929 | 11,560 | 527 | 0 |
| Wastewater - Other | 160,150 | 100,238 | 1,113 | 188 |
| Water - Treatment | 51,677 | 36,027 | 4,118 | 0 |
| Water - Other | 188,202 | 100,017 | 2,652 | 71 |
| Drainage and flood protection | 18,124 | 11,616 | 82 | 0 |
| Stormwater | 106,346 | 68,158 | 1,008 | 158 |
| Roading Network | 734,307 | 519,942 | 10,280 | 0 |

## Insurance

The following information relates to the insurance of Council assets as at 3o June

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| The total value of all Council assets covered by Insurance contracts | 436,826 | 415,417 |
| The maximum amount to which insured assets are insured | 754,063 | 684,300 |
| Total value of assets that are self-insured | 0 | 0 |
| Value of funds maintained for self-insurance | 0 | 0 |

Roading network infrastructure assets are self-insured. There is no separate fund maintained for self-insurance purposes. Land is not insured. In the event of a natural disaster, central government may contribute up to 60% towards the restoration of water, drainage, and sewage assets, and provide a subsidy towards the restoration of roads.

## Land under roads

Land under roads was valued by the independent valuers, Opus International Consultants Ltd as 30 June 2002 using the average market value of land by ward and land use category. Since the introduction of International Financial Reporting Standards, on 30 June 2007, land under roads has been recognised at deemed cost.

## Library collections

These are valued at depreciated replacement cost as at 30 June 2026 by Council staff. Estimates of the remaining useful life over which the asset will be depreciated have been determined based on Council's policy on book replacement, as well as historical book replacement data.

## Disposals

The carrying book value of the amount disposed was $3.17 million (2025: $2.57 million). Significant disposals during the year include the Kerepēhi Raw Water Main which was disposed on 16 February 2026 with a net book value of $633k. There were no other significant disposals during the year.

## Impairment

Total impairment losses for the 2026 financial year was $315k, $305k relating to equipment assets and $10k relating to roading assets (2025: $0).

## Work in progress

The total amount of property, plant and equipment in the course of construction was $50,311,714 (2025: $35,371,000). Property, plant, and equipment in the course of construction by class of asset is detailed below:

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| Land | 243 | 216 |
| Buildings | 4,881 | 1,465 |
| Equipment | 601 | 743 |
| Roading | 1,177 | 1,687 |
| Water | 680 | 8,063 |
| Wastewater | 42,535 | 22,935 |
| Stormwater | 6 | 235 |
| Drainage | 189 | 25 |
| **Total work in progress** | **50,312** | **35,371** |

## Restrictions

Land in the "Restricted Asset" category is subject to restrictions on either use or disposal, or both. This includes restrictions from legislation (such as land declared as a reserve under the Reserves Act 1977), or other restrictions (such as land acquired under a bequest or donation that restricts the purpose for which the asset can be used).

## Security

No assets have been pledged as security for any liability.

## Capital commitments

The amount of contractual commitments for acquisition of property, plant, and equipment is:

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| Roading | 829 | 2,598 |
| Wastewater | 3,004 | 17,967 |
| Water | 789 | 688 |
| Drainage Network | 0 | 0 |
| Property | 0 | 63 |
| Community Services | 0 | 46 |
| **Total capital commitments** | **4,622** | **21,361** |

## Note 14 - Intangible assets

### Accounting policy

***Software acquisition and development***

Computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly attributable to the development of software for internal use are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs are recognised in the surplus or deficit when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with development and maintenance of the Council's website are recognised as an expense when incurred.

***Software as a service (SaaS)***

Where a SaaS contract only gives Council a right to receive access to the supplier's application software, and the SaaS provider continues to hold, manage and update the SaaS application software over the period of the arrangement, costs associated with this type of arrangement would be viewed as payments for services and will be expensed (as incurred) over the term of the arrangement.

If the fees associated a SaaS arrangement give rise to an intangible asset, then Council will record the intangible asset at its cost.

Costs in relation to the configuration and customisation of a SaaS will be dependent on whether the SaaS has been assessed as an intangible asset from the outset.

If no intangible asset has been previously recognised with regards to the SaaS, then the costs will be expensed when incurred, or over the term of the SaaS arrangement (with a prepayment recognised if paid up front).

If an intangible asset has been recognised, then these fees will be capitalised at cost.

***Easements***

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

***Carbon credits***

Purchased carbon credits are recognised at cost on acquisition. Free carbon credits received from the Crown are recognised at fair value on receipt. They are not amortised, but are instead tested for impairment annually. They are derecognised when they are used to satisfy carbon emission obligations.

***Resource consents***

It is difficult to determine the fair value of resource consents due to their specialised nature and having no active market to compare values against. For these reasons, the Council holds resource consents at deemed cost and they are amortised over the average life of the asset for each water type.

***Amortisation***

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial year is recognised in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

| | | | |
|---|---|---|---|
| Technology | Software | 10 years | 10% |
| Resource Consents | Resource Consents | 10-20 years | 5%-10% |

***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.

For further details, refer to the policy for impairment of property, plant, and equipment in Note 13. The same approach applies to the impairment of intangible assets.

## Restrictions

There are no restrictions over the title of intangible assets. No intangible assets are pledged as security for liabilities.

## Impairment - Carbon credits

The Council considers that there is no impairment of carbon credits held, as they are expected to be fully utilised in satisfying carbon obligations from its landfill operations. Carbon units have been assessed as having an indefinite useful life because they have no expiry date and will continue to have economic benefit for as long as the Emissions Trading Scheme is in place.

## Breakdown of intangible assets and further information

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total intangible assets ($000's) | 1,994 | 2,653 | 2,358 |

Movements in the carrying value for each class of intangible asset are as follows:

| | Carbon Credits | Resource Consents | Software | Total |
|---|---|---|---|---|
| | $000 | | $000 | $000 |
| **2026** | | | | |
| Cost | 49 | 2,900 | 30 | 2,979 |
| Accumulated amortisation and impairment | 0 | (311) | (15) | (326) |
| **Closing carrying amount** | **49** | **2,589** | **15** | **2,653** |
| Opening Balance | 49 | 2,291 | 18 | 2,358 |
| Additions | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 |
| **Work in Progress (WIP)** | | | | |
| Opening WIP | 0 | 1,588 | 0 | 1,588 |
| Closing WIP | 0 | 1,933 | 0 | 1,933 |
| Movement in Work in Progress | 0 | 345 | 0 | 345 |
| Amortisation charge | 0 | (47) | (3) | (50) |
| Disposals | 0 | 0 | 0 | 0 |
| **Closing carrying amount** | **49** | **2,589** | **15** | **2,653** |
| | | | | |
| **2025** | | | | |
| Cost | 49 | 2,555 | 30 | 2,634 |
| Accumulated amortisation and impairment | 0 | (264) | (12) | (276) |
| **Closing carrying amount** | **49** | **2,291** | **18** | **2,358** |
| Opening Balance | 49 | 1,924 | 21 | 1,994 |
| Additions | 0 | 0 | 0 | 0 |
| Transfers | 0 | 0 | 0 | 0 |
| **Work in Progress (WIP)** | | | | |
| Opening WIP | 0 | 1,173 | 0 | 1,173 |
| Closing WIP | 0 | 1,588 | 0 | 1,588 |
| **Movement in Work in Progress** | **0** | **414** | **0** | **414** |
| Amortisation charge | 0 | (47) | (3) | (50) |
| Disposals | 0 | 0 | 0 | 0 |
| **Closing carrying amount** | **49** | **2,291** | **18** | **2,358** |

### Comparison to budget

The 2026 budget was based on there being no movement from the 2022/23 annual report, as the focus of the 2025/26 Annual Plan was on physical infrastructure projects.  The difference this year reflects investment in resource consent projects and ongoing amortisation of software and consent costs.

### Comparison to prior year

Intangible assets increased by $295,000 compared with 2025. This was mainly due to further investment of $345,000 in resource consent projects, partly offset by $50,000 of amortisation on software and consent costs.

## Note 15 - Depreciation and amortisation

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total depreciation ($000's) | 18,418 | 21,295 | 17,727 |

Directly attributable depreciation and amortisation by group of activity:

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| Roading | 9,358 | 5,774 |
| Water | 3,898 | 4,082 |
| Wastewater | 2,676 | 2,606 |
| Land drainage and flooding | 139 | 135 |
| Stormwater | 1,033 | 1,027 |
| Solid waste | 132 | 91 |
| Community services | 1,718 | 1,698 |
| Community development | 672 | 566 |
| Regulatory | 0 | 0 |
| **Total directly attributable depreciation and amortisation by group of activity** | **19,626** | **15,979** |
| Depreciation and amortisation not directly related to a group of activities | 1,669 | 1,748 |
| **Total depreciation and amortisation expense** | **21,295** | **17,727** |

### Comparison to budget

Depreciation for 2026 was $21.3 million, which is $2.9 million higher than budget. The increase compared to budget is due to revaluations taking place in the 2025 financial year, which were not available at the time the 2026 budget was set. These valuations caused a significant increase in the roading asset values and therefore higher depreciation costs.

### Comparison to prior year

Depreciation increased by $3.6 million compared with 2025. This is primarily due to the increase in roading depreciation of $3.6 million which was caused by a revaluation taking place in the 2025 financial year causing a large increase in asset values and therefore higher depreciation costs.

