HAURAKI DISTRICT COUNCIL

PŪRONGO Ā-TAU ANNUAL REPORT SUMMARY 2025/2026



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Front cover image: Joanne Yeoman

HAURAKI DISTRICT COUNCIL

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This is a summary of the 2025/26 Annual Report

This document is not a complete representation of the full Annual Report, but is a summary of our key financial and non-financial performance as measured against the targets, objectives and projects set out in our 2024-34 Long Term Plan for the 2025/26 year.

The full 2025/26 Annual Report document is available on our website **www.hauraki-dc.govt.nz**, or you can request a copy by phoning 07 862 8609 or 800 734 834 (from within the District).



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 Waihīi 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



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:

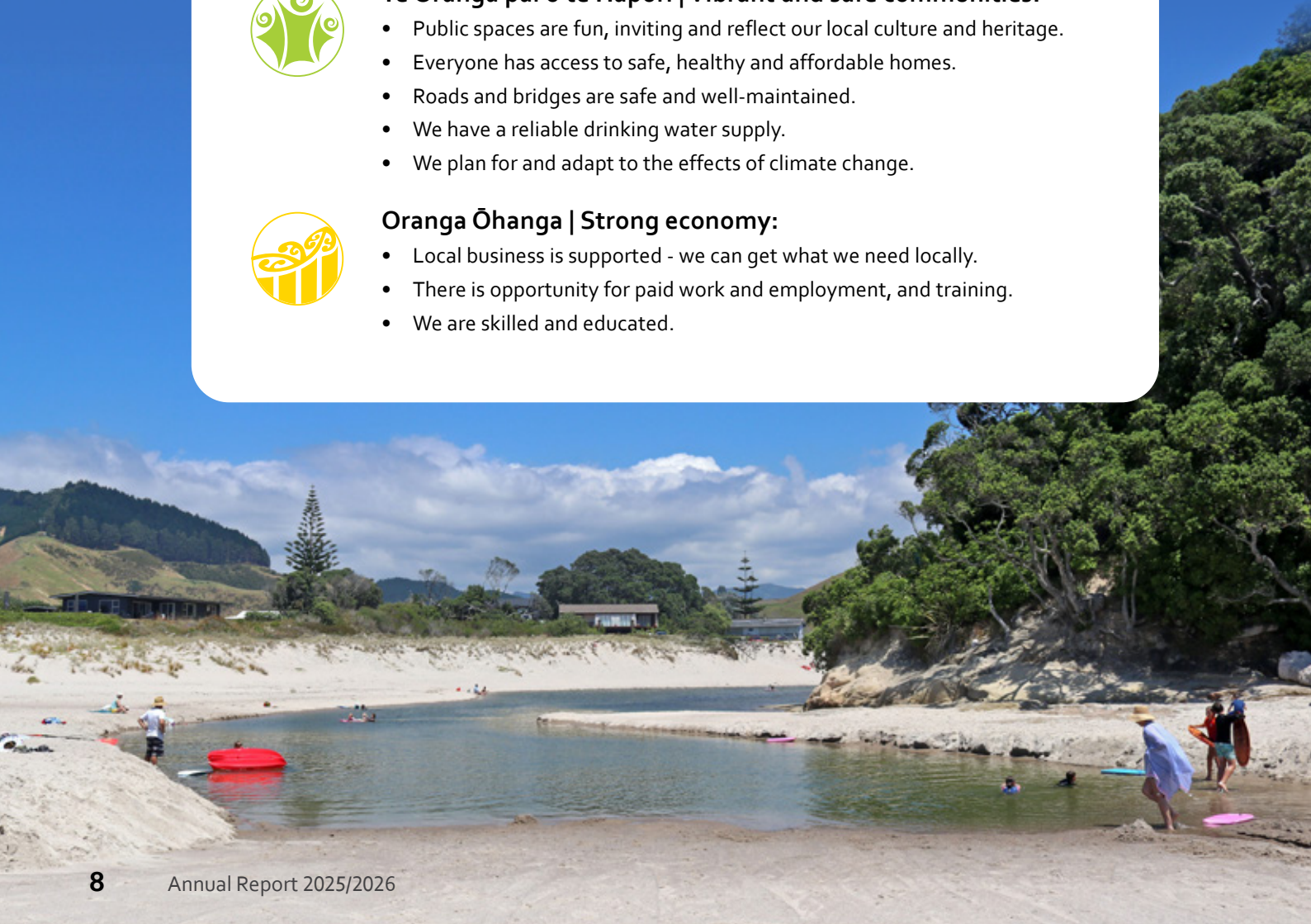
- We look after each other.
- We are partners with Hauraki Iwi and Hapū.
- We collaborate with out communities and all levels of government.
- Youth are engaged and supported.
- We're proud to live here.

