

Annual Report Summary 2025-2026

Waipā DISTRICT COUNCIL

Introduction from the Mayor and Chief Executive

Kimihia te kahurangi;
ki te piko tōu mātenga, ki te maunga teitei

If you bow your head

Let it be only to a great mountain

Nau mai, welcome from the Mayor and Chief Executive

The 2025/26 year was significant for Waipā District Council and our communities. Like many fast-growing districts, we navigated a challenging and rapidly evolving environment. With an operating budget of $163million and responsibility for maintaining $2.7 billion of assets, our focus remained on delivering value for money, effective services and long-term planning for our district, while carefully responding to the external pressures facing Council and our communities.

This was also the final financial year that Waipā District Council was the main owner and manager of water services, as we prepared for Waikato Waters Ltd to take over drinking water and wastewater operations from July 1, 2026. Stormwater remains with Council.

The year was shaped by ongoing Government reform, including the Head Start pathway programme announced in March 2026, as well as a challenging economic climate, with inflation remaining high and oil prices fluctuating amid uncertainty in the Middle East. Together, these pressures created a demanding operating environment for Council and our communities.

In February, a severe weather event caused widespread damage across parts of our western district. Supporting recovery in affected communities and areas required additional investment and remained a priority.

Working together for Waipā

The 2025/26 year reinforced the importance of building strong partnerships, with consultation and advocacy helping ensure community voices were heard in key decisions.

Waipā residents played an active role in shaping many of our plans, taking part in community events and supporting grassroots projects that contribute to making Waipā a great place to live, work and visit.

During the year, Council ran seven significant community engagement projects, including the Karāpiro Lake Domain Reserve Management Plan review and masterplan, Cambridge Connections – Moving Forward Together programme and the Head Start pathway.

Council progressed the Draft Karāpiro Lake Domain Reserve Management Plan and Masterplan during the year, setting a long-term direction for how the reserve will be used, managed and protected over the next 10 years. Developed under the Reserves Act 1977, the plan considers sport and recreation, accommodation, events, activities and infrastructure, while recognising the area's significance to mana whenua and responding to changing environmental and visitor needs. Hearings took place in May 2026, followed by Council deliberations in June.

The annual Resident Perception Survey continued to help Council understand how people across Waipā feel about services, facilities and infrastructure. Results showed satisfaction is moving in the right direction, with modest improvements recorded, alongside an ongoing need to hear from a wider cross-section of the community, including younger residents and Māori communities.

This year required careful decisions, collaboration and a clear focus on long-term outcomes. Through it all, Council kept its focus on the things that matter most: delivering the everyday services our communities rely on, helping recover from a severe weather event, supporting a district that continues to grow, and making careful choices with affordability in mind.

We acknowledge our elected members, staff and communities for their contribution throughout the year. Their input helps shape the Waipā we are building together, one that is socially resilient, culturally vibrant, environmentally responsible and economically progressive.

Progress on major projects

Across the district, our Annual Report highlights a range of significant projects that either progressed or were completed during the year, including:

Cambridge Wastewater Treatment Plant completed, the district's largest-ever infrastructure project

1.2-megawatt solar farm at Cambridge Wastewater Treatment Plant completed

Earthquake strengthening upgrades and reopening of Te Awamutu Museum completed - an occasion that was honoured by the attendance of Te Arikinui Kuini Nga wai hono i te po

Cambridge Road-Hamilton Road roundabout and corridor project completed

Cambridge Connections transportation project progressed

Detailed planning for six major Hautapu infrastructure projects progressed

Repairing roads across the district damaged by a one in 250-year storm event

Extensive repair and clean-up work on walking and hiking tracks in the western part of the district completed

These projects reflect our commitment to delivering long-term benefits but the wide range of services that Council provides – all about improving quality of life!

Advocating for our people

Council has continued to advocate strongly for our communities, including but not limited to submissions on the rates capping proposal, Simplifying Local Government proposal, supporting growth through development levies, and the Natural Environment and Planning Bills. We advocate for our district through channels such as Local Government New Zealand, Future Proof

Growth Planning forums, the Waikato Mayoral Forum and many others. These efforts ensure Waipā's voice is heard across the region and in national forums.

Our strong future together

As we reflect on 2025/26, there is much for Waipā to be proud of, and much to look forward to. It has been a year of challenge, change and progress, and one that has again shown the strength and spirit of our district.

Council has had to make careful decisions, balancing affordability, growth, reform and recovery while keeping our focus on the future. Through it all, we have remained committed to supporting our communities today while planning well for the generations who will call Waipā home tomorrow.

We sincerely thank our elected members, staff, mana whenua and iwi partners, residents, volunteers, organisations and community groups who continue to give so much to our district. Your contribution helps make Waipā the special place it is.

We are proud to present this Annual Report, supported by a clean Audit Report for our community. As we look ahead, we do so with confidence, optimism and a continued commitment to building a district that is resilient, connected, culturally vibrant, environmentally responsible and economically strong.

Together, we will continue to care for the people, places and taonga that make Waipā the Home of Champions.

Ngā mihi nui ki a koutou katoa.





Mike Pettit
MAYOR

Stephanie O'Sullivan
CHIEF EXECUTIVE

Financial summary 2025/26

The following summary financial statements were extracted from the full audited financial report of Waipā District Council for 30 June 2026. 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.

This summary and the full annual report were authorised for issue by the Council on 28 October 2026. The full annual report is available from Council offices or can be downloaded at waipadc.govt.nz/annualreport.

An unmodified audit report was issued on the full financial statements. The Council and Group have disclosed the impact of the Local Waters Done Well legislation as set out on page seven of the summary annual report.

Financial summary statements

The following summary financial statements were extracted from the full audited financial report of Waipa District Council for 30 June 2026. An unqualified audit report was issued on the full financial statements.