## Note 16 - Forestry

### Accounting policy

Standing forestry assets are independently revalued annually at fair value less estimated costs to sell for one growth cycle.

Gains or losses arising on initial recognition of forestry assets at fair value less costs to sell and from a change in fair value less costs to sell are recognised in the surplus or deficit.

Forestry maintenance costs are recognised in the surplus or deficit when incurred.

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total forestry assets ($000's) | 521 | 143 | 1,600 |

### Breakdown of forestry assets and further information

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Balance at 1 July** | **1,600** | **1,564** |
| Increases due to purchases | 0 | 0 |
| Gains / (losses) arising from changes attributable to physical changes | 135 | 202 |
| Gains / (losses) arising from changes attributable to price changes | 23 | 119 |
| Decreases due to harvest | (1,615) | (285) |
| **Balance at 30 June** | **143** | **1,600** |

Council owns 93.3 hectares of Radiata pine forest (2025: 93.3 ha) at various stages of maturity ranging from 10 to 25 years. As at 30 June 2026, 27.27 hectares were included in the valuation due to 55.58 hectares being harvested in the 2026 year and 10.87 hectares being harvested in 2025, resulting in a downward adjustment to the overall tree crop value.

The forestry assets were valued professionally by PF Olsen Ltd, a registered forestry consultant, for financial reporting purposes in accordance with NZ IAS 41 Agriculture and NZ IFRS 13 Fair Value Measurement. The tree crop value (excluding land, infrastructure, and any carbon credits or tax liabilities) was $0.14 million as at 30 June 2026 (2025: $1.60 million). The valuation applied a pre-tax discount rate of 7.8% (2025: 7.8%) to the present value of expected future cash flows and assumes a single rotation harvest regime.

Council uses a discounted cash flow approach based on expected yield at maturity. Log price assumptions are based on a mix of 1-year and 5-year historical averages, derived from AgriHQ and PF Olsen data. The 2026 valuation assumed log prices would remain constant in real terms.

Notional land rental costs have been included for freehold land to reflect the opportunity cost of land use. These costs are excluded from the fair value of the forestry asset.

There are no restrictions on title, and no forestry assets are pledged as security for liabilities (2025: nil). Council has no commitments for the development or acquisition of additional forestry assets (2025: nil).

Council is exposed to financial risks from fluctuations in timber prices. While Council monitors market trends regularly, no financial instruments are used to manage this risk due to its long-term investment horizon and minimal short-term harvesting plans.

### Comparison to budget

The budgeted forestry asset value was based on the 30 June 2024 valuation with an increase of $120k based on an uplift from the valuation and then a decrease of $1,042k due to harvesting. The closing balance as at 30 June 2026 was $143k, which is $378k less than budget. This unfavourable variance is primarily due to the harvesting of the West forestry block being more than expected. The main contributor to this was the decrease in forestry value due to harvesting of $1,615k compared to the budgeted decrease due to harvesting of $1,942k.

### Comparison to prior year

The forestry asset balance decreased by $1,457k compared to the 2025 year. The majority of this movement is due to the harvesting of the West forestry block. A reduction of ($1,615k) was recognised from the removal of 55.58 hectares following harvest at West Water. This was partially offset by a $135k increase due to a gain in revaluation of the prior year's crop and a $23k increase due to favourable price changes compared to the prior year.

## Note 17 - Payables and deferred revenue

### Accounting policy

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

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total payables and deferred revenue ($000's) | 6,678 | 11,337 | 13,413 |

### Breakdown of payables and other information

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Payables and deferred revenue under exchange transactions** | | |
| Trade payables and accrued expenses | 7,506 | 9,856 |
| Revenue in advance | 1,757 | 2,014 |
| **Total payables and deferred revenue under exchange transactions** | **9,263** | **11,871** |
| **Payables and deferred revenue under non-exchange transactions** | | |
| Revenue in advance | 1,786 | 1,248 |
| Other tax payable (e.g. GST and FBT) | 288 | 294 |
| **Total payables and deferred revenue under non-exchange transactions** | **2,074** | **1,542** |
| **Total payables and deferred revenue** | **11,337** | **13,413** |

Payables are generally non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of payables approximates their fair value.

### Comparison to budget

Payables and deferred revenue were $4.7 million higher than budget. The budget was prepared using a proportion of operating expenditure and therefore did not capture items such as revenue received in advance. Revenue in advance totalled $1.8 million. Contract retentions of $2.4 million were also above budget, reflecting the higher capital works programme being implemented by Council. In addition, creditor accruals were higher than anticipated.

### Comparison to prior year

Payables and deferred revenue decreased by $2.1 million compared with 2025 ($11.3 million vs $13.4 million). The decrease primarily reflects a reduction in accrued expenses, partly offset by higher revenue received in advance than the prior year.

## Note 18 - Borrowings

### Accounting policy

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date.

***Finance leases***

A finance lease transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the start of the lease term, finance leases are recognised as assets and liabilities in the statement of financial position at the lower of the fair value of the leased item and the present value of the minimum lease payments. The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no reasonable certainty as to whether the Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total borrowings ($000's) | 197,000 | 172,398 | 140,028 |

### Breakdown of borrowings and other financial liabilities and further information

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Current portion** | | |
| Finance leases | 11 | 16 |
| Secured loans | 67,612 | 35,000 |
| **Total current portion** | **67,623** | **35,016** |
| **Non-current portion** | | |
| Finance leases | 0 | 12 |
| Secured loans | 104,775 | 105,000 |
| **Total non-current portion** | **104,775** | **105,012** |
| **Total borrowings and other financial liabilities** | **172,398** | **140,028** |

### Interest terms for secured loans

The Council's secured loans are mostly issued at floating rates of interest. For floating rate debt, the interest rate is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

### Security

HDC has cash advance facilities with the maximum amount that can be drawn against these of $12.0 million. There are no restrictions on the use of these facilities. There were no borrowings as of 30 June 2026 against this facility (2025: $nil). The Council's secured loans are secured over either separate or general rates of the Council.

### Fair values

Due to interest rates on debt resetting to the market rate every three months, the carrying amounts of secured loans approximates their fair value. The fair value of finance leases is $11,000 (2025: $28,000).

Fair value has been determined using contractual cash flows discounted using a rate based on market borrowing rates at balance date of 3.48% (2025: 3.48%).

| Analysis of finance leases | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Total minimum lease payments payable** | | |
| Not later than one year | 11 | 17 |
| Later than one year and not later than five years | 0 | 12 |
| Later than five years | 0 | 0 |
| **Total minimum lease payments** | **11** | **29** |
| Future finance charges | (0) | (1) |
| **Present value of minimum lease payments** | **11** | **28** |
| **Present value of minimum lease payments payable** | | |
| Not later than one year | 11 | 17 |
| Later than one year and not later than five years | 0 | 12 |
| Later than five years | 0 | 0 |
| **Total present value of minimum lease payments** | **11** | **28** |

### Finance lease as lessee

Finance leases are for printers used by Council as part of the All of Government lease package. The net carrying amount of the equipment held under a finance lease is $10,000 (2025: $28,800). There are no restrictions placed on the Council by any of the finance leasing arrangements.

### Comparison to budget

Borrowings are $26 million lower than forecast. This reflects the difficulty in delivering the $58 million 2025/26 capital programme together with carried forward capital projects from 2024/25.

### Comparison to prior year

Borrowings are $31.0 million higher than last year. This reflects Council's capital works programme, particularly the Paeroa Wastewater Treatment Plant construction, and also an additional $5.0 million of pre-borrowing to forward fund future debt maturities.

### Internal Borrowing

Council operates an internal treasury function, where cash surpluses from some activities are used to fund the borrowing requirements of other activities. This practice reduces Council's overall cost of borrowing by minimising the need for external debt. Internal borrowings are tracked through Council's internal records and interest is charged between activities, consistent with the Revenue and Financing Policy.

As these are funding movements within Council, both the internal borrowings and the associated internal interest charges are fully eliminated on consolidation. Only external debt and external financing costs are recognised in Council's financial statements.

| | Opening balance | Repayments | Drawdowns | Closing balance | Internal interest Expense/ (Revenue) |
|---|---|---|---|---|---|
| | $000 | | $000 | | $000 |
| **2026** | | | | | |
| Roading | 11,214 | 0 | 1,106 | 12,319 | 511 |
| Water | 45,298 | 0 | 1,331 | 46,629 | 2,066 |
| Wastewater | 38,144 | 0 | 18,891 | 57,035 | 1,739 |
| Land drainage & flooding | (3,319) | 0 | 128 | (3,191) | (114) |
| Stormwater | (2,867) | (465) | 0 | (3,332) | (101) |
| Waste management | 925 | (44) | 0 | 882 | 42 |
| Leadership | 0 | 0 | 0 | 0 | 0 |
| Community Services | 7,409 | (362) | 0 | 7,047 | 338 |
| Maanaki Toiora | 0 | 0 | 0 | 0 | 0 |
| Regulatory | 0 | 0 | 0 | 0 | 0 |
| **Total** | **96,803** | **(871)** | **21,457** | **117,389** | **4,482** |

| | Opening balance | Repayments | Drawdowns | Closing balance | Internal interest Expense/ (Revenue) |
|---|---|---|---|---|---|
| | $000 | | $000 | | $000 |
| **2025** | | | | | |
| Roading | 11,021 | 0 | 192 | 11,213 | 552 |
| Water | 40,702 | 0 | 4,596 | 45,298 | 2,039 |
| Wastewater | 19,415 | 0 | 18,729 | 38,144 | 973 |
| Land drainage & flooding | (2,988) | (331) | 0 | (3,319) | (117) |
| Stormwater | (2,087) | (780) | 0 | (2,867) | (82) |
| Waste management | 886 | 0 | 39 | 925 | 44 |
| Leadership | 0 | 0 | 0 | 0 | 0 |
| Community Services | 7,463 | (54) | 0 | 7,409 | 374 |
| Maanaki Toiora | 0 | 0 | 0 | 0 | 0 |
| Regulatory | 0 | 0 | 0 | 0 | 0 |
| **Total** | **74,412** | **(1,165)** | **23,558** | **96,803** | **3,783** |

## Note 19 - Employee entitlements

### Accounting policy

***Short-term employee entitlements***

Employee benefits that are due to be settled within 12 months after the end of the year in which the employee provides 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, and sick leave.