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.



Tauākī whai mahi ratonga | Statement of Service Performance

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 hapori



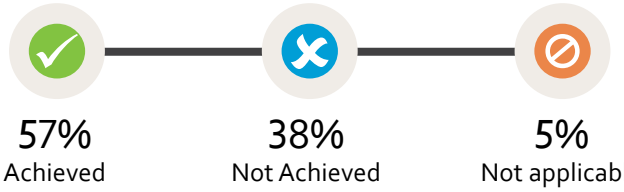
Animal control
Mana kararehe



Support Services
Ngā ratonga tautoko

Summary of our performance

Council has 63 service performance measures listed 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. Here is a summary of the results for 2025/26.



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.

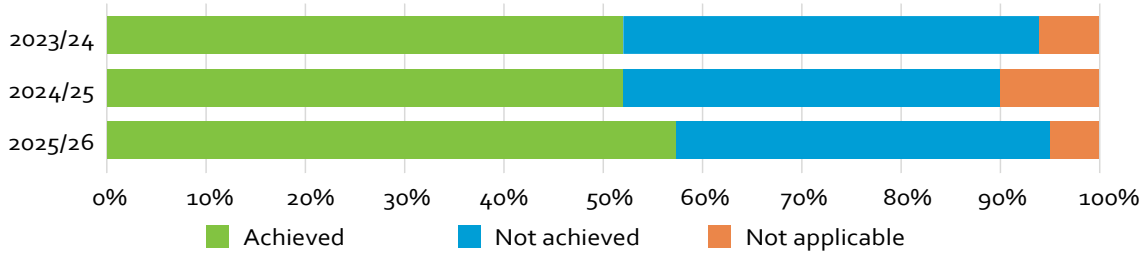
Water supply remained a challenging area, with drinking water compliance, unplanned interruptions and customer complaint measures falling below target. These results reflected technical compliance issues and the ongoing challenges of maintaining ageing infrastructure.

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.

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

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.



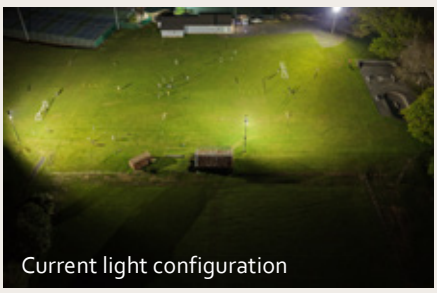
Securing Kerepēhi's water future

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

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.

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Our Long Term Plan

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

Overview of our performance

How we measure our performance	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. **Target:** 100%	Achieved	100% (45/45) agendas were publicly available at least two working days prior to the meeting.
Measure: All legislatively required policies, bylaws, plans and strategies are adopted within statutory timeframes. **Target:** 100%	Achieved	100% (5/5) There were five legislatively required documents adopted this year.



Te kawa o ngā waka whenua | Land Transport

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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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

Overview of our performance

How we measure our performance	Result 2025/26	
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.* **Target 1:** Reduce fatalities and serious injury crashes from the previous financial year. **Target 2:** Reduce fatalities and serious injury crashes attributable to council managed road conditions, to 0.	✓ Achieved	Target 1: There were no fatalities and eight serious injury crashes. This is three less than the previous year.
	✓ Achieved	Target 2: There were no fatalities or serious injuries crashes attributable to council managed road conditions.
Measure: All reported potholes are repaired on District roads within specified timeframes. **Target:** 85% within 5 days for Arterial and Collector roads and within 14 days for Access and Low Volume Roads.	✓ Achieved	87% (106/122) completed within timeframes.
Measure: The percentage of the sealed local road network that is resurfaced.* **Target:** 6% of the local road network resealed per year.	✓ Achieved	8.5% of the network was resealed in the 2025/26 season.
** Mandatory performance measure under section 261B of the Local Government Act 2002*		



Te Waipuna | Water Supply

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.