	Council			Group	
	Actual 2026 $000	Budget 2026 $000	Actual 2025 $000	Actual 2026 $000	Actual 2025 $000
Statement of Comprehensive Revenue and Expense for the year ended 30 June 2026					
Operating Income	179,854	174,231	161,821	183,576	165,437
Operating Expenditure	152,878	142,513	161,988	156,264	164,987
Finance costs	17,393	20,618	17,131	17,393	17,131
Operating Surplus	**9,583**	**11,100**	**(17,298)**	**9,919**	**(16,681)**
Other Comprehensive Revenue and Expense recognised directly in Equity					
Property Plant and Equipment Revaluation gains / (losses) taken to equity	(25,920)	-	123,793	-25,920	123,793
Intangible gains / (losses) taken to equity	(102)	-	139	-102	139
Investment gains / (losses) taken to equity	3,980	-	5,939	3,980	5,939
Cash flow hedges gains / (losses) taken to equity	-	-	-	-	0
Total Other Comprehensive Revenue and Expense for the Year	**(22,042)**	**-**	**129,871**	**(22,042)**	**129,871**
Total Comprehensive Revenue and Expense for the Year	**(12,459)**	**11,100**	**112,573**	**(12,123)**	**113,190**
Statement of Changes in Equity for the year ended 30 June 2026					
Balance at 1 July	2,442,472	2,451,869	2,329,899	2,445,987	2,332,798
Total Comprehensive Revenue and Expense for the year	-12,459	11,100	112,573	-12,123	113,190
Total Equity at End of the Year	**2,430,013**	**2,462,969**	**2,442,472**	**2,433,864**	**2,445,988**
Equity represented by:					
Retained Earnings	697,900	668,629	675,178	701,751	678,693
Council Created Reserves	35,648	34,954	39,968	35,648	39,969
Revaluation Reserves	1,696,465	1,759,386	1,727,326	1,696,465	1,727,326
Cashflow Hedge Reserve	-	-	-	-	-
Total Equity	**2,430,013**	**2,462,969**	**2,442,472**	**2,433,864**	**2,445,988**
Statement of Financial Position as at 30 June 2026					
Current Assets	73,715	60,924	63,299	77,070	67,647
Non current Assets	2,825,214	2,965,111	2,817,458	2,826,567	2,817,985
Total Assets	2,898,929	3,026,035	2,880,757	2,903,637	2,885,632
Current Liabilities	236,794	137,466	177,881	237,651	179,240
Non Current Liabilities	232,122	425,600	260,404	232,122	260,404
Total Liabilities	468,916	563,066	438,285	469,773	439,644
Equity and Net Assets	**2,430,013**	**2,462,969**	**2,442,472**	**2,433,864**	**2,445,988**
Statement of Cash Flows for the year ended 30 June 2026					
Net Cash Flows from Operating Activities	39,824	59,159	56,194	40,767	59,389
Net Cash Flows used in Investing Activities	(78,023)	(157,614)	(122,948)	(79,704)	(123,242)
Net Cash Flows used in Financing Activities	42,000	99,600	76,000	42,000	73,701
Net Increase/(Decrease) in Cash and Cash Equivalents	3,801	1,145	9,216	3,063	9,848
Cash and Cash Equivalents at the beginning of the year	51,422	45,394	42,206	54,720	44,872
Cash and Cash Equivalents at the end of the year	**55,223**	**46,539**	**51,422**	**57,783**	**54,720**

Additional disclosures and accounting policies

Reporting entity

Waipā District Council is a territorial local authority governed by the Local Government Act 2002. The group consists of the ultimate parent, Waipā District Council, the Waipā Community Facilities Trust and the Cambridge Town Hall Community Trust. These summary financial statements are for the Council and Group. The full Financial Statements have been prepared in accordance with the requirements of the Local Government Act 2002, which include the requirement to comply with generally accepted accounting practice in New Zealand. The full financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with PBE standards. This summary complies with FRS 43 and this Standard does not include a requirement to comply with New Zealand GAAP or PBE standards. These summary financial statements are for the year ended 30 June 2026.

Measurement base

The financial statements have been prepared on the going concern basis, and the accounting policies have been applied consistently throughout the period. The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000).

Significant Variances Against Budget Include:

Statement of Comprehensive Revenue and Expense

- Fees and charges were $616,000 above budget, mainly due to higher revenue from resource consents $319,000 and building consent fees $198,000.
- Development and reserve contributions were $4.3 million higher than budget due to timing of developments and the receipt of deferred payments from 2024/25.
- Vested assets from developers were $1.2 million higher than budget, mainly due to the timing of assets being transferred to Council.
- Discovered assets were $1.8 million higher than budget due to the ongoing database improvement work.
- Subsidies and grants were $4.9 million above budget, mainly due to $5.8 million of additional external funding for the C10 Victoria Road southern roundabout and new collector road. This followed a structure plan change, which required the developer to meet the associated costs. This was partly offset by a $742,000 reduction in external funding for the deferred C8, C9 and C10 Hautapu urbanisation design and construction works.
- Other revenue was $7.7 million lower than budget mainly due to property sales that have been deferred to the 2026/27 year and beyond based on revised timing of development.
- A decrease for employee benefits expenses of $2.4 million due to vacant positions.

- Depreciation was $3.3 million above budget. The variance mainly reflects the 2025 revaluation of infrastructure assets and the transfer of work in progress to capital assets ahead of the water and wastewater asset transfer to Waikato Waters Ltd.
- Other expenses are $9.5 million higher than budget, this is mainly due to:
  - Asset write-offs and disposals totalled $7.2 million, primarily relating to infrastructure assets and associated with ongoing asset renewal works.
  - Transfer and impairment of assets and prior year capital costs of $3.8 million for capital projects that are no longer proceeding or where the scope has significantly changed.
  - Partially offset by a reduction in consultancy costs of $2.8 million.
- A decrease in finance costs of $3.2 million due to less than anticipated interest costs and lower borrowings.