A liability and an expense are recognised for bonuses where the Council or group has a contractual obligation or where there is a past practice that has created a constructive obligation, and a reliable estimate of the obligation can be made.

***Long-term employee entitlements***

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as retirement and long service leave, have been calculated on an actuarial basis. The calculations are based on:

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

***Presentation of employee entitlements***

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested retirement and long service leave expected to be settled within 12 months of balance date are also classified as a current liability. All other employee entitlements are classified as a non-current liability.

### Critical accounting estimates and assumptions

***Estimating retirement and long service leave obligations***

The present value of retirement and long service leave obligations depend on several factors that are determined on an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

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 5.76% (2025: 4.80%) and an inflation factor of 3.12% (2025: 2.89%) were used.

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total employee entitlements ($000's) | 3,286 | 2,823 | 2,722 |

## Breakdown of employee entitlements and further information

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Current portion** | | |
| Accrued pay | 623 | 547 |
| Annual leave | 1,834 | 1,769 |
| Retirement and long service leave | 59 | 56 |
| Sick leave | 87 | 81 |
| **Total current portion** | **2,603** | **2,454** |
| **Non-current portion** | | |
| Retirement and long service leave | 220 | 268 |
| **Total non-current portion** | **220** | **268** |
| **Total employee entitlements** | **2,823** | **2,722** |

### Comparison to budget

The total employee entitlements balance was $2.8 million, which is $0.5 million lower than the budgeted amount. This reflects efforts to reduce the balances of several staff with high leave balances.

### Comparison to prior year

The total employee entitlements balance at 30 June 2026 was $2.8 million, which is closely aligned with the prior year's amount, and reflects the reductions outlined above, offset by payroll inflation.

# Note 20 - Provisions

## Accounting policy

A provision is recognised for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) 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 expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs" (see Note 5) or interest revenue (see Note 3) if the discount unwind is negative.

## Critical accounting estimates and assumptions

### *Estimating the landfill aftercare costs*

The cash outflows for landfill post-closure costs are expected to occur over the next 15-25 years (site dependent). The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred.

The future cash outflows for the provision have been estimated taking into account existing technology and known changes to legal requirements. The gross provision before discounting is $1,507,000 (2025: $1,812,000). The following significant assumptions have been made in estimating the provision:

- A discount rate of 2.97%-5.85% (2025: 3.14%-5.99%) has been used to discount the estimated future cash outflows.
- An annual inflation factor of 1.96%-2.70% has been applied in estimating the future cash outflows (2025: 1.98%-2.10%)
- Landfill rehabilitation/aftercare costs have been assumed to range from 15 to 25 years (2025: 15-25 years)

The management of the landfill will influence the timing of recognition of some liabilities.

| | 2026 Budget | 2026 Actual | 2025 Actual |
|---|---|---|---|
| Total provisions ($000's) | 1,246 | 1,120 | 1,137 |

## Breakdown of provisions and further information

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Current portion** | | |
| Other | 0 | 0 |
| Landfill aftercare | 177 | 164 |
| **Total current provision** | **177** | **164** |
| **Non-current portion** | | |
| Landfill aftercare | 943 | 973 |
| **Total non-current portion** | **943** | **973** |
| **Total provision** | **1,120** | **1,137** |

The movement in the provision is as follows:

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Opening balance as at 1 July** | **1,137** | **1,246** |
| Additional provisions | 0 | 0 |
| Amounts used | (167) | (186) |
| Restatement of future liability | 65 | 441 |
| Discount unwind | 85 | (363) |
| **Closing balance as at 30 June** | **1,120** | **1,137** |

### Comparison to budget

The total provision for landfill aftercare was similar to the budget amount.

### Comparison to prior year

The provision was similar to the prior year

# Note 21 - Contingent liabilities

## Contingent liabilities

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| Land acquisition compensation claim | 0 | 0 |
| Property Defects | 25 | 0 |
| Licence to Occupy of Road Reserve | 0 | 80 |
| **Total contingent liabilities** | **25** | **80** |

### Land Access Compensation

Council is undertaking a capital project that requires access to private land for the installation of new infrastructure. To enable this project to proceed, compensation is required to be paid to the landowner for use of the land. Council has offered compensation, but the landowner has indicated that a higher amount may be sought. The final amount of compensation payable remains subject to agreement with the landowner.

At balance date, the matter had not been settled, and the project cannot progress until resolution is reached. The amount of any additional liability cannot be reliably measured at this stage. Accordingly, no provision has been recognised in these financial statements.

### Property Defects

Council has received a claim relating to property defects at a residential property. The matter is before the courts.

The maximum contingency is Council's insurance excess.

### Hauraki Rail Trail

Hauraki District Council, together with Thames-Coromandel District Council (TCDC) and Matamata-Piako District Council (MPDC), is a party to a trust deed establishing the Hauraki Rail Trail Charitable Trust (the Trust). The deed, signed on 2 March 2012, enables the Trust to own, operate, maintain, repair, develop, and facilitate the use and enjoyment of a cycle trail within the region.

Under the accompanying Management Agreement, the Trust is responsible for generating sufficient revenue to meet its management and operational obligations. If the Trust is unable to do so, the three settlor Councils have agreed to contribute funding to cover any shortfall.

Funding obligations are apportioned as follows:

- Strategic and overhead costs are shared equally among the three Councils; and
- Proportionate costs, which relate to specific sections of the trail, are allocated based on the length of the trail within each Council's district.

Ministry of Business, Innovation and Employment (MBIE) have provided additional funding to the Trust to help fund annual maintenance costs. This has enabled the Council to use its own contributions to help the Trust lift the level of service it provides.

Any request by the Trust for additional Council funding must be to cover a demonstrated shortfall and is subject to a formal approval process, including Council resolution.

As at 30 June 2026, the Council is not aware of any current or pending funding requests from the Trust. While the Management Agreement creates a potential funding obligation, the likelihood of a call on Council funding as at balance date is considered low. Accordingly, no provision has been recognised in the financial statements.

### New Zealand Local Government Funding Agency

Council is a guarantor of the New Zealand Local Government Funding Agency Limited (NZLGFA). The NZLGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand.

Fitch Ratings affirmed LGFA's long-term domestic and foreign currency credit rating as AA+ on 25 March 2026. S&P Global Ratings (S&P) affirmed LGFA's domestic currency credit rating at AAA and foreign currency rating at AA+ on 18 March 2025. The LGFA's credit ratings remain equivalent to the New Zealand Government from both S&P and Fitch Ratings

As of 30 June 2026, Council is one of 30 local authority shareholders and 74 local authority guarantors of the LGFA. The New Zealand Government also has a 20% shareholding in the LGFA. The LGFA has $20m of uncalled capital from its council shareholders that is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors; Council is a guarantor of all of LGFA's borrowings.

On 30 June 2026, LGFA had issued loans to the local government sector totalling $24.1 billion (2025: $22.7 billion).

Financial reporting standards require Council to recognise the guaranteed liability at fair value. However, Council has been unable to determine a sufficiently reliable fair value for the guarantee and therefore has not recognised a liability. Council considers the risk of NZLGFA defaulting on repayments of interest or capital to be very low on the basis that:

- Council is not aware of any local authority debt default events 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.

### Waikato Waters Limited

Together with other particpating Waikato councils, Council is a shareholder and guarantor of the Waikato Waters Limited (WWL).

Council together with the other council shareholders guarantee WWL's borrowings from the LGFA. At 30 June 2026 WWL had yet to borrow from the LGFA.

### Riskpool

Hauraki District Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). The scheme is in the process of winding down. However, the Council retains an ongoing obligation to contribute to the scheme should a call be made in respect of historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operations of the scheme.

At this time, the financial effect of any further potential calls cannot be reliably quantified and remains contingent on the outcomes of the legal and reinsurance processes. Accordingly, no provision has been made in the financial statements for any future contributions beyond those already invoiced and paid.

### Contract Variations and Claims

As at 30 June 2026, Council had a number of significant capital projects and asset construction workstreams in progress. These projects are subject to contractual arrangements with external contractors. From time to time, variations to contract terms, scope changes, or claims may be raised in the ordinary course of delivering such projects.

Several workstreams are currently subject to contractor requests for variations or other contractual matters that could result in additional costs to Council beyond the initial awarded contract price. The outcome of these matters is dependent on the resolution of negotiations, assessment processes, or other contractual mechanisms, and remains inherently uncertain.