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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

Overview of our performances

How we measure our performance	Result 2025/26	
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:* **Target:** Urgent call-outs: • Median attendance = 1 hour • Median resolution = 3 hours Non-urgent call-outs: • Median attendance = 3 hours • Median resolution = 72 hours	Not Achieved	Urgent: • Median attendance = 0 hours 14 minutes • Median resolution = 3 hours 11 minutes Non-Urgent: • Median attendance = 2 hours 06 minutes • Median resolution = 20 hours 37 minutes Increased resolution times are due the weather events in January and April. Increased rain fall created complex issues that took longer to resolve.
Measure: The total number of complaints received by Council about any of the following: • drinking water clarity; • drinking water taste; • drinking water odour; • drinking water pressure or flow; • continuity of supply; and the Council's response to any of these issues, expressed per 1000 connections to the Council's networked reticulation system.* **Target:** ≤ 22 complaints per 1000 connections.	Not Achieved	Number of complaints 48.43 per 1000 connections in the year to date. Total of 427.
** Mandatory performance measure under section 261B of the Local Government Act 2002.*		



Te wai ururua | Wastewater

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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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

Overview of our performance

How we measure our performance	Result 2025/26	
Measure: The number of dry weather wastewater overflows from the Council's wastewater system, expressed per 1000 wastewater connections to that wastewater system. * **Target:** <2 per 1000 connections.	Achieved	Number of dry weather sewerage overflows 0.67 per 1000 wastewater connections in 2025/2026. Total of 5.
Measure: Where the Council attends to wastewater overflows resulting from a blockage or other fault in the Council's wastewater system, the following median response times measured: * • Attendance time (from the time that the Council receives notification to the time that service personnel reach the site). • Resolution time (from the time that the Council receives notification to the time that service personnel confirm resolution of the blockage or other fault) **Target:** Median Attendance time = 1 hour Median Resolution time = 12 hours.	Not Achieved	Median Attendance time = 2 hours and 3 minutes Median Resolution time = 6 hours and 25 minutes 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.
** Mandatory performance measure under section 261B of the Local Government Act 2002.*		



Wai āwhātanga | Stormwater

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.

Page 181 Our Long Term Plan

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

Overview of our performance

How we measure our performance	Result 2025/26	
Measure: The number of complaints received by Council about the performance of the stormwater system. Expressed per 1000 properties connected Council's stormwater system.* **Target:** <8/1,000 connections.	Not Achieved	Number of complaints 15.8 per 1000 properties. An increase in complaints was received during the two weather events. Total: 114
** Mandatory performance measure under section 261B of the Local Government Act 2002.*		



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

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.

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

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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

Overview of our performance

How we measure our performance	Result 2025/26	
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).* **Target:** 100%.	Achieved	100% of floodgates and pump stations were maintained, repaired and/or renewed to their full-service potential in 2025/26.
** Mandatory performance measure under section 261B of the Local Government Act 2002.*		



Whakahaere ururua | Waste Management

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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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

Overview of our performance

How we measure our performance	Result 2025/26	
Measure: Number of justified* complaints that collection is not completed on the scheduled day. **Target:** ≤3 justified complaints (that collection was not completed) per 1000 customers per annum.	Achieved	0.39 complaints per 1000 customers received.
** Where there is a reasonable case for the complaint.*		



Ratonga Hapori | Community Services

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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Ngā hapori rēhia | **Community Recreation**

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

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

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).