Capital commitments

Council had contracts committing it to spend $47.2 million on future capital works (2025 $60.1 million).

	Council	
	2026 $000	2025 $000
Capital Commitments		
Roading network	25,598	18,201
Drainage network	5,079	4,543
Community Facilities	5,578	1,024
Property development	130	163
Wastewater treatment and disposal	8,424	31,439
Water treatment and supply	2,384	4,724
Total capital commitments	47,193	60,094

Contingent liabilities

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Guarantees	150	150	150	150
Total	150	150	150	150

Council is listed as sole guarantor for a community organisation bank loan and bank overdraft. The Council is obligated under each guarantee to make payment in the event that the organisation defaults on a financial arrangement.

Contingent liabilities not able to be quantified

New Zealand Local Government Funding Agency

Uncalled Capital

As at 30 June 2026, the Council one of 30 local authority shareholder of the New Zealand Local Government Funding Agency (LGFA). The Council has uncalled capital of $200,000 (2025 $200,000). When aggregated with the uncalled capital of other shareholders, $20m is available for LGFA to call if an imminent default is identified.

Guarantees

As at 30 June 2026, the Council one of 74 local authority guarantors of the LGFA. The LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. As at 30/06/2026 the LGFA had a local currency credit rating from SP&P Global Ratings of AAA and a foreign currency rating of AA+ and a local currency rating of AA+ from Fitch.

Together with the other guarantors, the Council is a guarantor of all the LGFA's guaranteed borrowings. Any call on the guarantee will be made on a pro-rata share, the other guarantor's prior year annual rates revenue. If a guarantor fails to pay its pro-rate share, the LGFA had guaranteed borrowings totalling $26.55 billion (2025 $25.53 billion).

PBE Accounting Standards require the Council to measure the LGFA guarantee at the higher of, the loss allowance at balance date determined by the EC) model, and the amount initially recognised. At the end of the financial year, the Council has assessed the 12-month expected credit losses if the guaranteed liability, based on market information on the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the LGFA in the next 12 months. Therefore, the Council has not recognised a liability.

The Council considers the risk of the LGFA defaulting on repayment 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 in recent years; and
- Local government legislation enables local authorities to levy a rate to raise sufficient funds to meet any debt obligations if further funds were required
-

Council has borrowed $447.7m (2025 $404.8m) from the LGFA which is recognised as a liability in the parent and group financial statements.

The Council also guarantees amount lent to Waikato Waters Limited by the LGFA (including jointly and severely with other shareholder councils for Waikato Waters Limited. At 30 June

2026, Waikato Waters Limited had not borrowed any amounts from LGFA and therefore no guarantee liability disclosure was considered.

Legal Proceedings

There is one legal proceeding instigated against Council relating to allegations of Council negligence. Council intends to defend this matter but there is currently insufficient information to advise on potential liability.

At present, there is still insufficient information to conclude on potential liability, if any.

Forestry assets held pre-1990 subject to New Zealand Emissions Trading Scheme (ETS)

Council had 272 hectares of eligible forest area of pre-1990 forest land at the time of application. This land is subject to the provisions of the New Zealand ETS. The implication of this for the financial statements is two-fold:

Should the land be deforested (that is, the land is changed from forestry to some other purpose), a deforestation penalty will arise; and as a result of the deforestation restriction, compensation units are being provided by the Government.

Riskpool scheme

Waipa District Council previously obtained public liability and professional indemnity insurance cover as a member of the New Zealand Mutual Liability Riskpool scheme ('Riskpool'). Riskpool operated as a mutual fund where each member made an annual contribution to obtain cover, however should claims exceed contributions then call can be made on the members of that fund year for the shortfall amount. The scheme is in wind-down. Waipa District Council has an on-going obligation to contribute to the scheme should a funding call be made in respect of historical claims (tio the extent those claims are not covered by reinsurance or where reinsurance recovery is delayed), and to fund the on-going of the scheme. Ongoing litigation involving other Council members of Riskpool has introduced a high level if uncertainty about the level of Waipa District Council's potential exposure and its timing. At this stage, Riskpool cannot quantify the total potential liability associated with these matters

Kodiak Consulting/Jon Hall

This matter involves fraudulent producer statements provided by Jon Hall/Kodiak Consulting Limited to Waipā District Council (design and construction). Waipā District Council is one of a number of councils throughout New Zealand affected by this situation. Council is in the process of identifying affected properties, these properties falling into one of three categories. Category 1 is those properties that have applied for building consent but not yet granted. Category 2 is where consent has been granted but Code Compliance Certificates (CCC) not yet issued and category 3 is those properties where CCC has been issued. Council has notified its insurer on a precautionary basis. There are no claims against Council at this time. This matter is also the subject of a Police investigation.

Loan guarantee for New Zealand Sports Hall of Fame

In June 2022, Council confirmed its intention to assist the New Zealand Sports Hall of Fame in their fundraising endeavours by committing to act as guarantor to its loan facility, should this be required in the future. The timing and amount of the guarantee is uncertain at period end.

Contingent assets

Capital beneficiary of the WEL Energy Trust

Council is a 2 per cent capital beneficiary of the WEL Energy Trust. The life of the Trust ends in 2073 unless terminated earlier if its purpose is completed. Given the uncertainties surrounding the life of the Trust, Council is unable to accurately establish the appropriate value of the 2 per cent shareholding.