Due to the number of contracts involved, the stage of discussions, and the complexity of the issues, the financial effect of these potential liabilities cannot be quantified reliably at this time. Any obligations that do arise will be recognised in the financial statements when it becomes probable that an outflow of resources will be required and the amount can be measured reliably.

### Other claims

Other outstanding legal claims as of 30 June 2026 cannot yet be quantified (2025: nil).

### Contingent assets

There are no contingent assets as of 30 June 2026 (2025: nil).

## Note 22 - Equity

### Accounting policy

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

- accumulated funds
- other reserves
- property revaluation reserve
- fair value through other comprehensive revenue and expense reserve

#### *Other reserves*

Other reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Other reserves are those subject to specific conditions accepted as binding by Council and which may not be revised by Council without approval by Council. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

#### *Property revaluation reserve*

This reserve relates to the revaluation of property, plant, and equipment to fair value. Fair value through other comprehensive revenue and expense reserve.

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

#### *Fair value through other comprehensive revenue and expense reserve*

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

### *Other reserves*

Further information about other reserve funds held for a specific purpose are provided below:

| Other reserves consist of: | Opening $000's | Transfers in $000's | Transfers out $000's | Closing $000's |
|---|---|---|---|---|
| **2026** | | | | |
| **Financial contributions** | | | | |
| District community recreation | 24 | 0 | 0 | 24 |
| Plains community recreation | 80 | 57 | (6) | 132 |
| Paeroa community recreation | 84 | 0 | 0 | 84 |
| Waihī community recreation | 322 | 0 | 0 | 322 |
| **Council created reserves** | | | | |
| District community projects assistance | 739 | 57 | (93) | 704 |
| Economic development projects | 77 | 0 | 0 | 77 |
| Creative New Zealand Arts Grants | 103 | 0 | (16) | 87 |
| Thames Valley Turf Trust | 61 | 22 | 0 | 83 |
| Quarry renewal | 750 | 0 | (38) | 712 |
| **Total other reserves** | **2,240** | **136** | **(152)** | **2,225** |

| Other reserves consist of: | Opening $000's | Transfers in $000's | Transfers out $000's | Closing $000's |
|---|---|---|---|---|
| **2025** | | | | |
| **Financial contributions** | | | | |
| District community recreation | 24 | 0 | 0 | 24 |
| Plains community recreation | 106 | 64 | (90) | 80 |
| Paeroa community recreation | 84 | 0 | 0 | 84 |
| Waihī community recreation | 513 | 0 | (190) | 322 |
| **Council created reserves** | | | | |
| District community projects assistance | 688 | 199 | (148) | 739 |
| Economic development projects | 77 | 0 | 0 | 77 |
| Creative New Zealand Arts Grants | 107 | 0 | (4) | 103 |
| Economic development projects | 39 | 22 | 0 | 61 |
| Quarry renewal | 748 | 2 | 0 | 750 |
| **Total other reserves** | **2,385** | **287** | **(432)** | **2,240** |

## Other reserves

### *Financial contributions*

**District, Paeroa, Plains, and Waihī Community Recreational Funds**

These reserve funds are historic and were used to accumulate Financial Contributions prior to Council changing to a Development Contributions regime.

The balances will be used to fund community recreational facilities capital works.

These funds relate to the Community Services activity only.

### *Council created reserves*

**District Community Projects Assistance Fund**

This reserve fund is to assist with the completion of community projects. The fund relates to all activities.

**Economic development projects**

This reserve fund is to provide funding for the economic development projects. The fund relates to all activities.

**Creative New Zealand Arts Grants Fund**

This reserve fund is for short-term funding for artists, arts practitioners, and arts organisations to complete a project. The fund relates to the Manaaki Toiora activity.

**Thames Valley Turf Fund**

This reserve fund is to provide funding for the works associated with the Thames Valley Turf at the Hugh Hayward Domain. The fund relates Community Services activity only.

**Quarry Renewal Fund**

This Reserve Fund is to provide funding for the cost of rehabilitating Tetley's Quarry post-closure. The activity that this reserve relates to is Business Support.

**Asset revaluation reserves**

Further information about asset revaluation reserve funds are provided below:

| Asset revaluation reserves consist of: | Opening $000's | Transfers in $000's | Transfers out $000's | Closing $000's |
|---|---|---|---|---|
| **2026** | | | | |
| **Operational Assets** | | | | |
| Land | 50,900 | 0 | (193) | 50,707 |
| Buildings | 22,045 | 0 | (88) | 21,957 |
| **Infrastructural Assets** | | | | |
| Wastewater | 77,997 | 2,272 | (17) | 80,252 |
| Water | 67,366 | (7,609) | (644) | 59,114 |
| Land drainage and Stormwater | 42,201 | 5,772 | (36) | 47,938 |
| Roading | 320,899 | 0 | (877) | 320,022 |
| **Total asset revaluation reserves** | **581,409** | **436** | **(1,855)** | **579,990** |
| **2025** | | | | |
| **Operational Assets** | | | | |
| Land | 50,900 | 0 | 0 | 50,900 |
| Buildings | 22,765 | 0 | (720) | 22,045 |
| **Infrastructural Assets** | | | | |
| Wastewater | 73,093 | 4,913 | (9) | 77,997 |
| Water | 48,670 | 18,845 | (149) | 67,366 |
| Land drainage and Stormwater | 38,667 | 3,606 | (72) | 42,201 |
| Roading | 126,731 | 194,409 | (241) | 320,899 |
| **Total asset revaluation reserves** | **360,827** | **221,773** | **(1,191)** | **581,409** |

## Capital management

The Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA requires the Council to manage its revenues, expenses, assets, liabilities, investments, and general financial dealings prudently and in a manner that 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 LGA and applied by the Council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the Council's assets and not expecting them to meet the full cost of long-term assets that will benefit ratepayers in future generations.

Additionally, the Council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes, to ensure that ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the 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 LGA also sets out the factors that the 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 financial policies in the Council's LTP.

# Note 23 - Related party transactions

## Key management personnel compensation

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Key management personnel compensation** | | |
| **Councillors** | | |
| Remuneration | 642 | 619 |
| Full-time equivalent members | 19 | 14 |
| **Senior Management Team, including the Chief Executive** | | |
| Remuneration | 1,505 | 1,200 |
| Fulltime equivalent members | 6 | 4 |
| Total key management personnel remuneration | 2,147 | 1,819 |
| **Total full-time equivalent personnel** | **25** | **18** |

Due to the difficulty in determining the full-time equivalent for Councillors, the full-time equivalent figure is taken as the number of Councillors.

An analysis of Councillor remuneration and further information on Chief Executive remuneration is provided in Note 4.

The figures above include pertaining to Councillor remuneration include an annual communication allowance of $1,757 paid to each Councillor (2025: $1,817). The Mayor received a communication allowance of $1,054 (2025: $1,090).

## Destination Hauraki Coromandel Trust

Hauraki District Council is a settlor of the Destination Hauraki Coromandel Trust (the Trust). The Trust was established to promote tourism and economic development within the Coromandel and Hauraki regions.

Council, together with Thames-Coromandel District Council, has the ability to appoint trustees to the Trust. However, Council does not control the Trust, nor does it have significant influence over the Trust for the purposes of PBE IPSAS 35 or PBE IPSAS 36.

Notwithstanding the above, the Trust is considered a related party of Council in accordance with PBE IPSAS 20 due to Council's involvement in the establishment of the Trust, its ability to appoint trustees, and the nature of ongoing transactions between the parties.

During the year, Council entered into a lease arrangement with the Trust for the use of a motor vehicle. Lease income recognised in relation to this arrangement was $4,100 (2025: nil).

The lease arrangement is not priced on a commercial basis and reflects Council's role in supporting the Trust to deliver tourism outcomes within the district.

There were no amounts outstanding at balance date (2025: $Nil).

## Related party transactions required to be disclosed

There are no other related party transactions that are required to be disclosed in accordance with P*BE IPSAS 20* Related Party Disclosures.

Related party disclosures have not been made for transactions with related parties that are:

- With related parties that are within a normal supplier or client/recipient relationship; and
- On terms and conditions no more or less favourable that those that it is reasonable to expect the Council would have adopted in dealing with the party at arm's length in the same circumstances.

## Note 24 - Events after balance date

### Transfer of water services to Waikato Waters Limited

The Water Services Act 2025 established a new framework for the delivery of drinking water, wastewater and stormwater services in New Zealand under the Government's Local Water Done Well reform programme. The Act requires councils to demonstrate the long-term financial sustainability and operational capability of their water services and provides for councils to either continue delivering water services directly or through council-controlled water organisations.

As part of these reforms, Hauraki District Council is participating in Waikato Waters Limited, a council-controlled water organisation established by participating councils within the Waikato region to provide drinking water and wastewater services.

Waikato Waters Limited commenced operations on 1 July 2026, with the transfer of water services assets, liabilities and operations from participating Councils that elected to transfer at that date.

Hauraki District Council is scheduled to transfer its drinking water and wastewater activities, including associated infrastructure assets, liabilities and selected staff, to Waikato Waters Limited on 1 July 2027. Until that date, Council will continue to own and operate its water supply and wastewater networks and will continue to recognise the associated assets and liabilities in this annual report.