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







Overview of our performance

How we measure our performance		Result 2025/26	
Libraries	**Measure:** Percentage of library users satisfied with library services. **Target:** ≥90% of customers satisfied.	Not Achieved	The 2026 customer satisfaction survey results showed that 87% of customers were satisfied with library services.
Swimming Pools	**Measure:** Percentage of pool users satisfied with the operation of Council swimming pools. **Target:** ≥85% of customers satisfied.	Not Achieved	The 2026 annual satisfaction survey showed 78% of users were satisfied with the operation of Council swimming pools.
Sports fields and recreation reserves	Measure: Playground facilities are regularly inspected to ensure they are safe, and compliant with national playground safety standards. Target: 100%	Achieved	100% of safety and maintenance audits were completed during 2025/26.
Halls	**Measure:** Number of justified complaints from hall users regarding the cleanliness and maintenance standard of the halls. **Target:** ≤3 complaints per 100 bookings per year	Achieved	2.68 justified complaints per 100 bookings. 784 bookings, 21 justified complaints.
Elderly Persons Housing	**Measure:** Percentage of tenants satisfied with the comfort and safety of the unit. **Target:** 85%	Achieved	95% of tenants were satisfied with the comfort and safety of the units.
Cemeteries	**Measure:** Number of justified complaints regarding grounds maintenance at all Council cemeteries. **Target:** ≤10	Achieved	Three justified complaints have been received.



Ngā whaioranga hapori | Community and Economic Initiatives

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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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

Overview of our performance

How we measure our performance	Result 2025/26	
Measure: Support existing businesses through the growth of business promotional initiatives. **Target:** 8 promotional communications are distributed annually.	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.



Ratonga whakahaere | Regulatory Services

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.

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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.

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

Overview of our performance

How we measure our performance		Result 2025/26	
Regulatory management implementation	**Measure:** Notified resource consent decisions issued within statutory timeframes. **Target:** 100% of decisions issued within statutory timeframes.	Achieved	100% (3/3) notified consents issued within statutory timeframes.
Building control	**Measure:** Building consent applications are processed within 20 working day. **Target:** 100%	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.
Community protection	**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. **Target:** 100%	Achieved	100% (12/12) New and renewed On/Off and Club Liquor Licence applications were issued within three months.
Animal control	**Measure:** Known dogs in the District are registered annually. **Target:** ≥97%	Achieved	99% (4171/4202) of known dogs registered.



Whakahaere ururua | Environmental Initiatives

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This activity includes:

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

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

Te Mauri o te Taiao
Healthy environment

Tūhono
Connected people

Overview of our performance

How we measure our performance	Result 2025/26	
Measure: Riparian planting on council owned or controlled land is undertaken. **Target:** 250m^2 per year.	Achieved	500m^2 of planting has been achieved in 2025/26.



Ngā ratonga tautoko | Support Services

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

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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

Overview of our performance

How we measure our performance	Result 2025/26	
Measure: Council's website is available at all times. **Target:** ≥99%	Achieved	Critical computer systems were available for internal and external customers 100% of the time in 2025/26.

Financial Information for year ended 30 June 2026

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 2025/26.

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.

These are detailed below. Explanations for why Council did not meet various benchmarks are provided on page 31.



Rates affordability

Rates affordability benchmark		
Cap 1: 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 22.9% (being the Local Government Cost Index plus 20%).	**Within limit**	**Result** Council's actual rates increase for 2025/26 was 10%, which is within the limit.
Water rates affordability benchmark		
Cap 1: 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%).	**Within limit**	**Result** Council's actual water rates increase was 8.9%, meaning the limit was not met.

Debt affordability

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:		
Cap 1: Net debt must not exceed 280% of total revenue.	**Within limit**	**Result** At 30 June 2026, Council's net debt was 199% of total revenue, which is within the limit.
Cap 2: Net interest expense is no more than 30% of rates revenue.	**Within limit**	**Result** For 2025/26, Council's net interest expense was 12% of rates revenue, which is within the limit.
Cap 3: Net interest expense is no more than 20% of total revenue.	**Within limit**	**Result** For 2025/26, Council's net interest expense was 9% of total revenue, which is within the limit.

Balanced budget

Balanced budget benchmark		
Cap 1: 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.	**Benchmark not met**	**Result** For 2025/26, Council's revenue was 90% of its operating expenses, meaning the benchmark was not met[1].

Essential services

Essential services benchmark		
Cap 1: 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.	**Benchmark met** 	**Result** 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

Debt servicing benchmark		
Cap 1: 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.	**Benchmark met** 	**Result** For 2025/26, Council's borrowing costs were 8.6% of revenue, which is within the limit.

Debt control

Debt control benchmark		
Cap 1: Council's net debt is required to be less than its planned net debt. Net debt means financial liabilities less financial assets (excluding trade and other receivables).	**Benchmark met** 	**Result** 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

Operations control benchmark		
Cap 1: Council's actual net cash flow from operations is required to equal of be greater than is planned net cash flow from operations.	**Benchmark met** 	**Result** 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 not achieved.