Insurance claim

During the year, Council incurred damage to a section of the Te Tahi treated water main as a result of the February 2026 flooding event. Initial assessments indicate that approximately 300 metres of pipeline sustained physical damage directly attributable to the event. Council is progressing an insurance claim in relation to the temporary repair works required to maintain continuity of water supply services and the permanent reinstatement of the damaged section of pipeline. The amount recoverable remains subject to assessment by insurers and confirmation under the relevant policy terms and conditions and was not confirmed by 30 June 2026.

Related parties

Council entered into a lease arrangement with Waipā Community Facilities Trust in 2013, for the Trust to occupy the Trust Waikato Te Awamutu Event Centre and the Cambridge Swimming Pool Complex. The lease covers a term of twenty years and attracts a rental charge of one dollar plus GST per annum, payable on 16 September each year.

Council entered into a lease agreement with Cambridge Town Hall Community Trust in 2022, for the Trust engage in services relating to the promotion, management and preservation of the Cambridge Town Hall. The lease covers a term of 13 years with the provision to extend for another 13 years.

Senior management and councillors' compensation

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client / recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have also not been made for transactions with entities within the Council group (such as funding and financing flows), where the transactions are consistent with the normal operating relationships between the entities and are on normal terms and conditions for such group transactions.

Senior management and councillors' compensation

	Council	
	2026 $000	2025 $000
Councillors		
Remuneration	814	711
Number of Councillors*	12	12
Executive Team, including Chief Executive		
Remuneration	3,072	2,085
Full-time equivalent members	9	7
Total key management personnel remuneration	3,886	2,796
Total number of members	21	19

***** Although the Council comprises 12 Councillors, a total of 18 Councillors were remunerated during the financial year due to changes in Council membership following the Local Government elections held during the reporting period. Refer to Note 5 for further details.

Events after balance date

Transfer to Waikato Waters Limited

On 1 July 2026, Council transferred responsibility for drinking water and wastewater operations to Waikato Waters Limited (WWL), a new regional Council-Controlled Organisation (CCO) formed

under the Government's Local Water Done Well legislation. Waipā is one of six shareholders of WWL who have, or will, transfer responsibility for drinking water and wastewater to WWL.

Through a Transfer Agreement entered into pursuant to the Local Government (Water Services) Act 2025 and dated 18 March 2026 Council transferred ownership and responsibilities of its drinking water and wastewater assets and liabilities to WWL. Stormwater services did not transfer and remain with Council.

The transfer did not result in an adjustment to the amounts recognised at 30 June 2026 because completion occurred after the balance date. The estimated financial effect of the transfer completed after the balance date comprises:

- a reduction in Council assets of $673,441,545;
- a reduction in borrower notes held by Council of $4,625,000;
- a reduction in Council debt of $176,896,936;
- a reduction of Council reserves of $3,494,451;
- a reduction of employee benefit liabilities of $415,874 and
- the repayment of Council's portion of the establishment costs for WWL of $6,676,807.

In exchange for the transfer of water operations, Council received 32 Stage 2 Shares in WWL.

Financial impact of transfer

The financial impact in the current year, for the delivery of water services that will transfer to WWL are detailed below:

Water and wastewater operations	2026
	$000
Revenue (note 3)	
Fees and Charges	1,781
Development contribution	3,911
Expenses	
Payments to staff and suppliers	18,100
Finance cost	3,957
Depreciation	22,041
Cash flows	

- operating	3,079
- investing	128,355
- financing	177,000

Commitments and contingencies

At 30 June 2026, Council had certain commitments and contingencies relating to its water services activities. Management has assessed whether these matters are expected to transfer to WWL on completion or remain with Council.

Capital commitments

Capital commitments relating to water services infrastructure at 30 June 2026 were as follows:

Capital Commitments relating to	2026 $000	Expected to transfer to WWL $000	Expected to remain with Council $000
Wastewater treatment and disposal	8,424	6,079	2,345
Water treatment and supply	2,384	2,317	67
Total water services capital commitments	**10,808**	**8,396**	**2,412**

These commitments mainly relate to capital investment contracts for water and wastewater infrastructure entered into before 30 June 2026. The amounts above reflect commitments outstanding at that date.

Contingent liabilities

Resource consent obligations and legal matters

Council has identified resource consent obligations and related legal and compliance matters associated with its drinking water and wastewater activities that existed at 30 June 2026. These include ongoing consent compliance, monitoring and reporting obligations, and related operational obligations associated with the transferred water services.

Under the Transfer Agreement dated 18 March 2026, relevant resource consent responsibilities and specified obligations associated with drinking water and wastewater services transferred to Waikato Waters Limited on completion on 1 July 2026. Council has not identified any specific enforcement matter, legal claim, dispute or proceeding relating to these activities that requires separate provision or contingent liability disclosure at 30 June 2026.

Financial guarantees and LGFA support

Council is a party to guarantee arrangements with the Local Government Funding Agency (LGFA), including a multi-party deed of guarantee and indemnity. These arrangements support Waikato Waters Limited (WWL) to access LGFA borrowing from 1 July 2026.

At 30 June 2026, WWL had not incurred any LGFA debt, and there were no uncalled capital commitments or other financial support arrangements that created a present obligation for Council at balance date. Accordingly, no liability has been recognised in the financial statements.

The guarantee arrangements have been disclosed as a contingent liability because Councils have signed up as guarantors for these facilities and Council may be required to meet obligations in the future if the guarantee is called. At balance date, Council considers the likelihood of the guarantee being called to be remote. Council's maximum possible exposure cannot be reliably measured, as it depends on future LGFA indebtedness and the obligations of all participating local authorities.