Council holds shares in Waikato Waters Limited in accordance with the agreed ownership arrangements between participating councils. Shareholding proportions are based on the number of water connections within each participating council area.

Further information on the financial performance of Council's water supply and wastewater activities, including the revenue and expenditure attributable to those activities for the year, is provided in the Cost of Service Statements on page 52 for Water supply and page 57 for wastewater.

As part of the establishment of Waikato Waters Limited, participating Councils have agreed to fund establishment and transitions costs via loans from Council to Waikato Waters Limited. Any borrowings associated with these costs are expected to transfer to Waikato Waters Limited when Council's water services activities transfer on 1 July 2027. Total loans to Waikato Waters Limited for the establishment and transition costs are $3,199,880 as at 30 June 2026.

At 30 June 2026, the carrying value of water supply and wastewater infrastructure assets expected to transfer to Waikato Waters Limited was:

| Asset Class | Carrying Value ($000) |
|---|---|
| Water supply assets | 135,417 |
| Wastewater assets | 154,902 |
| Total | 290,319 |

As at 30 June 2026, debt directly attributable to the water supply and wastewater activities which is expected to be transferred to Waikato Waters Limited on 1 July 2027 was $103,664,952.

The transfer of Council's water services activities on 1 July 2027 is expected to result in the future derecognition of a significant portion of Council's infrastructure assets, associated liabilities and water service operations. The detailed accounting treatment and financial impact of the transfer continue to be assessed and cannot yet be reliably quantified.

This decision represents a significant future change in Council's service delivery responsibilities. However, as the transfer will not take effect until 1 July 2027 there is no further impact on the disclosures in the current annual report.

There are no known material contingent assets or contingent liabilities expected to transfer or arise from the reform.

## Head Start local government reform

On 5 May 2026, the Government announced the Head Start pathway as part of its proposed reforms to simplify local government. The Head Start pathway provided a voluntary process for councils to develop proposals for changes to local government structures, including the potential establishment of new unitary authorities.

On 04 August 2026, Hauraki District Council passed a resolution in favour of submitting a joint proposal under this Head Start process to form a Unitary Authority alongside Matamata-Piako District Council and Thames-Coromandel District Council. This was submitted to the Government on 09 August 2026.

On 24 September 2026, the Government announced that the decisions on the head start proposals will be deferred until after the general election in November. Final decisions are expected to be made in early 2027. If our proposal is endorsed by Cabinet, it is expected the governance structure of any new entity will take effect from the October 2028 elections.

There is significant uncertainty around the timing and outcome of the Head Start process. The Government has not yet determined if our proposal will progress to detailed design, and any changes to the structure of local government are subject to further Government decisions, legislative processes and implementation arrangements. Therefore, the potential impact of the proposed reforms on the Council, including any changes to its functions, assets, liabilities, employees and financial position, cannot currently be reliably estimated. Council's financial statements are prepared on a going concern basis.

There are no known material contingent assets or contingent liabilities expected to transfer or arise from the reform.

# Note 25 - Financial instruments

## Financial instrument categories

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

## Financial assets

| Financial assets | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Fair value through surplus or deficit** | | |
| Derivative financial instrument assets | 53 | 61 |
| **Total fair value through surplus or deficit** | **53** | **61** |
| **Amortised cost** | | |
| Cash and cash equivalents | 18,518 | 13,700 |
| Receivables | 14,928 | 13,321 |
| *Other financial assets* | | |
| Community loans | 56 | 75 |
| Term deposits | 10,000 | 15,000 |
| **Total loans and receivables** | **43,502** | **46,972** |
| **Fair value through surplus and deficit** | | |
| *Other financial assets* | | |
| Borrower notes from Local Government Funding Agency | 5,175 | 4,876 |
| **Total fair value through surplus and deficit** | **5,175** | **4,876** |
| Fair value through other comprehensive revenue and expense | | |
| *Other financial assets* | | |
| Unlisted shares | 678 | 546 |
| **Total fair value through other comprehensive revenue and expense** | **678** | **546** |

## Financial liabilities

| Financial liabilities | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Mandatorily measured at fair value through surplus or deficit - held for trading** | | |
| Derivative financial instrument liabilities | 1,104 | 1,271 |
| **Total fair value through surplus or deficit - held for trading** | **1,104** | **1,271** |
| **Financial liabilities at amortised cost** | | |
| Payables | 7,506 | 9,856 |
| *Borrowings* | | |
| Finance lease liabilities | 11 | 28 |
| Secured loans | 172,388 | 140,000 |
| **Total financial liabilities at amortised cost** | **179,905** | **149,885** |

## Fair value hierarchy

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 techniques 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:

| | | Valuation technique | | |
|---|---|---|---|---|
| | Total | Quoted market price | Observable inputs | Non-observable inputs |
| | $000's | $000's | $000's | $000's |
| **2026** | | | | |
| **Financial assets** | | | | |
| Shares | 678 | 0 | 0 | 678 |
| Borrower Notes | 5,175 | 0 | 5,175 | 0 |
| Derivatives | 53 | 0 | 53 | 0 |
| **2025** | | | | |
| **Financial assets** | | | | |
| Shares | 545 | 0 | 0 | 545 |
| Derivatives | 61 | 0 | 61 | 0 |

There were no transfers between the different levels of the fair value hierarchy.

## Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| **Balance at 1 July** | **545** | **528** |
| Gains and losses recognised in other comprehensive revenue and expense | 133 | 17 |
| Transfers into level 3 | 0 | 0 |
| Transfers out of level 3 | 0 | 0 |
| **Balance at 30 June** | **678** | **545** |

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

## Financial instrument risks

The Council's activities expose it to a variety of financial instrument risks, including market risk, credit risk, and liquidity risk. The Council has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. The Council has established Council approved Liability Management and Investment policies. These policies do not allow any transactions that are speculative in nature to be entered.

### *Market risk*

**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.

The Council purchases plant and equipment for various activities from overseas, which require it to enter into transactions denominated in foreign currencies. As a result of these activities, exposure to currency risk arises.

**Interest rate risk**

Council is exposed to interest rate risk and seeks to minimise this exposure through adopted treasury policies. This includes entering into interest rate options or interest rate swap agreements. As at 30 June 2026, the Council had entered into interest rate swap agreements to a value of $90 million at interest rates between 2.27% and 4.16%. (2025: $107m at interest rates between 2.27% and 4.16%).

**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 the Council to cash flow interest rate risk.

Generally, the Council raises long-term borrowings at floating rates and swaps them into fixed rates using 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 the Council borrowed at fixed rates directly. Under the interest rate swaps, the 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 the Council, causing it to incur a loss. Due to the timing of its cash inflows and outflows, surplus cash is invested into term deposits, which gives rise to credit risk. The Council can also provide financial guarantees, which gives rise to credit risk.

The Council's investment policy limits the amount of credit exposure to any one financial institution or organisation. The Council reduces its exposure to credit risk by only placing investments in accordance with its investment policy which ensures dispersion and minimisation of risk. The Council invests funds only with entities that have a Standard and Poor's credit rating of at least A-1 for short-term and A for long-term investments. The Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

### *Maximum exposure to credit risk*

The Council's maximum credit risk exposure for each class of financial instrument is as follows:

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| Cash at bank and term deposits | 28,518 | 28,700 |
| Receivables | 14,928 | 13,321 |
| Community loans | 56 | 75 |
| Derivative financial instrument assets | 53 | 61 |
| NZ LGFA Borrower notes | 5,175 | 4,876 |
| NZ LGFA unlisted shares | 586 | 453 |
| **Total maximum exposure to credit risk** | **49,316** | **47,486** |

The Council is exposed to credit risk as a guarantor of all the LGFA's borrowings. Information about this exposure is explained in Note 21 - Contingencies.

### *Credit quality of financial assets*

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.

| | 2026 Actual $000's | 2025 Actual $000's |
|---|---|---|
| ***Counterparties with credit ratings*** | | |
| **Cash at bank and term deposits** | | |
| AA- | 28,518 | 28,700 |
| **Derivative financial instruments** | | |
| AA- | 53 | 61 |
| **NZ LGFA Borrower notes** | | |
| AA+ | 5,175 | 4,876 |
| **NZ LGFA unlisted shares** | | |
| AA+ | 586 | 453 |
| **Counterparties without credit ratings** | | |
| Community and related loans with no defaults in the past | 55 | 75 |

Receivables arise mainly from the Council's statutory functions. Therefore, there are no procedures in place to monitor or report the credit quality of receivables with reference to internal or external credit ratings. The Council has no significant concentrations of credit risk in relation to receivables, as it has a large number of credit customers, mainly ratepayers, and the 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 the 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. The Council aims to maintain flexibility in funding by keeping committed credit lines available.

As part of meeting its liquidity requirements, the Council maintains a target level of investments that must mature within the next 12 months. The Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy.

The Council has a maximum amount that can be drawn down against its on-call facility of $12.0 million (2025: $12.0 million). There are no restrictions on the use of this facility.

The Council is exposed to liquidity risk as a guarantor of all of the 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 explained in Note 21 - Contingencies.

**Breach of Liability Management Policy**

During the year, the Council did not comply with the debt maturity profile limits set out in its Liability Management Policy. At balance date, 74% of the Council's borrowings were within the 0 to 3-year maturity band, exceeding the policy limit of 60%.

The breach arose because the Council was transferring the majority of its debt to Waikato Waters Limited at 1 July 2027. Council did not want to add to its long term loans when there was going to be no requirement past 1 July 2027 for many of these loans.