Explanations for benchmarks

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

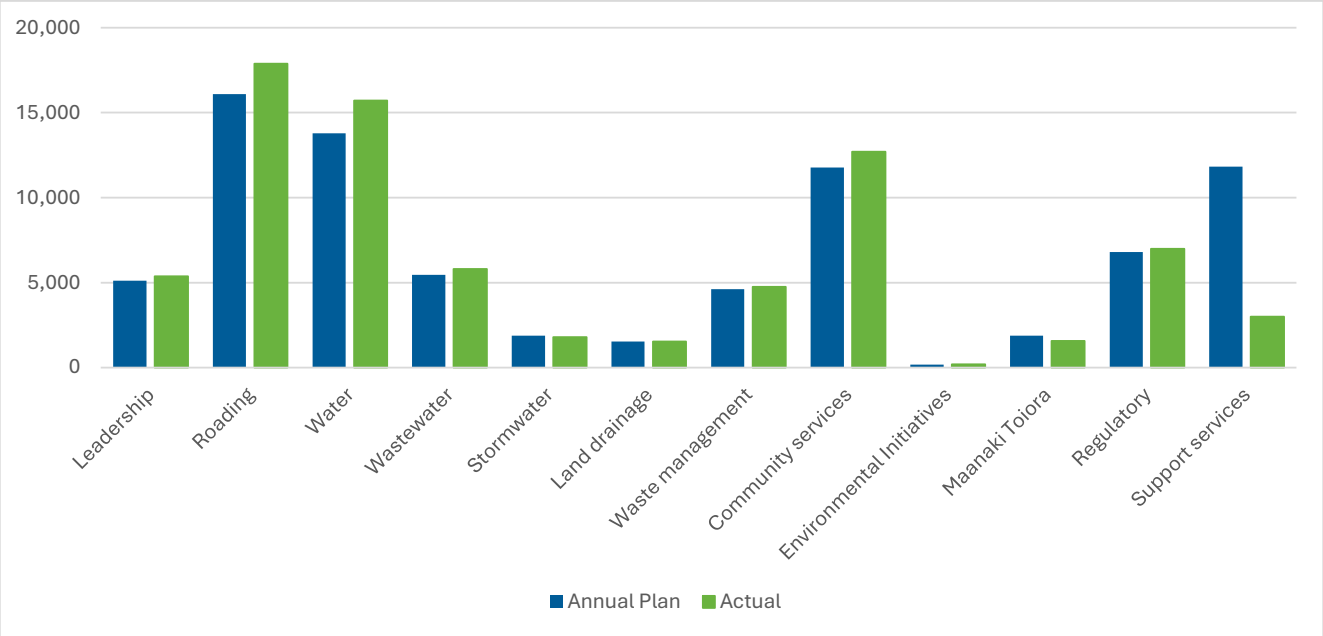
- Finance costs increased by $0.5 million compared to the 2025 financial year. This reflects higher borrowing driven by Council's capital programme, particularly the new Paeroa Wastewater Treatment Plant.