Contingent asset – Insurance claim

As part of the transfer, the contingent asset relating to the insurance claim for flood damage to the Te Tahi treated water main (note 24) was transferred to Waikato Waters Limited. From 1 July 2026, Waikato Waters Limited is responsible for progressing the insurance claim, receiving any insurance proceeds, and undertaking the reinstatement of the damaged infrastructure.

Transfer of water services activities

Council has exercised significant judgement in accounting for the transfer of its water services activities to Waikato Waters Limited. The transfer arrangement had been contractually agreed before 30 June 2026, but completion occurred on 1 July 2026. Accordingly, Council continued to recognise the water services assets and liabilities at balance date.

Subsequent events

Management has judged that completion of the transfer on 1 July 2026 is a material non-adjusting event after balance date. The transfer itself occurred after 30 June 2026 and did not provide evidence of a completed transfer at balance date. The nature and estimated financial effect of the event have therefore been disclosed, but the amounts recognised at 30 June 2026 have not been adjusted for completion**.**

Commitments and contingencies

Management has exercised judgement in identifying commitments and contingencies relating to water services activities and assessing whether these matters are expected to transfer to WWL or remain with Council. This assessment is based on the transfer agreement, supporting schedules, legal advice and information available at the date the financial statements were authorised for issue.

The key areas of judgement include the completeness of commitments and contingencies identified, whether an obligation exists at 30 June 2026, whether any outflow or inflow is probable, whether the amount can be reliably estimated, and whether the matter is expected to transfer to WWL or remain with Council.

Head Start/Government Reforms

The Government has announced proposals to simplify local government, including reducing the number of local authorities through amalgamations within regions. On 5 May 2026, the Government announced the Head Start pathway to accelerate local government reorganisation proposals that could simplify council structures and improve the affordability and sustainability of local services. On 5 August 2026, Council agreed to support the submission of a Western Waikato unitary authority proposal under the Head Start pathway. The proposal involves combining territorial and regional council functions within a new unitary authority covering Hamilton City and the Waikato, Waipā, South Waikato and Taupō districts.

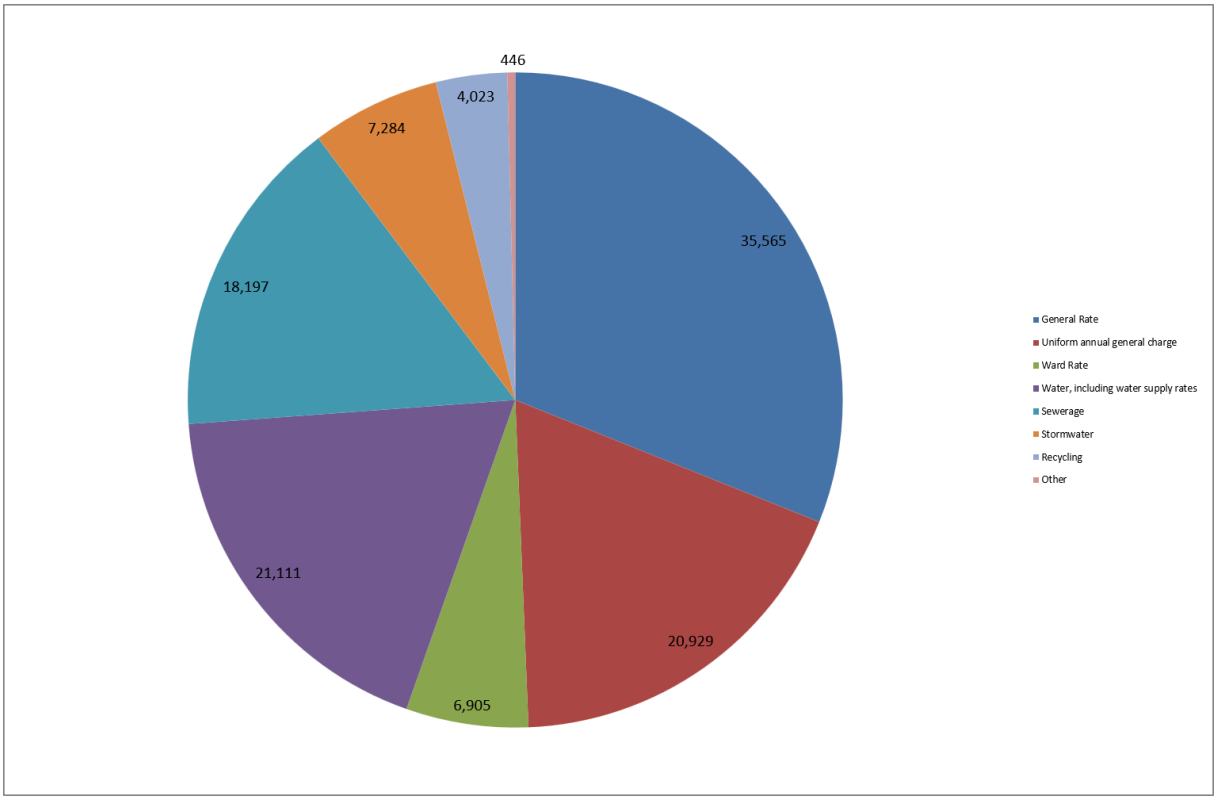
As announced on 24 September 2026, Cabinet is expected to consider Head Start proposals in early 2027. If endorsed by Cabinet, the proposals would be developed in detail and considered for final approval later in 2027, with any Head Start changes intended to be in place ahead of the 2028 local government elections. The eventual outcome remains dependent on future Cabinet decisions, enactment of enabling legislation and completion of the applicable statutory processes and the outcome of the General Election in November 2026.