Council approved the breach of the policy.

Further information on the transfer of water services to Waikato Waters Limited is provided in Note 24.

## Contractual maturity analysis of financial liabilities, excluding derivatives

The table below analyses the Council's financial liabilities (excluding derivatives) 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.

| | Carrying amount $000's | Contractual cash-flows $000's | Less than 1 year $000's | 1-5 years $000's | More than 5 years $000's |
|---|---|---|---|---|---|
| **2026** | | | | | |
| Payables | 7,506 | 7,506 | 7,506 | 0 | 0 |
| Secured loans | 172,387 | 177,208 | 69,251 | 107,957 | 0 |
| Finance leases | 11 | 21 | 11 | 0 | 0 |
| **Total financial liabilities** | **179,905** | **185,348** | **77,380** | **107,957** | **0** |
| **2025** | | | | | |
| Payables | 9,856 | 9,856 | 9,856 | 0 | 0 |
| Secured loans | 140,000 | 151,393 | 36,277 | 115,116 | 0 |
| Finance leases | 27 | 27 | 16 | 12 | 0 |
| **Total financial liabilities** | **149,884** | **161,277** | **46,149** | **115,128** | **0** |

## Contractual maturity analysis of derivative financial instrument liabilities

The table below analyses the Council's derivative financial instrument liabilities into those that are settled on a net basis and those that will be settled on a gross basis into their 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.

| | Liability carrying amount $000's | Contractual cash-flows $000's | Less than 1 year $000's | 1-5 years $000's | More than 5 years $000's |
|---|---|---|---|---|---|
| **2026** | | | | | |
| Net settled derivative liabilities | 1,064 | 1,064 | 106 | 958 | 0 |
| **Total derivatives** | **1,064** | **1,064** | **106** | **958** | **0** |
| **2025** | | | | | |
| Net settled derivative liabilities | 1,271 | 1,271 | 74 | 729 | 468 |
| **Total derivatives** | **1,271** | **1,271** | **74** | **729** | **468** |

## Contractual maturity analysis of financial assets

The table below analyses the Council and 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.

| | Carrying amount $000's | Contractual cash-flows $000's | Less than 1 year $000's | 1-5 years $000's | More than 5 years $000's |
|---|---|---|---|---|---|
| **2026** | | | | | |
| Cash and cash equivalents | 18,518 | 18,518 | 18,518 | 0 | 0 |
| Receivables | 15,853 | 15,853 | 15,853 | 0 | 0 |
| *Other financial assets* | | | | | |
| Community loans | 55 | 55 | 19 | 36 | 0 |
| Borrower notes | 5,175 | 5,175 | 702 | 4,473 | 0 |
| Term deposits | 10,000 | 10,000 | 10,000 | 0 | 0 |
| **Total financial assets** | **49,602** | **49,602** | **45,092** | **4,509** | **0** |
| **2025** | | | | | |
| Cash and cash equivalents | 20,950 | 20,950 | 20,950 | 0 | 0 |
| *Receivables* | 13,321 | 13,321 | 13,321 | 0 | 0 |
| *Other financial assets* | | | | | |
| Community loans | 75 | 75 | 20 | 55 | 0 |
| Borrower notes | 4,876 | 4,876 | 1,289 | 3,587 | 0 |
| Term deposits | 15,000 | 15,000 | 15,000 | 0 | 0 |
| **Total financial assets** | **54,222** | **54,222** | **50,580** | **3,642** | **0** |

## Contractual maturity analysis of derivative financial instrument assets

The table below analyses the Council's derivative financial instrument asset into those that are settled on a net basis and those that will be settled on a gross basis into their 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.

| | Asset carrying amount $000's | Contractual cash-flows $000's | Less than 1 year $000's | 1-5 years $000's | More than 5 years $000's |
|---|---|---|---|---|---|
| **2026** | | | | | |
| Net settled derivative assets | 12 | 12 | 0 | 12 | 0 |
| **Total derivatives** | **12** | **12** | **0** | **12** | **0** |
| **2025** | | | | | |
| Net settled derivative assets | 61 | 61 | 0 | 61 | 0 |
| **Total derivatives** | **61** | **61** | **0** | **61** | **0** |

## 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 the Council financial instrument market risk exposures at balance date.

| Interest rate risk - financial assets | -50bps Surplus $000's | -50bps Other equity $000's | +50bps Surplus $000's | +50bps Other equity $000's |
|---|---|---|---|---|
| **2026** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | (227) | 0 | 227 | 0 |
| Derivatives | (7) | 0 | 273 | 0 |
| **Total sensitivity** | **(234)** | **0** | **500** | **0** |
| **2025** | | | | |
| **Financial assets** | | | | |
| Cash and cash equivalents | (127) | 0 | 127 | 0 |
| Derivatives | (153) | 0 | 391 | 0 |
| **Total sensitivity** | **(279)** | **0** | **518** | **0** |

| Interest rate risk - financial liabilities | -50bps Surplus $000's | -50bps Other equity $000's | +50bps Surplus $000's | +50bps Other equity $000's |
|---|---|---|---|---|
| **2026** | | | | |
| **Financial liabilities** | | | | |
| Derivatives | (1,120) | 0 | 831 | 0 |
| **Total sensitivity** | **(1,120)** | **0** | **831** | **0** |
| **2025** | | | | |
| **Financial liabilities** | | | | |
| Derivatives | (1,327) | 0 | 1,063 | 0 |
| **Total sensitivity** | **(1,327)** | **0** | **1,063** | **0** |

## Explanation of interest rate risk sensitivity

The interest rate sensitivity is based on a reasonable possible movement in interest rates, with all other variables held constant, measured as a basis points (bps) movement. For example, a decrease in 50 bps is equivalent to a decrease in interest rates of 0.5%. The sensitivity for derivatives (interest rate swaps) has been calculated using a derivative valuation model based on a parallel shift in interest rates of -50bps/+50bps (2025: -50bps/+50bps).

# Ngā Kaituku Ratonga
# **Our service providers**

We are required under the Local Government Act 2002 to include information in our annual report on Council-Controlled Organisations (CCOs) in which we are a shareholder. In accordance with Schedule 10, clause 28 of the Local Government Act 2002, the following section includes:

- identification of the CCOs relevant to the Hauraki District Council
- a report on the extent to which our significant policies and objectives in regard to ownership and control of the organisation (as set out in the relevant long term plan or annual plan) have been implemented or attained in the year to which the report relates
- a comparison between the nature and scope of the activities intended to be provided by the organisation in 2025/26 and the nature and scope of the activities actually provided by the organisation in that year
- a comparison between actual performance and the key performance targets as detailed in the Long-Term Plan, by which performance is to be assessed.

We are a shareholder in three CCOs being the Waikato Local Authority Shared Services Limited (known as Co-Lab), New Zealand Local Government Funding Agency Limited (LGFA) and Waikato Waters Limited.

We also have an interest in three council organisations that are currently exempt from the full reporting requirements of a CCO. These are therefore not included in this annual report. These organisations are Destination Coromandel Trust, Hauraki Rail Trail Charitable Trust and Martha Trust. We are also a shareholder of a fourth organisation, Civic Financial Services Limited, which is exempt from being a CCO under the Local Government Act, 2002.

We have no significant policies or objectives about the ownership and control of Waikato Local Authority Shared Services Ltd or New Zealand Local Government Funding Agency Ltd. Appointment of directors to these organisations is made in accordance with our Appointment of Remuneration and Directors Policy. This can be viewed on our website **Policies - Hauraki District Council (hauraki-dc.govt.nz)**



Photo by Joanne Yeoman (c)

# Co-Lab

In December 2005 the local authorities in the Waikato Region established Local Authority Shared Services Limited (WLASS) as a company and a Council-Controlled Organisation (CCO), for the purpose of working closely together on mutually beneficial joint projects to achieve better outcomes and cost savings for shareholders. Since December 2021 it is now trading as Co-Lab.

## Shareholders

Co-Lab is jointly owned by the 12 local authorities of the Waikato Region. Each local authority owns an equal number of shares in Co-LAB. The local authorities are: Hamilton City Council, Hauraki District Council, Matamata-Piako District Council, Ōtorohanga District Council, Rotorua Lakes Council, South Waikato District Council, Thames-Coromandel District Council, Tāupo District, Waikato District Council, Waikato Regional Council, Waipā District Council and Waitomo District Council.

## Council Policies and Objectives relating to Co-Lab

The Council does not have any significant policies or objectives about ownership and control of Co-Lab. Council has an Appointment and Remuneration of Directors for Council Organisations Policy in place.

## Objectives of Company

The objectives of Co-Lab are:

- Achieve effectiveness and efficiency gains
- Reduce duplication of effort and eliminate waste through repetition.
- Helping the Councils achieve an appropriate balance in risk and return.
- Promote and contribute to the development of best practice.
- Make it easier for communities to engage with Councils in the Waikato region on a consistent basis.
- Promote business transformation to improve communities' experiences.