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

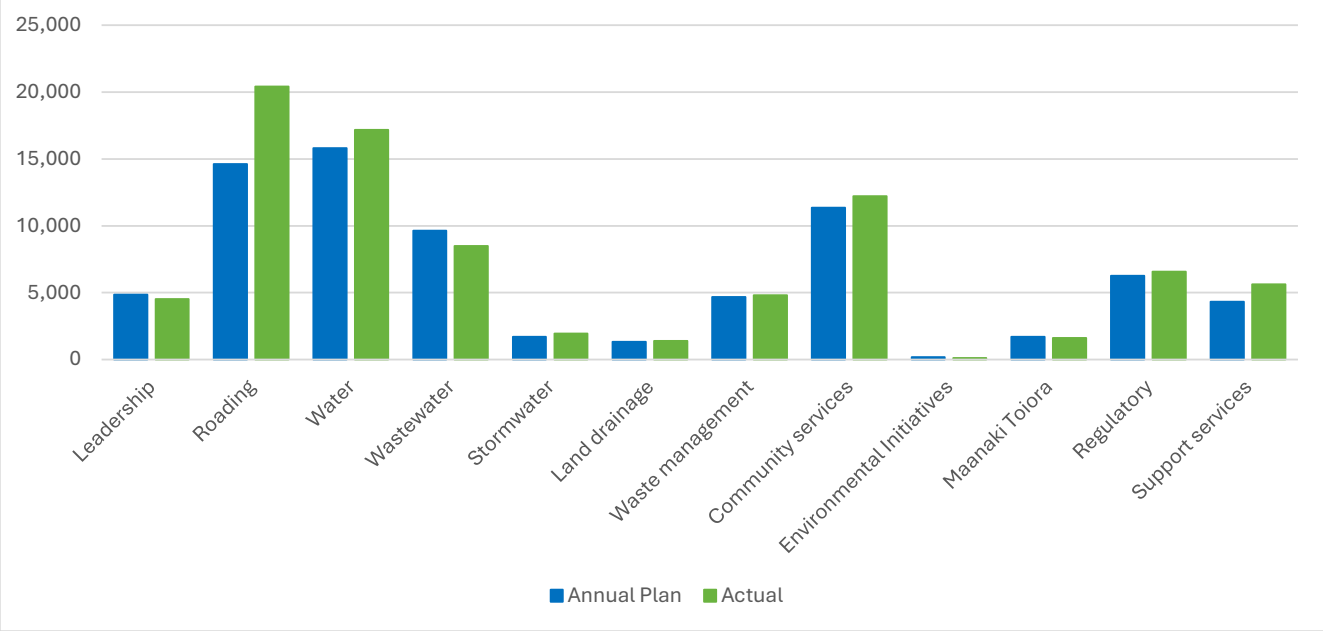
- Loss on disposal of assets was $1.0 million higher than last year.
- Water supply cost $1.2 million more particularly for treatment, asset management and rates and insurance
- Wastewater cost $0.7 million more particularly for treatment, major maintenance and rates and insurance
- Land Drainage pumping cost $0.2 million more
- Roading repairs due to weather events cost $0.6m 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.

Revenue by group of activity compared to budget for the 12-month period ending 30 June 2026



Expenditure by group of activity compared to budget for the 12-month period ending 30 June 2026



Summary Financial Statements

Hauraki District Council Summary Statement of Comprehensive Revenue and Expense for the year ended 30 June 2026

	2026 Budget $000	2026 Actual $000	2025 Actual $000
Revenue			
Rates revenue	51,940	54,275	48,959
Fees and charges	5,438	5,314	4,575
Other revenue	23,559	17,584	16,230
Total revenue	**80,937**	**77,173**	**69,764**
Expenses			
Personnel costs	25,010	23,718	22,111
Depreciation and amortisation expense	18,418	21,295	17,727
Finance costs	6,313	6,591	6,024
Other expenses	26,713	33,312	30,888
Total expenses	**76,454**	**84,916**	**76,750**
Share of associates surplus/(deficit)	0	0	0
Share of joint venture surplus/(deficit)	0	0	0
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	0	436	221,772
Impairment of revalued assets	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 Summary Statement of Financial Position for the year ended 30 June 2026

	2026 Budget $000	2026 Actual $000	2025 Actual $000
Total current assets	36,751	51,338	47,516
Total non-current assets	964,662	1,104,958	1,085,754
Total assets	**1,001,414**	**1,156,296**	**1,133,270**
Total current liabilities	35,744	82,385	51,555
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**
Accumulated funds	399,759	384,786	390,669
Reserves	393,434	582,728	584,030
Total equity	**793,192**	**967,514**	**974,699**

Hauraki District Council Summary Statement of Changes in Equity for the year ended 30 June 2026

	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
Total equity	**793,192**	**967,514**	**974,699**
Equity represented by:			
Accumulated funds	399,759	384,786	390,669
Reserves	393,434	582,728	584,030
Balance at 30 June	**793,192**	**967,514**	**974,699**

Hauraki District Council Summary Statement of Cashflows for the year ended 30 June 2026

	2026 Budget $000	2026 Actual $000	2025 Actual $000
Net cash flow from operating activities	11,862	14,013	12,306
Net cash flow from investing activities	(57,176)	(41,565)	(48,790)
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**

Whole of 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**

Disclosures

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 Council has designated itself as a public benefit entity (PBE) for financial reporting purposes.