If the Western Waikato Unitary Authority Head Start proposal is not accepted, Waipa may be subject to the Government's backstop process. Current Government statements indicate that change under the backstop process would take effect after the 2028 local elections. As at the date these financial statements were authorised for issue, no final decision had been made to establish a new authority, dissolve or amalgamate Waipa District Council, transfer Council functions, assets or liabilities, or alter Council's service-delivery responsibilities. The outcome, timing, final boundaries, governance arrangements and financial implications of the reforms are therefore uncertain.

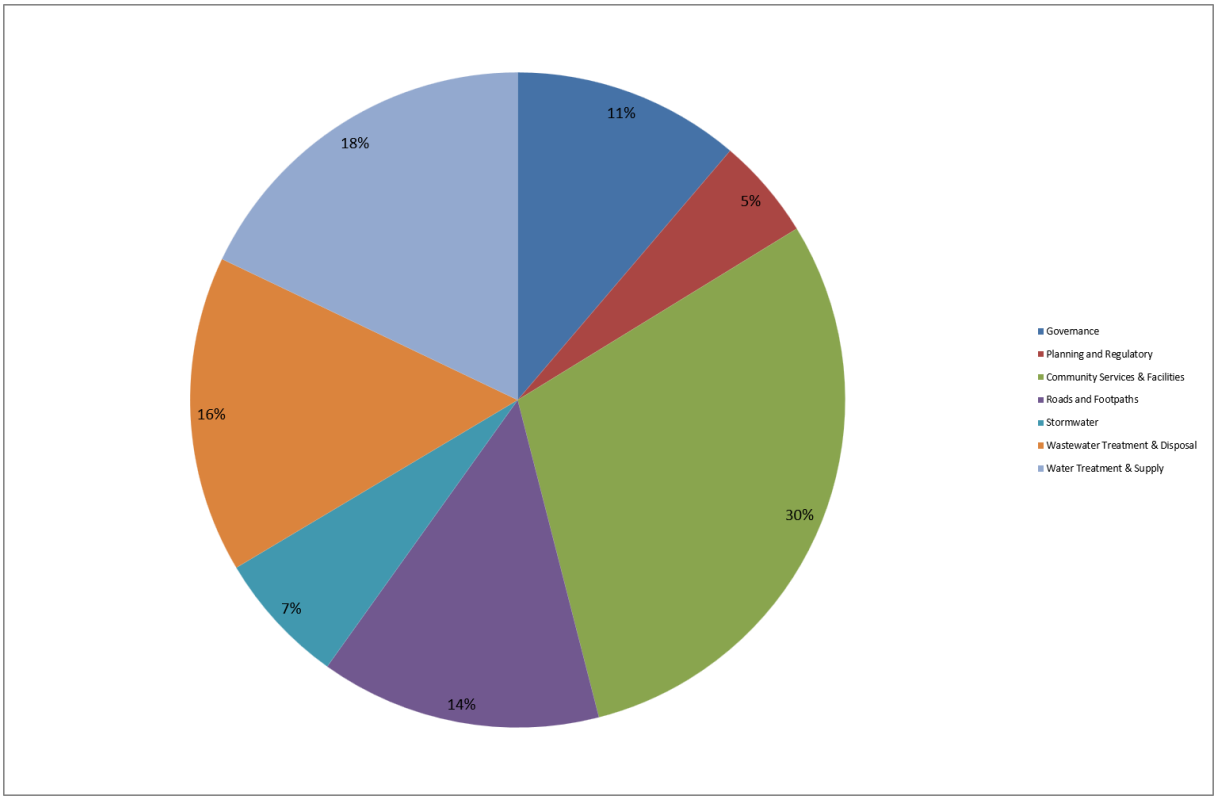
The Government's announcement and Council's support for submitting the Head Start proposal are non-adjusting events under PBE IPSAS 14 because they do not provide evidence of conditions requiring adjustment at 30 June 2026. No adjustment has therefore been made to the amounts recognised in these financial statements. As no final reorganisation decision or implementation plan exists, the financial effect cannot be reliably estimated. Because of the significant

uncertainty about the outcome and timing of any future reorganisation, the financial statements continue to be prepared on a going concern basis.

Rates Collected ($'000)



What were the rates spent on?



How we did

Our projects and work programmes are contained in eight groups of activities. This table summarises how we did, where we met expectations and where we need to improve. Our performance measures provide us with targets to meet, such as responsiveness, safety, timeliness, meeting statutory requirements and compliance.

Non-Financial Summary

Group of Activity	Achieved	Not Achieved	Unable to Assess	Within 5%	Total
Governance	6	0	0	0	6
Planning and Regulatory	7	3	0	2	12
Community Facilities	28	6	0	4	38
Roads and Footpaths	6	4	0	1	11
Stormwater	8	0	0	0	8
Wastewater	8	0	0	0	8
Water Supply	28	2	0	0	30
Support Services	4	0	0	0	4
Total	**95**	**15**	**0**	**7**	**117**

Community feedback

Each year we check in with our community to see how satisfied residents and ratepayers are with their council's performance.

Key results

The 2025/26 Annual Residents' Perception Survey shows a positive overall trend for Waipā, with community perceptions continuing to improve despite a challenging operating environment. Of the 68 performance attributes measured, 42 recorded higher satisfaction scores compared with the previous The 2025/26 Annual Residents' Perception Survey shows a positive overall trend for Waipā, with community perceptions continuing to improve despite a challenging operating environment. Of the 68 performance attributes measured, 42 recorded higher satisfaction scores compared with the previous

One of the strongest improvements was in public facilities and open spaces, with satisfaction increasing from 35 percent to 44 percent. The measure for Council being transparent and communicating openly rose six percent from 15 percent to 21 percent. Regulatory services also improved from 21 percent to 26 percent.