## Board and employees

The company has a Chief Executive, General Manager Service Delivery, Manager Project Delivery, Manager Communications, Change and Relationships, Manager Finance and an Executive Assistant,

The Co-Lab Board includes the following members:

- An independent Chair; and
- Shareholding Council representation, appointed by:
- Waikato Regional Council, Hamilton City Council, Central Waikato, East Waikato, South Waikato

## Nature and scope of activities

The major initiatives operating under the Co-Lab umbrella are:

- Co-Lab Water Services (CWS)
- RATA
- Energy and Carbon Management
- Co-Lab Learning (CLL)
- Co-Lab Procurement Services
- Co-Lab Geospatial Services (CoGS)
- Waikato Regional Transport Model (WRTM)
- Regional Infrastructure Technical Specification.

## Performance of Co-Lab in 2025/26

The performance targets as outlined in the 2025/26 Statement of Intent, and the results, are as follows and can be found on their website : **Co-Lab-2026-Annual-Report-with-Audit-Report.pdf**

# PERFORMANCE MEASURES

| Strategic Goal | 3-Year Objective | 3-Year Tracking | Annual Target: | FY25-26 | FY24-25 |
|---|---|---|---|---|---|
| **GOAL 1:** Shareholding Councils understand we provide them value | We know the value we provide shareholders has improved by 15%, by 30 June 2027*<br><br>*(baseline y/e 30 June 24).*<br>**Based on the regional benefits of collaboration (not an individual councils' benefits from collaboration).* | On track | Year-on-year increase in the value we provide to councils. | **FY25-26:** $14.7m in value we provide councils as measured by our benefit analysis. | **FY24-25:** $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 meet or exceed their expectations (evidenced by an annual survey). | **FY25-26:** 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 were received). | **FY24-25:** 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). |
| **GOAL 2:** 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><br>*(baseline y/e 30 June 24)*<br><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. | **FY25-26 entities onboarded:**<br>• 2 Co-Lab Water Services<br>• 1 RIMU Service<br>• 6 Co-Lab Building Services<br>• 3 Professional Services Panel | **FY24-25:** 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. | **FY25-26:** Introduced RIMU. | **FY24-25:**<br>• 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. | **FY25-26:** 8 existing services taken up. | **FY24-25:** 4 existing services taken up. |
| **GOAL 3:** Diverse, talented and motivated people work for us | Maintain staff engagement above 85%. | On track | Maintain staff engagement above 85%. | **FY25-26:** The overall engagement score was 90%. The survey response rate was 40% (61 were invited to participate with 25 responses received). | **FY24-25:** 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%. | **FY25-26:** 16.7% staff turnover. | **FY24-25:** 10.5% staff turnover. |
| | Our vacancies are filled by suitable candidates within 3 months. *(baseline y/e 30 June 24)* | On track | Vacancies are filled by suitable candidates within 3 months. | **FY25-26:** Target met for most vacancies. Three exceptions arose due to unsuccessful recruitment rounds or recruitment being placed on hold. | **FY24-25:** The one advertised position was vacant for two months. |

# New Zealand Local Government Funding Agency (LGFA)

The New Zealand Local Government Funding Agency Ltd (LGFA) specialises in financing the New Zealand local government sector, the primary purpose being to provide more efficient financing costs and diversified financing sources for New Zealand local authorities. LGFA was established to raise debt on behalf of local authorities on terms that are more favourable to them than if they raised the debt directly.

New Zealand Local Government Funding Agency Limited (LGFA) was enabled under the Local Government Borrowing Act 2011 and was incorporated on 1 December 2011. LGFA is a Council-Controlled Organisation (CCO) operating under the Local Government Act 2002.

### Shareholders

The LGFA Board is responsible for the strategic direction and control of LGFA's activities. The LGFA Board of Directors comprises of five independent directors and one non-independent director appointed by the shareholders. Additionally, the Shareholder's Council comprises five to ten appointees from the Council Shareholders and the New Zealand Government.

### Council Policies and Objectives relating to LGFA

The Council does not have any significant policies or objectives about ownership and control of LGFA. Council has an Appointment and Remuneration of Directors for Council Organisations Policy in place.

### Objectives of Company

The primary objective of LGFA is to optimise the debt funding terms and conditions for its member councils. Among other things this includes:

- Governance, capability and business practice
- Optimising financing services for local government
- Environmental and social responsibility
- Effective management of loans
- Industry leadership and engagement

### Nature and scope of activities

LGFA will raise debt funding either domestically and/or offshore in either NZ dollars or foreign currency and provide debt funding to New Zealand local authorities and CCOs and may undertake any other activities considered by the Board of LGFA to be reasonably related or incidentally to, or in connection with, that business.

### Performance against primary objectives

The following gives a summary of actual performance against the primary objectives that were outlined in the 2024-27 Statement of Intent (SOI). This information is as reported in the LGFA 2025/26 Annual Report. For detailed information on the LGFA performance results, see its Annual Report, published on the LGFA website: **www.lgfa.co.nz**

## Governance, capability and business practice

| Objectives | How we measure our performance |
|---|---|
| Demonstrate best practice corporate governance. | The Annual Report outlines our compliance with the eight core principles underpinning the NZX Corporate Governance Best Practice Code. The Shareholders' Council has requested a focus on succession planning for the Board. |
| Set and model high standards of ethical behaviour. | LGFA has adopted a formal Code of Ethics, incorporating its Conflicts of Interest and Code of Conduct policies, which sets out the standards and values that directors and employees are expected to follow. |
| Achieve the shareholder-agreed objectives and performance targets specified in this Statement of Intent. | LGFA reports performance against objectives quarterly to shareholders and in our Annual and Half Year Reports. |
| Ensure products and services offered to participating borrowers are delivered in a cost-effective manner. | LGFA prepares annual operating budgets and monitors progress against these monthly. Financial performance is reported quarterly to shareholders and in our Annual and Half Year Reports. |
| Be a good employer by providing safe working conditions, training and development and equal opportunities for staff. | The Annual Report reports on our health and safety and wellbeing practices and policies, compliance and with the Health and Safety at Work Act, diversity and inclusion and capability and development. |

## Environmental and social responsibility

| Objectives | How we measure our performance |
|---|---|
| Assist the local government sector in achieving their sustainability and climate changes objectives. | LGFA is committed to assist borrowers financing of projects that promote environmental and social wellbeing in New Zealand and to encourage a reduction in greenhouse gas emissions amongst borrowers. Green, Social & Sustainability (GSS) loan and Climate Action Loan applications from councils are appraised by the LGFA Sustainability Committee, with approved loans monitored for ongoing compliance. |
| Improve sustainability outcomes with LGFA. | LGFA is committed to reducing our carbon emissions and formalised processes to measure our greenhouse gas (GHG) emissions, as well as management plans to reduce our company's emissions. |

## Effective management of loans

| Objectives | How we measure our performance |
|---|---|
| Proactively monitor and review each Participating Borrower's financial position, including its financial headroom under LGFA policies. | LGFA reviews all participating councils and CCOs financial statements on an annual basis and the agendas and management reports on an ongoing basis for all council on the LGFA borrower watch-list. |
| Analyse finances at the Council group level where appropriate and report to shareholders. | Participating borrowers are required to complete annual compliance certificates by the end of November each year. |
| Endeavour to meet each participating borrower annually, including meeting with elected officials as required, or if requested. | Number of participating borrowers visited a in year. |
| Ensure a smooth transition of water-related loans if the Local Water Done Well Reforms progresses over forecast period. | LGFA will be able to ensure the successful transition of existing council water-related loans to the Water CCOs (if requested by a council) |

## Industry leadership and engagement

| Objectives | How we measure our performance |
|---|---|
| Take a proactive role to enhance the financial strength and depth of the local government debt market and work with key central government and local government stakeholders on sector and individual council issues. | Report on actions undertaken and progress made on sector issues.<br>Identifying and legislative or Central Government policy changes that may impact LGFA and undertake formal or informal submissions.<br>Assist the local government sector with understanding any legislative or Central Government policy changes that my impact LGFA.<br>Report back on the alignment of LGFA and councils climate and emissions reporting requirements.<br>Report back in how we are helping smaller council's understand future reporting requirements. |
| Assist the local government sector with significant matters such as the Local Water Done Well Reforms and Future for Local Government. | |
| Maintain productive relationships with central government representatives. | |
| Support councils and CCOs in the development of reporting disclosures of the impacts of sector activity on climate change. | |

# Waikato Waters Limited

## Waikato Waters Limited

Waikato Waters Limited is a council-controlled organisation established during 2025/26 under the Local Water Done Well framework to deliver drinking water and wastewater services for participating Waikato councils. The company was incorporated following agreement between seven Waikato councils: Hauraki District Council, Matamata-Piako District Council, Ōtorohanga District Council, South Waikato District Council, Taupō District Council, Waipā District Council and Waitomo District Council.

Hauraki District Council is a shareholder in Waikato Waters Limited. At incorporation, on 24 July 2025, each participating council held 100 Stage 1 shares.

## Nature and scope of activities

Waikato Waters Limited has been established to provide safe, reliable, sustainable and financially responsible drinking water and wastewater services across the participating council areas. Its activities include operating and maintaining water supply and wastewater networks, planning and delivering renewals and capital investment, supporting compliance with water quality and environmental requirements, and providing customer-focused water services.

The establishment of Waikato Waters Limited enables participating councils to retain council ownership and local influence while working together regionally to deliver water services. The model is intended to support long-term affordability, access to financing, consistent service delivery, and compliance with the regulatory requirements applying to water service providers.