The Council's summary annual report is in compliance with Public Benefit Entity Financial Reporting Standard 43 (PBE FRS 43) Summary Financial Statements. The Council's financial statements in the Annual Report comply with PBE standards.

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.

They are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars ($000).

The functional currency of HDC is New Zealand dollars.

There have been no changes in accounting policies.

Statement of Compliance

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

The financial statements and service performance information has been prepared and comply with PBE Accounting Standards.

The Summary financial statements and associated disclosures have been extracted from the full annual report. The Summary financial statements do not include all the disclosures provided in the full financial statements and cannot be expected to provide as complete an understanding as provided by the full financial statements.

An unmodified audit opinion was issued on the full financial statements. The 2025/26 Annual Report was authorised for issue by Council on 13 October 2026. The Annual report and Summary can be found on the Hauraki District Council website, at the service centres and libraries.

Explanation of key variances

Statement of Comprehensive Revenue and Expense

Rates revenue

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.

Fees and charges

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.

Other revenue (made up of)

Subsidies and grants

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.

Interest revenue

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.

All other revenue

Other revenue was $3.8 million, which was $8.8 million below budget. The main driver was an $11.2m 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 $0.3 million, and $0.2 million of income related to work on the Hauraki Rail Trail.

Personnel costs

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.

Finance costs

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.

Depreciation costs

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.

Other expenses

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.
- 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)

Gain on property, plant and equipment revaluations

A revaluation gain of $0.4 million was an unplanned revaluation gain on utility assets.

Statement of Financial Position

Cash and cash equivalents

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.

Receivables

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.

Derivative financial instruments

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.

Inventory

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.

Other financial assets

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.

Property, plant and equipment

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.

The intangible asset 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.

Forestry

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.

Payables and deferred revenue

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.

Contingent Liabilities

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 issues 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 participating 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 2025, 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 at 30 June 2026.

Capital Commitments

Capital expenditure contracted for at balance date but not incurred was $4,622,000 (2025: $21,361,000).

Remuneration and Severance Disclosure

The total cost to Council of the remuneration for the 14 council members and the four senior managers was $2,147,000 (2025 : $1,819,000).

For the year ended 30 June 2026, 3 severance payments were made: $16,000, $28,000 and $10,000 (2025: no severance payments were made.)

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.

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 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 a future financial period, the event is considered non-adjusting for the purposes of these financial statements.

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.

Related party transactions required to be disclosed

There are no other related party transactions that are required to be disclosed in accordance with PBE 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.

Report of the Audit Office

The Audit Office
Te Mana Arotake

Independent Auditor's Report

To the readers of Hauraki District Council's summary of the annual report for the year ended 30 June 2026

The summary of the annual report was derived from the annual report of the Hauraki District Council (the Council) for the year ended 30 June 2026.

The summary of the annual report comprises the following information on pages 9 to 40:

- the summary statement of financial position as at 30 June 2026;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2026;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision.

Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS-43: *Summary Financial Statements.*

Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

The summary of the annual report does not reflect the effects of events that occurred subsequent to the date of our auditor's report on the full annual report.

The full annual report and our audit report thereon

We expressed an unmodified audit opinion on the information we audited in the full annual report for the year ended 30 June 2026 in our auditor's report dated 13 October 2026.

Our auditor's report on the full annual report also includes emphasis of matter paragraphs drawing attention to the following disclosures in the full annual report.

Future changes in water service delivery

Note 24 on page 163 outlines how the future changes in delivery of water services will affect the Council.

Information about this matter is also disclosed on pages 39 and 40 of the summary of the annual report.

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.

Information about this matter is also disclosed on page 40 of the summary of the annual report.

Council's responsibility for the summary of the annual report

The Council is responsible for preparing the summary of the annual report which includes preparing summary statements, in accordance with PBE FRS-43: *Summary Financial Statements.*

Auditor's responsibility

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43: *Summary Financial Statements*.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (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. Other than these engagements, in our capacity as auditor, we have no relationship with, or interests in, the Council.

Carl Wessels,
The Audit Office
On behalf of the Auditor-General
Auckland, New Zealand
28 October 2026

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