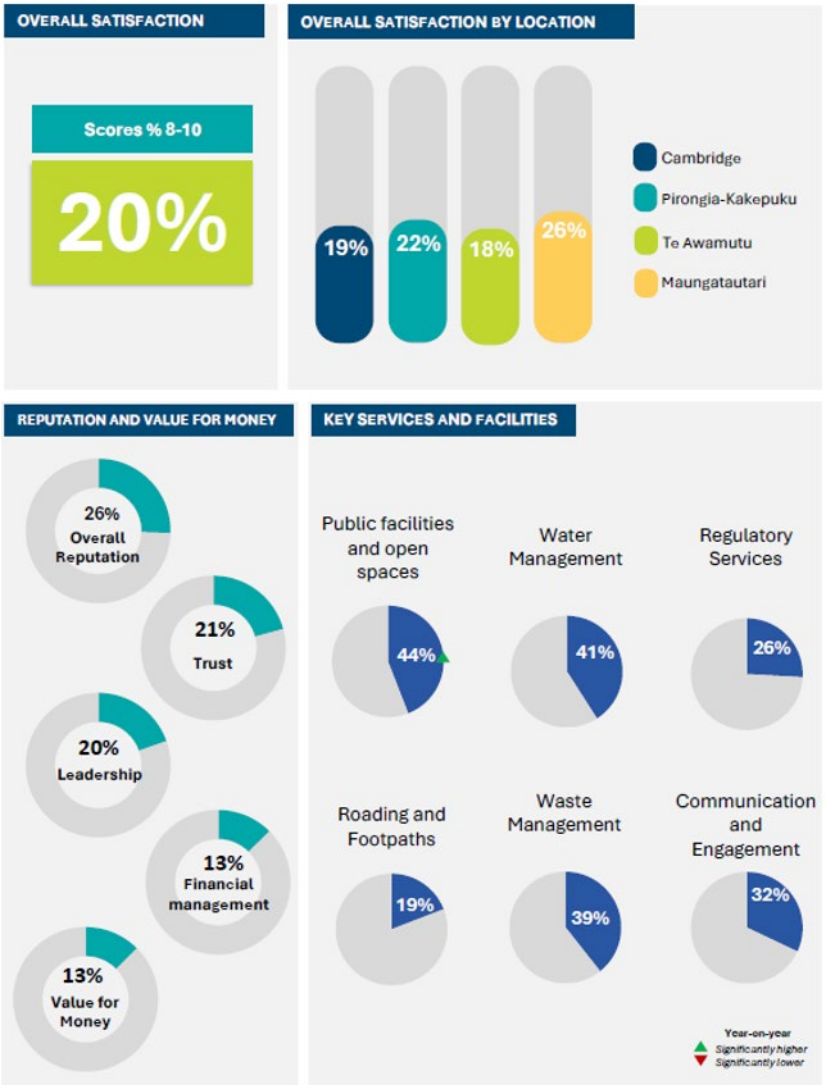
Council's reputation benchmark remained stable at +57, within the 'acceptable' range. More than a quarter of respondents who commented on Council's performance raised concerns about spending, wanting a stronger focus on core services or dissatisfaction with Council decisions.

The survey also identified opportunities to improve road maintenance, cycleway safety, litter control, water management and the Te Awamutu Museum. Satisfaction with water management reduced slightly from 43 percent to 41 percent, while roads and footpaths declined marginally from 20 percent to 19 percent.

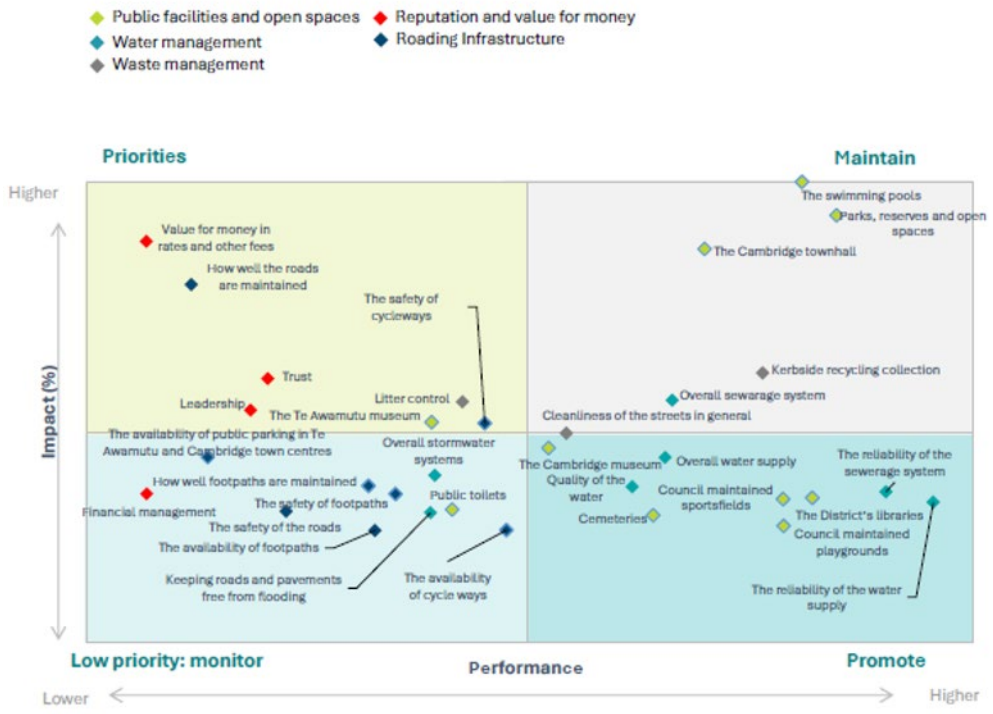
Overall, the results indicate that Waipā is continuing to strengthen community perceptions in line with national trends. While external factors continue to influence public sentiment, the annual results demonstrate that resident confidence in many aspects of Council's performance is improving.