During the 2025/26 year, Waikato Waters Limited activities were focused primarily on establishment, governance, and transition planning in preparation for assuming responsibility for drinking water and wastewater services for the first transferring Councils from 1 July 2026, with Waipā, Waitomo and South Waikato District Councils transferring as of 1 July 2026. Matamata-Piako District Council are scheduled to transfer 1 October 2026 and Hauraki and Ōtorohanga District Councils are scheduled to transfer 1 July 2027. Accordingly, the nature and scope of activities undertaken during the year were largely transitional and were consistent with the company's establishment purpose and implementation programme.

## Council policies and objectives relating to ownership and control

Council's objective in becoming a shareholder in Waikato Waters Limited is to ensure drinking water and wastewater services are delivered in a way that is financially sustainable, compliant with regulatory standards, responsive to growth, and accountable to local communities.

Council's ownership interest is exercised through the shareholder arrangements set out in the **Waikato Waters Limited Constitution and Shareholders' Agreement**.

A Shareholder Representative Forum has been established to provide shareholder oversight, set shareholder expectations, appoint directors, and monitor the company's performance. Council intends to use these arrangements to ensure that Waikato Waters Limited operates consistently with the expectations of its shareholding councils and in the long-term interests of the communities it serves.

## Key performance targets and measures

As Waikato Waters Limited was established during the 2025/26 year and did not assume responsibility for any of the first transferring Councils drinking water and wastewater services until 1 July 2026, no operational full-year performance targets or measures for water service delivery have been prepared. It is expected that the first of these will be prepared for the period 1 July 2026 to 30 June 2027, and as such will be available for 2026/27 annual reporting period.

Future performance will be assessed through the company's accountability documents, including its statement of intent, half-yearly reports and annual reports. Performance measures are expected to include service reliability, drinking water compliance, wastewater compliance, customer service, delivery of renewals and capital works, financial sustainability, and progress against agreed shareholder expectations.

# Exempt Council Controlled Organisations (CCO)

Council has an interest in three council controlled organisations that are exempt from the full reporting requirements of a CCO. They are Martha Trust, Destination Hauraki Coromandel Trust and Hauraki Rail Trail Charitable Trust (the trusts)

The Local Government Act 2002 (LGA) section 7(3) provides for the exemption of a small organisation that is not a council controlled trading organisation from being a CCO and from the accountability requirements of the LGA. The trusts have been exempted from being a CCO by resolution of the Council. An exemption must be reviewed within three years after it is granted or after the first review not more than three years following the last review. Council may, at any time revoke an exemption. The exemptions for the trusts have been granted and reconfirmed by the Council. .

The exemptions were granted on the basis that it is not practical or efficient for full accountability requirements and performance monitoring to take place. Council does request that as a minimum all exempted CCOs provide an annual report of Trust activities and financial statements or statement of funds. By granting an exemption the Council has provided dispensation from any form of accountability and monitoring processes.

In accordance with section 7(3) of the LGA, the exemptions of the trusts as a CCO will again be reviewed in three years, or earlier if required.

### Martha Trust

The Martha Trust (the Trust) was established in 2001 by a joint venture known as the Waihī Gold Company, settling the sum of $10 to create the trust fund. The main purpose of the Trust is to monitor and maintain in perpetuity the tailings storage areas and mine pit lake so that it can be used for recreational or leisure purposes by the general public following completion of mining and closure of the site. This exemption has been revisited and subsequently reconfirmed by the Council, most recently in May 2024.

### Destination Hauraki Coromandel

Destination Hauraki Coromandel is a sub-regional tourism organisation, which is funded annually by Hauraki District Council and Thames-Coromandel District Council. Established in 2011 to promote tourism and travel in the 'The Coromandel'. Destination Hauraki Coromandel also supports, promotes and assists in activities and projects which will increase the opportunities for employment in tourism and visitor industries. Thames-Coromandel District Council and Hauraki District Council may appoint 50% or more of the directors of the Trust. This exemption has been revisited and subsequently reconfirmed by the Council, most recently in November 2023.

### Hauraki Rail Trail

The Hauraki Rail Trail Charitable Trust is a charitable trust formed to manage the cycleway known as the Hauraki Rail Trail (HRT). The Hauraki, Thames-Coromandel and Matamata-Piako District Councils are settlors to the Trust Deed. The Councils have the right to appoint 50% or more of the directors of the company. This exemption has been revisited and subsequently reconfirmed by the Council, most recently in September 2023.

# Related Documents

## Liability and Investment Policy

### Background

The Liability Management Policy addresses a number of key objectives, including those required to address legislative requirements. The Liability Management Policy outlines the Council's objectives for prudence, flexibility and risk in three principle areas; liquidity and funding risk, interest rate risk, and credit risk. The Policy details Council's approach to minimising the total cost of borrowing over the medium to longer term.

The Investment Policy sets the parameters which investment activity can occur with approved organisations for investments, and the type of approved investment vehicles. The mix of investments between current and non-current is determined according to Council's working capital needs. The purpose of the policy is to ensure that Council's investments are managed prudently, within prescribed risk levels and they are set to mature at the appropriate time to match cash flow requirements.

### Overall Results

During the 2025/26 financial year, there were departures from the Council's Liability and Investment Policy. Council was outside the recommended parameter in relation to the portion of fixed to floating interest rates, debt maturity and counterparty thresholds.

There was a short-lived departure from the counterparty limits. Council has adopted a revised Liability Policy which allows for departures from the counterparty thresholds for up to five working days. This is designed to manage circumstances when large tranches of debt are maturing and Council has to have cleared funds on hand to repay the debt.

With the forecast transfer of waters related debt to Waikato Water Ltd (WWL) on 1 July 2027, Council has changed its long term debt forecast. While Council's proportion of fixed to floating interest is within policy in the short term, because of the forecast debt transfer Council will have too much interest fixed by derivatives beyond 1 July 2027. Council is working with its treasury advisors to address this.

Due to uncertainty whether external debt could be novated to WWL, during the year Council reduced its maturity profile to account for the forecast reduction in debt. LGFA have clarified that debts can be novated to WWL so Council has been following a strategy to bring the debt maturity profile back into compliance.

Council has passed resolutions to approve the various non-compliances.

# Appendix 1: Council Committees

## Committees as at June 2026:

**Audit Risk and Finance Committee**

- Max Baxter (Chair, Independent Member)
- Mayor Toby Adams (Deputy Chair)
- Deputy Mayor Paul Milner
- Cr. Stephen Crooymans
- Cr. Cynthia Bates
- Cr. Anne Marie Spice
- Carole Daley (community member)

**Council Management Committee**

- Mayor Toby Adams (Chair)
- Deputy Mayor Paul Milner (Deputy Chair)
- Cr. Anne Marie Spicer
- Cr. Neil Gray

**District Licensing Committee**

- Deputy Mayor Paul Milner (Chair)
- Cr. Rino Wilkinson (co-Deputy Chairperson)
- Cr. Jo Tilsley (co-Deputy Chairperson)
- Five list members (to be appointed from the Council's 'list' maintained under section 192 of the Sale and Supply of Alcohol Act 2012

**Policy Planning and Emergency Management Committee**

- Mayor Toby Adams (Deputy Chair)
- Cr. Anne Marie Spicer (Chair)
- Deputy Mayor Paul Milner
- Cr. Ray Broad
- Cr. Stephen Crooymans
- Cr. Des Tyler
- Cr. Austin Rattray
- Cr. Amanda Ryan
- Cr. Cynthia Bates

**Land Drainage Committee**

- Cr. Neil Gray (Chair)
- Cr. Stephen Crooymans (Deputy Chair)

*Eleven members of the community that reside in and are elected to represent the following Drainage Areas:*

Western Plains Drainage Area

- Brian Pirie
- Noel Challis
- Gavin Laurich
- Peter Paterson

Eastern Plains Drainage Area

- Roger Hunter
- Rodney Edwards
- Conall Buchannan
- Kevin Caddy

Paeroa Rural Drainage Area

- Craig Zydenbos
- Kevin Gillingham

Taramaire Drainage District

- John Gasson

**Regulatory Hearings Committee**

- Mayor Toby Adams
- Deputy Mayor Paul Milner (Chair)
- Cr. Austin Rattray (Deputy Chair)
- Cr. Anne Marie Spicer
- Cr. Stephen Crooymans
- Cr. Ray Broad

# Appendix 2: Report of the Audit Office

The Audit Office
Te Mana Arotake

**Independent Auditor's Report**

**To the readers of the annual report of Hauraki District Council for the year ended 30 June 2026**

The Auditor-General is the auditor of Hauraki District Council (Council). 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 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 104 to 108 and 110 to 171 presents fairly, in all material respects, the Council'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 28 to 101:
    - 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 page 109 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 40 to 102 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 39 to 101 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**

We draw attention to the disclosures in Note 24 on page 163 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 24 page 164, Hauraki District Council passed a resolution in favour of submitting a joint proposal under this

Head Start process to form a Unitary Authority alongside Matamata-Piako District Council and Thames-Coromandel District Council. This proposal was submitted to the Government on 9 August 2026. If approved, this may be implemented before the 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 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 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 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 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 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 audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Council as a basis for forming an opinion on the Council's audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the 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 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, which is compatible with the independence requirements. Other than these engagements, we have no relationship with, or interests in, the Council.

Carl Wessels
The Audit Office
On behalf of the Auditor-General | Auckland, New Zealand
13 October 2026

HAURAKI
DISTRICT COUNCIL

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