The results from the Residents' Perception Survey help shape our priorities, our risk management practices and Council's ongoing communication and engagement with the community. We continue to work both internally and externally to improve our delivery of services and the vision for Waipā. For full results see Council's website annual-residents-survey

Summary of Key Performance



The figure below outlines those areas on which Council should focus on and/or promote:



12-month snapshot

July 2025

Leamington Domain's new playground launched

The new Leamington Domain playground was officially handed back to the community. The design was developed in partnership with Ngāti Koroki Kahukura and Ngāti Hauā, inspired by Leamington's rich cultural and horticultural heritage.

August 2025

New Community Reference Group for Cambridge Connections launched

Expressions of interest were opened for people to join the new Community Reference Group as part of the Cambridge Connections – Moving Forward Together programme, planning how Cambridge moves for the next 30 years.

September 2025

Milestone month as Council approved water transition plan

Council approved its plan to transfer water and wastewater services to the new regional water services entity Waikato Waters Ltd. The approved transition plan set out how the transfer of staff, assets, contracts and essential information would operate.

October 2025

Home again: Te Awamutu Museum reopened with history, science and fun

Our Te Awamutu Museum on Roche Street was reopened following earthquake strengthening work. The much-loved community facility reopened with a fresh look, new features, and more treasures to explore.

2025 Local Elections

Mike Pettit was elected as Mayor and Jo Davis-Colley was appointed as Deputy Mayor. The referendum whether to retain the Maori Ward was not supported by 57.2 percent of voters.

November 2025

Karāpiro Lake Domain future planning got underway

Waipā residents were asked to help shape the future of one of the district's most popular destinations, Karāpiro Lake Domain. This was about setting a long-term direction for how the reserve will be used, managed and protected.

December 2025

Young Māori leaders: step up and shine with Tuia programme

The Tuia programme opened for applications from rangatahi Māori with leadership potential and a commitment to their communities. Young people who lived in our district and were aged between 18-25 were encouraged to take part.

January 2026

New granny flat rules came into force

New national rules were introduced, making it easier for Waipā homeowners to build small, stand-alone granny flats. Waipā District Council helped residents navigate the building requirements and understand what the new rules meant for their property.

February 2026

A state of emergency was declared for Waipā District

Severe weather caused significant damage to roads, housing, water infrastructure and several popular walking tracks, which were closed while repair work took place to protect public safety. A Mayoral Disaster Relief Fund was opened to assist those affected.

The damage to Te Tahi Water treatment plant, as a result of the severe weather event in February 2026, resulted in constraints to water capacity which impacted development in Te Awamutu, Kihikihi and Pirongia. Water was not available for growth and the management of development in the resource consenting processes changed to account for this.

Approximately 24 new lots were approved with on-site water tanks as an interim solution until public reticulated water is available. Another 15 lots were approved but are unable to develop until water capacity is restored.

March 2026

First wastewater flowed through new treatment plant

Wastewater began flowing through the new Cambridge Wastewater Treatment Plant. The $108.5 million project is Waipā District Council's largest-ever infrastructure project and was built to serve the growing communities of Cambridge, Leamington, Hautapu and Karāpiro.

April 2026

Autumn leaf collection helped keep streets tidy and safe

Waipā District Council's annual leaf collection got underway. Crews worked through designated streets in Te Awamutu, Cambridge and Kihikihi to help keep roads and footpaths tidy and safe for the community.

May 2026

Hautapu infrastructure upgrade programme

A major programme of transport and water infrastructure was confirmed for Hautapu near Cambridge, bringing together six key projects into one coordinated build. It's been designed to support rapid industrial growth in the area.

Cambridge to Piarere Expressway Funding

The Government confirmed funding for the Cambridge to Piarere Expressway. While the project is being led by NZTA, it represents a significant investment in the district's future transport infrastructure and regional connectivity.

June 2026

Community-led planting at Lake Rotopiko

More than 18,000 native plants were planted across two key Waipā restoration sites, Lake Rotopiko and Sainsbury Road Reserve, as community-led restoration efforts gathered pace. In June 2026, 8,000 natives went into the ground as part of the three-year programme.

To the readers of Waipā 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 Waipā District Council (the Council) for the year ended 30 June 2026.
The summary of the annual report comprises the following information on pages 6 to 17 and page 20:

- the summary statement of financial position of the Council and Group 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 of the Council and Group for the year ended 30 June 2026;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the non-financial summary.

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 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 28 October 2026.
Our auditor's report on the full annual report includes two emphasis of matter paragraphs drawing attention to the following disclosures:

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 26 in the full annual report, the council is part of an amalgamation proposal under the Head Start pathway

which may, if approved, 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.

Future changes in water service delivery

Note 26 of the financial statements in the full annual report outlines how future changes in the delivery of water services will affect the Council.
Information about these matters are also disclosed on pages 15 and 16 of the summary 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 our audit and our report on the disclosure requirements, we have carried out engagements in the areas of a limited assurance engagement related to the District Council's debenture trust deed and the audit of the long-term plan, which are compatible with those independence requirements. Other than the audit and our report on the disclosure requirements, we have no relationship with, or interests in, the Council or the Group.



René van Zyl,
The Audit Office
On behalf of the Auditor-General
Auckland, New Zealand
28 October 2026

Waipā
DISTRICT COUNCIL

Head office 07 872 0030 | 101 Bank Street, Private Bag 2402, Te Awamutu 3840
Cambridge office 07 823 3800 | 23 Wilson Street, Cambridge

0800 WAIPADC (924 723) | waipadc.govt.nz

info@waipadc.govt.nz /Waipa_NZ /WaipaDistrictCouncil